

SCHEME DOCUMENT

DATED 10 JULY 2019



Comprising:

OUE HOSPITALITY REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 10 July 2013 under the laws of the Republic of Singapore)

managed by

OUE Hospitality REIT Management Pte. Ltd.
(Company Registration No. 201310245G)

OUE HOSPITALITY BUSINESS TRUST

(a business trust constituted on 10 July 2013 under the laws of the Republic of Singapore)

managed by

OUE Hospitality Trust Management Pte. Ltd.
(Company Registration No. 201310246W)

**THIS SCHEME DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
PLEASE READ IT CAREFULLY**

EXTRAORDINARY GENERAL MEETING

TRUST DEEDS AMENDMENTS RESOLUTION
THE PROPOSED TRUST DEEDS AMENDMENTS
TO THE H-TRUST TRUST DEEDS

TRUST SCHEME MEETING

TRUST SCHEME RESOLUTION
THE PROPOSED MERGER OF
C-REIT AND H-TRUST BY WAY OF A
TRUST SCHEME OF ARRANGEMENT

IMPORTANT DATES AND TIMES

EXTRAORDINARY GENERAL MEETING FOR THE TRUST DEEDS AMENDMENTS RESOLUTION

Last date and time for lodgement of Proxy Form (EGM) 12 August 2019 at 3.00 p.m.

Date and time of EGM 14 August 2019 at 3.00 p.m.

TRUST SCHEME MEETING FOR THE TRUST SCHEME RESOLUTION

Last date and time for lodgement of Proxy Form (Trust Scheme Meeting) 12 August 2019 at 4.00 p.m.

Date and time of Trust Scheme Meeting 14 August 2019 at 4.00 p.m. or as soon thereafter following the conclusion of the EGM to be held

VENUE OF EGM AND TRUST SCHEME MEETING

Mandarin Orchard Singapore
Mandarin Ballroom I, II and III
6th Floor, Main Tower, 333 Orchard Road
Singapore 238867

SCHEME CONSIDERATION



\$S\$0.04075 IN CASH
per Stapled Security; and



1.3583 NEW C-REIT UNITS
per Stapled Security

YOUR VOTE COUNTS

Please vote in person or by proxy

**Bank of America
Merrill Lynch** 

Lead Merger Coordinator and
Sole Financial Adviser to the
H-Trust Managers



Independent Financial Adviser to
the H-Trust Independent Directors
and to the H-REIT Trustee



All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Scheme Document.

IMPORTANT NOTICE

IF YOU ARE IN ANY DOUBT ABOUT THIS SCHEME DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all or any of your Stapled Securities in OUE Hospitality Trust, you should immediately hand this Scheme Document and the accompanying Proxy Forms to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Scheme Document.

OVERVIEW OF THE MERGER

- ▶ On 8 April 2019, the respective managers of C-REIT and H-Trust jointly announced the Merger by way of a trust scheme of arrangement
- ▶ The Scheme Consideration⁽¹⁾ shall be satisfied by:

- **Cash Consideration: S\$0.04075** in cash per Stapled Security; and

- **Consideration Units: 1.3583** new C-REIT Units per Stapled Security⁽²⁾

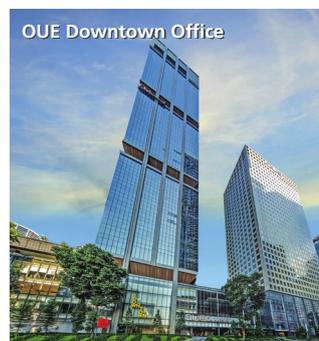
By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, a Stapled Securityholder will receive S\$40.75 in cash and 1,358 Consideration Units⁽³⁾ for every 1,000 Stapled Securities held by it as at the Books Closure Date

Notes:

- (1) On an ex-distribution basis.
- (2) Held by the Stapled Securityholders as at the Books Closure Date.
- (3) Fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units.

ABOUT OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

▶ C-REIT ASSETS



▶ KEY FIGURES (AS AT 31 MARCH 2019)

No. of Properties



4 Properties
across Singapore
and China

Total Assets



s\$4.6
billion

Net Lettable Area



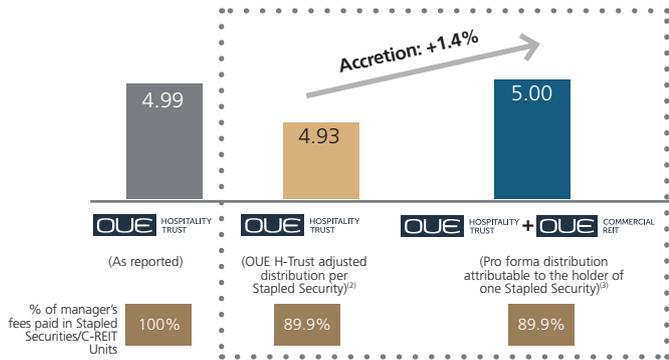
2.1 million
sq ft

1 | VALUE ACCRETIVE TO STAPLED SECURITYHOLDERS

- 1.4% accretion in distribution attributable to the holder of one Stapled Security
- 18.7% accretion in NAV attributable to the holder of one Stapled Security

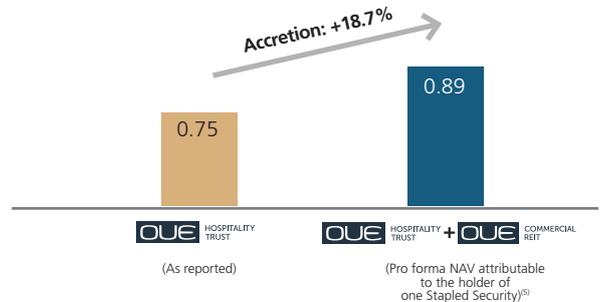
Pro Forma FY2018 Distribution Attributable to the Holder of One Stapled Security⁽¹⁾

(Singapore Cents)



Pro Forma NAV Attributable to the Holder of One Stapled Security⁽⁴⁾

(S\$)



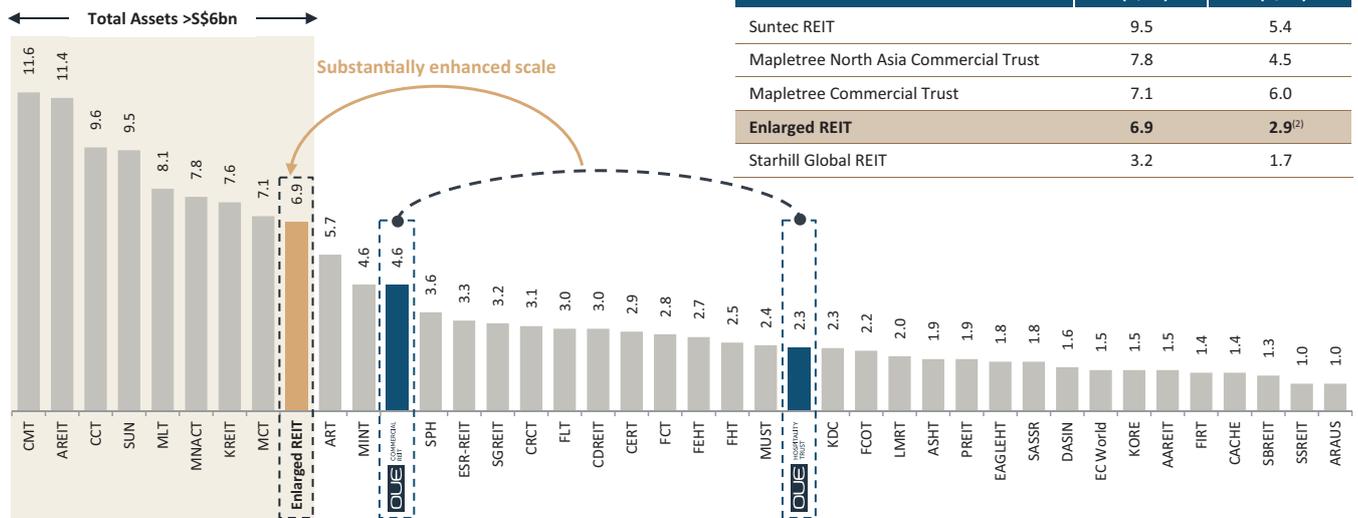
Notes:

- (1) Assumes the Merger had been completed on 1 January 2018.
- (2) After aligning the proportion of the H-REIT Manager's fees paid in Stapled Securities to be on a like-for-like basis as compared to the Enlarged REIT.
- (3) Based on the Enlarged REIT's FY2018 pro forma DPU multiplied by the exchange ratio of 1.3583 and assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.
- (4) Assumes the Merger had been completed on 31 December 2018.
- (5) Based on the Enlarged REIT's FY2018 pro forma NAV multiplied by the exchange ratio of 1.3583 and assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.

2 | CREATION OF ONE OF THE LARGEST DIVERSIFIED SINGAPORE-LISTED REITS

- Post the Merger, the Enlarged REIT will become one of the largest diversified S-REITs, with a combined asset size of approximately S\$6.9 billion⁽¹⁾
- Better access to competitive sources of capital
- Greater funding flexibility

Total Assets (S\$bn)



Source: Total assets based on company filings, and market capitalisation based on Bloomberg L.P. as at the Latest Practicable Date.

Notes:

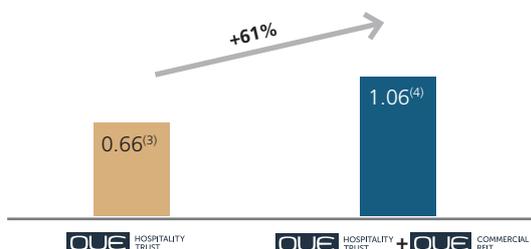
Chart above only includes S-REITs and real estate business trusts with a primary listing on the SGX-ST as at the Latest Practicable Date with total assets of at least S\$1.0 billion as at 31 March 2019 (except ARA US Hospitality Trust and Eagle Hospitality Trust for which total assets were determined as at 31 December 2018 and 24 May 2019 respectively as disclosed in their respective prospectuses).

- (1) As at 31 March 2019.
- (2) Illustrative market capitalisation of the Enlarged REIT calculated as the sum of (i) the market capitalisation of C-REIT of S\$1.4 billion as at the Latest Practicable Date, (ii) the portion of the Scheme Consideration to be satisfied in C-REIT Units, and (iii) the value of the acquisition fee to be issued in C-REIT Units, as described in the C-REIT Circular.

RATIONALE FOR THE MERGER (CONT'D)

- Significant increase in free float by approximately 61% to approximately S\$1.06 billion⁽¹⁾, which will potentially result in higher trading liquidity and potential index inclusion
- Potential positive re-rating of Enlarged REIT and a wider investor base

Free Float⁽²⁾ (S\$bn)



Source: Company filings, Bloomberg L.P. as at the Latest Practicable Date.

▶ Higher Liquidity and Free Float

▶ Larger Investor Base

▶ Potential Index Inclusion

Potential Positive Re-Rating of Enlarged REIT's Unit Price which will Benefit All Unitholders

Notes:

- (1) Excludes the stakes held by the OUE Group, the H-Trust Managers, the C-REIT Manager, directors and chief executive officers of the H-Trust Managers and the C-REIT Manager and their respective associates, substantial Stapled Securityholders and substantial C-REIT Unitholders. Based on the Enlarged REIT's pro forma free float of approximately 37.0% multiplied by illustrative market capitalisation of the Enlarged REIT. Illustrative market capitalisation of the Enlarged REIT calculated as the sum of (i) the market capitalisation of C-REIT of S\$1.4 billion as at the Latest Practicable Date, (ii) the portion of the Scheme Consideration to be satisfied in C-REIT Units, and (iii) the value of the acquisition fee to be issued in C-REIT Units, as described in the C-REIT Circular.
- (2) Excludes the stakes held by the OUE Group, the H-Trust Managers, the C-REIT Manager, directors and chief executive officers of the H-Trust Managers and the C-REIT Manager and their respective associates, substantial Stapled Securityholders and substantial C-REIT Unitholders.
- (3) Based on H-Trust's free float of approximately 51.2%, representing approximately 937.9 million Stapled Securities and the closing price of S\$0.705 per Stapled Security as at the Latest Practicable Date.
- (4) Based on the Enlarged REIT's pro forma free float of approximately 37.0% multiplied by the illustrative market capitalisation of the Enlarged REIT. Illustrative market capitalisation of the Enlarged REIT calculated as the sum of (i) the market capitalisation of C-REIT of S\$1.4 billion as at the Latest Practicable Date, (ii) the portion of the Scheme Consideration to be satisfied in C-REIT Units, and (iii) the value of the acquisition fee to be issued in C-REIT Units, as described in the C-REIT Circular.

3 ENHANCED SCALE, DIVERSIFICATION AND RESILIENCE

- The Enlarged REIT will have a diversified portfolio with seven properties, representing a total asset value of approximately S\$6.9 billion⁽²⁾



7 Properties

3 Asset classes

Total assets

S\$6.9 billion⁽¹⁾

Gross revenue

S\$306 million⁽²⁾

Net property income

S\$251 million⁽²⁾

1.9 million⁽³⁾ sq ft Prime office space

1,640 Rooms Portfolio of upscale hotels

Prime retail space along Orchard Road and core CBD⁽⁴⁾

306,000⁽³⁾ sq ft

Notes:

- (1) As at 31 March 2019.
- (2) Based on reported FY2018 financials.
- (3) Based on attributable net lettable area.
- (4) CBD refers to Central Business District.

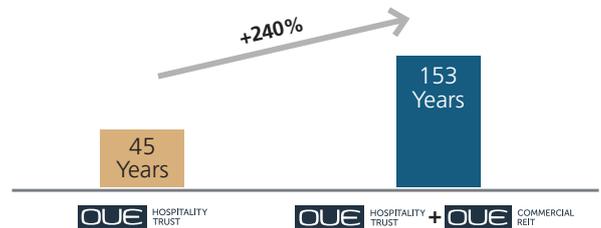
- Enhanced tenant diversification, with income contribution from actively managed leases increasing from approximately 26.1% to approximately 68.7%
- Increase in weighted average debt tenure from approximately 2.5 years to approximately 3.2 years

Increased Tenant Diversification

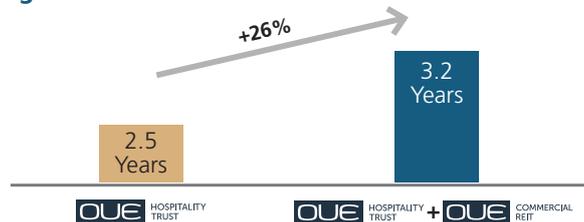
(% of Gross Revenue)



Lengthened Land Lease Expiry⁽¹⁾



Lengthened Debt Tenure



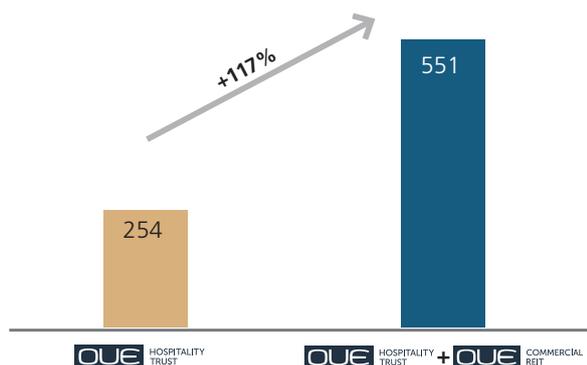
Note:

- (1) Based on gross floor area as at 31 December 2018 (calculated on a weighted average basis as at 31 December 2018, where appropriate); gross floor area for each of One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall is estimated based on the percentage split of the net lettable area for One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall as disclosed in the circular to C-REIT Unitholders dated 1 July 2015 in relation to (i) the proposed acquisition of an indirect interest in One Raffles Place and the proposed CPPU issue, and (ii) the proposed trust deed supplement for the issue of preferred units.

4 INCREASED FLEXIBILITY AND ABILITY TO DRIVE GROWTH

- Enhanced ability to pursue future scaleable growth via organic and inorganic means
- Expanded investment mandate will allow the Enlarged REIT to explore opportunities beyond a specific sector, which enhances its ability to drive long-term distribution and capital growth
- Enlarged capital base will enhance funding capacity and flexibility
 - Increased debt headroom from approximately S\$254 million (for H-Trust) to approximately S\$551 million as at 31 December 2018
 - Larger equity fundraising capacity
- Enhanced capacity to undertake asset enhancement initiatives

Debt Headroom⁽¹⁾ (S\$m)



- ▶ Expanded Investment Universe and Investment Opportunities
- ▶ Enlarged Capital Base to Undertake Larger Transactions
- ▶ Enhanced Ability to Seize Potential Investment Opportunities (Improved Flexibility and Greater Speed)
- ▶ Increased Capacity to Undertake Asset Enhancement Initiatives

Enhanced Flexibility and Ability for Enlarged REIT to Drive Long Term Growth for All Unitholders

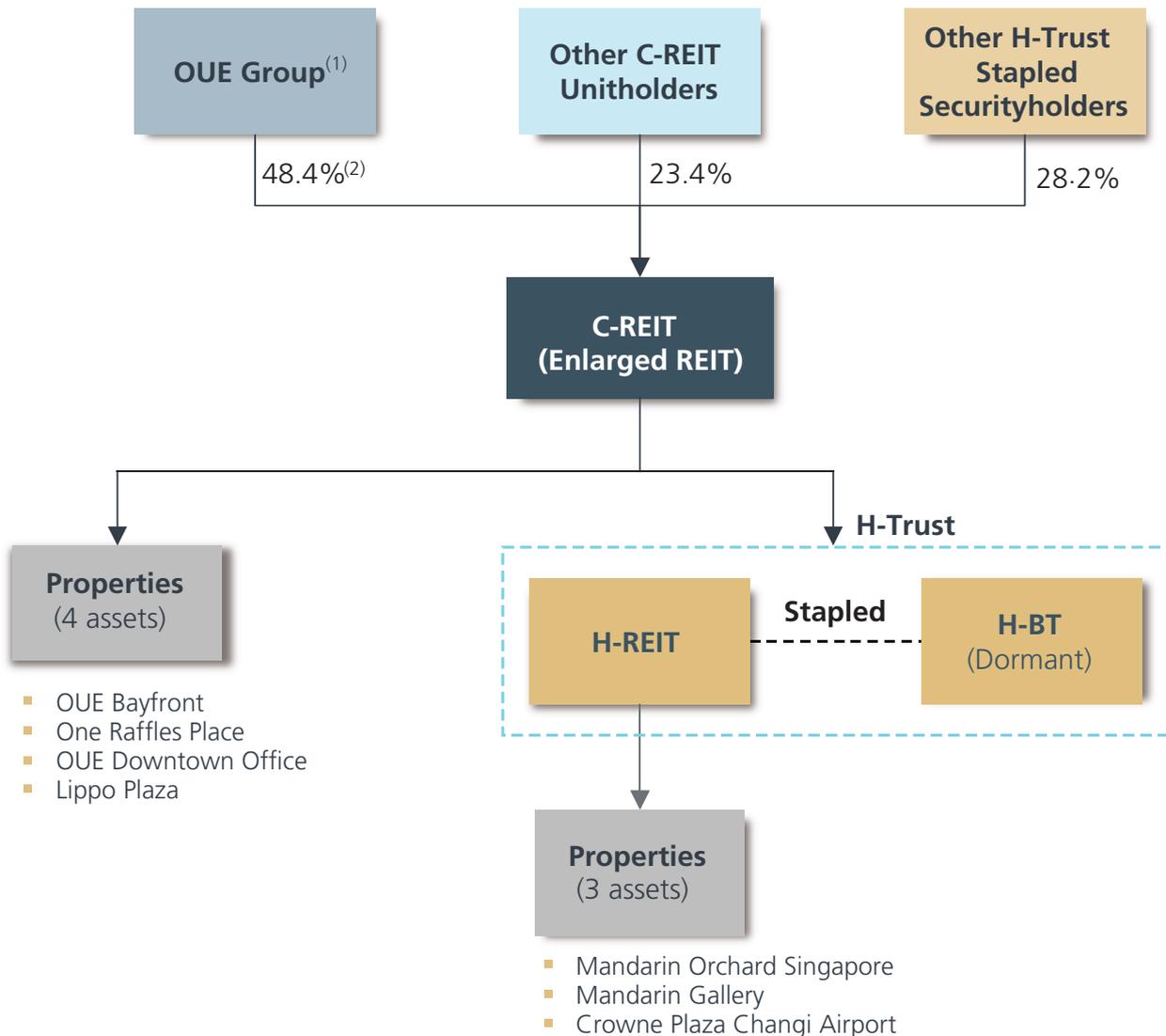
Note:

- (1) As at 31 December 2018. Based on the aggregate leverage limit of 45% under the Property Funds Appendix.

OVERVIEW OF THE ENLARGED REIT

H-Trust will become a wholly-owned sub-trust of C-REIT which will have a broadened investment mandate

STRUCTURE OF THE ENLARGED REIT



REIT MANAGER

- It is intended that the H-REIT Manager will be replaced by the C-REIT Manager as soon as practicable upon the completion of the Merger such that the C-REIT Manager will continue to be the manager of the Enlarged REIT portfolio encompassing H-REIT

Notes:

- Refers to OUE Limited and its related corporations.
- Illustrative pro forma unitholding structure (inclusive of the unitholding interests held by OUE, OUE Realty Pte. Ltd. and Golden Concord Asia Limited) based on the latest available information as at the Latest Practicable Date. Based on the existing C-REIT Units and Stapled Securities in issue as at the Latest Practicable Date and the Scheme Consideration of S\$0.04075 in cash per Stapled Security and 1.3583 Consideration Units to be allotted and issued per Stapled Security (as set out in Paragraph 2.4(b) of the Letter to Stapled Securityholders). Under the C-REIT Trust Deed, the C-REIT Manager is entitled to receive an acquisition fee of 0.75% of the underlying value of the assets of H-Trust payable in the form of new C-REIT Units to the C-REIT Manager. The C-REIT Manager has voluntarily waived half of its acquisition fee entitlement.

BROADENED INVESTMENT MANDATE



KEY BENEFITS OF THE PROPOSED MERGER

Value Accretive to Stapled Securityholders	Creation of One of the Largest Diversified S-REITs	Enhanced Scale, Diversification and Resilience	Increased Flexibility and Ability to Drive Growth
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Enlarged REIT

	HOSPITALITY TRUST	COMMERCIAL REIT	HOSPITALITY TRUST + COMMERCIAL REIT
Total Assets⁽²⁾	S\$2,280m	S\$4,581m	S\$6,861m
Portfolio Breakdown⁽³⁾	<p>Hospitality 78% Commercial (Retail) 22%</p>	<p>Commercial (Office & Retail) 100%⁽⁴⁾</p>	<p>Hospitality 26% Commercial (Office & Retail) 74%⁽⁴⁾</p>
No. of Properties	3	4	7
Land Lease Expiry⁽⁵⁾ (by gross floor area)	45 Years	208 Years	153 Years
Gearing	38.8% ⁽³⁾	39.3% ⁽³⁾	40.3%
Debt Headroom⁽³⁾⁽⁶⁾	S\$254m	S\$446m	S\$551m
Weighted Average Debt Tenor	2.5 Years	3.5 Years	3.2 Years

Notes:

- (1) Integrated developments including a combination of office, retail and/or hospitality asset classes.
- (2) As at 31 March 2019.
- (3) As at 31 December 2018.
- (4) Includes office and retail assets.
- (5) Based on gross floor area as at 31 December 2018 (calculated on a weighted average basis as at 31 December 2018, where appropriate); gross floor area for each of One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall is estimated based on the percentage split of the net lettable area for One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall as disclosed in the circular to C-REIT Unitholders dated 1 July 2015 in relation to (i) the proposed acquisition of an indirect interest in One Raffles Place and the proposed CPPU issue, and (ii) the proposed trust deed supplement for the issue of preferred units.
- (6) Based on the aggregate leverage limit of 45% under the Property Funds Appendix.

An extract of the opinion of the independent financial adviser to the H-Trust Independent Directors and the H-REIT Trustee in the H-Trust IFA Letter is set out below:

▶ **H-TRUST IFA OPINION ON THE TRUST SCHEME**

“Based upon, and having considered, *inter alia*, the factors described above and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as at the Latest Practicable Date, based on the Scheme Consideration (LUTD) and the Consideration Unit Price (LUTD), the Stapled Securities and Consideration Units are both fairly valued and the financial terms of the Trust Scheme are fair and reasonable. Accordingly, we advise that the H-Trust Independent Directors may recommend that the independent Stapled Securityholders **VOTE IN FAVOUR OF THE TRUST SCHEME.**”

IT IS IMPORTANT THAT YOU READ THIS EXTRACT TOGETHER WITH AND IN THE CONTEXT OF THE H-TRUST IFA LETTER WHICH CAN BE FOUND IN APPENDIX A TO THIS SCHEME DOCUMENT. YOU ARE ADVISED AGAINST RELYING SOLELY ON THIS EXTRACT, WHICH IS ONLY MEANT TO DRAW ATTENTION TO THE CONCLUSION AND OPINION OF THE H-TRUST IFA.

An extract of the recommendation by the directors of the H-Trust Managers is set out below:

▶ **RECOMMENDATION BY THE DIRECTORS OF THE H-TRUST MANAGERS ON THE TRUST DEEDS AMENDMENTS**

“Having regard to the above and the rationale for the Trust Deeds Amendments as set out in Paragraph 3 of this Letter to Stapled Securityholders, the directors of the H-Trust Managers are of the opinion that the Trust Deeds Amendments Resolution would be beneficial to, and be in the interests of H-Trust.

Accordingly, the directors of the H-Trust Managers recommend that the Stapled Securityholders **VOTE IN FAVOUR** of the Trust Deeds Amendments Resolution at the Extraordinary General Meeting.”

IT IS IMPORTANT THAT YOU READ THIS EXTRACT TOGETHER WITH AND IN THE CONTEXT OF THE LETTER TO STAPLED SECURITYHOLDERS, WHICH CAN BE FOUND IN PAGES 17 TO 61 OF THIS SCHEME DOCUMENT. YOU ARE ADVISED AGAINST RELYING SOLELY ON THIS EXTRACT, WHICH IS ONLY MEANT TO DRAW ATTENTION TO THE RECOMMENDATION BY THE DIRECTORS OF THE H-TRUST MANAGERS.

RECOMMENDATION OF THE H-TRUST INDEPENDENT DIRECTORS

An extract of the recommendation by the H-Trust Independent Directors is set out below:

▶ **RECOMMENDATION BY THE H-TRUST INDEPENDENT DIRECTORS ON THE TRUST SCHEME**

“The H-Trust Independent Directors, having considered carefully the terms of the Trust Scheme and the advice given by the H-Trust IFA in the H-Trust IFA Letter as set out in Appendix A to this Scheme Document, recommend that the Stapled Securityholders **VOTE IN FAVOUR** of the Trust Scheme Resolution at the Trust Scheme Meeting.”

IT IS IMPORTANT THAT YOU READ THIS EXTRACT TOGETHER WITH AND IN THE CONTEXT OF THE LETTER TO STAPLED SECURITYHOLDERS, WHICH CAN BE FOUND IN PAGES 17 TO 61 OF THIS SCHEME DOCUMENT. YOU ARE ADVISED AGAINST RELYING SOLELY ON THIS EXTRACT, WHICH IS ONLY MEANT TO DRAW ATTENTION TO THE RECOMMENDATION BY THE H-TRUST INDEPENDENT DIRECTORS.

WHAT IS REQUIRED FOR THE PROPOSED MERGER TO BE APPROVED?

/08

1 | EGM

H-Trust will first seek the approval of the Stapled Securityholders for the Trust Deeds Amendments Resolution at an EGM to be convened as follows:

Details of the EGM

14 August 2019
3.00 p.m.
Mandarin Orchard Singapore
Mandarin Ballroom I, II and III
6th Floor, Main Tower, 333 Orchard Road
Singapore 238867

The Trust Deeds Amendments Resolution	Approval Threshold
The Proposed Trust Deeds Amendments to the H-Trust Trust Deeds ⁽¹⁾	75% or more of the total number of votes cast for and against such resolution

2 | TRUST SCHEME MEETING

After the resolution at the EGM has been tabled and put to a vote and subject to the passing of the Trust Deeds Amendments Resolution, H-Trust will seek the approval of the Stapled Securityholders for the Trust Scheme Resolution at the Trust Scheme Meeting to be convened after the EGM as follows:

Details of the Trust Scheme Meeting

14 August 2019
4.00 p.m. (or as soon thereafter following the conclusion of the EGM to be held)
Mandarin Orchard Singapore
Mandarin Ballroom I, II and III
6th Floor, Main Tower, 333 Orchard Road
Singapore 238867

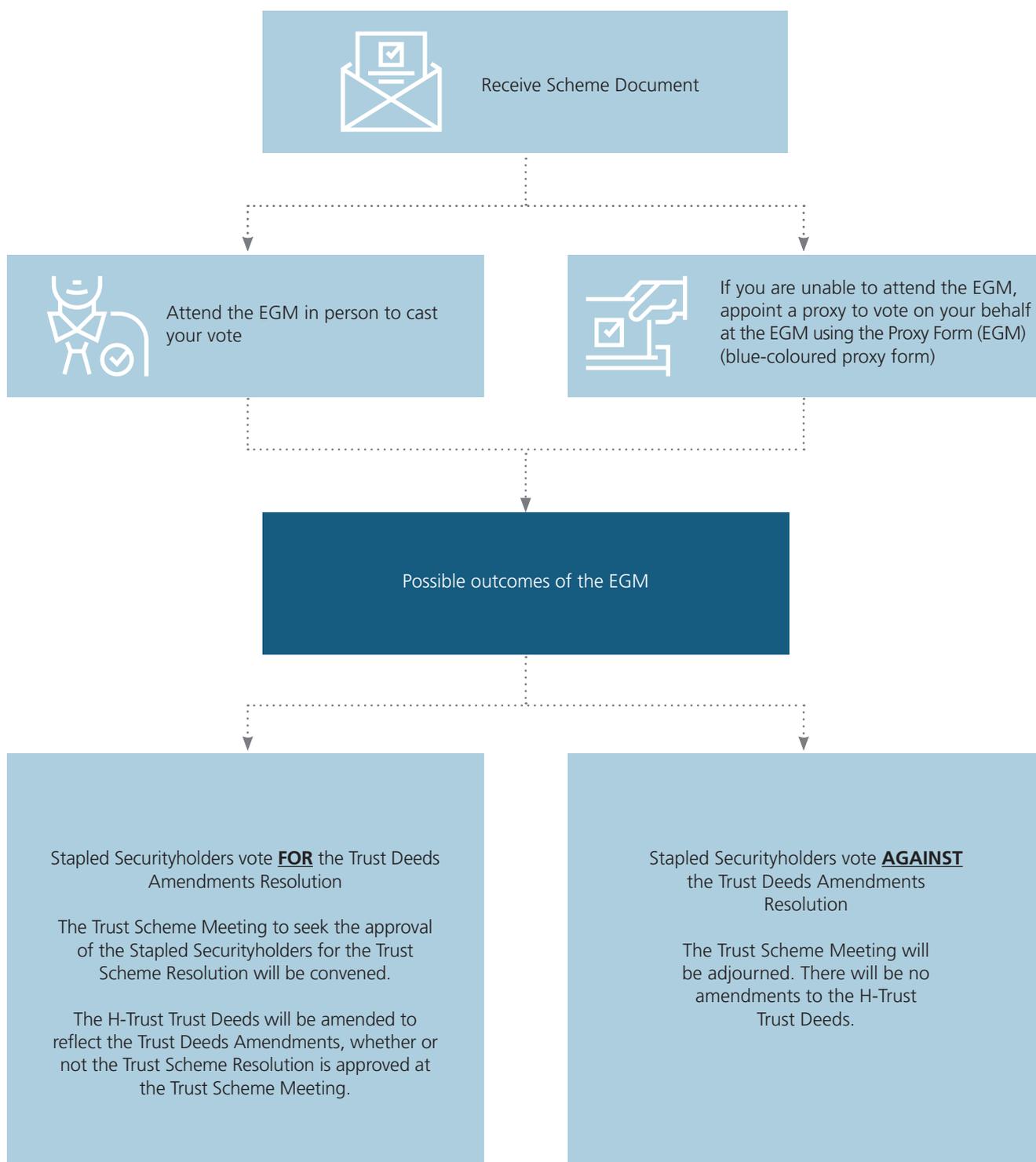
The Trust Scheme Resolution	Approval Threshold
The Proposed Merger of OUE Commercial Real Estate Investment Trust and OUE Hospitality Trust by way of a trust scheme of arrangement ⁽¹⁾	<ul style="list-style-type: none">• More than 50% of the number of Stapled Securityholders present and voting either in person or by proxy; and• At least 75% in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Trust Scheme Meeting

Note:

(1) Please refer to Appendix D to this Scheme Document.

The EGM and the Trust Scheme Meeting are two different meetings of the Stapled Securityholders to be held on the same day. Each meeting has a separate proxy form, with different instructions and different approval thresholds. If you wish to appoint a proxy for both the EGM and the Trust Scheme Meeting, you are required to **submit both proxy forms**.

It is important that you read the instructions for the two meetings carefully.



WHAT IF I AM UNABLE TO ATTEND THE EGM?

If you are unable to attend the EGM in person, you may appoint someone you know, or the Chairman of the EGM, to vote on your behalf by completing the Proxy Form (EGM).

1 | LOCATE THE PROXY FORM (EGM) (BLUE-COLOURED PROXY FORM)

The Proxy Form (EGM) is enclosed in this Scheme Document, and can also be obtained from:

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Operating hours: Monday to Friday, 8.30 a.m. to 5.30 p.m.

2 | COMPLETE THE PROXY FORM (EGM)

PROXY FORM FOR EXTRAORDINARY GENERAL MEETING

IMPORTANT

1. A detailed explanatory may appear more than two proxies to attend, speak and vote at the Extraordinary General Meeting. Please see Note 3 for the details of relevant information.

2. For CDP Register and Stated Securityholders who hold Stapled Securities in OUE Hospitality Trust, the Scheme Document is forwarded to them at the request of their CDP Agent/Business and is sent solely FOR INFORMATION ONLY.

3. The Proxy Form (EGM) will only be valid for use and shall be ineffective for all other purposes if and/or approved to be used by them. CDP Register and Stated Securityholders should contact their respective CDP Agent/Business/Agent Banks if they have any queries regarding their appointment as proxy.

PERSONAL DATA PRIVACY

By returning an instrument appointing a proxy(ies) and/or representation(s), the Stapled Securityholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 15 July 2019.

OUE HOSPITALITY TRUST

Comprising:

OUE HOSPITALITY REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 10 July 2013 under the laws of the Republic of Singapore)
managed by
OUE Hospitality REIT Management Pte. Ltd.

OUE HOSPITALITY BUSINESS TRUST
(a business trust constituted on 10 July 2013 under the laws of the Republic of Singapore)
managed by
OUE Hospitality Trust Management Pte. Ltd.

PROXY FORM

EXTRAORDINARY GENERAL MEETING OF OUE HOSPITALITY TRUST

We _____ (Name(s) with NRIC No./Passport No./Company Registration No.) _____ of _____ (Address) being a Stapled Securityholder/Stapled Securityholders of OUE Hospitality Trust, hereby appoint:

Name	Address	NRIC No./Passport No.	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

and/or (delete as appropriate)

Name	Address	NRIC No./Passport No.	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

or, failing whom, the Chairman of the Extraordinary General Meeting ("EGM") as my/our proxy(ies) to attend and vote for/and on my/our behalf at the EGM to be held at Mandarin Orchard Singapore, Mandarin Ballrooms 1, B and B, 8th Floor, Main Tower, 333 Orchard Road, Singapore 238867, on Wednesday, 14 August 2019 at 3.00 p.m. and at any adjournment thereof.

I/we direct my/our proxy(ies) to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

Extraordinary Resolution	No. of Votes For*	No. of Votes Against*
1. To approve the Trust Deeds Amendments		

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____, 2019

Total number of Stapled Securities held in:	Number of Stapled Securities held
(a) CDP Register	
(b) Register of Stapled Securityholders	

Signature(s) of Stapled Securityholder(s)
Common Seal of Corporate Stapled Securityholder

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM (EGM) ON THE NEXT PAGE

A. Fill in your name and particulars.

B. You may fill in the details of the appointee or leave this section blank. The Chairman of the EGM will be the appointee if this section is left blank.

Name	Address	NRIC No./Passport No.	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

C. If you wish to exercise all your votes FOR or AGAINST, tick within the box provided. Alternatively, indicate the number of votes as appropriate.

Extraordinary Resolution	No. of Votes For*	No. of Votes Against*
1. To approve the Trust Deeds Amendments		

D. If you are an individual, you or your attorney MUST SIGN and indicate the date. If you are a corporation, the Proxy Form (EGM) must be executed under your common seal or signed by a duly authorised officer or attorney.

Dated this _____ day of _____, 2019

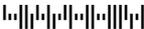
Signature(s) of Stapled Securityholder(s)/
Common Seal of Corporate Stapled Securityholder

E. Indicate the number of Stapled Securities you hold.

Total number of Stapled Securities held in:	Number of Stapled Securities held
(a) CDP Register	
(b) Register of Stapled Securityholders	

3 | RETURN THE COMPLETED PROXY FORM (EGM)

Return the completed and signed Proxy Form (EGM) in the endorsed pre-addressed envelope so that it arrives at Boardroom Corporate & Advisory Services Pte. Ltd., at its registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, by **NO LATER THAN 3.00 p.m. on 12 August 2019**. The envelope is prepared for posting in Singapore only. Please affix sufficient postage if posting from outside of Singapore.

<p>BUSINESS REPLY SERVICE PERMIT NO. 09300</p> 	<p>Postage will be paid by addressee. For posting in Singapore only.</p>
<p>OUE HOSPITALITY REIT MANAGEMENT PTE. LTD. <small>(as manager of OUE Hospitality Real Estate Investment Trust)</small></p> <p>OUE HOSPITALITY TRUST MANAGEMENT PTE. LTD. <small>(as trustee-manager of OUE Hospitality Business Trust)</small></p> <p>C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623</p>	

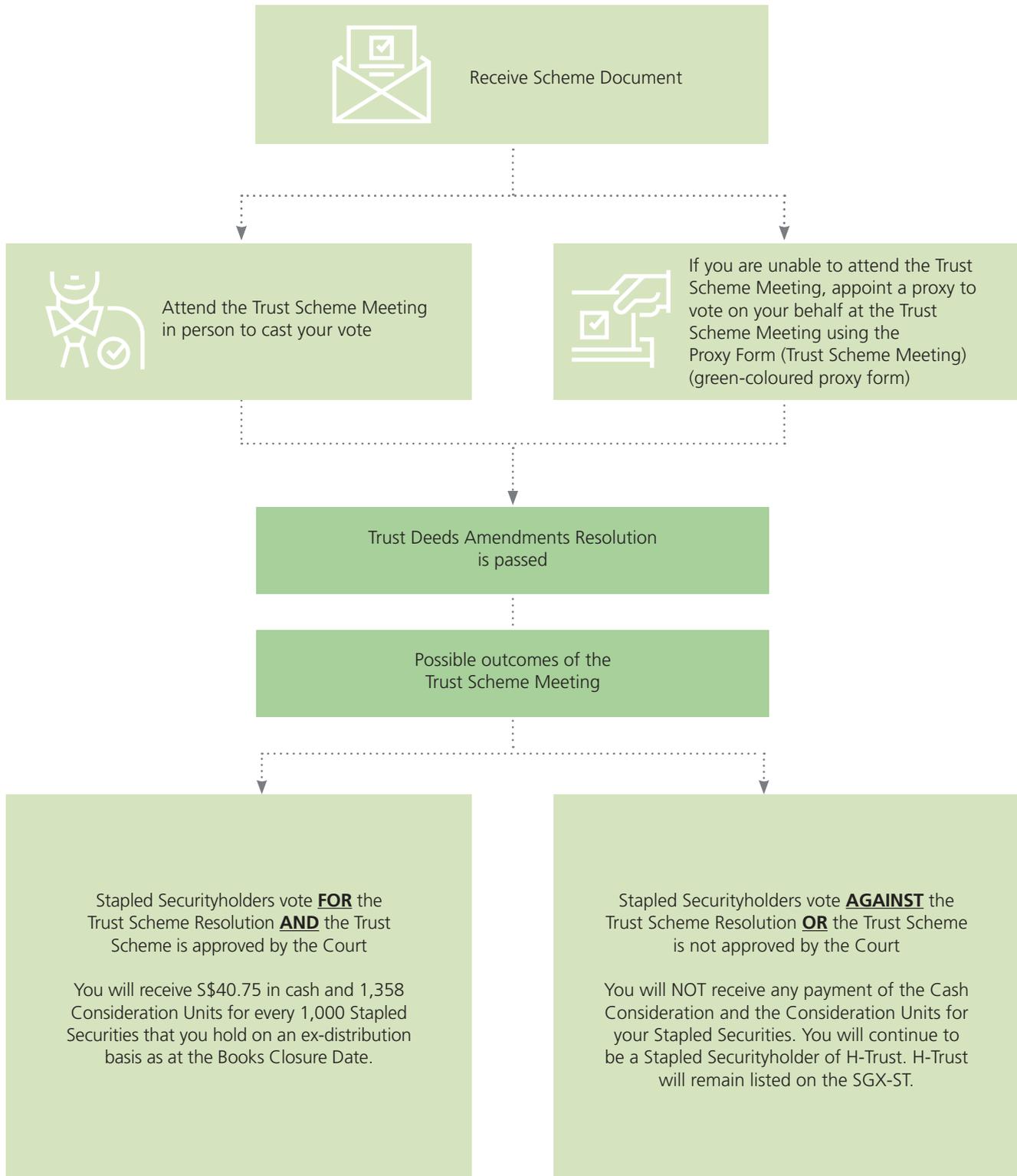
REMINDER!

The Stapled Securityholders who are unable to attend **both** the EGM and the Trust Scheme Meeting are requested to complete **both** the enclosed Proxy Form (EGM) and the Proxy Form (Trust Scheme Meeting) and lodge them with Boardroom Corporate & Advisory Services Pte. Ltd., at its registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, by **NO LATER THAN 3.00 p.m. on 12 August 2019**.

HOW DO I VOTE FOR THE TRUST SCHEME?

The EGM and the Trust Scheme Meeting are two different meetings of the Stapled Securityholders to be held on the same day. Each meeting has a separate proxy form, with different instructions and different approval thresholds. If you wish to appoint a proxy for both the EGM and the Trust Scheme Meeting, you are required to **submit both proxy forms**.

It is important that you read the instructions for the two meetings carefully.



WHAT IF I AM UNABLE TO ATTEND THE TRUST SCHEME MEETING?

If you are unable to attend the Trust Scheme Meeting in person, you may appoint someone you know, or the Chairman of the Trust Scheme Meeting, to vote on your behalf by completing the Proxy Form (Trust Scheme Meeting).

1 | LOCATE THE PROXY FORM (TRUST SCHEME MEETING) (GREEN-COLOURED PROXY FORM)

The Proxy Form (Trust Scheme Meeting) is enclosed in this Scheme Document, and can also be obtained from:

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

Operating hours: Monday to Friday, 8.30 a.m. to 5.30 p.m.

2 | COMPLETE THE PROXY FORM (TRUST SCHEME MEETING)

PROXY FORM FOR TRUST SCHEME MEETING

*I/We _____ (Name(s) with
NRIC No./Passport No./Company Registration No.) _____ (Address)
being a Stapled Securityholder/Stapled Securityholders of CUE Hospitality Trust ("W-Trust"), hereby appoint:

Name	Address	NRIC No./Passport No.

or failing "him/her, the Chairman of the Trust Scheme Meeting as "my/our proxy to attend and vote for "me/us and on "my/our behalf" at the Trust Scheme Meeting to be held at Mandarin Orchard Singapore, Mandarin Ballrooms L II and III, 6th Floor, Main Tower, 333 Orchard Road, Singapore 238867, on Wednesday, 14 August 2019 at 4.00 p.m. and at any adjournment thereof.

*I/We direct "my/our proxy to vote for or against the Trust Scheme to be proposed at the Trust Scheme Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy will vote or abstain from voting at "his/her discretion, as "he/she will on any other matter arising at the Trust Scheme Meeting (or any adjournment thereof). If no person is named in the above boxes, the Chairman of the Trust Scheme Meeting shall be "my/our proxy to vote, for or against the Trust Scheme to be proposed at the Trust Scheme Meeting, for "me/us and on "my/our behalf at the Trust Scheme Meeting and at any adjournment thereof.

If you wish to vote "FOR" the Trust Scheme to be proposed at the Trust Scheme Meeting, please indicate with a tick (✓) in the box marked "FOR" as set out below. If you wish to vote "AGAINST" the Trust Scheme to be proposed at the Trust Scheme Meeting, please indicate with a tick (✓) in the box marked "AGAINST" as set out below.

DO NOT TICK BOTH BOXES.

Resolution	For	Against
To approve the proposed Trust Scheme		

* Delete accordingly

Dated this _____ day of _____ 2019

Total number of Stapled Securities held

Signature(s) of Stapled Securityholder(s)/
Common Seal of Corporate Stapled Securityholder

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM (TRUST SCHEME MEETING) ON THE NEXT PAGE

A. Fill in your name and particulars.

B. You may fill in the details of the appointee or leave this section blank. The Chairman of the Trust Scheme Meeting will be the appointee if this section is left blank.

Name	Address	NRIC No./Passport No.

C. Indicate your vote by ticking in the box labelled FOR or AGAINST. DO NOT TICK BOTH BOXES.

Resolution	For	Against
To approve the proposed Trust Scheme		

D. If you are an individual, you or your attorney MUST SIGN and indicate the date. If you are a corporation, the Proxy Form (Trust Scheme Meeting) must be executed under your common seal or signed by a duly authorised officer or attorney.

Dated this _____ day of _____ 2019

Signature(s) of Stapled Securityholder(s)/
Common Seal of Corporate Stapled Securityholder

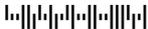
E. Indicate the number of Stapled Securities you hold.

Total number of Stapled Securities held

WHAT IF I AM UNABLE TO ATTEND THE TRUST SCHEME MEETING?

3 | RETURN THE COMPLETED PROXY FORM (TRUST SCHEME MEETING)

Return the completed and signed Proxy Form (Trust Scheme Meeting) in the endorsed pre-addressed envelope so that it arrives at Boardroom Corporate & Advisory Services Pte. Ltd., at its registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, by **NO LATER THAN 4.00 p.m. on 12 August 2019**. The envelope is prepared for posting in Singapore only. Please affix sufficient postage if posting from outside of Singapore.

<p>BUSINESS REPLY SERVICE PERMIT NO. 09300</p> 	<p>Postage will be paid by addressee. For posting in Singapore only.</p>
<p>OUE HOSPITALITY REIT MANAGEMENT PTE. LTD. (as manager of OUE Hospitality Real Estate Investment Trust)</p>	<p>OUE HOSPITALITY TRUST MANAGEMENT PTE. LTD. (as trustee-manager of OUE Hospitality Business Trust)</p>
<p>C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE 048623</p>	

REMINDER!

The Stapled Securityholders who are unable to attend **both** the EGM and the Trust Scheme Meeting are requested to complete **both** the enclosed Proxy Form (EGM) and the Proxy Form (Trust Scheme Meeting) and lodge them with Boardroom Corporate & Advisory Services Pte. Ltd., at its registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, by **NO LATER THAN 3.00 p.m. on 12 August 2019**.

▶ HOW DO I FIND OUT THE NUMBER OF STAPLED SECURITIES I OWN?

A. You can check your stapled securityholding balance with CDP by contacting them at:

The Central Depository (Pte) Limited

11 North Buona Vista Drive
 #01-19/20 The Metropolis Tower 2
 Singapore 138589
 Tel.: +65 6535 7511
 Email: asksgx@sgx.com

B. If you own Stapled Securities through a bank, broker or any other intermediaries, you can also check by contacting them directly.

C. If you are a CPFIS Investor or SRS Investor, please consult your CPF Agent Bank or SRS Agent Bank (namely DBS Bank Limited, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited) for further information.

▶ IMPORTANT DATES AND TIMES

EGM	
Last date and time for lodgement of Proxy Form (EGM):	12 August 2019 at 3.00 p.m.
Date and time of EGM:	14 August 2019 at 3.00 p.m.
Venue of EGM:	Mandarin Orchard Singapore Mandarin Ballroom I, II and III 6th Floor, Main Tower, 333 Orchard Road Singapore 238867
Trust Scheme Meeting	
Last date and time for lodgement of Proxy Form (Trust Scheme Meeting):	12 August 2019 at 4.00 p.m.
Date and time of Trust Scheme Meeting:	14 August 2019 at 4.00 p.m. or as soon thereafter following the conclusion of the EGM to be held
Venue of Trust Scheme Meeting:	Mandarin Orchard Singapore Mandarin Ballroom I, II and III 6th Floor, Main Tower, 333 Orchard Road Singapore 238867
Expected Effective Date:	17 September 2019
Expected date for the payment of the Cash Consideration and the allotment and issuance of the Consideration Units	20 September 2019
Expected date for the delisting of the Stapled Securities	30 September 2019

The important dates, times and place relating to the EGM and the Trust Scheme Meeting and the indicative timetable are set out on page 14 of this Scheme Document. Your attention is also drawn to the notes under the expected timetable.

▶ WHO TO CONTACT IF YOU NEED HELP

Lead Merger Coordinator and Sole Financial Adviser
to the H-Trust Managers

BofA Merrill Lynch

Telephone: +65 6678 0102

Public Relations Adviser

Newgate Communications

Telephone: +65 6532 0606

The information in this Gatefold is qualified by, and should be read in conjunction with, the full information contained in the rest of this Scheme Document. If there should be any inconsistency or conflict between this Gatefold and the rest of this Scheme Document, the terms set out in this Scheme Document shall prevail. Nothing in this Gatefold is intended to be, or shall be taken as, advice, a recommendation or a solicitation to the Stapled Securityholders or any other party.

Stapled Securityholders are advised to exercise caution when dealing in their Stapled Securities and refrain from taking any action in relation to their Stapled Securities which may be prejudicial to their interests.

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DEFINITIONS

In this Scheme Document, the following definitions shall apply throughout unless the context otherwise requires:

“1Q2019”	:	The three months ended 31 March 2019
“Books Closure Date”	:	The books closure date to be announced (before the Effective Date) by the H-Trust Managers on which the Transfer Books and the Register of Stapled Securityholders of H-Trust will be closed in order to determine the entitlements of the Stapled Securityholders in respect of the Trust Scheme
“Business Day”	:	A day (other than Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore
“Business Trusts Act”	:	Business Trusts Act (Chapter 31A of Singapore)
“Cash Consideration”	:	S\$0.04075 in cash per Stapled Security
“CDP”	:	The Central Depository (Pte) Limited
“CMS Licence”	:	Capital markets services licence for REIT management
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	Companies Act (Chapter 50 of Singapore)
“Consideration Units”	:	1.3583 new C-REIT Units per Stapled Security
“Court”	:	The High Court of the Republic of Singapore or where applicable on appeal, the Court of Appeal of the Republic of Singapore
“CPF”	:	The Central Provident Fund of Singapore
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	CPF Investment Scheme
“CPFIS Investors”	:	Investors who purchased Stapled Securities using their CPF savings under the CPFIS
“CPPU”	:	550 million convertible perpetual preferred units issued by C-REIT in October 2015
“C-REIT”	:	OUE Commercial Real Estate Investment Trust

DEFINITIONS

- “C-REIT Circular”** : The circular dated 10 July 2019 issued by the C-REIT Manager, on behalf of C-REIT, convening an extraordinary general meeting to seek the C-REIT Unitholders’ approval for, *inter alia*, the Merger and the issuance of the Consideration Units as part of the consideration for the Merger
- “C-REIT Competing Offer”** : Any expression of interest, offer or proposal by any person involving (a) a sale, transfer or other disposal of any direct or indirect interest in some or all of the C-REIT Units or shares in any C-REIT Group Entity or substantially all of the assets, business and/or undertakings of any C-REIT Group Entity, (b) a general offer for the C-REIT Units, (c) a scheme of arrangement involving any C-REIT Group Entity or the merger of any C-REIT Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise), (d) any other arrangement having an effect similar to any of (a) to (c), or (e) a transaction or series of related transactions which would or is reasonably likely to preclude or restrict the Merger and/or the Trust Scheme
- For the purpose of this definition, a C-REIT Competing Offer will be deemed to be for substantially all of the assets, business and/or undertakings of a C-REIT Group Entity if the relevant assets, business and/or undertakings in question constitute a “material amount” as defined in Note 2 on Rule 5 of the Code¹
- “C-REIT Concert Party Group”** : (a) the C-REIT Trustee (in its capacity as trustee of C-REIT), (b) the C-REIT Manager and its directors and (c) members acting in concert with the C-REIT Manager
- “C-REIT Convertible Securities”** : Convertible securities, warrants, options and derivatives in respect of the C-REIT Units or other securities (if any) which carry voting rights in C-REIT
- “C-REIT Financial Advisers”** : Collectively, Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited, the financial advisers to the C-REIT Manager in respect of the Merger and the Trust Scheme

¹ To determine whether a disposal or acquisition is of a “material amount”, the SIC will generally consider the following: (a) the value of the assets to be disposed of or acquired compared with the assets of the offeree company, (b) where appropriate, the aggregate value of the consideration to be received or given compared with the assets of the offeree company, and (c) where appropriate, net profits (after deducting all charges except taxation and excluding exceptional items) attributable to the assets to be disposed of or acquired compared with those of the offeree company. For these purposes, the term “assets” will normally mean fixed assets plus current assets less current liabilities. The SIC will normally consider relative values of 10% or more as material, although relative values lower than 10% may be considered material if the asset is of particular significance. If several transactions that are not individually material occur or are intended, the SIC will aggregate such transactions to determine whether the requirements of Rule 5 of the Code are applicable to any of them.

DEFINITIONS

“C-REIT Group”	:	C-REIT and the C-REIT Subsidiaries, and each entity in the C-REIT Group, a “C-REIT Group Entity”
“C-REIT Manager”	:	OUE Commercial REIT Management Pte. Ltd., as the manager of C-REIT
“C-REIT Permitted Distributions”	:	Distributions declared, paid or made by the C-REIT Manager to the C-REIT Unitholders in the ordinary course of business in respect of the period from 1 January 2019 up to the day immediately before the Effective Date (including any clean-up distribution to the C-REIT Unitholders in respect of the period from the day following the latest completed financial half of C-REIT preceding the Effective Date for which a half-year distribution has been declared, up to the day immediately before the Effective Date)
“C-REIT Portfolio”	:	The portfolio of assets owned by C-REIT as at the Latest Practicable Date, comprising: <ul style="list-style-type: none">(a) OUE Bayfront located at 50, 60 and 62 Collyer Quay, Singapore;(b) an effective interest of 67.95% in One Raffles Place located at 1 Raffles Place, Singapore;(c) the office components of OUE Downtown located at 6 and 6A Shenton Way, Singapore; and(d) a 91.2% share of strata ownership of Lippo Plaza located at 222 Huaihai Zhong Road in the commercial district of Huangpu in Shanghai, the People’s Republic of China
“C-REIT Subsidiaries”	:	OUE Eastern Limited, OUE CT Treasury Pte. Ltd., Beacon Property Holdings Pte. Ltd., Tecwell Limited, Lippo Realty (Shanghai) Limited, Cresthill Property Holdings Pte. Ltd. and OUB Centre Limited
“C-REIT Trust Deed”	:	The trust deed dated 10 October 2013 made between the C-REIT Manager and the C-REIT Trustee constituting C-REIT, as may be amended, supplemented or varied from time to time
“C-REIT Trustee”	:	DBS Trustee Limited, in its capacity as trustee of C-REIT

DEFINITIONS

“C-REIT Unitholders”	:	The registered holder for the time being of a C-REIT Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “C-REIT Unitholder” shall, in relation to C-REIT Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with C-REIT Units
“C-REIT Units”	:	The issued and paid-up units of C-REIT
“C-REIT Valuation Certificates”	:	The certificates from the H-Trust Independent Valuers (C-REIT Portfolio) in respect of the valuation of the C-REIT Portfolio as set out in Appendix M to this Scheme Document
“DPU”	:	Distribution per unit
“Effective Date”	:	The date on which the Trust Scheme becomes effective in accordance with its terms
“Encumbrances”	:	Any charge, mortgage, lien, hypothecation, judgement, encumbrance, easement, right of pre-emption, security, title retention, preferential right, trust arrangement or other security interest or any other agreement or arrangement having a commercial effect analogous to the conferring of security or a similar right in favour of any person
“Enlarged REIT”	:	The enlarged C-REIT Group, with H-Trust as a sub-trust of C-REIT, following the completion of the Merger and the Trust Scheme
“Entitled Stapled Securityholders”	:	Stapled Securityholders as at 5.00 p.m. on the Books Closure Date
“Extraordinary General Meeting”	:	The extraordinary general meeting of the Stapled Securityholders to be convened to approve the Trust Deeds Amendments, notice of which is set out on pages T-1 to T-2 of this Scheme Document
“Extraordinary Resolution”	:	A resolution proposed and passed as such by the Stapled Securityholders consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of the Stapled Securityholders
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Gatefold”	:	The pages preceding the “Table of Contents” section of this Scheme Document

DEFINITIONS

“Governmental Agency”	:	Any foreign or Singaporean government or governmental, semi-governmental, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity
“H-BT”	:	OUE Hospitality Business Trust
“H-BT Trust Deed”	:	The trust deed constituting H-BT dated 10 July 2013 as may be amended, supplemented or varied from time to time
“H-BT Trustee-Manager”	:	OUE Hospitality Trust Management Pte. Ltd., as trustee-manager of H-BT
“H-REIT”	:	OUE Hospitality Real Estate Investment Trust
“H-REIT Manager”	:	OUE Hospitality REIT Management Pte. Ltd., as manager of H-REIT
“H-REIT Trust Deed”	:	The trust deed dated 10 July 2013 made between the H-REIT Manager and the H-REIT Trustee constituting H-REIT as may be amended, supplemented or varied from time to time
“H-REIT Trustee”	:	RBC Investor Services Trust Singapore Limited, in its capacity as trustee of H-REIT
“H-Trust”	:	OUE Hospitality Trust, which comprises H-REIT and H-BT
“H-Trust Competing Offer”	:	Any expression of interest, offer or proposal by any person other than the C-REIT Trustee involving (a) a sale, transfer or other disposal of any direct or indirect interest in some or all of the Stapled Securities or shares in any H-Trust Group Entity or substantially all of the assets, business and/or undertakings of any H-Trust Group Entity, (b) a general offer for the Stapled Securities, (c) a scheme of arrangement involving any H-Trust Group Entity or the merger of any H-Trust Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise), (d) any other arrangement having an effect similar to any of (a) to (c), or (e) a transaction or series of related transactions which would or is reasonably likely to preclude or restrict the Merger and/or the Trust Scheme

DEFINITIONS

For the purpose of this definition, a H-Trust Competing Offer will be deemed to be for substantially all of the assets, business and/or undertakings of a H-Trust Group Entity if the relevant assets, business and/or undertakings in question constitute a “material amount” as defined in Note 2 on Rule 5 of the Code²

“H-Trust Convertible Securities”	:	Convertible securities, warrants, options and derivatives in respect of the Stapled Securities or other securities (if any) which carry voting rights in H-Trust
“H-Trust Financial Adviser”	:	BofA Merrill Lynch
“H-Trust Group”	:	H-REIT, H-BT and OUE H-T Treasury Pte. Ltd., and each entity in the H-Trust Group, a “H-Trust Group Entity”
“H-Trust IFA”	:	Australia and New Zealand Banking Group Limited, Singapore Branch, the independent financial adviser to the H-Trust Independent Directors and to the H-REIT Trustee
“H-Trust IFA Letter”	:	The letter dated 10 July 2019 setting out the advice of the H-Trust IFA to the H-Trust Independent Directors and to the H-REIT Trustee in respect of the Trust Scheme, as set out in Appendix A to this Scheme Document
“H-Trust Independent Directors”	:	The directors of the H-Trust Managers who are considered independent for the purposes of making recommendations to the Stapled Securityholders on the Trust Scheme, namely all of the directors of the H-Trust Managers except for the Relevant Directors
“H-Trust Independent Valuer (H-Trust Portfolio)”	:	Savills Valuation and Professional Services (S) Pte. Ltd.
“H-Trust Independent Valuers (C-REIT Portfolio)”	:	Cushman & Wakefield VHS Pte. Ltd., Savills Valuation and Professional Services (S) Pte. Ltd. and Savills Real Estate Valuation (Guangzhou) Ltd.
“H-Trust Managers”	:	The H-REIT Manager and the H-BT Trustee-Manager

² To determine whether a disposal or acquisition is of a “material amount”, the SIC will generally consider the following: (a) the value of the assets to be disposed of or acquired compared with the assets of the offeree company, (b) where appropriate, the aggregate value of the consideration to be received or given compared with the assets of the offeree company, and (c) where appropriate, net profits (after deducting all charges except taxation and excluding exceptional items) attributable to the assets to be disposed of or acquired compared with those of the offeree company. For these purposes, the term “assets” will normally mean fixed assets plus current assets less current liabilities. The SIC will normally consider relative values of 10% or more as material, although relative values lower than 10% may be considered material if the asset is of particular significance. If several transactions that are not individually material occur or are intended, the SIC will aggregate such transactions to determine whether the requirements of Rule 5 of the Code are applicable to any of them.

DEFINITIONS

“H-Trust Permitted Distributions”	:	Distributions declared, paid or made by the H-REIT Manager to the Stapled Securityholders in the ordinary course of business in respect of the period from 1 January 2019 up to the day immediately before the Effective Date (including any clean-up distribution to the Stapled Securityholders in respect of the period from the day following the latest completed financial quarter of H-Trust preceding the Effective Date, up to the day immediately before the Effective Date)
“H-Trust Portfolio”	:	The portfolio of assets owned by H-Trust as at the Latest Practicable Date, comprising: <ul style="list-style-type: none">(a) Mandarin Orchard Singapore located at 333 Orchard Road, Singapore;(b) Mandarin Gallery located at 333A Orchard Road, Singapore; and(c) Crowne Plaza Changi Airport located at 75 Airport Boulevard, Singapore
“H-Trust Trust Deeds”	:	The H-REIT Trust Deed, the H-BT Trust Deed and the Stapling Deed
“H-Trust Valuation Certificates”	:	The certificates from the H-Trust Independent Valuer (H-Trust Portfolio) in respect of the valuation of the H-Trust Portfolio as set out in Appendix L to this Scheme Document
“Implementation Agreement”	:	The implementation agreement dated 8 April 2019 entered into between the C-REIT Trustee, the C-REIT Manager, the H-REIT Trustee, the H-REIT Manager and the H-BT Trustee-Manager setting out the terms and conditions on which the Trust Scheme will be implemented
“IRAS”	:	Inland Revenue Authority of Singapore
“Joint Announcement”	:	The joint announcement by the H-Trust Managers and the C-REIT Manager dated 8 April 2019 in relation to, <i>inter alia</i> , the Merger and the Trust Scheme
“Joint Announcement Date”	:	8 April 2019, being the date of the Joint Announcement
“Last Trading Day”	:	5 April 2019, being the last trading day immediately prior to the Joint Announcement Date
“Latest Practicable Date”	:	25 June 2019, being the latest practicable date prior to the printing of this Scheme Document

DEFINITIONS

“Letter to Stapled Securityholders”	:	The letter from the H-Trust Managers to the Stapled Securityholders as set out on pages 17 to 61 of this Scheme Document
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Long-Stop Date”	:	8 October 2019 (or such other date as the Parties may agree in writing)
“Market Day”	:	A day on which the SGX-ST is open for the trading of securities
“MAS”	:	Monetary Authority of Singapore
“Merger”	:	The proposed merger of C-REIT and H-Trust which will be effected through the acquisition by the C-REIT Trustee of all the Stapled Securities held by the Stapled Securityholders by way of the Trust Scheme in compliance with the Code
“NAV”	:	Net asset value
“Offer”	:	Where the Switch Option is exercised, a voluntary conditional cash offer to be made for or on behalf of the C-REIT Trustee to acquire all the Stapled Securities on the terms and subject to the conditions which will be set out in an offer document issued for or on behalf of the C-REIT Trustee
“Offeror’s Letter”	:	The letter from the C-REIT Manager to the Stapled Securityholders as set out in Appendix B to this Scheme Document
“OUE”	:	OUE Limited
“OUE Group”	:	OUE and its related corporations
“Overseas Stapled Securityholders”	:	Stapled Securityholders whose registered addresses (as recorded in the Register of Stapled Securityholders or in the records maintained by CDP for the service of notice and documents) are outside Singapore
“Parties”	:	The parties to the Implementation Agreement, being the C-REIT Trustee, the C-REIT Manager, the H-REIT Trustee, the H-REIT Manager and the H-BT Trustee-Manager, and “Party” means any one of them
“Prescribed Occurrence”	:	Has the meaning ascribed to it in Appendix O to this Scheme Document

DEFINITIONS

“Property Funds Appendix”	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS
“Proxy Form (EGM)”	:	The accompanying proxy form for the Extraordinary General Meeting
“Proxy Form (Trust Scheme Meeting)”	:	The accompanying proxy form for the Trust Scheme Meeting
“Register of Stapled Securityholders”	:	The register of Stapled Securityholders of H-Trust
“REIT”	:	Real estate investment trust
“Relevant Date”	:	The date falling on the Business Day immediately preceding the Effective Date
“Relevant Directors”	:	Mr Lee Yi Shyan and Mr Christopher James Williams, and “Relevant Director” means any one of them
“relevant intermediary”	:	(a) a banking corporation licensed under the Banking Act (Chapter 19 of Singapore) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity; (b) a person holding a capital markets services licence to provide custodial services for securities under the SFA who holds Stapled Securities in that capacity; or (c) the CPF Board established by the Central Provident Fund Act (Chapter 36 of Singapore), in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation
“RMB”	:	Renminbi, being the lawful currency of the People’s Republic of China
“Rules of Court”	:	Rules of Court, Chapter 322, R 5 of Singapore
“S-REIT”	:	Singapore-listed REIT

DEFINITIONS

“Scheme Conditions”	:	The conditions precedent in the Implementation Agreement which must be satisfied (or, where applicable, waived) by the Long-Stop Date for the Trust Scheme to be implemented and which are reproduced in Appendix N to this Scheme Document
“Scheme Consideration”	:	S\$0.04075 in cash and 1.3583 new C-REIT Units per Stapled Security
“Scheme Document”	:	This document dated 10 July 2019 and any other document(s) which may be issued by or on behalf of the H-Trust Managers to amend, revise, supplement or update the document(s) from time to time
“Securities Account”	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SFA”	:	Securities and Futures Act (Chapter 289 of Singapore)
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SIC”	:	Securities Industry Council of Singapore
“SRS”	:	Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent Banks included under the SRS
“SRS Investors”	:	Investors who have purchased Stapled Securities using their SRS contributions pursuant to the SRS
“Stapled Securities”	:	The issued and paid-up stapled securities of H-Trust
“Stapled Security Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd., the Stapled Security registrar of H-Trust
“Stapled Securityholder”	:	The registered holder for the time being of a Stapled Security, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “Stapled Securityholder” shall, in relation to Stapled Securities registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Stapled Securities
“Stapling Deed”	:	The stapling deed dated 10 July 2013 made between the H-REIT Trustee, the H-REIT Manager, and the H-BT Trustee-Manager, stapling the H-REIT units and the H-BT units to form the Stapled Securities, as may be amended, supplemented or varied from time to time

DEFINITIONS

“Supplemental Trust Deeds”	:	Supplemental trust deeds to amend the H-Trust Trust Deeds to include the Trust Deeds Amendments to facilitate the implementation of the Trust Scheme
“Switch Option”	:	The right of the C-REIT Trustee to elect (at its discretion) to proceed by way of the Offer (in lieu of proceeding with the Merger by way of the Trust Scheme)
“S\$” or “SGD” and cents	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“Taxes” or “Taxation”	:	All forms of taxation and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, including GST and any other form of value-added tax, in each case whether of Singapore or elsewhere in the world whenever imposed and whether chargeable directly or primarily against or attributable directly or primarily to any person and all penalties, charges, costs and interest relating thereto
“Trust Deeds Amendments”	:	The amendments to the H-Trust Trust Deeds to include provisions that will facilitate the implementation of the Trust Scheme as set out in Appendix D to this Scheme Document
“Trust Deeds Amendments Resolution”	:	The resolution relating to the Trust Deeds Amendments referred to in the Notice of Extraordinary General Meeting dated 10 July 2019 set out in pages T-1 to T-2 of this Scheme Document
“Trust Scheme”	:	The trust scheme of arrangement as set out on pages V-1 to V-12 of this Scheme Document (as may be amended or modified from time to time)
“Trust Scheme Court Order”	:	The order of the Court sanctioning the Trust Scheme under Order 80 of the Rules of Court
“Trust Scheme Meeting”	:	The meeting of the Stapled Securityholders to be convened to approve the Trust Scheme, notice of which is set out on pages W-1 to W-3 of this Scheme Document, and any adjournment thereof
“Trust Scheme Meeting Court Order”	:	The order of the Court dated 29 May 2019 ordering, <i>inter alia</i> , that the H-Trust Managers and the H-REIT Trustee are granted liberty to convene the Trust Scheme Meeting
“Trust Scheme Resolution”	:	The resolution relating to the Trust Scheme referred to in the Notice of Trust Scheme Meeting dated 10 July 2019 set out in pages W-1 to W-3 of this Scheme Document

The terms “**acting in concert**” and “**concert parties**” shall have the meanings ascribed to them in the Code.

DEFINITIONS

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Words importing the singular only shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual or the Code or any modification thereof and used in this Scheme Document shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Listing Manual or the Code or any modification thereof, as the case may be, unless otherwise provided.

Any reference to any document or agreement shall include a reference to such document or agreement as amended, modified, supplemented and/or varied from time to time.

Any reference to a time of day and date in this Scheme Document shall be a reference to Singapore time and date respectively, unless otherwise specified.

Any discrepancies in figures included in this Scheme Document between the listed amounts shown and the totals thereof and/or the respective percentages are due to rounding. Accordingly, figures shown as totals in this Scheme Document may not be an arithmetic aggregation of the figures that precede them.

In this Scheme Document, the total number of Stapled Securities as at the Latest Practicable Date is 1,832,099,381. Unless stated otherwise, all references to percentage stapled securityholding in the capital of H-Trust in this Scheme Document are based on 1,832,099,381 Stapled Securities in H-Trust as at the Latest Practicable Date.

FORWARD-LOOKING STATEMENTS

Forward Looking Statements. All statements other than statements of historical facts included in this Scheme Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the C-REIT Manager’s or the H-Trust Managers’ (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Given the risks and uncertainties that may cause actual results or outcomes to differ materially from those expressed or implied in such forward-looking statements, the C-REIT Unitholders, the Stapled Securityholders and investors of C-REIT and H-Trust should not place undue reliance on such forward-looking statements, and none of the C-REIT Manager, the C-REIT Trustee, the H-Trust Managers, the H-REIT Trustee, the C-REIT Financial Advisers and the H-Trust Financial Adviser undertakes any obligation to update publicly or revise any forward-looking statements.

Pro Forma Distribution per Stapled Security and Pro Forma NAV per Stapled Security. The pro forma distribution per Stapled Security and pro forma NAV per Stapled Security figures contained in this Scheme Document are not intended to be a forecast and are for illustrative purposes only and calculated on the basis of the assumptions and accounting policies and may not give a true picture of the actual total returns and financial position of H-Trust and/or the Enlarged REIT.

No representation, warranty or covenant, express or implied, is made by the H-Trust Managers, the H-REIT Trustee or the H-Trust Financial Adviser or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information relating to the pro forma distribution per Stapled Security and pro forma NAV per Stapled Security contained in this Scheme Document and nothing contained in this Scheme Document is or should be relied upon as a promise, representation, warranty or covenant by any of the aforementioned persons.

EXPECTED TIMETABLE

EXTRAORDINARY GENERAL MEETING

Last date and time for lodgement of Proxy Form (EGM)	:	12 August 2019 at 3.00 p.m. ⁽¹⁾⁽²⁾
Date and time of Extraordinary General Meeting	:	14 August 2019 at 3.00 p.m.
Venue of Extraordinary General Meeting	:	Mandarin Orchard Singapore Mandarin Ballroom I, II, and III 6th Floor, Main Tower, 333 Orchard Road Singapore 238867

TRUST SCHEME MEETING⁽³⁾

Last date and time for lodgement of Proxy Form (Trust Scheme Meeting)	:	12 August 2019 at 4.00 p.m. ⁽¹⁾⁽²⁾
Date and time of Trust Scheme Meeting	:	14 August 2019 at 4.00 p.m. or as soon thereafter following the conclusion of the Extraordinary General Meeting to be held
Venue of Trust Scheme Meeting	:	Mandarin Orchard Singapore Mandarin Ballroom I, II, and III 6th Floor, Main Tower, 333 Orchard Road Singapore 238867
Expected date of Court hearing of the application to sanction the Trust Scheme	:	5 September 2019 ⁽⁴⁾
Expected last day of trading of the Stapled Securities	:	12 September 2019 ⁽⁵⁾
Expected Books Closure Date	:	16 September 2019, 5.00 p.m.
Expected Relevant Date	:	16 September 2019
Expected Effective Date	:	17 September 2019 ⁽⁶⁾
Expected date for the payment of the Cash Consideration and the allotment and issuance of the Consideration Units	:	20 September 2019
Expected date for the delisting of the Stapled Securities	:	30 September 2019 ⁽⁵⁾

You should note that save for the last date and time for the lodgement of the Proxy Form (EGM) and the lodgement of the Proxy Form (Trust Scheme Meeting) and the date, time and venue of each of the Extraordinary General Meeting and the Trust Scheme Meeting, the above timetable is indicative only and may be subject to change. For the events listed above which are described as “expected”, please refer to future announcement(s) by the H-Trust Managers and/or the SGX-ST for the exact dates of these events.

EXPECTED TIMETABLE

Notes:

- (1) Stapled Securityholders are requested to lodge both the Proxy Form (EGM) and the Proxy Form (Trust Scheme Meeting) in accordance with the respective instructions contained therein not less than 48 hours before the time appointed for the Extraordinary General Meeting and the Trust Scheme Meeting (as applicable).
- (2) All Proxy Forms for the Extraordinary General Meeting and the Trust Scheme Meeting must be lodged with the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Completion and lodgement of a Proxy Form for the Extraordinary General Meeting and/or the Trust Scheme Meeting will not prevent a Stapled Securityholder from attending and voting in person at the Extraordinary General Meeting and/or the Trust Scheme Meeting (as the case may be) if they subsequently wish to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.
- (3) The Trust Scheme Meeting will be adjourned if the Trust Deeds Amendments Resolution is not passed by way of an Extraordinary Resolution at the Extraordinary General Meeting.
- (4) The date of the Court hearing of the application to sanction the Trust Scheme will depend on the date that is allocated by the Court.
- (5) The time period between the expected last day of trading of the Stapled Securities and the expected date for the delisting of the Stapled Securities is to provide for, *inter alia*, (a) the books closure dates in order to determine the entitlements of the Stapled Securityholders in respect of the Trust Scheme and the H-Trust Permitted Distributions (if any), (b) the settlement of the Scheme Consideration (the payment of the Cash Consideration and the allotment and issuance of the Consideration Units), and (c) the H-Trust Managers to review the accounts of H-Trust to calculate the actual amount of the H-Trust Permitted Distributions (if any) to be declared and to announce the same on SGXNET prior to the delisting of H-Trust (as such amount may only be determined after the Effective Date and prior to the delisting of H-Trust).
- (6) The Trust Scheme will become effective upon the lodgement of the Trust Scheme Court Order with the MAS or the notification to the MAS of the grant of the Trust Scheme Court Order, as the case may be, which shall be effected by the C-REIT Trustee within ten (10) Business Days from the date the last Scheme Condition set out in Paragraphs (a) (*Amendments to H-Trust Trust Deeds*), (b) (*Trust Scheme*), (c) (*Court Approval for the Scheme*), (d) (*Regulatory Approvals*), (e) (*Approval from C-REIT Unitholders*), and (f) (*Authorisations and Consents*) of Appendix N to this Scheme Document is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.

CORPORATE INFORMATION

H-REIT MANAGER	:	OUE Hospitality REIT Management Pte. Ltd.
H-BT TRUSTEE-MANAGER	:	OUE Hospitality Trust Management Pte. Ltd.
DIRECTORS OF THE H-TRUST MANAGERS	:	Mr Lee Yi Shyan Mr Sanjiv Misra Mr Ong Kian Min Mr Liu Chee Ming Professor Neo Boon Siong Mr Christopher James Williams
COMPANY SECRETARY	:	Ms Thia Jackie
REGISTERED OFFICE OF THE H-TRUST MANAGERS	:	333 Orchard Road #33-00 Singapore 238867
H-REIT TRUSTEE	:	RBC Investor Services Trust Singapore Limited 8 Marina View #26-01 Asia Square Tower 1 Singapore 018960
STAPLED SECURITY REGISTRAR	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
LEGAL ADVISER TO THE H-TRUST MANAGERS	:	Rajah & Tann Singapore LLP #25-01, 9 Battery Road Singapore 049910
LEAD MERGER COORDINATOR AND SOLE FINANCIAL ADVISER TO THE H-TRUST MANAGERS	:	BofA Merrill Lynch 50 Collyer Quay #14-01 OUE Bayfront Singapore 049321
INDEPENDENT FINANCIAL ADVISER TO THE H-TRUST INDEPENDENT DIRECTORS AND THE H-REIT TRUSTEE	:	Australia and New Zealand Banking Group Limited, Singapore Branch #30-00 10 Collyer Quay Ocean Financial Centre Singapore 049315
AUDITORS AND REPORTING ACCOUNTANTS	:	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

LETTER TO STAPLED SECURITYHOLDERS

OUE HOSPITALITY TRUST

Comprising:

**OUE HOSPITALITY
REAL ESTATE INVESTMENT TRUST**

(a real estate investment trust constituted on
10 July 2013 under the laws of the
Republic of Singapore)

**OUE HOSPITALITY
BUSINESS TRUST**

(a business trust constituted on
10 July 2013 under the laws of the
Republic of Singapore)

managed by

managed by

OUE Hospitality REIT Management Pte. Ltd. OUE Hospitality Trust Management Pte. Ltd.

Directors of the H-Trust Managers

Mr Lee Yi Shyan (Chairman and Non-Independent Non-Executive Director)
Mr Sanjiv Misra (Lead Independent Director)
Mr Ong Kian Min (Independent Director)
Mr Liu Chee Ming (Independent Director)
Professor Neo Boon Siong (Independent Director)
Mr Christopher James Williams (Non-Independent Non-Executive Director)

Registered Office:

333 Orchard Road
#33-00
Singapore 238867

10 July 2019

To: The Stapled Securityholders of OUE Hospitality Trust

Dear Sir/Madam

- (1) **THE PROPOSED TRUST DEEDS AMENDMENTS TO THE H-TRUST TRUST DEEDS;**
- (2) **THE PROPOSED MERGER OF OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST AND OUE HOSPITALITY TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT**

1. INTRODUCTION

1.1 Joint Announcement of the Merger and the Trust Scheme

On 8 April 2019, the H-Trust Managers and the C-REIT Manager jointly announced the Merger, which shall be effected through the acquisition by the C-REIT Trustee of all the Stapled Securities held by the Stapled Securityholders in exchange for a combination of cash and new C-REIT Units by way of a trust scheme of arrangement in compliance with the Code.

A copy of the Joint Announcement is available on the SGX-ST at www.sgx.com.

1.2 Proposed Trust Deeds Amendments

In connection with the implementation of the Trust Scheme, it was also announced that the H-Trust Managers propose to amend the H-Trust Trust Deeds to, among others, include the Trust Deeds Amendments to facilitate the implementation of the Trust Scheme. The Supplemental Trust Deeds will be entered into to include the Trust Deeds Amendments.

LETTER TO STAPLED SECURITYHOLDERS

1.3 Summary of Approvals Sought

(a) Trust Deeds Amendments Resolution

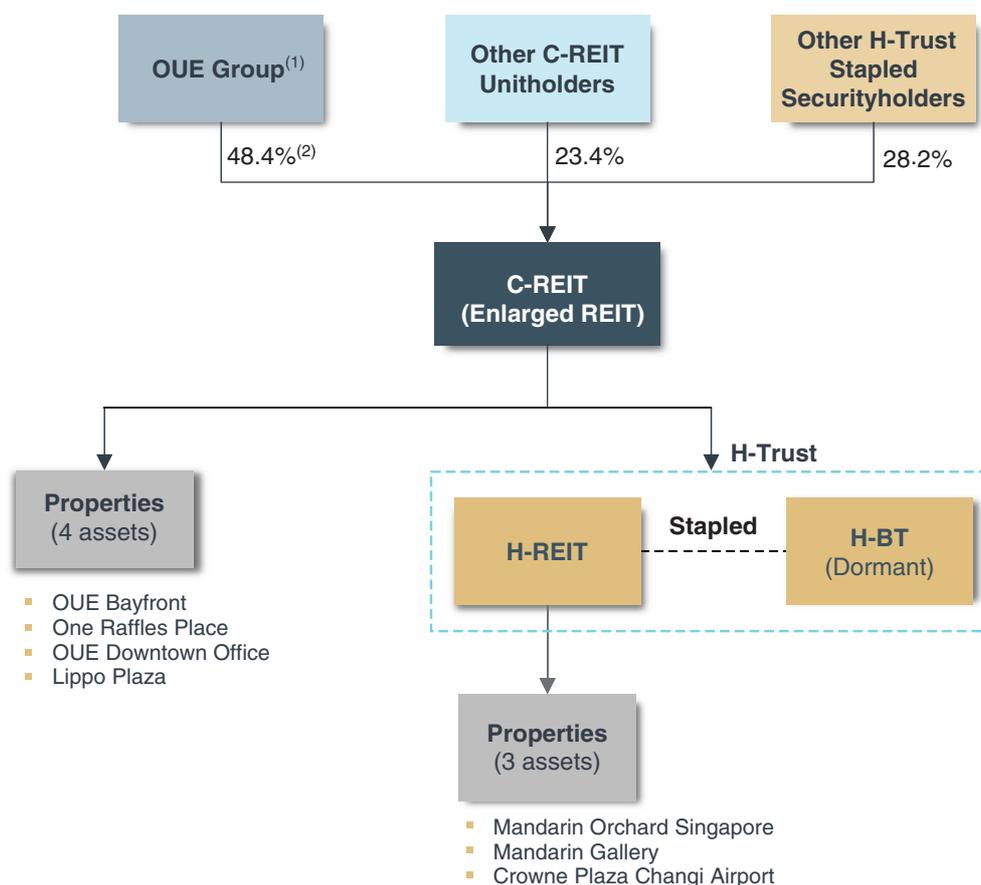
The H-Trust Managers are convening the Extraordinary General Meeting to seek approval from the Stapled Securityholders by way of Extraordinary Resolution for the Trust Deeds Amendments.

(b) Trust Scheme Resolution

In addition, subject to and contingent upon the passing of the Trust Deeds Amendments Resolution at the Extraordinary General Meeting, the H-Trust Managers are convening the Trust Scheme Meeting to seek the approval of the Trust Scheme by a majority in number of the Stapled Securityholders present and voting, either in person or by proxy, at the Trust Scheme Meeting, such majority representing at least three-fourths in value of the Stapled Securities voted at the Trust Scheme Meeting.

1.4 Enlarged REIT Structure

The following diagram illustrates the indicative structure of the Enlarged REIT currently envisaged immediately upon completion of the Merger:



Notes:

- (1) "OUE Group" refers to OUE and its related corporations.
- (2) Illustrative pro forma unitholding (inclusive of the interests held by OUE, OUE Realty Pte. Ltd. and Golden Concord Asia Limited) based on the latest available information as at the Latest Practicable Date. Based on the existing C-REIT Units and Stapled Securities in issue as at the Latest Practicable Date and the Scheme Consideration of S\$0.04075 in cash per Stapled Security and 1.3583 Consideration Units to be allotted and issued per Stapled Security (as set out in Paragraph 2.4(b) of this Letter to Stapled Securityholders below). Under the C-REIT Trust Deed, the C-REIT Manager is entitled to receive an acquisition fee of 0.75% of the underlying value of the assets of H-Trust. The C-REIT Manager has voluntarily waived half of its acquisition fee entitlement.

LETTER TO STAPLED SECURITYHOLDERS

The OUE Group will continue to retain a significant stake of approximately 48.4%³ of the total issued units in the Enlarged REIT and its interest will continue to be aligned with that of the other C-REIT Unitholders.

1.5 Purpose

The purpose of this Scheme Document is to set out information pertaining to the proposed Trust Deeds Amendments and the Trust Scheme, to seek approval from the Stapled Securityholders for the proposed Trust Deeds Amendments and the Trust Scheme, and to give the Stapled Securityholders notice of both the Extraordinary General Meeting and the Trust Scheme Meeting.

2. THE MERGER AND THE TRUST SCHEME

2.1 Background

(a) Information on H-Trust and the H-Trust Managers

H-Trust, which is a stapled group comprising H-REIT and H-BT, was listed on the Main Board of the SGX-ST on 25 July 2013. Each unit in H-REIT is stapled to one unit in H-BT under the terms of the Stapling Deed. As at the Latest Practicable Date, H-Trust has in issue an aggregate of 1,832,099,381 Stapled Securities.

H-REIT is a Singapore REIT constituted by the H-REIT Trust Deed and established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets. H-REIT is managed by the H-REIT Manager, a wholly-owned subsidiary of OUE, the sponsor of H-Trust. The H-REIT Manager was incorporated in Singapore on 17 April 2013. The H-REIT Manager has an issued and paid-up capital of S\$1,000,000.00 as at the Latest Practicable Date and has been issued a CMS Licence pursuant to the SFA on 2 July 2013.

H-BT, a registered business trust under the Business Trusts Act, is currently dormant. The H-BT Trustee-Manager is the trustee-manager of H-BT and a wholly-owned subsidiary of OUE, the sponsor of H-Trust. The H-BT Trustee-Manager was incorporated in Singapore on 17 April 2013 and has an issued and paid-up capital of S\$1.00 as at the Latest Practicable Date.

³ Illustrative pro forma unitholding (inclusive of the interests held by OUE, OUE Realty Pte. Ltd. and Golden Concord Asia Limited) based on the latest available information as at the Latest Practicable Date. Based on the existing C-REIT Units and Stapled Securities in issue as at the Latest Practicable Date and the Scheme Consideration of S\$0.04075 in cash per Stapled Security and 1.3583 Consideration Units to be allotted and issued per Stapled Security (as set out in Paragraph 2.4(b) of this Letter to Stapled Securityholders below). Under the C-REIT Trust Deed, the C-REIT Manager is entitled to receive an acquisition fee of 0.75% of the underlying value of the assets of H-Trust. The C-REIT Manager has voluntarily waived half of its acquisition fee entitlement.

LETTER TO STAPLED SECURITYHOLDERS

As at the Latest Practicable Date, the board of directors of the H-Trust Managers comprise the following:

- (i) Mr Lee Yi Shyan (Chairman and Non-Independent Non-Executive Director);
- (ii) Mr Sanjiv Misra (Lead Independent Director);
- (iii) Mr Ong Kian Min (Independent Director);
- (iv) Mr Liu Chee Ming (Independent Director);
- (v) Professor Neo Boon Siong (Independent Director); and
- (vi) Mr Christopher James Williams (Non-Independent Non-Executive Director).

H-Trust's portfolio currently comprises:

- (A) Mandarin Orchard Singapore located at 333 Orchard Road, Singapore;
- (B) Mandarin Gallery located at 333A Orchard Road, Singapore; and
- (C) Crowne Plaza Changi Airport located at 75 Airport Boulevard, Singapore.

As at the Latest Practicable Date, OUE has in aggregate, direct and deemed interests in 677,436,780 Stapled Securities, representing approximately 36.98% of the total number of Stapled Securities. Further information on OUE's interests in Stapled Securities is set out in Paragraph 5.5 of Appendix C to this Scheme Document.

(b) Information on C-REIT and the C-REIT Manager

As stated in Paragraph 5.1 of the Offeror's Letter at Appendix B to this Scheme Document, constituted by way of the C-REIT Trust Deed, C-REIT was listed on the Main Board of the SGX-ST on 27 January 2014, and was established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs within and outside of Singapore, as well as real estate-related assets. The principal office of C-REIT is at the office of the C-REIT Manager at 50 Collyer Quay, #04-08 OUE Bayfront, Singapore 049321. As at the Latest Practicable Date, C-REIT has in issue an aggregate of 2,866,585,405 C-REIT Units.

C-REIT is managed by the C-REIT Manager, a wholly-owned subsidiary of OUE, the sponsor of C-REIT. Incorporated on 4 October 2013 in Singapore, the C-REIT Manager has an issued and paid-up capital of S\$1,000,000.00 as at the Latest Practicable Date. The C-REIT Manager has been issued a CMS Licence pursuant to the SFA on 15 January 2014.

LETTER TO STAPLED SECURITYHOLDERS

As at the Latest Practicable Date, the board of directors of the C-REIT Manager comprises the following:

- (i) Mr Christopher James Williams (Chairman and Non-Independent Non-Executive Director);
- (ii) Mr Loh Lian Huat (Lead Independent Director);
- (iii) Dr Lim Boh Soon (Independent Director);
- (iv) Ms Usha Rane Chandradas (Independent Director);
- (v) Mr Jonathan Miles Foxall (Non-Independent Non-Executive Director); and
- (vi) Ms Tan Shu Lin (Chief Executive Officer and Executive Director).

C-REIT's portfolio currently comprises:

- (A) OUE Bayfront located at 50, 60 and 62 Collyer Quay, Singapore;
- (B) an effective interest of 67.95% in One Raffles Place located at 1 Raffles Place, Singapore;
- (C) the office components of OUE Downtown located at 6 and 6A Shenton Way, Singapore; and
- (D) a 91.2% share of strata ownership of Lippo Plaza located at 222 Huaihai Zhong Road in the commercial district of Huangpu in Shanghai, the People's Republic of China.

As at the Latest Practicable Date, OUE has a deemed interest in 1,613,350,713 C-REIT Units, representing approximately 56.28% of the total number of C-REIT Units. Further information on OUE's interest in C-REIT Units is set out in Paragraph 2.1 of Schedule H of the Offeror's Letter at Appendix B to this Scheme Document.

2.2 Future Intentions For the Enlarged REIT

Assuming the completion of the Merger:

- (a) the C-REIT Manager intends to expand the investment mandate of the Enlarged REIT pursuant to the C-REIT Trust Deed. The new principal investment strategy of the Enlarged REIT will be to invest in a portfolio of income-producing real estate used primarily for (i) commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs, and/or (ii) hospitality and/or hospitality-related purposes, as well as real estate-related assets;
- (b) subject to evaluation by the nominating and remuneration committee of the C-REIT Manager and approval of the board of directors of the C-REIT Manager and the MAS, certain directors and key management staff of the H-Trust Managers may be joining the C-REIT Manager;

LETTER TO STAPLED SECURITYHOLDERS

- (c) it is intended that the H-REIT Manager will be replaced by the C-REIT Manager as soon as practicable upon the completion of the Merger such that the C-REIT Manager will continue to be the manager of the Enlarged REIT portfolio encompassing H-REIT; and
- (d) it is also currently intended for H-Trust's management fee structure to be amended to reflect the fee structure in the C-REIT Trust Deed such that the existing fee structure of C-REIT is retained. This includes the performance fee to be paid⁴, being a performance-based element which depends on DPU growth, and which is designed to align the interest of the C-REIT Manager with those of the unitholders of the Enlarged REIT.

Save in respect of the existing interested person transactions and master lease arrangements as publicly disclosed in the annual reports of C-REIT and H-Trust, and save as disclosed in this Scheme Document and the C-REIT Circular, there is presently no intention to enter into any interested person transactions or master leases in relation to the Merger.

Save as set out above, there is presently no intention to (i) introduce any major changes to the business of H-Trust, (ii) re-deploy the fixed assets of H-Trust, or (iii) discontinue the employment of the employees of the H-Trust Managers, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Enlarged REIT which may be implemented after the Merger. However, the board of directors of the C-REIT Manager retains and reserves the right and flexibility at any time to consider any options in relation to the Enlarged REIT which may present themselves, and which it may regard to be in the interest of the Enlarged REIT.

2.3 Rationale for the Merger

(a) Value Accretive to Stapled Securityholders

- (i) Assuming that the Merger had been completed on 1 January 2018, the pro forma distribution attributable to the holder of one Stapled Security for FY2018 would have been 5.00 cents. This is approximately 1.4% higher than the pro forma distribution of 4.93 cents which the holder of one Stapled Security would have received for the same period after aligning the proportion of the H-REIT

⁴ Under the C-REIT Trust Deed, if the DPU in any financial year exceeds the DPU in the preceding financial year, calculation of performance fees for that financial year will be based on 25% per annum of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of C-REIT Units in issue for such financial year.

By way of illustration, H-Trust's performance fees under the fee structure in the H-REIT Trust Deed and the C-REIT Trust Deed are as follows:

- Under the H-REIT Trust Deed, the performance fee is an amount equal to 4.0% per annum of H-REIT's net property income in the relevant financial year. As H-REIT's net property income in respect of FY2018 was S\$112.8 million, the performance fee for FY2018 was S\$4.5 million.
- Assuming that H-Trust's management fee structure is replaced with the fee structure in the C-REIT Trust Deed, H-Trust will only incur performance fees if the DPU in any financial year exceeds the DPU in the preceding financial year.

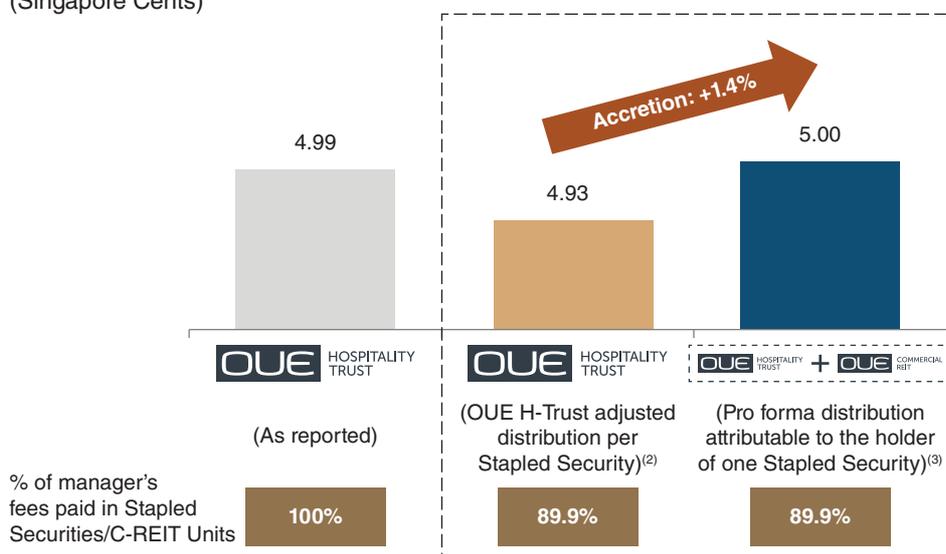
Given that H-Trust's FY2018 DPU of 4.99 cents is lower than its FY2017 DPU of 5.14 cents, H-Trust would not have incurred any performance fee for FY2018 under the fee structure in the C-REIT Trust Deed.

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Manager's fees paid in Stapled Securities to be on a like-for-like basis as compared to the Enlarged REIT following the completion of the Merger and the Trust Scheme.

Pro Forma FY2018 Distribution Attributable to the Holder of One Stapled Security⁽¹⁾

(Singapore Cents)



Notes:

- (1) Assumes the Merger had been completed on 1 January 2018.
- (2) After aligning the proportion of the H-REIT Manager's fees paid in Stapled Securities to be on a like-for-like basis as compared to the Enlarged REIT.
- (3) Based on the Enlarged REIT's FY2018 pro forma DPU multiplied by the exchange ratio of 1.3583 and assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's one-month volume weighted average price ("1M VWAP") of S\$0.5112 as at the Last Trading Day.

(\$'000)	1Q2018	2Q2018	3Q2018	4Q2018	FY2018
H-Trust reported distribution per Stapled Security (S\$ Cents)	1.26	1.17	1.28	1.28	4.99
Number of Stapled Securities outstanding ('000 units)	1,815,895	1,818,042	1,820,466	1,829,780	1,819,499 ⁽¹⁾
H-Trust distribution declared	22,910	21,261	23,335	23,287	90,793
Adjustments for like-for-like management fees:					
Less: Additional base fees assumed paid in cash ⁽²⁾	(169)	(171)	(173)	(172)	(685)
Less: Additional performance fees assumed paid in cash ⁽³⁾	(114)	(107)	(117)	(117)	(456)
H-Trust adjusted distribution	22,627	20,983	23,045	22,998	89,652
Adjusted number of Stapled Securities outstanding ('000 units) ⁽⁴⁾	1,815,692	1,817,622	1,819,801	1,828,175	1,818,513
H-Trust adjusted distribution per Stapled Security (S\$ Cents)	1.25	1.15	1.27	1.26	4.93

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Notes:

- (1) Based on FY2018 H-Trust distribution declared divided by FY2018 H-Trust reported distribution per Stapled Security.
- (2) Incremental base fee to be paid in cash to ensure a like-for-like comparison with the Enlarged REIT which will have approximately 10.1% of the base fee paid in cash; the adjustment will result in a reduction in the number of Stapled Securities issued by way of payment of base fee in Stapled Securities. Please refer to Appendix J to this Scheme Document for details on the unaudited pro forma financial information of the Enlarged REIT.
- (3) Incremental performance fee to be paid in cash to ensure a like-for-like comparison with the Enlarged REIT which will have approximately 10.1% of the performance fee paid in cash; the adjustment will result in a reduction in the number of Stapled Securities issued by way of payment of performance fee in Stapled Securities. Please refer to Appendix J to this Scheme Document for details on the unaudited pro forma financial information of the Enlarged REIT.
- (4) Adjusted number of Stapled Securities outstanding to account for an illustrative reduction in the number of Stapled Securities issued given the incremental base fee and performance fee paid in cash.

Distribution attributable to the holder of one Stapled Security (\$ Cents)	FY2018
Enlarged REIT's pro forma DPU	3.48
Number of C-REIT Units that would have been received based on the exchange ratio of 1.3583 ⁽¹⁾	1.3583
Number of C-REIT Units that would have been purchased assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day	0.0797 ⁽²⁾
Total number of C-REIT Units that would have been received/purchased	1.4380⁽³⁾
Pro forma distribution attributable to the holder of one Stapled Security	5.00⁽⁴⁾

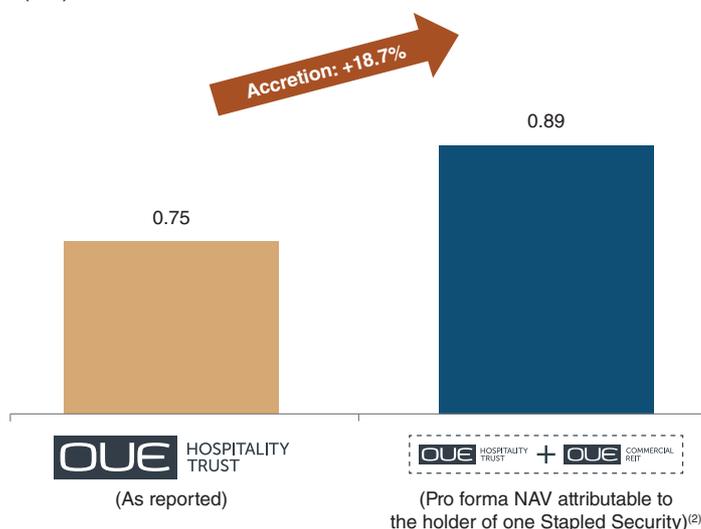
Notes:

- (1) The exchange ratio of 1.3583 was determined based on commercial negotiations between the H-Trust Managers and the C-REIT Manager. Factors taken into account in arriving at the exchange ratio from H-Trust's perspective include, but were not limited to: (i) the DPU and NAV accretion to the Stapled Securityholders on a historical pro forma basis and (ii) the implied value of the Scheme Consideration relative to the historical trading prices and NAV of H-Trust and C-REIT.
- (2) Based on the Cash Consideration divided by C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.
- (3) Based on the aggregate of the number of C-REIT Units that would have been received based on the exchange ratio of 1.3583 and the number of C-REIT Units that would have been purchased assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.
- (4) Based on the Enlarged REIT's pro forma DPU multiplied by the total number of C-REIT Units that would have been received/purchased as explained in Note (3) above.

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- (ii) Assuming that the Merger had been completed on 31 December 2018, it will also be approximately 18.7% accretive to the Stapled Securityholders from a NAV perspective, with the NAV attributable to the holder of one Stapled Security increasing from S\$0.75 to S\$0.89.

Pro Forma NAV Attributable to the Holder of One Stapled Security⁽¹⁾ (S\$)



Notes:

- (1) Assumes the Merger had been completed on 31 December 2018.
- (2) Based on the Enlarged REIT's FY2018 pro forma NAV multiplied by the exchange ratio of 1.3583 and assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.

NAV attributable to the holder of one Stapled Security (S\$)	FY2018
Enlarged REIT's pro forma NAV per unit	0.62
Number of C-REIT Units that would have been received based on the exchange ratio of 1.3583 ⁽¹⁾	1.3583
Number of C-REIT Units that would have been purchased assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day	0.0797 ⁽²⁾
Total number of C-REIT Units that would have been received/purchased	1.4380⁽³⁾
Pro forma NAV attributable to the holder of one Stapled Security	0.89⁽⁴⁾

Notes:

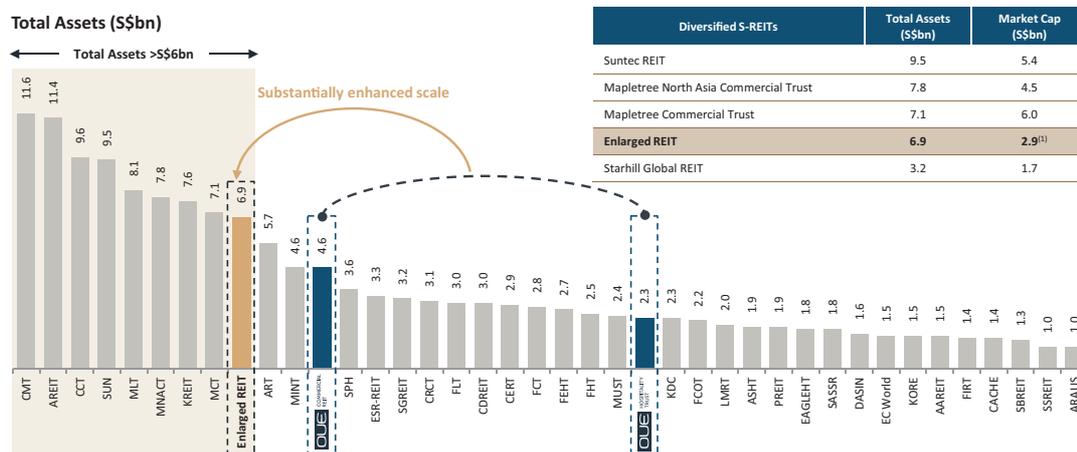
- (1) The exchange ratio of 1.3583 was determined based on commercial negotiations between the H-Trust Managers and the C-REIT Manager. Factors taken into account in arriving at the exchange ratio from H-Trust's perspective include, but were not limited to: (i) the DPU and NAV accretion to the Stapled Securityholders on a historical pro forma basis and (ii) the implied value of the Scheme Consideration relative to the historical trading prices and NAV of H-Trust and C-REIT.
- (2) Based on the Cash Consideration divided by C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.
- (3) Based on the aggregate of the number of C-REIT Units that would have been received based on the exchange ratio of 1.3583 and the number of C-REIT Units that would have been purchased assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.
- (4) Based on the Enlarged REIT's pro forma NAV multiplied by the total number of C-REIT Units that would have been received/purchased as explained in Note (3) above.

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(b) Creation of one of the largest diversified S-REITs

The Merger, if effected, will result in a sizeable and liquid S-REIT:

- (i) the Enlarged REIT is expected to become one of the largest diversified S-REITs, with total assets increasing to approximately S\$6.9 billion;



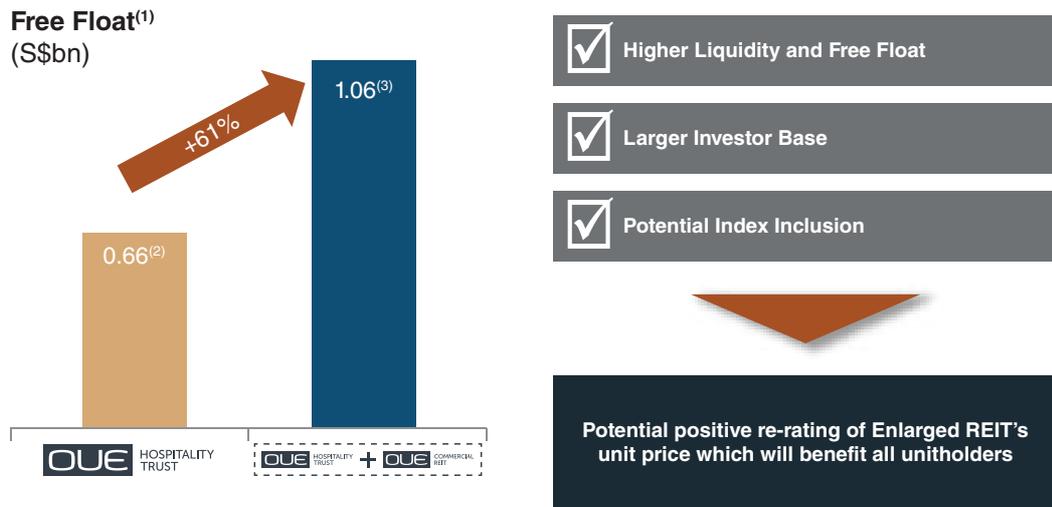
Source: Total assets based on company filings, and market capitalisation based on Bloomberg L.P. as at the Latest Practicable Date.

Note: Chart above only includes S-REITs and real estate business trusts with a listing on the SGX-ST as at the Latest Practicable Date with total assets of at least S\$1.0 billion as at 31 March 2019 (except ARA US Hospitality Trust and Eagle Hospitality Trust for which total assets as at 31 December 2018 and 24 May 2019 respectively are as disclosed in their respective prospectuses).

- (1) Illustrative market capitalisation of the Enlarged REIT calculated as the sum of (i) the market capitalisation of C-REIT of S\$1.4 billion as at the Latest Practicable Date, (ii) the portion of the Scheme Consideration to be satisfied in C-REIT Units, and (iii) the value of the acquisition fee to be issued in C-REIT Units, as described in the C-REIT Circular.
- (ii) the larger scale of the combined portfolio will enhance the Enlarged REIT's visibility within the S-REITs universe and increase the relevance of the Enlarged REIT amongst the investor community. This should allow the Enlarged REIT to benefit from better access to competitive sources of capital and enjoy greater funding flexibility; and
- (iii) the Enlarged REIT will benefit from a significant increase in free float which will increase by approximately 61%, from S\$0.66 billion as at the Latest Practicable Date to approximately S\$1.06 billion⁵. This will potentially result in higher trading liquidity and potential index inclusion, which could potentially lead to a positive re-rating of the Enlarged REIT and a wider investor base.

⁵ Excludes the stakes held by the OUE Group, the H-Trust Managers, the C-REIT Manager, directors and chief executive officers of the H-Trust Managers and the C-REIT Manager and their respective associates, substantial Stapled Securityholders and substantial C-REIT Unitholders. Based on the Enlarged REIT's pro forma free float of approximately 37.0% multiplied by illustrative market capitalisation of the Enlarged REIT. Illustrative market capitalisation of the Enlarged REIT calculated as the sum of (i) the market capitalisation of C-REIT of S\$1.4 billion as at the Latest Practicable Date, (ii) the portion of the Scheme Consideration to be satisfied in C-REIT Units, and (iii) the value of the acquisition fee to be issued in C-REIT Units, as described in the C-REIT Circular.

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Source: Company filings, Bloomberg L.P. as at the Latest Practicable Date.

Notes:

- (1) Excludes the stakes held by the OUE Group, the H-Trust Managers, the C-REIT Manager, directors and chief executive officers of the H-Trust Managers and the C-REIT Manager and their respective associates, substantial Stapled Securityholders and substantial C-REIT Unitholders.
- (2) Based on H-Trust's free float of approximately 51.2%, representing approximately 937.9 million Stapled Securities and the closing price of S\$0.705 per Stapled Security as at the Latest Practicable Date.
- (3) Based on the Enlarged REIT's pro forma free float of approximately 37.0% multiplied by the illustrative market capitalisation of the Enlarged REIT. Illustrative market capitalisation of the Enlarged REIT calculated as the sum of (i) the market capitalisation of C-REIT of S\$1.4 billion as at the Latest Practicable Date, (ii) the portion of the Scheme Consideration to be satisfied in C-REIT Units, and (iii) the value of the acquisition fee to be issued in C-REIT Units, as described in the C-REIT Circular.

(c) Enhanced Scale, Diversification and Resilience

The Enlarged REIT will have an enhanced portfolio comprising seven (7) properties, representing a total asset value of approximately S\$6.9 billion. The pro forma FY2018 gross revenue will increase to approximately S\$306 million while the pro forma FY2018 net property income will increase to approximately S\$251 million. The Enlarged REIT's portfolio will also be diversified across three (3) asset classes including commercial, hospitality and integrated developments⁶. This will reduce the concentration risk associated with exposure to any single real estate asset class. The enlarged portfolio will comprise approximately 1.9 million square feet of prime office assets, upscale hotels with an aggregate of 1,640 rooms and approximately 0.3 million square feet of prime retail space along Orchard Road and the core Central Business District, and no single property will represent more than 27% of the total asset value⁷.

⁶ Integrated developments including a combination of the office, retail and/or hospitality asset classes.

⁷ Based on valuations as at 31 December 2018.

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Notes:

- (1) As at 31 March 2019.
- (2) Based on reported FY2018 financials.
- (3) Based on attributable net lettable area.
- (4) CBD refers to Central Business District.

The Enlarged REIT (as compared to H-Trust) should also see:

- (i) enhanced tenant diversification, with income contribution from actively managed leases increasing from approximately 26.1% to approximately 68.7% by gross revenue; and
- (ii) increase in weighted average debt tenure from approximately 2.5 years to approximately 3.2 years.



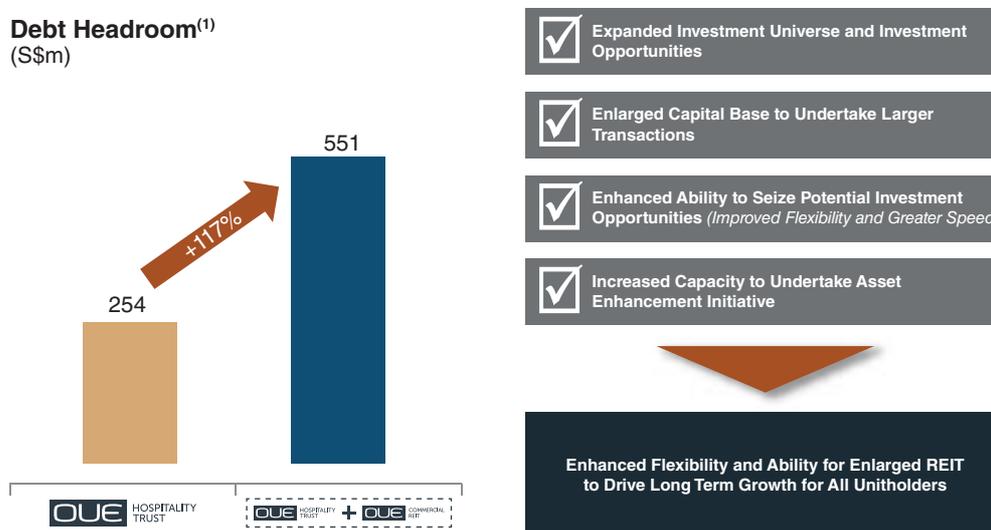
Note:

- (1) Based on gross floor area as at 31 December 2018 (calculated on a weighted average basis as at 31 December 2018, where appropriate); gross floor area for each of One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall is estimated based on the percentage split of the net lettable area for One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall as disclosed in the circular to the C-REIT Unitholders dated 1 July 2015 in relation to (i) the proposed acquisition of an indirect interest in One Raffles Place and the proposed CPPU issue, and (ii) the proposed trust deed supplement for the issue of preferred units.

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(d) Increased Flexibility and Ability to Drive Growth

The Stapled Securityholders will benefit from the Enlarged REIT's enhanced ability to pursue future scalable growth via organic and inorganic means. Expanding the investment mandate to include commercial⁸, hospitality and integrated developments⁹ globally will allow the Enlarged REIT to explore opportunities beyond a specific sector, and enhance its ability to drive long-term distribution and capital growth. The Enlarged REIT's larger capital base will also enhance its funding capacity and flexibility, with (i) debt headroom increasing from approximately S\$254 million (for H-Trust) to approximately S\$551 million as at 31 December 2018, and (ii) a larger equity fundraising capacity. In addition, the Enlarged REIT will enjoy enhanced capacity to undertake asset enhancement initiatives to deliver organic growth for unitholders. The increased funding capacity and flexibility will enhance the Enlarged REIT's ability to drive long term growth for all unitholders.



Note:

- (1) As at 31 December 2018. Based on the aggregate leverage limit of 45% under the Property Funds Appendix.

2.4 The Merger and the Trust Scheme

(a) Terms of the Trust Scheme

The Trust Scheme is proposed to be effected in accordance with the Code and the H-Trust Trust Deeds (to be amended and supplemented by the Supplemental Trust Deeds and as described in Paragraph 3 of this Letter to Stapled Securityholders below), subject to the terms and conditions of the Implementation Agreement.

⁸ Includes office and/or retail asset classes.

⁹ Includes a combination of office, retail and/or hospitality asset classes.

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Under the Trust Scheme:

- (i) upon the Trust Scheme becoming effective and binding in accordance with its terms, all the Stapled Securities will be transferred to the C-REIT Trustee:
 - (A) fully paid;
 - (B) free from any Encumbrances; and
 - (C) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date, including the right to receive and retain all rights and other distributions (if any) declared by H-Trust on or after the Joint Announcement Date, except for the H-Trust Permitted Distributions,

such that on the Effective Date, the C-REIT Trustee shall hold 100% of the Stapled Securities; and

- (ii) in consideration for such transfer of the Stapled Securities, the C-REIT Trustee and the C-REIT Manager agree to pay or procure the payment of the Cash Consideration and allot and issue or procure the allotment and issuance (as the case may be), by the C-REIT Manager of the Consideration Units to each Entitled Stapled Securityholder, in accordance with the terms and conditions of the Implementation Agreement.

For the avoidance of doubt, the Parties shall be entitled to declare, make or pay the H-Trust Permitted Distributions and the C-REIT Permitted Distributions, as the case may be, without any adjustment to the Scheme Consideration. The Stapled Securityholders as at the books closure date(s) fixed for such H-Trust Permitted Distributions shall have the right to receive and retain the H-Trust Permitted Distributions (if any) in addition to the Scheme Consideration.

(b) **Scheme Consideration**

In consideration of the transfer of the Stapled Securities referred to in Paragraph 2.4(a)(ii) of this Letter to Stapled Securityholders, the C-REIT Trustee and the C-REIT Manager agree, subject to the Trust Scheme becoming effective in accordance with its terms, to pay or procure the payment of the Scheme Consideration for each Stapled Security held by each Entitled Stapled Securityholder:

- (i) firstly, the payment by the C-REIT Trustee of the Cash Consideration (a sum of S\$0.04075 in cash per Stapled Security); and
- (ii) secondly, allot and issue, or procure the allotment and issuance (as the case may be), by the C-REIT Manager of the Consideration Units (1.3583 new C-REIT Units per Stapled Security), such Consideration Unit to be credited as fully paid,

in accordance with the terms and conditions of the Implementation Agreement. On the Effective Date, the C-REIT Trustee shall hold 100% of the Stapled Securities.

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The aggregate Cash Consideration to be paid to each Stapled Securityholder shall be rounded to the nearest S\$0.01. The number of Consideration Units which each Stapled Securityholder will be entitled to pursuant to the Trust Scheme, based on the Stapled Securities held by such Stapled Securityholder as at the Books Closure Date, will be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units to be issued to any Stapled Securityholder pursuant to the Trust Scheme.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, a Stapled Securityholder will receive S\$40.75 in cash and 1,358 Consideration Units for every 1,000 Stapled Securities held by it as at the Books Closure Date.

The Consideration Units shall:

- (i) when issued, be duly authorised, validly issued and fully paid-up and shall rank *pari passu* in all respects with the existing C-REIT Units as at the date of their issue; and
- (ii) be issued free from all and any Encumbrances and restrictions on transfers and no person has or shall have any rights of pre-emption over the Consideration Units.

The Scheme Consideration (including the exchange ratio of 1.3583) was determined based on commercial negotiations between the H-Trust Managers and the C-REIT Manager. Factors taken into account in arriving at the Scheme Consideration (including the exchange ratio of 1.3583) included, but were not limited to: (1) the DPU and NAV accretion to the Stapled Securityholders on a historical pro forma basis, and (2) the implied value of the Scheme Consideration relative to the historical trading prices and NAV of H-Trust and C-REIT.

(c) **Effective Date**

The Trust Scheme will become effective upon the lodgement of the Trust Scheme Court Order with the MAS or the notification to the MAS of the grant of the Trust Scheme Court Order, as the case may be, which shall be effected by the C-REIT Trustee within ten (10) Business Days from the date the last Scheme Condition set out in Paragraphs (a) (*Amendments to H-Trust Trust Deeds*), (b) (*Trust Scheme*), (c) (*Court Approval for the Scheme*), (d) (*Regulatory Approvals*), (e) (*Approval from C-REIT Unitholders*), and (f) (*Authorisations and Consents*) of Appendix N to this Scheme Document is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.

(d) **Permitted Distributions**

Subject to the terms and conditions of the Implementation Agreement, the H-Trust Managers and the C-REIT Manager are permitted to declare, make or pay distributions to the Stapled Securityholders and the C-REIT Unitholders (as the case may be) only if such distributions to be declared, paid or made by H-Trust or C-REIT:

- (i) have been declared or which H-Trust or, as the case may be, C-REIT, is under a contractual obligation to pay but have not been paid prior to the date of the Implementation Agreement; or

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- (ii) are declared, paid or made by the H-Trust Managers or, as the case may be, the C-REIT Manager, in the ordinary course of business in respect of the period from 1 January 2019 up to the day immediately before the Effective Date, including any clean-up distribution in respect of the period from the day following the latest completed financial quarter of H-Trust or, as the case may be, the latest completed financial half of C-REIT, preceding the Effective Date up to the day immediately before the Effective Date.

The Stapled Securityholders as at the books closure date(s) fixed for such H-Trust Permitted Distributions shall have the right to receive and retain the H-Trust Permitted Distributions (if any) in addition to the Scheme Consideration.

(e) **New C-REIT Units**

Under the terms of the Implementation Agreement, the C-REIT Trustee and the C-REIT Manager have represented and warranted that:

- (i) all the Consideration Units, when issued, shall be duly authorised and validly issued, fully paid-up and rank *pari passu* in all respects with the existing C-REIT Units as at the date of their issue;
- (ii) all the Consideration Units shall be issued no later than seven (7) Business Days from the Effective Date; and
- (iii) the Consideration Units shall be issued free from all and any Encumbrances and restrictions on transfers.

For avoidance of doubt, no C-REIT Permitted Distributions shall be payable in respect of the Consideration Units.

2.5 Scheme Conditions

(a) **Scheme Conditions**

The Trust Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the Scheme Conditions set out in the Implementation Agreement and reproduced in Appendix N to this Scheme Document by the Long-Stop Date.

The Trust Scheme will become effective upon the lodgement of the Trust Scheme Court Order with the MAS or the notification to the MAS of the grant of the Trust Scheme Court Order, as the case may be, which shall be effected by the C-REIT Trustee within ten (10) Business Days from the date the last Scheme Condition set out in Paragraphs (a) (*Amendments to H-Trust Trust Deeds*), (b) (*Trust Scheme*), (c) (*Court Approval for the Scheme*), (d) (*Regulatory Approvals*), (e) (*Approval from C-REIT Unitholders*), and (f) (*Authorisations and Consents*) of Appendix N to this Scheme Document is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.

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As at the Latest Practicable Date, save for the Scheme Conditions set out in Paragraphs (d)(iii) (*Regulatory Approvals (SIC)*), (d)(iv) (*Regulatory Approvals (SGX-ST) of the Trust Scheme, the Scheme Document and proposed delisting of H-Trust*), and (d)(v) (*Regulatory Approvals (SGX-ST) for the listing and quotation of the Consideration Units*) of Appendix N to this Scheme Document which have been satisfied (or, where applicable, waived), the Trust Scheme is conditional upon the satisfaction (or, where applicable, waiver) of the remaining Scheme Conditions as set out in Appendix N to this Scheme Document by the Long-Stop Date.

(b) **Benefit of Scheme Conditions**

(i) **C-REIT's Benefit**

The C-REIT Trustee and the C-REIT Manager may waive any Scheme Condition in Paragraphs (d)(i) (*Regulatory Approvals (IRAS)*), (d)(ii) (*Regulatory Approvals (MAS)*), (h) (*No Prescribed Occurrence*) (insofar as it relates to any Prescribed Occurrence (as set out in Appendix O to this Scheme Document) in relation to any H-Trust Group Entity), (i) (*H-Trust Representations, Warranties and Covenants*), and (k)(ii) (*Material Adverse Event (H-Trust Group)*) of Appendix N to this Scheme Document. Any breach or non-fulfilment of any such Scheme Condition may be relied upon only by the C-REIT Trustee and the C-REIT Manager. The C-REIT Trustee and the C-REIT Manager may at any time and from time to time at their sole and absolute discretion waive any such breach or non-fulfilment.

(ii) **H-Trust's Benefit**

The H-REIT Trustee and the H-Trust Managers may waive any Scheme Condition in Paragraphs (h) (*No Prescribed Occurrence*) (insofar as it relates to any Prescribed Occurrence (as set out in Appendix O to this Scheme Document) in relation to any C-REIT Group Entity), (j) (*C-REIT Representations, Warranties and Covenants*), and (k)(i) (*Material Adverse Event (C-REIT Group)*) of Appendix N to this Scheme Document. Any breach or non-fulfilment of any such Scheme Condition may be relied upon only by the H-REIT Trustee and the H-Trust Managers. The H-REIT Trustee and the H-Trust Managers may at any time and from time to time at their sole and absolute discretion waive any such breach or non-fulfilment.

(iii) **Mutual Benefit**

The Parties may jointly waive the Scheme Conditions in Paragraphs (f) (*Authorisations and Consents*) and (g) (*No Legal or Regulatory Restraint*) of Appendix N to this Scheme Document. For the avoidance of doubt, the Parties agree that the Scheme Conditions set out in Paragraphs (a) (*Amendments to H-Trust Trust Deeds*), (b) (*Trust Scheme*), (c) (*Court Approval for the Scheme*), (d)(iii) (*Regulatory Approvals (SIC)*), (d)(iv) (*Regulatory Approvals (SGX-ST) of the Trust Scheme, the Scheme Document and proposed delisting of H-Trust*), (d)(v) (*Regulatory Approvals (SGX-ST) for the listing and quotation for the Consideration Units*), and (e) (*Approval from C-REIT Unitholders*) of Appendix N to this Scheme Document are not capable of being waived by any Party or all of the Parties.

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2.6 Termination of the Trust Scheme

(a) Right to Terminate

The Implementation Agreement may be terminated with immediate effect by giving notice in writing at any time prior to the Relevant Date, subject to the prior consultation with the SIC, and the SIC giving its approval for, and stating that it has no objection to, such termination:

- (i) **Court Order:** by either the C-REIT Trustee and the C-REIT Manager or the H-REIT Trustee and the H-Trust Managers, if any court of competent jurisdiction or Governmental Agency has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Trust Scheme, the Merger or any part thereof, or has refused to do anything necessary to permit the Trust Scheme, the Merger or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;
- (ii) **Breach:** by either:
 - (A) the C-REIT Trustee and the C-REIT Manager, if any of the H-REIT Trustee, the H-REIT Manager or the H-BT Trustee-Manager (I) is in breach of the representations and warranties of the H-REIT Trustee and the H-Trust Managers set out in the Implementation Agreement (and reproduced in Appendix Q to this Scheme Document) which are material in the context of the Trust Scheme, and such defaulting party fails to remedy such breach (if capable of remedy) within 14 days after being given notice by either of the C-REIT Trustee and the C-REIT Manager to do so, or (II) fails to perform and comply in all material respects with any matters referred to in Paragraph (i)(ii) (*H-Trust Representations, Warranties and Covenants*) of Appendix N to this Scheme Document on or prior to the Relevant Date; or
 - (B) the H-REIT Trustee and the H-Trust Managers, if either the C-REIT Trustee or the C-REIT Manager (I) is in breach of the representations and warranties of the C-REIT Trustee and the C-REIT Manager set out in the Implementation Agreement (and reproduced in Appendix P to this Scheme Document) which are material in the context of the Trust Scheme, and such defaulting party fails to remedy such breach (if capable of remedy) within 14 days after being given notice by any of the H-REIT Trustee or the H-Trust Managers to do so, or (II) fails to perform and comply in all material respects with any matters referred to in Paragraph (j)(ii) (*C-REIT Representations, Warranties and Covenants*) of Appendix N to this Scheme Document on or prior to the Relevant Date;
- (iii) **Stapled Securityholders' Approvals:** by either the C-REIT Trustee and the C-REIT Manager or the H-REIT Trustee and the H-Trust Managers, if the resolutions submitted to (A) the Extraordinary General Meeting for the Trust Deeds Amendments or (B) the Trust Scheme Meeting for the Trust Scheme, are not approved (without amendment) by the requisite majorities;
- (iv) **C-REIT Unitholders' Approval:** by either the H-REIT Trustee and the H-Trust Managers or the C-REIT Trustee and the C-REIT Manager, if the resolution(s)

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submitted to the general meeting of the C-REIT Unitholders for the Merger are not approved (without amendment) by the requisite majority;

- (v) **H-Trust Competing Offer:** by either the H-REIT Trustee and the H-Trust Managers or the C-REIT Trustee and the C-REIT Manager, if a H-Trust Competing Offer becomes or is declared unconditional in all respects (or its equivalent) and/or is completed; or
 - (vi) **C-REIT Competing Offer:** by either the C-REIT Trustee and the C-REIT Manager or the H-REIT Trustee and the H-Trust Managers, if a C-REIT Competing Offer becomes or is declared unconditional in all respects (or its equivalent) and/or is completed.
- (b) **Non-fulfilment of Scheme Conditions:** The Implementation Agreement may also be terminated by any Party, if the Trust Scheme has not become effective on or before 11.59 p.m. on the Long-Stop Date or any of the Scheme Conditions has not been satisfied (or, where applicable, has not been waived) by the Long-Stop Date, and the non-fulfilment of any such Scheme Condition is material in the context of the Merger except that:
- (i) in the event of any non-fulfilment of the Scheme Conditions in Paragraphs (f) (*Authorisations and Consents*), (h) (*No Prescribed Occurrence*), (i) (*H-Trust Representations, Warranties and Covenants*), and (k)(ii) (*Material Adverse Event (H-Trust Group)*) of Appendix N to this Scheme Document, the C-REIT Trustee and the C-REIT Manager can only rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement with the prior consultation of the SIC; and
 - (ii) in the event of any non-fulfilment of the Scheme Conditions in Paragraphs (f) (*Authorisations and Consents*), (h) (*No Prescribed Occurrence*), (j) (*C-REIT Representations, Warranties and Covenants*), and (k)(i) (*Material Adverse Event (C-REIT Group)*) of Appendix N to this Scheme Document, the H-REIT Trustee and H-Trust Managers can only rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement with the prior consultation of the SIC,

and in each case, subject to the SIC giving its approval for, and stating that it has no objection to, such termination.

(c) **Consultation with Other Parties**

In the event any Party intends to consult the SIC in relation to the termination of the Implementation Agreement, it shall give prior written notice of such intention to the other Parties.

(d) **Effect of Termination**

In the event of termination of the Implementation Agreement by either (i) the C-REIT Trustee and the C-REIT Manager, or (ii) the H-REIT Trustee and the H-Trust Managers pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for certain surviving provisions such as those

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relating to, amongst others, confidentiality, costs and expenses and governing law) and there shall be no liability on the part of any Party save as set out in the Implementation Agreement.

2.7 Obligations of C-REIT

Pursuant to the terms of the Implementation Agreement, each of the C-REIT Trustee (to the extent applicable) and the C-REIT Manager shall execute all documents and do or cause to be done all acts and things necessary for the implementation of the Merger and/or the Trust Scheme, as expeditiously as practicable, including the obligations set out in Appendix R to this Scheme Document.

2.8 Obligations of H-Trust

Pursuant to the terms of the Implementation Agreement, each of the H-REIT Trustee (to the extent applicable) and the H-Trust Managers shall execute all documents and do or cause to be done all acts and things necessary for the implementation of the Merger and/or the Trust Scheme, as expeditiously as practicable, including the obligations set out in Appendix S to this Scheme Document.

2.9 Switch Option

Pursuant to the terms of the Implementation Agreement, the C-REIT Trustee has the right at its discretion to elect at any time, subject to prior consultation with the SIC:

- (a) in the event of a H-Trust Competing Offer or an intention to make a H-Trust Competing Offer is announced (whether or not such H-Trust Competing Offer is pre-conditional) to exercise the Switch Option;
- (b) in such event, the C-REIT Trustee will make the Offer on the same or better terms as those which apply to the Trust Scheme, including the same or a higher consideration than the Scheme Consideration (being the aggregate of (i) the implied dollar value of the Consideration Units as agreed between the Parties based on the fixed number of Consideration Units issued for each Stapled Security, and (ii) the Cash Consideration) for each Stapled Security, and conditional upon a level of acceptances set at only more than 50% of the Stapled Securities to which the Offer relates and not conditional on a higher level of acceptances; and
- (c) if the C-REIT Trustee exercises the Switch Option, the Implementation Agreement (save for certain surviving provisions) shall terminate with effect from the date of announcement by or on behalf of the C-REIT Trustee of a firm intention to make the Offer (other than certain surviving provisions), and none of the Parties shall have any claim against the other Parties under the Implementation Agreement.

For the avoidance of doubt, there is no requirement under the terms and conditions of the Implementation Agreement for the C-REIT Trustee to exercise the Switch Option in the event of a H-Trust Competing Offer.

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2.10 No Cash Outlay

The Stapled Securityholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Entitled Stapled Securityholders under the Trust Scheme.

2.11 Waiver of Rights to a General Offer

As set out and explained in Paragraph 4.2 of this Letter to Stapled Securityholders below, the Stapled Securityholders should note that by voting in favour of the Trust Scheme, Stapled Securityholders will be regarded as having waived their rights to a general offer by the C-REIT Concert Party Group to acquire the Stapled Securities under the Code (in respect of the Trust Scheme only) and are agreeing to the C-REIT Concert Party Group acquiring or consolidating effective control of H-Trust by way of the Trust Scheme without having to make a general offer. For the avoidance of doubt, pursuant to the terms of the Implementation Agreement, the C-REIT Manager has a right to exercise the Switch Option as described in Paragraph 2.9 of this Letter to Stapled Securityholders.

3. THE TRUST DEEDS AMENDMENTS

Pursuant to the H-Trust Trust Deeds and Section 31(1)(a) of the Business Trusts Act in the case of H-BT, which provides that no person shall modify or replace the trust deed of a registered business trust unless such modification or replacement is approved by a special resolution of the unitholders of the registered business trust, and accordingly, the H-Trust Managers are seeking the approval of the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for the Trust Deeds Amendments to be effected so as to allow for the facilitation of the implementation of the Trust Scheme and the delisting of H-Trust.

Pursuant to the proposed Trust Deeds Amendments, details of which are as follows:

- (a) the Stapled Securityholders, the H-REIT Trustee and the H-Trust Managers shall do all things and execute all deeds, instruments, transfers or other documents as the H-REIT Trustee and the H-Trust Managers consider necessary or desirable to execute, implement and/or to give full effect to the terms of the Trust Scheme and the transactions contemplated by it;
- (b) each of the H-REIT Trustee and the H-Trust Managers shall have the power to do all things which it considers necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Trust Scheme and the transactions contemplated by it;
- (c) the Trust Scheme, if the Trust Scheme Resolution is approved at the Trust Scheme Meeting and upon granting of the Trust Scheme Court Order, shall come into effect on the Effective Date and shall be binding on the H-REIT Trustee, the H-Trust Managers and all Stapled Securityholders; and
- (d) the H-Trust Managers may make an application to delist H-Trust if the Stapled Securityholders approve the passing of the Trust Scheme Resolution at the Trust Scheme Meeting.

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In addition, it is also proposed that the Trust Deeds Amendments will amend the Stapling Deed such that the H-Trust Managers may make an application to delist H-Trust (a) by a resolution passed by a vote representing 75% or more of the total number of votes cast for and against such a resolution at a meeting of Stapled Securityholders, instead of a voting threshold of 80% as currently provided in the Stapling Deed, or (b) where the Stapled Securityholders approve the passing of the Trust Scheme Resolution at the Trust Scheme Meeting.

The 80% voting threshold for the delisting of H-Trust was in line with market precedents at the time of the initial public offering of H-Trust in 2013. The rationale for lowering the voting threshold required for the delisting of H-Trust from 80% to 75% as contemplated by the Trust Deeds Amendments is to align the Stapling Deed with Rule 1307(2) of the Listing Manual, which provides that a resolution to delist an issuer must be approved by a majority of at least 75% of the total number of issued shares held by the shareholders present and voting either in person or by proxy at the meeting, excluding treasury shares and subsidiary holdings, and to align the voting threshold with recent market precedents of hospitality trusts listed on the SGX-ST.

Please refer to Appendix D to this Scheme Document which sets out the proposed Trust Deeds Amendments.

4. APPROVALS REQUIRED IN RESPECT OF THE TRUST SCHEME

4.1 Extraordinary General Meeting, Trust Scheme Meeting and Court Sanction

The Trust Scheme will require, *inter alia*, the following approvals:

- (a) the approval of the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for the Trust Deeds Amendments Resolution;
- (b) the approval of the Trust Scheme by a majority in number of the Stapled Securityholders present and voting, either in person or by proxy, at the Trust Scheme Meeting, such majority representing at least three-fourths in value of the Stapled Securities voted at the Trust Scheme Meeting to approve the Trust Scheme Resolution; and
- (c) the Trust Scheme Court Order being obtained.

The Trust Scheme Resolution is contingent upon the approval of the Trust Deeds Amendments Resolution at the Extraordinary General Meeting. In the event that the Trust Deeds Amendments Resolution is not passed at the Extraordinary General Meeting, the H-Trust Managers will not proceed with the Trust Scheme Meeting. This means that the Trust Scheme cannot be implemented by the H-Trust Managers and the C-REIT Manager unless both the Trust Deeds Amendments Resolution and the Trust Scheme Resolution are passed at the Extraordinary General Meeting and the Trust Scheme Meeting respectively.

For avoidance of doubt, the Trust Deeds Amendments Resolution is not conditional on the Trust Scheme Resolution being passed. In the event the Trust Deeds Amendments Resolution is approved at the Extraordinary General Meeting, the H-Trust Trust Deeds will be amended to include the Trust Deeds Amendments, whether or not the Trust Scheme Resolution is passed.

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In addition, the Trust Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the terms and conditions of the Implementation Agreement.

4.2 SIC Confirmations

Pursuant to the application made by the C-REIT Manager to the SIC to seek SIC's rulings and confirmations on certain matters in relation to the Trust Scheme, the SIC has confirmed on 22 March 2019, *inter alia*, that:

- (a) the Trust Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:
 - (i) the C-REIT Trustee (acting in the capacity as trustee of C-REIT), the C-REIT Manager and its concert parties, as well as the common substantial C-REIT Unitholders/Stapled Securityholders (i.e. those holding five per cent. or more interests in both C-REIT and H-Trust) abstain from voting on the Trust Scheme;
 - (ii) the Scheme Document contains advice to the effect that by voting for the Trust Scheme, Stapled Securityholders are agreeing to the C-REIT Trustee (acting in the capacity as trustee of C-REIT), the C-REIT Manager and its concert parties acquiring H-Trust without having to make a general offer for H-Trust, and the Scheme Document discloses the names of the C-REIT Manager and its concert parties, their current voting rights in H-Trust and their voting rights in H-Trust after the Trust Scheme;
 - (iii) the directors of the H-Trust Managers who are also directors or concert parties of the C-REIT Trustee (acting in the capacity as trustee of C-REIT), the C-REIT Manager and its concert parties abstain from making a recommendation on the Trust Scheme to Stapled Securityholders;
 - (iv) the H-Trust Managers appoint an independent financial adviser to advise the Stapled Securityholders on the Trust Scheme;
 - (v) the Trust Scheme is approved by a majority in number representing three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at a meeting convened to approve the Trust Scheme; and
 - (vi) the H-REIT Trustee and the H-BT Trustee-Manager obtain Court approval for the Trust Scheme under Order 80 of the Rules of Court; and
- (b) it has no objections to the Scheme Conditions.

4.3 C-REIT Extraordinary General Meeting

An extraordinary general meeting of C-REIT has also been convened to seek the approval of the C-REIT Unitholders for (a) the Merger and (b) the issuance of the Consideration Units as part of the consideration for the Merger.

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For further information on the approvals required from the C-REIT Unitholders and the Merger from the perspective of C-REIT, please refer to the C-REIT Circular dated 10 July 2019, a copy of which is available on the SGXNET.

5. DELISTING

Upon the Trust Scheme becoming effective in accordance with its terms, H-Trust will be wholly-owned by the C-REIT Trustee and will, subject to the approval of the SGX-ST, be delisted and removed from the Official List of the SGX-ST.

An application was made by the H-Trust Managers on behalf of H-Trust to seek approval from the SGX-ST to delist and remove H-Trust from the Official List of the SGX-ST upon the Trust Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 20 June 2019, advised that it has no objection to the delisting of H-Trust from the Official List of the SGX-ST, subject to:

- (a) the approval of the Stapled Securityholders for the Trust Deeds Amendments Resolution;
- (b) the approval of the Stapled Securityholders for the Trust Scheme;
- (c) the abstention from voting by the H-Trust Managers and its connected persons and associates on the Trust Scheme Resolution, pursuant to Rule 748(5) of the Listing Manual;
- (d) the approval by the High Court of the Trust Scheme; and
- (e) an unqualified opinion from an independent financial adviser that the financial terms of the Trust Scheme are fair and reasonable to the Stapled Securityholders.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Trust Scheme, the delisting and removal of H-Trust from the Official List of the SGX-ST, H-Trust, the H-Trust Managers, their subsidiaries and/or their securities.

STAPLED SECURITYHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE TRUST SCHEME RESOLUTION, THE STAPLED SECURITIES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE TRUST SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

6. CONFIRMATION OF FINANCIAL RESOURCES

As stated in Paragraph 11 of the Offeror's Letter at Appendix B to this Scheme Document, Citigroup Global Markets Singapore Pte. Ltd., being one of the C-REIT Financial Advisers, confirms that sufficient financial resources are available to C-REIT to satisfy in full the aggregate Cash Consideration payable by the C-REIT Trustee for all the Stapled Securities to be acquired by the C-REIT Trustee pursuant to the Trust Scheme.

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7. EXTRAORDINARY GENERAL MEETING

7.1 Extraordinary General Meeting

As mentioned in Paragraph 1.3(a) of this Letter to Stapled Securityholders above, the Extraordinary General Meeting will be convened to seek the approval of Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for the Trust Deeds Amendments Resolution.

7.2 Convening of Extraordinary General Meeting

The Extraordinary General Meeting will be convened and held on 14 August 2019 at 3.00 p.m. at Mandarin Orchard Singapore, Mandarin Ballroom I, II and III, 6th Floor, Main Tower, 333 Orchard Road, Singapore 238867 for the purpose of considering, and if thought fit, passing with or without modifications, the Extraordinary Resolution to approve the Trust Deeds Amendments as set out in Appendix D to this Scheme Document.

7.3 Notice

The notice of the Extraordinary General Meeting is set out in pages T-1 to T-2 of this Scheme Document. You are requested to take note of the date, time and venue of the Extraordinary General Meeting.

8. TRUST SCHEME MEETING

8.1 Trust Scheme Meeting

As mentioned in Paragraph 4 of this Letter to Stapled Securityholders above, the Trust Scheme will require, *inter alia*, the following approvals:

- (a) the approval of the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for the Trust Deeds Amendments Resolution; and
- (b) the approval of the Trust Scheme by a majority in number of the Stapled Securityholders present and voting, either in person or by proxy, at the Trust Scheme Meeting, such majority representing at least three-fourths in value of the Stapled Securities voted at the Trust Scheme Meeting to approve the Trust Scheme Resolution.

The Trust Scheme Resolution is contingent upon the approval of the Trust Deeds Amendments Resolution at the Extraordinary General Meeting. In the event that the Trust Deeds Amendments Resolution is not passed at the Extraordinary General Meeting, the H-Trust Managers will not proceed with the Trust Scheme Meeting. This means that the Trust Scheme cannot be implemented by the H-Trust Managers and the C-REIT Manager unless both the Trust Deeds Amendments Resolution and the Trust Scheme Resolution are passed at the Extraordinary General Meeting and the Trust Scheme Meeting respectively.

For avoidance of doubt, the Trust Deeds Amendments Resolution is not conditional on the Trust Scheme Resolution being passed. In the event the Trust Deeds Amendments Resolution is approved at the Extraordinary General Meeting, the

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H-Trust Trust Deeds will be amended to include the Trust Deeds Amendments, whether or not the Trust Scheme Resolution is passed.

In addition, the Trust Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.

When the Trust Scheme, with or without modifications, becomes effective, it will be binding on all Stapled Securityholders, whether or not they were present in person or by proxy or voted at the Trust Scheme Meeting.

8.2 Convening of the Trust Scheme Meeting

Pursuant to an application made by the H-Trust Managers and the H-REIT Trustee under Order 80 of the Rules of Court, and the Trust Scheme Meeting Court Order, the Court has ordered, amongst other things, that:

- (a) the H-Trust Managers and the H-REIT Trustee be at liberty to convene the Trust Scheme Meeting within four (4) months of the date of the Trust Scheme Meeting Court Order, for the purpose of considering and, if thought fit, approving, with or without modification (which modification can be made any time prior to and/or at the Trust Scheme Meeting), the Trust Scheme;
- (b) the Trust Scheme Meeting be convened in the manner set out in Appendix U to this Scheme Document, or in such other manner as the Court may order;
- (c) in the event the Trust Scheme is approved by a majority in number of the Stapled Securityholders representing at least three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Trust Scheme Meeting, the H-Trust Managers and the H-REIT Trustee be at liberty to apply for the Court's approval of the Trust Scheme under Order 80 of the Rules of Court, with such modifications as are approved at the Trust Scheme Meeting (if any); and
- (d) each of the H-Trust Manager and the H-REIT Trustee and any Stapled Securityholder shall have liberty to apply for further or other directions.

8.3 Notice

The notice of the Trust Scheme Meeting is set out in pages W-1 to W-3 of this Scheme Document. You are requested to take note of the date, time and venue of the Trust Scheme Meeting.

9. IMPLEMENTATION OF THE TRUST SCHEME

9.1 Application to Court for Sanction

Upon receipt of the approval by the requisite majority of Stapled Securityholders (as stated in Paragraph 4 of this Letter to Stapled Securityholders above) present and voting, either in person or by proxy, at the Trust Scheme Meeting, an application will be made to the Court by the H-REIT Trustee and the H-Trust Managers for the Trust Scheme Court Order.

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9.2 Procedure for Implementation

If the requisite majority of Stapled Securityholders approve the Trust Deeds Amendments Resolution at the Extraordinary General Meeting and the Trust Scheme Resolution at the Trust Scheme Meeting, and the Court sanctions the Trust Scheme by granting the Trust Scheme Court Order, the C-REIT Manager and the H-Trust Managers will (subject to the Scheme Conditions having been satisfied or, as the case may be, waived in accordance with the Implementation Agreement) take the necessary steps to render the Trust Scheme effective and binding, and the following will be implemented:

- (a) the Stapled Securities will be transferred to the C-REIT Trustee as follows:
 - (i) in the case of the Entitled Stapled Securityholders (not being Depositors), the H-Trust Managers shall authorise any person to execute or effect on behalf of all such Entitled Stapled Securityholders an instrument or instruction of transfer of all the Stapled Securities held by such Entitled Stapled Securityholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Stapled Securityholder; and
 - (ii) in the case of the Entitled Stapled Securityholders (being Depositors), the H-Trust Managers shall instruct CDP, for and on behalf of such Entitled Stapled Securityholders, to debit, not later than seven (7) Business Days after the Effective Date, all of the Stapled Securities standing to the credit of the Securities Account(s) of such Entitled Stapled Securityholders and credit all of such Stapled Securities to the Securities Account(s) of the C-REIT Trustee (as trustee of C-REIT);
- (b) from the Effective Date, all existing confirmation notes relating to the Stapled Securities held by the Entitled Stapled Securityholders (not being Depositors) will cease to be evidence of title of the Stapled Securities represented thereby;
- (c) the Entitled Stapled Securityholders (not being Depositors) are required to forward their existing confirmation notes relating to their Stapled Securities to the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation; and
- (d) the C-REIT Trustee and the C-REIT Manager shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Stapled Securities set out in Paragraph 9.2(a) of this Letter to Stapled Securityholders above, make payment of the Scheme Consideration in the manner set out in Paragraph 9.3 of this Letter to Stapled Securityholders.

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9.3 The Scheme Consideration

(a) The Cash Consideration

- (i) The C-REIT Trustee shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Stapled Securities set out in Paragraph 9.2(a) of this Letter to Stapled Securityholders above:

(A) Entitled Stapled Securityholders whose Stapled Securities are not deposited with CDP

pay each Entitled Stapled Securityholder (not being a Depositor) by sending a cheque for the Cash Consideration payable to and made out in favour of such Entitled Stapled Securityholder by ordinary post to his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder made out in favour of such Entitled Stapled Securityholder by ordinary post to his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders.

(B) Entitled Stapled Securityholders whose Stapled Securities are deposited with CDP

pay each Entitled Stapled Securityholder (being a Depositor) by making payment of the Cash Consideration payable to such Entitled Stapled Securityholder to CDP. CDP shall:

- (I) in the case of an Entitled Stapled Securityholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Cash Consideration payable to such Entitled Stapled Securityholder, to the designated bank account of such Entitled Stapled Securityholder; and
- (II) in the case of an Entitled Stapled Securityholder (being a Depositor) who has not registered for CDP's direct crediting service, send to such Entitled Stapled Securityholder, by ordinary post to his address as appearing in the Depository Register at the close of business on the Books Closure Date regardless of whether such Entitled Stapled Securityholder holds the Stapled Securities as custodian or nominee and at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder by ordinary post to his address as appearing in the Depository Register at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholder, a cheque for the payment of such Cash Consideration made out in favour of such Entitled Stapled Securityholders.
- (ii) On and after the day being six (6) calendar months after the posting of such cheques relating to the Cash Consideration, the C-REIT Trustee shall have the right to cancel or countermand payment of any such cheque which has not been

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cash (or has been returned uncashed) and shall place all such moneys in a bank account in the C-REIT Trustee's name with a licensed bank in Singapore selected by the C-REIT Manager.

- (iii) The C-REIT Trustee or its successor entities shall hold such moneys until the expiration of six (6) years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to Paragraph 9.3(a)(ii) of this Letter to Stapled Securityholders to persons who satisfy the C-REIT Trustee or its successor entities that they are respectively entitled thereto and that the cheques referred to in Paragraph 9.3(a)(i) of this Letter to Stapled Securityholders for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the C-REIT Trustee hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this Paragraph 9.3(a)(iii) of this Letter to Stapled Securityholders.
- (iv) On the expiry of six (6) years from the Effective Date, the C-REIT Trustee shall be released from any further obligation to make any payments of the Cash Consideration under this Trust Scheme.

(b) **The Consideration Units**

- (i) The C-REIT Manager shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Stapled Securities set out in Paragraph 9.2(a) of this Letter to Stapled Securityholders:

(A) **Entitled Stapled Securityholders whose Stapled Securities are not deposited with CDP**

deliver the confirmation notes for the relevant number of Consideration Units to each Entitled Stapled Securityholder (not being a Depositor) by sending to such Entitled Stapled Securityholder the same by ordinary post at his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder by ordinary post at his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders.

(B) **Entitled Stapled Securityholders whose Stapled Securities are deposited with CDP**

deliver the confirmation notes for the relevant number of Consideration Units to each Entitled Stapled Securityholder (being a Depositor) by sending the same to CDP. CDP shall send to such Entitled Stapled Securityholder, by ordinary post at his address as appearing in the Depository Register at the close of business on the Books Closure Date at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder by ordinary post at his address as appearing in the Depository Register at the

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close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders, a statement showing the number of Consideration Units credited to his Securities Account.

- (ii) All mandates or other instructions given by any Entitled Stapled Securityholder relating to the payment of distributions by H-Trust or relating to notices, annual report or other communications in force on the Relevant Date shall, unless and until specifically revoked in writing, be deemed on and from the Effective Date to be an effective mandate or, as the case may be, an effective instruction in respect of his corresponding holding of Consideration Units.
- (c) The despatch of payment of the Cash Consideration and delivery of confirmation notes by the C-REIT Trustee and the C-REIT Manager (as the case may be) to each Entitled Stapled Securityholder's address and/or CDP (as the case may be) in accordance with this Paragraph 9.3 of this Letter to Stapled Securityholders shall be deemed as a good discharge to C-REIT, the C-REIT Trustee, the C-REIT Manager and CDP of the Cash Consideration and of the Consideration Units represented thereby.
- (d) From the Effective Date, each existing confirmation note representing a former holding of Stapled Securities by Entitled Stapled Securityholders (not being Depositors) will cease to be evidence of title of the Stapled Securities represented thereby. The Entitled Stapled Securities (not being Depositors) shall forward their existing confirmation notes relating to their Stapled Securities to the Stapled Security Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation.

10. VALUATION ON PROPERTIES

10.1 H-Trust Portfolio

The H-Trust Managers and the H-REIT Trustee have commissioned Savills Valuation and Professional Services (S) Pte. Ltd., as the H-Trust Independent Valuer (H-Trust Portfolio), to conduct a desktop valuation of the H-Trust Portfolio as at 31 March 2019 for the purposes of the Merger. The aggregate open market value of the H-Trust Portfolio is S\$2,218.0 million as at 31 March 2019, as stated by the H-Trust Independent Valuer (H-Trust Portfolio) in the H-Trust Valuation Certificates. The methods used by the H-Trust Independent Valuer (H-Trust Portfolio) were the income capitalisation method, discounted cash flow analysis and direct comparison method.

Please refer to Appendix L to this Scheme Document for a copy of the H-Trust Valuation Certificates on the valuation of the H-Trust Portfolio as at 31 March 2019.

Copies of the desktop valuation reports in respect of the H-Trust Portfolio issued by the H-Trust Independent Valuer (H-Trust Portfolio) are available for inspection at the registered office of the H-Trust Managers at 333 Orchard Road, #33-00, Singapore 238867 during normal business hours from the date of this Scheme Document up to the Effective Date.

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10.2 C-REIT Portfolio

The H-Trust Managers and the H-REIT Trustee have commissioned the H-Trust Independent Valuers (C-REIT Portfolio) to value the C-REIT Portfolio as at 31 March 2019 for the purposes of the Merger. Specifically, (a) Cushman & Wakefield VHS Pte. Ltd. has been commissioned to value OUE Bayfront located at 50, 60 and 62 Collyer Quay, Singapore and the office components of OUE Downtown located at 6 and 6A Shenton Way, Singapore, (b) Savills Valuation and Professional Services (S) Pte. Ltd. has been commissioned to value C-REIT's effective interest of 67.95% in One Raffles Place located at 1 Raffles Place, Singapore, and (c) Savills Real Estate Valuation (Guangzhou) Ltd. has been commissioned to value C-REIT's 91.2% share of strata ownership of Lippo Plaza located at 222 Huaihai Zhong Road in the commercial district of Huangpu in Shanghai, the People's Republic of China.

The aggregate open market value of the C-REIT Portfolio is approximately S\$4,512.2 million¹⁰ as at 31 March 2019, as stated by the H-Trust Independent Valuers (C-REIT Portfolio) in the C-REIT Valuation Certificates. The methods used by the C-REIT Independent Valuers (C-REIT Portfolio) for OUE Bayfront, One Raffles Place and OUE Downtown were the income capitalisation method, discounted cash flow analysis and direct comparison method and for Lippo Plaza Shanghai, the discounted cash flow analysis and direct comparison method.

Please refer to Appendix M to this Scheme Document for a copy of the C-REIT Valuation Certificates by the H-Trust Independent Valuers (C-REIT Portfolio) on the valuation of the C-REIT Portfolio as at 31 March 2019.

Copies of the valuation reports in respect of the C-REIT Portfolio issued by the H-Trust Independent Valuers (C-REIT Portfolio) are available for inspection at the registered office of the H-Trust Managers at 333 Orchard Road, #33-00, Singapore 238867 during normal business hours from the date of this Scheme Document up to the Effective Date.

11. CLOSURE OF BOOKS

11.1 Notice of Books Closure

Subject to the approval by the requisite majority of Stapled Securityholders (as stated in Paragraph 4.1 of this Letter to Stapled Securityholders above) present and voting, either in person or by proxy, at the Extraordinary General Meeting and the Trust Scheme Meeting, and the sanction of the Trust Scheme by the Court, notice of the Books Closure Date will be given in due course for the purposes of determining the entitlements of the Stapled Securityholders to the Scheme Consideration under the Trust Scheme.

The Books Closure Date is expected to be on 16 September 2019 at 5.00 p.m.. The H-Trust Managers will make a further announcement in due course on the Books Closure Date.

¹⁰ Based on an exchange rate of RMB:S\$ of 1:0.197 for Lippo Plaza, Shanghai extracted from The Business Times as at the Latest Practicable Date.

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11.2 Books Closure

No transfer of the Stapled Securities where the confirmation notes relating thereto are not deposited with CDP may be effected after the Books Closure Date, unless such transfer is made pursuant to the Trust Scheme.

11.3 Trading in Stapled Securities on the SGX-ST

The Trust Scheme is tentatively scheduled to become effective and binding on or about **17 September 2019** and accordingly (assuming the Trust Scheme becomes effective and binding on **17 September 2019**), the Stapled Securities are expected to be delisted and removed from the Official List of the SGX-ST after the settlement of the Scheme Consideration. It is therefore expected that, subject to the approval of the SGX-ST, the Stapled Securities will cease to be traded on the SGX-ST on or about **12 September 2019** at 5.00 p.m., being two (2) Market Days before the expected Books Closure Date on **16 September 2019** at 5.00 p.m..

Stapled Securityholders (not being Depositors) who wish to trade in their Stapled Securities on the SGX-ST are required to deposit with CDP their confirmation notes relating to their Stapled Securities, together with the duly executed instruments of transfer in favour of CDP, eight (8) Market Days prior to the tentative last day for trading of the Stapled Securities.

12. SETTLEMENT AND REGISTRATION PROCEDURES

Subject to the Trust Scheme becoming effective, the following settlement and registration procedures will apply:

(a) Stapled Securityholders whose Stapled Securities are not deposited with CDP

Entitlements of Entitled Stapled Securityholders (not being Depositors) under the Trust Scheme will be determined on the basis of their holdings of Stapled Securities appearing in the Register of Stapled Securityholders on the Books Closure Date. Stapled Securityholders (not being Depositors) who have not already registered their holdings of the Stapled Securities are requested to take the necessary action to ensure that the Stapled Securities owned by them are registered in their names or in the names of their nominees by the Books Closure Date.

Entitled Stapled Securityholders (not being Depositors) who have not already done so are requested to take the necessary action to ensure that the Stapled Securities owned by them are registered in their names with the Stapled Security Registrar by 5.00 p.m. on the Books Closure Date.

From the Effective Date, each existing confirmation note representing a former holding of Stapled Securities by the Entitled Stapled Securityholder (not being Depositors) will cease to be evidence of title to the Stapled Securities represented thereby.

Within seven (7) Business Days of the Effective Date, the C-REIT Manager shall make payment of the Scheme Consideration to each Entitled Stapled Securityholder (not being a Depositor) based on his holding of the Stapled Securities as at 5.00 p.m. on the Books Closure Date.

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(b) **Stapled Securityholders whose Stapled Securities are deposited with CDP**

Entitlements of Entitled Stapled Securityholders (being Depositors) under the Trust Scheme will be determined on the basis of the number of Stapled Securities standing to the credit of their Securities Accounts as at 5.00 p.m. on the Books Closure Date.

Entitled Stapled Securityholders who have not already done so are requested to take the necessary action to ensure that the Stapled Securities owned by them are credited to their Securities Accounts by 5.00 p.m. on the Books Closure Date.

Following the Effective Date, CDP will debit all the Stapled Securities standing to the credit of each relevant Securities Account of each Entitled Stapled Securityholder (being a Depositor) and credit all of such Stapled Securities to the Securities Account of the C-REIT Trustee (as trustee of C-REIT), within seven (7) Business Days of the Effective Date and prior to delisting of H-Trust.

Within seven (7) Business Days of the Effective Date, CDP shall, based on the number of Stapled Securities standing to the credit of the Securities Account of the Entitled Stapled Securityholders (being Depositors) as at 5.00 p.m. on the Books Closure Date:

- (i) make payment of the Cash Consideration to the Entitled Stapled Securityholders in such manner as the Entitled Stapled Securityholders have agreed with CDP for payment of any cash distribution; and
- (ii) credit the Securities Accounts of the Entitled Stapled Securityholders with the appropriate number of Consideration Units.

13. OVERSEAS STAPLED SECURITYHOLDERS

13.1 Overseas Stapled Securityholders

The applicability of the Trust Scheme to the Overseas Stapled Securityholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Stapled Securityholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Overseas Stapled Securityholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.

13.2 Copies of Scheme Document

Where there are potential restrictions on sending this Scheme Document to any overseas jurisdiction, the C-REIT Manager and the H-Trust Managers reserve the right not to send such documents to the Stapled Securityholders in such overseas jurisdiction.

For the avoidance of doubt, the Trust Scheme is being proposed to all the Stapled Securityholders (including the Overseas Stapled Securityholders), including those to whom this Scheme Document will not be, or may not be, sent, provided that this Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Trust Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Trust Scheme would not be in compliance with the laws of such jurisdiction.

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Stapled Securityholders (including the Overseas Stapled Securityholders) may obtain copies of this Scheme Document and any related documents during normal business hours and up to the date of the Extraordinary General Meeting and the Trust Scheme Meeting from the Stapled Security Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Stapled Securityholder may write in to the Stapled Security Registrar at the same address to request for this Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three (3) Market Days prior to the date of the Extraordinary General Meeting and the Trust Scheme Meeting.

It is the responsibility of any Overseas Stapled Securityholder who wishes to request for this Scheme Document and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for this Scheme Document and any related documents or participating in the Trust Scheme, the Overseas Stapled Securityholder represents and warrants to the C-REIT Manager and the H-Trust Managers that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Overseas Stapled Securityholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

13.3 Notice

The C-REIT Manager and the H-Trust Managers each reserves the right to notify any matter, including the fact that the Trust Scheme has been proposed, to any or all Stapled Securityholders (including the Overseas Stapled Securityholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Stapled Securityholder (including any Overseas Stapled Securityholder) to receive or see such announcement or advertisement. For the avoidance of doubt, for as long as H-Trust remains listed on the SGX-ST, the H-Trust Managers will continue to notify all Stapled Securityholders (including the Overseas Stapled Securityholders) of any matter relating to the Trust Scheme by announcement via SGXNET.

Notwithstanding that such Overseas Stapled Securityholder may not receive the notice of the Trust Scheme Meeting, they shall be bound by the Trust Scheme if the Trust Scheme becomes effective in accordance with its terms.

13.4 Foreign Jurisdiction

It is the responsibility of any Overseas Stapled Securityholder who wishes to participate in the Trust Scheme to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Trust Scheme, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In participating in the Trust Scheme, the Overseas Stapled Securityholder represents and warrants to the C-REIT Manager and the H-Trust Managers that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Overseas Stapled Securityholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

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14. ACTION TO BE TAKEN BY STAPLED SECURITYHOLDERS

A Stapled Securityholder who has Stapled Securities entered against its name in (a) the Register of Stapled Securityholders, or (b) the Depository Register as at the cut-off time, being 48 hours prior to the time of the Extraordinary General Meeting and the time of the Trust Scheme Meeting, as the case may be (being the time at which the name of the Stapled Securityholder must appear in the Register of Stapled Securityholders or the Depository Register, as having Stapled Securities entered against its name in the said Registers), shall be entitled to attend and vote, in person or by proxy, at the Extraordinary General Meeting and the Trust Scheme Meeting respectively.

Extraordinary General Meeting

A Stapled Securityholder who is not a relevant intermediary entitled to attend and vote at the Extraordinary General Meeting may appoint not more than two (2) proxies to attend and vote at the Extraordinary General Meeting in his/her stead. Where a Stapled Securityholder who is not a relevant intermediary appoints two (2) proxies to attend and vote at the Extraordinary General Meeting and does not specify the proportion of his/her stapled securityholding to be represented by each proxy, then the Stapled Securities held by the Stapled Securityholder are deemed to be equally divided between the proxies for the Extraordinary General Meeting. A Stapled Securityholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Extraordinary General Meeting in its stead. Where such Stapled Securityholder appoints more than two (2) proxies, the number and class of Stapled Securities in relation to which each proxy has been appointed shall be specified in the Proxy Form (EGM).

Trust Scheme Meeting

A Stapled Securityholder may appoint one (and not more than one) proxy to attend and vote at the Trust Scheme Meeting and may only cast all the votes it uses at the Trust Scheme Meeting in one way, namely either for or against the Trust Scheme Resolution proposed at the Trust Scheme Meeting.

Stapled Securityholders who are unable to attend the Extraordinary General Meeting and/or the Trust Scheme Meeting are requested to complete the relevant enclosed Proxy Form (EGM) and/or Proxy Form (Trust Scheme Meeting) (as the case may be) in accordance with the instructions printed thereon and lodge them with the Stapled Security Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for the Extraordinary General Meeting and the Trust Scheme Meeting (as the case may be).

15. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors who wish to attend the Extraordinary General Meeting and/or the Trust Scheme Meeting are advised to consult their respective CPF Agent Banks and SRS Agent Banks for further information and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

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16. INDEPENDENT FINANCIAL ADVISER TO THE H-TRUST INDEPENDENT DIRECTORS AND TO THE H-REIT TRUSTEE

16.1 Appointment of H-Trust IFA

Australia and New Zealand Banking Group Limited, Singapore Branch has been appointed as the independent financial adviser to advise the H-Trust Independent Directors and the H-REIT Trustee on the terms of the Trust Scheme, in compliance with the provisions of the Code.

Stapled Securityholders should consider carefully the recommendation of the H-Trust Independent Directors and the advice of the H-Trust IFA to the H-Trust Independent Directors and to the H-REIT Trustee before deciding whether or not to vote in favour of the Trust Scheme. The advice of the H-Trust IFA in relation to the Trust Scheme is set out in the H-Trust IFA Letter as set out in Appendix A to this Scheme Document.

16.2 H-Trust IFA Opinion on the Trust Scheme

(a) Factors Taken into Consideration by the H-Trust IFA

In arriving at its opinion on the Trust Scheme, the H-Trust IFA has taken into account certain considerations (an extract of which is reproduced in italics below). Stapled Securityholders should read the following extract in conjunction with, and in the context of, the H-Trust IFA Letter in its entirety as set out in Appendix A to this Scheme Document.

“In arriving at our opinion whether the financial terms of the Trust Scheme are fair and reasonable, we have evaluated whether the Stapled Securities and the Consideration Units are fairly valued based on the Scheme Consideration (LUTD) and the Consideration Unit Price (LUTD), respectively, and have considered, inter alia, the following factors below which should be read in conjunction with, and interpreted, in the full context of this Letter:

- (a) Based on the FY2018 Pro forma Financials, the Merger is accretive to Stapled Securityholders on both a DPU basis and NAV per Stapled Security basis;*
- (b) The Scheme Consideration (LUTD) of S\$0.747 is in line with the reported NAV per Stapled Security of S\$0.750 as at 31 December 2018;*
- (c) The Exchange Ratio of 1.3583x is above the exchange ratios implied by the LPD, LUTD, 1-month VWAPs and 24-month VWAP of the Stapled Securities adjusted for the Cash Consideration and C-REIT Units and is in line with the exchange ratios implied by the 3-month and 6-month VWAPs of the Stapled Securities adjusted for the Cash Consideration and C-REIT Units;*

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- (d) *As disclosed in the Scheme Document, the completion of the Merger will result in the creation of one of the largest S-REIT listed on SGX-ST by total assets, with the overall asset size increasing to approximately S\$6.9 billion from H-Trust's S\$2.3 billion prior to the Merger. As a result of an increase in market capitalisation, the Enlarged REIT may experience an increase in trading liquidity, investor coverage and inclusion in indices. Based on publicly available information, we note that the larger S-REITs are included in major stock market indices and typically have relatively larger research analyst coverage bases than their smaller peers;*
- (e) *The Merger may also potentially provide Stapled Securityholders with asset class diversification benefits, better access to alternative funds and pools of capital, as well as property management efficiencies, supporting the future growth of the Enlarged REIT as compared to H-Trust on a standalone basis;*
- (f) *Other relevant considerations that have a significant bearing on our assessment in relation to the Merger;*

In the evaluation of the Scheme Consideration (LUTD):

1. *Liquidity analysis of the Stapled Securities and the Top 10 STI Companies indicates that there is reasonable liquidity in the Stapled Securities and that the market prices of the Stapled Securities should generally reflect the fundamental, market-based value of the Stapled Securities;*
2. *The historical market performance and trading activity of the Stapled Securities indicate that:*
 - *the Scheme Consideration (LUTD) of S\$0.747 represents a premium of 1.6% to the closing price of the Stapled Securities on the Last Undisturbed Trading Date;*
 - *the Scheme Consideration (LUTD) of S\$0.747 represents a premium of 3.0%, 4.5%, 6.7% and 0.4% to the 1-month, 3-month, 6-month and 12-month VWAPs of the Stapled Securities, respectively;*
 - *the average daily trading volume of the Stapled Securities as a percentage of the free float ranged between 0.12% and 0.14%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;*
 - *the average daily trading volume of the Stapled Securities as a percentage of the market capitalisation ranged between 0.06% and 0.07%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;*

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3. *The comparison of the Latest P/NAV multiple implied by the Scheme Consideration (LUTD) of 1.00x to the trailing Latest P/NAV multiples of the Stapled Securities indicates that the Latest P/NAV multiple of 1.00x implied by the Scheme Consideration (LUTD) is:*
 - *above the range of the trailing Latest P/NAV multiples of the Stapled Securities of 0.86x to 0.99x over the 6-month period up to and including the Last Undisturbed Trading Date;*
 - *within the range of the trailing Latest P/NAV multiples of the Stapled Securities of 0.86x to 1.10x over the 12-month period up to and including the Last Undisturbed Trading Date and above the mean and median of 0.97x;*
4. *The comparison of the LTM DY of the Stapled Securities implied by the Scheme Consideration (LUTD) of 6.60% to the trailing LTM DYs of the Stapled Securities indicates that the LTM DY of 6.60% implied by the Scheme Consideration (LUTD) is;*
 - *below the range of the trailing LTM DYs of the Stapled Securities of 6.67% to 7.86% over the 6-month period up to and including the Last Undisturbed Trading Date;*
 - *within the range of the trailing LTM DYs of the Stapled Securities of 6.23% to 7.86% over the 12-month period up to and including the Last Undisturbed Trading Date and below the mean and median of 6.95% and 6.82%, respectively;*
5. *The comparison of valuation multiples implied by the Scheme Consideration (LUTD) to those of the Comparable Hospitality S-REITs indicates that;*
 - *the Latest P/NAV multiple implied by the Scheme Consideration (LUTD) of 1.00x is within the range of the P/NAV multiples of the Comparable Hospitality S-REITs of 0.77x to 1.09x and above the mean and median of 0.94x and 0.95x, respectively;*
 - *the LTM DY implied by the Scheme Consideration (LUTD) of 6.60% is in line with the range of the LTM DY of the Comparable Hospitality S-REITs of 5.67% to 6.54% and above the mean and median of 6.07% and 6.05%, respectively;*
6. *The comparison of premium/discount to the prevailing VWAPs implied by the Scheme Consideration (LUTD) to those implied in the Precedent Transactions indicates that:*
 - *the premium of 1.64% implied by the Scheme Consideration (LUTD) over the last transacted market price as at the Last Undisturbed Trading Date is within the range of the premia implied by the Precedent Transactions of 0.44% to 2.10% and is above the mean and median of 1.27%;*

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- *the premium of 3.04% implied by the Scheme Consideration (LUTD) over the 1-month VWAP as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of 0.28% to 2.10%;*
 - *the premium of 4.48% implied by the Scheme Consideration (LUTD) over the 3-month VWAP as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of 0.20% to 0.70%;*
 - *the premium of 6.72% implied by the Scheme Consideration (LUTD) over the 6-month VWAP as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of 0.00% to 1.50%;*
7. *The comparison of the Scheme Consideration (LUTD) to broker target prices of the Stapled Securities indicates that the Scheme Consideration (LUTD) of S\$0.747 is:*
- *within the range of the target prices issued by brokerage and research entities in the 6-month period up to the Last Undisturbed Trading Date;*
 - *within the range of the target prices issued by brokerage and research entities in the period from the Joint Announcement Date up to the Last Practicable Date.*

In the evaluation of the Consideration Unit Price (LUTD):

1. *Liquidity analysis of the C-REIT Units and the Top 10 STI Companies indicate that there is reasonable liquidity in the C-REIT Units and that the market prices of the C-REIT Units should generally reflect the fundamental, market-based value of the C-REIT Units;*
2. *The historical market performance and trading activity of the Stapled Securities indicate that:*
 - *the Consideration Unit Price (LUTD) of S\$0.520 is the same as the closing price of the C-REIT Units on the Last Undisturbed Trading Date;*
 - *the Consideration Unit Price (LUTD) of S\$0.520 represents a premium of 1.8%, 4.4%, 7.7% and 2.0% to the 1-month, 3-month, 6-month and 12-month VWAPs of the C-REIT Units, respectively;*
 - *the average daily trading volume of the C-REIT Units as a percentage of the free float ranged between 0.13% and 0.21%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;*
 - *the average daily trading volume of the C-REIT Units as a percentage of the market capitalisation ranged between 0.03% and 0.05%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;*

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3. *The comparison of the Latest P/NAV multiple implied by the Consideration Unit Price (LUTD) of 0.73x to the trailing Latest P/NAV multiples of the C-REIT Units indicates that the Latest P/NAV multiple of 0.73x implied by the Consideration Unit Price (LUTD) is:*
 - *within the range of the trailing Latest P/NAV multiples of the C-REIT Units of 0.65x to 0.77x over the 6-month period up to and including the Last Undisturbed Trading Date but above the mean and median of 0.69x;*
 - *within the range of the trailing Latest P/NAV multiples of the C-REIT Units of 0.65x to 0.81x over the 12-month period up to and including the Last Undisturbed Trading Date and in line with the mean and median of 0.73x and 0.74x, respectively;*
4. *The comparison of the LTM DY of the C-REIT Units implied by the Consideration Unit Price (LUTD) of 6.56% to the trailing LTM DYs of the C-REIT Units indicates that the LTM DY of 6.56% implied by the Consideration Unit Price (LUTD) is:*
 - *within the range of the trailing DYs of the C-REIT Units of 6.33% to 7.59% over the 6-month period up to and including the Last Undisturbed Trading Date but below the mean and median of 7.09% and 7.12%, respectively;*
 - *within the range of the trailing DYs of the C-REIT Units of 6.03% to 7.59% over the 12-month period up to and including the Last Undisturbed Trading Date but below the mean and median of 6.79% and 6.66%, respectively;*
5. *The comparison of valuation multiples implied by the Consideration Unit Price (LUTD) to those of the Comparable Commercial S-REITs indicates that:*
 - *the Latest P/NAV multiple implied by the Consideration Unit Price (LUTD) of 0.73x is below the range of the P/NAV multiples of the Comparable Commercial S-REITs of 0.91x to 1.18x;*
 - *the LTM DY implied by the Consideration Unit Price (LUTD) of 6.56% is above the range of the LTM DY of the Comparable Commercial S-REITs of 4.08% to 6.08%;*
6. *The comparison of the Consideration Unit Prices (LUTD) to broker target prices of the C-REIT Units indicates that the Consideration Unit Price (LUTD) of S\$0.520 is:*
 - *within the range of the target prices issued by brokerage and research entities in the 6-month period up to the Last Undisturbed Trading Date; and*
 - *below the range of the target prices issued by brokerage and research entities in the period from the Joint Announcement Date up to the Latest Practicable Date;*

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The below table summarises the abovementioned key financial analyses performed:

Summary of key financial analyses ⁽¹⁾ performed					Merger relative to:		
	Min ⁽²⁾	Max ⁽²⁾	Mean ⁽²⁾	Median ⁽²⁾	Merger as at LUTD ⁽³⁾	Min. - Max. Range ⁽⁴⁾	Mean - Median Range ⁽⁴⁾
Whether the Stapled Securities as implied by the Scheme Consideration (LUTD) are fairly valued:							
Historical trading range of the Stapled Securities							
Closing price (S\$) - 12-month period up to the LUTD	0.655	0.840	0.738	0.725	0.747	Within	Above
Trailing P/NAV multiples							
6 months up to the LUTD	0.86x	0.99x	0.92x	0.91x	1.00x	Above	Above
12 months up to the LUTD	0.86x	1.10x	0.97x	0.97x	1.00x	Within	Above
Trailing Distribution Yields							
6 months up to the LUTD	6.67%	7.86%	7.25%	7.35%	6.60%	Below	Below
12 months up to the LUTD	6.23%	7.86%	6.95%	6.82%	6.60%	Within	Below
Comparable Hospitality S-REITs relative to the Scheme Consideration (LUTD) - as at the Latest Practicable Date							
P / NAV (Latest)	0.77x	1.09x	0.94x	0.95x	1.00x	Within	Above
DY (12M Trailing)	5.67%	6.54%	6.07%	6.05%	6.60%	In Line	Above
Precedent Transactions relative to the Scheme Consideration (LUTD)							
Premium over closing price on the LUTD	0.44%	2.10%	1.27%	1.27%	1.64%	Within	Above
Premium over 1-month VWAP	0.28%	2.10%	1.19%	1.19%	3.04%	Above	Above
Premium over 3-month VWAP	0.20%	0.70%	0.45%	0.45%	4.48%	Above	Above
Premium over 6-month VWAP	0.00%	1.50%	0.75%	0.75%	6.72%	Above	Above
Whether the C-REIT Units as implied by the Consideration Unit Price (LUTD) are fairly valued:							
Historical trading range of the C-REIT Units							
Closing price (S\$) - 12-month period up to the LUTD ⁽⁵⁾	0.450	0.600	0.530	0.520	0.520	Within	In Line
Trailing P/NAV multiples							
6 months up to the LUTD	0.65x	0.77x	0.69x	0.69x	0.73x	Within	Above
12 months up to the LUTD	0.65x	0.81x	0.73x	0.74x	0.73x	Within	In Line
Trailing Distribution Yields							
6 months up to the LUTD	6.33%	7.59%	7.09%	7.12%	6.56%	Within	Below
12 months up to the LUTD	6.03%	7.59%	6.79%	6.66%	6.56%	Within	Below
Comparable Commercial S-REITs relative to the Consideration Unit Price (LUTD) - as at the Latest Practicable Date							
P / NAV (Latest)	0.91x	1.18x	1.01x	0.97x	0.73x	Below	Below
DY (12M Trailing)	4.08%	6.08%	4.92%	4.77%	6.56%	Above	Above

Legend:
(Green): Favourable
(Red): Unfavourable

Notes:

- (1) Summary of key analyses set out in sub-sections 10.1.1 – 10.1.6 and 10.2.1 – 10.2.5.
- (2) Minimum, mean, median and maximum of the respective benchmarks.
- (3) Implied by the Merger.
- (4) Parameters implied by the Merger relative to the minimum and maximum, and mean and median range of the respective benchmarks.
- (5) For the purpose of this analysis, unit prices are based on daily closing prices and adjusted to reflect the rights issue related to the acquisition of the office components of OUE Downtown.”

(b) Advice of the H-Trust IFA

After having regard to the considerations set out in the H-Trust IFA Letter, and based on the information available to the H-Trust IFA as at the Latest Practicable Date, the H-Trust IFA has given its advice in respect of the Trust Scheme to the H-Trust Independent Directors and the H-REIT Trustee (an extract of which is reproduced in italics below).

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Stapled Securityholders should read the following extract in conjunction with, and in the context of, the H-Trust IFA Letter in its entirety as set out in Appendix A to this Scheme Document.

*“Based upon, and having considered, inter alia, the factors described above and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as at the Latest Practicable Date, based on the Scheme Consideration (LUTD) and the Consideration Unit Price (LUTD), the Stapled Securities and Consideration Units are both fairly valued and the financial terms of the Trust Scheme are fair and reasonable. Accordingly, we advise that the H-Trust Independent Directors may recommend that the independent Stapled Securityholders **VOTE IN FAVOUR OF THE TRUST SCHEME.**”*

17. ABSTENTION FROM VOTING ON TRUST SCHEME RESOLUTION

In accordance with the SIC’s rulings as set out in Paragraph 4.2 of this Letter to Stapled Securityholders, the C-REIT Trustee (acting in the capacity as trustee of C-REIT), the C-REIT Manager and its concert parties (including, as at the Latest Practicable Date, the Relevant Directors and the list of persons set out in **Paragraph 1.1 of Schedule H of the Offeror’s Letter at Appendix B to this Scheme Document**) as well as the common substantial C-REIT Unitholders/Stapled Securityholders (including, as at the Latest Practicable Date, the list of persons set out in **Paragraph 5.5 of Appendix C to this Scheme Document**) will abstain from voting on the Trust Scheme Resolution. In addition, the H-REIT Manager will abstain from voting on the Trust Scheme Resolution pursuant to Rule 748(5) of the Listing Manual.

Accordingly, each of the parties named above shall decline to accept appointment as proxy to attend and vote at the Trust Scheme Meeting in respect of the Trust Scheme Resolution unless the Stapled Securityholder concerned has given specific instructions in his/her/its Proxy Form (Trust Scheme Meeting) as to the manner in which his/her/its votes are to be cast.

18. H-TRUST INDEPENDENT DIRECTORS’ RECOMMENDATION

18.1 Independence

- (a) The following directors of the H-Trust Managers (being the Relevant Directors) are exempted from making a recommendation on the Trust Scheme to the Stapled Securityholders in accordance with the terms of the exemption granted by the SIC as described in Paragraph 4.2 of this Letter to Stapled Securityholders for the reasons set out below:
 - (i) Mr Lee Yi Shyan, the Chairman and Non-Independent Non-Executive Director of the H-Trust Managers, is an executive adviser to the Chairman of OUE (the sponsor of both H-Trust and C-REIT), who is Dr Stephen Riady, as well as Chairman and Non-Independent Non-Executive Director of OUE Lippo Healthcare Limited and Chairman and director of OUE USA Services Corp, each of which are subsidiaries of OUE; and

LETTER TO STAPLED SECURITYHOLDERS

- (ii) Mr Christopher James Williams, a Non-Independent Non-Executive Director of the H-Trust Managers, is the Deputy Chairman of OUE (the sponsor of both H-Trust and C-REIT) and Chairman and Non-Independent Non-Executive Director of the C-REIT Manager, as well as a director of other entities within the OUE Group, namely OUB Centre Limited and Bowsprit Capital Corporation Limited.
- (b) Accordingly, each of the Relevant Directors would face, or may reasonably be perceived to face, a conflict of interest, that would render each of them inappropriate to join the remainder of the directors of the H-Trust Managers in making a recommendation on the Trust Scheme to the Stapled Securityholders.
- (c) The Relevant Directors must, however, still assume responsibility for the accuracy of the facts stated and completeness of information given by the H-Trust Managers to the Stapled Securityholders in connection with the Trust Scheme.

18.2 Recommendation

(a) Trust Deeds Amendments Recommendation

Having regard to the above and the rationale for the Trust Deeds Amendments as set out in Paragraph 3 of this Letter to Stapled Securityholders, the directors of the H-Trust Managers are of the opinion that the Trust Deeds Amendments Resolution would be beneficial to, and be in the interests of H-Trust.

Accordingly, the directors of the H-Trust Managers recommend that the Stapled Securityholders **VOTE IN FAVOUR** of the Trust Deeds Amendments Resolution at the Extraordinary General Meeting.

(b) Trust Scheme Recommendation

The H-Trust Independent Directors, having considered carefully the terms of the Trust Scheme and the advice given by the H-Trust IFA in the H-Trust IFA Letter as set out in Appendix A to this Scheme Document, recommend that the Stapled Securityholders **VOTE IN FAVOUR** of the Trust Scheme Resolution at the Trust Scheme Meeting.

The Stapled Securityholders are reminded that upon the Trust Scheme becoming effective in accordance with its terms, it will be binding on all Stapled Securityholders, whether or not they attended or voted at the Trust Scheme Meeting, and, if they attended and voted at the Trust Scheme Meeting, whether or not they voted in favour of the Trust Scheme Resolution.

The Stapled Securityholders should also be aware and note that there is no assurance that the trading volumes and market prices of the Stapled Securities will be maintained at the current levels prevailing as at the Latest Practicable Date if the Trust Scheme does not become effective and binding for whatever reason. The Stapled Securityholders should also be aware and note that there is currently no certainty that the Trust Scheme will become effective and binding.

The Stapled Securityholders should read and consider carefully this Scheme Document in its entirety, in particular, the advice of the H-Trust IFA in the H-Trust IFA Letter as set out in Appendix A to this Scheme Document before deciding whether or not to vote in favour of the Trust Scheme Resolution.

LETTER TO STAPLED SECURITYHOLDERS

18.3 No Regard to Specific Objectives

The directors of the H-Trust Managers advise the Stapled Securityholders, in deciding whether or not to vote in favour of the Trust Scheme Resolution, to carefully consider the advice of the H-Trust IFA and in particular, the various considerations highlighted by the H-Trust IFA in the H-Trust IFA Letter as set out in Appendix A to this Scheme Document.

In giving the above recommendation, the H-Trust Independent Directors have not had regard to the specific objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints and circumstances of any individual Stapled Securityholder.

As each Stapled Securityholder would have different investment objectives and profiles, the directors of the H-Trust Managers recommend that any individual Stapled Securityholder who may require advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

19. DIRECTORS' INTENTIONS WITH RESPECT TO THEIR STAPLED SECURITIES

19.1 Trust Deeds Amendments Resolution

All the directors of the H-Trust Managers who legally and/or beneficially own Stapled Securities (amounting to approximately 0.09% of the total number of Stapled Securities), as set out in Paragraph 5.3 (Interests of Directors in Stapled Securities) of Appendix C to this Scheme Document have informed the H-Trust Managers that they will **VOTE IN FAVOUR** of the Trust Deeds Amendments Resolution at the Extraordinary General Meeting.

19.2 Trust Scheme Resolution

As set out in Paragraphs 4.2 and 17 of this Letter to Stapled Securityholders, the Relevant Directors are required to abstain from voting on the Trust Scheme Resolution.

All the H-Trust Independent Directors who legally and/or beneficially own Stapled Securities (amounting to approximately 0.06% of the total number of Stapled Securities), as set out in Paragraph 5.3 (Interests of Directors in Stapled Securities) of Appendix C to this Scheme Document have informed the H-Trust Managers that they will **VOTE IN FAVOUR** of the Trust Scheme Resolution at the Trust Scheme Meeting.

20. RESPONSIBILITY STATEMENTS

Directors

The directors of the H-Trust Managers (including those who may have delegated detailed supervision of this Scheme Document) jointly and severally accept full responsibility for the accuracy of the information given in this Scheme Document (other than the information in **Appendices A, B, H, I, K, L and M** to this Scheme Document, and any information relating to or opinions expressed by C-REIT and/or the C-REIT Manager, Deloitte & Touche Corporate Finance Pte. Ltd., KPMG LLP, the H-Trust Independent Valuers (C-REIT Portfolio), the H-Trust Independent Valuer (H-Trust Portfolio) and/or the H-Trust IFA) and the Gatefold and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Scheme Document and the Gatefold constitute full and true

LETTER TO STAPLED SECURITYHOLDERS

disclosure of all material facts about the Merger, the Trust Scheme, the H-Trust Group and the H-Trust Managers, and the directors of the H-Trust Managers are not aware of any facts the omission of which would make any statement in this Scheme Document misleading.

Where any information in this Scheme Document and the Gatefold has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including C-REIT and/or the C-REIT Manager, Deloitte & Touche Corporate Finance Pte. Ltd., KPMG LLP, the H-Trust Independent Valuers (C-REIT Portfolio), the H-Trust Independent Valuer (H-Trust Portfolio) and/or the H-Trust IFA), the sole responsibility of the directors of the H-Trust Managers has been to ensure that such information has been accurately and correctly extracted from those sources or, as the case may be, reflected or reproduced in this Scheme Document and the Gatefold in its proper form and context.

In respect of the H-Trust IFA Letter and the H-Trust Valuation Certificates as set out in Appendices A and L to this Scheme Document respectively, the sole responsibility of the directors of the H-Trust Managers has been to ensure that the facts stated with respect to the H-Trust Group are fair and accurate.

H-Trust Financial Adviser

To the best of the H-Trust Financial Adviser's knowledge and belief, save for the information set out in Paragraphs 6, 7, 18 and 19 of this Letter to Stapled Securityholders and **Appendices A, B, D, E, H, I, J, K, L, M and T** to this Scheme Document, this Scheme Document constitutes full and true disclosure of all material facts about the Merger and the H-Trust Group in relation to the Merger and the Trust Scheme, and the H-Trust Financial Adviser is not aware of any facts the omission of which would make any statement in this Scheme Document misleading.

21. GENERAL INFORMATION

Your attention is drawn to the further relevant information in the Appendices to this Scheme Document.

Yours faithfully

By Order of the Board of Directors

OUE Hospitality REIT Management Pte. Ltd.

(Company Registration No. 201310245G)

As manager of OUE Hospitality Real Estate Investment Trust

OUE Hospitality Trust Management Pte. Ltd.

(Company Registration No. 201310246W)

As trustee-manager of OUE Hospitality Business Trust

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

INDEPENDENT FINANCIAL ADVISER'S LETTER

Australia and New Zealand Banking Group Limited, Singapore Branch
(Incorporated in Australia)
Australian Company Number: 005357522

10 July 2019

The Independent Directors of
OUE Hospitality REIT Management Pte. Ltd.
(in its capacity as Manager of OUE Hospitality Real Estate Investment Trust)
333 Orchard Road
#33-00 Mandarin Orchard Singapore
Singapore 238867

OUE Hospitality Trust Management Pte. Ltd.
(in its capacity as Trustee-Manager of OUE Hospitality Business Trust)
333 Orchard Road
#33-00 Mandarin Orchard Singapore
Singapore 238867

RBC Investor Services Trust Singapore Limited
(in its capacity as Trustee of OUE Hospitality Real Estate Investment Trust)
8 Marina View
#26-01 Asia Square Tower 1
Singapore 018960

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE WITH RESPECT TO:

THE PROPOSED MERGER OF OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST AND OUE HOSPITALITY TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT

*For the purpose of this letter ("**Letter**"), capitalised terms not otherwise defined shall have the meaning given to them in the scheme document dated 10 July 2019 to the Stapled Securityholders (the "**Scheme Document**"). Stapled Securityholders are advised to refer to the full list of definitions set out in pages 1 to 11 of the Scheme Document in conjunction with reading this Letter.*

Please refer to section 10 on page 21 of this Letter for a summary of the key financial analyses performed in this Letter, which should be considered in the context of the entirety of this Letter and the Scheme Document.

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

1. INTRODUCTION

1.1 Joint Announcement of the Merger and the Trust Scheme

On 8 April 2019, the H-Trust Managers and the C-REIT Manager jointly announced the Merger, which shall be effected through the acquisition by the C-REIT Trustee of all the Stapled Securities held by the Stapled Securityholders in exchange for a combination of cash and new C-REIT Units by way of a trust scheme of arrangement in compliance with the Code.

A copy of the Joint Announcement is available on the SGX-ST at www.sgx.com.

1.2 Proposed Trust Deeds Amendments

In connection with the implementation of the Trust Scheme, it was also announced that the H-Trust Managers propose to amend the H-Trust Trust Deeds to, among others, include the Trust Deeds Amendments to facilitate the implementation of the Trust Scheme. The Supplemental Trust Deeds will be entered into to include the Trust Deeds Amendments.

1.3 Summary of Approvals Sought

(a) Trust Deeds Amendments Resolution

The H-Trust Managers are convening the Extraordinary General Meeting to seek approval from the Stapled Securityholders by way of Extraordinary Resolution for the Trust Deeds Amendments.

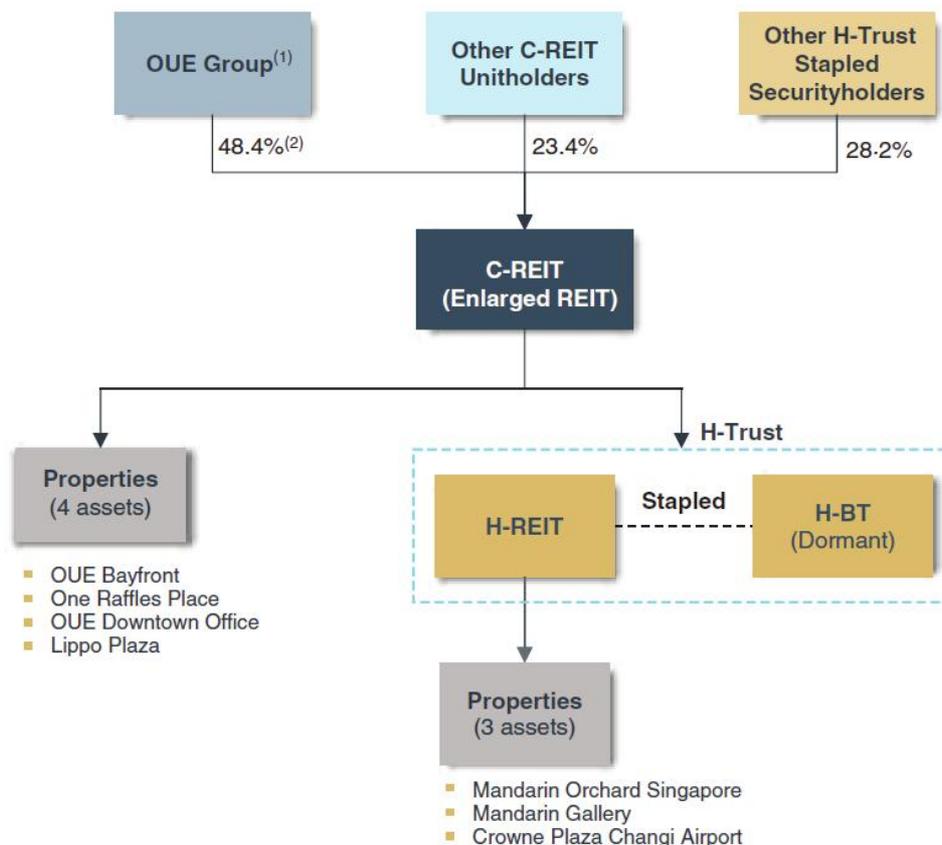
(b) Trust Scheme Resolution

In addition, subject to and contingent upon the passing of the Trust Deeds Amendments Resolution at the Extraordinary General Meeting, the H-Trust Managers are convening the Trust Scheme Meeting to seek the approval of the Trust Scheme by a majority in number of the Stapled Securityholders present and voting, either in person or by proxy, at the Trust Scheme Meeting, such majority representing at least three-fourths in value of the Stapled Securities voted at the Trust Scheme Meeting.

1.4 Enlarged REIT Structure

The following diagram illustrates the indicative structure of the Enlarged REIT currently envisaged immediately upon completion of the Merger:

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME



Note:

- (1) "OUE Group" refers to OUE and its related corporations.
- (2) Illustrative pro forma unitholding structure (inclusive of the unitholding interests held by OUE, OUE Realty Pte. Ltd. and Golden Concord Asia Limited) based on the latest available information as at the Latest Practicable Date. Based on the Scheme Consideration of S\$0.04075 in cash per Stapled Security and 1.3583 Consideration Units to be allotted and issued per Stapled Security (as set out in Paragraph 2.4(b) of the Letter to Stapled Securityholders). Under the C-REIT Trust Deed, the C-REIT Manager is entitled to receive an acquisition fee of 0.75% of the underlying value of the assets of H-Trust. The C-REIT Manager has voluntarily waived half of its acquisition fee entitlement.

The OUE Group will continue to retain a significant stake of approximately 48.4%¹ of the total issued units in the Enlarged REIT and its interest will continue to be aligned with that of the other C-REIT Unitholders.

1.5 Appointment of the Independent Financial Adviser ("IFA")

Australia and New Zealand Banking Group Limited, Singapore Branch ("ANZ") has been appointed as the IFA to advise the H-Trust Independent Directors and the H-REIT Trustee as to whether the financial terms of the Trust Scheme are fair and reasonable.

¹ Illustrative pro forma unitholding (inclusive of the interests held by OUE, OUE Realty Pte. Ltd. and Golden Concord Asia Limited) based on the latest available information as at the Latest Practicable Date. Based on the existing C-REIT Units and Stapled Securities in issue as at the Latest Practicable Date and the Scheme Consideration of S\$0.04075 in cash per Stapled Security and 1.3583 Consideration Units to be allotted and issued per Stapled Security (as set out in Paragraph 2.4(b) of the Letter to Stapled Securityholders). Under the C-REIT Trust Deed, the C-REIT Manager is entitled to receive an acquisition fee of 0.75% of the underlying value of the assets of H-Trust. The C-REIT Manager has voluntarily waived half of its acquisition fee entitlement.

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

The objective of this Letter is to advise the H-Trust Independent Directors and the H-REIT Trustee in connection with the Trust Scheme as required under the Takeover Code and Rule 1309(2) of the Listing Manual.

2. TERMS OF REFERENCE

ANZ has been appointed as the IFA to advise the H-Trust Independent Directors and the H-REIT Trustee as to whether the financial terms of the Trust Scheme are fair and reasonable, in compliance with the provisions of the Takeover Code.

Our terms of reference do not require us to evaluate or comment on the strategic or commercial merits and/or risks of the Merger or on the future prospects of the Enlarged REIT and any of its related or associated companies. Such evaluation or comment, if any, remains the sole responsibility of the Directors and the management of the H-Trust Managers, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us and provided that such has been disclosed to us) in arriving at our view as set out in this Letter. We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Merger. We are therefore not addressing the relative merits of the Merger as compared to any alternative transaction (if any) previously considered by the H-Trust Managers or that otherwise may be available to H-Trust, or as compared to any alternative offer that might otherwise be available in the future. We are not and were not involved in any aspect of the negotiations entered into by H-Trust or in the deliberations leading up to the decision of the Directors to undertake, *inter alia*, the Merger.

We have been furnished with the independent property valuation certificates with regards to the valuation of the properties of C-REIT and H-Trust as at 31 March 2019 issued by Cushman & Wakefield VHS Pte. Ltd. (“**Cushman & Wakefield**”), Savills Real Estate Valuation (Guangzhou) Ltd. Shanghai Branch and Savills Valuation And Professional Services (S) Pte Ltd (collectively “**Savills**”), who were appointed by the H-Trust Managers, (collectively, the “**Property Valuation Certificates**”), which we have considered in our analysis. Please refer to Appendix L and M of the Scheme Document for copies of the Property Valuation Certificates issued by Cushman & Wakefield and Savills. With respect to such Property Valuation Certificates, we are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on these Property Valuation Certificates for such asset appraisal and have not made any independent verification of the contents thereof in respect of the assets held by the C-REIT and H-Trust, respectively, nor have we evaluated the solvency of C-REIT and H-Trust under any applicable laws relating to bankruptcy, insolvency or similar matters. We have not made an independent evaluation or appraisal of the assets and liabilities of C-REIT and H-Trust, respectively, and we have not been furnished with any such evaluation or appraisal, except for the Property Valuation Certificates as stated above.

We have relied upon certain publicly available information relating to H-Trust and C-REIT and the accuracy and completeness of all information given to us by the management of the H-Trust Managers and have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, expressly or implied, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

made reasonable enquiries and exercised reasonable judgement in assessing such information and have found no reason to doubt the reliability of such information.

The management of the H-Trust Managers has confirmed to us that, to the best of their knowledge and belief, all material information relating to H-Trust and the Merger has been disclosed to us, that such information provided and representations made to us by the management of the H-Trust Managers are true, complete and accurate in all material respects as at the Latest Practicable Date (except as disclosed in the Scheme Document where the Scheme Document expressly specifies a different date), and that there are no omissions of which would cause any information disclosed to us to be inaccurate, incomplete or misleading as at the Latest Practicable Date.

Our opinion, as set out in this Letter, is based upon the market, economic, industry, monetary, regulatory and other prevailing conditions on, and the information made available to us, as of the Latest Practicable Date. As conditions may change significantly over a short period of time, accordingly, we assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may in any way affect our opinion, factors or assumptions contained herein. Stapled Securityholders should take note of any announcement relevant to their consideration of the Merger which may be released by or on behalf of the H-Trust Managers and other relevant sources after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Stapled Securityholder. **As each Stapled Securityholder would have different investment objectives and profiles, we would advise that any individual Stapled Securityholder who may require specific advice in relation to his/her investment portfolio should consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

This Letter and our opinion are addressed to and for the use and benefit of the H-Trust Independent Directors and the H-REIT Trustee in connection with and for the purpose of their consideration of the Merger, and the recommendation made by the H-Trust Independent Directors to the Stapled Securityholders shall remain their responsibility.

A copy of this Letter will be reproduced in the Scheme Document. However, neither H-Trust nor the H-Trust Independent Directors and the H-REIT Trustee may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than the intended purpose in relation to the Merger at any time or in any manner without the prior written consent of ANZ.

The H-Trust Managers have been separately advised by its own professional advisers in the preparation of the Scheme Document (other than this Letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Scheme Document (other than this Letter).

Our opinion in relation to the Merger should be considered in the context of the entirety of this Letter and the Scheme Document.

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

3. THE MERGER AND THE TRUST SCHEME

3.1 Background

(a) Information on H-Trust and the H-Trust Managers

H-Trust, which is a stapled group comprising H-REIT and H-BT, was listed on the Main Board of the SGX-ST on 25 July 2013. Each unit in H-REIT is stapled to one unit in H-BT under the terms of the Stapling Deed. As at the Latest Practicable Date, H-Trust has in issue an aggregate of 1,832,099,381 Stapled Securities.

H-REIT is a Singapore REIT constituted by the H-REIT Trust Deed and established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets. H-REIT is managed by the H-REIT Manager, a wholly-owned subsidiary of OUE, the sponsor of H-Trust. The H-REIT Manager was incorporated in Singapore on 17 April 2013. The H-REIT Manager has an issued and paid-up capital of S\$1,000,000.00 as at the Latest Practicable Date and has been issued a CMS Licence pursuant to the SFA on 2 July 2013.

H-BT, a registered business trust under the Business Trusts Act, is currently dormant. The H-BT Trustee-Manager is the trustee-manager of H-BT and a wholly-owned subsidiary of OUE, the sponsor of H-Trust. The H-BT Trustee-Manager was incorporated in Singapore on 17 April 2013 and has an issued and paid-up capital of S\$1.00 as at the Latest Practicable Date.

As at the Latest Practicable Date, the board of directors of the H-Trust Managers comprise the following:

- (i) Mr Lee Yi Shyan (Chairman and Non-Independent Non-Executive Director);
- (ii) Mr Sanjiv Misra (Lead Independent Director);
- (iii) Mr Ong Kian Min (Independent Director);
- (iv) Mr Liu Chee Ming (Independent Director);
- (v) Professor Neo Boon Siong (Independent Director); and
- (vi) Mr Christopher James Williams (Non-Independent Non-Executive Director).

H-Trust's portfolio currently comprises:

- (A) Mandarin Orchard Singapore located at 333 Orchard Road, Singapore;
- (B) Mandarin Gallery located at 333A Orchard Road, Singapore; and
- (C) Crowne Plaza Changi Airport located at 75 Airport Boulevard, Singapore.

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

As at the Latest Practicable Date, OUE has in aggregate, direct and deemed interests in 677,436,780 Stapled Securities, representing approximately 36.98% of the total number of Stapled Securities. Further information on OUE's interests in Stapled Securities is set out in Paragraph 5.5 of Appendix C to the Scheme Document.

(b) **Information on C-REIT and the C-REIT Manager**

As stated in Paragraph 5.1 of the Offeror's Letter at Appendix B to the Scheme Document, constituted by way of the C-REIT Trust Deed, C-REIT was listed on the Main Board of the SGX-ST on 27 January 2014, and was established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs within and outside of Singapore, as well as real estate-related assets. The principal office of C-REIT is at the office of the C-REIT Manager at 50 Collyer Quay, #04-08, OUE Bayfront, Singapore 049321. As at the Latest Practicable Date, C-REIT has in issue an aggregate of 2,866,585,405 C-REIT Units.

C-REIT is managed by the C-REIT Manager, a wholly-owned subsidiary of OUE, the sponsor of C-REIT. Incorporated on 4 October 2013 in Singapore, the C-REIT Manager has an issued and paid-up capital of S\$1,000,000.00 as at the Latest Practicable Date. The C-REIT Manager has been issued a CMS Licence pursuant to the SFA on 15 January 2014.

As at the Latest Practicable Date, the board of directors of the C-REIT Manager comprises the following:

- (i) Mr Christopher James Williams (Chairman and Non-Independent Non-Executive Director);
- (ii) Mr Loh Lian Huat (Lead Independent Director);
- (iii) Dr Lim Boh Soon (Independent Director);
- (iv) Ms Usha Rane Chandradas (Independent Director);
- (v) Mr Jonathan Miles Foxall (Non-Independent Non-Executive Director); and
- (vi) Ms Tan Shu Lin (Chief Executive Officer and Executive Director).

C-REIT's portfolio currently comprises:

- (A) OUE Bayfront located at 50, 60 and 62 Collyer Quay, Singapore;
- (B) an effective interest of 67.95% in One Raffles Place located at 1 Raffles Place, Singapore;

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

- (C) the office components of the OUE Downtown property located at 6 and 6A Shenton Way, Singapore; and
- (D) a 91.2% share of strata ownership of Lippo Plaza located at 222 Huaihai Zhong Road in the commercial district of Huangpu in Shanghai, the People's Republic of China.

As at the Latest Practicable Date, OUE has a deemed interest in 1,613,350,713 C-REIT Units, representing approximately 56.28% of the total number of C-REIT Units. Further information on OUE's interest in C-REIT Units is set out in Paragraph 2.1 of Schedule H of the Offeror's Letter at Appendix B to the Scheme Document.

3.2 Future Intentions for the Enlarged REIT

Assuming the completion of the Merger:

- (a) the C-REIT Manager intends to expand the investment mandate of the Enlarged REIT pursuant to the C-REIT Trust Deed. The new principal investment strategy of the Enlarged REIT will be to invest in a portfolio of income-producing real estate used primarily for (i) commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs, and/or (ii) hospitality and/or hospitality-related purposes, as well as real estate-related assets;
- (b) subject to evaluation by the nominating and remuneration committee of the C-REIT Manager and approval of the board of directors of the C-REIT Manager and the MAS, certain directors and key management staff of the H-Trust Managers may be joining the C-REIT Manager;
- (c) it is intended that the H-REIT Manager will be replaced by the C-REIT Manager as soon as practicable upon the completion of the Merger such that the C-REIT Manager will continue to be the manager of the Enlarged REIT portfolio encompassing H-REIT; and
- (d) it is also currently intended for H-Trust's management fee structure to be amended to reflect the fee structure in the C-REIT Trust Deed such that the existing fee structure of C-REIT is retained. This includes the performance fee to be paidⁱⁱ, being a performance-based element which depends on DPU growth, and is designed to align the interest of the C-REIT Manager with those of the unitholders of the Enlarged REIT.

ⁱⁱ Under the C-REIT Trust Deed, if the DPU in any financial year exceeds the DPU in the preceding financial year, calculation of performance fees for that financial year will be based on 25% per annum of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of C-REIT Units in issue for such financial year.

By way of illustration, H-Trust's performance fees under the fee structure in the H-REIT Trust Deed and the C-REIT Trust Deed are as follows:

- Under the H-REIT Trust Deed, the performance fee is an amount equal to 4.0% per annum of H-REIT's net property income in the relevant financial year. As H-REIT's net property income in respect of FY2018 was S\$112.8 million, the performance fee for FY2018 was S\$4.5 million.
- Assuming that H-Trust's management fee structure is replaced with the fee structure in the C-REIT Trust Deed, H-Trust will only incur performance fees if the DPU in any financial year exceeds the DPU in the preceding financial year.

Given that H-Trust's FY2018 DPU of 4.99 cents is lower than its FY2017 DPU of 5.14 cents, H-Trust would not have incurred any performance fee for FY2018 under the fee structure in the C-REIT Trust Deed.

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

Save in respect of the existing interested person transactions and master lease arrangements as publicly disclosed in the annual reports of C-REIT and H-Trust, and save as disclosed in the Scheme Document and the C-REIT Circular, there is presently no intention to enter into any interested person transactions or master leases in relation to the Merger.

Save as set out above, there is presently no intention to (i) introduce any major changes to the business of H-Trust, (ii) re-deploy the fixed assets of H-Trust, or (iii) discontinue the employment of the employees of the H-Trust Managers, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Enlarged REIT which may be implemented after the Merger. However, the board of directors of the C-REIT Manager retains and reserves the right and flexibility at any time to consider any options in relation to the Enlarged REIT which may present themselves, and which it may regard to be in the interest of the Enlarged REIT.

3.3 The Merger and the Trust Scheme

(a) *Terms of the Trust Scheme*

The Trust Scheme is proposed to be effected in accordance with the Code and the H-Trust Trust Deeds (to be amended and supplemented by the Supplemental Trust Deeds and as described in Paragraph 3 in the Letter to Stapled Securityholders), subject to the terms and conditions of the Implementation Agreement.

Under the Trust Scheme:

- (i) upon the Trust Scheme becoming effective and binding in accordance with its terms, all the Stapled Securities will be transferred to the C-REIT Trustee:
 - (A) fully paid;
 - (B) free from any Encumbrances; and
 - (C) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date, including the right to receive and retain all rights and other distributions (if any) declared by H-Trust on or after the Joint Announcement Date, except for the H-Trust Permitted Distributions,such that on the Effective Date, the C-REIT Trustee shall hold 100% of the Stapled Securities; and
- (ii) in consideration for such transfer of the Stapled Securities, the C-REIT Trustee and the C-REIT Manager agree to pay or procure the payment of the Cash Consideration and allot and issue or procure the allotment and issuance (as the case may be), by the C-REIT Manager of the Consideration Units to each Entitled Stapled Securityholder, in accordance with the terms and conditions of the Implementation Agreement.

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For the avoidance of doubt, the Parties shall be entitled to declare, make or pay the H-Trust Permitted Distributions and the C-REIT Permitted Distributions, as the case may be, without any adjustment to the Scheme Consideration. The Stapled Securityholders as at the books closure date(s) fixed for such H-Trust Permitted Distributions shall have the right to receive and retain the H-Trust Permitted Distributions (if any) in addition to the Scheme Consideration.

(b) **Scheme Consideration**

In consideration of the transfer of the Stapled Securities referred to in Paragraph 2.4(a)(ii) of the Letter to Stapled Securityholders, the C-REIT Trustee and the C-REIT Manager agree, subject to the Trust Scheme becoming effective in accordance with its terms, to pay or procure the payment of the following consideration (the “**Scheme Consideration**”) for each Stapled Security held by each Entitled Stapled Securityholder:

- (i) firstly, the payment by the C-REIT Trustee of a sum of S\$0.04075 in cash per Stapled Security (the “**Cash Consideration**”); and
- (ii) secondly, allot and issue, or procure the allotment and issuance (as the case may be), by the C-REIT Manager of 1.3583 new C-REIT Units per Stapled Security (the “**Consideration Units**”), such Consideration Unit to be credited as fully paid,

in accordance with the terms and conditions of the Implementation Agreement. On the Effective Date, the C-REIT Trustee shall hold 100% of the Stapled Securities.

The aggregate Cash Consideration to be paid to each Stapled Securityholder shall be rounded to the nearest S\$0.01. The number of Consideration Units which each Stapled Securityholder will be entitled to pursuant to the Trust Scheme, based on the Stapled Securities held by such Stapled Securityholder as at the Books Closure Date, will be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units to be issued to any Stapled Securityholder pursuant to the Trust Scheme.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, a Stapled Securityholder will receive S\$40.75 in cash and 1,358 Consideration Units for every 1,000 Stapled Securities held by it as at the Books Closure Date.

The Consideration Units shall:

- (i) when issued, be duly authorised, validly issued and fully paid-up and shall rank *pari passu* in all respects with the existing C-REIT Units as at the date of their issue; and
- (ii) be issued free from all and any Encumbrances and restrictions on transfers and no person has or shall have any rights of pre-emption over the Consideration Units.

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The Scheme Consideration (including the exchange ratio of 1.3583) was determined based on commercial negotiations between the H-Trust Managers and the C-REIT Manager. Factors taken into account in arriving at the Scheme Consideration (including the exchange ratio of 1.3583) included, but were not limited to: (1) the DPU and NAV accretion to the Stapled Securityholders on a historical pro forma basis, and (2) the implied value of the Scheme Consideration relative to the historical trading prices and NAV of H-Trust and C-REIT.

(a) ***Effective Date***

The Trust Scheme will become effective upon the lodgement of the Trust Scheme Court Order with the MAS or the notification to the MAS of the grant of the Trust Scheme Court Order, as the case may be, which shall be effected by the C-REIT Trustee within ten (10) Business Days from the date the last Scheme Condition set out in Paragraphs (a) (Amendments to H-Trust Trust Deeds), (b) (Trust Scheme), (c) (Court Approval for the Scheme), (d) (Regulatory Approvals), (e) (Approval from C-REIT Unitholders) and (f) (Authorisations and Consents) of Appendix N to the Scheme Document is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.

(b) ***Permitted Distributions***

Subject to the terms and conditions of the Implementation Agreement, the H-Trust Managers and the C-REIT Manager are permitted to declare, make or pay distributions to the Stapled Securityholders and the C-REIT Unitholders (as the case may be) only if such distributions to be declared, paid or made by H-Trust or C-REIT:

- (i) have been declared or which H-Trust or, as the case may be, C-REIT, is under a contractual obligation to pay but have not been paid prior to the date of the Implementation Agreement; or
- (ii) are declared, paid or made by the H-Trust Managers or, as the case may be, the C-REIT Manager, in the ordinary course of business in respect of the period from 1 January 2019 up to the day immediately before the Effective Date, including any clean-up distribution in respect of the period from the day following the latest completed financial quarter of H-Trust or, as the case may be, the latest completed financial half of C-REIT, preceding the Effective Date up to the day immediately before the Effective Date.

The Stapled Securityholders as at the books closure date(s) fixed for such H-Trust Permitted Distributions shall have the right to receive and retain the H-Trust Permitted Distributions (if any) in addition to the Scheme Consideration.

(c) ***New C-REIT Units***

Under the terms of the Implementation Agreement, the C-REIT Trustee and the C-REIT Manager have represented and warranted that:

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- (i) all the Consideration Units, when issued, shall be duly authorised and validly issued, fully paid-up and rank *pari passu* in all respects with the existing C-REIT Units as at the date of their issue;
- (ii) all the Consideration Units shall be issued no later than seven (7) Business Days from the Effective Date; and
- (iii) the Consideration Units shall be issued free from all and any Encumbrances and restrictions on transfers.

For avoidance of doubt, no C-REIT Permitted Distributions shall be payable in respect of the Consideration Units.

3.4 Scheme Conditions

The Trust Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the Scheme Conditions set out in the Implementation Agreement and reproduced in Appendix N to the Scheme Document by the Long-Stop Date.

The Trust Scheme will become effective upon the lodgement of the Trust Scheme Court Order with the MAS or the notification to the MAS of the grant of the Trust Scheme Court Order, as the case may be, which shall be effected by the C-REIT Trustee within ten (10) Business Days from the date the last Scheme Condition set out in Paragraphs (a) (Amendments to H-Trust Trust Deeds), (b) (Trust Scheme), (c) (Court Approval for the Scheme), (d) (Regulatory Approvals), (e) (Approval from C-REIT Unitholders) and (f) (Authorisations and Consents) of Appendix N to the Scheme Document is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.

As at the Latest Practicable Date, save for the Scheme Conditions set out in Paragraphs (d)(iii) (Regulatory Approvals (SIC)), (d)(iv) (Regulatory Approvals (SGX-ST) of the Trust Scheme, the Scheme Document and proposed delisting of H-Trust) and (d)(v) (Regulatory Approvals (SGX-ST) for the listing and quotation of the Consideration Units) of Appendix N to the Scheme Document which have been satisfied (or, where applicable, waived), the Trust Scheme is conditional upon the satisfaction (or, where applicable, waiver) of the remaining Scheme Conditions as set out in Appendix N to the Scheme Document by the Long-Stop Date.

3.5 Switch Option

Pursuant to the terms of the Implementation Agreement, the C-REIT Trustee has the right at its discretion to elect at any time, subject to prior consultation with the SIC:

- (a) in the event of a H-Trust Competing Offer or an intention to make a H-Trust Competing Offer is announced (whether or not such H-Trust Competing Offer is pre-conditional) to exercise the Switch Option;
- (b) in such event, the C-REIT Trustee will make the Offer on the same or better terms as those which apply to the Trust Scheme, including the same or a higher consideration than the Scheme Consideration (being the aggregate of (i) the implied dollar value of

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the Consideration Units as agreed between the Parties based on the fixed number of Consideration Units issued for each Stapled Security, and (ii) the Cash Consideration) for each Stapled Security, and conditional upon a level of acceptances set at only more than 50% of the Stapled Securities to which the Offer relates and not conditional on a higher level of acceptances; and

- (c) if the C-REIT Trustee exercises the Switch Option, the Implementation Agreement (save for certain surviving provisions) shall terminate with effect from the date of announcement by or on behalf of the C-REIT Trustee of a firm intention to make the Offer (other than certain surviving provisions), and none of the Parties shall have any claim against the other Parties under the Implementation Agreement.

For the avoidance of doubt, there is no requirement under the terms and conditions of the Implementation Agreement for the C-REIT Trustee to exercise the Switch Option in the event of a H-Trust Competing Offer.

3.6 No Cash Outlay

The Stapled Securityholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Entitled Stapled Securityholders under the Trust Scheme.

3.7 Waiver of Rights to a General Offer

As set out and explained in Paragraph 4.2 of the Letter to Stapled Securityholders, the Stapled Securityholders should note that by voting in favour of the Trust Scheme, Stapled Securityholders will be regarded as having waived their rights to a general offer by the C-REIT Concert Party Group to acquire the Stapled Securities under the Code (in respect of the Trust Scheme only) and are agreeing to the C-REIT Concert Party Group acquiring or consolidating effective control of H-Trust by way of the Trust Scheme without having to make a general offer. For the avoidance of doubt, pursuant to the terms of the Implementation Agreement, the C-REIT Manager has a right to exercise the Switch Option as described in Paragraph 2.9 of the Letter to Stapled Securityholders.

4. THE TRUST DEEDS AMENDMENTS

Pursuant to the H-Trust Trust Deeds and Section 31(1)(a) of the Business Trusts Act in the case of H-BT, which provides that no person shall modify or replace the trust deed of a registered business trust unless such modification or replacement is approved by a special resolution of the unitholders of the registered business trust, and accordingly, the H-Trust Managers are seeking the approval of the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for the Trust Deeds Amendments to be effected so as to allow for the facilitation of the implementation of the Trust Scheme and the delisting of H-Trust.

Pursuant to the proposed Trust Deeds Amendments, details of which are as follows:

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- (a) the Stapled Securityholders, the H-REIT Trustee and the H-Trust Managers shall do all things and execute all deeds, instruments, transfers or other documents as the H-REIT Trustee and the H-Trust Managers consider necessary or desirable to execute, implement and/or to give full effect to the terms of the Trust Scheme and the transactions contemplated by it;
- (b) the H-REIT Trustee and the H-Trust Managers shall have the power to do all things which it considers necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Trust Scheme and the transactions contemplated by it;
- (c) the Trust Scheme, if the Trust Scheme Resolution is approved at the Trust Scheme Meeting and upon granting of the Trust Scheme Court Order, shall come into effect on the Effective Date and shall be binding on the H-REIT Trustee, the H-Trust Managers and all Stapled Securityholders; and
- (d) the H-Trust Managers may make an application to delist H-Trust if the Stapled Securityholders approve the passing of the Trust Scheme Resolution at the Trust Scheme Meeting.

In addition, it is also proposed that the Trust Deeds Amendments will amend the Stapling Deed such that the H-Trust Managers may make an application to delist H-Trust (a) by a resolution passed by a vote representing 75% or more of the total number of votes cast for and against such a resolution at a meeting of Stapled Securityholders, instead of a voting threshold of 80% as currently provided in the Stapling Deed, or (b) where the Stapled Securityholders approve the passing of the Trust Scheme Resolution at the Trust Scheme Meeting.

The 80% voting threshold for the delisting of H-Trust was in line with market precedents at the time of the initial public offering of H-Trust in 2013. The rationale for lowering the voting threshold required for the delisting of H-Trust from 80% to 75% as contemplated by the Trust Deeds Amendments is to align the Stapling Deed with Rule 1307(2) of the Listing Manual, which provides that a resolution to delist an issuer must be approved by a majority of at least 75% of the total number of issued shares held by the shareholders present and voting either in person or by proxy at the meeting, excluding treasury shares and subsidiary holdings, and to align the voting threshold with recent market precedents of hospitality trusts listed on the SGX-ST.

Please refer to Appendix D to the Scheme Document which sets out the proposed Trust Deeds Amendments.

5. APPROVALS REQUIRED IN RESPECT OF THE TRUST SCHEME

5.1 Extraordinary General Meeting, Trust Scheme Meeting and Court Sanction

The Trust Scheme will require, *inter alia*, the following approvals:

- (a) the approval of the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for the Trust Deeds Amendments Resolution;

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- (b) the approval of the Trust Scheme by a majority in number of the Stapled Securityholders present and voting, either in person or by proxy, at the Trust Scheme Meeting, such majority representing at least three-fourths in value of the Stapled Securities voted at the Trust Scheme Meeting to approve the Trust Scheme Resolution; and
- (c) the Trust Scheme Court Order being obtained.

The Trust Scheme Resolution is contingent upon the approval of the Trust Deeds Amendments Resolution at the Extraordinary General Meeting. In the event that the Trust Deeds Amendments Resolution is not passed at the Extraordinary General Meeting, the H-Trust Managers will not proceed with the Trust Scheme Meeting. This means that the Trust Scheme cannot be implemented by the H-Trust Managers and the C-REIT Manager unless both the Trust Deeds Amendments Resolution and the Trust Scheme Resolution are passed at the Extraordinary General Meeting and the Trust Scheme Meeting respectively.

For avoidance of doubt, the Trust Deeds Amendments Resolution is not conditional on the Trust Scheme Resolution being passed. In the event the Trust Deeds Amendments Resolution is approved at the Extraordinary General Meeting, the H-Trust Trust Deeds will be amended to include the Trust Deeds Amendments, whether or not the Trust Scheme Resolution is passed.

In addition, the Trust Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the terms and conditions of the Implementation Agreement.

5.2 SIC Confirmations

Pursuant to the application made by the C-REIT Manager to the SIC to seek SIC's rulings and confirmations on certain matters in relation to the Trust Scheme, the SIC has confirmed on 22 March 2019, *inter alia*, that:

- (a) the Trust Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:
 - (i) *the C-REIT Trustee (acting in the capacity as trustee of C-REIT), the C-REIT Manager and its concert parties, as well as the common substantial C-REIT Unitholders/Stapled Securityholders (i.e. those holding 5.0% or more interests in both C-REIT and H-Trust) abstain from voting on the Trust Scheme;*
 - (ii) *the Scheme Document contains advice to the effect that by voting for the Trust Scheme, Stapled Securityholders are agreeing to the C-REIT Trustee (acting in the capacity as trustee of C-REIT), the C-REIT Manager and its concert parties acquiring H-Trust without having to make a general offer for H-Trust, and the Scheme Document discloses the names of the C-REIT Manager and its concert parties, their current voting rights in H-Trust and their voting rights in H-Trust after the Trust Scheme;*

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- (iii) *the directors of the H-Trust Managers who are also directors or concert parties of the C-REIT Trustee (acting in the capacity as trustee of C-REIT), the C-REIT Manager and its concert parties abstain from making a recommendation on the Trust Scheme to Stapled Securityholders;*
- (iv) *the H-Trust Managers appoint an independent financial adviser to advise the Stapled Securityholders on the Trust Scheme;*
- (v) *the Trust Scheme is approved by a majority in number representing at least three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at a meeting convened to approve the Trust Scheme; and*
- (vi) *the H-REIT Trustee and the H-BT Trustee-Manager obtain Court approval for the Trust Scheme under Order 80 of the Rules of Court; and*

(b) it has no objections to the Scheme Conditions.

5.3 C-REIT Extraordinary General Meeting

An extraordinary general meeting of C-REIT has also been convened to seek the approval of the C-REIT Unitholders for (a) the Merger and (b) the issuance of the Consideration Units as part of the consideration for the Merger.

For further information on the approvals required from the C-REIT Unitholders and the Merger from the perspective of C-REIT, please refer to the C-REIT Circular dated 10 July 2019, a copy of which is available on the SGXNET.

6. DELISTING

Upon the Trust Scheme becoming effective in accordance with its terms, H-Trust will be wholly-owned by the C-REIT Trustee and will, subject to the approval of the SGX-ST, be delisted and removed from the Official List of the SGX-ST.

An application was made by the H-Trust Managers on behalf of H-Trust to seek approval from the SGX-ST to delist and remove H-Trust from the Official List of the SGX-ST upon the Trust Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 20 June 2019, advised that it has no objection to the delisting of H-Trust from the Official List of the SGX-ST, subject to:

- (a) the approval of the Stapled Securityholders for the Trust Deeds Amendments Resolution;
- (b) the approval of the Stapled Securityholders for the Trust Scheme;
- (c) the abstention from voting by the H-Trust Managers and its connected persons and associates on the Trust Scheme Resolution, pursuant to Rule 748(5) of the Listing Manual;

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- (d) the approval by the High Court of the Trust Scheme; and
- (e) an unqualified opinion from an independent financial adviser that the financial terms of the Trust Scheme are fair and reasonable to the Stapled Securityholders.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Trust Scheme, the delisting and removal of H-Trust from the Official List of the SGX-ST, H-Trust, the H-Trust Managers, their subsidiaries and/or their securities.

Stapled Securityholders should note that by voting in favour of the Trust Scheme Resolution, the Stapled Securities will be delisted from the official list of the SGX-ST if the Trust Scheme becomes effective and binding in accordance with its terms.

7. EXTRAORDINARY GENERAL MEETING

As mentioned in Paragraph 1.3(a) of the Letter to Stapled Securityholders, the Extraordinary General Meeting will be convened to seek the approval of Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for the Trust Deeds Amendments Resolution.

8. TRUST SCHEME MEETING

As mentioned in Paragraph 4 of the Letter to Stapled Securityholders, the Trust Scheme will require, *inter alia*, the following approvals:

- (a) the approval of the Stapled Securityholders by way of an Extraordinary Resolution at the Extraordinary General Meeting for the Trust Deeds Amendments Resolution; and
- (b) the approval of the Trust Scheme by a majority in number of the Stapled Securityholders present and voting, either in person or by proxy, at the Trust Scheme Meeting, such majority representing at least three-fourths in value of the Stapled Securities voted at the Trust Scheme Meeting to approve the Trust Scheme Resolution.

The Trust Scheme Resolution is contingent upon the approval of the Trust Deeds Amendments Resolution at the Extraordinary General Meeting. In the event that the Trust Deeds Amendments Resolution is not passed at the Extraordinary General Meeting, the H-Trust Managers will not proceed with the Trust Scheme Meeting. This means that the Trust Scheme cannot be implemented by the H-Trust Managers and the C-REIT Manager unless both the Trust Deeds Amendments Resolution and the Trust Scheme Resolution are passed at the Extraordinary General Meeting and the Trust Scheme Meeting respectively.

For avoidance of doubt, the Trust Deeds Amendments Resolution is not conditional on the Trust Scheme Resolution being passed. In the event the Trust Deeds Amendments Resolution is approved at the Extraordinary General Meeting, the H-Trust Trust Deeds will be amended to include the Trust Deeds Amendments, whether or not the Trust Scheme Resolution is passed.

In addition, the Trust Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.

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When the Trust Scheme, with or without modifications, becomes effective, it will be binding on all Stapled Securityholders, whether or not they were present in person or by proxy or voted at the Trust Scheme Meeting.

9. ABSTENTION FROM VOTING ON TRUST SCHEME RESOLUTION

In accordance with the SIC's rulings as set out in Paragraph 4.2 of the Letter to Stapled Securityholders, the C-REIT Trustee (acting in the capacity as trustee of C-REIT), the C-REIT Manager and its concert parties (including, as at the Latest Practicable Date, the Relevant Directors and the list of persons set out in Paragraph 1.1 of Schedule H of the Offeror's Letter at Appendix B to the Scheme Document) as well as the common substantial C-REIT Unitholders/Stapled Securityholders (including, as at the Latest Practicable Date, the list of persons set out in Paragraph 5.4 of Appendix C to the Scheme Document) will abstain from voting on the Trust Scheme Resolution. In addition, the H-REIT Manager will abstain from voting on the Trust Scheme Resolution pursuant to Rule 748(5) of the Listing Manual.

Accordingly, each of the parties named above shall decline to accept appointment as proxy to attend and vote at the Trust Scheme Meeting in respect of the Trust Scheme Resolution unless the Stapled Securityholder concerned has given specific instructions in his/her/its Proxy Form (Trust Scheme Meeting) as to the manner in which his/her/its votes are to be cast.

10. FINANCIAL EVALUATION OF THE TERMS OF THE MERGER

As part of our evaluation as to whether the financial terms of the Trust Scheme are fair and reasonable, we have evaluated whether the Stapled Securities and the Consideration Units are fairly valued based on the Scheme Consideration (LUTD) (as defined herein) and the Consideration Unit Price (LUTD) (as defined herein), respectively.

The Scheme Consideration comprises the following:

- (i) a fixed scrip consideration, which is 1.3583 Consideration Units per Stapled Security (the "**Exchange Ratio**"); and
- (ii) a fixed Cash Consideration, which is S\$0.04075 in cash per Stapled Security.

Taking into account both the Cash Consideration and a reference value for the Consideration Units allotted based on the last closing price of C-REIT Units (the "**Consideration Unit Price (LUTD)**") on the last full market trading day on 5 April 2019 ("**Last Undisturbed Trading Date**" or "**LUTD**") prior to the Joint Announcement Date, the Scheme Consideration implies a total

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value of S\$0.747 per Stapled Security (the “**Scheme Consideration (LUTD)**”), as illustrated below:

SCHEME CONSIDERATION FOR EACH STAPLED SECURITY			
Reference value for Consideration Unit Price (LUTD) (S\$)	Scrip Consideration	Cash Consideration	Implied Scheme Consideration (LUTD) (S\$)
0.520	✘ 1.3583 Consideration Units	✚ S\$0.04075	= 0.747

We note that the Scheme Consideration does not explicitly stipulate any reference value for the Consideration Units or for the Stapled Securities. We have used the Consideration Unit Price (LUTD) and the implied Scheme Consideration (LUTD) as illustrative reference values on the basis of the prevailing market closing price as of the LUTD for purpose of the financial analyses in this Letter.

For the abundance of clarity, ANZ neither ascribes nor opines on the specific dollar value of the Consideration Unit Price and therefore on the implied dollar value of the Scheme Consideration.

In this Letter we have considered the following factors:

Factors	Details see page
10.1. Whether the Stapled Securities as implied by the Scheme Consideration (LUTD) are fairly valued	
1. Liquidity analysis of the Stapled Securities and companies that make up the top 10 constituents of the Straits Times Index (“ STI ”) traded on the SGX-ST based on market capitalisation (the “ Top 10 STI Companies ”)	Page 26
2. Historical market performance and trading activity of the Stapled Securities	Page 28
3. Trailing Latest P/NAV multiples of the Stapled Securities relative to the Latest P/NAV multiples implied by the Scheme Consideration (LUTD)	Page 31
4. Trailing Distribution Yields of the Stapled Securities relative to the Distribution Yields implied by the Scheme Consideration (LUTD)	Page 32
5. Valuation multiples of selected SGX-listed hospitality S-REITs (the “ Comparable Hospitality S-REITs ”) relative to those implied by the Scheme Consideration (LUTD)	Page 33
6. The premium/discount to the prevailing VWAPs implied by selected precedent transactions with respect to combination of SGX-ST listed business trusts and/or real estate investment trusts involving scrip as the primary transaction consideration (the “ Precedent Transactions ”) relative to those implied by the Scheme Consideration (LUTD)	Page 34
7. Broker target prices of the Stapled Securities	Page 36

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10.2.	Whether the C-REIT Units as implied by the Consideration Unit Price (LUTD) are fairly valued	
1.	Liquidity analysis of the C-REIT Units and the Top 10 STI Companies	Page 38
2.	Historical market performance and trading activity of the C-REIT Units	Page 39
3.	Trailing Latest P/NAV multiples of the C-REIT Units relative to the Latest P/NAV multiples implied by the Consideration Unit Price (LUTD)	Page 42
4.	Trailing Distribution Yields of the C-REIT Units relative to the Distribution Yields implied by the Consideration Unit Price (LUTD)	Page 43
5.	Valuation multiples of selected SGX-listed commercial S-REITs (the “ Comparable Commercial S-REITs ”) relative to those implied by the Consideration Unit Price (LUTD)	Page 45
6.	Broker target prices of the C-REIT Units	Page 46
10.3.	Other factors	
1.	Exchange ratios implied by the historical VWAPs over various periods up to the Last Undisturbed Trading Date of the Stapled Securities and C-REIT Units	Page 48
2.	The FY2018 pro forma consolidated financial effects of the Merger	Page 52
3.	Other relevant considerations which have a significant bearing on our assessment, in relation to the Merger	Page 56

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Summary of key financial analyses⁽¹⁾ performed

	Min ⁽²⁾	Max ⁽²⁾	Mean ⁽²⁾	Median ⁽²⁾	<i>Merger relative to:</i>		
					Merger as at LUTD ⁽³⁾	Min. - Max. Range ⁽⁴⁾	Mean - Median Range ⁽⁴⁾
Whether the Stapled Securities as implied by the Scheme Consideration (LUTD) are fairly valued:							
Historical trading range of the Stapled Securities							
Closing price (S\$) - 12-month period up to the LUTD	0.655	0.840	0.738	0.725	0.747	Within	Above
Trailing P/NAV multiples							
6 months up to the LUTD	0.86x	0.99x	0.92x	0.91x	1.00x	Above	Above
12 months up to the LUTD	0.86x	1.10x	0.97x	0.97x	1.00x	Within	Above
Trailing Distribution Yields							
6 months up to the LUTD	6.67%	7.86%	7.25%	7.35%	6.60%	Below	Below
12 months up to the LUTD	6.23%	7.86%	6.95%	6.82%	6.60%	Within	Below
Comparable Hospitality S-REITs relative to the Scheme Consideration (LUTD) - as at the Latest Practicable Date							
P / NAV (Latest)	0.77x	1.09x	0.94x	0.95x	1.00x	Within	Above
DY (12M Trailing)	5.67%	6.54%	6.07%	6.05%	6.60%	In Line	Above
Precedent Transactions relative to the Scheme Consideration (LUTD)							
Premium over closing price on the LUTD	0.44%	2.10%	1.27%	1.27%	1.64%	Within	Above
Premium over 1-month VWAP	0.28%	2.10%	1.19%	1.19%	3.04%	Above	Above
Premium over 3-month VWAP	0.20%	0.70%	0.45%	0.45%	4.48%	Above	Above
Premium over 6-month VWAP	0.00%	1.50%	0.75%	0.75%	6.72%	Above	Above
Whether the C-REIT Units as implied by the Consideration Unit Price (LUTD) are fairly valued:							
Historical trading range of the C-REIT Units							
Closing price (S\$) - 12-month period up to the LUTD ⁽⁵⁾	0.450	0.600	0.530	0.520	0.520	Within	In Line
Trailing P/NAV multiples							
6 months up to the LUTD	0.65x	0.77x	0.69x	0.69x	0.73x	Within	Above
12 months up to the LUTD	0.65x	0.81x	0.73x	0.74x	0.73x	Within	In Line
Trailing Distribution Yields							
6 months up to the LUTD	6.33%	7.59%	7.09%	7.12%	6.56%	Within	Below
12 months up to the LUTD	6.03%	7.59%	6.79%	6.66%	6.56%	Within	Below
Comparable Commercial S-REITs relative to the Consideration Unit Price (LUTD) - as at the Latest Practicable Date							
P / NAV (Latest)	0.91x	1.18x	1.01x	0.97x	0.73x	Below	Below
DY (12M Trailing)	4.08%	6.08%	4.92%	4.77%	6.56%	Above	Above

Legend:

(Green): Favourable

(Red): Unfavourable

Notes:

- (1) Summary of key analyses set out in sub-sections 10.1.1 – 10.1.6 and 10.2.1 – 10.2.5.
- (2) Minimum, mean, median and maximum of the respective benchmarks.
- (3) Implied by the Merger.
- (4) Parameters implied by the Merger relative to the minimum and maximum, and mean and median range of the respective benchmarks.
- (5) For the purpose of this analysis, unit prices are based on daily closing prices and adjusted to reflect the rights issue related to the acquisition of the office components of OUE Downtown.

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General bases and assumptions

The figures and underlying financial data used in our analyses in this Letter, including unit prices, trading volumes, and broker research, have been extracted from, *inter alia*, SGX-ST, Bloomberg, Capital IQ, Mergermarket, and other public filings and documents. ANZ has not independently verified (nor assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, express or implied, as to the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised reasonable judgement in assessing such information and have found no reason to doubt the reliability of such information.

Comparable Companies

The summary description of the Comparable Hospitality S-REITs we have reviewed for our evaluation of the Scheme Consideration (LUTD) is set out in the following table:

Company	Company Description	Market Cap ⁽¹⁾ (S\$M)
Ascendas Hospitality Trust	Ascendas Hospitality Trust is a stapled group comprising Ascendas Hospitality Business Trust and Ascendas Hospitality REIT, established to invest in a diversified portfolio of hotel assets in Asia, Australia, and New Zealand.	1,118
CDL Hospitality Trusts	CDL Hospitality Trusts is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“ CDL H-REIT ”) and CDL Hospitality Business Trust (“ HBT ”). CDL H-REIT is a REIT that invests in a portfolio of income-producing hospitality-related properties while HBT is a business trust. CDL Hospitality Trusts currently owns hotels in Singapore, Australia, Japan, Germany, Maldives, New Zealand and UK.	1,962
Far East Hospitality Trust	Far East Hospitality Trust is a hospitality stapled group comprising Far East Hospitality Real Estate Investment Trust and Far East Hospitality Business Trust. Far East Hospitality Real Estate Investment Trust is a Singapore-based REIT, which invests in hospitality assets. It owns nine hotels and four serviced residences.	1,276
Frasers Hospitality Trust	Frasers Hospitality Trust is a hospitality-stapled group comprising Frasers Hospitality Real Estate Investment Trust (“ FH-REIT ”) and Frasers Hospitality Business Trust (“ FH-BT ”). FH-REIT is a Singapore-based REIT which invests in hospitality assets, while FH-BT is a Singapore-based business trust. FHT operates 14 mid- and upper-scale hotels and serviced residences in key gateway cities located in Singapore, Japan, UK, Germany, Australia, and Malaysia.	1,326

Source: Capital IQ and broker reports.

Notes:

(1) Market capitalisation is based on unit prices as at the Latest Practicable Date.

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The summary description of the Comparable Commercial S-REITs we have reviewed for our evaluation of the Consideration Unit Price (LUTD) is also set out in the following table:

Company	Company Description	Market Cap ⁽¹⁾ (S\$M)
CapitaLand Commercial Trust	CapitaLand Commercial Trust is an office REIT with stakes in seven commercial buildings in Singapore and one in Germany. It is also the joint developer of CapitaSpring, a mixed-use project in Singapore. With a combined net lettable area of 3.4m sf, it is one of the largest office landlords in Singapore.	8,062
Frasers Commercial Trust	Frasers Commercial Trust is a commercial REIT sponsored by Frasers Property Limited (Frasers Property). Frasers Commercial Trust invests primarily in quality income-producing commercial properties. As at 31 December 2018, its portfolio includes six quality commercial buildings located in Singapore, Australia and the United Kingdom.	1,424
Keppel REIT	Keppel REIT is a REIT investing predominantly in commercial properties in Singapore and key gateway cities in Australia. It currently owns eight commercial Grade A office assets with another property under development.	4,289
Suntec Real Estate Investment Trust	Suntec Real Estate Investment Trust is a commercial REIT with stakes in four properties in Singapore and three in Australia. Its flagship project Suntec City is one of the largest integrated developments in Singapore.	5,206

Source: Capital IQ and broker reports.

Notes:

(1) Market capitalisation is based on unit prices as at the Latest Practicable Date.

Precedent Transactions

For the purpose of evaluating the Scheme Consideration, we have reviewed selected precedent transactions between 1 January 2013 and the Latest Practicable Date with respect to combination of business trusts and/or real estate investment trusts listed on the SGX-ST involving scrip as the primary transaction consideration. A brief description of the Precedent Transactions is set out below:

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Target	Acquiror	Announcement Date	Description
Viva Industrial Trust (“VIT”)	ESR-REIT	29 January 2018	<ul style="list-style-type: none"> ▪ VIT is a Singapore-focused and listed business park and industrial property trust; ▪ VIT’s portfolio comprised nine properties located in Singapore, with an aggregate gross floor area of 3.90 million sq. ft.; ▪ On 29 January 2018, ESR-REIT announced merger plans with VIT for a total scheme consideration of S\$937 million. ▪ In relation to the merger, the scheme consideration of S\$0.96 per VIT stapled security comprised of a 10% cash payment of S\$0.096 per stapled security and a 90% stock payment via an issuance of new ESR-REIT units at an issue price of S\$0.54 for each new ESR-REIT unit.
Keppel Infrastructure Trust (“KIT”)	CitySpring Infrastructure Trust (“CIT”)	18 November 2014	<ul style="list-style-type: none"> ▪ KIT is sponsored by Keppel Infrastructure Holdings Pte. Ltd. (“Keppel”), a wholly-owned subsidiary of Keppel Corporation; ▪ KIT’s existing portfolio comprises the Senoko Waste-to-Energy Plant, Keppel Seghers Tuas Waste-to-Energy Plant and Keppel Seghers Ulu Pandan NEWater Plant in Singapore; ▪ On 18 November 2014, the trustee-manager of KIT announced the entry into two separate transactions: <ol style="list-style-type: none"> (i) the acquisition of a 51% stake in Keppel Merlimau Cogen Pte Ltd which owns the Keppel Merlimau Cogen power plant for the purchase consideration of S\$510 million; (ii) the disposal of the business undertaking and assets of KIT to CitySpring Infrastructure Trust (“CIT”) for a total scheme consideration of approximately S\$658 million. CIT will be the surviving trust and will be renamed KIT. Pursuant to the combination, each KIT unit holder received 2.106 CIT units as consideration for every KIT unit held.

Source: Relevant SGX-ST filings and the respective companies’ announcements, circulars and offer documents.

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Valuation ratios

For the purpose of our evaluation of the financial terms of the Trust Scheme and for illustration, we have applied the following valuation metrics to the C-REIT Units and the Stapled Securities in our analysis of the financial terms of the Trust Scheme:

Valuation Metrics	Description
Latest P/NAV	“NAV” or “net asset value” is the book value of a company’s shareholders’ equity (excluding minority interest). The “ P/NAV ” or “price-to-NAV” ratio illustrates the ratio of the market price of a company’s units relative to its historical book value per unit as recorded in its latest reported financial statements. Comparisons of companies using their book value are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
12-month trailing Distribution Yield (“DY”)	The “12-month trailing Distribution Yield” is the aggregate dividend per unit amount that has been declared for distribution over the prior 12 months, divided by the current unit price.

In relation to the P/NAV multiple, we note that this type of asset-based valuation approach provides an estimate of the value of a trust assuming the hypothetical sale of all its assets over a reasonable period of time, repayment of its liabilities and obligations, and with the balance being available for distribution to its unitholders. While the asset base of a trust can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions.

As part of our evaluation of the financial terms of the Trust Scheme, we have compared the P/NAV multiple and DY as implied by the Scheme Consideration (LUTD) and the Consideration Unit Price (LUTD), as applicable, to the relevant mean and median values as well as to the relevant minimum and maximum ranges as set out in this Letter.

Independent Property Valuations

We note that properties typically represent the majority of the net asset value of a real estate investment trust and we have considered the underlying independent valuations of the properties of C-REIT and H-Trust, respectively (the “**Independent Valuations**”), as of 31 December 2018 and 31 March 2019, which are outlined below.

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C-REIT	A: Independent Valuations as of 31 December 2018			B: Independent Valuations as of 31 March 2019			Differential (B less A)	
Property	Valuation	Valuer	Commissioned by:	Valuation	Valuer	Commissioned by:	Amount	%
OUE Bayfront	S\$m 1,173.1	Savills	C-REIT	S\$m 1,180.0	Cushman & Wakefield	H-Trust	S\$m 6.9	0.6%
One Raffles Place ⁽¹⁾	S\$m 1,813.5	Knight Frank	C-REIT	S\$m 1,829.0	Savills	H-Trust	S\$m 15.5	0.9%
Lippo Plaza ⁽²⁾	RMB\$m 2,950.0	Beijing Colliers	C-REIT	RMB\$m 2,952.0	Savills	H-Trust	RMB\$m 2.0	0.1%
OUE Downtown Office	S\$m 920.0	Colliers	C-REIT	S\$m 921.7	Cushman & Wakefield	H-Trust	S\$m 1.7	0.2%

H-TRUST	A: Independent Valuations as of 31 December 2018			B: Independent Valuations as of 31 March 2019			Differential (B less A)	
Property	Valuation	Valuer	Commissioned by:	Valuation	Valuer	Commissioned by:	Amount	%
Mandarin Orchard Singapore	S\$m 1,227.0	Savills	H-Trust	S\$ mm 1,227.0	Savills	H-Trust	S\$ mm -	0.0%
Mandarin Gallery	S\$m 494.0	Savills	H-Trust	S\$ mm 494.0	Savills	H-Trust	S\$ mm -	0.0%
Crowne Plaza Changi Airport	S\$m 497.0	Savills	H-Trust	S\$ mm 497.0	Savills	H-Trust	S\$ mm -	0.0%

Notes:

- (1) Valuation of 83.33% interest of OUBC Limited, which owns 81.54% beneficial interest in One Raffles Place.
- (2) Based on C-REIT's 91.2% ownership of Lippo Plaza.

For the analyses in this Letter relating to the Latest P/NAV, we have applied the NAV per unit as of 31 December 2018 of C-REIT and H-Trust, respectively, being the latest reported NAV prior to the LUTD. We note that the Independent Valuations as of 31 December 2018 are in line with the latest available Independent Valuations as of 31 March 2019, which were commissioned by the H-Trust Managers for purpose of the Merger.

10.1 Evaluation of the Scheme Consideration

10.1.1 Liquidity analysis of the Stapled Securities

In order to evaluate whether the historical market prices of the Stapled Securities provide a meaningful reference point for comparison with the Scheme Consideration, we have considered the liquidity and free float of H-Trust relative to the Top 10 STI Companies as at the Last Undisturbed Trading Date, as outlined below:

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Liquidity analysis of the Top 10 STI Companies by market capitalisation⁽¹⁾

Company Name	Market capitalisation (S\$m)	Free Float (%) ⁽²⁾	Past 6 months ADTV (‘000 shares)	Past 6 months ADTV (S\$’000)	6-mth ADTV / Free Float (%) ⁽³⁾	6-mth ADTV / Market cap. (%) ⁽⁴⁾
DBS Group Holdings Ltd	69,022	70.0%	3,649	88,996	0.20%	0.13%
Singapore Telecommunications Limited	50,456	47.5%	16,792	51,159	0.22%	0.10%
Oversea-Chinese Banking Corporation Li	49,717	84.5%	4,919	54,992	0.14%	0.11%
Jardine Matheson Holdings Limited	46,546	34.3%	205	13,285	0.08%	0.03%
United Overseas Bank Limited	44,175	85.2%	2,155	54,205	0.15%	0.12%
Jardine Strategic Holdings Limited	41,216	15.6%	198	7,303	0.11%	0.02%
Wilmar International Limited	22,019	30.7%	4,977	15,959	0.26%	0.07%
Thai Beverage Public Company Limited	20,844	32.2%	20,441	14,407	0.25%	0.07%
Hongkong Land Holdings Limited	16,893	50.0%	1,510	10,224	0.13%	0.06%
CapitalLand Limited	15,281	59.6%	6,911	22,772	0.28%	0.15%
Min	15,281	15.6%	198	7,303	0.08%	0.02%
Mean	37,617	51.0%	6,176	33,330	0.18%	0.09%
Median	42,695	48.8%	4,284	19,365	0.18%	0.09%
Max	69,022	85.2%	20,441	88,996	0.28%	0.15%
H-Trust	1,347	51.2% ⁽⁵⁾	1,118	783	0.12%	0.06%

Source: Bloomberg.

Notes:

- (1) All figures as of the Last Undisturbed Trading Date.
- (2) Free float percentages are based on Bloomberg.
- (3) 6-month average daily trading volume leading up to the Last Undisturbed Trading Date, divided by free float number of units.
- (4) 6-month average daily trading value leading up to the Last Undisturbed Trading Date, divided by market capitalisation.
- (5) Excludes the stakes held by the OUE Group, the H-Trust Managers, the C-REIT Manager, directors and chief executive officers of the H-Trust Managers and the C-REIT Manager and their respective associates, substantial Stapled Securityholders and substantial C-REIT Unitholders.

With respect to the above table, we note that in the 6-month period leading up to the Last Undisturbed Trading Date, H-Trust’s average daily trading volume (“ADTV”) represented 0.12% of its free float and 0.06% of its market capitalisation. These values are within the ranges of the Top 10 STI Companies (between 0.08% to 0.28%, and 0.02% to 0.15%, respectively) for the same 6-month period leading up to the Last Undisturbed Trading Date, but below the mean and median ADTV to free float of 0.18% and the mean and median ADTV to market capitalisation of 0.09%.

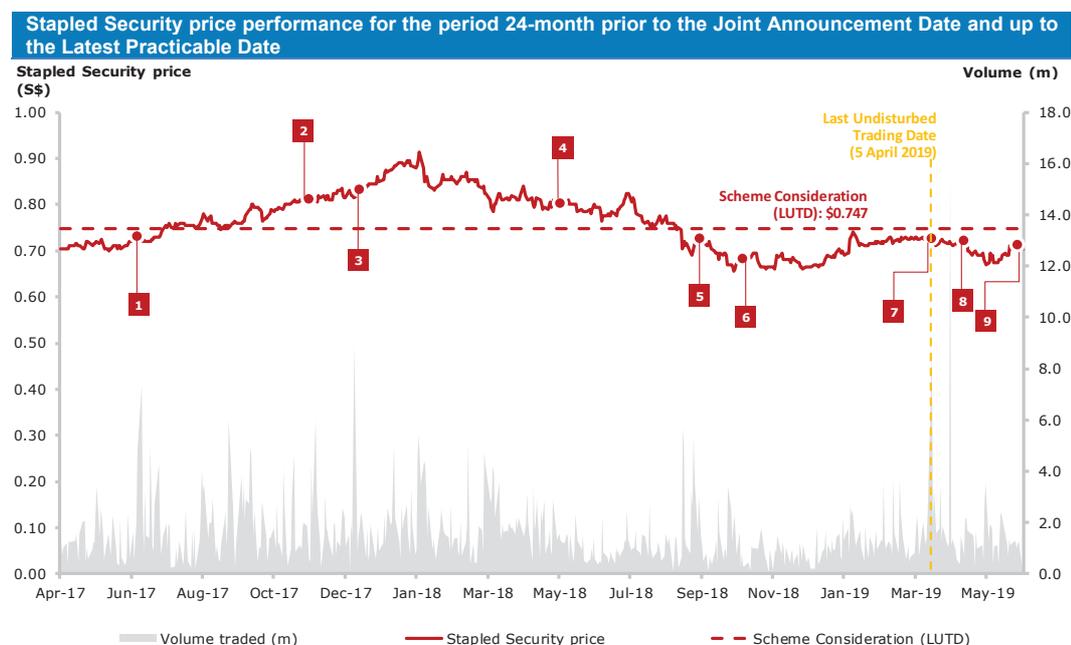
Based on our analysis of the ADTV relative to the Top 10 STI Companies, it appears that there is reasonable liquidity in the Stapled Securities in the 6-month period up to the Last Undisturbed Trading Date. This suggests that the market prices of the Stapled Securities should generally reflect the fundamental, market-based value of the Stapled Securities.

We wish to highlight that the above analysis of the historical trading liquidity of the Stapled Securities serves only as an illustrative guide and is not an indication of the future trading liquidity of the Stapled Securities, which will be governed by amongst other factors, the performance and prospects of the trust, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.

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10.1.2 Historical Market Performance and Trading Activity of the Stapled Securities

We set out below a chart outlining the daily closing prices and trading volume of the Stapled Securities for the period between the 24-month prior to the Joint Announcement Date and up to the Latest Practicable Date.



Source: Capital IQ, H-Trust Managers' announcements.

Note: Share prices based on daily closing and unadjusted share prices.

A summary of the salient announcements made by the H-Trust Managers during the period between the 24-month prior to the Joint Announcement Date and up to the Latest Practicable Date is set out below:

(1) 9 June 2017	Procured the issuance of the lease to the combined strata lot comprising Crowne Plaza Changi Airport and its extension by Changi Airport Group (Singapore) Pte. Ltd. to the H-REIT Trustee.
(2) 1 November 2017	Mr Christopher James Williams to retire from his role as Chairman of the Board of Directors of the H-Trust Managers with effect from 1 November 2017, but to continue to remain as a Non-Independent Non-Executive Director. Mr Lee Yi Shyan, the Deputy Chairman and Non-independent Non-Executive Directors of the H-Trust Managers would assume the role as the Chairman and Non-Independent Non-Executive Director of the H-Trust Managers in place of Mr Christopher James Williams with effect from 1 November 2017.
(3) 13 December 2017	H-REIT Trustee had entered into a facility agreement with BNP Paribas for the grant of two term loan facilities and two revolving loan facilities for a total of S\$980.0 million which would be used to partially refinance an existing syndicated facilities and / or to finance H-REIT's working capital and general corporate purposes.
(4) 31 May 2018	Mr Chong Kee Hiong to step down as the Chief Executive Officer ("CEO") and Executive Director of the H-Trust Managers on 15 July 2018 to pursue other professional interests; Mr Chen Yi-Chung Isaac, the then Deputy CEO

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		of the H-Trust Managers, would be appointed as the acting CEO of the H-Trust Managers with effect from 16 July 2018.
(5)	26 September 2018	Mr Gan Chee Teik to relinquish his position as the Chief Financial Officer (“CFO”) of the H-Trust Managers with effect from 28 September 2018 to pursue other professional interests. The Board of Directors were in the process of searching for a suitable replacement.
(6)	1 November 2018	Appointment of Mr Lionel Chua as CFO of the H-Trust Managers, pending clearance by the MAS.
(7)	8 April 2019	Proposed Merger of C-REIT and H-Trust to be effected by way of the Trust Scheme.
(8)	6 May 2019	Update announcement that the Court had directed that the HC/OS 534/2019 application filed by the H-Trust Managers and the H-REIT Trustee to be fixed for hearing at 10 a.m. on 29 May 2019.
(9)	21 June 2019	Receipt of approval-in-principle from the SGX-ST with regards to the delisting of H-Trust from the Official List of the SGX-ST subject to certain conditions.

Source: H-Trust Managers’ announcements.

Historical VWAPs of the Stapled Securities

We set out in the table below the historical volume weighted average prices (“VWAPs”) of the Stapled Securities for various reference periods up to and including the Last Undisturbed Trading Date and the Latest Practicable Date.

Historical VWAPs Analysis

Evaluation of the Scheme Consideration (LUTD) (S\$0.747 per Stapled Security)

Reference period	Price Basis	Historical H-Trust VWAPs (S\$) ⁽¹⁾	Premium / (discount) to historical H-Trust VWAPs	ADTV ('000 shares) ⁽²⁾	ADTV / free float (%) ⁽³⁾	ADTV (S\$'000) ⁽⁴⁾	ADTV / market cap (%)
Periods up to the Last Undisturbed Trading Date (5 April 2019):							
Last Undisturbed Trading Date	Closing Price	0.735	1.6%	2,288	0.24%	1,665	0.12%
1-month	VWAP ⁽¹⁾	0.725	3.0%	1,350	0.14%	979	0.07%
3-month	VWAP ⁽¹⁾	0.715	4.5%	1,327	0.14%	949	0.07%
6-month	VWAP ⁽¹⁾	0.700	6.7%	1,118	0.12%	783	0.06%
12-month	VWAP ⁽¹⁾	0.744	0.4%	1,280	0.14%	952	0.07%
Period from the Joint Announcement Date up to the Latest Practicable Date (8 April 2019 to 25 June 2019):							
From the Joint Announcement Date up to the Latest Practicable Date	VWAP ⁽¹⁾	0.705	6.0%	1,503	0.16%	1,059	0.08%
As at the Latest Practicable Date	Closing Price	0.705	6.0%	447	0.05%	317	0.02%

Source: Bloomberg.

Notes:

- (1) The VWAP is weighted based on the volume of the Stapled Securities traded and transacted prices of the Stapled Securities for the Market Days in the reference periods. VWAP figures shown are rounded to the nearest three decimal places. No adjustments to unit prices have been made for dividends, bonus issues or other corporate transactions in each respective reference period.
- (2) The average daily trading volume of the Stapled Securities is calculated based on the total volume of Stapled Securities traded divided by the number of Market Days during the relevant periods.
- (3) Free float is based on Bloomberg and refers to the number of Stapled Securities that are available to the public. This figure is calculated by subtracting the Stapled Securities held by insiders and those deemed to be stagnant shareholders from the Stapled Securities outstanding. Stagnant holders include ESOP's, ESOT's, QUEST's, employee benefit trusts, corporations not actively managing money, venture capital companies and Stapled Securities held by governments.
- (4) The average daily traded value of the Stapled Securities is calculated based on the total value of Stapled Securities traded divided by the number of Market Days during the relevant periods.

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Based on the above table, we note that:

A. Periods up to the Last Undisturbed Trading Date (5 April 2019):

- (i) The Scheme Consideration (LUTD) of S\$0.747 represents a premium of 1.6% to the closing price of the Stapled Securities on the Last Undisturbed Trading Date;
- (ii) The Scheme Consideration (LUTD) of S\$0.747 represents a premium of 3.0%, 4.5%, 6.7% and 0.4% to the 1-month, 3-month, 6-month and 12-month VWAPs of the Stapled Securities, respectively;
- (iii) The average daily trading volume of the Stapled Securities as a percentage of the free float ranged between 0.12% and 0.14%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;
- (iv) The average daily trading volume of the Stapled Securities as a percentage of the market capitalisation ranged between 0.06% and 0.07%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;

B. Period from the Joint Announcement Date up to the Latest Practicable Date (8 April 2019 to 25 June 2019):

- (i) *The Scheme Consideration (LUTD) of S\$0.747 represents a premium of 6.0% to the closing price of the Stapled Securities on the Latest Practicable Date;*
- (ii) *The Scheme Consideration (LUTD) of S\$0.747 represents a premium of 6.0% over the VWAP of the Stapled Securities for the period from the Joint Announcement Date up to the Latest Practicable Date;*
- (iii) *The average daily trading volume of the Stapled Securities as a percentage of the free float ranged between 0.05% and 0.16% for the period from the Joint Announcement Date to the Latest Practicable Date; and*
- (iv) *The average daily trading volume of the Stapled Securities as a percentage of the market capitalisation ranged between 0.02% and 0.08% for the period from the Joint Announcement Date to the Latest Practicable Date.*

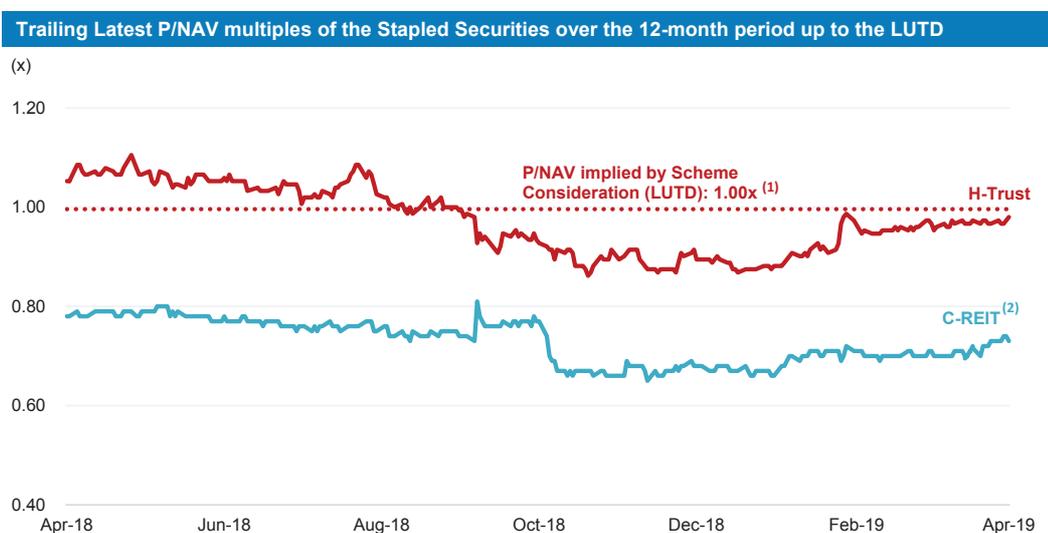
We wish to highlight that our analysis of the past price performance of the Stapled Securities is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the Enlarged REIT, prevailing economic conditions, economic outlook, market conditions and sentiments.

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10.1.3 Trailing Latest P/NAV multiples of the Stapled Securities relative to the Latest P/NAV multiple implied by the Scheme Consideration (LUTD)

For the purpose of evaluating the financial terms of the Trust Scheme, we have made reference to the trailing latest (“Latest”) P/NAV multiples (based on the latest reported net asset values) of the Stapled Securities to evaluate how the Latest P/NAV multiple implied by the Scheme Consideration (LUTD) compares to them.

In the chart below we have compared the Latest P/NAV multiple implied by the Scheme Consideration (LUTD) to the trailing Latest P/NAV multiples of the Stapled Securities over the 12-month period up to and including the Last Undisturbed Trading Date.



Scheme Consideration (LUTD):		1.00x				
Period up to LUTD	Min	Mean	Median	Max	Min. - Max. Range	Mean - Median Range
6 months	0.86x	0.92x	0.91x	0.99x	Above	Above
12 months	0.86x	0.97x	0.97x	1.10x	Within	Above

Source: Capital IQ.

Note:

- (1) Based on the Scheme Consideration (LUTD) of S\$0.747 and reported NAV per Stapled Security of S\$0.750 as of 31 December 2018.
- (2) The trailing Latest P/NAV values have been adjusted to reflect for the pro forma effects of the acquisition of the office components of OUE Downtown as well as the rights issue related to it. The underlying C-REIT Unit prices used in the calculation of the trailing Latest P/NAV multiples over the period starting 11 September 2018 (rights issue announcement date) and ending 1 October 2018 (ex-rights date) have been adjusted to exclude the theoretical value of the rights that would be issued. The underlying NAV values used in the calculation of the trailing Latest P/NAV multiples over the period starting 1 October 2018 and ending on the Last Undisturbed Trading Date have been adjusted to reflect the pro forma effects arising from the acquisition of the office components of OUE Downtown, as well as the rights issue.

Based on the above, we note that:

- (i) The Stapled Securities have consistently traded at a higher Latest P/NAV multiple compared to the C-REIT Units over the 12-month period up to and including the Last Undisturbed Trading Date;

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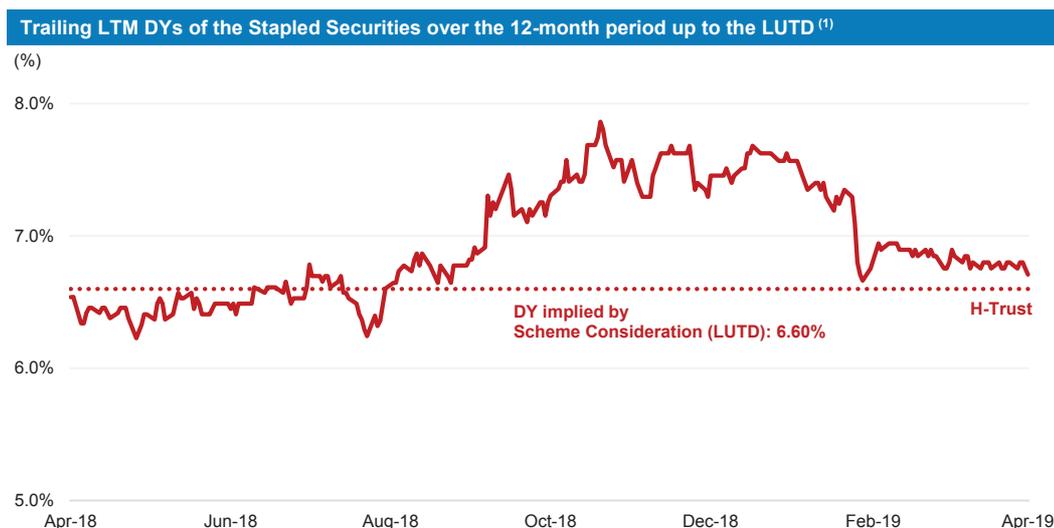
- (ii) The Scheme Consideration (LUTD) of S\$0.747 is in line with the reported NAV per Stapled Security of S\$0.750 as at 31 December 2018;
- (iii) The Latest P/NAV multiple implied by the Scheme Consideration (LUTD) of 1.00x is above the range of the trailing Latest P/NAV multiples of the Stapled Securities of 0.86x to 0.99x over the 6-month period up to and including the Last Undisturbed Trading Date; and
- (iv) The Latest P/NAV multiple implied by the Scheme Consideration (LUTD) of 1.00x is within the range of the trailing Latest P/NAV multiples of the Stapled Securities of 0.86x to 1.10x over the 12-month period up to and including the Last Undisturbed Trading Date, and above the mean and median of 0.97x.

We wish to highlight that the historical trading patterns or performance of the C-REIT Units and the Stapled Securities should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trusts, prevailing economic conditions, economic outlook and market conditions and sentiments.

10.1.4 Trailing LTM DYs of the Stapled Securities relative to the DY implied by the Scheme Consideration (LUTD)

For the purposes of evaluating the financial terms of the Trust Scheme, we have made reference to the trailing last 12-month (“LTM”) DYs of the Stapled Securities to evaluate how the LTM DY implied by the Scheme Consideration (LUTD) compares to them.

In the chart below we have compared the LTM DY implied by the Scheme Consideration (LUTD) to the trailing LTM DYs of the Stapled Securities over the 12-month period up to and including the Last Undisturbed Trading Date.



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Scheme Consideration (LUTD):				6.60%		
Period up to LUTD	Min	Mean	Median	Max	Min. - Max. Range	Mean - Median Range
6 months	6.67%	7.25%	7.35%	7.86%	Below	Below
12 months	6.23%	6.95%	6.82%	7.86%	Within	Below

Source: Capital IQ.

Note:

(1) DYs are based on trailing 12-month DPU.

Based on the above, we note that:

- (i) The LTM DY implied by the Scheme Consideration (LUTD) of 6.60% is below the range of the trailing LTM DYs of the Stapled Securities of 6.67% to 7.86% over the 6-month period up to and including the Last Undisturbed Trading Date; and
- (ii) The LTM DY implied by the Scheme Consideration (LUTD) of 6.60% is within the range of the trailing LTM DYs of the Stapled Securities of 6.23% to 7.86% over the 12-month period up to and including the Last Undisturbed Trading Date and below the mean and median of 6.95% and 6.82%, respectively.

We wish to highlight that the historical trading patterns or performance of the Stapled Securities should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.

10.1.5 Valuation Multiples of selected Comparable Hospitality S-REITs

For the purpose of evaluating the Scheme Consideration (LUTD), references were made to SGX-ST listed REITs which invest primarily in hospitality real estate properties and are considered to be broadly comparable to H-Trust to provide an indication of the current market expectation with regards to the valuation of such trusts, as implied by their respective closing market prices as at the Latest Practicable Date.

The statistics for the Comparable Hospitality S-REITs are based on their closing prices as at the Latest Practicable Date and their latest publicly available financial results.

We have conducted our analysis based on the Latest P/NAV and LTM DY as key parameters for the comparison of the implied valuation metrics for the Comparable Hospitality S-REITs along with certain other financial parameters as set out below:

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Valuation multiples of selected Comparable Hospitality S-REITs ⁽¹⁾		
	Latest P/NAV ⁽²⁾	LTM DY ⁽³⁾
Ascendas Hospitality Trust	0.97x	6.12%
CDL Hospitality Trusts	1.09x	5.67%
Far East Hospitality Trust	0.77x	5.97%
Frasers Hospitality Trust	0.93x	6.54%
Min	0.77x	5.67%
Mean	0.94x	6.07%
Median	0.95x	6.05%
Max	1.09x	6.54%
Scheme Consideration (LUTD)⁽⁴⁾	1.00x	6.60%
Min - Max Range	Within	In Line
Mean - Median Range	Above	Above

Source: Capital IQ, published financial statements of the respective Comparable Hospitality S-REITs.

Notes:

- (1) All figures as of the Latest Practicable Date.
- (2) NAV per unit based on units issued at the end of the relevant period.
- (3) DY is calculated using the weighted average number of units issued and issuable during the relevant periods.
- (4) Based on reported NAV per Stapled Security of S\$0.750 as of 31 December 2018. DY implied by the Scheme Consideration (LUTD) based on FY2018 historical pro forma DPU of S\$4.93 cents.

Based on the above, we note that:

- (i) The Latest P/NAV multiple implied by the Scheme Consideration (LUTD) of 1.00x is within the range of the P/NAV multiples of the Comparable Hospitality S-REITs of 0.77x to 1.09x and above the mean and median of 0.94x and 0.95x, respectively; and
- (ii) The LTM DY implied by the Scheme Consideration (LUTD) of 6.60% is in line with the range of the LTM DY of the Comparable Hospitality S-REITs of 5.67% to 6.54% and above the mean and median of 6.07% and 6.05%, respectively.

We recognise, however, that the list of the Comparable Hospitality S-REITs is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that is directly comparable to H-Trust in terms of business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. We also note that the accounting principles used by the respective Comparable Hospitality S-REITs and H-Trust may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. As such, any comparison made with respect to the Comparable Hospitality S-REITs is therefore intended to serve as an illustrative guide only.

10.1.6 Premium / (discount) of selected Precedent Transactions

We have considered Precedent Transactions with respect to combination of business trusts and/or real estate investment trusts listed on the SGX-ST involving scrip transaction consideration.

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We have conducted our analysis based on premium to the closing price as at their respective last undisturbed trading dates and premium over the 1-month VWAP, 3-month VWAP and 6-month VWAP prior to their respective last undisturbed trading dates as the key parameters for comparison.

Premium / (discount) to VWAPs of the Precedent Transactions						
Announcement Date	Target	Acquirer	Last Traded Price	Premium over		
				1-month VWAP prior to the announcement	3-month VWAP prior to the announcement	6-month VWAP prior to the announcement
18-Nov-14	KIT ⁽¹⁾	CIT	0.44%	0.28%	0.20%	0.00%
17-May-18	VIT ⁽²⁾	ESR-REIT	2.10%	2.10%	0.70%	1.50%
Min			0.44%	0.28%	0.20%	0.00%
Mean			1.27%	1.19%	0.45%	0.75%
Median			1.27%	1.19%	0.45%	0.75%
Max			2.10%	2.10%	0.70%	1.50%
Scheme Consideration (LUTD)			1.64%	3.04%	4.48%	6.72%
Min - Max Range			Within	Above	Above	Above
Mean - Median Range			Above	Above	Above	Above

Source: Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents.

Notes:

- (1) The last traded price of the KIT units on the last trading day was S\$1.0400. The transaction unit price is based on the swap ratio which was derived using the 180-day VWAP of CIT units (being approximately S\$0.4960 per CIT unit) and KIT units (being approximately S\$1.0446 per KIT unit).
- (2) Based on the historical VWAPs of the VIT stapled securities for a period up to the last undistributed trading date.

Based on the above, we note that:

- (i) The premium of 1.64% implied by the Scheme Consideration (LUTD) over the last transacted market price as at the Last Undisturbed Trading Date is within the range of the premia implied by the Precedent Transactions of 0.44% to 2.10% and is above the mean and median of 1.27%;
- (ii) The premium of 3.04% implied by the Scheme Consideration (LUTD) over the 1-month VWAP as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of 0.28% to 2.10%;
- (iii) The premium of 4.48% implied by the Scheme Consideration (LUTD) over the 3-month VWAP as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of 0.20% to 0.70%; and
- (iv) The premium of 6.72% implied by the Scheme Consideration (LUTD) over the 6-month VWAP as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of 0.00% to 1.50%.

We wish to highlight that the list of target companies set out under the Precedent Transactions are not directly comparable with H-Trust in terms of business activities, market capitalisation, size of operations, accounting policies, financial performance, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium (if any) that an offeror would pay in respect of any particular takeover depends on various factors, inter alia, the offeror's intention with regard to the target company, the potential synergy that the offeror can derive from acquiring the target company, the presence of competing bids for the target

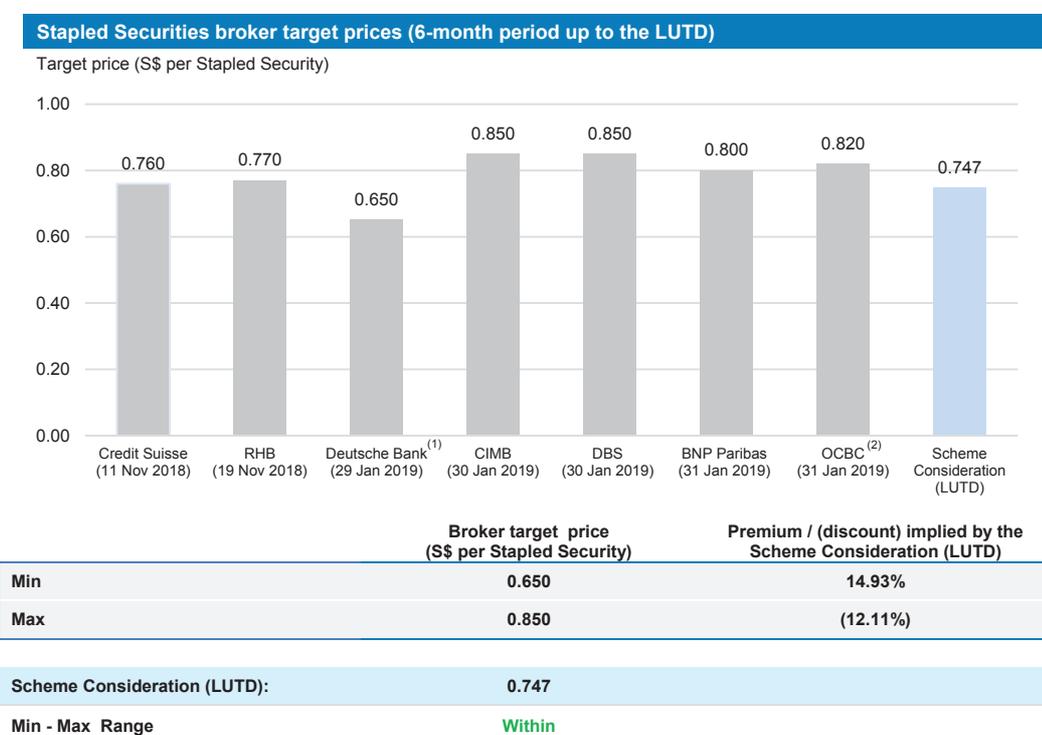
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company, prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets and existing and desired level of control in the target company. Therefore, the comparison of the Scheme Consideration (LUTD) with the Precedent Transactions set out below is for illustrative purposes only.

10.1.7 Broker target prices of the Stapled Securities

As part of our evaluation of the Scheme Consideration (LUTD), we have reviewed the price targets for the Stapled Securities issued by brokerage and research entities in the 6-month period up to the Last Undisturbed Trading Date, the period from the Joint Announcement Date up to the Latest Practicable Date, which are set out below:

10.1.7.1 Broker target prices of the Stapled Securities (6-month period up to the Last Undisturbed Trading Date)



Source: Broker reports as extracted from Bloomberg and Thomson ONE.

Notes:

(1) Broker coverage discontinued on 19 June 2019.

(2) Estimated price target for OCBC excludes 12-month dividend forecast of S\$5.2 cents.

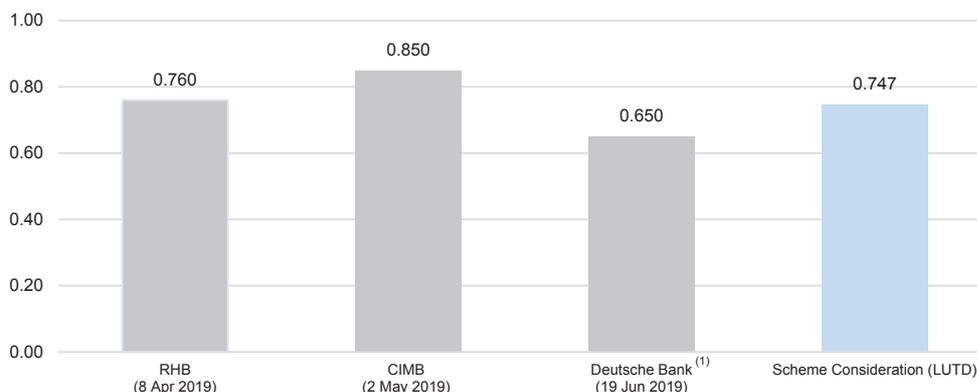
Based on the above, we note that the Scheme Consideration (LUTD) of S\$0.747 is within the range of the target prices issued by brokerage and research entities in the 6-month period up to the Last Undisturbed Trading Date.

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10.1.7.2 Broker Target Prices of the Stapled Securities (from the Joint Announcement Date up to the Latest Practicable Date)

Stapled Security broker target prices (from the Joint Announcement Date up to the LPD)

Target price (S\$ per Stapled Security)



	Broker target price (S\$ per Stapled Security)	Premium / (discount) implied by the Scheme Consideration (LPD)
Min	0.650	14.93%
Max	0.850	(12.11%)

Scheme Consideration (LTD):	0.747
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Min - Max Range	Within
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Source: Broker reports as extracted from Bloomberg and Thomson ONE.

Notes:

(1) Broker coverage discontinued on 19 June 2019.

Based on the above, we note that the Scheme Consideration (LUTD) of S\$0.747 is within the range of the target prices issued by brokerage and research entities in the period from the Joint Announcement Date up to the Latest Practicable Date.

We wish to highlight that the above broker research report universe may not be exhaustive and price targets for the Stapled Securities and other statements and opinions contained in the reports within the universe used represent the individual views of the broker research analyst based on the circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the Stapled Securities) prevailing at the date of the publication of the respective broker research reports. The opinions of the brokers may change over time as a result of, among other things, changes in market conditions, H-Trust's market development and the emergence of new information relevant to H-Trust. As such, the above price targets may not be an accurate prediction of future market prices of the Stapled Securities.

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10.2 Evaluation of the Consideration Unit Price

10.2.1 Liquidity analysis of the C-REIT Units

In order to evaluate whether the historical market prices of the C-REIT Units provide a meaningful reference point for comparison with the Consideration Unit Price (LUTD), we have considered the liquidity and free float of C-REIT relative to the Top 10 STI Companies as at the Last Undisturbed Trading Date, as outlined below:

Liquidity analysis of the Top 10 STI Companies by market capitalisation ⁽¹⁾						
Company Name	Market capitalisation (S\$m)	Free Float (%) ⁽²⁾	Past 6 months ADTV (’000 shares)	Past 6 months ADTV (S\$’000)	6-mth ADTV / Free Float (%) ⁽³⁾	6-mth ADTV / Market cap. (%) ⁽⁴⁾
DBS Group Holdings Ltd	69,022	70.0%	3,649	88,996	0.20%	0.13%
Singapore Telecommunications Limited	50,456	47.5%	16,792	51,159	0.22%	0.10%
Oversea-Chinese Banking Corporation Li	49,717	84.5%	4,919	54,992	0.14%	0.11%
Jardine Matheson Holdings Limited	46,546	34.3%	205	13,285	0.08%	0.03%
United Overseas Bank Limited	44,175	85.2%	2,155	54,205	0.15%	0.12%
Jardine Strategic Holdings Limited	41,216	15.6%	198	7,303	0.11%	0.02%
Wilmar International Limited	22,019	30.7%	4,977	15,959	0.26%	0.07%
Thai Beverage Public Company Limited	20,844	32.2%	20,441	14,407	0.25%	0.07%
Hongkong Land Holdings Limited	16,893	50.0%	1,510	10,224	0.13%	0.06%
CapitaLand Limited	15,281	59.6%	6,911	22,772	0.28%	0.15%
Min	15,281	15.6%	198	7,303	0.08%	0.02%
Mean	37,617	51.0%	6,176	33,330	0.18%	0.09%
Median	42,695	48.8%	4,284	19,365	0.18%	0.09%
Max	69,022	85.2%	20,441	88,996	0.28%	0.15%
C-REIT	1,487	24.9% ⁽⁵⁾	1,420	686	0.21%	0.05%

Source: Bloomberg.

Notes:

- (1) All figures as of Last Undisturbed Trading Date.
- (2) Free float percentages are based on Bloomberg.
- (3) 6-month average daily trading volume leading up to the Last Undisturbed Trading Date, divided by free float number of units.
- (4) 6-month average daily trading value leading up to the Last Undisturbed Trading Date, divided by market capitalisation.
- (5) Excludes the stakes held by the OUE Group, the C-REIT Manager, the H-Trust Manager, directors and chief executive officers of the C-REIT Manager and the H-Trust Managers and their respective associates, and substantial C-REIT Unitholders and substantial Stapled Securityholders.

With respect to the above table, we note that in the 6-month period leading up to the Last Undisturbed Trading Date, C-REIT’s average daily trading volume represented 0.21% of its free float and 0.05% of its market capitalisation. These values are within the ranges of the Top 10 STI Companies (between 0.08% to 0.28% and 0.02% to 0.15%, respectively) for the same 6-month period leading up to the Last Undisturbed Trading Date, above the mean and median average daily trading volume to free float of 0.18%, but below the mean and median average daily trading volume to market capitalisation of 0.09%.

Based on our analysis of the average daily trading volume relative to the Top 10 STI Companies, it appears that there is reasonable liquidity in the C-REIT Units in the 6-month period up to the Last Undisturbed Trading Date. This suggests that the market prices of the C-REIT Units should generally reflect the fundamental, market-based value of the C-REIT Units.

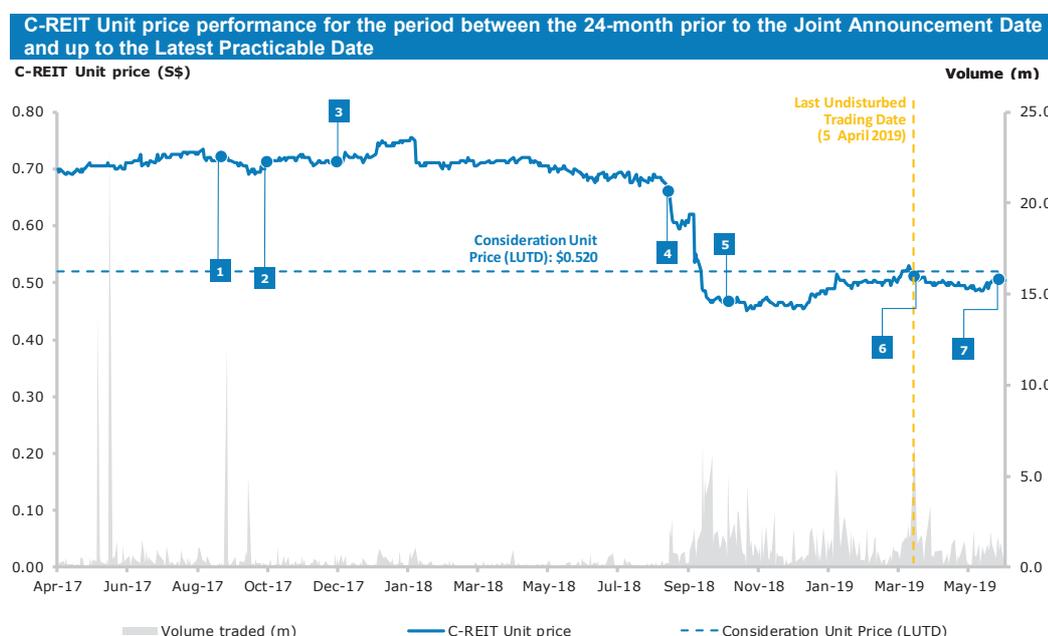
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We wish to highlight that the above analysis of the historical trading liquidity of the C-REIT Units serves only as an illustrative guide and is not an indication of the future trading liquidity of the C-REIT Units, which will be governed by amongst other factors, the performance and prospects of the trust, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.

10.2.2 Historical Market Performance and Trading Activity of the C-REIT Units

Pursuant to the Implementation Agreement and subject to the Trust Scheme becoming effective in accordance with its terms, the Scheme Consideration shall be satisfied by the allotment and issue by C-REIT of new Consideration Units.

Accordingly, we have considered the current and historical trading performance of the C-REIT Units for the period between the 24-month prior to the Joint Announcement Date and up to the Latest Practicable Date.



Source: Capital IQ, C-REIT Manager announcements.

Note: Share prices based on daily closing and unadjusted share prices.

A summary of the salient events and announcements made by the C-REIT Manager during the 24-month period prior to the Joint Announcement Date and up to the Latest Practicable Date is set out below:

(1) 24 August 2017	Proposed issue of S\$150,000,000 3.03% notes due 5 September 2020 under the S\$1,500,000,000 multicurrency debt issuance programme established on 20 August 2015, which net proceeds would be used for refinancing existing borrowings of C-REIT and its subsidiaries, general corporate funding and / or general working capital purposes; these notes were issued on 5 September 2017.
(2) 2 October 2017	Redemption of 75,000,000 convertible perpetual preferred units ("CPPUs") of C-REIT at the issue price of the CPPUs which was S\$1.00 each, for an

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		aggregate of S\$75,000,000. After completion of the redemption on 2 November 2017, 475,000,000 CPPUs remained outstanding.
(3)	1 December 2017	Redemption of 100,000,000 CPPUs of C-REIT at the issue price of the CPPUs which was S\$1.00 each, for an aggregate of S\$100,000,000. After completion of the redemption on 2 January 2018, 375,000,000 CPPUs remained outstanding.
(4)	11 September 2018	Proposed acquisition of the office components of OUE Downtown from Alkas Realty Pte. Ltd., a wholly-owned subsidiary of OUE Limited for an aggregate purchase consideration of S\$908.0 million or S\$1,713 per square foot. C-REIT proposed to part fund the proposed acquisition through an underwritten and renounceable rights issue (completed on 30 October 2018) to raise gross proceeds of approximately S\$587.5 million with the balance via debt. The C-REIT Manager proposed to issue approximately 1,288.4 million new Units at a rights issue price of S\$0.456, which represented a 31.4% discount to the closing price of S\$0.665 per Unit on the SGX-ST on 10 September 2018, being the last trading day of the Units prior to the announcement of the proposed rights issue and a 20% discount to the theoretical ex-rights price of S\$0.570 per Unit; the conversion price for each of the CPPUs were adjusted to S\$0.7154 from S\$0.841 on the date of issue of the new rights Units.
(5)	1 November 2018	Completion of acquisition of the office components of OUE Downtown.
(6)	8 April 2019	Proposed Merger of C-REIT and H-Trust to be effected by way of the Trust Scheme.
(7)	21 June 2019	Receipt of approval-in-principle from the SGX-ST with regards to the listing and quotation of up to 2,502,368,363 Consideration Units on the Main Board of the SGX-ST subject to certain conditions.

Source: C-REIT Manager announcements.

Historical VWAPs of the C-REIT Units

We set out in the table below the historical VWAPs of the C-REIT Units for various reference periods up to the Last Undisturbed Trading Date and the Latest Practicable Date, respectively.

Historical VWAPs Analysis

Evaluation of the Consideration Unit Price (LUTD) (S\$0.520 per C-REIT Unit)							
Reference period	Price Basis	Historical C-REIT VWAPs (S\$) ⁽¹⁾	Premium / (discount) to historical C-REIT VWAPs	ADTV ('000 shares) ⁽²⁾	ADTV / free float (%) ⁽³⁾	ADTV (S\$'000) ⁽⁴⁾	ADTV / market cap (%)
Periods up to the Last Undisturbed Trading Date (5 April 2019):							
Last Undisturbed Trading Date	Closing Price	0.520	0.0%	1,808	0.26%	950	0.06%
1-month	WVAP ⁽¹⁾	0.511	1.8%	943	0.14%	482	0.03%
3-month	WVAP ⁽¹⁾	0.498	4.4%	1,201	0.18%	599	0.04%
6-month	WVAP ⁽¹⁾	0.483	7.7%	1,420	0.21%	686	0.05%
12-month	WVAP ⁽¹⁾	0.510	2.0%	854	0.13%	436	0.03%
Period from the Joint Announcement Date up to the Latest Practicable Date (8 April 2019 to 25 June 2019):							
From the Joint Announcement Date up to the Latest Practicable Date	WVAP ⁽¹⁾	0.501	3.8%	1,065	0.18%	534	0.04%
As at the Latest Practicable Date	Closing Price	0.505	3.0%	441	0.07%	223	0.02%

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Source: Bloomberg.

Notes:

- (1) The VWAP is weighted based on the volume of the C-REIT Units traded and transacted prices of the C-REIT Units for the Market Days in the reference periods. VWAP figures shown are rounded to the nearest three decimal places. No adjustments to unit prices have been made for dividends, bonus issues or other corporate transactions in each respective reference period.
- (2) The average daily trading volume of the C-REIT Units is calculated based on the total volume of C-REIT Units traded divided by the number of Market Days during the relevant periods.
- (3) Free float is based on Bloomberg and refers to the number of C-REIT Units that are available to the public. This figure is calculated by subtracting the C-REIT Units held by insiders and those deemed to be stagnant shareholders from the C-REIT Units outstanding. Stagnant holders include ESOP's, ESOT's, QUEST's, employee benefit trusts, corporations not actively managing money, venture capital companies and C-REIT Units held by governments.
- (4) The average daily traded value of the C-REIT Units is calculated based on the total value of C-REIT Units traded divided by the number of Market Days during the relevant periods.

Based on the above table, we note that:

A. Periods up to the Last Undisturbed Trading Date (5 April 2019):

- (i) The Consideration Unit Price (LUTD) of S\$0.520 is the same as the closing price of the C-REIT Units on the Last Undisturbed Trading Date;
- (ii) The Consideration Unit Price (LUTD) of S\$0.520 represents a premium of 1.8%, 4.4%, 7.7% and 2.0% to the 1-month, 3-month, 6-month and 12-month VWAPs of the C-REIT Units, respectively;
- (iii) The average daily trading volume of the C-REIT Units as a percentage of the free float ranged between 0.13% and 0.21%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;
- (iv) The average daily trading volume of the C-REIT Units as a percentage of the market capitalisation ranged between 0.03% and 0.05%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;

B. Period from the Joint Announcement Date up to the Latest Practicable Date (8 April 2019 to 25 June 2019):

- (i) *The Consideration Unit Price (LUTD) of S\$0.520 represents a premium of 3.0% to the closing price of the C-REIT Units on the Latest Practicable Date;*
- (ii) *The Consideration Unit Price (LUTD) of S\$0.520 represents a premium of 3.8% over the VWAP of the C-REIT Units for the period from the Joint Announcement Date up to the Latest Practicable Date;*
- (iii) *The average daily trading volume of the C-REIT Units as a percentage of the free float ranged between 0.07% and 0.18% for the period from the Joint Announcement Date to the Latest Practicable Date; and*
- (iv) *The average daily trading volume of the C-REIT Units as a percentage of the market capitalisation ranged between 0.02% and 0.04% for the period from the Joint Announcement Date to the Latest Practicable Date.*

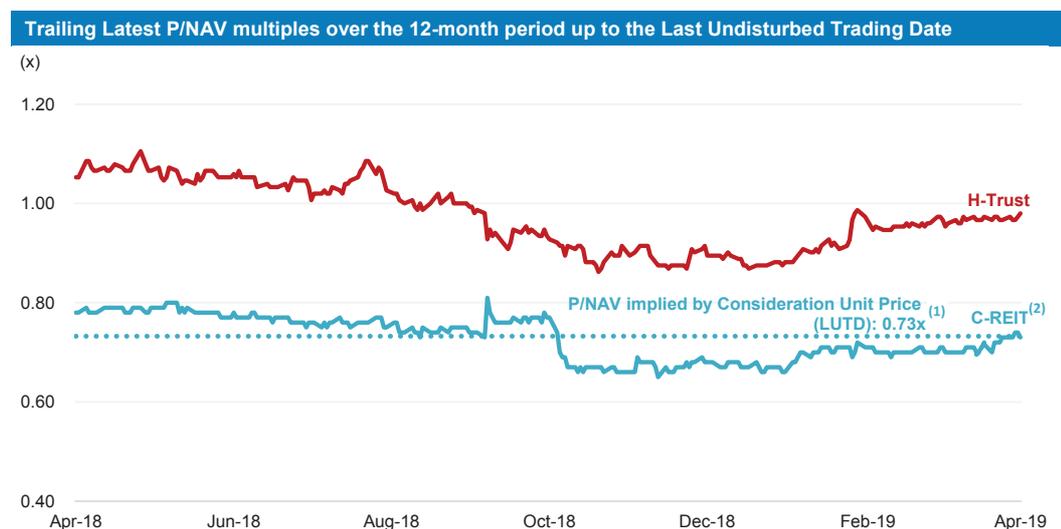
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We wish to highlight that our analysis of the past price performance of the C-REIT Units is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the trust, prevailing economic conditions, economic outlook, market conditions and sentiments.

10.2.3 Trailing Latest P/NAV multiples of the C-REIT Units relative to the Latest P/NAV multiple implied by the Consideration Unit Price (LUTD)

For the purpose of evaluating the financial terms of the Trust Scheme, we have made reference to the trailing Latest P/NAV multiples (based on the latest reported net asset values) of the C-REIT Units to evaluate how the Latest P/NAV multiple implied by the Consideration Unit Price (LUTD) compares to them.

In the chart below we have compared the Latest P/NAV multiple implied by the Consideration Unit Price (LUTD) to the trailing Latest P/NAV multiples of the C-REIT Units over the 12-month period up to and including the Last Undisturbed Trading Date.



Consideration Unit Price (LUTD):		0.73x				
Period up to LUTD	Min	Mean	Median	Max	Min. - Max. Range	Mean - Median Range
6 months	0.65x	0.69x	0.69x	0.77x	Within	Above
12 months	0.65x	0.73x	0.74x	0.81x	Within	In Line

Source: Capital IQ

Note:

- (1) Based on the Consideration Unit Price (LUTD) of S\$0.520 and NAV per C-REIT Unit of S\$0.710 as at 31 December 2018.
- (2) The trailing Latest P/NAV values have been adjusted to reflect for the pro forma effects of the acquisition of the office components of OUE Downtown as well as the rights issue related to it. The underlying C-REIT Unit prices used in the calculation of the trailing Latest P/NAV multiples over the period starting 11 September 2018 (rights issue announcement date) and ending 1 October 2018 (ex-rights date) have been adjusted to exclude the theoretical value of the rights that would be issued. The underlying NAV values used in the calculation of the trailing Latest P/NAV multiples over the period starting 1 October 2018 and ending on the Last Undisturbed Trading Date have been adjusted to reflect the pro forma effects arising from the acquisition of the office components of OUE Downtown, as well as the rights issue.

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Based on the above, we note that:

- (i) The C-REIT Units have consistently traded at a lower Latest P/NAV multiple compared to the Stapled Securities over the 12-month period up to and including the Last Undisturbed Trading Date;
- (ii) The Latest P/NAV multiple implied by the Consideration Unit Price (LUTD) of 0.73x is within the range of the trailing Latest P/NAV multiples of the C-REIT Units of 0.65x to 0.77x over the 6-month period up to and including the Last Undisturbed Trading Date but above the mean and median of 0.69x; and
- (iii) The Latest P/NAV multiple implied by the Consideration Unit Price (LUTD) of 0.73x is within the range of the trailing Latest P/NAV multiples of the C-REIT Units of 0.65x to 0.81x over the 12-month period up to and including the Last Undisturbed Trading Date and in line with the mean and median of 0.73x and 0.74x, respectively.

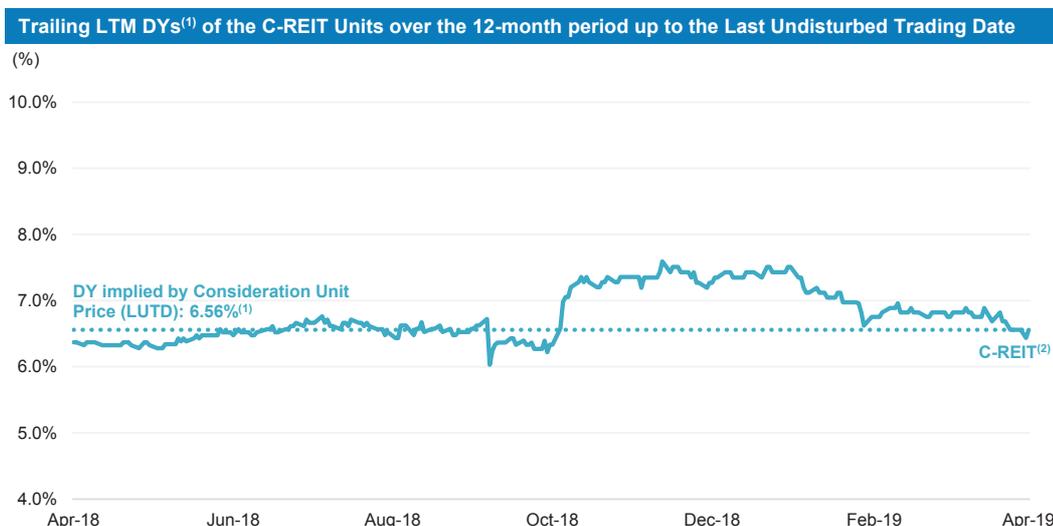
We wish to highlight that the historical trading patterns or performance of the C-REIT Units and the Stapled Securities should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trusts, prevailing economic conditions, economic outlook and market conditions and sentiments.

10.2.4 Trailing LTM DYs of the C-REIT Units relative to the LTM DY implied by the Consideration Unit Price (LUTD)

For the purposes of evaluating the financial terms of the Trust Scheme, we have made reference to the trailing LTM DYs of the C-REIT Units to evaluate how the LTM DY implied by the Consideration Unit Price (LUTD) compares to them.

In the chart below we have compared the LTM DY implied by the Consideration Unit Price (LUTD) to the trailing DYs of the C-REIT Units over the 12-month period up to and including the Last Undisturbed Trading Date.

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME



Consideration Unit Price (LUTD):		6.56%				
Period up to LUTD	Min	Mean	Median	Max	Min. - Max. Range	Mean - Median Range
6 months	6.33%	7.09%	7.12%	7.59%	Within	Below
12 months	6.03%	6.79%	6.66%	7.59%	Within	Below

Source: Capital IQ.

Note:

- (1) Based on Consideration Unit Price (LUTD) of S\$0.52.
- (2) The trailing LTM DY values have been adjusted to reflect for the *pro forma* effects of the acquisition of the office components of OUE Downtown as well as the rights issue related to it. The underlying C-REIT Unit prices used in the calculation of the trailing Latest P/NAV multiples over the period starting 11 September 2018 (rights issue announcement date) and ending 1 October 2018 (ex-rights date) have been adjusted to exclude the theoretical value of the rights that would be issued. For the period up to 10 September 2018, the distribution yield for C-REIT was calculated based on the trailing 12-month reported income available for distribution. For the period starting 11 September 2018 and up to the Last Undisturbed Trading Date, the distribution yield for C-REIT was calculated using the pro forma income available for distribution adjusted for the full year effect of the acquisition of OUE Downtown as well as the related rights issue.

Based on the above, we note that:

- (i) The LTM DY implied by the Consideration Unit Price (LUTD) of 6.56% is within the range of the trailing DYs of the C-REIT Units of 6.33% to 7.59% over the 6-month period up to and including the Last Undisturbed Trading Date but below the mean and median of 7.09% and 7.12%, respectively; and
- (ii) The LTM DY implied by the Consideration Unit Price (LUTD) of 6.56% is within the range of the trailing DYs of the C-REIT Units of 6.03% to 7.59% over the 12-month period up to and including the Last Undisturbed Trading Date but below the mean and median of 6.79% and 6.66%, respectively.

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We wish to highlight that the historical trading patterns or performance of the C-REIT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.

10.2.5 Valuation Multiples of selected Comparable Commercial S-REITs

For the purpose of evaluating the Consideration Unit Price (LUTD), references were made to SGX-ST listed REITs which invest primarily in commercial real estate properties and are considered to be broadly comparable to C-REIT to provide an indication of the current market expectation with regards to the valuation of such trusts, as implied by their respective closing market prices as at the Latest Practicable Date.

The statistics for the Comparable Commercial S-REITs are based on their closing prices as at the Latest Practicable Date and their latest publicly available financial results.

We have conducted our analysis based on the Latest P/NAV and LTM DY as key parameters for the comparison of the implied valuation metrics for the Comparable Commercial S-REITs along with certain other financial parameters as set out below:

Valuation multiples of selected Comparable Commercial S-REITs ⁽¹⁾		
	Latest P/NAV ⁽²⁾	LTM DY ⁽³⁾
CapitaLand Commercial Trust	1.18x	4.08%
Frasers Commercial Trust	1.01x	6.08%
Keppel REIT	0.91x	4.39%
Suntec Real Estate Investment Trust	0.93x	5.15%
Min	0.91x	4.08%
Mean	1.01x	4.92%
Median	0.97x	4.77%
Max	1.18x	6.08%
Consideration Unit Price (LUTD)⁽⁴⁾	0.73x	6.56%
Min - Max Range	Below	Above
Mean - Median Range	Below	Above

Source: Capital IQ, published financial statements of the respective Comparable Commercial S-REITs.

Notes:

- (1) All figures as of the Latest Practicable Date.
- (2) NAV per unit based on units issued at the end of the relevant period.
- (3) DY is calculated using the weighted average number of units issued and issuable during the relevant periods.
- (4) Based on NAV per C-REIT Unit of S\$0.710 as at 31 December 2018. DY implied by the Consideration Unit Price (LUTD) based on the pro forma DPU adjusted for full year effect of the acquisition of OUE Downtown and the related rights issue of S\$3.41 cents.

Based on the above, we note that:

- (i) The Latest P/NAV multiple implied by the Consideration Unit Price (LUTD) of 0.73x is below the range of the P/NAV multiples of the Comparable Commercial S-REITs of 0.91x to 1.18x; and
- (ii) The LTM DY implied by the Consideration Unit Price (LUTD) of 6.56% is above the range of the LTM DY of the Comparable Commercial S-REITs of 4.08% to 6.08%.

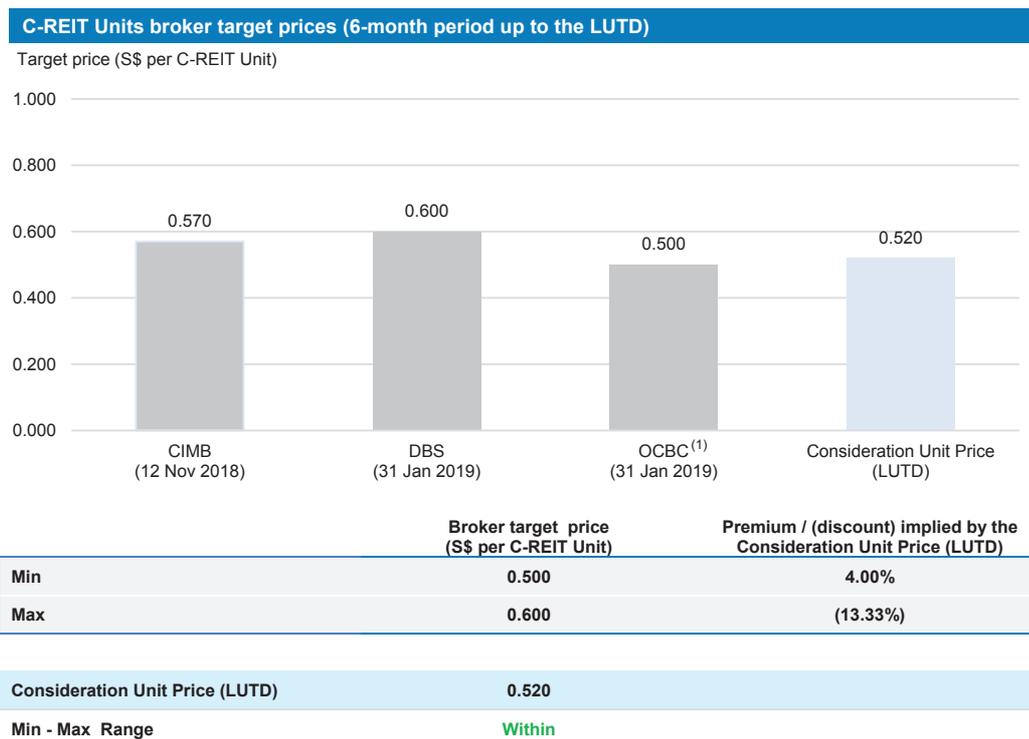
APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

We recognise, however, that the list of the Comparable Commercial S-REITs is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that is directly comparable to C-REIT in terms of business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. We also note that the accounting principles used by the respective Comparable Commercial S-REITs and C-REIT may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. As such, any comparison made with respect to the Comparable Commercial S-REITs is therefore intended to serve as an illustrative guide only.

10.2.6 Broker target prices of the C-REIT Units

As part of our evaluation of the Consideration Unit Price (LUTD), we have reviewed the price targets for the C-REIT Units issued by brokerage and research entities in the 6-month period up to the Last Undisturbed Trading Date, the period from the Joint Announcement Date up to the Latest Practicable Date, which are set out below:

10.2.6.1 Broker target prices of the C-REIT Units (6-month period up to the Last Undisturbed Trading Date)



Source: Broker reports as extracted from Bloomberg and Thomson ONE.

Notes:

(1) Estimated price target for OCBC excludes 12-month dividend forecast of S\$3.5 cents.

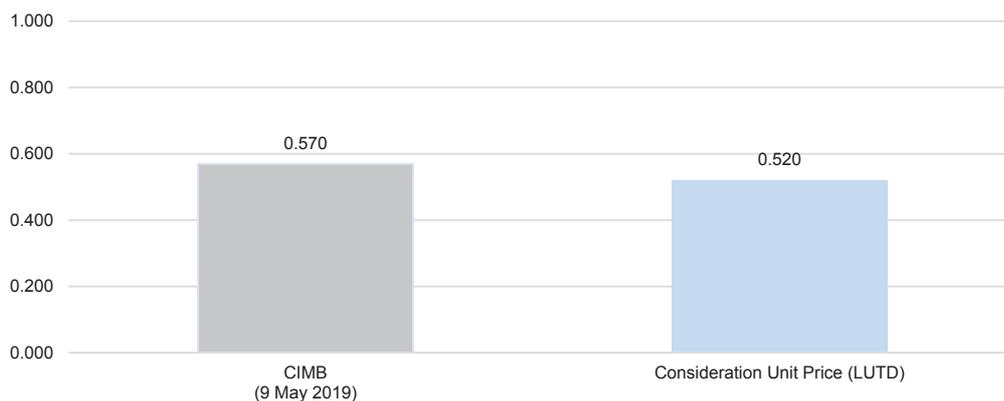
Based on the above, we note that the Consideration Unit Price (LUTD) of S\$0.520 is within the range of the target prices issued by brokerage and research entities in the 6-month period up to the Last Undisturbed Trading Date.

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

10.2.6.2 Broker Target Prices of the C-REIT Units (from the Joint Announcement Date up to the Latest Practicable Date)

C-REIT Unit broker target prices (from the Joint Announcement Date up to the LPD)

Target price (S\$ per C-REIT Unit)



	Broker target price (S\$ per C-REIT Unit)	Premium / (discount) implied by the Consideration Unit Price (LPD)
Min	0.570	(8.77%)
Max	0.570	(8.77%)

Consideration Unit Price (LTD)	0.520
Min - Max Range	Below

Source: Broker reports as extracted from Bloomberg and Thomson ONE.

Based on the above, we note that the Consideration Unit Price (LUTD) of S\$0.520 is below the range of the target prices issued by brokerage and research entities in the period from the Joint Announcement Date up to the Latest Practicable Date.

We wish to highlight that the above broker research report universe may not be exhaustive and price targets for the C-REIT Units and other statements and opinions contained in the reports within the universe used represent the individual views of the broker research analyst based on the circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the C-REIT Units) prevailing at the date of the publication of the respective broker research reports. The opinions of the brokers may change over time as a result of, among other things, changes in market conditions, C-REIT's market development and the emergence of new information relevant to C-REIT. As such, the above price targets may not be an accurate prediction of future market prices of the C-REIT Units.

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

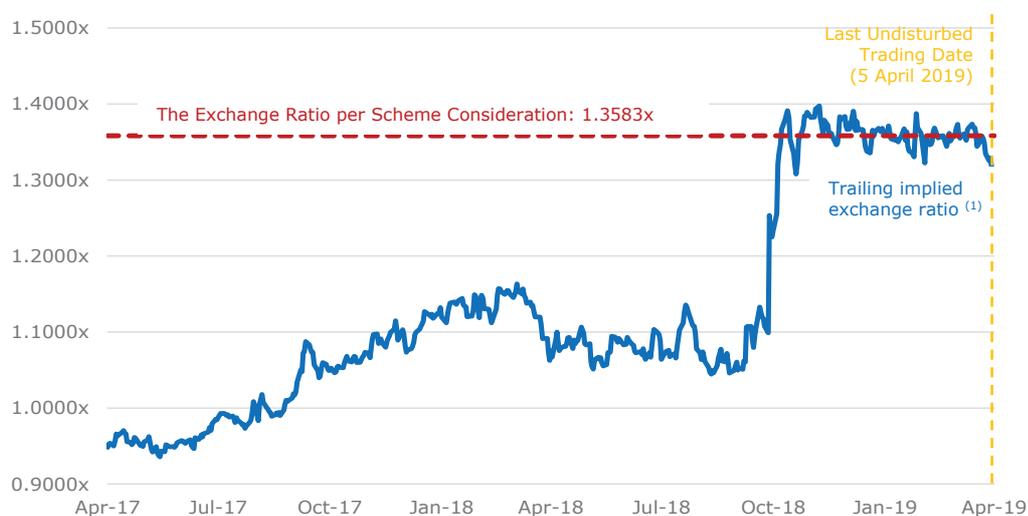
10.3 Other evaluation relating to the Merger

10.3.1 Implied Exchange Ratio Analysis

As part of our evaluation of the financial terms of the Trust Scheme, we have considered the exchange ratios implied by the relative fair valuations of the Stapled Securities and C-REIT Units based on their respective historical VWAPs.

We set out below the trailing implied exchange ratios between the Stapled Securities and the C-REIT Units for the period 24-month prior to the Joint Announcement Date.

Trailing implied exchange ratio between the Stapled Securities and the C-REIT Units for the period 24-month prior to the Joint Announcement Date ⁽¹⁾



Sources: Bloomberg.

Note:

1. Calculated as daily VWAP of the Stapled Securities minus the Cash Consideration, divided by the daily VWAP of the VWAP of C-REIT Units.

We set out below the exchange ratios implied by the historical VWAPs of the Stapled Securities and C-REIT Units for various periods up to the Last Undisturbed Trading Date.

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Implied exchange ratio between the Stapled Securities and the C-REIT Units for various historical VWAP periods

Methodology	Metric	C-REIT Unit	Stapled Security	Implied Exchange Ratio (net of Cash Consideration) ⁽¹⁾	Comments
Historical Price Performance	LPD ⁽²⁾	0.505	0.705	1.315x	Above
	LUTD ⁽³⁾	0.520	0.735	1.335x	Above
	1-month VWAP	0.511	0.725	1.339x	Above
	3-month VWAP	0.498	0.715	1.354x	In Line
	6-month VWAP	0.483	0.700	1.365x	In Line
	12-month VWAP	0.510	0.744	1.379x	Below
	24-month VWAP	0.566	0.774	1.296x	Above
Merger (LUTD)		0.520	0.747	1.3583x	

Sources: Bloomberg.

Note:

1. For the purpose of this calculation, the implied Exchange Ratio excludes the Cash Consideration of S\$4.075 cents per Stapled Security. VWAPs are not adjusted retrospectively for dividends, bonus issues or other corporate transactions.
2. LPD as of 25 June 2019.
3. LUTD as of 5 April 2019.

Based on the table above, we observe that the Exchange Ratio as per the Scheme Consideration of 1.3583x is above the exchange ratios implied by the LPD, LUTD, 1-month VWAPs and 24-month VWAP of the Stapled Securities adjusted for the Cash Consideration and C-REIT Units and is in line with the exchange ratios implied by the 3-month and 6-month VWAPs of the Stapled Securities adjusted for the Cash Consideration and C-REIT Units.

We wish to highlight that our analysis of the past price performances of the Staple Securities and C-REIT Units is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the trusts, prevailing economic conditions, economic outlook, market conditions and sentiments.

10.3.2 Unaudited pro forma consolidated financial effects of the Merger

10.3.2.1 Bases and assumptions underlying the unaudited pro forma financial information of the Enlarged REIT

Please refer to **Appendix J** to the Scheme Document for the unaudited pro forma financial information of the Enlarged REIT for the year ended 31 December 2018 (the “**Pro forma Financials**”) prepared by the management of the H-Trust Managers. H-Trust’s independent auditors, KPMG LLP (“**KPMG**”), have issued a report on the Pro forma Financials (refer to **Appendix K** to the Scheme Document). Summarised extracts of the unaudited Pro forma Financials are set out in italics below:

APPENDIX A – LETTER FROM THE H-TRUST IFA TO THE H-TRUST INDEPENDENT DIRECTORS IN RESPECT OF THE TRUST SCHEME

“BASES AND ASSUMPTIONS UNDERLYING THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

Basis of Preparation

The unaudited pro forma financial information of the Enlarged REIT has been prepared for illustrative purposes only, and is based on certain pro forma adjustments to show the pro forma financial effects on:

- (a) the unaudited pro forma statement of financial position of the Enlarged REIT as at 31 December 2018 as if the Merger had occurred on 31 December 2018; and*
- (b) the unaudited pro forma statement of total return and distribution statement of the Enlarged REIT for the year ended 31 December 2018 as if the Merger had occurred on 1 January 2018.*

The unaudited pro forma financial information, because of its nature, may not give a true picture of the actual financial position and financial results of the Enlarged REIT.

The unaudited pro forma financial information of the Enlarged REIT for the year ended 31 December 2018 has been compiled based on the following:

- (i) the audited consolidated financial statements of C-REIT for the year ended 31 December 2018, which were prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts”; and*
- (ii) the audited consolidated financial statements of H-Trust for the year ended 31 December 2018, which were prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts”.*

The auditors’ reports on the consolidated financial statements of C-REIT and H-Trust do not contain any qualifications.

The objective of the unaudited pro forma financial information is to show what the financial performance and financial position might have been, had the Enlarged REIT as described above existed at an earlier date. However, the unaudited pro forma financial information is not necessarily indicative of the financial performance and financial position that would have been attained had the Enlarged REIT actually existed earlier. The unaudited pro forma financial information, because of its nature, may not give a true picture of the Enlarged REIT’s actual financial performance or financial position.

Assumptions

The unaudited pro forma financial information of the Enlarged REIT has been prepared based on the following key assumptions:

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1. Unaudited pro forma statement of financial position

- (a) *the consideration is determined based on an exchange ratio of one Stapled Security for 1.3583 C-REIT units and a sum of \$0.04075 in cash. The consideration of \$1,345.1 million for the Merger is derived based on the 1-month VWAP of S\$0.5112 as at 5 April 2019 for each C-REIT unit and is settled by way of the issuance of approximately 2,485.4 million new C-REIT units and an aggregate cash consideration of S\$74.6 million. The discount between the consideration and the net assets of H-Trust is allocated to H-Trust's investment properties;*
- (b) *merger-related transaction costs are estimated to be approximately \$15 million and are assumed to be funded by cash and capitalised to the Enlarged REIT's investment properties;*
- (c) *the acquisition fee of \$8.3 million in respect of the acquisition of H-Trust's investment properties pursuant to the Merger is recorded and capitalised to the Enlarged REIT's investment properties;*
- (d) *H-Trust's investment properties are revalued to their fair value of \$2,218 million as at 31 December 2018; and*
- (e) *all financial derivatives of H-Trust are designated into new effective cash flow hedging relationships.*

2. Unaudited pro forma statement of total return and pro forma distribution statement

- (a) *the consideration is determined based on an exchange ratio of one Stapled Security for 1.3583 C-REIT units and a sum of \$0.04075 in cash. The consideration of \$1,333.4 million for the Merger is derived based on the 1-month VWAP of S\$0.5112 as at 5 April 2019 for each C-REIT unit and is settled by way of the issuance of approximately 2,463.8 million new C-REIT units and an aggregate cash consideration of S\$73.9 million. The discount between the consideration and the net assets of H-Trust is allocated to H-Trust's investment properties;*
- (b) *merger-related transaction costs are estimated to be approximately \$15 million and are assumed to be funded by cash and capitalised to the Enlarged REIT's investment properties;*
- (c) *the acquisition fee of \$8.3 million in respect of the acquisition of H-Trust's investment properties pursuant to the Merger is recorded and capitalised to the Enlarged REIT's investment properties;*
- (d) *H-Trust's investment properties are revalued to their fair value of \$2,218 million as at 31 December 2018;*
- (e) *interest expense of \$2.4 million is incurred on additional borrowings of \$74.7 million is based on an effective interest rate of approximately 3.5% per annum;*

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- (f) *H-Trust’s fee structure for the management fees is replaced with the fee structure in the C-REIT Trust Deed with effect from 1 January 2018. The base management fee for H-Trust of \$6.8 million for FY2018 is paid in C-REIT units and no performance fee is paid for FY 2018; and*
- (g) *all financial derivatives of H-Trust are designated into new effective cash flow hedging relationships on the occurrence of the Merger and there is no ineffective portion of changes in the fair values of financial derivatives during the year ended 31 December 2018.”*

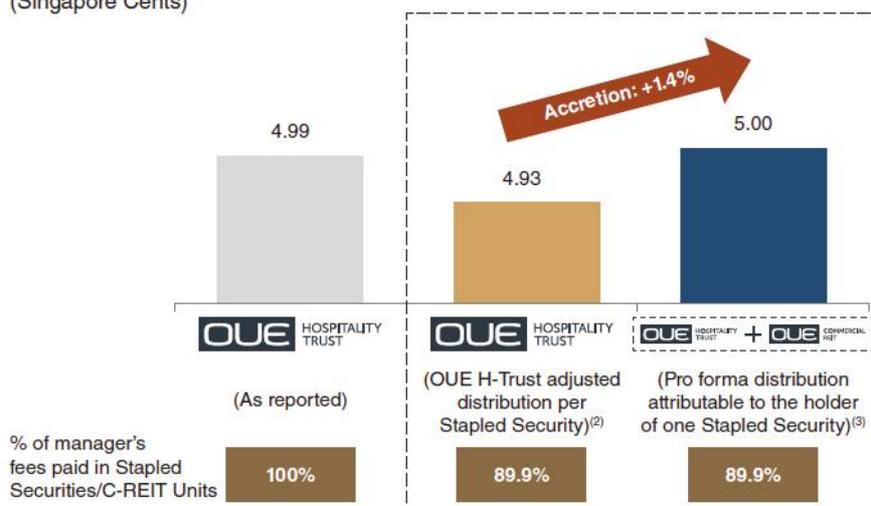
We note that in connection with the Pro forma Financials, KPMG, being H-Trust’s independent auditors, had issued the “Report on the compilation of unaudited pro forma financial information” dated 10 July 2019 (refer to **Appendix K** to the Scheme Document).

10.3.2.2 Pro forma consolidated financial effects of the Merger for the year ended 31 December 2018

The full text of the financial effects of the Merger based on the audited financial statements for H-Trust and C-REIT for FY2018 is set out in Paragraph 2.3 of the Scheme Document and has been reproduced in italics below. Stapled Securityholders should note that the financial effects have been prepared for illustrative purposes only and they do not reflect the future actual financial position of the Enlarged REIT after the Merger. All terms and expressions used in the extract below shall have the same meaning as those defined in the Scheme Document, unless otherwise defined.

For the avoidance of doubt, such financial effects do not take into account any corporate actions announced and undertaken by H-Trust subsequent to 1 January 2019.

Pro Forma FY2018 Distribution Attributable to the Holder of One Stapled Security⁽¹⁾ (Singapore Cents)



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Notes:

- (1) Assumes the Merger had been completed on 1 January 2018.
- (2) After aligning the proportion of the H-REIT Manager's fees paid in Stapled Securities to be on a like-for-like basis as compared to the Enlarged REIT.
- (3) Based on the Enlarged REIT's FY2018 pro forma DPU multiplied by the exchange ratio of 1.3583 and assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Date.

(\$'000)	1Q2018	2Q2018	3Q2018	4Q2018	FY2018
H-Trust reported distribution per Stapled Security (\$ Cents)	1.26	1.17	1.28	1.28	4.99
Number of Stapled Securities outstanding ('000 units)	1,815,895	1,818,042	1,820,466	1,829,780	1,819,499 ⁽¹⁾
H-Trust distribution declared	22,910	21,261	23,335	23,287	90,793
Adjustments for like-for-like management fees:					
Less: Additional base fees assumed paid in cash ⁽²⁾	(169)	(171)	(173)	(172)	(685)
Less: Additional performance fees assumed paid in cash ⁽³⁾	(114)	(107)	(117)	(117)	(456)
H-Trust adjusted distribution	22,627	20,983	23,045	22,998	89,652
Adjusted number of Stapled Securities outstanding ('000 units) ⁽⁴⁾	1,815,692	1,817,622	1,819,801	1,828,175	1,818,513
H-Trust adjusted distribution per Stapled Security (\$ Cents)	1.25	1.15	1.27	1.26	4.93

Notes:

- (1) Based on FY2018 H-Trust distribution declared divided by FY2018 H-Trust reported distribution per Stapled Security.
- (2) Incremental base fee to be paid in cash to ensure a like-for-like comparison with the Enlarged REIT which will have approximately 10.1% of the base fee paid in cash; the adjustment will result in a reduction in the number of Stapled Securities issued by way of payment of base fee in Stapled Securities. Please refer to Appendix J to the Scheme Document for details on the unaudited pro forma consolidated financial information of the Enlarged REIT.
- (3) Incremental performance fee to be paid in cash to ensure a like-for-like comparison with the Enlarged REIT which will have approximately 10.1% of the performance fee paid in cash; the adjustment will result in a reduction in the number of Stapled Securities issued by way of payment of performance fee in Stapled Securities. Please refer to Appendix J to the Scheme Document for details on the unaudited pro forma consolidated financial information of the Enlarged REIT.
- (4) Adjusted number of Stapled Securities outstanding to account for an illustrative reduction in the number of Stapled Securities issued given the incremental base fee and performance fee paid in cash.

Distribution attributable to the holder of one Stapled Security (\$ Cents)	FY2018
Enlarged REIT's pro forma DPU	3.48
Number of C-REIT Units that would have been received based on the exchange ratio of 1.3583 ⁽¹⁾	1.3583
Number of C-REIT Units that would have been purchased assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day	0.0797 ⁽²⁾
Total number of C-REIT Units that would have been received / purchased	1.4380⁽³⁾
Pro forma distribution attributable to the holder of one Stapled Security	5.00⁽⁴⁾

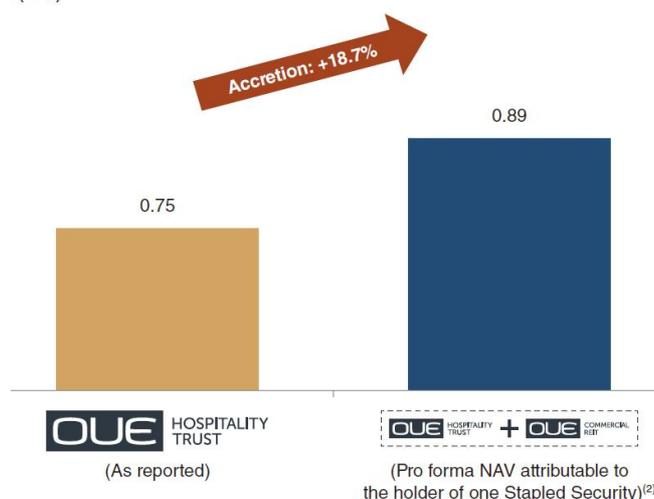
Notes:

- (1) The exchange ratio of 1.3583 was determined based on commercial negotiations between the H-Trust Managers and the C-REIT Manager. Factors taken into account in arriving at the exchange ratio from H-Trust's perspective include, but were not limited to: (i) the DPU and NAV accretion to Stapled Securityholders on a historical pro forma basis and (ii) the implied value of the Scheme Consideration relative to the historical trading prices and NAV of H-Trust and C-REIT.
- (2) Based on the Cash Consideration divided by C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.
- (3) Based on the aggregate of the number of C-REIT Units that would have been received based on the exchange ratio of 1.3583 and the number of C-REIT Units that would have been purchased assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.
- (4) Based on the Enlarged REIT's pro forma DPU multiplied by the total number of C-REIT Units that would have been received / purchased as defined in Note (3) above.

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Based on the FY2018 pro forma financials and assuming the Merger had been completed on 1 January 2018, we note that the pro forma distribution attributable to the holder of one Stapled Security for FY2018 would have been S\$5.00 cents, which is approximately 1.4% higher than the pro forma distribution of S\$4.93 cents which the holder of one Stapled Security would have received for the same period after aligning the proportion of the H-REIT Manager's fees paid in Stapled Securities to be on a like-for-like basis as compared to the Enlarged REIT, following the completion of the Merger and the Trust Scheme.

Pro Forma NAV Attributable to the Holder of One Stapled Security⁽¹⁾
(S\$)



Notes:

- (1) Assumes the Merger had been completed on 31 December 2018.
- (2) Based on the Enlarged REIT's FY2018 pro forma NAV multiplied by the exchange ratio of 1.3583 and assuming that the Cash Consideration is reinvested at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.

NAV attributable to the holder of one Stapled Security (S\$)	FY2018
Enlarged REIT's pro forma NAV per unit	0.62
Number of C-REIT Units that would have been received based on the exchange ratio of 1.3583⁽¹⁾	1.3583
Number of C-REIT Units that would have been purchased assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day	0.0797⁽²⁾
Total number of C-REIT Units that would have been received / purchased	1.4380⁽³⁾
Pro forma NAV attributable to the holder of one Stapled Security	0.89⁽⁴⁾

Note:

- (1) The exchange ratio of 1.3583 was determined based on commercial negotiations between the H-Trust Managers and the C-REIT Manager. Factors taken into account in arriving at the exchange ratio from H-Trust's perspective include, but were not limited to: (i) the DPU and NAV accretion to Stapled Securityholders on a historical pro forma basis and (ii) the implied value of the Scheme Consideration relative to the historical trading prices and NAV of H-Trust and C-REIT.
- (2) Based on the Cash Consideration divided by C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.
- (3) Based on the aggregate of the number of C-REIT Units that would have been received based on the exchange ratio of 1.3583 and the number of C-REIT Units that would have been purchased assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT's 1M VWAP of S\$0.5112 as at the Last Trading Day.
- (4) Based on the Enlarged REIT's pro forma NAV multiplied by the total number of C-REIT Units that would have been received / purchased as defined in Note (3) above.

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Assuming that the Merger had been completed on 31 December 2018, we note that Merger will be approximately 18.7% accretive to the Stapled Securityholders from a NAV perspective, with the NAV attributable to the holder of one Stapled Security increasing from S\$0.75 to S\$0.89.

Based on the FY2018 Pro forma *Financials*, the Merger is accretive to H-Trust Unitholders both on a pro forma distribution and NAV basis.

Stapled Securityholders are advised to read the relevant paragraph of the Scheme Document carefully. Stapled Securityholders should note that the financial effects have been prepared for illustrative purposes only and do not reflect the future financial position of the Enlarged REIT.

10.3.2.3 Impact of the Merger on the pro forma aggregate leverage of the Enlarged REIT

	Before the Merger (H-Trust)	After the Merger (Enlarged REIT)
Aggregate leverage	38.8% ⁽¹⁾	40.3%

Source: H-Trust presentation dated 8 April 2019.

Note:

(1) Refers to the pro forma gearing ratio of H-Trust on a standalone basis prior to the Merger and excludes any incremental indebtedness related to the Merger.

Based on the presentation published by the H-Trust Managers on 8 April 2019 in relation to the Merger, we note that the pro forma aggregate leverage immediately upon completion of the Merger as at 31 December 2018, is 40.3% as if the Proposed Merger was completed on 31 December 2018.

We note that the aforementioned pro forma aggregate leverage is below the aggregate leverage limit of 45% as stipulated in Appendix 6 of the Property Funds Appendix issued by the MAS.

10.3.3 Other relevant considerations which have a bearing on our assessment

We wish to further highlight the following additional considerations that we consider relevant for the attention of the H-Trust Independent Directors and the H-REIT Trustee, in relation to the Merger.

10.3.3.1 Rationale for the Merger

Details on the rationale for the Merger are set out in Paragraph 2.3 of the Scheme Document and the Stapled Securityholders are advised to read the information carefully.

We have considered the rationale and key benefits that the H-Trust Managers believes the Merger will bring to the Stapled Securityholders, which we view as reasonable, key points of which have been extracted from the Scheme Document and are set out in italics below:

- (i) *“Value accretive to Stapled Securityholders”;*
- (ii) *“Creation of one of the largest diversified Singapore-listed REITs”;*

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(iii) *“Enhanced scale, diversification and resilience”*; and

(iv) *“Increased flexibility and ability to drive growth”*.

We also note the following positive aspects, from the perspective of H-Trust and its Stapled Securityholders, as outlined in the rationale for the Merger set out in Paragraph 2.3 of the Scheme Document:

- (i) The land lease expiry profile (weighted by gross floor area) as at 31 December 2018 would increase from H-Trust’s existing 45 years to 153 years in the Enlarged REIT;
- (ii) The weighted average debt tenure would increase from H-Trust’s existing 2.5 years to 3.2 years in the Enlarged REIT; and
- (iii) The debt headroom remaining (based on the aggregate limit of 45% under the Property Funds Appendix) would increase from H-Trust’s existing S\$254 million to S\$551 million in the Enlarged REIT.

10.3.3.2 Confirmation of Financial Resources

As stated in paragraph 11 of the Offeror’s Letter at Appendix B to the Scheme Document, Citigroup Global Markets Singapore Pte. Ltd., being one of the C-REIT Financial Advisers, confirms that sufficient financial resources are available to C-REIT to satisfy in full the aggregate Cash Consideration payable by the C-REIT Trustee for all the Stapled Securities to be acquired by the C-REIT Trustee pursuant to the Trust Scheme.

10.3.3.3 Amendment of the H-Trust’s management fee structure

It is intended that the C-REIT Manager will be the manager of the Enlarged REIT after completion of the Merger.

Assuming the completion of the Merger, it is intended for the H-Trust’s management fee structure for the asset management fees and trustee fees to be amended to reflect the fee structure in the C-REIT Trust Deed (such that the existing fee structure of C-REIT is retained). We note that in the amended H-Trust management fee structure, annual performance fees would only be paid for improved performance and for the incremental improvement (i.e. 25.0% of the difference in DPU in a financial year and the DPU in the preceding full financial year).

10.3.3.4 No other offers

We understand from the H-Trust Independent Directors that, as at the Latest Practicable Date, no other offer or approach has been made for H-Trust by any other third party.

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10.3.3.5 Switch Option

Section 3.5 of this Letter sets out certain information relating to the Switch Option.

We note that in the event of a Competing Offer in respect of H-Trust or an intention to make a Competing Offer in respect of H-Trust is announced (whether or not such Competing Offer is pre-conditional), the C-REIT Trustee has the right at its discretion to elect to make the Offer on the same or better terms as those which apply to the Trust Scheme.

10.3.3.6 Conditions to complete the Merger

We note that the completion of the Merger is conditional upon certain condition precedents being satisfied. **We wish to highlight to Stapled Securityholders that should any of these conditions not be met (or where applicable, waived), the Trust Scheme might not proceed notwithstanding that the Trust Scheme has been approved by Stapled Securityholders at the Trust Scheme Meeting. Please refer to Schedule N of the Scheme Document for the full list of Scheme Conditions.**

10.3.3.7 Permitted Distributions

Paragraph 2.4 of the Scheme Document sets out certain information relating to Permitted Distributions.

We note that the Stapled Securityholders as at the books closure date(s) fixed for such H-Trust Permitted Distributions shall have the right to receive and retain the H-Trust Permitted Distributions (if any) in addition to the Scheme Consideration.

10.3.3.8 No divestment fee

We note that no divestment fee is payable to the H-Trust Managers in relation to the Merger in accordance with the H-REIT Trust Deed.

10.3.3.9 Convertible Preferred Perpetual Units

We note that C-REIT, being the surviving entity of the Merger if completed, has issued 550 million Convertible Preferred Perpetual Units (“**CPPU**”) with a face value of S\$550 million on 8 October 2015. These CPPUs were previously issued by C-REIT to Clifford Development Pte. Ltd. (a subsidiary of OUE Limited), as part payment of the purchase consideration to OUE Limited for OUE C-REIT’s acquisition of an 83.33% indirect interest in OUB Centre Limited which owns 81.54% of the beneficial interest in One Raffles Place. Clifford Development Pte. Ltd. is the only holder of the CPPUs (the “**CPPU Holder**”). As at the Latest Practicable Date, S\$175 million of the CPPUs has been redeemed by the C-REIT Manager and the remaining outstanding amount of the CPPUs is S\$375 million.

The following relevant excerpt outlining the terms of the CPPUs has been extracted from the notes to the financial statements of C-REIT for the year ended 31 December 2018 in italics:

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Convertible perpetual preferred units

In October 2015, the Group and the Trust issued 550 million Convertible Perpetual Preferred Units (“CPPU”) at \$1 per Unit to a substantial unitholder of the Trust and a related party of the Manager, as partial satisfaction of the purchase consideration for the subsidiaries acquired.

The key terms and conditions of the CPPUs are as follows:

- the CPPU holder has the right to receive preferential non-cumulative distribution of an amount equivalent to 1.0% per annum of the issue price which may be declared by the Manager at its sole discretion;*
- any preferential distribution or part thereof not due or payable shall not accumulate for the benefit of the CPPU holder or entitle the CPPU holder to any claim in respect thereof against the Trust, the Trustee and/or the Manager;*
- the CPPUs rank senior to the Units in respect of the entitlement to participate in the distributions of the Trust and rank senior to the Units in respect of the entitlement to receive out of the assets of the Trust the amount equivalent to the number of CPPUs held by the CPPU holder multiplied by the issue price and outstanding preferred and special preferred distribution upon the liquidation of the Trust. The CPPUs rank junior to the claims of all other present and future creditors of the Trust;*
- the CPPU holder has the sole right to convert the CPPUs into Units, provided that the number of CPPUs converted in each financial year shall not exceed one-third of the total number of CPPUs initially issued to the CPPU holder, at a conversion price of \$0.7154 per CPPU, being the adjusted conversion price pursuant to the rights issue undertaken by the Trust in October 2018. The CPPUs may not be converted into Units for a period of four years commencing from the date of issuance of the CPPUs on 8 October 2015;*
- the Manager shall have the sole right to redeem any number of CPPUs for the time being issued and outstanding on a pro-rata basis at the issue price at all times;*
- the Manager shall not declare distributions or pay any distributions to the Unitholders, or make any redemption, unless the Manager declares or pays distributions to the CPPU holder; and*
- the CPPU holder does not have the right to attend and vote at the meetings of Unitholders except during such period as the preferred or special preferred distribution remains in arrears and unpaid for at least 12 months, or upon any resolution which varies or abrogates any right, preference or privilege of the CPPUs, or upon any resolution for the dissolution or winding up of the Trust.*

On 2 November 2017, there was a partial redemption of 75.0 million CPPUs at \$1.00 per Unit.

On 1 December 2017, the Manager issued an irrevocable redemption notice to redeem 100.0 million CPPUs on 2 January 2018 at \$1.00 per Unit.

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The CPPUs are classified as equity instruments in the statement of financial position. The \$361,890,000 (2017: \$361,891,000) presented in the statement of financial position represents the carrying value of the remaining 375.0 million CPPUs and the total return attributable to the CPPU holder from the last distribution date.

We note that, after 8 October 2019, the CPPU Holder has the sole right to convert the CPPUs into C-REIT Units, provided that the number of CPPUs converted in each financial year shall not exceed one-third of the total number of CPPUs initially issued to the CPPU Holder, at a conversion price of S\$0.7154 per CPPU. Any such CPPU conversion may have a dilutive effect on C-REIT's DPU.

We further note that as at the LPD, the price of the C-REIT Units is S\$0.505 which is below the conversion price of S\$0.7154 per CPPU.

10.3.3.10 Abstention from voting

In accordance with the SIC's rulings as set out in Paragraph 4.2 of the Letter to Stapled Securityholders, the C-REIT Trustee (acting in the capacity as trustee of C-REIT), the C-REIT Manager and its concert parties (including, as at the Latest Practicable Date, the Relevant Directors and the list of persons set out in Paragraph 1.1 of Schedule H of the Offeror's Letter at Appendix B to the Scheme Document) as well as the common substantial C-REIT Unitholders/Stapled Securityholders (including, as at the Latest Practicable Date, the list of persons set out in Paragraph 5.4 of Appendix C to the Scheme Document) will abstain from voting on the Trust Scheme Resolution. In addition, the H-REIT Manager will abstain from voting on the Trust Scheme Resolution pursuant to Rule 748(5) of the Listing Manual.

Accordingly, each of the parties named above shall decline to accept appointment as proxy to attend and vote at the Trust Scheme Meeting in respect of the Trust Scheme Resolution unless the Stapled Securityholder concerned has given specific instructions in his/her/its Proxy Form (Trust Scheme Meeting) as to the manner in which his/her/its votes are to be cast.

11 RECOMMENDATION

In arriving at our opinion whether the financial terms of the Trust Scheme are fair and reasonable, we have evaluated whether the Stapled Securities and the Consideration Units are fairly valued based on the Scheme Consideration (LUTD) and the Consideration Unit Price (LUTD), respectively, and have considered, *inter alia*, the following factors below which should be read in conjunction with, and interpreted, in the full context of this Letter:

- (a) Based on the FY2018 Pro forma Financials, the Merger is accretive to Stapled Securityholders on both a DPU basis and NAV per Stapled Security basis;
- (b) The Scheme Consideration (LUTD) of S\$0.747 is in line with the reported NAV per Stapled Security of S\$0.750 as at 31 December 2018;
- (c) The Exchange Ratio of 1.3583x is above the exchange ratios implied by the LPD, LUTD, 1-month VWAPs and 24-month VWAP of the Stapled Securities adjusted for the Cash Consideration and C-REIT Units and is in line with the exchange ratios implied

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by the 3-month and 6-month VWAPs of the Stapled Securities adjusted for the Cash Consideration and C-REIT Units;

- (d) As disclosed in the Scheme Document, the completion of the Merger will result in the creation of one of the largest S-REIT listed on SGX-ST by total assets, with the overall asset size increasing to approximately S\$6.9 billion from H-Trust's S\$2.3 billion prior to the Merger. As a result of an increase in market capitalisation, the Enlarged REIT may experience an increase in trading liquidity, investor coverage and inclusion in indices. Based on publicly available information, we note that the larger S-REITs are included in major stock market indices and typically have relatively larger research analyst coverage bases than their smaller peers;
- (e) The Merger may also potentially provide Stapled Securityholders with asset class diversification benefits, better access to alternative funds and pools of capital, as well as property management efficiencies, supporting the future growth of the Enlarged REIT as compared to H-Trust on a standalone basis;
- (f) Other relevant considerations that have a significant bearing on our assessment in relation to the Merger;

In the evaluation of the Scheme Consideration (LUTD):

1. Liquidity analysis of the Stapled Securities and the Top 10 STI Companies indicates that there is reasonable liquidity in the Stapled Securities and that the market prices of the Stapled Securities should generally reflect the fundamental, market-based value of the Stapled Securities;
2. The historical market performance and trading activity of the Stapled Securities indicate that:
 - the Scheme Consideration (LUTD) of S\$0.747 represents a premium of 1.6% to the closing price of the Stapled Securities on the Last Undisturbed Trading Date;
 - the Scheme Consideration (LUTD) of S\$0.747 represents a premium of 3.0%, 4.5%, 6.7% and 0.4% to the 1-month, 3-month, 6-month and 12-month VWAPs of the Stapled Securities, respectively;
 - the average daily trading volume of the Stapled Securities as a percentage of the free float ranged between 0.12% and 0.14%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;
 - the average daily trading volume of the Stapled Securities as a percentage of the market capitalisation ranged between 0.06% and 0.07%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;
3. The comparison of the Latest P/NAV multiple implied by the Scheme Consideration (LUTD) of 1.00x to the trailing Latest P/NAV multiples of the Stapled Securities indicates that the Latest P/NAV multiple of 1.00x implied by the Scheme Consideration (LUTD) is:

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- above the range of the trailing Latest P/NAV multiples of the Stapled Securities of 0.86x to 0.99x over the 6-month period up to and including the Last Undisturbed Trading Date;
 - within the range of the trailing Latest P/NAV multiples of the Stapled Securities of 0.86x to 1.10x over the 12-month period up to and including the Last Undisturbed Trading Date and above the mean and median of 0.97x;
4. The comparison of the LTM DY of the Stapled Securities implied by the Scheme Consideration (LUTD) of 6.60% to the trailing LTM DYs of the Stapled Securities indicates that the LTM DY of 6.60% implied by the Scheme Consideration (LUTD) is;
- below the range of the trailing LTM DYs of the Stapled Securities of 6.67% to 7.86% over the 6-month period up to and including the Last Undisturbed Trading Date;
 - within the range of the trailing LTM DYs of the Stapled Securities of 6.23% to 7.86% over the 12-month period up to and including the Last Undisturbed Trading Date and below the mean and median of 6.95% and 6.82%, respectively;
5. The comparison of valuation multiples implied by the Scheme Consideration (LUTD) to those of the Comparable Hospitality S-REITs indicates that;
- the Latest P/NAV multiple implied by the Scheme Consideration (LUTD) of 1.00x is within the range of the P/NAV multiples of the Comparable Hospitality S-REITs of 0.77x to 1.09x and above the mean and median of 0.94x and 0.95x, respectively;
 - the LTM DY implied by the Scheme Consideration (LUTD) of 6.60% is in line with the range of the LTM DY of the Comparable Hospitality S-REITs of 5.67% to 6.54% and above the mean and median of 6.07% and 6.05%, respectively;
6. The comparison of premium/discount to the prevailing VWAPs implied by the Scheme Consideration (LUTD) to those implied in the Precedent Transactions indicates that:
- the premium of 1.64% implied by the Scheme Consideration (LUTD) over the last transacted market price as at the Last Undisturbed Trading Date is within the range of the premia implied by the Precedent Transactions of 0.44% to 2.10% and is above the mean and median of 1.27%;
 - the premium of 3.04% implied by the Scheme Consideration (LUTD) over the 1-month VWAP as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of 0.28% to 2.10%;
 - the premium of 4.48% implied by the Scheme Consideration (LUTD) over the 3-month VWAP as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of 0.20% to 0.70%;

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- the premium of 6.72% implied by the Scheme Consideration (LUTD) over the 6-month VWAP as at the Last Undisturbed Trading Date is above the range of the premia implied by the Precedent Transactions of 0.00% to 1.50%;
7. The comparison of the Scheme Consideration (LUTD) to broker target prices of the Stapled Securities indicates that the Scheme Consideration (LUTD) of S\$0.747 is:
- within the range of the target prices issued by brokerage and research entities in the 6-month period up to the Last Undisturbed Trading Date;
 - within the range of the target prices issued by brokerage and research entities in the period from the Joint Announcement Date up to the Last Practicable Date.

In the evaluation of the Consideration Unit Price (LUTD):

1. Liquidity analysis of the C-REIT Units and the Top 10 STI Companies indicate that there is reasonable liquidity in the C-REIT Units and that the market prices of the C-REIT Units should generally reflect the fundamental, market-based value of the C-REIT Units;
2. The historical market performance and trading activity of the Stapled Securities indicate that:
 - the Consideration Unit Price (LUTD) of S\$0.520 is the same as the closing price of the C-REIT Units on the Last Undisturbed Trading Date;
 - the Consideration Unit Price (LUTD) of S\$0.520 represents a premium of 1.8%, 4.4%, 7.7% and 2.0% to the 1-month, 3-month, 6-month and 12-month VWAPs of the C-REIT Units, respectively;
 - the average daily trading volume of the C-REIT Units as a percentage of the free float ranged between 0.13% and 0.21%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;
 - the average daily trading volume of the C-REIT Units as a percentage of the market capitalisation ranged between 0.03% and 0.05%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;
3. The comparison of the Latest P/NAV multiple implied by the Consideration Unit Price (LUTD) of 0.73x to the trailing Latest P/NAV multiples of the C-REIT Units indicates that the Latest P/NAV multiple of 0.73x implied by the Consideration Unit Price (LUTD) is:
 - within the range of the trailing Latest P/NAV multiples of the C-REIT Units of 0.65x to 0.77x over the 6-month period up to and including the Last Undisturbed Trading Date but above the mean and median of 0.69x;
 - within the range of the trailing Latest P/NAV multiples of the C-REIT Units of 0.65x to 0.81x over the 12-month period up to and including the Last Undisturbed Trading Date and in line with the mean and median of 0.73x and 0.74x, respectively;

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4. The comparison of the LTM DY of the C-REIT Units implied by the Consideration Unit Price (LUTD) of 6.56% to the trailing LTM DYs of the C-REIT Units indicates that the LTM DY of 6.56% implied by the Consideration Unit Price (LUTD) is:
 - within the range of the trailing DYs of the C-REIT Units of 6.33% to 7.59% over the 6-month period up to and including the Last Undisturbed Trading Date but below the mean and median of 7.09% and 7.12%, respectively;
 - within the range of the trailing DYs of the C-REIT Units of 6.03% to 7.59% over the 12-month period up to and including the Last Undisturbed Trading Date but below the mean and median of 6.79% and 6.66%, respectively;
5. The comparison of valuation multiples implied by the Consideration Unit Price (LUTD) to those of the Comparable Commercial S-REITs indicates that:
 - the Latest P/NAV multiple implied by the Consideration Unit Price (LUTD) of 0.73x is below the range of the P/NAV multiples of the Comparable Commercial S-REITs of 0.91x to 1.18x;
 - the LTM DY implied by the Consideration Unit Price (LUTD) of 6.56% is above the range of the LTM DY of the Comparable Commercial S-REITs of 4.08% to 6.08%;
6. The comparison of the Consideration Unit Prices (LUTD) to broker target prices of the C-REIT Units indicates that the Consideration Unit Price (LUTD) of S\$0.520 is:
 - within the range of the target prices issued by brokerage and research entities in the 6-month period up to the Last Undisturbed Trading Date; and
 - below the range of the target prices issued by brokerage and research entities in the period from the Joint Announcement Date up to the Latest Practicable Date.

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The below table summarises the abovementioned key financial analyses performed:

Summary of key financial analyses ⁽¹⁾ performed							
	Min ⁽²⁾	Max ⁽²⁾	Mean ⁽²⁾	Median ⁽²⁾	Merger as at LUTD ⁽³⁾	<i>Merger relative to:</i>	
						Min. - Max. Range ⁽⁴⁾	Mean - Median Range ⁽⁴⁾
Whether the Stapled Securities as implied by the Scheme Consideration (LUTD) are fairly valued:							
Historical trading range of the Stapled Securities							
Closing price (S\$) - 12-month period up to the LUTD	0.655	0.840	0.738	0.725	0.747	Within	Above
Trailing P/NAV multiples							
6 months up to the LUTD	0.86x	0.99x	0.92x	0.91x	1.00x	Above	Above
12 months up to the LUTD	0.86x	1.10x	0.97x	0.97x	1.00x	Within	Above
Trailing Distribution Yields							
6 months up to the LUTD	6.67%	7.86%	7.25%	7.35%	6.60%	Below	Below
12 months up to the LUTD	6.23%	7.86%	6.95%	6.82%	6.60%	Within	Below
Comparable Hospitality S-REITs relative to the Scheme Consideration (LUTD) - as at the Latest Practicable Date							
P / NAV (Latest)	0.77x	1.09x	0.94x	0.95x	1.00x	Within	Above
DY (12M Trailing)	5.67%	6.54%	6.07%	6.05%	6.60%	In Line	Above
Precedent Transactions relative to the Scheme Consideration (LUTD)							
Premium over closing price on the LUTD	0.44%	2.10%	1.27%	1.27%	1.64%	Within	Above
Premium over 1-month VWAP	0.28%	2.10%	1.19%	1.19%	3.04%	Above	Above
Premium over 3-month VWAP	0.20%	0.70%	0.45%	0.45%	4.48%	Above	Above
Premium over 6-month VWAP	0.00%	1.50%	0.75%	0.75%	6.72%	Above	Above
Whether the C-REIT Units as implied by the Consideration Unit Price (LUTD) are fairly valued:							
Historical trading range of the C-REIT Units							
Closing price (S\$) - 12-month period up to the LUTD ⁽⁵⁾	0.450	0.600	0.530	0.520	0.520	Within	In Line
Trailing P/NAV multiples							
6 months up to the LUTD	0.65x	0.77x	0.69x	0.69x	0.73x	Within	Above
12 months up to the LUTD	0.65x	0.81x	0.73x	0.74x	0.73x	Within	In Line
Trailing Distribution Yields							
6 months up to the LUTD	6.33%	7.59%	7.09%	7.12%	6.56%	Within	Below
12 months up to the LUTD	6.03%	7.59%	6.79%	6.66%	6.56%	Within	Below
Comparable Commercial S-REITs relative to the Consideration Unit Price (LUTD) - as at the Latest Practicable Date							
P / NAV (Latest)	0.91x	1.18x	1.01x	0.97x	0.73x	Below	Below
DY (12M Trailing)	4.08%	6.08%	4.92%	4.77%	6.56%	Above	Above

Legend:
(Green): Favourable
(Red): Unfavourable

Notes:

- (1) Summary of key analyses set out in sub-sections 10.1.1 – 10.1.6 and 10.2.1 – 10.2.5.
- (2) Minimum, mean, median and maximum of the respective benchmarks.
- (3) Implied by the Merger.
- (4) Parameters implied by the Merger relative to the minimum and maximum, and mean and median range of the respective benchmarks.
- (5) For the purpose of this analysis, unit prices are based on daily closing prices and adjusted to reflect the rights issue related to the acquisition of the office components of OUE Downtown.

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Based upon, and having considered, *inter alia*, the factors described above and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as at the Latest Practicable Date, based on the Scheme Consideration (LUTD) and the Consideration Unit Price (LUTD), the Stapled Securities and Consideration Units are both fairly valued and the financial terms of the Trust Scheme are fair and reasonable. Accordingly, we advise that the H-Trust Independent Directors may recommend that the independent Stapled Securityholders **VOTE IN FAVOUR OF THE TRUST SCHEME**.

The H-Trust Independent Directors and the H-REIT Trustee should note that we have arrived at these conclusions based on information made available to us prior to and including the Latest Practicable Date. Stapled Securityholders should also note that our opinion on the Trust Scheme cannot and does not take into account the future trading activity or patterns or price levels that may be established for the Stapled Securities and the C-REIT Units as these are governed by factors beyond the scope of our review and would not fall within our terms of reference in connection with the Merger. Stapled Securityholders should not rely on our opinion as the sole basis for deciding whether or not to vote in favour of the Trust Scheme.

Yours faithfully

For and on behalf of

Australia and New Zealand Banking Group Limited, Singapore Branch



Sigismund Kwok
Director, Corporate Advisory³

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

OUE Commercial REIT Management Pte. Ltd.

(Company Registration No: 201327018E)
(Incorporated in the Republic of Singapore)

10 July 2019

To: Stapled Securityholders of OUE Hospitality Trust

Dear Sir/Madam

PROPOSED MERGER OF OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST AND OUE HOSPITALITY TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT

1. INTRODUCTION

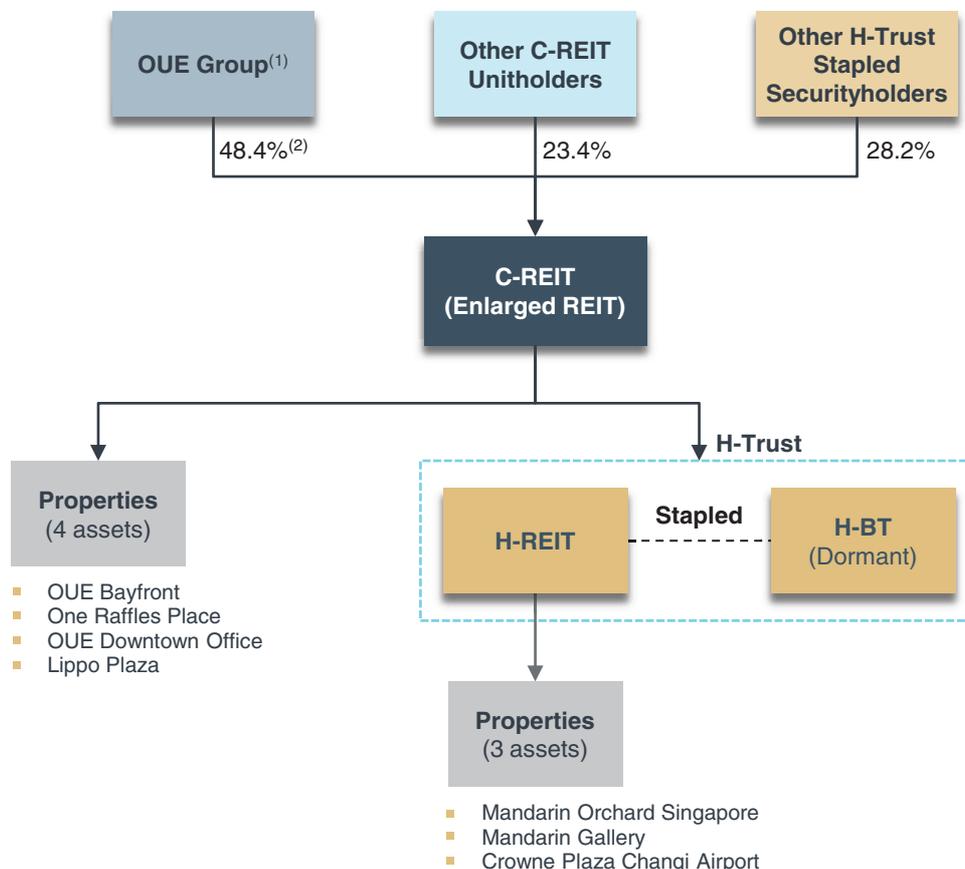
1.1 The Merger and Trust Scheme. On 8 April 2019 (the “**Joint Announcement Date**”), the respective boards of directors of OUE Commercial REIT Management Pte. Ltd., as manager (the “**C-REIT Manager**”) of OUE Commercial Real Estate Investment Trust (“**C-REIT**”), OUE Hospitality REIT Management Pte. Ltd., as manager (the “**H-REIT Manager**”) of OUE Hospitality Real Estate Investment Trust (“**H-REIT**”) and OUE Hospitality Trust Management Pte. Ltd., as trustee-manager (the “**H-BT Trustee-Manager**”) and collectively with the H-REIT Manager, the “**H-Trust Managers**”) of OUE Hospitality Business Trust (“**H-BT**”) and collectively with H-REIT, OUE Hospitality Trust or “**H-Trust**”) made a joint announcement in relation to the proposed merger of C-REIT and H-Trust (the “**Merger**”).

The Merger is proposed to be effected through the acquisition by DBS Trustee Limited (in its capacity as trustee of C-REIT) (the “**C-REIT Trustee**”) of all the issued and paid-up stapled securities in H-Trust (the “**Stapled Securities**”) held by the stapled securityholders of H-Trust (“**Stapled Securityholders**”) in exchange for a combination of cash and new units in C-REIT (“**C-REIT Units**”) by way of a trust scheme of arrangement (the “**Trust Scheme**”) in compliance with the Singapore Code on Take-overs and Mergers (the “**Code**”).

1.2 Implementation Agreement. In connection with the Merger, the C-REIT Trustee, the C-REIT Manager, RBC Investor Services Trust Singapore Limited (as trustee of H-REIT) (the “**H-REIT Trustee**”) and the H-Trust Managers (collectively, the “**Parties**”) have on the Joint Announcement Date entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which the Parties will implement the Trust Scheme.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

- 1.3 Enlarged REIT Structure.** The following diagram illustrates the indicative structure of the enlarged REIT (the “Enlarged REIT”) currently envisaged immediately upon completion of the Merger:



Notes:

- (1) “OUE Group” refers to OUE Limited (“OUE”) and its related corporations.
- (2) Illustrative pro forma unitholding (inclusive of the interests held by OUE, OUE Realty Pte. Ltd. and Golden Concord Asia Limited) based on the latest available information as at the Latest Practicable Date. Based on the existing C-REIT Units and Stapled Securities in issue as at the Latest Practicable Date, 1,3583 Consideration Units to be allotted and issued per Stapled Security (as set out in paragraph 2.2 below) and the acquisition fee payable in the form of new C-REIT Units to the C-REIT Manager for the Merger. Under the C-REIT Trust Deed (as defined in paragraph 5.1 below), the C-REIT Manager is entitled to receive an acquisition fee of 0.75 per cent. of the underlying value of the assets of H-Trust payable in the form of new C-REIT Units to the C-REIT Manager. The C-REIT Manager has voluntarily waived half of its acquisition fee entitlement. The acquisition fee units payable are based on an illustrative issue price of S\$0.57 per new C-REIT Unit.

The OUE Group will continue to retain a significant stake of approximately 48.4 per cent.¹ of the total issued units in the Enlarged REIT and its interest will continue to be aligned with that of the other unitholders of the Enlarged REIT.

¹ Illustrative pro forma unitholding (inclusive of the interests held by OUE, OUE Realty Pte. Ltd. and Golden Concord Asia Limited) based on the latest available information as at the Latest Practicable Date. Based on the existing C-REIT Units and Stapled Securities in issue as at the Latest Practicable Date, 1,3583 Consideration Units to be allotted and issued per Stapled Security (as set out in paragraph 2.2 below) and the acquisition fee payable in the form of new C-REIT Units to the C-REIT Manager for the Merger. Under the C-REIT Trust Deed (as defined in paragraph 5.1 below), the C-REIT Manager is entitled to receive an acquisition fee of 0.75 per cent. of the underlying value of the assets of H-Trust payable in the form of new C-REIT Units to the C-REIT Manager. The C-REIT Manager has voluntarily waived half of its acquisition fee entitlement. The acquisition fee units payable are based on an illustrative issue price of S\$0.57 per new C-REIT Unit.

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- 1.4 Scheme Document.** This Letter from the C-REIT Manager (the “**Letter**”) to the Stapled Securityholders should be read and construed together with, and in the context of, the scheme document dated 10 July 2019 (the “**Scheme Document**”) issued by the H-Trust Managers to the Stapled Securityholders containing details of the Trust Scheme. Unless otherwise stated, terms used but not defined in this Letter shall have the same meanings as defined in the Scheme Document.

If you are in any doubt about this Letter or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

2. THE PROPOSED MERGER AND THE TRUST SCHEME

- 2.1 The Trust Scheme.** The Trust Scheme is proposed to be effected in accordance with the Code and the H-Trust Trust Deeds (as defined in paragraph 4.2 below and to be amended and supplemented as described in the Scheme Document), subject to the terms and conditions of the Implementation Agreement. Under the Trust Scheme:

- 2.1.1** upon the Trust Scheme becoming effective and binding in accordance with its terms, all the Stapled Securities will be transferred to the C-REIT Trustee:

- (i) fully paid;
- (ii) free from any charge, mortgage, lien, hypothecation, judgement, encumbrance, easement, right of pre-emption, security, title retention, preferential right, trust arrangement or other security interest or any other agreement or arrangement having a commercial effect analogous to the conferring of security or a similar right in favour of any person (“**Encumbrances**”); and
- (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date, including the right to receive and retain all rights and other distributions (if any) declared by H-Trust on or after the Joint Announcement Date, except for the H-Trust Permitted Distributions (as defined in paragraph 2.4.2 below),

such that on the Effective Date, the C-REIT Trustee shall hold 100 per cent. of the Stapled Securities; and

- 2.1.2** in consideration for such transfer of the Stapled Securities, the C-REIT Trustee and the C-REIT Manager agree to pay or procure the payment of the Cash Consideration (as defined in paragraph 2.2.1 below) and allot and issue or procure the allotment and the issuance (as the case may be), by the C-REIT Manager of the Consideration Units (as defined in paragraph 2.2.2 below) to each Stapled Securityholder, in accordance with the terms and conditions of the Implementation Agreement.

For the avoidance of doubt, the Parties shall be entitled to declare, make or pay the H-Trust Permitted Distributions and the C-REIT Permitted Distributions (as defined in paragraph 2.4.2 below), as the case may be, without any adjustment to the Scheme Consideration (as defined in paragraph 2.2 below). The Stapled Securityholders as at the books closure date(s) fixed for such H-Trust Permitted Distributions shall have the right to receive and retain the H-Trust Permitted Distributions (if any) in addition to the Scheme Consideration.

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2.2 Scheme Consideration. In consideration of the transfer of the Stapled Securities referred to in paragraph 2.1.1, the C-REIT Trustee and the C-REIT Manager agree, subject to the Trust Scheme becoming effective in accordance with its terms, to pay or procure the payment of the following consideration (the “**Scheme Consideration**”) for each Stapled Security held by each Stapled Securityholder as at 5.00 p.m. on the Books Closure Date:

2.2.1 firstly, the payment by the C-REIT Trustee of a sum of S\$0.04075 in cash per Stapled Security (the “**Cash Consideration**”); and

2.2.2 secondly, allot and issue, or procure the allotment and issuance (as the case may be), by the C-REIT Manager of 1.3583 new C-REIT Units per Stapled Security (the “**Consideration Units**”), such Consideration Unit to be credited as fully paid,

in accordance with the terms and conditions of the Implementation Agreement. On the date on which the Trust Scheme becomes effective in accordance with its terms (the “**Effective Date**”), the C-REIT Trustee shall hold 100 per cent. of the Stapled Securities.

The aggregate Cash Consideration to be paid to each Stapled Securityholder shall be rounded to the nearest S\$0.01. The number of Consideration Units which each Stapled Securityholder will be entitled to pursuant to the Trust Scheme, based on the Stapled Securities held by such Stapled Securityholder as at the Books Closure Date, will be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units to be issued to any Stapled Securityholder pursuant to the Trust Scheme.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, a Stapled Securityholder will receive S\$40.75 in cash and 1,358 Consideration Units for every 1,000 Stapled Securities held by it as at the Books Closure Date.

2.3 The Consideration Units. The Consideration Units shall:

2.3.1 when issued, be duly authorised, validly issued and fully paid-up and shall rank *pari passu* in all respects with the existing C-REIT Units as at the date of their issue²; and

2.3.2 be issued free from all and any Encumbrances and restrictions on transfers and no person has or shall have any rights of pre-emption over the Consideration Units.

2.4 Permitted Distributions. Subject to the terms and conditions of the Implementation Agreement, the H-Trust Managers and the C-REIT Manager are permitted to declare, make or pay distributions to the Stapled Securityholders and the unitholders of C-REIT (the “**C-REIT Unitholders**”) (as the case may be) only if such distributions to be declared, paid or made by H-Trust or C-REIT:

2.4.1 have been declared or which H-Trust or, as the case may be, C-REIT is under a contractual obligation to pay but have not been paid prior to the date of the Implementation Agreement; or

² For the avoidance of doubt, the Consideration Units shall not be entitled to the C-REIT Permitted Distributions (as defined herein). Please see paragraph 2.4 for further details.

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- 2.4.2 are declared, paid or made by the H-Trust Managers or, as the case may be, the C-REIT Manager, in the ordinary course of business in respect of the period from 1 January 2019 up to the day immediately before the Effective Date, including any clean-up distribution in respect of the period from the day following the latest completed financial quarter of H-Trust or, as the case may be, the latest completed financial half of C-REIT, preceding the Effective Date up to the day immediately before the Effective Date (respectively, the “**H-Trust Permitted Distributions**” and “**C-REIT Permitted Distributions**”).

The Stapled Securityholders as at the book closure date(s) fixed for such H-Trust Permitted Distributions shall have the right to receive and retain the H-Trust Permitted Distributions (if any) in addition to the Scheme Consideration.

- 2.5 **Scheme Conditions.** The Trust Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the conditions precedent (the “**Scheme Conditions**”) in the Implementation Agreement by 8 October 2019 (or such other date as the Parties may agree in writing). Additional information on the Scheme Conditions is set out in paragraph 2.5 of the Letter to Stapled Securityholders. The Scheme Conditions are reproduced in Appendix N to the Scheme Document.

- 2.6 **Switch Option.** Pursuant to the terms of the Implementation Agreement and subject to prior consultation with the Securities Industry Council of Singapore (“**SIC**”):

- 2.6.1 in the event of a H-Trust Competing Offer or an intention to make a H-Trust Competing Offer is announced (whether or not such H-Trust Competing Offer is pre-conditional), the C-REIT Trustee has the right at its discretion to elect to proceed by way of a voluntary conditional cash offer for the Stapled Securities (the “**Offer**”) (in lieu of proceeding with the Merger by way of the Trust Scheme) (the “**Switch Option**”);

- 2.6.2 in such event, the C-REIT Trustee will make the Offer on the same or better terms as those which apply to the Trust Scheme, including the same or a higher consideration than the Scheme Consideration (being the aggregate of (i) the implied dollar value of the Consideration Units as agreed between the Parties based on the fixed number of Consideration Units issued for each Stapled Security, and (ii) the Cash Consideration) for each Stapled Security, and conditional upon a level of acceptances set at only more than 50 per cent. of the Stapled Securities to which the Offer relates and not conditional on a higher level of acceptances; and

- 2.6.3 if the C-REIT Trustee exercises the Switch Option, the Implementation Agreement (save for certain surviving provisions) shall terminate with effect from the date of announcement by or on behalf of the C-REIT Trustee of a firm intention to make the Offer (other than certain surviving provisions), and none of the Parties shall have any claim against the others under the Implementation Agreement.

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2.7 Effect of Termination. In the event of termination of the Implementation Agreement by either (i) the C-REIT Trustee and the C-REIT Manager; or (ii) the H-REIT Trustee and the H-Trust Managers pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for certain surviving provisions such as those relating to, amongst others, confidentiality, costs and expenses and governing law) and there shall be no liability on the part of any Party save as set out in the Implementation Agreement.

2.8 Effect of Trust Scheme. If the Trust Scheme becomes effective, it will be binding on all Stapled Securityholders, whether or not they were present in person or by proxy or voted to approve the Trust Scheme at the meeting of the Stapled Securityholders convened to approve the Trust Scheme.

3. DELISTING

3.1 Upon the Trust Scheme becoming effective in accordance with its terms, H-Trust will be wholly-owned by the C-REIT Trustee and will, subject to the approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), be delisted and removed from the Official List of the SGX-ST.

3.2 As stated in paragraph 5 of the Letter to Stapled Securityholders, an application was made by the H-Trust Managers on behalf of H-Trust to seek approval from the SGX-ST to delist and remove H-Trust from the Official List of the SGX-ST upon the Trust Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 20 June 2019, advised that it has no objection to the delisting of H-Trust from the Official List of the SGX-ST, subject to:

3.2.1 the approval of the Stapled Securityholders for the Trust Deeds Amendments Resolution;

3.2.2 the approval of the Stapled Securityholders for the Trust Scheme;

3.2.3 the abstention from voting by the H-Trust Managers and its connected persons and associates on the Trust Scheme Resolution, pursuant to Rule 748(5) of the listing manual of the SGX-ST;

3.2.4 the approval by the High Court of the Trust Scheme; and

3.2.5 an unqualified opinion from an independent financial adviser that the financial terms of the Trust Scheme are fair and reasonable to the Stapled Securityholders.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Trust Scheme, the delisting and removal of H-Trust from the Official List of the SGX-ST, H-Trust, the H-Trust Managers, their subsidiaries and/or their securities.

4. INFORMATION ON H-TRUST AND THE H-TRUST MANAGERS

4.1 H-Trust. H-Trust, which is a stapled group comprising H-REIT and H-BT, was listed on the Main Board of the SGX-ST on 25 July 2013. Each unit in H-REIT is stapled to one unit in H-BT under the terms of the stapling deed made between the H-REIT Trustee, the H-REIT Manager and the H-BT Trustee Manager dated 10 July 2013 (as amended and supplemented, the “**Stapling Deed**”). As at the Latest Practicable Date, H-Trust has in issue an aggregate of 1,832,099,381 Stapled Securities.

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- 4.2 H-REIT.** H-REIT is a Singapore real estate investment trust (“REIT”) constituted by the trust deed made between the H-REIT Manager and the H-REIT Trustee dated 10 July 2013 (as amended and supplemented, the “H-REIT Trust Deed” and collectively with the trust deed constituting H-BT dated 10 July 2013 (as amended and supplemented) and the Stapling Deed, the “H-Trust Trust Deeds”) and established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets. H-REIT is managed by OUE Hospitality REIT Management Pte. Ltd., a wholly-owned subsidiary of OUE, the sponsor of H-Trust. The H-REIT Manager was incorporated in Singapore on 17 April 2013. The H-REIT Manager has an issued and paid-up capital of S\$1,000,000 as at the Latest Practicable Date and has been issued a capital markets services licence for REIT management (“CMS Licence”) pursuant to the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), on 2 July 2013.
- 4.3 H-BT.** H-BT, a registered business trust under the Business Trusts Act, Chapter 31A of Singapore, is currently dormant. OUE Hospitality Trust Management Pte. Ltd. is the trustee-manager of H-BT and a wholly-owned subsidiary of OUE, the sponsor of H-Trust. The H-BT Trustee-Manager was incorporated in Singapore on 17 April 2013 and has an issued and paid-up capital of S\$1.00 as at the Latest Practicable Date.
- 4.4 Directors of the H-Trust Managers.** As at the Latest Practicable Date, the boards of directors of the H-Trust Managers comprise the following:
- 4.4.1** Mr Lee Yi Shyan (Chairman and Non-Independent Non-Executive Director);
 - 4.4.2** Mr Sanjiv Misra (Lead Independent Director);
 - 4.4.3** Mr Ong Kian Min (Independent Director);
 - 4.4.4** Mr Liu Chee Ming (Independent Director);
 - 4.4.5** Professor Neo Boon Siong (Independent Director); and
 - 4.4.6** Mr Christopher James Williams (Non-Independent Non-Executive Director).
- 4.5 H-Trust’s Portfolio.** H-Trust’s portfolio currently comprises:
- 4.5.1** Mandarin Orchard Singapore located at 333 Orchard Road, Singapore;
 - 4.5.2** Mandarin Gallery located at 333A Orchard Road, Singapore; and
 - 4.5.3** Crowne Plaza Changi Airport located at 75 Airport Boulevard, Singapore, and its extension.
- 4.6 Additional Information.** Additional information relating to H-Trust and the H-Trust Managers is set out in Schedule I to this Letter.

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5. INFORMATION ON C-REIT AND THE C-REIT MANAGER

5.1 C-REIT. Constituted by way of a trust deed dated 10 October 2013 (as amended and supplemented, the “**C-REIT Trust Deed**”), C-REIT was listed on the Main Board of the SGX-ST on 27 January 2014, and was established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs within and outside of Singapore, as well as real estate-related assets. The principal office of C-REIT is at the office of the C-REIT Manager at 50 Collyer Quay, #04-08 OUE Bayfront, Singapore 049321. As at the Latest Practicable Date, C-REIT has in issue an aggregate of 2,866,585,405 C-REIT Units.

5.2 C-REIT Manager. C-REIT is managed by OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of OUE, the sponsor of C-REIT. Incorporated on 4 October 2013 in Singapore, the C-REIT Manager has an issued and paid-up capital of S\$1,000,000 as at the Latest Practicable Date. The C-REIT Manager has been issued a CMS Licence pursuant to the SFA on 15 January 2014.

5.3 C-REIT’s Portfolio. C-REIT’s portfolio currently comprises:

5.3.1 OUE Bayfront located at 50, 60 and 62 Collyer Quay, Singapore;

5.3.2 an effective interest of 67.95 per cent. in One Raffles Place located at 1 Raffles Place, Singapore;

5.3.3 the office components of OUE Downtown located at 6 and 6A Shenton Way, Singapore; and

5.3.4 a 91.2 per cent. share of strata ownership of Lippo Plaza located at 222 Huaihai Zhong Road in the commercial district of Huangpu in Shanghai, the People’s Republic of China.

5.4 Additional Information. Additional information relating to C-REIT and the C-REIT Manager is set out in Schedule A to this Letter.

6. FUTURE INTENTIONS FOR THE ENLARGED REIT

6.1 Intentions for the Enlarged REIT. Assuming the completion of the Merger:

6.1.1 the C-REIT Manager intends to expand the investment mandate of the Enlarged REIT pursuant to the C-REIT Trust Deed. The new principal investment strategy of the Enlarged REIT will be to invest in a portfolio of income-producing real estate used primarily for (i) commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs; and/or (ii) hospitality and/or hospitality-related purposes, as well as real estate-related assets;

6.1.2 subject to evaluation by the nominating and remuneration committee of the C-REIT Manager and approval of the board of directors of the C-REIT Manager and the Monetary Authority of Singapore (the “**MAS**”), certain directors and key management staff of the H-Trust Managers may be joining the C-REIT Manager;

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6.1.3 it is intended that the H-REIT Manager will be replaced by the C-REIT Manager as soon as practicable upon the completion of the Merger such that the C-REIT Manager will continue to be the manager of the Enlarged REIT portfolio encompassing H-REIT; and

6.1.4 it is also currently intended for H-Trust’s management fee structure to be amended to reflect the fee structure in the C-REIT Trust Deed such that the existing fee structure of C-REIT is retained. This includes the performance fee to be paid³, being a performance-based element which depends on DPU growth, and which is designed to align the interest of the C-REIT Manager with those of the unitholders of the Enlarged REIT.

Save in respect of the existing interested person transactions and master lease arrangements as publicly disclosed in the annual reports of C-REIT and H-Trust, and save as disclosed in the Scheme Document and the C-REIT Circular, there is presently no intention to enter into any interested person transactions or master leases in relation to the Merger.

6.2 Other Intentions. Save as set out above, there is presently no intention to (i) introduce any major changes to the business of H-Trust; (ii) re-deploy the fixed assets of H-Trust, or (iii) discontinue the employment of the employees of the H-Trust Managers, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Enlarged REIT which may be implemented after the Merger. However, the board of directors of the C-REIT Manager retains and reserves the right and flexibility at any time to consider any options in relation to the Enlarged REIT which may present themselves, and which it may regard to be in the interest of the Enlarged REIT.

³ Under the C-REIT Trust Deed, if the DPU (as defined in the C-REIT Trust Deed) in any financial year exceeds the DPU in the preceding financial year, calculation of performance fees for that financial year will be based on 25 per cent. per annum of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of C-REIT Units in issue for such financial year.

By way of illustration, H-Trust’s performance fees under the fee structure in the H-REIT Trust Deed and the C-REIT Trust Deed are as follows:

- Under the H-REIT Trust Deed, the performance fee is an amount equal to 4.0 per cent. per annum of H-REIT’s net property income in the relevant financial year. As H-REIT’s net property income in respect of the financial year ended 31 December 2018 (“**FY2018**”) was S\$112.8 million, the performance fee for FY2018 was S\$4.5 million.
- Assuming that H-Trust’s management fee structure is replaced with the fee structure in the C-REIT Trust Deed, H-Trust will only incur performance fees if the DPU in any financial year exceeds the DPU in the preceding financial year.

Given that H-Trust’s FY2018 DPU of 4.99 cents is lower than its DPU for the financial year ended 31 December 2017 (“**FY2017**”) of 5.14 cents, there is no performance fee payable for FY2018 pursuant to the C-REIT Trust Deed.

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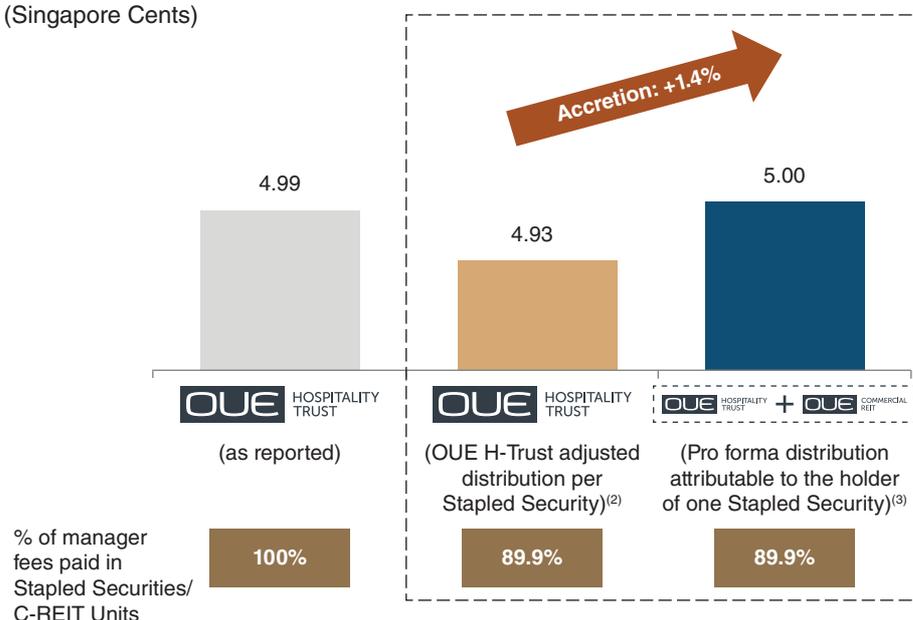
7. RATIONALE FOR THE PROPOSED MERGER

7.1 Value Accretive to Stapled Securityholders

7.1.1 Assuming that the Merger had been completed on 1 January 2018, the pro forma distribution attributable to the holder of one Stapled Security for FY2018 would have been 5.00 cents. This is approximately 1.4 per cent. higher than the pro forma distribution of 4.93 cents which the holder of one Stapled Security would have received for the same period after aligning the proportion of the H-REIT Manager’s fees paid in Stapled Securities to be on a like-for-like basis as compared to the Enlarged REIT following the completion of the Merger and the Trust Scheme.

Pro Forma FY2018 Distribution Attributable to the Holder of One Stapled Security⁽¹⁾

(Singapore Cents)



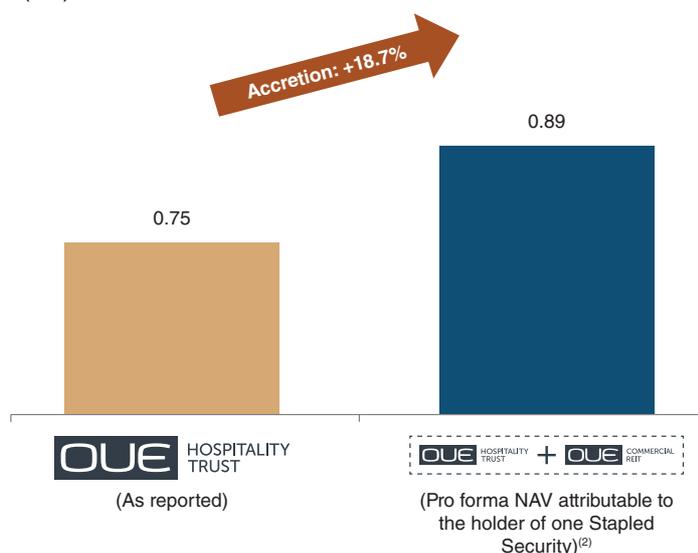
Notes:

- (1) Assumes the Merger had been completed on 1 January 2018.
- (2) After aligning the proportion of the H-REIT Manager’s fees paid in Stapled Securities to be on a like-for-like basis as compared to the Enlarged REIT.
- (3) Based on the Enlarged REIT’s FY2018 pro forma DPU multiplied by the exchange ratio of 1.3583 and assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT’s one-month volume weighted average price (“1M VWAP”) of S\$0.5112 as at 5 April 2019 (being the last trading day immediately prior to the Joint Announcement Date) (the “**Last Trading Day**”).

7.1.2 Assuming that the Merger had been completed on 31 December 2018, it will also be approximately 18.7 per cent. accretive to the Stapled Securityholders from a net asset value (“NAV”) perspective, with the NAV attributable to the holder of one Stapled Security increasing from S\$0.75 to S\$0.89.

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Pro Forma NAV Attributable to the Holder of One Stapled Security⁽¹⁾ (S\$)



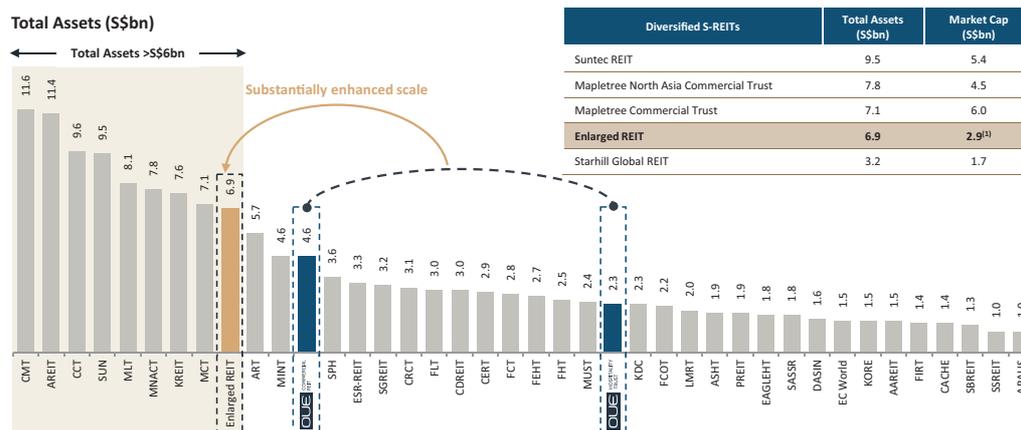
Notes:

- (1) Assumes the Merger had been completed on 31 December 2018.
- (2) Based on the Enlarged REIT’s FY2018 pro forma NAV multiplied by the exchange ratio of 1.3583 and assuming that the Cash Consideration is reinvested in C-REIT Units at C-REIT’s 1M VWAP of S\$0.5112 as at the Last Trading Day.

7.2 Creation of one of the largest diversified Singapore-listed REITs

The Merger, if effected, will result in a sizeable and liquid Singapore-listed REIT (“S-REIT”):

7.2.1 the Enlarged REIT is expected to become one of the largest diversified S-REITs, with total assets increasing to approximately S\$6.9 billion⁴;



Source: Total assets based on company filings, and market capitalisation based on Bloomberg L.P. as at the Latest Practicable Date.

Notes: Chart above only includes S-REITs and real estate business trusts with primary listing on the SGX-ST as at the Latest Practicable Date with total assets of at least S\$1.0 billion as at 31 March 2019 (except ARA US Hospitality Trust and Eagle Hospitality Trust for which total assets as at 31 December 2018 and 24 May 2019 respectively are as disclosed in their respective prospectuses).

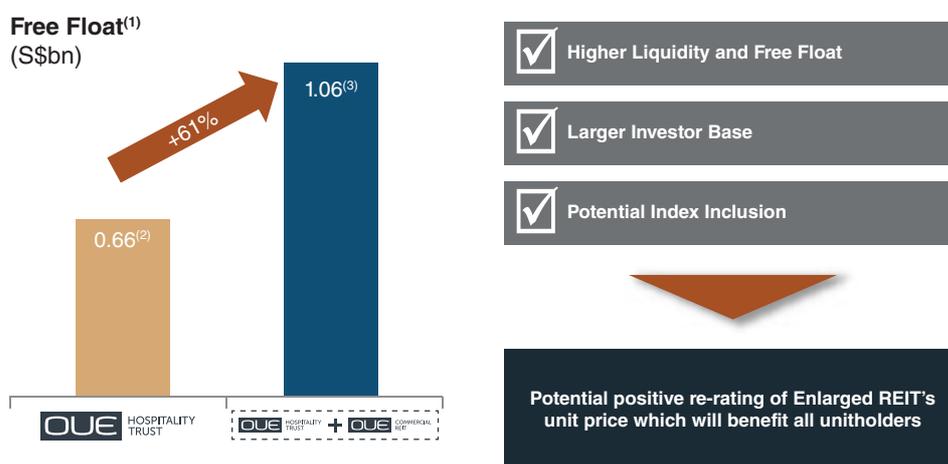
⁴ As at 31 March 2019.

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- (1) Illustrative market capitalisation of Enlarged REIT calculated as the sum of (i) the market capitalisation of C-REIT of S\$1.4 billion as at the Latest Practicable Date; (ii) the portion of the Scheme Consideration to be satisfied in C-REIT Units; and (iii) the value of the acquisition fee to be issued in C-REIT Units, as described in the circular dated 10 July 2019 issued by the C-REIT Manager, on behalf of C-REIT, convening an extraordinary general meeting to seek the C-REIT Unitholders’ approval for, *inter alia*, the Merger and the issue of the Consideration Units as consideration for the Merger (the “C-REIT Circular”).

7.2.2 the larger scale of the combined portfolio will enhance the Enlarged REIT’s visibility within the S-REITs universe and increase the relevance of the Enlarged REIT amongst the investor community. This should allow the Enlarged REIT to benefit from better access to competitive sources of capital and enjoy greater funding flexibility; and

7.2.3 the Enlarged REIT will benefit from a significant increase in free float which will increase by approximately 61 per cent., from S\$0.66 billion as at the Latest Practicable Date to approximately S\$1.06 billion⁵. This will potentially result in higher trading liquidity and potential index inclusion, which could potentially lead to a positive re-rating of the Enlarged REIT and a wider investor base.



Source: Company filings, Bloomberg L.P. as at the Latest Practicable Date.

Notes:

- (1) Excludes the stakes held by the OUE Group, the H-Trust Managers, the C-REIT Manager, directors and chief executive officers of the H-Trust Managers and C-REIT Manager and their respective associates, substantial Stapled Securityholders and substantial C-REIT Unitholders.
- (2) Based on H-Trust’s free float of approximately 51.2 per cent., representing approximately 937.9 million Stapled Securities, and the closing price of S\$0.705 per Stapled Security as at the Latest Practicable Date.
- (3) Based on the Enlarged REIT’s pro forma free float of approximately 37.0 per cent. multiplied by the illustrative market capitalisation of Enlarged REIT. Illustrative market capitalisation of the Enlarged REIT calculated as the sum of (i) the market capitalisation of C-REIT of S\$1.4 billion as at the Latest Practicable Date; (ii) the portion of the Scheme Consideration to be satisfied in C-REIT Units; and (iii) the value of the acquisition fee to be issued in C-REIT Units, as described in the C-REIT Circular.

⁵ Excludes the stakes held by the OUE Group, the H-Trust Managers, the C-REIT Manager, directors and chief executive officers of the H-Trust Managers and the C-REIT Manager and their respective associates, substantial Stapled Securityholders and substantial C-REIT Unitholders. Based on the Enlarged REIT’s pro forma free float of approximately 37.0 per cent. multiplied by illustrative market capitalisation of Enlarged REIT. Illustrative market capitalisation of Enlarged REIT calculated as the sum of (i) the market capitalisation of C-REIT of S\$1.4 billion as at the Latest Practicable Date; (ii) the portion of the Scheme Consideration to be satisfied in C-REIT Units; and (iii) the value of the acquisition fee to be issued in C-REIT Units, as described in the C-REIT Circular.

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7.3 Enhanced Scale, Diversification and Resilience

The Enlarged REIT will have an enhanced portfolio comprising seven properties, representing a total asset value of approximately S\$6.9 billion. The pro forma FY2018 gross revenue will increase to approximately S\$306 million while the pro forma FY2018 net property income will increase to approximately S\$251 million. The Enlarged REIT’s portfolio will also be diversified across three asset classes including commercial, hospitality and integrated developments⁶. This will reduce the concentration risk associated with exposure to any single real estate asset class. The enlarged portfolio will comprise approximately 1.9 million square feet of prime office assets, upscale hotels with an aggregate of 1,640 rooms and approximately 0.3 million square feet of prime retail space along Orchard Road and the core Central Business District (“**CBD**”), and no single property will represent more than 27 per cent. of the total asset value⁷.



Notes:

- (1) As at 31 March 2019.
- (2) Based on reported FY2018 financials.
- (3) Based on attributable net lettable area.

The Enlarged REIT (as compared to H-Trust) should also see:

- 7.3.1** enhanced tenant diversification, with income contribution from actively managed leases increasing from approximately 26.1 per cent. to approximately 68.7 per cent. by gross revenue; and
- 7.3.2** increase in weighted average debt tenure from approximately 2.5 years to approximately 3.2 years.

⁶ Integrated developments including a combination of the office, retail and/or hospitality asset classes.

⁷ Based on valuations as at 31 December 2018.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

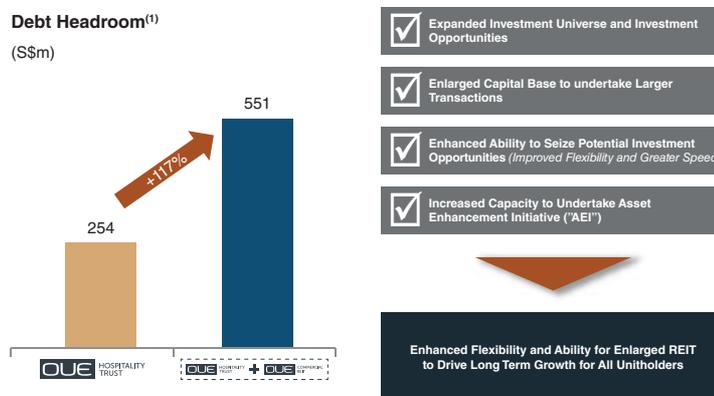


Note:

- (1) Based on gross floor area as at 31 December 2018 (calculated on a weighted average basis as at 31 December 2018, where appropriate); gross floor area for each of One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall is estimated based on the percentage split of the net lettable area for One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall as disclosed in the circular to C-REIT Unitholders dated 1 July 2015 in relation to (i) the proposed acquisition of an indirect interest in One Raffles Place and the proposed convertible perpetual preferred unit (“CPPU”) issue; and (ii) the proposed trust deed supplement for the issue of preferred units.

7.4 Increased Flexibility and Ability to Drive Growth

Stapled Securityholders will benefit from the Enlarged REIT’s enhanced ability to pursue future scalable growth via organic and inorganic means. Expanding the investment mandate will allow the Enlarged REIT to explore opportunities beyond a specific sector, and enhance its ability to drive long-term distribution and capital growth. The Enlarged REIT’s larger capital base will also enhance its funding capacity and flexibility, with (i) debt headroom increasing from approximately S\$254 million (for H-Trust) to approximately S\$551 million as at 31 December 2018; and (ii) a larger equity fundraising capacity. In addition, the Enlarged REIT will enjoy enhanced capacity to undertake asset enhancement initiatives to deliver organic growth for unitholders. The increased funding capacity and flexibility will enhance the Enlarged REIT’s ability to drive long term growth for all unitholders.



Note:

- (1) As at 31 December 2018. Based on the aggregate leverage limit of 45 per cent. under Appendix 6 of the Code on Collective Investment Schemes issued by the MAS.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

8. DISCLOSURE OF INTERESTS

8.1 Holdings of and Dealings in Stapled Securities. As at the Latest Practicable Date, save as disclosed in paragraph 1 of Schedule H to this Letter and in the Scheme Document, none of (i) the C-REIT Trustee (in its capacity as trustee of C-REIT); (ii) the C-REIT Manager and its directors, and (iii) members acting in concert with the C-REIT Manager (collectively, the “**C-REIT Concert Party Group**”):

8.1.1 owns, controls or has agreed (other than pursuant to the Implementation Agreement) to acquire any (i) Stapled Securities; (ii) securities which carry voting rights in H-Trust; and (iii) convertible securities, warrants, options or derivatives in respect of such Stapled Securities or securities which carry voting rights in H-Trust (collectively, the “**H-Trust Securities**”); and

8.1.2 has dealt for value in the H-Trust Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date (the “**Relevant Period**”).

8.2 Holdings of and Dealings in C-REIT Units. As at the Latest Practicable Date, save as disclosed in paragraph 2 of Schedule H to this Letter and in the Scheme Document, none of the members of the C-REIT Concert Party Group:

8.2.1 owns, controls or has agreed to acquire any (i) C-REIT Units; (ii) securities which carry voting rights in C-REIT; and (iii) convertible securities, warrants, options or derivatives in respect of such C-REIT Units or securities which carry voting rights in C-REIT (collectively, the “**C-REIT Securities**”); and

8.2.2 has dealt for value in the C-REIT Securities during the Relevant Period.

8.3 Other Arrangements. As at the Latest Practicable Date, save as disclosed in Schedule I to this Letter and in the Scheme Document:

8.3.1 no person has given any irrevocable undertaking to any member of the C-REIT Concert Party Group to vote in favour of or against the Trust Scheme at the Trust Scheme Meeting; and

8.3.2 none of the members of the C-REIT Concert Party Group has (i) granted a security interest over any H-Trust Securities to another person, whether through a charge, pledge or otherwise; (ii) borrowed from another person any H-Trust Securities (excluding borrowed securities which have been on-lent or on-sold); or (iii) lent to another person any H-Trust Securities.

Upon the Trust Scheme becoming effective in accordance with its terms, the C-REIT Manager will hold and control all the voting rights in H-Trust.

9. OVERSEAS STAPLED SECURITYHOLDERS

9.1 Overseas Stapled Securityholders. The applicability of the Trust Scheme to Stapled Securityholders whose addresses are outside Singapore, as shown on the Register of Stapled Securityholders of H-Trust, or as the case may be, in the records of The Central Depository (Pte) Limited (each, an “**Overseas Stapled Securityholder**”), may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Stapled Securityholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

Overseas Stapled Securityholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.

- 9.2 Copies of Scheme Document.** Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, the C-REIT Manager and the H-Trust Managers reserve the right not to send such documents to the Stapled Securityholders in such overseas jurisdiction.

Stapled Securityholders (including Overseas Stapled Securityholders) may obtain copies of the Scheme Document and any related documents during normal business hours and up to the date of the Extraordinary General Meeting and the Trust Scheme Meeting from Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Stapled Security Registrar**”) at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Stapled Securityholder may write in to the Stapled Security Registrar at the same address to request for the Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three Market Days prior to the date of the Extraordinary General Meeting and the Trust Scheme Meeting.

For the avoidance of doubt, the Trust Scheme is being proposed to all the Stapled Securityholders (including the Overseas Stapled Securityholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Trust Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Trust Scheme would not be in compliance with the laws of such jurisdiction.

It is the responsibility of any Overseas Stapled Securityholder who wishes to request for the Scheme Document and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for the Scheme Document and any related documents or participating in the Trust Scheme, the Overseas Stapled Securityholder represents and warrants to the C-REIT Manager and the H-Trust Managers that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Overseas Stapled Securityholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

- 9.3 Notice.** The C-REIT Manager and the H-Trust Managers each reserves the right to notify any matter, including the fact that the Trust Scheme has been proposed, to any or all Stapled Securityholders (including Overseas Stapled Securityholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Stapled Securityholder (including any Overseas Stapled Securityholder) to receive or see such announcement or advertisement. For the avoidance of doubt, for as long as H-Trust remains listed on the SGX-ST, the H-Trust Managers will continue to notify all Stapled Securityholders (including Overseas Stapled Securityholders) of any matter relating to the Trust Scheme by announcement via SGXNET.

Notwithstanding that such Overseas Stapled Securityholder may not receive the notice of the Trust Scheme Meeting, they shall be bound by the Trust Scheme if the Trust Scheme becomes effective in accordance with its terms.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

10. SETTLEMENT AND REGISTRATION

Paragraph 12 of the Letter to Stapled Securityholders sets out details of the procedures for the implementation of the Trust Scheme and settlement and registration procedures.

11. FINANCIAL ADVISERS AND CONFIRMATION OF FINANCIAL RESOURCES

Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited are the financial advisers to the C-REIT Manager in respect of the Merger and the Trust Scheme (the “**C-REIT Financial Advisers**”).

Citigroup Global Markets Singapore Pte. Ltd., being one of the C-REIT Financial Advisers, confirms that sufficient financial resources are available to C-REIT to satisfy in full the aggregate Cash Consideration payable by the C-REIT Trustee for all the Stapled Securities to be acquired by the C-REIT Trustee pursuant to the Trust Scheme.

12. RESPONSIBILITY STATEMENT

The directors of the C-REIT Manager (including those who may have delegated detailed supervision of this Letter) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Letter which relate to C-REIT and/or the C-REIT Manager (excluding information relating to H-Trust and/or the H-Trust Managers) are fair and accurate and that there are no other material facts not contained in this Letter, the omission of which would make any statement in this Letter misleading. The directors of the C-REIT Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from H-Trust and/or the H-Trust Managers, the sole responsibility of the directors of the C-REIT Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Letter. The directors of the C-REIT Manager do not accept any responsibility for any information relating to H-Trust and/or the H-Trust Managers or any opinion expressed by H-Trust and/or the H-Trust Managers.

Yours faithfully

For and on behalf of

OUE Commercial REIT Management Pte. Ltd.

(as manager of OUE Commercial Real Estate Investment Trust)

Tan Shu Lin

Chief Executive Officer and Executive Director

10 July 2019

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

SCHEDULE A

ADDITIONAL INFORMATION ON C-REIT

1. DIRECTORS OF THE C-REIT MANAGER

The names, addresses and designations of the directors of the C-REIT Manager as at the Latest Practicable Date are as follows:

Name	Address	Designation
Mr Christopher James Williams	c/o 50 Collyer Quay #04-08 OUE Bayfront Singapore 049321	Chairman and Non-Independent Non-Executive Director
Mr Loh Lian Huat	c/o 50 Collyer Quay #04-08 OUE Bayfront Singapore 049321	Lead Independent Director
Dr Lim Boh Soon	c/o 50 Collyer Quay #04-08 OUE Bayfront Singapore 049321	Independent Director
Ms Usha Ranee Chandradas	c/o 50 Collyer Quay #04-08 OUE Bayfront Singapore 049321	Independent Director
Mr Jonathan Miles Foxall	c/o 50 Collyer Quay #04-08 OUE Bayfront Singapore 049321	Non-Independent Non-Executive Director
Ms Tan Shu Lin	c/o 50 Collyer Quay #04-08 OUE Bayfront Singapore 049321	Chief Executive Officer and Executive Director

2. CAPITAL STRUCTURE

2.1 Equity Capital

As at the Latest Practicable Date, C-REIT has two classes of units, namely the C-REIT Units and the CPPUs.

2.1.1 C-REIT Units

As at the Latest Practicable Date:

- (i) there are 2,866,585,405 C-REIT Units in issue. For the avoidance of doubt, the total number of C-REIT Units may change after the Latest Practicable Date if new C-REIT Units are issued to the C-REIT Manager as part payment of the management fees due to the C-REIT Manager every quarter; and

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- (ii) 10,607,160 C-REIT Units have been issued since 31 December 2018, being the end of the last financial year of C-REIT.

All C-REIT Units in issue immediately following the Trust Scheme (including the Consideration Units) will (a) have identical rights in all respects and will rank *pari passu* with one another, and (b) be fully paid-up or credited as paid-up.

2.1.2 CPPUs

As at the Latest Practicable Date:

- (i) there are 375,000,000 CPPUs in issue; and
- (ii) no CPPUs have been issued since 31 December 2018, being the end of the last financial year of C-REIT.

2.2 C-REIT Trust Deed

The C-REIT Trust Deed does not contain any restrictions on the right to transfer the C-REIT Units in connection with the Merger or the Trust Scheme. The rights and privileges attaching to the C-REIT Units and CPPUs are set out in the C-REIT Trust Deed. Extracts of the C-REIT Trust Deed relating to the rights of holders of the C-REIT Units and the CPPUs in respect of capital, distributions and voting are set out in Part 1 of Schedule B to this Letter. The Specific Preferred Unit Terms (as defined in the C-REIT Trust Deed) relating to the rights of the holder of the CPPUs in respect of capital, distributions and voting, as extracted from Appendix B of the circular to C-REIT Unitholders dated 1 July 2015, are set out in Part 2 of Schedule B to this Letter.

2.3 Changes to Capital of C-REIT

During the three financial years preceding the Latest Practicable Date, the material changes to the issued capital of C-REIT are as follows:

- 2.3.1** on 17 March 2017, the C-REIT Manager issued 233,281,400 new C-REIT Units at an issue price of S\$0.643 per new C-REIT Unit pursuant to a private placement announced on 8 March 2017;
- 2.3.2** on 2 November 2017, the C-REIT Manager announced that it had redeemed 75,000,000 CPPUs at the issue price of the CPPUs which is one Singapore dollar for each CPPU;
- 2.3.3** on 2 January 2018, the C-REIT Manager announced that it had redeemed 100,000,000 CPPUs at the issue price of the CPPUs which is one Singapore dollar for each CPPU;
- 2.3.4** on 10 September 2018, the C-REIT Manager announced the adjustment of the conversion price of the CPPUs from S\$0.841 for each CPPU to S\$0.7154 for each CPPU;

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- 2.3.5** on 30 October 2018, the C-REIT Manager issued 1,288,438,981 new C-REIT Units at an issue price of S\$0.456 per new C-REIT Unit pursuant to a rights issue announced on 10 September 2018;
- 2.3.6** on 1 November 2018, the C-REIT Manager announced that 11,947,368 new C-REIT Units have been issued to the C-REIT Manager as payment of the acquisition fee of approximately S\$6.8 million in relation to the acquisition of the office components of OUE Downtown; and
- 2.3.7** in addition, over the last three financial years and up till the Latest Practicable Date, an aggregate of 43,466,087 new C-REIT Units have been issued to the C-REIT Manager as part payment of its management fees.

Save as disclosed above and in any other information which is publicly available (including, without limitation, the announcements released by the C-REIT Manager, on behalf of C-REIT, on SGXNET), C-REIT has not undergone any re-organisation of capital during the three financial years preceding the Latest Practicable Date.

2.4 Convertible Instruments

As at the Latest Practicable Date, save for the CPPUs, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of C-REIT Units which carry voting rights affecting the C-REIT Units.

3. INDEBTEDNESS

As at the Latest Practicable Date, C-REIT and its subsidiaries (the “**C-REIT Group**”) have total borrowings of approximately S\$1,676.9 million, comprising S\$625.3 million of secured bank borrowings and S\$1,051.6 million of unsecured bank borrowings. C-REIT has put in place the S\$1,500,000,000 Multi-currency Medium Term Note Programme through OUE CT Treasury Pte. Ltd, a wholly-owned subsidiary of the C-REIT Trustee. As at the Latest Practicable Date, S\$150.0 million notes have been issued under this programme. The C-REIT Group’s proportionate interest in the borrowings of its subsidiaries is as follows:

3.1 Lippo Realty (Shanghai) Limited (“Lippo Shanghai”)

Lippo Shanghai, a wholly-owned subsidiary of C-REIT in the People’s Republic of China, has drawn down RMB129.5 million or S\$25.5 million⁸ of secured bank borrowings.

3.2 C-REIT’s 83.33 per cent. interest in OUB Centre Limited (“OUBC”)

C-REIT’s proportionate share of the unsecured bank borrowings drawn by OUBC is S\$255.8 million.

⁸ Based on SGD:CNY exchange rate of 1:5.079 as at the Latest Practicable Date.

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Save as disclosed above and in any other information which is publicly available (including, without limitation, the announcements released by the C-REIT Manager, on behalf of C-REIT, on SGXNET), as at the Latest Practicable Date, C-REIT does not have any outstanding bank overdrafts or loans, or other similar indebtedness, mortgages, charges, guarantees or other material contingent liabilities.

4. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in any information which is publicly available (including, without limitation, the announcements released by the C-REIT Manager, on behalf of C-REIT, on SGXNET):

- 4.1 C-REIT is not engaged in any material litigation, either as plaintiff or defendant, which may materially or adversely affect the financial position of C-REIT; and
- 4.2 none of the directors of the C-REIT Manager are aware of any litigation, claims or proceedings pending or threatened against C-REIT, or of any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of C-REIT.

5. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in this Letter, the annual reports of C-REIT for the financial year ended 31 December 2016 (“**FY2016**”), FY2017 and FY2018, C-REIT’s unaudited consolidated financial statements for the first quarter ended 31 March 2019 (the “**C-REIT 1Q2019 Results**”), any other information which is publicly available (including, without limitation, the announcements released by the C-REIT Manager, on behalf of C-REIT, on SGXNET), and other than:

- 5.1 the irrevocable undertaking provided by OUE to the C-REIT Manager, Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited in relation to the rights issue announced on 10 September 2018; and
- 5.2 the put and call option agreement entered into between the C-REIT Trustee and Alkas Realty Pte. Ltd. on 10 September 2018 in respect of the office components of OUE Downtown,

there are no material contracts entered into between C-REIT and an interested person (within the meaning of Note 1 on Rule 23.12 of the Code), not being a contract entered into in the ordinary course of business carried on or intended to be carried on by C-REIT, not more than three years before the Latest Practicable Date.

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6. FINANCIAL INFORMATION

6.1 Financial Information of C-REIT

Set out below is certain financial information extracted from the annual reports of C-REIT for FY2016, FY2017 and FY2018 as well as the C-REIT 1Q2019 Results. Such financial information should be read in conjunction with the relevant financial statements and the accompanying notes as set out therein.

	FY2016	FY2017	FY2018	1Q2019
Revenue (S\$'000)	177,809	176,297	176,396	55,335
Exceptional items (S\$'000)	–	–	–	–
Total return for the year before tax (S\$'000)	92,068	183,741	150,447	29,226
Total return for the year (S\$'000)	70,245	147,683	130,713	24,654
Non-controlling interests (S\$'000)	8,247	11,373	13,220	1,970
Distribution to CPPU holder (S\$'000)	5,500	5,311	3,750	925 ⁽¹⁾
Earnings per C-REIT Unit (Singapore cents)	4.37	7.73 ⁽²⁾	5.73	0.76
Distribution per C-REIT Unit (Singapore cents)	5.18	4.10 ⁽³⁾	3.22 ⁽³⁾	0.90 ⁽⁴⁾

Notes:

- (1) Amount reserved for distribution, which has not been declared as at the date of the C-REIT 1Q2019 Results.
- (2) Restated for the effect of the rights issue undertaken by C-REIT in October 2018. Prior to the restatement, the net earnings per C-REIT Unit would be 8.78 Singapore cents in FY2017.
- (3) Restated for the effect of the rights issue undertaken by the C-REIT in October 2018. Prior to the restatement, the net distribution per C-REIT Unit would be 4.67 Singapore cents in FY2017 and 3.48 Singapore cents in FY2018.
- (4) Amount reserved for distribution in respect of each C-REIT Unit, which has not been declared as at the date of the C-REIT 1Q2019 Results.

The unaudited statement of financial position of C-REIT as at 31 March 2019 and the audited statement of financial position of C-REIT as at 31 December 2018 are set out in Schedule C to this Letter. Copies of the annual reports of C-REIT for FY2016, FY2017 and FY2018 and the C-REIT 1Q2019 Results are available for inspection at the registered office of the C-REIT Manager at 50 Collyer Quay, #04-08 OUE Bayfront, Singapore 049321 during normal business hours from the date of this Letter up to the Effective Date and on the website of the SGX-ST at www.sgx.com.

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6.2 Material Changes in Financial Position

Save in relation to and in connection with the Merger and the Trust Scheme (including financing the Merger and the Trust Scheme and the costs and expenses incurred or to be incurred in connection with the Merger and the Trust Scheme) and as disclosed in this Letter and any other information which is publicly available (including, without limitation, the announcements released by the C-REIT Manager, on behalf of C-REIT, on SGXNET), there have been no known material changes in the financial position of C-REIT since 31 December 2018, being the date of the last published audited consolidated financial statements of C-REIT.

6.3 Significant Accounting Policies

The audited financial statements of C-REIT for FY2018 have been prepared in accordance with the Statement of Recommended Accounting Practice “Reporting Framework for Unit Trusts” (“**RAP 7**”) issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Schemes issued by the MAS and the provisions of the C-REIT Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards.

The significant accounting policies for C-REIT are set out in the extract of the notes to the audited consolidated financial statements of C-REIT for FY2018, which are set out in Schedule D to this Letter.

6.4 Changes in Accounting Policies

There has been no change in the accounting policies of C-REIT which will cause the figures set out in paragraph 6.1 of this Schedule A to be not comparable to a material extent.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

SCHEDULE B

PART 1

C-REIT TRUST DEED EXTRACTS

The rights of holders of the C-REIT Units and the CPPUs in respect of capital, distributions and voting are set out below:

All capitalised terms used in the following extracts shall have the same meanings given to them in the C-REIT Trust Deed.

I. CAPITAL

“2. Provisions as to Units, Holders and Statements of Holdings

2.1 No Certificates

2.1.1 *No certificate shall be issued to Holders by either the Manager or the Trustee in respect of Units (whether Listed or Unlisted) issued to Holders. For so long as the Trust is Listed on the SGX-ST, the Manager and the Trustee shall, pursuant to the Depository Services Terms and Conditions, appoint the Depository as the Unit depository for the Trust, and all Units issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.*

2.1.2 *For so long as the Trust is Listed on the SGX-ST, the Manager or the agent appointed by the Manager shall issue to the Depository, not more than 10 Business Days after the issue of Units, a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.*

2.2 Form of Statements of Holdings

2.2.1 *In the event the Trust is or becomes Unlisted, the Manager or the agent appointed by the Manager shall issue to each Holder not more than one month after the allotment of Units to such Holder a confirmation note confirming such allotment. The Manager or its agent shall, for so long as the Trust is Unlisted, issue to each Holder on a calendar quarterly basis (or such other period as may be agreed between the Manager and the Trustee) a statement of holdings (the “**Statement of Holdings**”). A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Units and shall be in such form as may from time to time be agreed between the Manager and the Trustee.*

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2.2.2 *For so long as the Trust is Listed and Units are registered in the name of the Depository, the Depository shall issue to each Depositor such contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances, and at such intervals, as may be provided for in the Depository’s terms and conditions for operation of such Depositor’s Securities Accounts.*

2.3 Sub-division and Consolidation of Units

The Manager may at any time, with the approval of the Trustee and on prior written notice, given by the Manager to each Holder (or (as the case may be) to each Depositor by the Manager or the Trustee delivering such notice in writing to the Depository for onward delivery to the Depositors), determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Holders shall be bound accordingly. The Register shall be altered accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and, where applicable, the Trustee or the Manager shall cause the Depository to alter the Depository Register accordingly in respect of each Depositor’s Securities Account to reflect the new number of Units held by each Depositor as a result of such sub-division or consolidation.

2.4 Terms and Conditions of Trust Deed and Supplemental Deeds to Bind Holders

The terms and conditions of this Deed shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if this Deed contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as this Deed may require the Trustee or (as the case may be) the Manager to do.

2.5 Availability of Trust Deed

A copy of this Deed shall be made available for inspection at the registered office of the Manager at all times during usual Business Hours and shall be supplied by the Manager to any person on application at a charge not exceeding S\$10 per copy document.

2.6 Units to be Held Free from Equities

A Holder entered in the Register as the registered holder of Units or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Units registered to him, shall be the only person recognised by the Trustee or by the Manager as having any right, title or interest in or to the Units registered in his name and the Trustee and the Manager may recognise such Holder or (as the case may be) such Depositor as absolute owner thereof and shall not be bound by any notice to the contrary or to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by some court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Units. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

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2.7 Variation of Rights

2.7.1 *Whenever the Units of the Trust are divided into different Classes, subject to the provisions of the Relevant Laws, Regulations and Guidelines, Preferred Units, other than redeemable Preferred Units, may be repaid and the special rights attached to any Class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued Units of the Class or with the sanction of an Extraordinary Resolution at a separate meeting of holders of the Units of the Class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Trust is a going concern or during or in contemplation of a winding up. To every such meeting of Holders, all the provisions of this Deed relating to meetings of Holders (including, but not limited to the provisions of Schedule 1) shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one third of the issued Units of the Class and that every such holder shall on a poll have one vote for every Unit of the Class held by him, PROVIDED ALWAYS that where the necessary majority for such an Extraordinary Resolution is not obtained at such meeting of Holders, consent in writing if obtained from the holders of three quarters of the issued Units of the Class concerned within two months of such meeting of Holders shall be as valid and effectual as an Extraordinary Resolution at such meeting of Holders. This Clause 2.7 shall apply to the variation or abrogation of the special rights attached to some only of the Units of any Class as if each group of Units of the Class differently treated formed a separate Class the special rights whereof are to be varied.*

2.7.2 *The rights conferred upon the Holders of the Units of any Class issued with preferred, deferred, subordinated or other rights shall not, unless otherwise expressly provided by the terms of issue of the Units of that Class or by this Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further Units ranking equally therewith.*

2.8 Rights of Manager in Respect of Units Not Registered

For so long as the Trust is Unlisted, the Manager shall be treated for all the purposes of this Deed as the Holder of each Unit during such times as there shall be no other person registered or entitled to be registered as the Holder and any such Unit shall be deemed to be in issue. Nothing herein contained shall prevent the Manager from becoming registered as the Holder of Units.

2.9 Restrictions on Directions

The Holders shall not give any directions to the Manager or the Trustee (whether at a meeting of Holders convened pursuant to Clause 30 or otherwise) and if such directions are given, the Manager and/or Trustee shall be entitled to disregard such instructions if it would require the Manager or Trustee to do or omit from doing anything which may result in:

2.9.1 *the Trust, the Manager or the Trustee, as the case may be, ceasing to comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange on or after the Listing Date and such other Relevant Laws, Regulations and Guidelines; or*

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2.9.2 *the exercise of any discretion expressly conferred on the Trustee or the Manager by this Deed or the determination of any matter which under this Deed requires the agreement of either or both of the Trustee and the Manager; PROVIDED THAT nothing in this Clause 2.9.2 shall limit the right of a Holder to require the due administration of the Trust in accordance with this Deed.*

3. Registration of Holders

3.1 Register of Holders

An up-to-date Register shall be kept in Singapore by the Trustee or the Registrar in such manner as may be required by any Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether the Trust is Listed or Unlisted. For so long as the Trust is Listed, the Trustee or the Registrar shall record the Depository as the registered holder of all Units in issue in the Register. In the event the Trust is Unlisted, the Trustee or the Registrar shall record each Holder as the registered holder of Units held by such Holder. There shall be entered in the Register, in respect of each Holder or person who has ceased to be a Holder, the following information as soon as practicable after the Trustee or the Registrar receives the following relevant information:

3.1.1 *the names and addresses of the Holders (and in the case where the registered Holder is the Depository, the name and address of the Depository);*

3.1.2 *the number of Units held by each Holder;*

3.1.3 *the date on which every such person entered in respect of the Units standing in his name became a Holder and where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;*

3.1.4 *the date on which any transfer is registered and the name and address of the transferee; and*

3.1.5 *where applicable, the date on which a Holder ceases or ceased to be a Holder of Units.*

Units may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

3.2 Unlisted Units

For so long as the Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves, to the satisfaction of the Manager and the Trustee, that the Register is incorrect.

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3.3 *Listed Units*

- 3.3.1** *For so long as the Trust is Listed, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Manager to the Depository under Clause 2.1, the entries in the Register shall prevail unless the Manager, the Trustee and the Depository mutually agree that the Register is incorrect.*
- 3.3.2** *For so long as the Trust is Listed, the Manager shall have entered into the Depository Services Terms and Conditions for the Depository to maintain a record in the Depository Register of the Depositors having Units credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clause 3.1.1 to 3.1.5 in relation to each Depositor. Each Depositor named in the Depository Register shall, for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor’s name in the Depository Register, and the Manager and the Trustee shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. Subject to the terms of the Depository Services Terms and Conditions, two or more persons may be registered as Joint Depositors of Units.*
- 3.3.3** *The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of account balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves, to the satisfaction of the Manager, the Trustee and the Depository, that the Depository Register is incorrect.*

3.4 *Change of Name or Address*

For so long as the Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified to the Manager in writing or in such other manner as the Manager may approve. If the Manager is satisfied with the change in name or address and that all formalities as may be required by the Manager have been complied with, the Manager shall notify the Trustee of the same and the Trustee shall alter or cause to be altered the Register accordingly.

3.5 *Inspection of Register*

- 3.5.1** *The Trustee shall give the Manager and its representatives, or procure that the Manager and its representatives are given, access to the Register and all subsidiary documents and records relating thereto at all reasonable times during Business Hours and allow them to, or procure that they are allowed to, inspect and to take copies of the same with prior notice and without charge but neither the Manager nor its representatives shall be entitled to remove the same (save in the case where the Manager is required to produce the Register to a court of competent jurisdiction or otherwise as required by law) or to make any entries therein or alterations thereto.*

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- 3.5.2** *Except when the Register is closed in accordance with Clause 3.6, the Register shall during Business Hours (subject to such reasonable restrictions as the Trustee may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder without charge PROVIDED THAT if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system, the provisions of this Clause 3.5 may be satisfied by the production of legible evidence of the contents of the Register.*
- 3.5.3** *If the Trustee is removed or retires in accordance with the provisions of Clause 23, the Trustee shall deliver to the Manager the Register and all subsidiary documents and records relating thereto. Thereafter, the Trustee shall not retain any copies of the aforesaid documents and records unless required by law.*

3.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the Trustee may from time to time determine, PROVIDED THAT it shall not be closed for more than 30 days in any one Year.

3.7 Transfer of Units

- 3.7.1** *For so long as the Trust is Listed on the SGX-ST, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 3.7.2 to 3.7.6 shall not apply. The Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units of Depositors credited into Securities Accounts and to pay out of the Deposited Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Manager and/or the Depository shall be borne by the Depositor who is the transferor. There are no restrictions as to the number of Units (whether Listed or Unlisted) which may be transferred by a transferor to a transferee. For so long as the Trust is Listed on the SGX-ST, in the case of a transfer of Units from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered in the Depository Register. If the Units are Listed on any other Recognised Stock Exchange, the transfer of Units shall be in accordance with the requirements of the relevant Recognised Stock Exchange. No transfer or purported transfer of a Listed Unit other than a transfer made in accordance with this Clause 3.7.1 shall entitle the transferee to be registered in respect thereof.*

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- 3.7.2** *For so long as the Trust is Unlisted, every Holder, Joint-All Holder (with the concurrence of all the other Joint-All Holders) and Joint-Alternate Holder shall be entitled to transfer all or any of the Units held by him as follows:*
- (i) a transfer of Units shall be effected by an instrument of transfer in writing in common form (or in such other form as the Manager and the Trustee may from time to time approve). The instrument of transfer need not be a deed;*
 - (ii) every instrument of transfer relating to Units must be signed by the transferor and the transferee and subject to the provisions of Clauses 3.7 to 3.13, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof;*
 - (iii) all charges in relation to such transfer as may be imposed by the Trustee shall be borne by the Holder who is the transferor; and*
 - (iv) there are no restrictions as to the number of Units which may be transferred by a transferor to a transferee.*
- 3.7.3** *Every instrument of transfer must be duly stamped (if required by law) and left with the Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines for the time being in force and by such evidence as the Manager may require to prove the title of the transferor or his right to transfer the Units.*
- 3.7.4** *For so long as the Trust is Unlisted, the Manager shall notify the Trustee of the date of each transfer effected in respect of Units and the name and address of the transferee and the Trustee shall alter or cause to be altered the Register accordingly.*
- 3.7.5** *For so long as the Trust is Unlisted, all instruments of transfer which shall be registered in respect of Units shall be forwarded by the Manager to, and retained by, the Trustee.*
- 3.7.6** *For so long as the Trust is Unlisted, a fee not exceeding S\$10 (or such other amount as the Manager and the Trustee may from time to time agree), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Trustee for the registration of any transfer by an instrument of transfer of Units. Such fee must, if required by the Trustee, be paid before the registration of any transfer.*
- 3.7.7** *No transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 3.7 shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.*
- 3.7.8** *The Trustee shall have the powers to rectify the Register if it appears to the Trustee that any of the particulars recorded in the Register (including those particulars set out in Clause 3.1) was wrongly entered or omitted.*

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3.8 *Death of Holders*

The executors or administrators of a deceased Holder of Units (not being a Joint Holder) shall be the only persons recognised by the Trustee and the Manager as having title to the Units. In case of the death of any one of the Joint Holders of Units and subject to any Relevant Laws, Regulations and Guidelines, the survivor or survivors, upon producing such evidence of death as the Manager and the Trustee may require, shall be the only person or persons recognised by the Trustee and the Manager as having any title to or interest in the Units, PROVIDED THAT where the sole survivor is a Minor, the Manager or the Trustee shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obligated to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder, the Minor Joint Holder or the Minor Joint Holder’s legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years).

3.9 *Body Corporate*

A body corporate may be registered as a Holder or as one of the Joint Holders of Units. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation shall, subject to Clause 3.13, be the only person recognised by the Trustee and the Manager as having title to the Units of such corporate Holder. The registration of a body corporate as a Depositor or as one of two or more Joint Depositors of Units shall be in accordance with the Depository’s terms and conditions for the operation of Securities Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Manager and the Trustee of such succession, be the only person recognised by the Trustee and the Manager as having title to the Units.

3.10 *Minors*

A Minor shall not be registered as a sole Holder or as one of the Joint-Alternate Holders of Units but may be registered as one of the Joint-All Holders of Units, PROVIDED THAT at least one of the Joint-All Holders is a person who has attained the age of 18 years. In the event that one of the Joint-All Holders is a Minor, the Manager and the Trustee need only act on the instructions given by the other Joint-All Holder or Joint-All Holders who has or have attained the age of 18 years.

3.11 *Transmission*

3.11.1 *Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or being the survivor of Joint Holders may (subject as hereinafter provided), upon producing such evidence as to his title as the Trustee and the Manager shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Manager notice in writing of his desire or transfer such Unit to some other person. The Manager shall notify the Trustee upon the receipt by it of any such notice and the Trustee shall alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder.*

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3.11.2 *Any person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such Unit in the Register or (as the case may be) the Depositor of such Unit in the Depository Register.*

3.11.3 *The Manager may retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Holder of or to transfer, until such person shall be registered as the Holder of such Units or shall duly transfer the same.*

3.12 Payment of Fee

In respect of the registration of any probate, letter of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Unit, the Trustee may require from the person applying for such registration a fee of S\$10 (or such other amount as the Trustee and the Manager may from time to time agree) together with a sum sufficient in the opinion of the Trustee to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee, if required by the Trustee, must be paid before the registration of any transfer.

3.13 Removal from Register

For so long as the Trust is Unlisted, upon the registration of a transfer in favour of the Manager, the name of the Holder shall be removed from the Register in respect of such Units but the name of the Manager need not be entered in the Register as the Holder of such Units. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Units or as withdrawing the same from issue.

3.14 Registrar

The Trustee may, with the approval of the Manager, at any time or from time to time appoint an agent on its behalf to keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the Manager, the Trustee and the Registrar) shall be payable out of the Deposited Property of the Trust.

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5. Issue of Units and Preferred Units

5.1 General

- 5.1.1** *Subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, the Manager shall have the exclusive right to effect for the account of the Trust the issue of Units (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and any Units may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Manager may think fit (including Preferred Units) PROVIDED THAT, in connection with the initial Listing of the Trust on the SGX-ST, the Manager shall not be bound to accept an application for Units and other Securities so as to give rise to a holding of fewer than 100 Units or Preferred Units (or such other number of Units or Preferred Units as may be determined by the Manager) and for so long as the Trust is Listed, the Manager shall comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines when issuing Units or Preferred Units. No fractions of a Unit or Preferred Unit shall be issued (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and in issuing such number of Units or Preferred Units as corresponding to the relevant subscription proceeds (if any), the Manager shall, in respect of each Holder’s entitlement to Units or Preferred Units, truncate but not round off to the nearest whole Unit or Preferred Unit and any balance arising from such truncation shall be retained as part of the Deposited Property. Issues of Units or Preferred Units shall only be made on a Business Day unless and to the extent that the Manager, with the previous consent of the Trustee, otherwise prescribes. Issues of Units or Preferred Units for cash shall be made at a price hereinafter prescribed.*
- 5.1.2** *The Manager may by deed supplemental hereto with the Trustee issue Classes of Units and other Securities under such terms and conditions as may be contained therein.*
- 5.1.3** *Preferred Units may be issued subject to such limitation thereof as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. The total number of issued Preferred Units shall not exceed the total number of ordinary Units issued at any time. Subject to the relevant Preferred Unit Terms attached to such classes of Preferred Units as may be in issue from time to time, Preferred Unitholders shall have the same rights as ordinary Holders as regards receiving of notices, reports and balance sheets and attending meetings of Holders, and Preferred Unitholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the Preferred Units is in arrear for at least 12 months.*
- 5.1.4** *The Manager has power to issue further preference capital ranking equally with, or in priority to, Preferred Units already issued.*

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5.1.5 *The Trust may be Listed on the SGX-ST pursuant to Clause 9 and, if so Listed, the Units shall be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through Securities Accounts into which Units are credited in accordance with Clause 3.7.*

5.1.6 *For so long as the Trust is Listed, the Manager may issue Units PROVIDED THAT the Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines.*

5.2 Issue Price of Units Prior to the Listing Date and the Initial Offering Price

5.2.1 *Prior to the Listing Date, the Manager may, subject to the provision of this Deed and any Relevant Laws, Regulations and Guidelines, issue Units at any time to any person at any issue price per Unit (“Issue Price”) and on such terms and conditions as the Manager may determine in its absolute discretion.*

5.2.2 *The issue of Units for the purpose of an initial public offering of Units shall be at an Issue Price to be determined by the Manager, or within such range to be determined by the Manager, on or before the Listing Date for such Units, PROVIDED THAT the Manager may cede the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as may be decided upon and agreed by the relevant persons. The manner of and amount payable and any applicable refund on an application for Units during the initial public offering will be stated in the relevant Prospectus. Any such offer of Units for the purpose of an initial public offering may remain open for a period as may be agreed between the Manager and the Trustee, subject to any Relevant Laws, Regulations and Guidelines.*

5.2.3 *Subject to Clause 5.2.2, the Manager may extend a discount to the Issue Price under an initial public offering of Units to any applicant who successfully applies to purchase more than such number of Units (as determined by the Manager in its absolute discretion) in a single application, subject to compliance with the Listing Rules and any Relevant Laws, Regulations and Guidelines.*

5.2.4 *The Manager may issue Units at the Issue Price determined in accordance with Clause 5.2.2 to the vendor of any Authorised Investments to be purchased by the Trust in conjunction with an initial public offering of Units, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by the Trust for such Authorised Investments.*

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5.3 Issue Price of Units when the Trust is Listed

5.3.1 Subject to Clauses 5.3.2, 5.3.4 and 15.1.4(iv) and to any Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Manager may issue Units on any Business Day at an Issue Price equal to the Market Price, without the prior approval of the Holders in a meeting of Holders. For this purpose “**Market Price**” shall mean:

- (i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or the relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or
- (ii) if the Manager believes that the calculation in Clause 5.3.1(i) does not provide a fair reflection of the market price of a Unit, an amount as determined by the Manager and the Trustee (after consultation with a Stockbroker approved by the Trustee), as being the fair market price of a Unit.

5.3.2 Subject to Clause 5.3.3, for so long as the Trust is Listed, the Manager may issue Units at an Issue Price other than calculated in accordance with Clause 5.3.1 without the prior approval of the Holders in a meeting of Holders PROVIDED THAT the Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines.

5.3.3 Subject to any direction to the contrary that may be given by an Ordinary Resolution of a meeting of Holders or except as permitted under the Listing Rules, all new Units shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices of meetings of Holders in proportion, as far as circumstances admit, to the amount of the existing Units to which they are entitled. The offer shall be made by notice specifying the number of Units offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Units offered, the Manager may dispose of those Units in a manner as it thinks most beneficial to the Trust. The Manager may likewise dispose of any new Units which (by reason of the ratio which the new Units bear to Units held by persons entitled to an offer of new Units) cannot, in the opinion of the Manager, be conveniently offered under this provision.

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5.3.4 *Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as full or partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.*

5.4 Issue Price of Units where the Units are Suspended or the Trust is Delisted

Where the Units and/or the Trust become Unlisted after the Listing Date, the Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.5 Units Issued on Unpaid or Partly Paid Basis

5.5.1 *Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in distributions.*

5.5.2 *In the event that the Manager issues Units on an unpaid or partly paid basis to any person, the provisions of Clauses 5.5.3 and 5.5.4 shall apply.*

5.5.3 Calls on Units

- (i) The Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Units but subject always to the terms of issue of such Units. A call may be made payable by instalments.*
- (ii) Each Holder shall (subject to receiving at least 14 days’ notice specifying the time or times and place of payment) pay to the Trust at the time or times and place so specified the amount called on his Units. The Joint Holders of a Unit shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Manager may determine.*
- (iii) If a sum called in respect of a Unit is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the Manager may determine but the Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.*
- (iv) Any sum which by the terms of issue of a Unit becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.*

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- (v) *The Manager may on the issue of Units differentiate between the Holders as to the amount of calls to be paid and the times of payment.*
- (vi) *The Manager may if it thinks fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Units held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the Units in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the Manager may agree. Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in profits.*

5.5.4 Forfeiture and Lien

- (i) *If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Trust by reason of such non-payment.*
- (ii) *The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Units on which the call has been made will be liable to be forfeited.*
- (iii) *If the requirements of any such notice as aforesaid are not complied with, any Unit in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Unit and not actually paid before forfeiture. The Manager may accept a surrender of any Unit liable to be forfeited hereunder.*
- (iv) *A Unit so forfeited shall become the property of the Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Manager shall think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Manager thinks fit. The Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Unit to any such other person as aforesaid.*
- (v) *A Holder or Depositor whose Units have been forfeited or surrendered shall cease to be a holder in respect of the Units but shall notwithstanding the forfeiture or surrender remain liable to pay to the Trust all moneys which at the date of forfeiture or surrender were presently payable by him to the Trust in respect of the Units with interest thereon at 8.0% per annum (or such lower rate as the Manager may determine) from the date of forfeiture or surrender until payment and the Manager may at its absolute discretion enforce payment without any allowance for the value of the Units at that time of forfeiture or surrender or waive payment in whole or in part.*

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- (vi) *The Trust shall have a first and paramount lien on every Unit (not being a fully paid Unit) and distribution from time to time declared in respect of such Units. Such lien shall be restricted to unpaid calls and instalments upon the specific Units in respect of which such moneys are due and unpaid and to such amounts as the Trust may be called upon by law to pay in respect of the Units of the member or deceased member. The Manager may waive any lien which has arisen and may resolve that any Unit shall for some limited period be exempt wholly or partially from the provisions of this Clause 5.5.4.*
- (vii) *The Trust may sell in such manner as the Manager thinks fit any Unit on which the Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Unit or the person entitled thereto by reason of his death or bankruptcy.*
- (viii) *The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Units at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the Manager may authorise some person to transfer or effect the transfer of the Units sold to the purchaser.*
- (ix) *A statutory declaration in writing that the declarant is a director or secretary of the Manager and that a Unit has been duly forfeited or sold to satisfy a lien of the Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Unit. Such declaration and the receipt of the Trust for the consideration (if any) given for the Unit on the sale, re-allotment or disposal thereof together (where the same be required) with the confirmation note delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Unit and the Unit shall be registered in the name of the person to whom the Unit is sold, re-allotted or disposed of or, where such person is a Depositor, the Manager shall procure that his name be entered in the Depository Register in respect of the Unit so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Unit be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Unit.*

5.6 Units Issued to Persons Resident Outside Singapore

Subject to any Relevant Laws, Regulations and Guidelines, if a Unit is to be issued to a person resident outside Singapore, the Manager shall be entitled to charge an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore. In relation to any rights issue or (as the case may be) any preferential offering, the Manager may in its absolute discretion elect not to extend an offer

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of Units under the rights issue or preferential offering to those Holders whose addresses are outside Singapore after having regard to the relevant considerations including whether the Manager considers such election to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. In the case of a rights issue, the provisional allocations of Units of such Holders may be offered for sale by the Manager (as the nominee and authorised agent of each such relevant Holder) in such manner and at such price as the Manager may determine. Where necessary, the Trustee shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale if successful will be paid to the relevant Holders PROVIDED THAT, where the proceeds payable to any single Holder is less than S\$10, the Manager shall be entitled to retain such proceeds as part of the Deposited Property.

5.7 Updating of Securities Account

For so long as the Trust is Listed on the SGX-ST, the Manager shall cause the Depository to effect the book entry of Units issued to a Holder into such Holder’s Securities Account no later than the tenth Business Day after the date on which those Units are agreed to be issued by the Manager.

5.8 Selling Price of Manager’s Units

For so long as the Trust is Unlisted, each Unit of which the Manager is or is deemed to be the Holder may be sold or offered for sale by the Manager at a price equal to the total of the Current Unit Value of that Unit on the day of the sale or offer, the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.9 Discounts

In the event a Preliminary Charge is imposed on the issue of Units where the Trust is Unlisted, the Manager may on any day differentiate between applicants as to the amount of the Preliminary Charge to be imposed (within the permitted limit) on the Issue Price of Units issued to them respectively and likewise the Manager may on any day on the issue of Units allow any person or persons applying for larger numbers of Units than others a discount or discounts on the Issue Price of their Units on such basis or on such scale as the Manager may think fit (PROVIDED THAT no such discount shall exceed the Preliminary Charge included in the Issue Price of the Units concerned) and in any such case, the amount of such Preliminary Charge to be deducted from the proceeds of issue of such Units shall be reduced by the amount of the discount and accordingly the discount shall be borne by the Manager. Besides the number of Units purchased, the bases on which the Manager may differentiate between applicants as to the amount of the Preliminary Charge to be included in the Issue Price of their Units depends on several other factors, including but not limited to, the performance of and the marketing strategy adopted by the Manager for the Trust.

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5.10 Statement of Dealings

The Manager shall furnish to the Trustee from time to time on demand a statement of all issues of Units and of the terms on which the same are issued and of any Investments which it determines to direct to be purchased for account of the Trust, and also a statement of any Investments which in accordance with the powers hereinafter contained it determines to direct to be sold for account of the Trust, and any other information which may be necessary so that the Trustee may be in a position to ascertain at any moment the Net Asset Value of the Deposited Property. The Trustee shall be entitled to require that the Manager refuse to issue a Unit if at any time the Trustee is of the opinion that the provisions of this Clause 5 in regard to the issue of Units are being infringed; but nothing in this Clause 5.10 or elsewhere in this Deed contained shall impose upon the Trustee any responsibility for satisfying itself before issuing Units that the Manager has complied with the conditions of this Clause 5.

5.11 Suspension of Issue

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange (while the Trust is Listed), suspend the issue of Units during any of the following events:

- 5.11.1 any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;*
- 5.11.2 the existence of any state of affairs which, in the opinion of the Manager or (as the case may be) the Trustee might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;*
- 5.11.3 any breakdown in the means of communication normally employed in determining the price of any Investments or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when for any reason the prices of any Investments cannot be promptly and accurately ascertained;*
- 5.11.4 any period when remittance of money which will or may be involved in the realisation of any Investments or in the payment for any Investments cannot, in the opinion of the Manager, be carried out at normal rates of exchange;*
- 5.11.5 any period where the issuance of Units is suspended pursuant to any order or direction issued by the Authority or any other relevant regulatory authority;*
- 5.11.6 in relation to any general meeting of the Holders, any 48 hour period before such general meeting or any adjournment thereof; or*
- 5.11.7 when the business operations of the Manager or the Trustee in relation to the operation of the Trust are substantially interrupted or closed as a result of, or arising from nationalisation, expropriation, currency restrictions, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.*

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Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 5.11 shall exist upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee. In the event of any suspension while the Trust is Listed, the Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

...

7. Repurchase and Redemption of Units by Manager

7.1 Repurchase and Redemption Restrictions when Trust is Unlisted

When the Trust is Unlisted, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Holder has no right to request for the repurchase or redemption of Units more than once a year. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Unlisted and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3.1.

7.2 Repurchase and Redemption Restrictions when Trust is Listed

7.2.1 General

The Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Listed and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3.2. In the event the Manager decides to repurchase or cause the redemption of Units, such repurchase or redemption must comply with the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix. The Manager may, subject to the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix) suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.11.

7.2.2 Holders’ Approval

*For so long as the Trust is Listed on the SGX-ST, the Manager may repurchase or otherwise acquire its issued Units on such terms and in such manner as the Manager may from time to time think fit if it has obtained the prior approval of Holders in general meeting by passing an Ordinary Resolution (the “**Unit Buy-back Mandate**”), in accordance with the provisions of this Deed but subject thereto and to other requirements of the Relevant Laws, Regulations and Guidelines.*

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7.2.3 **Maximum Limit**

The total number of Units which may be repurchased pursuant to any Unit Buy-back Mandate is limited to that number of Units representing not more than 10% of the total number of issued Units as at the date of the general meeting when such Unit Buy-back Mandate is approved by Holders.

7.2.4 **Duration of Authority**

Repurchases of Units may be made during the Relevant Period. “Relevant Period” is the period commencing from the date of the general meeting at which a Unit Buy-back Mandate is sought and the resolution relating to the Unit Buy-back Mandate is passed, and expiring on:

- (i) the date the next Annual General Meeting is or is required by the Relevant Laws, Regulations and Guidelines or this Deed to be held, whichever is earlier; or*
- (ii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-back Mandate are carried out to the full extent mandated,*

whichever is earlier.

For the avoidance of doubt, the authority conferred on the Manager by the Unit Buy-back Mandate to repurchase Units may be renewed at the next general meeting.

7.3 **Repurchase Price**

For the purposes of Clauses 7.1 and 7.2, the Repurchase Price shall be:

7.3.1 *in respect of the repurchase or redemption of Units prior to the Listing Date, an amount determined by the Manager in its absolute discretion. Such amount may be less than, equal to or more than the Current Unit Value of the relevant Units on the day the Manager’s offer to repurchase or cause the redemption of Units is accepted; and*

7.3.2 *in respect of the repurchase or redemption of Units after the Listing Date (whether or not the Trust is Listed or has been Unlisted at the time the Manager’s offer to repurchase or redeem Units is made), unless prohibited by the Relevant Laws, Regulations and Guidelines, the Current Unit Value of the relevant Units on the day the request is accepted by the Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.*

The Repurchase Charge shall be retained by the Manager for its own benefit and the adjustment shall be retained as part of the Deposited Property. The Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Manager from them respectively. The bases on which the Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given, it cannot be revoked without the consent of the Manager. The Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.11.

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7.4 Repurchase or Redemption Options of Manager

In the event the Manager decides to make any offer to repurchase or redeem Units, the Manager shall have the following options:

- 7.4.1** *to effect a repurchase out of its own funds (upon which repurchase the Manager shall be entitled to the Units concerned and to the benefit of the Units concerned);*
- 7.4.2** *to procure some other person to purchase the Units and such purchase shall be deemed to be a repurchase by the Manager within the meaning of this Clause 7; or*
- 7.4.3** *PROVIDED THAT there is sufficient Cash in the Trust, and subject to compliance with the Relevant Laws, Regulations and Guidelines, to request and cause the Trustee to redeem the Units out of the assets of the Trust by paying from the Deposited Property a sum sufficient to satisfy the Repurchase Price and the Repurchase Charge (if any) of the Units. The Trustee shall only comply if, in the opinion of the Trustee, sufficient Cash would be retained in the Deposited Property after the release of Cash necessary to comply with the redemption notice to meet other Liabilities, including but without limiting the generality thereof, the Property Expenses and the remuneration due to the Trustee and the Manager under this Deed. Should the Trustee advise the Manager that, in the opinion of the Trustee, sufficient Cash would not be retained in the Deposited Property to meet other Liabilities if the Trustee were to release the funds necessary to comply with any redemption notice, then the Manager may, at its absolute discretion, request the Trustee to sell, mortgage or otherwise deal with the Investments or borrow to raise sufficient Cash to redeem the Units pursuant to this Clause 7.4.3.*

7.5 Amendments to Register

Upon delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the Units or a specified number of Units held by a Holder have been repurchased by the Manager or have been purchased by another person or have been redeemed, the Trustee shall remove or procure the removal of the name of the Holder from the Register in respect of all or (as the case may be) such number of Units.

7.6 Redeemed Units are Cancelled

Units which are redeemed shall thereupon be cancelled and shall not thereafter be reissued but this Clause 7.6 shall not limit or restrict the right of the Manager to cause the creation and/or issue of further or other Units.

7.7 Manner of Repurchase

Subject always to the requirements of the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Manager may:

- 7.7.1** *purchase or acquire Units on a securities exchange (“**Market Purchase**”); or*

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7.7.2 *make an offer to repurchase Units, otherwise than on a securities exchange and by way of an “off-market” acquisition of the Units on an “equal access scheme” (as defined below) (“Off-Market Purchase”),*

(each a form of “Unit Buy-back”), and to deal with any of the Units so purchased or acquired in accordance with this Clause 7.

For the purpose of this Clause 7, an equal access scheme is a scheme which satisfies the following criteria:

- (i) the offers under the scheme are to be made to every person who holds Units to purchase or acquire the same percentage of their Units;*
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and*
- (iii) the terms of all the offers are the same except that there shall be disregarded:
 - (a) differences in consideration attributable to the fact that the offers relate to Units with different accrued distribution entitlements;*
 - (b) differences in consideration attributable to the fact that the offers relate to Units with different amounts remaining unpaid; and**

differences in the offers introduced solely to ensure that each Holder is left with a whole number of Units.

7.8 Procedure for Repurchase of Units via a Market Purchase

For so long as the Trust is Listed, where Units are repurchased via a Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise a Market Purchase shall:

- 7.8.1** *specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;*
- 7.8.2** *determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person’s discretion or opinion);*
- 7.8.3** *specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and*
- 7.8.4** *specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust’s financial position.*

The resolution authorising a Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.8.1 to 7.8.3.

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7.8.5 *The authority for a Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for a Market Purchase may determine the maximum price for purchase or acquisition by:*

- (i) specifying a particular sum; or*
- (ii) providing a basis or formula for calculating the amount of the price in question without reference to any person’s discretion or opinion.*

7.9 Procedure for Repurchase of Units via an Off-Market Purchase

7.9.1 *For so long as the Trust is Listed, where Units are repurchased via an Off-Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise an Off-Market Purchase shall:*

- (i) specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;*
- (ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person’s discretion or opinion);*
- (iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and*
- (iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust’s financial position.*

The resolution authorising an Off-Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.9.1(i) to 7.9.1(iii).

The authority for an Off-Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for an Off-Market Purchase may determine the maximum price for purchase or acquisition by:

- (a) specifying a particular sum; or*
- (b) providing a basis or formula for calculating the amount of the price in question without reference to any person’s discretion or opinion.*

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7.9.2 *For so long as the Trust is Listed, in the event that the Manager decides to make any offer to repurchase Units via an Off-Market Purchase, the Manager will send an offer notice to Holders. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the repurchase of their Units. At such request in writing of a Holder (or, in the case of Joint Holders, all the Joint Holders), the Manager will repurchase, in accordance with this Clause 7, such of the Units entered against his name in the Register or the Depository Register (as the case may be) as are required by the Holder to be repurchased.*

7.10 Reporting Requirements

Subject to the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed on the SGX-ST, the Manager shall:

7.10.1 *notify the SGX-ST (in the form of an announcement on the SGX-ST) of all purchases of Units in accordance with the Listing Rules and in such form and with such details as the SGX-ST may prescribe; and*

7.10.2 *make an announcement on the SGX-ST at the same time it notifies the SGX-ST of any purchase of Units pursuant to any Unit Buy-back Mandate, that the board of directors of the Manager is satisfied on reasonable grounds that, immediately after the purchase of Units, the Manager will be able to fulfil, from the Deposited Property, the Liabilities as these liabilities fall due.”*

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II. DISTRIBUTIONS

“11. *Distributions*

11.1 *Distribution of Income*

For so long as the Trust is Unlisted, subject to the Relevant Rules, Laws, Regulations and Guidelines and this Clause 11, the Manager may at its discretion declare distributions of Income.

For so long as the Trust is Listed, subject to this Clause 11, the relevant Preferred Unit Terms attached to such classes of Preferred Units as may be in issue from time to time and the Relevant Laws, Regulations and Guidelines, the Manager shall make regular distributions of all (or such lower percentage as determined by the Manager in its absolute discretion) of its Distributable Income to Holders at quarterly, half-yearly or yearly intervals or at such other intervals as the Manager shall decide in its absolute discretion.

11.2 *Manager to Collect*

The Manager must collect and pay to the Trustee and the Trustee must receive all moneys, rights and property paid or receivable in respect of the Trust.

11.3 *Determination of Income and Reserves*

The Manager (acting after consulting the Auditors) is to determine whether any item is income in nature or capital in nature and the extent to which reserves or provisions need to be made. If the Manager determines any item to be capital in nature, the Manager may apply it to any item in the balance sheet of the Trust including, without limitation, Holders’ funds and Investments. This Clause 11.3 applies to distributions and to books of account.

11.4 *Frequency of Distribution of Income*

For so long as the Trust is Unlisted, the Manager shall have the discretion to determine the frequency of each distribution of Income.

For so long as the Trust is Listed, subject to the relevant Preferred Unit Terms attached to such classes of Preferred Units as may be in issue from time to time, the Manager will endeavour to ensure that for each Financial Year there is at least one distribution and the last distribution covers the period up to the last day of the Financial Year. For each Distribution Period the Manager will calculate, and the Trustee will distribute, each Holder’s Distribution Entitlement, in accordance with the provisions of this Clause 11.

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11.5 Distribution Entitlement

11.5.1 The “**Distribution Amount**” for a Distribution Period ending other than on the last day of a Financial Year is to be determined in accordance with the following formula:

$$DA = (P \text{ of } IDI) + C$$

Where:

“**DA**” is the Distribution Amount for that Distribution Period;

“**P**” is the percentage as determined by the Manager;

“**IDI**” is the Interim Distributable Income for that Distribution Period determined by the Manager (based on the interim unaudited financial statements of the Trust for that Distribution Period) as representing the consolidated net profit of the Trust and the Special Purpose Vehicles for that Distribution Period, after provision for tax, and as adjusted to eliminate the effects of Adjustments; and

“**C**” is any additional amount (including capital), which may be a negative amount, which the Manager has determined is to be distributed or if thought fit by the Manager, to be transferred to or from an undistributed income reserve account.

11.5.2 The “**Distribution Amount**” for a Distribution Period ending on the last day of a Financial Year is to be determined in accordance with the following formula:

$$DA = (P \text{ of } DI) + C - D$$

Where:

“**DA**” is the Distribution Amount for that Distribution Period;

“**DI**” is the amount (if any) of Annual the Distributable Income for that Financial Year;

“**P**” is the percentage as determined by the Manager;

“**C**” is any additional amount (including capital), which may be a negative amount, which the Manager has determined is to be distributed or if thought fit by the Manager, to be transferred to or from an undistributed income reserve account; and

“**D**” is the aggregate of the Distribution Amount(s) for the previous Distribution Period(s) of that Financial Year.

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11.5.3 *Each Holder’s Distribution Entitlement is to be determined in accordance with the following formula:*

$$DE = (DA - PD) \times \frac{UH}{UI}$$

Where:

“**DE**” *is the Distribution Entitlement;*

“**DA**” *is the Distribution Amount;*

“**UH**” *is the number of Units held by the Holder, at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent he is entitled to participate in the Distribution Amount;*

“**UI**” *is the number of Units in issue in the Trust at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent the Holder is entitled to participate in the Distribution Amount; and*

“**PD**” *is the aggregate amount of all Preferred Distributions payable or paid on all Preferred Units in issue for the relevant Distribution Period.*

11.6 Distribution of Entitlement

11.6.1 *The Trustee must in respect of each Distribution Period pay to each Holder, his Distribution Entitlement on or before the Distribution Date for the Distribution Period.*

11.6.2 *For the purpose of identifying the persons who are entitled to the Distribution Entitlement for a Distribution Period, the persons who are Holders on the Record Date for that Distribution Period have an absolute, vested and indefeasible interest in their respective Distribution Entitlements for that Distribution Period.*

11.6.3 *The Manager and the Trustee must deduct from each Holder’s Distribution Entitlement all amounts which:*

- (i) are necessary to avoid distributing a fraction of a cent;*
- (ii) the Manager determines not to be practical to distribute on a Distribution Date;*
- (iii) equal any amount of Tax which has been paid or which the Manager determines is or may be payable by the Trustee or the Manager in respect of the portion of the income of the Trust attributable to such Holder or the amount of the distribution otherwise distributable to such Holder;*
- (iv) are required to be deducted by law, the Tax Ruling or this Deed; or*
- (v) are payable by the Holder to the Trustee or the Manager.*

11.6.4 *The Manager must direct the Trustee as to how any sum so retained is to be applied and/or paid.*

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11.7 Holder Notification

Each Holder must as and when required by the Manager, provide such information as to his place of residence for taxation purposes as the Manager may from time to time determine.

11.8 Composition of Distribution

Following the end of each Financial Year, the Manager must notify each Holder of:

11.8.1 *the extent to which a distribution under this Clause 11 is composed of, and the types of, income and capital (which shall be determined by the Manager in its absolute discretion); and*

11.8.2 *any amounts deducted under 11.6.3(iii) and 11.6.3(iv).*

11.9 Tax Declaration Forms and Tax Distribution Vouchers

11.9.1 *The Manager shall, where necessary, in respect of each Distribution Period before the Distribution Amounts are paid out, send to each Holder, a tax declaration form for the purpose of each Holder declaring his tax status. The Manager and the Trustee may rely on any representation made by a Holder as to his tax status made on each relevant tax declaration form returned to the Manager (or its agent) or the Trustee to determine whether or not to deduct Tax from the Distribution Amount. If a Holder fails to make any such declaration in time for a distribution, the Manager and the Trustee shall proceed to deduct the appropriate amount of Tax from the Distribution Amount due to that Holder.*

11.9.2 *On a distribution having been made, the Trustee shall, where necessary, issue to each Holder a tax distribution voucher prepared by the Manager in a form approved by the Trustee and the IRAS. In the case of any distribution made or on termination of the Trust, each tax distribution voucher shall show what proportion of the distribution represents capital, what proportion represents income exempt from Singapore income tax or income subject to Singapore income tax and what proportion represents the portion of any tax payable by the Trustee on income and gains attributable to the Holders.*

11.10 Categories and Sources of Income

11.10.1 *For any category or source of income the Manager may keep separate accounts and allocate the income from any category or source to any Holder, Preferred Unitholder or holder of other Securities (where applicable).*

11.10.2 *The Manager may cause the distribution of any amount recorded in an account or record kept pursuant to Clause 11.10.1 before the distribution of any other amount.*

11.11 Distribution Policy

The Manager and the Trustee acknowledge that subject to Clause 11.11, the Trust's distribution policy on and after the Listing Date is to distribute as much of its income as practicable.

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11.12 Distribution Reinvestment Arrangements

The Manager may advise Holders, from time to time in writing that Holders, may, on terms as permitted by the Property Funds Appendix, the Listing Rules or the listing rules of the relevant Recognised Stock Exchange and all other Relevant Laws, Regulations and Guidelines and as specified in the notice, participate in an arrangement under which Holders may request that all or a proportion of specified distributions due to them be applied to the issue of further Units PROVIDED THAT the Issue Price for any such Units to be issued shall be the Issue Price determined in accordance with Clause 5.3 if the Units are Listed and Clause 5.4 if the Units are Unlisted. The Units so issued shall be deemed to be purchased by such Holders. The Manager shall be entitled to amend the terms of any such distribution reinvestment arrangements from time to time by notice in writing to Holders.

11.13 Capitalisation of Undistributed Distribution Amount

Prior to the Listing Date, the Manager, with the agreement of all Holders, may elect not to distribute in accordance with Clause 11.4 and in lieu of such distribution capitalise the undistributed Distribution Amount.

11.14 Distribution of Capital and Unrealised Gains

Subject to the Relevant Laws, Regulations and Guidelines, the Manager may with the consent of the Trustee (which consent shall not be unreasonably withheld) cause the distribution of an amount which represents:

11.14.1 *part of the capital of the Trust and which the Manager reasonably determines to be in excess of the financial needs of the Trust;*

11.14.2 *part or all the unrealised gains (including any revaluation gains) due to the increase in the capital value of the Real Estate held by the Trust; or*

11.14.3 *any other amount which the Manager deems appropriate.*

12. Place and Conditions of Payment

12.1 Place and Conditions of Payment

12.1.1 *Any moneys payable by the Trustee to any Holder on the relevant Record Date under the provisions of this Deed shall be paid in the case of Holders who do not hold their Units jointly with any other person, by cheque or warrant (if applicable) sent through the post to the registered address of such Holder or, in the case of Joint Holders, to the registered address of the Joint Holder who is first named in the Register or to the registered address of any other of the Joint Holders as may be authorised by all of them. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee. Where the Trustee receives the necessary authority in such form as the Trustee shall consider sufficient, the Trustee shall pay the amount due to any Holder to his bankers or other agent and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor.*

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12.1.2 *Any moneys payable by the Trustee to any Depositor appearing in the Depository Register on the relevant Record Date under the provisions of this Deed shall be paid, in the case of such Depositor’s Units credited into a Securities Account, by transferring such moneys into the Depository’s bank account (as notified to the Manager and the Trustee) and by the Trustee causing the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the registered address of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Manager and the Depository. Payment of the moneys by the Trustee to the Depository shall be a satisfaction of the moneys payable to the relevant Depositor and shall be a good discharge to the Trustee. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed shall be borne out of the Deposited Property.*

12.1.3 *No amount payable to any Holder or Depositor shall bear interest.*

12.2 Deductions

Before any payment is made to a Holder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any income or other taxes, charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government taxes or charges payable by the Manager or (as the case may be) the Trustee for which the Manager or (as the case may be) the Trustee may be made liable in respect of or in connection therewith.

There may also be deducted from such payment the amount of any stamp duties or other governmental taxes or charges payable by the Manager or, as the case may be, the Trustee or for which either of them may be made liable in respect of such payment or any documents signed by it in connection therewith.

Neither the Manager or the Trustee shall be liable to account to a Holder for any payment made or suffered to be made by the Manager or (as the case may be) the Trustee in good faith and in the absence of fraud, gross negligence, wilful default, a breach of this Deed or a breach of trust (in the case of the Trustee) to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered to be made.

12.3 Receipt of Holders

The receipt of the Holder or (as the case may be) the Depository on behalf of the Depositors, for any amounts payable in respect of Units shall be a good discharge to the Manager or (as the case may be) the Trustee and if several persons are registered as Joint Holders or, in consequence of the death of a Holder, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.

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12.4 Unclaimed Moneys

12.4.1 Any moneys payable to a Holder under this Deed which remain unclaimed after a period of 12 months shall be accumulated in a special account (the “**Unclaimed Moneys Account**”) from which the Trustee may, from time to time, make payments to a Holder claiming any such moneys.

Subject to Clause 26, the Trustee shall cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into court after deducting from such sum all fees, costs and expenses incurred in relation to such payment into court PROVIDED THAT if the said moneys are insufficient to meet all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property.”

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III. VOTING

“30. *Meetings of Holders*

”The provisions set out in Schedule 1 relating to meetings of Holders shall have effect as if the same were included herein.

...

Schedule 1

MEETINGS OF HOLDERS

1. *For so long as the Trust is authorised as a collective investment scheme, a general meeting to be called the “Annual General Meeting” shall, in addition to any other meeting of Holders, be held once in every calendar year and not more than 15 months after the holding of the last preceding Annual General Meeting, but so long as the Trust holds its first Annual General Meeting within 18 months of its authorisation by the Authority, the Trust need not hold it in the year of its constitution or in the following year. Save as set out above and in Clause 21, all Annual General Meetings may be held at such time and place as may be determined by the Trustee and the Manager. All other general meetings shall be called Extraordinary General Meetings.*
2. *The Trustee or the Manager (and the Manager shall at the request in writing of not less than 50 Holders or Holders representing not less than 10.0% of the issued Units of the Trust) may at any time convene a meeting of Holders at such time and place (subject as hereinafter provided) as may be thought fit and the following provisions of this Schedule shall apply thereto. Any such meeting convened shall be held in Singapore.*
3. *Prior to the Listing Date, the Manager or (being a Holder) any Associate thereof shall be entitled to receive notice of and attend at any such meeting and shall be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the Manager or any Associate has a material interest.*
4. *After the Listing Date, the Manager or (being a Holder), the controlling shareholders (as defined in the Listing Rules) of the Manager and any Associate thereof shall be entitled to receive notice of and attend at any such meeting but shall subject to paragraph 5(ii) of this Schedule, not be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the relevant controlling shareholders of the Manager or any Associate has a material interest (including, for the avoidance of doubt, interested person transactions (as defined in the Listing Rules and/or the listing rules of other relevant Recognised Stock Exchange) and interested party transactions (as defined in the Property Funds Appendix) and accordingly for the purposes of the following provisions of this Schedule, Units held or deemed to be held by the Manager or any Associate shall not be regarded as being in issue under such circumstances. Any director, the secretary and any solicitor of the Manager, the Trustee and directors and any authorised official and any solicitor of the Trustee shall be entitled to attend and be heard at any such meeting.*

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5. *A meeting of Holders duly convened and held in accordance with the provisions of this Schedule shall be competent by:*
- (i) *Extraordinary Resolution to:*
 - (a) *sanction any modification, alteration or addition to the provisions of this Deed which shall be agreed by the Trustee and the Manager as provided in Clause 28 of this Deed;*
 - (b) *sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the Management Fee (including the Base Fee and the Performance Fee), the Acquisition Fee, the Divestment Fee, the Development Management Fee and the Trustee’s remuneration as provided in Clause 15 of this Deed;*
 - (c) *remove the Auditors and appoint other Auditors in their place as provided in Clause 22.3 of this Deed;*
 - (d) *remove the Trustee as provided in Clause 23.3.4 of this Deed;*
 - (e) *direct the Trustee to take any action pursuant to Section 295 of the Securities and Futures Act (relating to the winding up of the Trust); and*
 - (f) *delist the Trust after it has been Listed as provided in Clause 9.2 of this Deed;*
 - (ii) *a resolution duly proposed and passed as such by a simple majority of Holders present and voting at a general meeting, with no Holder being disenfranchised, to remove the Manager as provided in Clause 24.1.4 of this Deed,*

and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee. Any decision to be made by resolution of the Holders, other than those specified in this paragraph 5(i) and (ii), shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the Securities and Futures Act, the Code or the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange.

- 5.1 *Subject to paragraph 5.2 below, at least two days’ notice (in the case of Holders’ meetings prior to the Listing Date) or 14 days’ notice (in the case of Holders’ meetings after the Listing Date to pass an Ordinary Resolution) or 21 days’ notice (in the case of Holders’ meetings after the Listing Date to pass an Extraordinary Resolution) (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Holders in manner provided in this Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed, and each such notice shall where required by any Relevant Laws, Regulations and Guidelines be given by advertisement in the daily press and in writing to each stock exchange on which the Trust is listed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. Any accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.*

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- 5.2 *Notwithstanding the provisions of paragraph 5.1 above, a meeting of Holders convened by the Trustee for the purposes of the winding up of the Trust pursuant to the Securities and Futures Act shall comply with the relevant requirements of the Securities and Futures Act.*
6. *The quorum shall be not less than two Holders (whether present in person or by proxy) together holding or representing one-tenth in value of all the Units for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.*
7. *If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman of the meeting. Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.*
8. *A person nominated in writing by the Trustee shall preside at every meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting, the Holders present shall choose one of their number to be Chairman.*
9. *The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.*
10. *At any meeting a resolution put to the vote of the meeting shall, subject to the requirements of the prevailing Relevant Laws, Regulations and Guidelines, be decided on a poll. A Holder shall not be entitled to vote unless all calls or other sums personally payable by him in respect of Units have been paid.*
11. *A poll shall be taken in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was conducted.*
12. *A poll shall be taken at such time and place as the Chairman directs.*
13. *On a poll every Holder who is present in person or by proxy shall have one vote for every Unit of which he is the Holder. A person entitled to more than one vote need not use all his votes or cast them the same way.*
14. *In the case of Joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other Joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first being the senior.*
15. *On a poll votes may be given either personally or by proxy.*
16. *The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.*

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17. *The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee or the Manager (with the approval of the Trustee) may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder.*
18. *An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve.*
19. *Notwithstanding anything in this Deed, where a Holder is a Relevant Intermediary, the Holder may appoint more than two proxies to exercise all or any of its rights to attend, speak and vote at every meeting, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it (which number of Units and Class shall be specified).*
20. *A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units in respect of which the proxy is given PROVIDED THAT no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.*
21. *Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Manager at the expense of the Manager and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.*
22. *A resolution in writing signed by or on behalf of all the Holders for the time being entitled to receive notice of any meeting of Holders shall be as valid and effectual as a resolution (including an Extraordinary Resolution) passed at a meeting of those Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Holders concerned.*
23. *For the purpose of this Deed, an Extraordinary Resolution means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution (where voting is by poll) or by a majority of the number of Holders present and voting (where voting is by show of hands) at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Manager and an Ordinary Resolution means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution (where voting is by poll) or by a majority of the number of Holders present and voting (where voting is by*

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show of hands) at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Manager.

An Extraordinary Resolution or (as the case may be) an Ordinary Resolution shall be binding on all Holders whether or not present at the relevant meeting and each of the Holders and the Trustee and the Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly.

- 24. A corporation, being a Holder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Holders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.*
- 25. For the purposes of determining the number of Units held in respect of Units registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units, each of the Trustee and the Manager shall be entitled and bound to accept as accurate the number of Units credited into the Securities Account(s) of the relevant Depositor as shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee, and to accept as the maximum number of votes which in aggregate that Depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units credited into the Securities Account(s) of the relevant Depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the Depositor or in the instrument of proxy. Neither the Trustee nor the Manager shall under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.*
- 26. Notwithstanding anything in this Deed, where a corporation is beneficially entitled to all the Units in issue and a minute is signed by a duly authorised representative of the corporation stating that any act, matter, or thing, or any Ordinary Resolution or Extraordinary Resolution, required by this Deed to be made, performed, or passed by or at a meeting of Holders has been made, performed, or passed, that act, matter, thing, or resolution shall, for all purposes, be deemed to have been duly made, performed, or passed by or at a meeting of Holders duly convened and at which a quorum is formed. For the avoidance of doubt, paragraph 8 of this Schedule need not be complied with when any act, matter, thing, or resolution is deemed to have been duly made, performed, or passed by or at a duly convened meeting of Holders by virtue of this paragraph 26.*
- 27. Notwithstanding anything in this Deed, Holders who have used their CPF monies to subscribe or purchase Units through the CPF Investment Scheme are allowed to attend any general meetings as observers, PROVIDED THAT such Holders have submitted their requests to attend the general meeting through their CPF agent banks.”*

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IV. OTHER RIGHTS OF CPPU HOLDER IN RESPECT OF CAPITAL, DISTRIBUTIONS AND VOTING

“Schedule 2

General Provisions relating to the Preferred Units

The Preferred Units shall have the following rights and be subject to the following restrictions:

1. Interpretation

1.1 Definitions

Unless the context otherwise requires, the following words or expressions shall have the meaning respectively assigned to them, namely:

“Agent” means any one or more agents as may from time to time be appointed by the Manager or the Trustee to administer the procedures relating to the Preferred Units;

“Conversion Notice” means, where applicable, the notice issued by the Manager and/or a Preferred Unitholder of the relevant class of Preferred Units for the purposes of converting all (or part) of the Preferred Units of such class held by such Preferred Unitholder into Units;

“Conversion Right” means, where applicable, the right of a Preferred Unitholder of the relevant class of Preferred Units to convert any Preferred Unit of such class into Units;

“General Preferred Unit Terms” means the general terms and conditions governing the offer and issue of the Preferred Units from time to time, as contained in this Schedule 2;

“Permitted Reorganisation” means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking and assets of the Trust which are held by the Trustee are transferred to a successor entity which assumes all the obligations of the Trustee and/or the Manager (as the case may be) in relation to the Preferred Units;

“Preferred Distribution” means the preferential distribution which may be declared by the Manager in its sole discretion and paid in respect of the relevant class of Preferred Units;

“Preferred Distribution Date” means such date on which the Preferred Distribution for the relevant Preferred Distribution Period shall be paid;

“Preferred Distribution Period” means each period for which the Preferred Distribution shall accrue in respect of a Preferred Unitholder of the relevant class of Preferred Units;

“Preferred Unit” means one preferred unit in the Trust of any class issued from time to time in accordance with the Preferred Unit Terms attached to the relevant class of Preferred Units;

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“Preferred Unit Conversion Taxes” means, where applicable, the Taxes and capital, stamp, issue and registration duties (i) arising on conversion of the Preferred Units of the relevant class (other than any Taxes or capital or stamp duties payable in Singapore and, if relevant, in the place of the Recognised Stock Exchange, by the Manager and/or the Trust (as the case may be) in respect of the allotment and issue of Units and listing of the Units on the SGX-ST or a Recognised Stock Exchange on conversion) or (ii) arising by reference to any disposal or deemed disposal of a Preferred Unit of such class in connection with such conversion;

“Preferred Unit Depositor” means:

- (a) a direct account holder with the Depository; or
- (b) a Depository Agent, but for the avoidance of doubt, does not include a Sub-Account Holder,

whose name is entered in the Preferred Unit Depository Register in respect of the Preferred Units held by him;

“Preferred Unit Depository Register” means the electronic register of the relevant class of Preferred Units deposited with the Depository maintained by the Depository;

“Preferred Unit Joint Holders” means such persons for the time being entered in the Register of Preferred Unitholders as joint Preferred Unitholders in respect of a Preferred Unit, either as Preferred Unit Joint-All Holders or Preferred Unit Joint-Alternate Holders;

“Preferred Unit Joint-All Holders” means Preferred Unit Joint Holders whose mandate the Manager and the Trustee shall act upon only if given by all of the Preferred Unit Joint Holders or, where any Preferred Unit Joint-All Holder is a Minor, where the mandate is given by all of the adult Joint-All Holder(s);

“Preferred Unit Joint-Alternate Holders” means Preferred Unit Joint Holders whose mandate the Manager and the Trustee shall act upon if given by any of the Preferred Unit Joint Holders (other than a Minor);

“Preferred Unit Terms” means the General Preferred Unit Terms and Specific Preferred Unit Terms;

“Preferred Unitholder” means, in relation to any class of Preferred Units which are Unlisted, a registered holder for the time being of that class of Preferred Units including persons so registered as Preferred Unit Joint Holders, and in relation to Preferred Units which are Listed on the SGX-ST, means the Depository, and the term **“Preferred Unitholder”** shall, in relation to any class of Preferred Units which are Listed and registered in the name of the Depository, mean, where the context requires (including without limitation, the redemption or conversion of that class of Preferred Units, where applicable), a Preferred Unit Depositor provided that for the purposes of meetings of Preferred Unitholders, such Preferred Unitholder shall mean a Preferred Unit Depositor as shown in the records of the Depository 48 hours prior to the time of a meeting of Preferred Unitholders, supplied by the Depository to the Manager;

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“Priority Amount” means such amount which the Preferred Unitholder of the relevant class of Preferred Units shall be entitled to receive upon the dissolution or winding up of the Trust;

“Register of Preferred Unitholders” means the register of Preferred Unitholders holding such class of Preferred Units from time to time in issue maintained by or on behalf of the Trustee;

“Registrar” means such person as may from time to time be appointed by the Trustee to keep and maintain the Register of Preferred Unitholders;

“Registration Date” means the date on which the person or persons designated in the Conversion Notice shall become the holder of record of the number of Units issuable upon conversion, such date being (i) the date the relevant Units are credited to his or their respective accounts with the Depository (for so long as the Units are Listed on the SGX-ST) or (ii) the date of registration of such person or persons as holders in the Register (if the Units are not Listed on the SGX-ST);

“Securities Account” means a securities account maintained by a Preferred Unit Depositor with the Depository;

“Specific Preferred Unit Terms”, in relation to a class of Preferred Units, means any specific terms and conditions governing the offer and issue of such class of Preferred Units, as may be determined by the Manager at its sole discretion pursuant to the General Preferred Unit Terms;

“Statement of Holdings” shall have the meaning ascribed to it in paragraph 6.4 of this Schedule 2; and

“Transfer Instrument” means the instrument of transfer, in such form as the Manager and the Trustee may from time to time approve, to be signed by the transferor and transferee and delivered to the Manager at its registered office for the purposes of effecting a transfer of Preferred Units of the relevant class.

For the purposes of this Schedule 2, capitalised terms not specifically defined in this paragraph 1.1 shall have the meanings ascribed to them in Clause 1.1 of this Deed.

1.2 **Miscellaneous Construction**

Words importing the singular number only shall include the plural and **vice versa**; words importing the masculine gender only shall include the feminine and neuter genders and **vice versa**; words importing persons include corporations; the words **“written”** or **“in writing”** include printing, engraving, lithography, or other means of visible reproduction or partly one and partly the other. References to **“Clauses”** and the **“Schedule”** are to be construed as references to the clauses of and the schedule to this Deed. The word **“including”** or **“includes”** means, depending on the context, “including but not limited to” or “including without limitation”.

1.3 **Headings**

The headings in this Schedule 2 are for convenience only and shall not affect the construction hereof.

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2. Issue of Preferred Units

2.1 General

2.1.1 Subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, the Manager shall have the exclusive right to effect for the account of the Trust the issue of Preferred Units (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue or otherwise) from time to time, in one or more classes, to any person(s) (including, without limitation, itself and/or its Related Parties) with the prior approval of Holders by way of an Ordinary Resolution at a meeting of Holders.

2.1.2 The Preferred Units of each class shall be issued in accordance with the Preferred Unit Terms relating to such class of Preferred Units, provided that the Preferred Units of each class shall have the key characteristics set out in paragraph 2.1.3 below.

2.1.3 The Preferred Units of each class:

- (i) shall, in respect of the entitlement to participate in the distributions of the Trust, rank:
 - (a) junior to all securities, ownership interests and obligations of the Trust that are expressed to rank senior to the Preferred Units of such class;
 - (b) *pari passu* with (1) each other and (2) all securities, ownership interests and obligations of the Trust that are expressed to rank *pari passu* with the Preferred Units of such class; and
 - (c) senior to the Units;
- (ii) shall, in respect of the entitlement to participate in the Deposited Property in the event of any dissolution or winding up of the Trust (other than pursuant to a Permitted Reorganisation), rank:
 - (a) junior to (1) all debt (including subordinated debt) of the Trust, and (2) all securities, ownership interests and obligations of the Trust that are expressed to rank senior to the Preferred Units of such class;
 - (b) *pari passu* with (1) each other and (2) all securities, ownership interests and obligations of the Trust that are expressed to rank *pari passu* with the Preferred Units of such class; and
 - (c) senior to the Units;
- (iii) shall have no voting rights attached to them in respect of voting at meetings of Holders save in the following circumstances:
 - (a) during such period as the distributions so declared in respect of the Preferred Units of such class or any part thereof remains in arrears and unpaid for at least 12 months after the date when distributions in respect of the Preferred Units of that class should otherwise have been paid if declared by the Manager;

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- (b) *in respect of any resolution which varies or abrogates any right, preference or privilege of the Preferred Units of such class (including, without limitation, the authorisation, creation or issue of any securities, ownership interests or obligations of the Trust ranking senior to or pari passu the Preferred Units of such class as to the entitlement to participate in the distributions of the Trust and/or (in the event of any dissolution or winding up of the Trust) the Deposited Property); or*
- (c) *in respect of any resolution for the dissolution or winding up of the Trust;*
- (iv) *shall entitle the Preferred Unitholders of such class to receive Preferred Distributions which may be cumulative or non-cumulative, if the Manager elects at its sole discretion to declare such Preferred Distributions;*
- (v) *may restrict the declaration of distributions in respect of the Units or return of capital to Unitholders in the event that the Preferred Distributions in respect of any Preferred Distribution Period are not declared in full, or may not have any such restrictions;*
- (vi) *may be perpetual or have a fixed term;*
- (vii) *may be Listed or Unlisted;*
- (viii) *may be freely redeemable, in full or in part, at the option of the Manager and/or the relevant Preferred Unitholders, may be subject to restrictions on redemption, or may not be redeemable at all;*
- (ix) *may be freely convertible, in full or in part, into Units at the option of the Manager and/or the relevant Preferred Unitholders, may be subject to restrictions on conversion, or may not be convertible at all; and*
- (x) *may be freely transferable, may be subject to restrictions on transfer, or may not be redeemable at all,*

and where relevant, the specific terms relating to such key characteristics shall be separately determined in respect of each class of Preferred Units.

2.1.4 *Without prejudice to the foregoing, subject to any Relevant Laws, Regulations and Guidelines, in relation to any class of Preferred Units which are convertible into Units, the Manager has the full power and authority to issue Units pursuant to a conversion of one or more of the relevant Preferred Unit(s) in accordance with the Preferred Unit Terms relating to such class of Preferred Units.*

2.2 Issue Price

The issue price of a Preferred Unit in each class of Preferred Units shall be separately determined in respect of the relevant class of Preferred Units.

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2.3 No Fractions

No fractions of a Preferred Unit shall be issued (whether on an initial issue of Preferred Units, a rights issue, an issue of new Preferred Units otherwise than by way of a rights issue or otherwise) or, where applicable, redeemed or converted. In issuing the number of Preferred Units as corresponding to the relevant subscription proceeds (if any), the Manager shall, in respect of each Preferred Unitholder’s entitlement to the Preferred Units, round down to the nearest whole Preferred Unit and any balance arising from rounding down shall be retained as part of the Deposited Property. In redeeming or converting any Preferred Units, the Manager shall, at its sole discretion, be entitled to round up or down any fractional Preferred Units to the nearest whole number or to disregard such fractions.

3. Binding Effect of this Deed and the Preferred Unit Terms

3.1 *The General Preferred Unit Terms, which shall comprise the provisions of this Schedule 2 (read with the other provisions of this Deed, to the extent applicable and not inconsistent, in which case the express provisions contained in this Schedule 2 shall prevail) shall, together with the Specific Preferred Unit Terms relating to the relevant class of Preferred Units, set out all the terms governing the relevant class of Preferred Units and shall be binding on each Preferred Unitholder of such class. In the event and to the extent of any conflict or inconsistency between the provisions expressly contained in this Schedule 2 (read with the other provisions of this deed as aforementioned) and the Specific Preferred Unit Terms, the latter shall prevail.*

3.2 *A copy of the Preferred Unit Terms (including any modifications and/or supplements thereto) will be made available for inspection, together with a copy of this Deed, at the respective registered offices of the Trustee and the Manager at all times during usual Business Hours.*

4. Length of Term

The term of the Preferred Units of each class shall be separately determined in respect of the relevant class of Preferred Units.

5. Listing

The Preferred Units of each class may be Listed or Unlisted. Any listing of the Preferred Units of the relevant class (and the terms and conditions relating to such listing, if any) shall be separately determined in respect of each class of Preferred Units.

6. No Certificates

6.1 *No certificate shall be issued to the Preferred Unitholders by either the Manager or the Trustee in respect of any class of Preferred Units (whether Listed or Unlisted) issued to the Preferred Unitholders. Where the Preferred Units of the relevant class are Listed on the SGX-ST, the Manager and the Trustee shall, pursuant to the Depository Services Terms and Conditions, appoint the Depository as the Preferred Units depository for the Trust, and all Preferred Units issued will be deposited with the Depository and represented by entries in the Register of Preferred Unitholders in the name of the Depository as the registered Preferred Unitholder thereof.*

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- 6.2** *Where the Preferred Units of the relevant class are Listed on the SGX-ST, the Manager, or the Agent appointed by the Manager, shall issue to the Depository, not more than 10 Business Days after the issue of the Preferred Units, a confirmation note confirming their holdings of such Preferred Units (it being understood that such confirmation note shall prima facie be deemed to be a certificate evidencing title to the Units issued to or held by the Depository).*
- 6.3** *Where the Preferred Units of the relevant class are Listed on the SGX-ST and registered in the Register of Preferred Unitholders in the name of, and deposited with, the Depository as the registered Preferred Unitholder, the Manager will endeavour to ensure that the Depository will, within the relevant periods, issue to each Preferred Unit Depositor of the relevant class of Preferred Units the relevant confirmation notes, monthly statements and statements of account on account of transactions in Preferred Units of such class completed in respect of the relevant Preferred Unit Depositor’s Securities Account.*
- 6.4** *Where the Preferred Units of the relevant class are Unlisted, the Manager or the Agent appointed by the Manager shall (i) issue to each Preferred Unitholder of that class not more than one month after the allotment of any such class of Preferred Units a confirmation note confirming the allotment, such confirmation note shall prima facie be deemed to be a certificate evidencing title to the Preferred Units issued; and (ii) issue to each Preferred Unitholder, on a calendar quarterly basis (or such other period as may be agreed between the Manager and the Trustee), a statement of holdings relating to the Preferred Units (“**Statement of Holdings**”). A Statement of Holdings in respect of the Preferred Units of the relevant class shall:*
- (i) be dated and specify the number of Preferred Units of that class held by each Preferred Unitholder of that relevant class in respect of the preceding quarter (or such other relevant period) and the transactions in respect of the Preferred Units of the relevant class, and*
 - (ii) be in such form as may from time to time be agreed between the Manager and the Trustee.*

7. Record of Preferred Unitholders

7.1 Registrar

The Trustee may, with the approval of the Manager, at any time and from time to time appoint the Registrar on its behalf to keep and maintain the Register of Preferred Unitholders. The fees and expenses of the Registrar (as may be agreed from time to time between the Manager, the Trustee and the Registrar) shall be payable out of the Deposited Property.

7.2 Register of Preferred Unitholders

All Preferred Units issued or held from time to time by any person as a Preferred Unitholder will be represented by entries in an up-to-date Register of Preferred Unitholders kept in Singapore by the Trustee or the Registrar in accordance with the Relevant Laws, Regulations and Guidelines. The Register of Preferred Unitholders must be maintained at all times whether the Preferred Units are Listed or Unlisted. The Trustee or the Registrar shall record each Preferred Unitholder as the registered holder of Preferred Units held by such Preferred Unitholder.

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7.3 Information in the Register of Preferred Unitholders

There shall be entered in the Register of Preferred Unitholders, in respect of each person who becomes a Preferred Unitholder or who has ceased to be a Preferred Unitholder, the following information as soon as practicable after the Trustee or the Registrar receives the following relevant information:

- (i) the names and addresses of the Preferred Unitholders;*
- (ii) the number of Preferred Units of each class held by each Preferred Unitholder;*
- (iii) the date on which every such person entered in respect of the Preferred Units standing in his name became a Preferred Unitholder and where he became a Preferred Unitholder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;*
- (iv) the date on which any transfer is registered and the name and address of the transferee; and*
- (v) (where applicable) the date on which any Preferred Units have been redeemed or converted into Units.*

7.4 Discrepancies

The entries in the Register of Preferred Unitholders shall (save in the case of manifest error) be conclusive evidence of the number of Preferred Units held by each Preferred Unitholder and, in the event of any discrepancy between the entries in the Register of Preferred Unitholders and the details appearing on any confirmation note issued to the Preferred Unitholder, the entries in the Register of Preferred Unitholders shall prevail unless the Preferred Unitholder proves, to the satisfaction of the Manager and the Trustee, that the Register of Preferred Unitholders is incorrect.

7.5 Change of Name or Address

Any change of name or address on the part of any Preferred Unitholder shall forthwith be notified to the Manager in writing or in such other manner as the Manager may approve. If the Manager is satisfied with the change in name or address and that all formalities as may be required by the Manager have been complied with, the Manager shall notify the Trustee or the Registrar of the same and the Trustee or the Registrar shall alter or cause to be altered the Register of Preferred Unitholders accordingly.

7.6 Inspection of the Register of Preferred Unitholders

7.6.1 *Except when the Register of Preferred Unitholders is closed in accordance with paragraph 7.7 of this Schedule 2, the Register of Preferred Unitholders shall during Business Hours (subject to such reasonable restrictions as the Trustee may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Preferred Unitholder without charge.*

7.6.2 *If the Register of Preferred Unitholders is kept on magnetic tape or in accordance with some mechanical or electrical system, the provisions of paragraph 7.6.1 above may be satisfied by the production of legible evidence of the contents of the Register of Preferred Unitholders.*

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7.7 Closure of the Register of Preferred Unitholders

Subject to the Relevant Laws, Regulations and Guidelines, the Register of Preferred Unitholders may be closed at such times and for such periods as the Trustee may from time to time determine, provided that the Register of Preferred Unitholders must not be closed for more than 30 days in any one Year.

8. Preferred Units to be Held Free from Equities

A Preferred Unitholder entered in the Register of Preferred Unitholders as the registered holder of Preferred Units shall be the only person recognised by the Trustee or by the Manager as having any right, title or interest in or to the Preferred Units registered in his name. The Manager may recognise the relevant Preferred Unitholder as absolute owner of the Preferred Units and shall not be bound by any notice to the contrary or to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by some court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Preferred Units. No notice of any trust shall be entered on the Register of Preferred Unitholders.

9. Preferred Unit Joint Holders

Where Preferred Unit Joint Holders are registered as Preferred Unitholders, they are, for the purposes of the administration of the Trust and not otherwise, deemed to hold the relevant Preferred Units as joint holders, on the following conditions:

- (i) except when otherwise required by the Listing Rules or any other Relevant Laws, Regulations and Guidelines, the Manager is not bound to register more than three persons as the Preferred Unit Joint Holders of the Preferred Units;*
- (ii) the Preferred Unit Joint Holders are jointly and severally liable in respect of all payments, including payment of Tax, which ought to be made in respect of the Preferred Units;*
- (iii) on the death of any one of the Preferred Unit Joint Holder and subject to any Relevant Laws, Regulations and Guidelines, the survivor or survivors, upon producing such evidence of death as the Manager or the Trustee may require, shall be the only person or persons whom the Trustee and the Manager will recognise as having any title to the Preferred Units, PROVIDED THAT where the sole survivor is a Minor, the Manager or the Trustee shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obligated to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Preferred Unit Joint Holder, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Preferred Unit Joint Holder, the Minor Preferred Unit Joint Holder or the Minor Preferred Unit Joint Holder’s legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years);*
- (iv) any one of the Preferred Unit Joint Holders may give an effective receipt which will discharge the Trustee or the Manager in respect of any payment or distribution in respect of the Preferred Units;*

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- (v) *the Preferred Unit Joint Holders of a Preferred Unit are counted as a single Preferred Unitholder of the relevant Preferred Unit for the purposes of calculating the number of Preferred Unitholders or requisitionists who have requisitioned for a meeting of Unitholders; and*
- (vi) *only the person whose name appears first in the Register of Preferred Unitholders as one of the Preferred Unit Joint Holders is entitled to delivery of any notices, cheques or communications from the Trustee or the Manager, and any notice, cheque or communication given to that person is deemed to be given to all the Preferred Unit Joint Holders.*

10. Minors

10.1 *A Minor shall not be registered as:*

- (i) *a sole Preferred Unitholder; or*
- (ii) *a Preferred Unit Joint-Alternate Holder.*

10.2 *A Minor may be registered as a Preferred Unit Joint-All Holder if each of the other Preferred Unit Joint-All Holders is a person who has attained the age of 18 years.*

10.3 *If one of the Preferred Unit Joint-All Holders is a Minor, the Manager and the Trustee need only act on the instructions given by the other Preferred Unit Joint-All Holder or Preferred Unit Joint-All Holders who has or have attained the age of 18 years.*

11. Obligations of the Manager and the Trustee

Save as otherwise expressly provided in the Preferred Unit Terms relating to the relevant class of Preferred Units, neither the Trustee nor the Manager owes any obligation to the Preferred Unitholder other than the obligation to comply with the Preferred Unit Terms relating to the relevant class of Preferred Units.

12. Rights, Benefits and Obligations of Preferred Unitholders

12.1 *All rights, benefits and obligations contained in the Preferred Unit Terms relating to the relevant class of Preferred Units shall apply for the benefit of and bind each relevant Preferred Unitholder.*

12.2 *A Preferred Unitholder has no equitable or proprietary interest in the Deposited Property and is not entitled to the transfer to it of the Deposited Property or any part of the Deposited Property or of any estate or interest in the Deposited Property or any part of the Deposited Property.*

12.3 *Save as otherwise expressly provided in the Preferred Unit Terms relating to the relevant class of Preferred Units, a Preferred Unitholder has no other rights against the Trust, the Trustee and/or the Manager other than the right to enforce the Preferred Unit Terms relating to the relevant class of Preferred Units against the Trustee and/or the Manager and to enjoy the benefits conferred on the Preferred Unitholder under the relevant Preferred Unit Terms relating to such class of Preferred Units.*

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12.4 *The rights and benefits of the Holders are subject to the Preferred Unit Terms relating to any class of Preferred Units in issue from time to time. Where the interests of Preferred Unitholders and Holders conflict, the Manager and the Trustee must prefer the interests of the Preferred Unitholders.*

13. No Further Liability

13.1 *Save as otherwise expressly provided in the Preferred Unit Terms relating to the relevant class of Preferred Units, the liability of each Preferred Unitholder in his capacity as such is limited to the Preferred Unitholder’s investment in the Trust.*

13.2 *A Preferred Unitholder is not required to indemnify the Manager or the Trustee (or a creditor of either or both of them) against any liability of the Trustee or the Manager in respect of the Trust.*

13.3 *Nothing in or under this Deed makes either the Trustee or the Manager an agent of a Preferred Unitholder.*

14. Preferred Distributions

14.1 Entitlement to Preferred Distributions

14.1.1 *The Preferred Units of each class shall entitle the relevant Preferred Unitholders to receive a Preferred Distribution in respect of each Preferred Distribution Period if and only if the Manager elects to declare such Preferred Distribution pursuant to the exercise of its discretion under paragraph 14.1.3 below. The terms and conditions relating to the declaration and payment of Preferred Distributions in respect of the Preferred Units of each class, including but not limited to:*

- (i) the nature of the Preferred Distribution (including, without limitation, whether the Preferred Distributions are to be non-cumulative or cumulative);*
- (ii) the source of income from which the Preferred Distributions may be declared (including, without limitation, whether the Preferred Distributions are to be declared out of income derived from the Deposited Property);*
- (iii) the amount of Preferred Distributions which the relevant Preferred Unitholders are entitled to receive; and*
- (iv) the frequencies of, and intervals between, payments of the Preferred Distributions to the relevant Preferred Unitholders;*

shall be separately determined in respect of each class of Preferred Units.

14.1.2 *The Preferred Units of each class shall, in respect of the entitlement to participate in the distributions of the Trust, rank:*

- (i) junior to all securities, ownership interests and obligations of the Trust that are expressed to rank senior to the Preferred Units of the relevant class;*

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(ii) *pari passu with (a) each other and (b) all securities, ownership interests and obligations of the Trust that are expressed to rank pari passu with the Preferred Units of the relevant class; and*

(iii) *senior to the Units.*

14.1.3 *Any decision regarding the declaration of any Preferred Distribution in respect of any Preferred Distribution Period shall be at the sole and absolute discretion of the Manager.*

14.2 Distribution and Capital Stopper

The Preferred Unit Terms relating to each class of Preferred Units may restrict the declaration of distributions in respect of the Units and/or return of capital to Unitholders in the event that any Preferred Distribution is not declared in full, or may not contain any such restrictions. Any such restrictions which may be imposed (and the terms and conditions of such restrictions, if any) shall be separately determined in respect of each class of Preferred Units.

14.3 Payment of Preferred Distribution

14.3.1 *No Preferred Distribution or any part thereof shall become due or payable on any such Preferred Distribution Date unless the Manager has declared or resolved to pay the Preferred Distribution on that Preferred Distribution Date.*

14.3.2 *For the purpose of identifying the persons who are entitled to the Preferred Distribution payable in respect of any Preferred Distribution Period, the persons who are Preferred Unitholders on the record date for that Preferred Distribution Period have an absolute, vested and indefeasible interest in the relevant Preferred Distribution.*

14.3.3 *The Manager and the Trustee may retain from each Preferred Unitholder’s Preferred Distribution all amounts which:*

(i) *equal any amount of Tax which has been paid or which the Manager determines is or may be payable by the Trustee or the Manager in respect of the portion of the income of the Trust attributable to such Preferred Unitholder or the amount of the distribution otherwise distributable to such Preferred Unitholder;*

(ii) *are required to be deducted by law, the Tax Ruling, this Deed and/or any other Preferred Unit Terms relating to the relevant class of Preferred Units; or*

(iii) *are payable by the Preferred Unitholder to the Trustee or the Manager,*

and the Manager must notify each Preferred Unitholder, following the end of each Financial Year, of any amounts deducted under paragraphs 14.3.3(i) and 14.3.3(ii) above.

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14.4 Preferred Unitholder Notification

- 14.4.1** *Each Preferred Unitholder must, as and when required by the Manager, provide such information as to his place of residence for taxation purposes as the Manager may from time to time determine.*
- 14.4.2** *The Trustee and the Manager shall be entitled to rely absolutely on any declaration of tax residence which may be received from a Preferred Unitholder or applicant for Preferred Units.*

14.5 Tax Declaration Forms and Tax Distribution Vouchers

- 14.5.1** *The Manager shall, where necessary before a Preferred Distribution is paid, issue to a Preferred Unitholder a tax declaration form in a form approved by the Trustee and/or the IRAS for the purpose of that Preferred Unitholder declaring his tax status.*
- 14.5.2** *The Manager and the Trustee may rely on any representation made by a Preferred Unitholder as to his tax status made on each relevant tax declaration form returned to the Manager (or its Agent) or the Trustee to determine whether or not to deduct Tax from the Preferred Distribution which that Preferred Unitholder is entitled to receive.*
- 14.5.3** *If a Preferred Unitholder fails to make a declaration in time for a Preferred Distribution, the Manager and the Trustee shall deduct the appropriate amount of tax with respect to the Preferred Distribution which that Preferred Unitholder is entitled to receive.*
- 14.5.4** *After a Preferred Distribution has been paid, the Trustee shall where necessary issue to each Preferred Unitholder a tax distribution voucher prepared by the Manager in a form approved by the Trustee and/or the IRAS.*
- 14.5.5** *In the case of any Preferred Distribution made or on termination of the Trust, each tax distribution voucher shall show what proportion of the Preferred Distribution represents capital, what proportion represents income exempt from Singapore income tax or income subject to Singapore income tax and what proportion represents the portion of any Tax payable by the Trustee on income and gains attributable to the Preferred Unitholders.*

14.6 No Further Rights to Participate in Distributions

Save as expressly set out in the Preferred Unit Terms relating to the relevant class of Preferred Units, the Preferred Units shall not confer any right or claim as regards participation in any distribution of the Trust.

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15. Liquidation of the Trust

15.1 Ranking

15.1.1 *In the event of the commencement of any dissolution or winding up of the Trust (other than pursuant to a Permitted Reorganisation), the Preferred Units of each class shall, in respect of participation in the Deposited Property, rank:*

- (i) junior to (a) all debt of the Trust (including, without limitation all amounts due under Clause 26.5 of this Deed, all costs of the Trustee (including, but not limited to, liabilities owed to any Preferred Unitholder or Unitholder who is a creditor of the Trust) and all subordinated debt), and (b) all securities, ownership interests and obligations of the Trust that are expressed to rank senior to the Preferred Units;*
- (ii) pari passu with (a) each other and (b) all securities, ownership interests and obligations of the Trust that are expressed to rank pari passu with the Preferred Units; and*
- (iii) senior to the Units.*

15.1.2 *The Priority Amount which Preferred Unitholders are entitled to receive upon a dissolution or winding up of the Trust shall be separately determined in respect of each class of Preferred Units, provided that the Preferred Unitholders shall only be entitled to receive such Priority Amounts only after the repayment and discharge of the following:*

- (i) all debt of the Trust (including, without limitation all amounts due under Clause 26.5 of this Deed, all costs of the Trustee (including, but not limited to, liabilities owed to any Preferred Unitholder or Unitholder who is a creditor of the Trust) and all subordinated debt); and*
- (ii) all other payments due to securities, ownership interests and obligations of the Trust that are expressed to rank senior to the Preferred Units of the relevant class.*

15.2 Payment of Priority Amount

15.2.1 *The Trustee may make a payment of the Priority Amount to any Preferred Unitholder only if the relevant Preferred Unitholder delivers to the Manager any evidence of title required by the Manager together with any form of receipt and discharge required by the Trustee.*

15.2.2 *The Priority Amount may not be satisfied by a distribution in specie of the Deposited Property to a Preferred Unitholder.*

15.3 Deductions for Contingent Liabilities

The Trustee, at the direction of the Manager, may retain for as long as the Manager thinks fit any part of the Priority Amounts which, in the Manager’s opinion, may be required to meet any actual or contingent liability of the Trustee or the Manager or any amounts payable actually or contingently to the Trustee or the Manager under this Deed, including but not limited to under Clause 26.5 of this Deed.

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15.4 Pro Rata Entitlement

If, upon any such dissolution or winding up of the Trust, the amount available for payment of the Priority Amounts of the Preferred Unitholders of the relevant class of Preferred Units is insufficient to fully satisfy the entire sum of Priority Amounts of all the Preferred Unitholders of such class of Preferred Units, each Preferred Unitholder of such class shall be entitled to recover such proportion of his Priority Amount calculated based on the proportion of the amount of the Preferred Unitholder’s entitlement relative to the total amount of all entitlements of the holders of all securities, ownership interests and obligations of the Trust which rank pari passu with the Preferred Units of the relevant class.

15.5 No Further Rights to Participate in the Deposited Property

Save as expressly set out in the Preferred Unit Terms relating to the relevant class of Preferred Units, the Preferred Units shall not confer any right or claim in respect of participation in the Deposited Property.

16. Redemption of Preferred Units

16.1 Redemption Right and Procedures

The Preferred Units of each class may be redeemable, in full or in part, at the option of the Manager and/or the relevant Preferred Unitholders, subject to restrictions on redemption, if any, or may not be redeemable at all. Any entitlement of the Manager and/or the relevant Preferred Unitholder to redeem any class of Preferred Units (and the terms and conditions of such entitlement and the procedure for exercising the right of redemption, if any) shall be separately determined in respect of each class of Preferred Units, provided that the other provisions of this paragraph 16 shall apply in the event that the Preferred Units of the relevant class are redeemable.

16.2 Cancellation of Redeemed Preferred Units

16.2.1 *Any Preferred Units properly redeemed in accordance with the Preferred Unit Terms relating to the relevant class of Preferred Units shall be cancelled.*

16.2.2 *Where only a part of the Preferred Units held by a Preferred Unitholder has been redeemed, a new confirmation note reflecting the remaining number of Preferred Units held by the Preferred Unitholder shall be issued by the Manager, or the Agent appointed by the Manager and the provisions of paragraph 6.2 (or paragraph 6.4, as the case may be) above shall mutatis mutandis apply.*

16.2.3 *The Trustee shall remove or procure the removal of the name of the Preferred Unitholder from the Register of Preferred Unitholders in respect of such number of Preferred Units of each class redeemed, upon the delivery to the Trustee of a written statement signed by or on behalf of the Manager that such specified number of Preferred Units of each class held by such Preferred Unitholder have been redeemed.*

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17. Conversion of Preferred Units into Units

17.1 Conversion Right and Procedures

The Preferred Units of each class may be convertible, in full or in part, into Units at the option of the Manager and/or the relevant Preferred Unitholders, subject to restrictions on conversion, if any, or may not be convertible at all. Any entitlement of the Manager and/or the relevant Preferred Unitholder to convert any class of Preferred Units into Units (and the terms and conditions of such entitlement and the procedure for exercising the right of conversion, if any) shall be separately determined in respect of each class of Preferred Units, provided that the other provisions of this paragraph 17 shall apply in the event that the Preferred Units of the relevant class are convertible into Units.

17.2 Taxes and Duties

17.2.1 *The relevant Preferred Unitholder must pay directly to the relevant authorities any Preferred Unit Conversion Taxes, comprising Taxes and capital, stamp, issue and registration duties (i) arising on conversion of the Preferred Units of the relevant class (other than any Taxes or capital or stamp duties payable in Singapore and, if relevant, in the place of the Recognised Stock Exchange, by the Manager and/or the Trust (as the case may be) in respect of the allotment and issue of Units and listing of the Units on the SGX-ST or a Recognised Stock Exchange on conversion) or (ii) arising by reference to any disposal or deemed disposal of a Preferred Unit of the relevant class in connection with such conversion.*

17.2.2 *The relevant Preferred Unitholder shall provide an acknowledgement in the Conversion Notice that it shall be responsible for paying all relevant Preferred Unit Conversion Taxes.*

17.2.3 *Neither the Trustee nor the Manager shall be responsible or liable in any way to anyone for any failure or omission by the relevant Preferred Unitholders to pay the Preferred Unit Conversion Taxes.*

17.3 Registration of Conversion

17.3.1 *For so long as the Preferred Units of any class are Unlisted, a conversion of the Preferred Units of the relevant class and corresponding issue of Units shall be in accordance with such procedures to be separately determined in respect of each such class of Preferred Units.*

17.3.2 *The Manager will upon the conversion of the Preferred Units of the relevant class into Units pursuant to the exercise of the Conversion Right:*

- (i) allot and issue the relevant number of Units for credit to the Securities Account designated for the purpose in the Conversion Notice for so long as the Units are Listed on the SGX-ST; or if the Units are not Listed on the SGX-ST, allot and issue the relevant number of Units to the person or persons designated for the purpose in the Conversion Notice;*

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- (ii) *(for so long as the Units are Listed on the SGX-ST) issue or cause to be issued to the Depository a confirmation note confirming the allotment of Units in accordance with this Deed, and the Depository shall issue to each relevant Depositor such contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances, and at such intervals, as may be provided for in the Depository’s terms and conditions for operation of Securities Accounts;*
- (iii) *(if the Units are not Listed on the SGX-ST) issue or cause to be issued to the person or persons designated for the purpose in the Conversion Notice a confirmation note confirming the allotment of Units in accordance with this Deed;*
- (iv) *(where only a part of the Preferred Units of the relevant class held by the relevant Preferred Unitholder have been converted and the Preferred Units of the relevant class are Listed on the SGX-ST) issue or cause to be issued to the Depository a new confirmation note reflecting the remaining number of Preferred Units of the relevant class held by the Depository and the provisions of paragraph 6.2 of this Schedule 2 shall mutatis mutandis apply; and*
- (v) *(where only a part of the Preferred Units of the relevant class held by the relevant Preferred Unitholder have been converted and the Preferred Units of the relevant class are Unlisted) issue or cause to be issued to the Preferred Unitholder a new confirmation note reflecting the remaining number of Preferred Units of the relevant class held by the Preferred Unitholder and the provisions of paragraph 6.4 of this Schedule 2 shall mutatis mutandis apply.*

17.3.3 *The Trustee shall, upon the conversion of the Preferred Units of the relevant class into Units pursuant to the exercise of the Conversion Right, remove or procure the removal of the name of the relevant Preferred Unitholder from the Register of Preferred Unitholders as holder in respect of all or (as the case may be) such number of Preferred Units converted, and register or procure the registration of the Depository or the person or persons designated for the purpose in the Conversion Notice (as the case may be) in the Register as holder(s) in respect of the relevant number of Units allotted and issued pursuant to the conversion, upon the delivery to the Trustee of a written statement signed by or on behalf of the Manager stating that all or (as the case may be) a specified number of Preferred Units of the relevant class held by such Preferred Unitholder have been converted and the relevant number of Units have been allotted and issued in the name of the Depository or the person or persons designated for the purpose in the Conversion Notice (as the case may be).*

17.3.4 *The person or persons designated in the Conversion Notice shall become the holder(s) on record of the number of Units issuable upon conversion with effect from the Registration Date, being (i) where the Units are Listed on the SGX-ST, the date the relevant Units are credited to their respective accounts with the Depository or (ii) where the Units are Unlisted, the date of registration of such person or persons as holders in the Register.*

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18. Payment of Moneys to Preferred Unitholders

18.1 Place and Conditions of Payment

18.1.1 *Save as otherwise expressly provided in the Preferred Unit Terms relating to the relevant class of Preferred Units, any moneys payable by the Trustee or the Manager to any Preferred Unitholder under the provisions of the Preferred Unit Terms relating to the relevant class of Preferred Units shall be paid by cheque sent through the post to the registered address of such Preferred Unitholder or, in the case of Preferred Unit Joint Holders, to the registered address of the Preferred Unit Joint Holders who is first named in the Register of Preferred Unitholders or to the registered address of any other of the Preferred Unit Joint Holders as may be authorised by all of them. Every such cheque shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee or the Manager (as the case may be).*

18.1.2 *Where the Trustee or Manager (as the case may be) receives the necessary authority in such form as the Trustee or Manager (as the case may be) shall consider sufficient, the Trustee or Manager (as the case may be) shall pay the amount due to any Preferred Unitholder to his bankers or other agent and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor.*

18.1.3 *No amount payable to any Preferred Unitholder shall bear interest.*

18.1.4 *Unless otherwise expressly provided in the Preferred Unit Terms relating to the relevant class of Preferred Units, all moneys payable by the Trustee or the Manager to any Preferred Unitholder under the provisions of the Preferred Unit Terms relating to the relevant class of Preferred Units shall be paid in Singapore dollars.*

18.2 Deductions

18.2.1 *Without prejudice to any other provisions of the Preferred Unit Terms relating to the relevant class of Preferred Units, before any payment is made to a Preferred Unitholder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any income or other Taxes, charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government taxes or charges payable by the Manager or (as the case may be) the Trustee for which the Manager or (as the case may be) the Trustee may be made liable in respect of or in connection therewith.*

18.2.2 *Neither the Manager nor the Trustee shall be liable to account to a Preferred Unitholder for any payment made or suffered to be made by the Manager or (as the case may be) the Trustee in good faith and in the absence of fraud, gross negligence, wilful default or a breach of this Deed or a breach of trust to any duly empowered fiscal authority of Singapore or elsewhere for Taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered to be made.*

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18.3 Receipt of Preferred Unitholders

The receipt of the Preferred Unitholder for any amounts payable in respect of the Preferred Units shall be a good and absolute discharge to the Manager or (as the case may be) the Trustee and if several persons are registered as Preferred Unit Joint Holders, or in consequence of the death of a Preferred Unitholder, are entitled to be so registered, any one of them may give effective receipts for any such amounts.

18.4 Unclaimed Moneys

18.4.1 *Any moneys payable to a Preferred Unitholder under the provisions of the Preferred Unit Terms relating to the relevant class of Preferred Units which remain unclaimed after a period of 12 months shall be accumulated in the Unclaimed Moneys Account from which the Trustee may, from time to time, make payments to a Preferred Unitholder claiming any such moneys.*

18.4.2 *Subject to Clause 26 of this Deed and the Preferred Unit Terms relating to the relevant class of Preferred Units, the Trustee shall cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date of payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into court after deducting from such sums all fees, costs and expenses incurred in relation to the payment into court PROVIDED THAT if the moneys are insufficient to meet all such costs, the Trustee shall be entitled to have recourse to the Deposited Property.*

19. Provision of Annual Report

The Manager shall, after the Listing Date, send to Preferred Unitholders within such period as may be prescribed under this Deed for despatch to Holders, an annual report disclosing the matters set out in the Property Funds Appendix, the Listing Rules and any other matters as may be prescribed by the relevant authorities.

20. Provision of Accounts

The Trustee shall send or cause to be sent to Preferred Unitholders, once a year (and within such period as may be prescribed under this Deed for despatch to Holders) after the end of the period to which they relate) together with the relevant annual report, Accounts which contain such information as may be prescribed under the Property Funds Appendix, where applicable, and such other information as the Manager may from time to time determine.

21. Meetings and Voting Rights

21.1 Meetings of Unitholders

The Preferred Unitholders of each class of Preferred Units shall not be entitled to attend and vote at meetings of Holders except in the following circumstances:

- (i) during such period as the Preferred Distribution in respect of the Preferred Units of the relevant class so declared or any part thereof remains in arrears and unpaid for at least 12 months after the relevant Preferred Distribution Date when the Preferred Distribution should otherwise have been paid if declared by the Manager;*

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(ii) *in respect of any resolution which varies or abrogates any right, preference or privilege of the Preferred Units of the relevant class (including, without limitation, the authorisation, creation or issue of any securities, ownership interests or obligations of the Trust ranking senior to (but excluding, for purposes of this paragraph 21.1 only, those ranking pari passu with) the Preferred Units of the relevant class in respect of the entitlement to participate in the distributions of the Trust and/or (in the event of any dissolution or winding up of the Trust) the Deposited Property); or*

(iii) *in respect of any resolution for the dissolution or winding up of the Trust,*

and every Preferred Unitholder who is present in person at such general meetings shall have on a poll, one vote for every Preferred Unit of which he is the holder.

21.2 Meetings of Preferred Unitholders

21.2.1 *The Preferred Unitholders of each class of Preferred Units shall be entitled to attend and vote at meetings of the relevant class of Preferred Unitholders. The provisions set out in Schedule 1 of this Deed shall mutatis mutandis apply to any meeting of the Preferred Unitholders, provided that such provisions shall be read with and (in the event of any inconsistency) amended, only to the extent of such inconsistency, or supplemented by the provisions set out in paragraphs 21.3, 21.4, 21.5, 21.6 and 21.7 below.*

21.2.2 *A resolution passed at a meeting of Preferred Unitholders of each class of Preferred Units is binding on all Preferred Unitholders of such class of Preferred Units.*

21.3 Convening Meetings

21.3.1 *A meeting of the Preferred Unitholders of each class of Preferred Units may be convened at the request in writing of not less than 50 Preferred Unitholders of each class of Preferred Units or such number of Preferred Unitholders of such class of Preferred Units representing not less than 10 per cent. of the issued Preferred Units of such class.*

21.3.2 *A meeting of Preferred Unitholders of each class of Preferred Units duly convened and held in accordance with the provisions of this paragraph 21 shall be competent by Extraordinary Resolution to make any decision which is stated in the Preferred Unit Terms relating to the relevant class of Preferred Units as requiring the consent of the Preferred Unitholders of the relevant class of Preferred Units by way of an Extraordinary Resolution, and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee.*

21.4 Notice of Meetings of Preferred Unitholders of the Relevant Class

The Trustee or the Manager shall cause a notice of any meeting at which any Preferred Unitholder of the relevant class is entitled to vote, and any voting forms, to be mailed to each Preferred Unitholder of the relevant class in accordance with paragraph 24 of this Schedule 2.

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21.5 Quorum

Save in the event where one Preferred Unitholder of the relevant class of Preferred Units holds all the Preferred Units of such class in issue, the quorum for any meeting of Preferred Unitholders of each class of Preferred Units shall not be less than two Preferred Unitholders of such class of Preferred Units (whether present in person or by proxy), provided that the quorum at a meeting of Preferred Unitholders of each class of Preferred Units to approve any variation or abrogation of the rights, preferences or privileges of the Preferred Units of the relevant class shall be such number of Preferred Unitholders of such class of Preferred Units holding or representing not less than two-thirds of the outstanding number of Preferred Units of such class.

21.6 Resolutions

A resolution in writing signed by or on behalf of at least 75 per cent. of the Preferred Unitholders of the relevant class of Preferred Units for the time being entitled to receive notice of any meeting of Preferred Unitholders of such class of Preferred Units shall be as valid and effectual as a resolution (including an Extraordinary Resolution) passed at a meeting of those Preferred Unitholders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Preferred Unitholders concerned.

22. Variations of Right

22.1 *Subject to paragraph 22.2 below, unless otherwise required by the Relevant Laws, Regulations and Guidelines, any variation or abrogation of the rights, preferences or privileges of the Preferred Units of any class (including, without limitation, the authorisation, creation or issue of any securities, ownership interests or obligations of the Trust ranking pari passu with or senior to the Preferred Units of the relevant class as to the entitlement to participate in the distributions of the Trust and/or (in the event of any dissolution or winding up of the Trust) the Deposited Property) by way of amendment of this Deed, the Preferred Unit Terms relating to such class of Preferred Units or otherwise shall require:*

- (i) the consent in writing of such number of Preferred Unitholders of the relevant class of Preferred Units holding an aggregate of at least 75 per cent. of the outstanding number of Preferred Units of the relevant class; or*
- (ii) the sanction of an Extraordinary Resolution passed at a separate meeting of the relevant Preferred Unitholders.*

22.2 *No consent or sanction of the Preferred Unitholders of the relevant class of Preferred Units shall be required in respect of any variation or abrogation of the rights, preferences or privileges of such class of Preferred Units if such variation or abrogation is.*

- (i) necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law), including, without limitation, requirements under the Relevant Laws, Regulations and Guidelines; or*
- (ii) made to correct a manifest error.*

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22.3 *For the avoidance of doubt, the authorisation, creation or issue of further Units or other securities, ownership interests or obligations of the Trust ranking junior to the Preferred Units of the relevant class in respect of the entitlement to participate in the distributions of the Trust and/or (in the event of any dissolution or winding up of the Trust) the Deposited Property shall not be deemed to be a variation or abrogation of the rights, preferences or privileges of such class of Preferred Units.*

23. Transfer of Preferred Units

23.1 *The Preferred Units of each class may be freely transferable, may be subject to restrictions on transfer or may not be transferable at all. The transferability of any class of Preferred Units (and the terms and conditions of such transfer, if any) shall be separately determined in respect of each class of Preferred Units, provided that the other provisions of this paragraph 23 shall apply if the Preferred Units of the relevant class are determined to be transferable. In any case of transfer, all charges in relation to any transfer as may be imposed by the Manager and/or the Depository shall be borne by the Preferred Unitholder of the relevant class or (as the case may be) the Preferred Unit Depositor who is the transferor.*

23.2 *For so long as the Preferred Units of the relevant class are Unlisted, the following provisions shall apply to a transfer of any Preferred Units of such class:*

23.2.1 *Any Preferred Unitholder of the relevant class of Preferred Units who wishes to transfer any of his Preferred Units of such class shall issue and deliver a Transfer Instrument to the Manager at its registered office duly signed by the transferor and transferee.*

23.2.2 *The Transfer Instrument shall be in such form as the Manager and the Trustee may from time to time approve, and shall specify the number of Preferred Units of the relevant class to be transferred and the name of the transferee.*

23.2.3 *The Transfer Instrument must be duly stamped (if required by law) and left with the Manager for registration accompanied by:*

- (i) any necessary declarations or other documents that may be required by in consequence of any Relevant Laws, Regulations and Guidelines for the time being in force and by such evidence as the Manager may require to prove the title of the transferor or his right to transfer the Preferred Units, and*
- (ii) the relevant confirmation note representing the Preferred Units to be transferred.*

23.2.4 *No notice of transfer or purported transfer shall be entered on the Register of Preferred Unitholders, and no transfer or purported transfer of a Preferred Unit of the relevant class shall entitle the transferee to be registered as a Preferred Unitholder of such class of Preferred Units, unless the transfer has been properly effected in accordance with the Preferred Unit Terms relating to such class of Preferred Units.*

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- 23.2.5** *Following the delivery of the notice, the Manager or the Agent appointed by the Manager shall, in accordance with paragraph 6.4, issue to the transferee a confirmation note confirming the number of Preferred Units of such class held by it and, where the transferor has transferred only a part of the Preferred Units of the relevant class held by it, issue to the transferor a confirmation note confirming the remaining number of Preferred Units of such class held by it upon completion of the transfer.*
- 23.2.6** *The Trustee shall remove or procure the removal of the name of the transferor from the Register of Preferred Unitholders in respect of all or (as the case may be) such number of Preferred Units of the relevant class transferred, upon the delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the Preferred Units or a specified number of Preferred Units held by such transferor have been transferred, and shall register the name of the transferee in respect of such number of Preferred Units of the relevant class as may be transferred to it pursuant to the transfer.*
- 23.3** *For so long as the Preferred Units of the relevant class are Listed on the SGX-ST, the following provisions shall apply to a transfer of any Preferred Units of such class:*
- 23.3.1** *Any transfer shall be subject to compliance with the Relevant Laws, Regulations and Guidelines.*
- 23.3.2** *Transfers of the Preferred Units of the relevant class between the Preferred Unit Depositors shall be effected electronically through the Depository making an appropriate entry in the Preferred Unit Depository Register in respect of the Preferred Units of the relevant class that have been transferred in accordance with the Depository Requirements and the provisions of paragraph 23.2 shall not apply.*
- 23.3.3** *The Manager shall be entitled to appoint the Depository to facilitate transactions of the Preferred Units of the relevant class within the Depository and maintain records of Preferred Unitholders of that class credited into Securities Accounts and to pay out of the Deposited Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository.*
- 23.3.4** *Any transfer or dealing in the Preferred Units of the relevant class on the SGX-ST between a Preferred Unit Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements.*
- 23.3.5** *The broker or other financial intermediary effecting any transfer or dealing in Preferred Units of the relevant class on the SGX-ST between a Preferred Unit Depositor and another person shall be deemed to be the agent duly authorised by any such Preferred Unit Depositor or person on whose behalf the broker or intermediary is acting.*
- 23.3.6** *In any case of transfer, all charges in relation to such transfer as may be imposed by the Manager and/or the Depository shall be borne by the Preferred Unit Depositor who is the transferor.*

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23.3.7 *In the case of a transfer of the Preferred Units of the relevant class from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Preferred Unit Depositor of the Preferred Units of the relevant class transferred until the relevant Preferred Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered in the Preferred Unit Depository Register.*

23.3.8 *No transfer or purported transfer of a Preferred Unit Listed on the SGX-ST other than a transfer made in accordance with this paragraph 23.3 (or such other procedures as may be separately determined in respect of the relevant class of Preferred Units) shall entitle the transferee to be registered in respect thereof.*

23.4 *If the Preferred Units of the relevant class are Listed on any other Recognised Stock Exchange, the transfer of the Preferred Units of that class shall be in accordance with the requirements of the relevant Recognised Stock Exchange.*

23.5 Successors in Title

The successor in title of any Preferred Unitholder resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Manager and the Trustee of the succession, be the only person recognised by the Trustee and the Manager as having title to the relevant Preferred Units.

24. Delivery of Documents and Notices

The provisions of Clause 27 of this Deed shall mutatis mutandis apply to any notice or other document served by the Trustee or the Manager upon any Preferred Unitholder, or vice versa, and the service of any such notices or other documents to the relevant recipient.

25. Destruction of Documents

Subject to any Relevant Laws, Regulations and Guidelines, the Trustee (or the Manager or its Agents with the approval of the Trustee) shall (subject as hereinafter provided) be entitled to destroy:

- (i) all distribution mandates which have been cancelled or lapsed at any time after the expiration of six years from the date of cancellation or lapse;*
- (ii) all notifications of change of address after the expiration of one year from the date of the recording of the notification;*
- (iii) all forms of proxy in respect of any meeting of Preferred Unitholders of each class of Preferred Units, one year from the date of such meeting in respect of which the proxy was given; and*
- (iv) the Register of Preferred Unitholders, statements and other records and documents relating to the Trust at any time after the expiration of six years from the date of termination of the Trust,*

and neither the Trustee nor the Manager nor its Agents shall be under any liability whatsoever in consequence thereof and unless the contrary be proved every document so destroyed shall be deemed to have been a valid and effective instrument in accordance with the recorded particulars thereof.

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PROVIDED THAT:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;*
- (b) nothing in this paragraph 25 shall be construed as imposing upon the Trustee or the Manager or its Agents any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of paragraph 25 are not fulfilled; and*
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.*

26. Appointment of Agents

Without in any way affecting the generality of its powers, the Manager and/or the Trustee, in carrying out and performing their respective duties and obligations under the Preferred Unit Terms relating to each class of Preferred Units, may from time to time appoint such person or persons (including, without limitation, the Registrar and (where applicable) the Agents) to exercise any or all of their respective powers and discretions and to perform all or any of their respective obligations hereunder provided that the Manager or, as the case may be, the Trustee, shall be liable for all acts and omissions of such persons as if such acts or omissions were its own acts or omissions and all disbursements, expenses, duties and outgoings in relation thereto shall be paid from the Deposited Property as an expense of the Trust.

27. Directors’ Disclosure Obligations

27.1 *Without prejudice to his obligations under the Relevant Laws, Regulations and Guidelines, each director of the Manager shall give notice to the Manager of:*

- (i) his acquisition of Preferred Units or of an interest in Preferred Units, and*
- (ii) changes to the number of Preferred Units which he holds or in which he has an interest,*

within two Business Days after the acquisition or the occurrence of the event giving rise to the change.

27.2 *A director of the Manager has an interest in Preferred Units:*

- (i) if the director is the beneficial owner of a Preferred Unit (whether directly through a direct Securities Account or indirectly through a Depository Agent or otherwise);*
- (ii) if a body corporate is the beneficial owner of a Preferred Unit and the director is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares in the body corporate;*
- (iii) if the director’s spouse or Minor child (including step-child and adopted child) has any interest in a Preferred Unit (including in the circumstances contemplated by paragraphs (i) and (ii) above);*

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- (iv) *if the director, his spouse or Minor child (including step-child and adopted child):*
 - (a) *has entered into a contract to purchase a Preferred Unit;*
 - (b) *has a right to have a Preferred Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;*
 - (c) *has the right to acquire a Preferred Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or*
 - (d) *is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of Preferred Unitholders) to exercise or control the exercise of a right attached to a Preferred Unit, not being a Preferred Unit of which any of them is the holder; and*
- (v) *if property subject to a trust consists of or includes a Preferred Unit and the director knows, or ought reasonably to know or has reasonable grounds for believing, that he or any of the persons referred to in paragraph 27.2(iv) above has an interest under the trust and the trust property consists of or includes the Preferred Unit.*

28. Acting Consistently with the Purpose of the Preferred Units

The Trustee and the Manager each hereby acknowledges that the Preferred Unit Terms are intended to confer certain rights, preferences and privileges on the Preferred Units over certain classes of securities (including Units) as set out in this Deed and hereby undertakes to give full effect to such intention and not to carry out any act or take any action which may be inconsistent with or contrary to such intention and which may prejudice the rights and entitlements of Preferred Unitholders hereunder.”

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PART 2

TERMS OF THE CONVERTIBLE PERPETUAL PREFERRED UNITS

The specific terms and conditions of the CPPUs as extracted from the circular to C-REIT Unitholders dated 1 July 2015 are as follows:

“1. Interpretation

1.1 Definitions

Unless the context otherwise requires, the following words or expressions shall have the meaning respectively assigned to them, namely:

“Agent” means each of the Registrar and such other agent as may from time to time be appointed by the Manager or the Trustee to administer the procedures relating to the CPPUs;

“Conversion Dates” means the dates on which the CPPU Holders are entitled to convert their CPPUs into Units, as described in paragraph 22.2 of these terms;

“Conversion Notice” means the notice issued by a CPPU Holder to convert all (or part) of the CPPUs held by such CPPU Holder into Units;

“Conversion Price” means the price at which the Units will be issued upon conversion of the CPPUs, as adjusted from time to time;

“Conversion Right” means the right of a CPPU Holder to convert any CPPU into Unit(s);

“Conversion Taxes” means the Taxes and capital, stamp, issue and registration duties (i) arising on conversion of the CPPUs (other than any Taxes or capital or stamp duties payable in Singapore and, if relevant, in the place of the Recognised Stock Exchange, by the Manager and/or the Trust (as the case may be) in respect of the allotment and issue of Units and listing of the Units on the SGX-ST or a Recognised Stock Exchange on conversion) or (ii) arising by reference to any disposal or deemed disposal of a CPPU in connection with such conversion;

“CPPU Holder” means, in relation to CPPUs which are Unlisted, a registered holder for the time being of the CPPUs including persons so registered as CPPU Joint Holders, and in relation to CPPUs which are Listed on the SGX-ST, means the Depository, and the term **“CPPU Holder”** shall, in relation to CPPUs which are Listed and registered in the name of the Depository, mean, where the context requires (including without limitation, the redemption or conversion of the CPPUs hereunder, where applicable), a CPPU Depositor PROVIDED THAT for the purposes of meetings of CPPU Holders, such CPPU Holder shall mean a CPPU Depositor as shown in the records of the Depository 48 hours prior to the time of a meeting of CPPU Holders, supplied by the Depository to the Manager;

“CPPU Joint Holders” means such persons for the time being entered in the Register of Preferred Unitholders as joint CPPU Holders in respect of a CPPU, either as CPPU Joint-All Holders or CPPU Joint-Alternate Holders;

“CPPU Joint-All Holders” means CPPU Joint Holders whose mandate the Manager and the Trustee shall act upon only if given by all of the CPPU Joint Holders or, where any CPPU Joint-All Holder is a Minor, where the mandate is given by all of the adult Joint-All Holder(s);

“CPPU Joint-Alternate Holders” means CPPU Joint Holders whose mandate the Manager and the Trustee shall act upon if given by any of the CPPU Joint Holders (other than a Minor);

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“CPPU Terms” means the terms and conditions of offer and issue of the CPPUs described in paragraph 2.1.1 below, and as may be amended, modified or supplemented from time to time;

“CPPUs” means the convertible perpetual preferred units, issued in accordance with, and subject to, the CPPU Terms;

“CPPU Depositor” means:

- (i) a direct account holder with the Depository; or
- (ii) a Depository Agent, but, for the avoidance of doubt, does not include a Sub-Account Holder,

whose name is entered in the Depository Register in respect of the CPPUs held by him (where the CPPUs are Listed on the SGX-ST);

“CPPU Depository Register” means the electronic register of CPPUs deposited with the Depository maintained by the Depository;

“Distribution Amount” has the meaning ascribed to it in paragraph 14.1.1 below;

“Exercise Day” means the first Business Day of the month immediately preceding the relevant Redemption Date or Conversion Date (as the case may be);

“Issue Price” means the price at which each CPPU is to be issued to the CPPU Holders;

“Permitted Reorganisation” means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking and assets of the Trust which are held by the Trustee are transferred to a successor entity which assumes all the obligations of the Trustee and/or the Manager (as the case may be) in relation to the CPPUs;

“Preferred Distribution” means the preferential distribution which may be declared by the Manager in its sole discretion in respect of the CPPUs in accordance with paragraph 14.1 below;

“Preferred Distribution Calculation Date” means such date or dates, identical to the Distribution Calculation Dates in respect of the Units, on which the Preferred Distribution (excluding Special Preferred Distribution) in respect of any Preferred Distribution Period shall be calculated, if the Manager elects at its sole discretion to declare such Preferred Distribution;

“Preferred Distribution Date” means a Business Day, which is no later than 90 calendar days (or such other period as may be determined by the Manager) after the Preferred Distribution Calculation Date in respect of the relevant Preferred Distribution Period;

“Preferred Distribution Entitlement” means the entitlement to the Distribution Amount determined in accordance with paragraph 14.1.1 below;

“Preferred Distribution Period” means:

- (i) for the first Preferred Distribution Period, the period from, and including, the date of issue of the CPPUs to, and including, 31 December 2015; and
- (ii) in all other cases, such periods, identical to the Distribution Periods in respect of the Units, for which the Preferred Distribution shall accrue;

“Priority Amount” means the sum of (i) the Issue Price multiplied by the number of CPPUs held by the relevant CPPU Holder and (ii) any Preferred Distributions and Special Preferred Distributions which have been declared to be payable to the relevant CPPU Holder but which remain unpaid as at the date of the dissolution or winding up of the Trust;

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“Redemption Amount” means the amount payable by the Manager to the CPPU Holders pursuant to the redemption of their CPPUs, as described in paragraph 21.6 of these terms;

“Redemption Dates” mean the dates on which redemption of the CPPUs occurs, as described in paragraph 21.3 of these terms;

“Redemption Notice” means the notice issued by the Manager to a CPPU Holder to redeem all (or a part) of the CPPUs held by that CPPU Holder;

“Redemption Right” means the right of the Manager to redeem any CPPU;

“Register of Preferred Unitholders” means the register of Preferred Unitholders holding such classes of Preferred Units from time to time in issue maintained by or on behalf of the Trustee;

“Registrar” means such person as may from time to time be appointed by the Trustee to keep and maintain the Register of Preferred Unitholders;

“Registration Date” means the date on which the person or persons designated in the Conversion Notice shall become the holder of record of the number of Units issuable upon conversion, such date being (i) the date the relevant Units are credited to his or their respective accounts with the Depository (for so long as the Units are Listed on the SGX-ST) or (ii) the date of registration of such person or persons as holders in the Register (if the Units are not Listed on the SGX-ST);

“Relevant Accounting Standards” means the accounting standards applicable to the Trust;

“Restriction Period” means the period of four years commencing from the date of issuance of the CPPUs;

“Special Preferred Distribution” means the special distribution which may be declared in respect of each Special Preferred Distribution Period in accordance with paragraph 21.8 of these terms;

“Special Preferred Distribution Period”, in relation to the calculation of the distribution entitlement of CPPUs for purposes of paragraph 21.8 of these terms, means the period commencing the day after the end of the last distribution period (whether in respect of a Preferred Distribution or Special Preferred Distribution) immediately preceding the relevant Redemption Date, up to, and including, the last day of the calendar quarter immediately preceding the relevant Redemption Date;

“Transfer Instrument” means the instrument of transfer, in such form as the Manager and the Trustee may from time to time approve, to be signed by the transferor and transferee and delivered to the Manager at its registered office for the purposes of effecting a transfer of CPPUs; and

“Trust Deed” means the deed of trust dated 10 October 2013 constituting the Trust, as amended, modified or supplemented from time to time.

“Unitholder” shall have the meaning ascribed to the term “Holder” in Clause 1.1 of the Trust Deed.

For the purposes of the provisions herein, capitalised terms not specifically defined in this paragraph 1.1 of these terms shall have the meanings ascribed to them in Clause 1.1 of the Trust Deed (or as the case may be) Schedule 2 thereof.

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1.2 **Miscellaneous Construction**

Words importing the singular number only shall include the plural and vice versa; words importing the masculine gender only shall include the feminine and neuter genders and vice versa; words importing persons include corporations; the words “written” or “in writing” include printing, engraving, lithography, or other means of visible reproduction or partly one and partly the other. References to “Clauses” and the “Schedule” are to be construed as references to the clauses of and the schedules to the Trust Deed. The word “including” or “includes” means, depending on the context, “including but not limited to” or “including without limitation”.

1.3 **Headings**

The headings in the provisions herein are for convenience only and shall not affect the construction hereof.

2. **Issue of CPPUs**

2.1 **CPPU Terms**

2.1.1 *The provisions expressly contained herein shall together with Schedule 2 of the Trust Deed set out all the terms governing the CPPUs and shall bind each CPPU Holder and all persons claiming through it and, to the extent of any conflict or inconsistency between the provisions expressly contained herein and Schedule 2 of the Trust Deed, the provisions expressly contained herein shall prevail.*

2.1.2 *A copy of this document (including any modifications and/or supplements thereto) will be made available for inspection, together with a copy of the Trust Deed, at the respective registered offices of the Trustee and the Manager at all times during usual Business Hours.*

2.2 **No Fractions**

2.2.1 *No fractions of a CPPU shall be issued, converted or redeemed.*

2.2.2 *In issuing the number of CPPUs as corresponds to the relevant subscription proceeds, the Manager shall, in respect of each CPPU Holder’s entitlement to the CPPUs, round down to the nearest whole CPPU and any balance arising from rounding down shall be retained as part of the Deposited Property.*

3. **Length of Term**

The CPPUs shall be perpetual instruments with no fixed term.

4. **Issue Price**

The CPPUs shall be issued at the Issue Price of S\$1.00 per CPPU.

5. **Listing**

The CPPUs may be Listed or Unlisted at the sole discretion of the Manager and subject to the Relevant Laws, Regulations and Guidelines.

6. **No Certificates**

6.1 *No certificate shall be issued to the CPPU Holders by either the Manager or the Trustee in respect of the CPPUs (whether Listed or Unlisted) issued to the CPPU Holders.*

6.2 *Where the CPPUs are Listed on the SGX-ST, the Manager, or the Agent appointed by the Manager, shall issue to the Depository not more than 10 Business Days after the issue of the*

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CPPUs, a confirmation note confirming their holdings of such CPPUs (it being understood that such confirmation note shall prima facie be deemed to be a certificate evidencing title to the CPPUs issued to or held by the Depository).

6.3 Where the CPPUs are Listed on the SGX-ST and registered in the Register of Preferred Unitholders in the name of, and deposited with, the Depository as the registered CPPU Holder, the Manager will endeavour to ensure that the Depository will, within the relevant periods, issue to each CPPU Depositor the relevant confirmation notes, monthly statements and statements of account on account of transactions in CPPUs completed in respect of the relevant CPPU Depositor’s Securities Account.

6.4 Where the CPPUs are Unlisted, the Manager or, the Agent appointed by the Manager, must (i) issue to each CPPU Holder not more than one month after the allotment of any CPPUs a confirmation note confirming the allotment, such confirmation note shall prima facie be deemed to be a certificate evidencing title to the CPPUs issued; and (ii) issue to each CPPU Holder, on a calendar quarterly basis (or such other period as may be agreed between the Manager and the Trustee), a statement of holdings relating to the CPPUs (“**Statement of Holdings**”). A Statement of Holdings in respect of CPPUs must:

(A) be dated and specify the number of CPPUs held by each CPPU Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of the CPPUs; and

(B) be in such form as may from time to time be agreed between the Manager and the Trustee.

7. Record of CPPU Holders

7.1 Registrar

The Trustee may, with the approval of the Manager, at any time and from time to time, appoint the Registrar to keep and maintain on its behalf the Register of Preferred Unitholders. The fees and expenses of the Registrar (as may be agreed from time to time between the Manager, the Trustee and the Registrar) shall be payable out of the Deposited Property.

7.2 Register of Preferred Unitholders

All CPPUs issued or held from time to time by any person as a CPPU Holder will be represented by entries in an up-to-date Register of Preferred Unitholders kept or cause to be kept in Singapore by the Trustee or the Registrar in accordance with the Relevant Laws, Regulations and Guidelines. The Register of Preferred Unitholders must be maintained at all times whether the CPPUs are Listed or Unlisted. The Trustee or the Registrar shall record each CPPU Holder as the registered holder of CPPUs held by such CPPU Holder.

7.3 Information in the Register of Preferred Unitholders

There shall be entered in the Register of Preferred Unitholders, in respect of each CPPU Holder or person who has ceased to be or becomes a CPPU Holder, the following information as soon as practicable after the Trustee or the Registrar receives the following relevant information:

(i) the name and address of the CPPU Holder;

(ii) the number of CPPUs held by each CPPU Holder;

(iii) the date on which every such person entered in respect of the CPPUs standing in its name became a CPPU Holder and where it became a CPPU Holder by virtue of an instrument of transfer, a sufficient reference to enable the name and address of the

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transferor to be identified;

- (iv) the date on which any transfer is registered and the name and address of the transferee; and*
- (v) (where applicable) the date on which any CPPU has been redeemed or converted into Units.*

7.4 Discrepancies

The entries in the Register of Preferred Unitholders shall (save in the case of manifest error) be conclusive evidence of the number of CPPUs held by each CPPU Holder and, in the event of any discrepancy between the entries in the Register of Preferred Unitholders and the details appearing on any confirmation note issued to the CPPU Holder, the entries in the Register of Preferred Unitholders shall prevail unless the CPPU Holder proves, to the satisfaction of the Manager and the Trustee, that the Register of Preferred Unitholders is incorrect.

7.5 Change of Name or Address

Any change of name or address on the part of any CPPU Holder shall forthwith be notified to the Manager in writing or in such other manner as the Manager may approve. If the Manager is satisfied with the change in name or address and that all formalities as may be required by the Manager have been complied with, the Manager shall notify the Trustee or the Registrar of the same and the Trustee or the Registrar shall alter or cause to be altered the Register of Preferred Unitholders accordingly.

7.6 Inspection of the Register of Preferred Unitholders

7.6.1 *Except when the Register of Preferred Unitholders is closed in accordance with paragraph 7.7 of these terms, the Register of Preferred Unitholders shall during Business Hours (subject to such reasonable restrictions as the Trustee or the Registrar may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any CPPU Holder without charge.*

7.6.2 *If the Register of Preferred Unitholders is kept on magnetic tape or in accordance with some mechanical or electrical system, the provisions of paragraph 7.6.1 above may be satisfied by the production of legible evidence of the contents of the Register of Preferred Unitholders.*

7.7 Closure of the Register of Preferred Unitholders

Subject to the Relevant Laws, Regulations and Guidelines, the Register of Preferred Unitholders may be closed at such times and for such periods as the Trustee may from time to time determine, provided that the Register of Preferred Unitholders must not be closed for more than 30 days in any one Year.

8. CPPUs to be Held Free from Equities

A CPPU Holder entered in the Register of Preferred Unitholders as the registered holder of CPPUs shall be the only person recognised by the Trustee or by the Manager as having any right, title or interest in or to the CPPUs registered in his name. The Manager may recognise the relevant CPPU Holder as absolute owner of the CPPUs and shall not be bound by any notice to the contrary or to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by some court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any CPPU. No notice of any trust shall be entered on the Register of Preferred Unitholders.

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9. **CPPU Joint Holders**

Where CPPU Joint Holders are registered as CPPU Holders they are, for the purposes of the administration of the Trust and not otherwise, deemed to hold the relevant CPPUs as joint holders, on the following conditions:

- (i) except when otherwise required by the Listing Rules or any other Relevant Laws, Regulations and Guidelines, the Manager is not bound to register more than three persons as the CPPU Joint Holders in respect of a CPPU;
- (ii) the CPPU Joint Holders are jointly and severally liable in respect of all payments, including payment of Tax, which ought to be made in respect of a CPPU;
- (iii) on the death of any one of the CPPU Joint Holder and subject to any Relevant Laws, Regulations and Guidelines, the survivor or survivors, upon producing such evidence of death as the Manager or the Trustee may require, shall be the only person or persons whom the Trustee and the Manager will recognise as having any title to a CPPU, PROVIDED THAT where the sole survivor is a Minor, the Manager or the Trustee shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obligated to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased CPPU Joint Holder, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased CPPU Joint Holder, the Minor CPPU Joint Holder or the Minor CPPU Joint Holder’s legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years);
- (iv) any one of the CPPU Joint Holders may give an effective receipt which will discharge the Trustee and the Manager in respect of any payment or distribution in respect of a CPPU;
- (v) the CPPU Joint Holders of a CPPU are counted as a single CPPU Holder of the relevant CPPU for the purposes of calculating the number of CPPU Holders or requisitionists who have requisitioned for a Meeting; and
- (vi) only the person whose name appears first in the Register of Preferred Unitholders as one of the CPPU Joint Holders is entitled to delivery of any notices, cheques or communications from the Trustee or the Manager, and any notice, cheque or communication given to that person is deemed to be given to all the CPPU Joint Holders.

10. **Minors**

10.1 A Minor shall not be registered as:

- (i) a sole CPPU Holder; or
- (ii) a CPPU Joint-Alternate Holder.

10.2 A Minor may be registered as a CPPU Joint-All Holder if each of the other CPPU Joint-All Holders is a person who has attained the age of 18 years.

10.3 If one of the CPPU Joint-All Holders is a Minor, the Manager and the Trustee need only act on the instructions given by the other CPPU Joint-All Holder or CPPU Joint-All Holder(s) who has or have attained the age of 18 years.

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11. Obligations of the Manager and the Trustee

Neither the Trustee nor the Manager owes any obligation to the CPPU Holder other than the obligation to comply with the CPPU Terms.

12. Rights, Benefits and Obligations of CPPU Holders

12.1 *All rights, benefits and obligations contained in the CPPU Terms shall apply for the benefit of and bind each CPPU Holder.*

12.2 *A CPPU Holder has no equitable or proprietary interest in the Deposited Property and is not entitled to the transfer to it of the Deposited Property or any part of the Deposited Property or of any estate or interest in the Deposited Property or any part of the Deposited Property.*

12.3 *Save as otherwise expressly provided in the CPPU Terms, a CPPU Holder has no other rights against the Trust, the Trustee and/or the Manager other than the right to enforce the CPPU Terms against the Trustee and/or the Manager and to enjoy the benefits conferred on the CPPU Holder under the CPPU Terms.*

12.4 *The rights and benefits of the Unitholders are subject to the CPPU Terms. Where the interests of CPPU Holders and Unitholders conflict, the Manager and the Trustee must prefer the interests of CPPU Holders.*

13. No Further Liability

13.1 *Save as otherwise expressly provided in the CPPU Terms, the liability of each CPPU Holder in its capacity as such is limited to the CPPU Holder’s investment in the Trust.*

13.2 *A CPPU Holder is not required to indemnify the Manager or the Trustee (or a creditor of either or both of them) against any liability of the Trustee or the Manager in respect of the Trust.*

13.3 *Nothing in or under the Trust Deed nor the provisions herein shall make either the Trustee or the Manager an agent of a CPPU Holder.*

14. Preferred Distributions

14.1 Preferred Distribution Entitlement

14.1.1 *Subject to paragraphs 14.1.2, 16.1, 21.8 and 22.12 of these terms, each CPPU in issue shall entitle a CPPU Holder to receive a Preferred Distribution of an amount equivalent to 1.0 per cent. per annum of the Issue Price (the “**Distribution Amount**”) pro-rated over the relevant Preferred Distribution Period, on each Preferred Distribution Date.*

14.1.2 *Any and all decisions regarding the declaration of any Preferred Distribution in respect of the CPPU Holders shall be at the sole and absolute discretion of the Manager.*

14.1.3 *Any Preferred Distribution or part thereof not due or payable pursuant to the CPPU Terms shall not accumulate for the benefit of the CPPU Holders or entitle the CPPU Holders to any claim in respect thereof against the Trust, the Trustee and/or the Manager.*

14.1.4 *The CPPUs shall, in respect of the entitlement to participate in the distributions of the Trust, rank:*

- (i) junior to any securities or ownership interests and all obligations of the Trust (excluding debt obligations) that are expressed to rank senior to the CPPUs;*
- (ii) pari passu with (a) each other and (b) any other securities or ownership interests and all obligations of the Trust (excluding debt obligations) that are*

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expressed to rank *pari passu* with the CPPUs; and

(iii) senior to the Units.

15. Preferred Distribution and Capital Stopper

In the event any Preferred Distribution referred to in paragraph 14.1 (taking into account the Special Preferred Distribution declared in accordance with paragraph 21.8) is not declared in full for any reason in respect of any Preferred Distribution Period, the Trust shall not, and shall procure that the subsidiaries of the Trust shall not, in respect of the same period:

- (i) *declare or pay any distributions in respect of, or repurchase or redeem, any Units or any other securities or ownership interests of the Trust ranking *pari passu* with or junior to the CPPUs; and*
- (ii) *contribute any moneys to a sinking fund for the payment of any distributions in respect of, or for the redemption or repurchase of, any such Units or any other securities or ownership interests,*

except where required pursuant to under any Relevant Laws, Regulations and Guidelines.

16. Payment of Preferred Distributions or Special Preferred Distributions

16.1 *The Preferred Distribution in respect of each Preferred Distribution Period shall be payable on the relevant Preferred Distribution Date, and no Preferred Distribution or any part thereof shall become due or payable on any such Preferred Distribution Date unless the Manager has declared or resolved to pay the Preferred Distribution on that Preferred Distribution Date.*

16.2 *The Special Preferred Distribution in respect of each Special Preferred Distribution Period shall be payable on the relevant Redemption Date, and no Special Preferred Distribution or any part thereof shall become due or payable on any such relevant Redemption Date unless the Manager has declared or resolved to pay the Special Preferred Distribution on that relevant Redemption Date.*

16.3 *The Preferred Distributions and the Special Preferred Distributions shall only be satisfied by payments in the form of cash.*

16.4 *For the purpose of identifying the persons who are entitled to the Preferred Distribution or Special Preferred Distribution, as the case may be, payable in respect of any Preferred Distribution Period or Special Preferred Distribution Period, as the case may be, the persons who are CPPU Holders on the record date as determined by the Manager in its sole discretion for that Preferred Distribution Period or Special Preferred Distribution Period, as the case may be, shall have an absolute, vested and indefeasible interest in the relevant Preferred Distribution or Special Preferred Distribution.*

16.5 *The Manager and the Trustee may retain from each CPPU Holder’s Preferred Distribution or Special Preferred Distribution all amounts which:*

- (i) *equal any amount of Tax which has been paid or which the Manager determines is or may be payable by the Trustee or the Manager in respect of the portion of the income of the Trust attributable to such CPPU Holder or the amount of the distribution otherwise distributable to such CPPU Holder;*
- (ii) *are required to be deducted by law, the Tax Ruling, the Trust Deed and/or the CPPU Terms; or*
- (iii) *are payable by the CPPU Holder to the Trustee or the Manager,*

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and the Manager must notify each CPPU Holder, following the end of each Financial Year, of any amounts deducted under paragraphs 16.5(i) and 16.5(ii) above.

17. CPPU Holder Notification

17.1 Each CPPU Holder must, as and when required by the Manager, provide such information as to its place of residence for taxation purposes as the Manager may from time to time determine.

17.2 The Trustee and the Manager shall be entitled to rely absolutely on any declaration of tax residence which may be received from a CPPU Holder or applicant for CPPUs.

18. Tax Declaration Forms and Tax Preferred Distribution Vouchers

18.1 The Manager shall, where necessary before a Preferred Distribution or Special Preferred Distribution is paid, issue to a CPPU Holder a tax declaration form in a form approved by the Trustee and/or the IRAS for the purpose of that CPPU Holder declaring its tax status.

18.2 The Manager and the Trustee may rely on any representation made by a CPPU Holder as to its tax status made on each relevant tax declaration form returned to the Manager (or its Agent) or the Trustee to determine whether or not to deduct tax from the Preferred Distribution or Special Preferred Distribution which that CPPU Holder is entitled to receive.

18.3 If a CPPU Holder fails to make a declaration in time for a Preferred Distribution or Special Preferred Distribution, the Manager and the Trustee shall deduct the appropriate amount of tax with respect to the Preferred Distribution or Special Preferred Distribution which that CPPU Holder is entitled to receive.

18.4 After a Preferred Distribution or Special Preferred Distribution has been paid, the Trustee shall where necessary issue to each CPPU Holder a tax distribution voucher prepared by the Manager in a form approved by the Trustee and/or the IRAS.

18.5 In the case of any Preferred Distribution or Special Preferred Distribution paid or on termination of the Trust, each tax distribution voucher shall show what proportion of the Preferred Distribution or Special Preferred Distribution represents capital, what proportion represents income exempt from Singapore income tax or income subject to Singapore income tax and what proportion represents the portion of any Tax payable by the Trustee on income and gains attributable to the CPPU Holders.

19. No Further Rights to Participate in Distributions

Save as expressly set out in the CPPU Terms, the CPPUs shall not confer any right or claim as regards participation in any distribution of the Trust.

20. Liquidation of the Trust

20.1 Upon the dissolution or winding up of the Trust, the CPPU Holders are only entitled to receive their respective Priority Amounts and no further amounts.

20.2 Ranking

In the event of the commencement of any dissolution or winding up of the Trust (other than pursuant to a Permitted Reorganisation), the CPPUs shall, in respect of the Priority Amounts, rank:

- (i) junior to (a) all debt of the Trust (including, without limitation, all amounts due under Clause 26.5 of the Trust Deed, all costs of the Trustee in its capacity as trustee of the Trust (including, but not limited to, liabilities owed to any CPPU Holder or Unitholder who is a creditor of the Trust) and subordinated debt), and (b) any securities or

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ownership interests and all obligations of the Trust that are expressed to rank senior to the CPPUs;

- (ii) pari passu with (a) each other and (b) any other securities or ownership interests and all obligations of the Trust that are expressed to rank pari passu with the CPPUs; and*
- (iii) senior to the Units.*

20.3 *On a dissolution or winding up of the Trust, the CPPU Holders shall be entitled to recover their respective Priority Amounts out of the Deposited Property after the repayment and discharge of the following:*

- (i) all debts of the Trust (including, without limitation, all amounts due under Clause 26.5 of the Trust Deed, all costs of the Trustee in its capacity as trustee of the Trust (including, but not limited to, liabilities owed to any CPPU Holder or Unitholder who is a creditor of the Trust) and all subordinated debt); and*
- (ii) payments due to securities or ownership interests and all obligations of the Trust that are expressed to rank senior to the CPPUs.*

20.4 Payment of Priority Amount

20.4.1 *The Trustee may make a payment of the Priority Amount to any CPPU Holder only if that holder delivers to the Manager any evidence of title required by the Manager together with any form of receipt and discharge required by the Trustee.*

20.4.2 *The Priority Amount may not be satisfied by a distribution in specie of the Deposited Property to a CPPU Holder.*

20.5 Deductions for Contingent Liabilities

The Trustee, at the direction of the Manager, may retain for as long as the Manager thinks fit any part of the Priority Amounts which, in the Manager’s opinion, may be required to meet any actual or contingent liability of the Trustee or the Manager or any amounts payable actually or contingently to the Trustee or the Manager under the Trust Deed, including but not limited to under Clause 26.5 of the Trust Deed.

20.6 Pro Rata Entitlement

If, upon any such dissolution or winding up of the Trust, the amount available for payment of the Priority Amounts of the CPPU Holders is insufficient to fully satisfy the entire sum of Priority Amounts of all the CPPU Holders, each CPPU Holder shall be entitled to recover such proportion of his Priority Amount calculated based on the proportion of the amount of the CPPU Holder’s entitlement relative to the total amount of all entitlements of the holders of any securities or ownership interests and all obligations of the Trust which rank pari passu with the CPPU Holder.

20.7 No Further Rights to Participate in the Deposited Property

Save as expressly set out in the CPPU Terms, the CPPUs shall not confer any right or claim as regards participation in the Deposited Property.

21. Redemption of CPPUs

21.1 Right of Redemption

21.1.1 *No CPPU shall be redeemable at the option of a CPPU Holder.*

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21.1.2 *Subject to paragraphs 21.3, 22.2.3 and 22.2.4 of these terms, the Manager shall have the sole right to redeem any number of CPPUs for the time being issued and outstanding in accordance with this paragraph 21.*

21.1.3 *Where the Manager exercises its right to redeem any CPPUs in accordance with this paragraph 21, and there is more than one CPPU Holder, the number of CPPUs sought to be redeemed in respect of each CPPU Holder shall be pro-rated based on the proportion which the number of CPPUs owned by each CPPU Holder bears to the total number of CPPUs for the time being issued and outstanding provided that the number of CPPUs to be redeemed shall be rounded up to the nearest whole number, where necessary.*

21.2 Early Redemption at the Option of the Manager upon Occurrence of a Special Event

21.2.1 *The Manager may at its sole discretion, redeem the CPPUs in whole but not in part, upon the occurrence of the following events:*

- (i) a Gross-up Event;*
- (ii) an Accounting Event; or*
- (iii) a Rating Agency Event.*

21.2.2 *A “Gross-up Event” occurs when there is a change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the CPPUs, the Trust would be required to pay additional amounts such as withholding tax, in respect of the CPPUs and such obligation cannot be avoided by the Trust, as the case may be, taking reasonable measures available to it.*

21.2.3 *An “Accounting Event” occurs when the CPPUs must not or must no longer be recorded as “equity” of the Trust pursuant to the Relevant Accounting Standard prevailing on that date.*

21.2.5 *A “Rating Agency Event” occurs when there is a change in, or amendment, in the equity credit criteria, guidelines or methodology of Fitch, Moody’s or any other rating agency of equivalent international standing which results in a lower equity credit for the CPPUs than the equity credit assigned on the issue date of the CPPUs or, if equity credit is not assigned on the issue date of the CPPUs, at the date when equity credit is assigned for the first time.*

21.3 Redemption Dates

The Manager shall be entitled (but shall not be obliged) to redeem any number of CPPUs on each Redemption Date, being a Business Day to be determined at the Manager’s discretion.

21.4 Redemption Notice

21.4.1 *In the event the Manager wishes to exercise its Redemption Right, it shall issue and deliver the Redemption Notice to the Registrar between 9.00 a.m. and 5.00 p.m. on the relevant Exercise Day.*

21.4.2 *Each Redemption Notice shall specify inter alia:*

- (i) the Redemption Date; and*
- (ii) the number of CPPUs to be redeemed on the Redemption Date.*

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21.4.3 *The Redemption Notice shall be delivered in accordance with paragraph 29 of these terms.*

21.4.4 *The Redemption Notice once delivered by the Manager to the Registrar shall be irrevocable and may not be withdrawn.*

21.4.5 *No defect in the Redemption Notice shall affect the validity of the redemption proceedings.*

21.5 Confirmation of Redemption

The Registrar shall, as soon as practicable, notify the Manager and each CPPU Holder in writing of the number of CPPUs, if any, to be redeemed from such holder on the relevant Redemption Date and the Redemption Amount determined in accordance with paragraph 21.6 below. Such notification shall be conclusive and binding on each CPPU Holder. The outcome of the exercise of Redemption Right by the Manager shall be announced on the SGXNET as soon as practicable upon the Manager’s receipt of the notification from the Registrar.

21.6 Redemption Amount

The Redemption Amount payable to a CPPU Holder on redemption of the CPPUs held by it shall be the sum of:

21.6.1 *100.0 per cent. of the Issue Price multiplied by the number of CPPUs to be redeemed on the relevant Redemption Date; and*

21.6.2 *all the Preferred Distributions and Special Preferred Distributions which have been declared but which remain unpaid as at the relevant Redemption Date.*

21.7 Payment of Redemption Amount

21.7.1 *Where the CPPUs are Unlisted, a redemption of the CPPUs and payment of the Redemption Amount shall be made only if the CPPU Holder has delivered the confirmation note(s) representing the CPPUs being redeemed at least two Business Days prior to such redemption. No confirmation note needs to be delivered where the CPPUs are Listed.*

21.7.2 *The Manager shall have the option of issuing a cheque or relying on such other method of payment as the Manager may specify in the Redemption Notice for the purposes of paying the Redemption Amount.*

21.7.3 *The Redemption Amount shall be paid in cash only.*

21.8 Special Preferred Distribution Entitlements upon Redemption

Where any CPPUs are to be redeemed, the Manager may, at its sole discretion, elect to declare a Special Preferred Distribution of an amount per CPPU equivalent to the Distribution Amount pro-rated over the relevant Special Preferred Distribution Period, on all CPPUs for the relevant Special Preferred Distribution Period, which shall be payable on the relevant Redemption Date and the provisions contained in paragraphs 16 and 18 of these terms shall mutatis mutandis apply to the payment of Special Preferred Distributions, provided that the Special Preferred Distribution in respect of each CPPU shall, together with all prior distributions declared in respect of each CPPU in the relevant year, not exceed the Distribution Amount.

21.9 Cancellation of Redeemed CPPUs

21.9.1 *Any CPPUs properly redeemed in accordance with the CPPU Terms shall be cancelled.*

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21.9.2 *Where the CPPUs are Unlisted and only a part of the CPPUs held by a CPPU Holder have been redeemed, a new confirmation note reflecting the remaining number of CPPUs held by the CPPU Holder shall be issued by the Manager, or the Agent appointed by the Manager, to the CPPU Holder and the provisions of paragraph 6.4 above shall mutatis mutandis apply.*

21.9.3 *Where the CPPUs are Listed and only a part of the CPPUs registered in the name of the Depository have been redeemed, a new confirmation note reflecting the remaining number of CPPUs registered in the name of the Depository shall be issued by the Manager, or the Agent appointed by the Manager, to the Depository and the provisions of paragraph 6.2 above shall mutatis mutandis apply.*

21.9.4 *The Trustee shall remove or procure the removal of the name of the CPPU Holder from the Register of Preferred Unitholders in respect of such number of CPPUs redeemed, upon the delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the CPPUs or a specified number of CPPUs held by such CPPU Holder have been redeemed.*

21.10 Restrictions on Trading and Transfer of CPPUs in connection with Redemption and Conversion

A CPPU may be subject to such trading (if the CPPUs are Listed) and/or such transfer restrictions or other procedures as the Manager may, in consultation with the Trustee and, where appropriate, the Agent and/or the Depository (where the CPPUs are Listed), determine to be necessary to facilitate the conversion and redemption of CPPUs in accordance with the terms hereunder and for compliance with paragraph 28. If the Manager shall determine any restrictions on trading (if applicable) and/or transfer to be necessary, the Manager shall notify such restrictions to the CPPU Holders by way of SGXNET announcement as soon as practicable, and in any case, before the relevant record date for determining entitlement of CPPU Holders to exercise their Conversion Right hereunder.

22. Conversion of CPPUs into Units

22.1 Right of Conversion

22.1.1 *No CPPU shall be convertible into Units at the option of the Manager.*

22.1.2 *A CPPU Holder shall have the sole right to convert any number of CPPUs into Units on any one or more Conversion Dates in accordance with this paragraph 22, provided that the number of CPPUs converted in each Financial Year shall not exceed one-third of the total number of CPPUs initially issued to the CPPU Holder.*

22.2 Conversion Dates

22.2.1 *Subject to paragraph 22.2.3 below, no CPPUs shall be convertible into Units during the Restriction Period.*

22.2.2 *Subject to paragraphs 22.1.2, 22.2.4 and 22.2.5 and without prejudice to paragraph 22.2.3 below, following the expiry of the Restriction Period, a CPPU Holder shall be entitled (but shall not be obliged) to convert its CPPUs into Units on each Conversion Date, being a Business Day to be determined at the CPPU Holder’s discretion.*

22.2.3 *In the event that (i) an intention to make a general offer to acquire the Units, including Units, if any, held by the CPPU Holders is announced in accordance with the Singapore Code on Take-overs and Mergers or (ii) the Manager announces an intention to carry out a Permitted Reorganisation, the CPPU Holders shall, notwithstanding the Restriction*

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Period and anything else to the contrary in the other provisions of the CPPU Terms but to the extent permitted by law and subject to any ruling from any relevant authority, be entitled (but shall not be obliged) to exercise their Conversion Right to convert all or part of their CPPUs into Units by delivering the Conversion Notice and the confirmation note(s) representing the CPPUs being converted to the Registrar in accordance with paragraph 22.5 below save that the Conversion Notice shall be issued and delivered, together with the relevant confirmation note(s), on a Business Day within 14 days from the date of the announcement of the general offer, and the CPPUs shall be converted into Units on a Conversion Date occurring as soon as reasonably practicable and in any event not more than two Business Days after the delivery of the Conversion Notice and the relevant confirmation note(s).

- 22.2.4** *If and whenever the Manager issues a Unit Redemption Notice, the Manager shall at the same time issue a Unit Redemption Notice to the CPPU Holders as if they were Unitholders. After the expiry of the Restriction Period and upon the issuance of the Unit Redemption Notice, the CPPU Holders shall, notwithstanding anything else to the contrary in the other provisions of the CPPU Terms, be entitled (but shall not be obliged) to exercise their Conversion Right to convert up to one-third of the total number of CPPUs initially issued into Units by delivering the Conversion Notice and the confirmation note(s) representing the CPPUs being converted to the Registrar in accordance with paragraph 22.5 below, save that the Conversion Notice shall be issued and delivered on a Business Day together with the relevant confirmation note(s), within 14 days from the date of the issuance of the Unit Redemption Notice. The CPPUs shall be converted into Units on a Conversion Date occurring as soon as reasonably practicable and in any event not more than two Business Days after the delivery of the Conversion Notice and the relevant confirmation note(s). The CPPU Holders shall be entitled (but not be obliged) to redeem all or a part of their Units issued upon such conversion on the terms and in the manner as set out in the Unit Redemption Notice and subject to Clause 7 of the Trust Deed (save as otherwise expressly provided in this paragraph 22.2.4). For the avoidance of doubt, the CPPU Holders shall not be entitled to exercise their Conversion Right when the Manager issues a Unit Redemption Notice during the Restriction Period.*
- 22.2.5** *During the Restriction Period, the CPPU Holders shall not be entitled to exercise their Conversion Right when the Manager exercises its Redemption Right. After the expiry of the Restriction Period and in the event that the Redemption Right is exercised in respect of any of the CPPUs, the CPPU Holders shall be entitled (but shall not be obliged) at any time to exercise their Conversion Right to convert up to one-third of the total number of CPPUs initially issued into Units in accordance with paragraph 22.5 on a date no later than five Business Days prior to the date fixed for redemption thereof. For the avoidance of doubt, any exercise of the Conversion Right by the CPPU Holders in respect of their CPPUs which are the subject of the Redemption Right shall prevail and the Redemption Notice shall be disregarded in respect of such CPPUs, provided that the CPPU Holders have exercised their Conversion Right no later than five Business Days prior to the date fixed for redemption of such CPPUs.*
- 22.2.6** *For the purpose of computing the one-third limit on the CPPUs to be converted pursuant to paragraphs 22.2.4 and 22.2.5 and determining the CPPUs which are entitled to be converted, the Conversion Notices which are first served on the Manager by the CPPU Holders in accordance with paragraph 22.5 shall prevail.*

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22.3 Conversion Ratio

The number of Units to be issued on conversion of a CPPU shall be determined by dividing the Issue Price for such CPPU by the Conversion Price applicable as at the relevant Conversion Date.

22.4 Fractions of Units

Fractions of Units will not be issued on conversion and no cash adjustments will be made in respect thereof.

22.5 Conversion Notice

22.5.1 *A CPPU Holder wishing to exercise its Conversion Right shall issue and deliver to the Registrar between 9.00 a.m. and 5.00 p.m. on the relevant Exercise Day, a Conversion Notice in the form (for the time being current) obtainable from the specified office of the Registrar.*

22.5.2 *Each Conversion Notice shall specify, inter alia:*

- (i) the Conversion Date;*
- (ii) the number of CPPUs to be converted on the Conversion Date; and*
- (iii) (for so long as the Units are Listed on the SGX-ST) the details of the Securities Account of the person or persons in respect of which the Units will be issued pursuant to the conversion will be credited, or (if the Units are not Listed on the SGX-ST) details of the person or persons in respect of which the Units to be issued pursuant to the conversion will be credited,*

and shall contain, inter alia:

- (a) a representation, warranty and undertaking from the CPPU Holder to the Manager that, for the purposes of conversion on the relevant Conversion Date and in respect of such number of CPPUs which the Registrar shall declare as being convertible on that Conversion Date, (a) (where the CPPUs are Unlisted), it is the registered holder of and will be the registered holder of such number of CPPUs on the relevant Conversion Date; and (b) (where the CPPUs are Listed), such number of CPPUs is held in its Securities Account and will be held in its Securities Account on the relevant Conversion Date; and*
- (b) an acknowledgement from the CPPU Holder that it shall be responsible for paying all relevant Conversion Taxes.*

22.5.3 *The Conversion Notice shall be delivered by the CPPU Holder in accordance with paragraph 29 below.*

22.5.4 *A Conversion Notice once delivered by the CPPU Holder shall be irrevocable and may not be withdrawn unless the Manager consents to such withdrawal.*

22.5.5 *No defect in the Conversion Notice or in its issuance shall affect the validity of the conversion proceedings.*

22.6 Confirmation of Conversion

The Registrar shall, as soon as practicable, notify the Manager and the relevant CPPU Holders in writing of the number of CPPUs to be converted on the relevant Conversion Date at the Conversion Price. Such notification shall be conclusive and binding on each CPPU

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Holder. The outcome of the exercise of Conversion Right by the CPPU Holders shall on an aggregated basis, be announced on the SGXNET as soon as practicable upon the Manager’s receipt of the notification from the Registrar.

22.7 Conversion Price

22.7.1 *Subject to paragraph 22.7.2 below, the Conversion Price at which Units will be issued upon conversion of the CPPUs shall be at a premium of 15 per cent. above the theoretical ex-rights price (“TERP”) per Unit where:*

$$TERP = \frac{A + B}{C}$$

Where:

- A** : *market capitalisation of the Trust based on the Closing Price*
- B** : *gross proceeds from the Rights Issue*
- C** : *the number of Units in issue after the Rights Issue*
- Closing Price** : *The closing price of S\$0.810 per Unit on the last trading day of the Units prior to the announcement of the Rights Issue*
- Rights Issue** : *The underwritten renounceable rights issue where new Units would be offered to eligible holders of Units to raise gross proceeds of approximately S\$218.3 million.*

22.7.2 *The Conversion Price shall be subject to adjustment from time to time in the manner provided in paragraph 22.8 below.*

22.8 Adjustments to Conversion Price

22.8.1 *The Conversion Price will be subject to adjustment in the following events:*

(i) Consolidation or Subdivision or any Unit Buy-back

- (a)** *If and when there shall be an alteration to the number of issued Units as a result of consolidation or subdivision or as a result of any buy-back of Units by the Trustee in accordance with the Listing Rules, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:*

$$\frac{A}{B}$$

Where:

- A** : *the aggregate number of issued Units immediately before such alteration*
 - B** : *the aggregate number of issued Units immediately after such alteration*
- (b)** *Such adjustment shall become effective on the date the alteration takes effect.*

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(ii) **Capitalisation of Profits or Reserves:**

- (a) *If and when any Units are issued, credited as fully paid to the Holders or the Depositors (as the case may be) by way of capitalisation of profits or reserves, save where Units are issued in lieu of the whole or any part of a specifically declared cash distribution (the “**Relevant Cash Preferred Distribution**”), being a distribution which the Holders concerned would or could otherwise have received (a “**Scrip Preferred Distribution**”), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:*

$$\frac{A}{B}$$

Where:

A : *the aggregate number of issued Units immediately before such issue*

B : *the aggregate number of issued Units immediately after such issue*

- (b) *In the case of an issue of Units by way of a Scrip Preferred Distribution where the Market Price on the last trading day preceding the date on which the Scrip Preferred Distribution is publicly announced of such Units exceeds 105 per cent. of the amount of the Relevant Cash Preferred Distribution or the relevant part thereof, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Units by the following fraction:*

$$\frac{A + B}{A + C}$$

Where:

A : *the aggregate number of Units in issue immediately before such announcement*

B : *the aggregate number of Units issued by way of such Scrip Preferred Distribution multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Preferred Distribution and (ii) the denominator is the Market Price on the last trading day preceding the date on which the Scrip Preferred Distribution is publicly announced, issued by way of Scrip Preferred Distribution in respect of each existing Unit in lieu of the whole, or the relevant part, of the Relevant Cash Preferred Distribution*

C : *the aggregate number of Units issued by way of such Scrip Preferred Distribution*

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or by making such other adjustment as the Independent Financial Institution (acting as an expert), shall certify to the Trustee is fair and reasonable.

- (c) Such adjustment as set out in (a) and (b) shall become effective on the date of issue of such Units or if a record date is fixed therefor, the day immediately after such record date.

(iii) Rights Issues of Units or Options over Units

- (a) If and when Units are issued to all or substantially all the Holders or the Depositors (as the case may be) as a class by way of rights, or any options, warrants or other rights to subscribe for or purchase any Units are issued or granted to all or substantially all the Holders or the Depositors (as the case may be), in each case at less than 95 per cent. of the Market Price per Unit on the last trading day preceding the date of the announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A** : the number of Units in issue immediately before such announcement
- B** : the number of Units which the aggregate amount (if any) payable for the Units issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Units comprised therein would purchase at such Market Price per Unit
- C** : the aggregate number of Units issued or, as the case may be, comprised in the issue or grant
- (b) Such adjustment shall become effective on the date of issue of such Units or issue or grant of such options, warrants or other rights (as the case may be).

(iv) Rights Issues of Other Securities

- (a) If and when any securities in the Trust (other than Units or options, warrants or other rights to subscribe for or purchase Units) are issued to all or substantially all the Holders or the Depositors (as the case may be) as a class by way of rights, or any options, warrants or other rights to subscribe for or purchase any securities (other than Units or options, warrants or other rights to subscribe or purchase Units), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

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$$\frac{A - B}{A}$$

Where:

A : the Market Price of each Unit on the last trading day preceding the date on which such issue or grant is publicly announced

B : the fair market value on the date of such announcement, as determined in good faith by an independent financial institution (acting as an expert) (“**Independent Financial Institution**”, and the fair market value, the “**Fair Market Value**”), of the portion of the rights attributable to each Unit

(b) Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be).

(v) Issues of Units at less than the Market Price

(a) If and when any Units (other than Units issued on the exercise of Conversion Rights, or on the exercise of any other rights of conversion into, or exchange or subscription for, Units) are issued (otherwise than as set out in paragraph 22.8.1(iii) above) or any options, warrants or other rights to subscribe for or purchase Units are issued or granted (otherwise than as set out in paragraph 22.8.1(iii) above), in each case at a price per Unit which is less than 90 per cent. of the Market Price on the last trading day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

Where:

A : the number of Units in issue immediately before the issue of such additional Units or the grant of such options, warrants or other rights to subscribe for or purchase any Units

B : the number of Units which the aggregate consideration receivable for the issue of such additional Units would purchase at such Market Price per Unit

C : the number of Units in issue immediately after the issue of such additional Units

(b) References to additional Units in the above formula shall, in the case of an issue of options, warrants or other rights to subscribe or purchase Units, mean such Units to be issued, or otherwise made available, assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue of such options, warrants or other rights.

(c) Such adjustment shall become effective on the date of issue of such additional Units or, as the case may be, the grant of such options,

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warrants or other rights.

(vi) Issues of Other Securities at less than the Market Price

- (a) Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with this paragraph 22.8.1(vi), if and when any securities (other than CPPUs) in the Trust are issued (otherwise than as set out in paragraphs 22.8.1(iii), 22.8.1(iv) and 22.8.1(v) above) by the Manager, any subsidiary of the Trust or any other company, person or entity at the direction or request of or pursuant to any arrangements with the Trustee, the Manager or any subsidiary of the Trust which by their terms of issue carry rights of conversion into, or exchange or subscription for, Units to be issued upon conversion, exchange or subscription at a consideration per Unit which is less than 95 per cent. of the Market Price on the last trading day preceding the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A** : the number of Units in issue immediately before such issue
- B** : the number of Units which the aggregate consideration receivable by the Trust for the Units to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Market Price per Unit
- C** : the maximum number of Units to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate
- (b) Such adjustment shall become effective on the date of issue of such securities.

(vii) Modification of Rights of Conversion etc

- (a) Any conversion, exchange or subscription attaching to any such securities as are mentioned in paragraph 22.8.1(vi) above (other than in accordance with the terms applicable to such securities) so that the consideration per Unit (for the number of Units available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the Market Price on the last trading day preceding the date of announcement of the proposals for such modification. In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

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Where:

A : the number of Units in issue immediately before such modification

B : the number of Units which the aggregate consideration (if any) receivable by the Trust for the Units to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to such securities, in each case so modified, would purchase at such Market Price per Unit on the last trading day preceding the date of the announcement of the proposals or, if lower, the existing conversion, exchange or subscription price of such securities

C : the maximum number of Units to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Financial Institution (acting as an expert), considers appropriate (if at all) for any previous adjustment under paragraph 22.8.1(vi) above or this paragraph 22.8.1(vii)

(b) Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(viii) Other Offers to Unitholders

(a) The issue, sale or distribution by or on behalf of the Trust or any subsidiary of the Trust or (at the direction or request of or pursuant to any arrangements with the Manager or any subsidiary of the Trust) any other company, person or entity of any securities in connection with an offer by or on behalf of the Trust or any of its subsidiary(ies) or such other company, person or entity pursuant to which offer the Holders generally (meaning for these purposes the holders of at least 60 per cent. of the Units outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under paragraph 22.8.1(iii), 22.8.1(iv) or 22.8.1(v) above). In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

Where:

A : the Market Price of one Unit on the last trading day preceding the date on which such issue is publicly announced

B : the Fair Market Value on the date of such announcement, of the portion of the rights attributable to one Unit.

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(b) *Such adjustment shall become effective on the date of issue of the securities.*

22.8.2 *The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price and will not be responsible to CPPU Holders for any loss arising from any failure by it to do so.*

22.8.3 *On any adjustment, the relevant Conversion Price shall be rounded down to the nearest S\$0.0001.*

22.8.4 *Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment.*

22.8.5 *No adjustment shall be made to the Conversion Price:*

(i) *where such adjustment (rounded down if applicable) would be less than 1.0 per cent. of the Conversion Price applicable at the time of such adjustment, but instead carried forward in accordance with paragraph 22.8.4;*

(ii) *where such adjustment would result in a reduction of the Conversion Price such that, on conversion of the CPPUs, Units would be issued in any circumstances not permitted by applicable law; or*

(iii) *where such adjustment would result in an increase in the Conversion Price, except in the case of a consolidation of the Units as referred to in paragraph 22.8.1(i) above or to correct a manifest error.*

22.9 Notice of Adjustment in the Conversion Price

The Manager shall give notice to the CPPU Holders in accordance with paragraph 29 below of any change in the Conversion Price as soon as practicable after the determination thereof. Any such notice relating to a change in the Conversion Price shall set forth:

(i) *the event giving rise to the adjustment;*

(ii) *the Conversion Price prior to such adjustment;*

(iii) *the adjusted Conversion Price; and*

(iv) *the effective date of such adjustment.*

22.10 Taxes and Duties

22.10.1 *A CPPU Holder must pay directly to the relevant authorities any Conversion Taxes.*

22.10.2 *The relevant CPPU Holder shall provide an acknowledgement in the Conversion Notice that it shall be responsible for paying all relevant Conversion Taxes.*

22.10.3 *Neither the Trustee nor the Manager shall be responsible or liable in any way to anyone for any failure or omission by the CPPU Holders to pay the Conversion Taxes.*

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22.11 Registration

22.11.1 For so long as the CPPUs are Unlisted, a conversion of the CPPUs and corresponding issue of Units pursuant to such conversion shall be made only if the CPPU Holder has delivered the confirmation note(s) representing the CPPUs being converted at least two Business Days prior to such conversion.

22.11.2 The Manager will, on the Conversion Date, upon the conversion of the CPPUs into Units pursuant to the exercise of the Conversion Right:

- (i) allot and issue the relevant number of Units for credit to the Securities Account designated for the purpose in the Conversion Notice for so long as the Units are Listed on the SGX-ST; or if the Units are not Listed on the SGX-ST, allot and issue the relevant number of Units to the person or persons designated for the purpose in the Conversion Notice;
- (ii) (for so long as the Units are Listed on the SGX-ST) issue or cause to be issued to the Depository a confirmation note confirming the allotment of Units in accordance with the Trust Deed, and the Depository shall issue to each relevant Depositor such contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances, and at such intervals, as may be provided for in the Depository’s terms and conditions for operation of Securities Accounts;
- (iii) (if the Units are not Listed on the SGX-ST) issue or cause to be issued to the person or persons designated for the purpose in the Conversion Notice a confirmation note confirming the allotment of Units in accordance with the Trust Deed;
- (iv) (where only a part of the CPPUs held by a CPPU Holder have been converted and the CPPUs are Listed on the SGX-ST) issue or cause to be issued to the Depository a new confirmation note reflecting the remaining number of CPPUs held by the Depository and the provisions of paragraph 6.2 above shall *mutatis mutandis* apply; and
- (v) (where only a part of the CPPUs held by a CPPU Holder have been converted and the CPPUs are Unlisted) issue or cause to be issued to the CPPU Holder a new confirmation note reflecting the remaining number of CPPUs held by the CPPU Holder and the provisions of paragraph 6.4 above shall *mutatis mutandis* apply.

22.11.3 The Trustee shall, upon the conversion of the CPPUs into Units pursuant to the exercise of the Conversion Right on the Conversion Date, remove or procure the removal of the name of the relevant CPPU Holder from the Register of Preferred Unitholders as holder in respect of all or (as the case may be) such number of CPPUs converted, and register or procure the registration of the Depository or the person or persons designated for the purpose in the Conversion Notice (as the case may be) in the Register as holder(s) in respect of the relevant number of Units allotted and issued pursuant to the conversion, upon the delivery to the Trustee of a written statement signed by or on behalf of the Manager stating that all the CPPUs or a specified number of CPPUs held by such CPPU Holder have been converted and the relevant number of Units have been allotted and issued in the name of the Depository or the person or persons designated for the purpose in the Conversion Notice (as the case may be).

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22.11.4 *The person or persons designated in the Conversion Notice shall become the holder(s) on record of the number of Units issuable upon conversion with effect from the Registration Date, being (i) where the Units are Listed on the SGX-ST, the date the relevant Units are credited to their respective accounts with the Depository or (ii) where the Units are Unlisted, the date of registration of such person or persons as holders in the Register.*

22.12 Rights and Preferred Distribution Entitlements upon Conversion

22.12.1 *The Units issued upon conversion of the CPPUs shall, in respect of entitlement to distributions which may be declared in respect of Units and in all other respects, rank pari passu with the existing Units in issue on the relevant Registration Date, provided that a holder of Units issued on conversion of any CPPUs shall not be entitled to any rights the record date for which precedes the relevant Registration Date.*

22.12.2 *Where the Units to be issued upon conversion of the CPPUs shall entitle the relevant holder to receive a distribution which may be declared in respect of the Units for a Distribution Period, the CPPUs which are to be converted shall not entitle the CPPU Holder to receive any Preferred Distributions in respect of any Preferred Distribution Period coinciding with that Distribution Period.*

23. Payment of Moneys to CPPU Holders

23.1 Place and Conditions of Payment

23.1.1 *Save as otherwise expressly provided in the CPPU Terms, any moneys payable by the Trustee or the Manager to any CPPU Holder under the provisions of the CPPU Terms shall be paid by cheque sent through the post to the registered address of such CPPU Holder or, in the case of CPPU Joint Holders, to the registered address of the CPPU Joint Holders who is first named in the Register of Preferred Unitholders or to the registered address of any other of the CPPU Joint Holders as may be authorised by all of them. Every such cheque shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee or the Manager (as the case may be).*

23.1.2 *Where the Trustee or Manager (as the case may be) receives the necessary authority in such form as the Trustee or Manager (as the case may be) shall consider sufficient, the Trustee or Manager (as the case may be) shall pay the amount due to any CPPU Holder to its bankers or other agent and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor.*

23.1.3 *No amount payable to any CPPU Holder shall bear interest.*

23.1.4 *Unless otherwise expressly provided in the CPPU Terms, all moneys payable by the Trustee or the Manager to any CPPU Holder under the provisions of the CPPU Terms shall be paid in Singapore dollars.*

23.2 Deductions

23.2.1 *Without prejudice to any other provisions of the CPPU Terms, before any payment is made to a CPPU Holder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any income or other Taxes, charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government*

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taxes or charges payable by the Manager or (as the case may be) the Trustee for which the Manager or (as the case may be) the Trustee may be made liable in respect of or in connection therewith.

23.2.2 *Neither the Manager nor the Trustee shall be liable to account to a CPPU Holder for any payment made or suffered to be made by the Manager or (as the case may be) the Trustee in good faith and in the absence of fraud, gross negligence, wilful default or a breach of this Deed or a breach of trust to any duly empowered fiscal authority of Singapore or elsewhere for Taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under the Trust Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered to be made.*

23.3 Receipt of CPPU Holders

The receipt of the CPPU Holder for any amounts payable in respect of the CPPUs shall be a good and absolute discharge to the Manager or (as the case may be) the Trustee and if several persons are registered as CPPU Joint Holders, or in consequence of the death of a CPPU Unitholder, are entitled to be so registered, any one of them may give effective receipts for any such amounts.

23.4 Unclaimed Moneys

23.4.1 *Any moneys payable to a CPPU Holder under the CPPU Terms which remain unclaimed after a period of 12 months shall be accumulated in the Unclaimed Moneys Account from which the Trustee may, from time to time, make payments to a CPPU Holder claiming any such moneys.*

23.4.2 *Subject to Clause 26 of the Trust Deed and the CPPU Terms, the Trustee shall cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into court after deducting from such sum all fees, costs and expenses incurred in relation to such payment into court PROVIDED THAT if the said moneys are insufficient to meet all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property.*

24. Provision of Annual Report

The Manager shall, after the Listing Date, send to CPPU Holders within such period as may be prescribed under the Trust Deed for despatch to Unitholders, an annual report disclosing the matters set out in the Property Funds Appendix, the Listing Rules and any other matters as may be prescribed by the relevant authorities.

25. Provision of Accounts

25.1 *The Trustee shall send or cause to be sent to CPPU Holders, once a year (and within such period as may be prescribed under the Trust Deed for despatch to Unitholders after the end of the period to which they relate) together with the relevant annual report, Accounts which contain such information as may be prescribed under the Property Funds Appendix, where applicable, and such other information as the Manager may from time to time determine.*

26. Meetings and Voting Rights

26.1 Meetings of Unitholders

The CPPU Holders shall not be entitled to attend and vote at meetings of Unitholders except in the following circumstances:

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- (i) *during such period as the Preferred Distribution or Special Preferred Distribution so declared or any part thereof remains in arrears and unpaid for at least 12 months after the date when the Preferred Distribution or Special Preferred Distribution should otherwise have been paid if declared by the Manager;*
- (ii) *in respect of any resolution which varies or abrogates any right, preference or privilege of the CPPUs (including, without limitation, the authorisation, creation or issue of any securities or ownership interests and all obligations of the Trust ranking senior to (but excluding, for purposes of this paragraph 26.1 only, those ranking pari passu with) the CPPUs as to entitlement to participate in the distributions and/or (in the event of any dissolution or winding up of the Trust) the Deposited Property); or*
- (iii) *in respect of any resolution for the dissolution or winding up of the Trust,*

and every CPPU Holder who is present in person at such general Meetings shall have on a show of hands, one vote and on a poll, one vote for every CPPU of which it is the holder.

26.2 Meetings of CPPU Holders

26.2.1 *The CPPU Holders shall be entitled to attend and vote at meetings of the CPPU Holders. The provisions of Schedule 1 of the Trust Deed shall mutatis mutandis apply to any meeting of the CPPU Holders, except as otherwise provided in paragraphs 26.3, 26.4, 26.5, 26.6 and 26.7 below.*

26.2.2 *A resolution passed at a meeting of CPPU Holders is binding on all CPPU Holders.*

26.3 Convening Meetings of CPPU Holders

26.3.1 *A meeting of the CPPU Holders may be convened at the request in writing of such number of CPPU Holders representing not less than 10 per cent. of the issued CPPUs or by not less than 50 CPPU Holders.*

26.3.2 *A meeting of CPPU Holders duly convened and held in accordance with the provisions of this paragraph 26 shall be competent by Extraordinary Resolution to make any decision which is stated in the CPPU Terms as requiring the consent of the CPPU Holders by way of an Extraordinary Resolution, and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee.*

26.4 Notice of Meetings of CPPU Holders

The Trustee or the Manager shall cause a notice of any meeting at which any CPPU Holder is entitled to vote, and any voting forms, to be mailed to each CPPU Holder in accordance with paragraph 29 below.

26.5 Quorum

Save in the event where one CPPU Holder holds all the CPPUs in issue (in which case that CPPU Holder shall constitute the quorum), the quorum for any meeting of CPPU Holders shall not be less than two CPPU Holders (whether present in person or by proxy), provided that the quorum at a meeting of CPPU Holders to approve any variation or abrogation of the rights, preferences or privileges of the CPPUs shall be such number of CPPU Holders holding or representing not less than two-thirds of the outstanding number of CPPUs.

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26.6 Voting

A poll may be demanded by such number of CPPU Holders present at the meeting (in person or by proxy) and having the right to vote on the resolution, holding not less than one-tenth in value of the CPPUs in issue.

26.7 Resolutions

A resolution in writing signed by or on behalf of at least 75 per cent. of the CPPU Holders for the time being entitled to receive notice of any meeting of CPPU Holders shall be as valid and effectual as a resolution (including an Extraordinary Resolution) passed at a meeting of those CPPU Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the CPPU Holders concerned.

27. Variations of Rights

27.1 *Subject to paragraph 27.2 below, unless otherwise required by the Relevant Laws, Regulations and Guidelines, any variation or abrogation of the rights, preferences or privileges applicable to the CPPUs (including, without limitation, the authorisation, creation or issue of any securities or ownership interests and all obligations of the Trust ranking pari passu with or senior to the CPPUs as to entitlement to participate in the distributions of the Trust and/or (in the event of any dissolution or winding up of the Trust) the Deposited Property) by way of amendment of the Trust Deed or otherwise shall require:*

- (i) the consent in writing of such number of CPPU Holders holding an aggregate of at least 75 per cent. of the outstanding number of the CPPUs; or*
- (ii) the sanction of an Extraordinary Resolution passed at a separate meeting of the relevant CPPU Holders.*

27.2 *No consent or sanction of the relevant CPPU Holders shall be required in respect of any variation or abrogation of the rights, preferences or privileges applicable to the CPPUs if such variation or abrogation is:*

- (i) necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law), including, without limitation, requirements under the Relevant Laws, Regulations and Guidelines; or*
- (ii) made to correct a manifest error.*

27.3 *For the avoidance of doubt, the authorisation, creation or issue of further Units or other securities or ownership interests and all obligations of the Trust ranking junior to the CPPUs as to entitlement to participate in the distributions and/or (in the event of any dissolution or winding up of the Trust) the Deposited Property shall not be deemed to be a variation or abrogation of the rights, preferences or privileges of the CPPUs.*

28. Transfer of CPPUs

28.1 *Save as provided in paragraph 21.10 above, there are no restrictions on the transfer of the CPPUs. In any case of transfer, all charges in relation to such transfer as may be imposed by the Manager and/or the Depository shall be borne by the CPPU Holder or (as the case may be) the CPPU Depositor who is the transferor.*

28.2 *For so long as the CPPUs are Unlisted, the transfer of any CPPUs shall comply with the following procedures:*

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- 28.2.1** *Any transfer shall be subject to compliance with laws, regulations and requirements under the Listing Rules.*
- 28.2.2** *Any CPPU Holder who wishes to transfer any of its CPPUs shall issue and deliver a Transfer Instrument to the Manager at its registered office duly signed by the transferor and transferee.*
- 28.2.3** *The Transfer Instrument shall be in such form as the Manager and the Trustee may from time to time approve, and shall specify the number of CPPUs to be transferred and the name of the transferee.*
- 28.2.4** *The Transfer Instrument must be duly stamped (if required by law) and left with the Manager for registration accompanied by:*
- (i) any necessary declarations or other documents that may be required by in consequence of any Relevant Laws, Regulations and Guidelines for the time being in force and by such evidence as the Manager may require to prove the title of the transferor or his right to transfer the CPPUs, and*
 - (ii) the relevant confirmation note(s) representing the CPPUs to be transferred.*
- 28.2.5** *No notice of transfer or purported transfer shall be entered on the Register of Preferred Unitholders, and no transfer or purported transfer of a CPPU shall entitle the transferee to be registered as a CPPU Holder, unless the transfer has been properly effected in accordance with the CPPU Terms.*
- 28.2.6** *Following the delivery of the notice, the Manager or the Agent appointed by the Manager shall, in accordance with paragraph 6.4 above, issue to the transferee a confirmation note confirming the number of CPPUs held by it and, where the transferor has transferred only a part of the CPPUs held by it, issue to the transferor a confirmation note confirming the remaining number of CPPUs held by it upon completion of the transfer.*
- 28.2.7** *The Trustee shall remove or procure the removal of the name of the transferor from the Register of Preferred Unitholders in respect of all or (as the case may be) such number of CPPUs transferred, upon the delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the CPPUs or a specified number of CPPUs held by such transferor have been transferred, and shall register the name of the transferee in respect of such number of CPPUs as may be transferred to it pursuant to the transfer.*
- 28.3** *For so long as the CPPUs are Listed on the SGX-ST, the following provisions shall apply to a transfer of any Preferred Units of such class:*
- 28.3.1** *Any transfer shall be subject to compliance with the Relevant Laws, Regulations and Guidelines.*
- 28.3.2** *Transfers of the CPPUs between the CPPU Depositors shall be effected electronically through the Depository making an appropriate entry in the CPPU Depository Register in respect of the CPPUs that have been transferred in accordance with the Depository Requirements and the provisions of paragraph 28.2 shall not apply.*
- 28.3.3** *The Manager shall be entitled to appoint the Depository to facilitate transactions of the CPPUs within the Depository and maintain records of CPPU Holders credited into Securities Accounts and to pay out of the Deposited Property all fees, costs and*

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expenses of the Depository arising out of or in connection with such services to be provided by the Depository.

28.3.4 *Any transfer or dealing in the CPPUs on the SGX-ST between a CPPU Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements.*

28.3.5 *The broker or other financial intermediary effecting any transfer or dealing in the CPPUs on the SGX-ST between a CPPU Depositor and another person shall be deemed to be the agent duly authorised by any such CPPU Depositor or person on whose behalf the broker or intermediary is acting.*

28.3.6 *In any case of transfer, all charges in relation to such transfer as may be imposed by the Manager and/or the Depository shall be borne by the CPPU Depositor who is the transferor.*

28.3.7 *In the case of a transfer of CPPUs from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the CPPU Depositor in respect of the CPPUs transferred until the relevant CPPUs have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered in the CPPU Depository Register.*

28.3.8 *No transfer or purported transfer of a CPPU Listed on the SGX-ST other than a transfer made in accordance with this paragraph 28.3 shall entitle the transferee to be registered in respect thereof.*

28.4 *If the CPPUs are Listed on any other Recognised Stock Exchange, the transfer of the CPPUs shall be in accordance with the requirements of the relevant Recognised Stock Exchange.*

28.5 Successors in Title

The successor in title of any CPPU Holder resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Manager and the Trustee of the succession, be the only person recognised by the Trustee and the Manager as having title to the CPPUs.

29. Delivery of Documents and Notices

The provisions of Clause 27 of the Trust Deed shall mutatis mutandis apply to any notice or other document that may be served by the Trustee or the Manager upon any CPPU Holder, or vice versa, and the service of any such notices or other documents to the relevant recipient.

30. Destruction of Documents

Subject to any Relevant Laws, Regulations and Guidelines, the Trustee (or the Manager or the Agent with the approval of the Trustee) shall (subject as hereinafter provided) be entitled to destroy:

- (i) all distribution mandates which have been cancelled or lapsed at any time after the expiration of six years from the date of cancellation or lapse;*
- (ii) all notifications of change of address after the expiration of one year from the date of the recording of the notification;*
- (iii) all forms of proxy in respect of any meeting of CPPU Holders, one year from the date*

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of such meeting in respect of which the proxy was given; and

- (iv) *the Register of Preferred Unitholders, statements and other records and documents relating to the Trust at any time after the expiration of six years from the date of termination of the Trust,*

and neither the Trustee nor the Manager nor its Agents shall be under any liability whatsoever in consequence thereof and unless the contrary be proved every document so destroyed shall be deemed to have been a valid and effective instrument in accordance with the recorded particulars thereof.

PROVIDED THAT:

- (a) *the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;*
- (b) *nothing in this paragraph 30 shall be construed as imposing upon the Trustee or the Manager or its Agents any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of paragraph 25 are not fulfilled; and*
- (c) *references herein to the destruction of any document include references to the disposal thereof in any manner.*

31. Appointment of Agents

Without in any way affecting the generality of its powers, the Manager and the Trustee, in carrying out and performing their respective duties and obligations under the CPPU Terms, may appoint such person or persons (including, without limitation, the Registrar or any other Agents) to exercise any or all of their respective powers and discretions and to perform all or any of their respective obligations hereunder PROVIDED THAT the Manager or, as the case may be, the Trustee, shall be liable for all acts and omissions of such persons as if such acts or omissions were its own acts or omissions and all disbursements, expenses, duties and outgoings in relation thereto shall be paid from the Deposited Property as an expense of the Trust.

32. Directors’ Disclosure Obligations

32.1 *Without prejudice to his obligations under Relevant Laws, Regulations and Guidelines, each director of the Manager shall give notice to the Manager of:*

- (i) *his acquisition of CPPUs or of an interest in CPPUs, and*
- (ii) *changes to the number of CPPUs which he holds or in which he has an interest,*

within two Business Days from the acquisition or the occurrence of the event giving rise to the change.

32.2 *A director of the Manager has an interest in CPPUs:*

- (i) *if the director is the beneficial owner of a CPPU (whether directly through a direct Securities Account or indirectly through a Depository Agent or otherwise);*
- (ii) *if a body corporate is the beneficial owner of a CPPU and the director is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares in the body corporate;*
- (iii) *if the director’s spouse or Minor child (including step-child and adopted child) has any*

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interest in a CPPU (including in the circumstances contemplated by paragraphs 32.2(i) and 32.2(ii) above);

- (iv) *if the director, his spouse or Minor child (including step-child and adopted child):*
 - (a) *has entered into a contract to purchase a CPPU;*
 - (b) *has a right to have a CPPU transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;*
 - (c) *has the right to acquire a CPPU under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or*
 - (d) *is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of CPPU Holders) to exercise or control the exercise of a right attached to a CPPU, not being a CPPU of which any of them is the holder; and*
- (v) *if property subject to a trust consists of or includes a CPPU and the director knows, or ought reasonably to know or has reasonable grounds for believing, that he or any of the persons referred to in paragraph 32.2(iv) above has an interest under the trust and the trust property consists of or includes the CPPU.*

33. Acting Consistently with the Purpose of the CPPUs

The Trustee and the Manager each hereby acknowledges that the CPPU Terms are intended to confer certain rights, preferences and privileges on the CPPUs over certain classes of securities (including Units) as set out in the Trust Deed and hereby undertakes to give full effect to such intention and not to carry out any act or take any action which may be inconsistent with or contrary to such intention and which may prejudice the rights and entitlements of CPPU Holders hereunder.

34. Power to Implement Additional Procedures

The Manager shall have the power to implement such additional procedures or make amendments to the terms hereunder (to the extent they are procedural or administrative in nature) as it may, in consultation with the Trustee and, where appropriate, the Agent and/or the Depository (where the CPPUs are Listed on the SGX-ST), determine in its sole discretion to be necessary in order to facilitate the administration of the CPPUs.”

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SCHEDULE C

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF C-REIT

The unaudited statement of financial position of C-REIT as at 31 March 2019 and the audited statement of financial position of C-REIT as at 31 December 2018 are set out below:

	As at 31 March 2019 (S\$'000)	As at 31 December 2018 (S\$'000)
Non-current assets		
Plant and equipment	350	393
Investment properties	4,504,701	4,494,535
Intangible asset	22,917	24,465
Trade and other receivables	146	175
	4,528,114	4,519,568
Current assets		
Trade and other receivables	15,509	14,384
Financial derivatives	66	116
Cash and cash equivalents	37,744	37,074
	53,319	51,574
Total assets	4,581,433	4,571,142
Non-current liabilities		
Borrowings	1,716,486	1,711,330
Trade and other payables	44,116	42,400
Financial derivatives	5,972	7,828
Deferred tax liabilities	88,949	87,726
	1,855,523	1,849,284
Current liabilities		
Borrowings	6,716	1,992
Trade and other payables	66,985	65,580
Financial derivatives	–	132
Current tax liabilities	16,600	13,429
	90,301	81,133
Total liabilities	1,945,824	1,930,417
Net assets	2,635,609	2,640,725
Represented by:		
Unitholders’ funds	2,031,969	2,038,092
CPPU holder’s funds	360,925	361,890
Non-controlling interests	242,715	240,743
	2,635,609	2,640,725
C-REIT Units in issue and to be issued	2,866,585,405	2,861,589,059
Net asset value per C-REIT Unit (S\$)	0.71	0.71

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SCHEDULE D

SIGNIFICANT ACCOUNTING POLICIES OF C-REIT

The significant accounting policies of C-REIT have been extracted from C-REIT’s audited financial statements for FY2018 and, save for references to page numbers which have been altered to conform with the pagination of the Scheme Document, are set out below.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied by the Group entities consistently to all the periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies arising from the adoption of new standards.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with the recognition and measurement principles of FRS 103 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests (“NCI”) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in the statement of total return.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of total return.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the statement of total return.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation are measured either at fair value or at the NCI’s proportionate share of the recognised amounts of the acquiree’s identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the statement of total return. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

3.1 Basis of consolidation (cont’d)

(ii) Property acquisitions and business combinations

When a property is acquired through corporate acquisitions or otherwise, the Manager considers whether the acquisition represents an acquisition of business or an acquisition of an asset. An acquisition is accounted for as a business combination when an integrated set of activities is acquired, in addition to the property. In determining whether an integrated set of activities is acquired, the Manager considers whether significant processes, such as strategic management and operational processes, are acquired. Where significant processes are acquired, the acquisition is considered an acquisition of business. Where an acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of acquisition is allocated to the assets and liabilities acquired and no goodwill or deferred tax is recognised.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investments in subsidiaries are stated at cost less accumulated impairment losses.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) Subsidiaries in the financial statements of the Trust

Investments in subsidiaries are stated in the Trust’s statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

3.2 Foreign currencies (cont’d)

(i) Foreign currency transactions (cont’d)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the statement of total return, except for differences arising from the translation of a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective, or qualifying cash flow hedges to the extent that the hedge is effective, which are recognised in unitholders’ funds.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve in unitholders’ funds. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to the statement of total return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that is considered to form part of a net investment in a foreign operation, or qualifying cash flow hedges to the extent that the hedge is effective, which are recognised in the unitholders’ funds.

3.3 Plant and equipment

(i) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of total return.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

3.3 Plant and equipment (cont’d)

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the statement of total return on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Furniture and fittings	-	5 years
Office equipment	-	5 years
Operating equipment	-	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of total return.

The cost of a purchased property comprises its purchase price and any directly attributable expenditure, including transaction costs. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the CIS Code issued by the MAS.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of total return.

The investment properties are subject to continued maintenance and regularly revalued on the basis set out above. For income tax purposes, the Group may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

3.5 Intangible assets

The intangible assets represent the income support receivable by the Group and the Trust under the Deeds of Income Support in relation to OUE Bayfront and OUE Downtown Office.

The intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

The intangible assets are amortised in the statement of total return on a straight-line basis over its estimated useful life of 5 years. The intangible assets are tested for impairment as described in Note 3.7.

Amortisation method, useful life and residual value are reviewed at the end of each reporting period and adjusted, if appropriate.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified and measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment – Policy applicable from 1 January 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Group’s management; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 January 2018

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of total return. Any gain or loss on derecognition is recognised in the statement of total return.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses are recognised in the statement of total return.

Non-derivative financial assets – Policy applicable before 1 January 2018

The Group classifies non-derivative financial assets into loans and receivables.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

3.6 Financial instruments (cont’d)

(ii) Classification and subsequent measurement (cont’d)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables (excluding prepayments) and cash and cash equivalents.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of total return.

These financial liabilities comprise trade and other payables (excluding advance rental received) and borrowings.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting – Policy applicable from 1 January 2018

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedging relationships designated under FRS 39 that were still existing as at 31 December 2017 are treated as continuing hedges and hedge documentations were aligned accordingly to the requirements of FRS 109.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in unitholders' funds and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in unitholders' funds until it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

3.6 Financial instruments (cont’d)

(vi) Derivative financial instruments and hedge accounting (cont’d)

Derivative financial instruments and hedge accounting – Policy applicable before 1 January 2018

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. For all cash flow hedges, the amounts accumulated in the cash flow hedge reserve were reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect the statement of total return.

3.7 Impairment

(i) Non-derivative financial assets – Policy applicable from 1 January 2018

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

3.7 Impairment (cont’d)

(i) Non-derivative financial assets – Policy applicable from 1 January 2018 (cont’d)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes a breach of contract such as a default.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

Non-derivative financial assets – Policy applicable before 1 January 2018

A financial asset not carried at FVTPL was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets were impaired included default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise and indications that a debtor would enter bankruptcy.

Loans and receivables

The Group considered evidence of impairment for loans and receivables at both an individual asset and collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

3.7 Impairment (cont’d)

(i) Non-derivative financial assets – Policy applicable from 1 January 2018 (cont’d)

Loans and receivables (cont’d)

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset’s carrying amount and the present value of the estimated future cash flows, discounted at the asset’s original effective interest rate. Losses were recognised in the statement of total return and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through the statement of total return.

(ii) Non-financial assets

The carrying amounts of the Group’s non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets’ recoverable amounts are estimated.

The recoverable amount of an asset or cash-generating unit (“CGU”) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Unitholders’ funds

Unitholders’ funds are classified as equity.

Issue costs relate to expenses incurred in connection with the issue of units. The expenses are deducted directly against unitholders’ funds.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Convertible perpetual preferred units

The convertible perpetual preferred units do not have a maturity date and distribution payment is optional at the discretion of the Manager of the Trust. As the Trust does not have a contractual obligation to repay the principal nor make any distributions, the convertible perpetual preferred units are classified as equity.

Any distributions made are directly debited from equity. Incremental costs directly attributable to the issue of the convertible perpetual preferred units are deducted against the proceeds from the issue.

3.10 Revenue recognition

(i) Rental income

Rental income from investment properties is recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable rent is recognised as income in the accounting period in which it is earned and can be reliably estimated.

(ii) Service fee income

Revenue from servicing and maintaining the investment property is recognised when the services are rendered and collectability is reasonably assured.

(iii) Car park income

Car park income is recognised on utilisation of car parking facilities.

(iv) Dividend income

Dividend income is recognised in the statement of total return on the date that the Trust's right to receive payment is established.

3.11 Employee benefits

(i) Short term employee benefits

All short term employee benefits are recognised in the statement of total return in the period in which the employees render their services.

A provision is recognised for the amount expected to be paid under variable bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the statement of total return as incurred.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

3.12 Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

3.13 Finance income and finance costs

The Group’s finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities;
- hedge ineffectiveness recognised in the statement of total return; and
- the reclassification of net gains and losses previously recognised in unitholders’ funds on cash flow hedges of interest rate risk for borrowings.

Foreign currency gains and losses are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements are in a net gain or net loss position.

Interest income or expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of total return using the effective interest method.

3.14 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that it relates to items recognised directly in unitholders’ funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

3.14 Tax (cont’d)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale. In all other cases, the amount of deferred tax is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore (“IRAS”) has issued the Tax Transparency Ruling and Foreign-Sourced Income Tax Exemption Ruling.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT’D)

3.14 Tax (cont’d)

Tax Transparency Ruling

Pursuant to the Tax Transparency Ruling issued by the IRAS, tax transparency treatment has been granted to the Trust in respect of certain taxable income (“Specified Taxable Income”). Subject to meeting the terms and conditions of the Tax Transparency Ruling, which includes a distribution of at least 90% of the Specified Taxable Income of the Trust, the Trust is not subject to tax on the Specified Taxable Income distributed to the Unitholders in the same year in which the Specified Taxable Income was derived. Instead, the Trustee and the Manager would undertake to deduct income tax at the prevailing corporate tax rate (currently at 17%) from distributions made to Unitholders out of such Specified Taxable Income, except:

- (i) Where the beneficial owners are Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; or
- (ii) Where the beneficial owners are Qualifying Foreign Non-Individual Unitholders, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for distributions made up to 31 December 2025, unless the concession is extended.

A “Qualifying Unitholder” is a Unitholder who is:

- an individual;
- a company incorporated and tax resident in Singapore;
- a Singapore branch of a company incorporated outside Singapore;
- a body of persons (excluding partnerships) incorporated or registered in Singapore, including:
 - (i) a charity registered under the Charities Act (Cap. 37) or established by any written law;
 - (ii) a town council;
 - (iii) a statutory board;
 - (iv) a co-operative society registered under the Co-operative Societies Act (Cap. 62); or
 - (v) a trade union registered under the Trade Unions Act (Cap. 333);
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); or
- a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

A Qualifying Foreign Non-Individual Unitholder is a person other than an individual who is not resident in Singapore for Singapore income tax purposes and who:

- does not have a permanent establishment in Singapore; or
- carries on an operation in Singapore through a permanent establishment in Singapore, where the funds used by that person to acquire units of the Trust are not obtained from that operation.

The Tax Transparency Ruling does not apply to gains or profits from the disposal of any properties such as immovable properties and shares that are determined by the IRAS to be revenue gains chargeable to tax and income derived by the Trust but not distributed to the Unitholders in the same year in which the income is derived. Tax on such gains or profits will be subject to tax in accordance with Section 10(1)(a) of the Income Tax Act (Cap. 134). Distribution made out of the after-tax amount will not be subject to any further tax. Where the disposal gains are regarded as capital in nature, they will not be subject to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

Any distributions made by the Trust to the Unitholders out of tax-exempt income and taxed income would be exempt from Singapore income tax in the hands of all Unitholders, regardless of their corporate or residence status.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Tax (cont'd)

Foreign-sourced Income Tax Exemption Ruling

Pursuant to the Foreign-sourced Income Tax Exemption Ruling issued by the IRAS and subject to the meeting of certain conditions, the Trust will be exempt from Singapore income tax on dividends received by the Trust from its subsidiary, OUE Eastern Limited.

3.15 Earnings per Unit

The Group presents basic and diluted earnings per Unit. Basic earnings per Unit is calculated by dividing the total return attributable to the Unitholders by the weighted average number of Units outstanding during the year. Diluted earnings per Unit is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units, which comprise the convertible perpetual preferred units issued by the Trust.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which they may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the other components of the Group. All operating segments' operating results are reviewed regularly by the Board of Directors of the Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors of the Manager include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance income and trust expenses.

3.17 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in note 31.

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SCHEDULE E

C-REIT 1Q2019 RESULTS

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST **Unaudited Financial Statements Announcement for the First Quarter 2019**

Introduction

OUE Commercial Real Estate Investment Trust (“OUE C-REIT”) was constituted by a trust deed dated 10 October 2013 (as amended) entered into by OUE Commercial REIT Management Pte. Ltd. as the Manager of OUE C-REIT (the “Manager”) and DBS Trustee Limited as the Trustee of OUE C-REIT (the “Trustee”).

OUE C-REIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 27 January 2014. The principal investment strategy of OUE C-REIT is to invest, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs within and outside of Singapore, as well as real estate-related assets.

OUE C-REIT’s portfolio currently comprises four prime commercial properties located in Singapore and Shanghai:

- One Raffles Place: Integrated commercial development comprising two Grade-A office towers and a retail mall strategically located in the heart of Singapore’s central business district in Raffles Place. OUE C-REIT holds One Raffles Place (“ORP”) through its 83.33% interest in OUB Centre Limited (“OUBC”). As OUBC owns 81.54% of the beneficial interest in ORP, OUE C-REIT has an effective interest of 67.95% in ORP.
- OUE Bayfront: Premium Grade-A office building with ancillary retail facilities located between the new Marina Bay downtown and Raffles Place, within Singapore’s central business district.
- Lippo Plaza: Grade-A commercial building located along Huai Hai Middle Road in the Huangpu district, one of Shanghai’s established core commercial districts. OUE C-REIT has 91.2% strata ownership of Lippo Plaza.
- OUE Downtown Office: The Grade A office space at OUE Downtown, a recently refurbished mixed-used development with Grade A offices, a retail podium and serviced residences located at Shenton Way in Singapore.

Summary of OUE C-REIT Group Results

	1Q 2019⁽¹⁾ (\$\$'000)	1Q 2018⁽¹⁾ (\$\$'000)	Change (%)
Revenue	55,335	44,095	25.5
Net property income	43,568	35,277	23.5
Amount available for distribution to Unitholders	26,037	17,421	49.5
Distribution per Unit (“DPU”) (cents)	0.90	0.61 ⁽²⁾	47.5

Footnote:

- (1) The results of OUE C-REIT’s foreign subsidiaries are translated using the SGD:CNY rate of 1:4.973 for 1Q 2019 and 1:4.817 for 1Q 2018.
- (2) For the purpose of comparison, 1Q 2018 DPU has been restated to include the 1,288,438,981 new Units issued pursuant to the Rights Issue on 30 October 2018

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST Unaudited Financial Statements Announcement for the First Quarter 2019

1(a) Consolidated Statement of Total Return and Distribution Statement

<u>Statement of Total Return</u>	Note	1Q 2019 ⁽¹⁾ (S\$'000)	1Q 2018 ⁽¹⁾ (S\$'000)	Change (%)
Revenue		55,335	44,095	25.5
Property operating expenses		(11,767)	(8,818)	33.4
Net property income		43,568	35,277	23.5
Other income	1	4,993	956	N/M
Amortisation of intangible asset		(1,548)	(1,113)	39.1
Manager's management fees	2	(3,164)	(2,424)	30.5
Trustee's fee		(178)	(141)	26.2
Other expenses		(466)	(459)	1.5
Finance income		1,540	506	N/M
Finance costs		(15,578)	(11,997)	29.8
Net finance costs	3	(14,038)	(11,491)	22.2
Foreign exchange differences		59	402	(85.3)
Total return for the period before tax		29,226	21,007	39.1
Tax expense	4	(4,572)	(4,836)	(5.5)
Total return for the period		24,654	16,171	52.5
Attributable to:				
Unitholders and Convertible Perpetual Preferred Units ("CPPU") holder		22,684	14,236	59.3
Non-controlling interests		1,970	1,935	1.8
Total return for the period		24,654	16,171	52.5
<u>Distribution Statement</u>				
Total return for the period attributable to Unitholders and CPPU holder		22,684	14,236	59.3
Less: Amount reserved for distribution to CPPU holder		(925)	(925)	-
Distribution adjustments	5	4,278	4,110	4.1
Amount available for distribution for the period		26,037	17,421	49.5
Comprising:				
Taxable income		16,431	6,853	N/M
Tax exempt income		5,910	6,203	(4.7)
Unitholders' contributions		3,696	4,365	(15.3)
		26,037	17,421	49.5

N/M: Not meaningful

Footnote:

- (1) The results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.973 for 1Q 2019 and 1:4.817 for 1Q 2018.

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OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST Unaudited Financial Statements Announcement for the First Quarter 2019

Notes to Consolidated Statement of Total Return and Distribution Statement:

(1) Other income

Other income comprises income support relating to the top-up payments from OUE Limited and its subsidiary (the “Sponsor Group”) pursuant to the Deed of Income Support dated 9 January 2014 and 1 November 2018 (the “Deeds of Income Support”). The income support for OUE Bayfront expired on 26 January 2019.

(2) Manager’s management fees

Manager’s base management fee is calculated as 0.3% p.a. of the value of the deposited property of OUE C-REIT Group. The Manager has elected to pay 20% of the base management fee in cash, with the balance 80% in the form of new Units for both 1Q 2019 and 1Q 2018.

(3) Net finance costs

Net finance costs comprises the following:

	1Q 2019 (S\$'000)	1Q 2018 (S\$'000)	Change (%)
Finance income			
Interest income	274	208	31.7
Ineffective portion of changes in fair value of cash flow hedges	1,266	298	N/M
	1,540	506	N/M
Finance costs			
Borrowing costs	(14,169)	(10,432)	35.8
Amortisation of debt establishment costs	(1,085)	(1,249)	(13.1)
Change in fair value of financial derivatives	(204)	(128)	59.4
Hedging reserve transferred from unitholders’ funds	(120)	(188)	(36.2)
	(15,578)	(11,997)	29.8
Net finance costs	(14,038)	(11,491)	22.2

N/M: Not meaningful

The above includes the following net fair value movements relating to financial derivatives:

	1Q 2019 (S\$'000)	1Q 2018 (S\$'000)	Change (%)
Ineffective portion of changes in fair value of cash flow hedges	1,266	298	N/M
Change in fair value of financial derivatives	(204)	(128)	59.4
Hedging reserve transferred from unitholders’ funds	(120)	(188)	(36.2)
Net fair value gain/(loss)	942	(18)	N/M

N/M: Not meaningful

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(4) Tax expense

Tax expense comprises of income tax, deferred tax and withholding tax relating to OUE C-REIT’s subsidiaries.

	1Q 2019 (S\$'000)	1Q 2018 (S\$'000)	Change (%)
Current tax			
- Current period	3,493	4,066	(14.1)
- Under provision in respect of prior year	428	-	N/M
Deferred tax			
- Current period	330	352	(6.3)
Withholding tax	321	418	(23.2)
	4,572	4,836	(5.5)

N/M: Not meaningful

(5) Distribution adjustments

Distribution adjustments include non-tax deductible expenses relating to the Manager’s management fees payable in Units, fees paid to the Trustee, amortisation of intangible asset, debt establishment costs, rent-free incentives, and fair value movement relating to financial derivatives, and subsidiary’s statutory reserves adjustments.

Please refer to Section 8 on Review of the Performance.

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(b)(i) Statements of Financial Position

Note	Group			Trust		
	31 Mar 2019 ⁽¹⁾ (S\$'000)	31 Dec 2018 ⁽²⁾ (S\$'000)	Change (%)	31 Mar 2019 (S\$'000)	31 Dec 2018 (S\$'000)	Change (%)
Non-current assets						
	350	393	(10.9)	-	-	-
Plant and equipment						
1	4,504,701	4,494,535	0.2	2,094,847	2,093,100	0.1
Investment properties						
2	22,917	24,465	(6.3)	22,917	24,465	(6.3)
Intangible asset						
	-	-	-	1,368,506	1,368,506	-
Investments in subsidiaries						
	146	175	(16.6)	-	-	-
Trade and other receivables						
	4,528,114	4,519,568	0.2	3,486,270	3,486,071	-
Current assets						
Trade and other receivables	15,509	14,384	7.8	6,453	6,583	(2.0)
4						
Cash and cash equivalents	37,744	37,074	1.8	9,748	12,725	(23.4)
3						
Financial derivatives	66	116	(43.1)	66	95	(30.5)
	53,319	51,574	3.4	16,267	19,403	(16.2)
Total assets	4,581,433	4,571,142	0.2	3,502,537	3,505,474	(0.1)
Non-current liabilities						
Borrowings	1,716,486	1,711,330	0.3	1,235,810	1,221,467	1.2
5						
Loan from a subsidiary	-	-	-	150,000	149,614	0.3
Trade and other payables	44,116	42,400	4.0	19,966	17,356	15.0
3						
Financial derivatives	5,972	7,828	(23.7)	4,050	5,448	(25.7)
Deferred tax liabilities	88,949	87,726	1.4	-	-	-
	1,855,523	1,849,284	0.3	1,409,826	1,393,885	1.1
Current liabilities						
Borrowings	6,716	1,992	N/M	4,700	-	N/M
5						
Trade and other payables	66,985	65,580	2.1	28,136	25,253	11.4
3						
Financial derivatives	-	132	N/M	-	109	N/M
6						
Current tax liabilities	16,600	13,429	23.6	-	-	-
	90,301	81,133	11.3	32,836	25,362	29.5
Total liabilities	1,945,824	1,930,417	0.8	1,442,662	1,419,247	1.6
Net assets						
	2,635,609	2,640,725	(0.2)	2,059,875	2,086,227	(1.3)
Represented by:						
Unitholders' funds	2,031,969	2,038,092	(0.3)	1,698,950	1,724,337	(1.5)
7						
CPPU holder's funds	360,925	361,890	(0.3)	360,925	361,890	(0.3)
8						
Non-controlling interests	242,715	240,743	0.8	-	-	-
9						
	2,635,609	2,640,725	(0.2)	2,059,875	2,086,227	(1.3)

N/M: Not meaningful

Footnotes:

- (1) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 31 March 2019 are translated using the SGD:CNY rate of 1:4.958.
- (2) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 31 December 2018 are translated using the SGD:CNY rate of 1: 5.018.

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Notes to Statements of Financial Position:

(1) **Investment properties**

Investment properties are carried at the latest fair market value based on independent valuations as at 31 December 2018, with additions made in 2019. The increase was due largely to appreciation of the CNY against the SGD between 31 December 2018 and 31 March 2019.

(2) **Intangible asset**

Intangible asset represents the unamortised income support receivable by OUE C-REIT from the Sponsor Group pursuant to the Deeds of Income Support relating to OUE Downtown Office (31 December 2018: OUE Downtown Office and OUE Bayfront) as the income support for OUE Bayfront expired in January 2019.

(3) **Financial derivatives**

Financial derivatives represent the fair value of the interest rate swaps (“IRS”) entered to hedge the floating interest rate exposure of OUE C-REIT Group’s borrowings. The movement for the financial period from 31 December 2018 to 31 March 2019 was due to net favourable changes in the fair value of the IRS during the period.

(4) **Trade and other receivables – Current**

At the Group level, trade and other receivables increased compared to 31 December 2018. This is mainly due to prepayments for capital expenditure and increase in lease receivables.

(5) **Borrowings – Non-current and Current**

The Group’s and Trust’s total borrowings increased slightly as compared to 31 December 2018 mainly due to additional loan drawdowns.

(6) **Current tax liabilities**

The increase in current tax liabilities is mainly due to tax provision for 1Q 2019.

(7) **Unitholders’ funds**

The decrease in unitholders’ funds is mainly due to distribution paid to Unitholders in March 2019. This is offset partially by profits for the financial period, net favourable movement in the fair value reserve of IRS as at 31 March 2019 and the appreciation of the CNY against the SGD from 31 December 2018 to 31 March 2019.

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(8) **CPPU holder’s funds**

On 8 October 2015, 550.0 million CPPUs amounting to S\$550.0 million were issued to Clifford Development Pte. Ltd. (a wholly-owned subsidiary of OUE Limited), the vendor of OUE C-REIT’s wholly-owned subsidiary, Beacon Property Holdings Pte. Ltd., as partial satisfaction of the purchase consideration for the acquisition of ORP. The CPPU holder is entitled to a coupon distribution of 1.0% per annum.

To-date, 175.0 million CPPUs had been redeemed, with a balance of 375.0 million CPPUs remain outstanding as at 31 March 2019.

(9) **Non-controlling interests**

OUE C-REIT holds an 83.33% indirect interest in OUBC. Non-controlling interests represent the equity in OUBC that is not attributable to OUE C-REIT Group.

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1 (b)(ii) Aggregate Amount of Borrowings and Debt Securities for OUE C-REIT Group

The Group’s borrowings comprises secured and unsecured loans of up to eight years tenors, and a three-year unsecured notes.

	31 Mar 2019 ⁽¹⁾ (S\$’000)	31 Dec 2018 ⁽²⁾ (S\$’000)
Secured borrowings		
Amount repayable within one year, or on demand	2,016	1,992
Amount repayable after one year	629,997	642,911
Total secured borrowings	632,013	644,903
Unsecured borrowings		
Amount repayable within one year, or on demand	4,700	-
Amount repayable after one year	1,086,489	1,068,419
Total unsecured borrowings	1,091,189	1,068,419
Total borrowings ⁽³⁾	1,723,202	1,713,322

Footnotes:

- (1) The borrowings of OUE C-REIT’s foreign subsidiaries as at 31 March 2019 are translated using the SGD:CNY rate of 1:4.958.
- (2) The borrowings of OUE C-REIT’s foreign subsidiaries as at 31 December 2018 are translated using the SGD:CNY rate of 1: 5.018.
- (3) The borrowings are net of unamortised balance of transaction costs.

Details of any collaterals

The Group secured borrowings are collateralised by:-

- investment properties with a total carrying amount of S\$1,769.9 million;
- assignment of insurance policies on the above investment properties;
- assignment of all rights, titles, benefits and interests in connection with the sale and tenancy agreements, tenancy deposits/proceeds, sales deposits/proceeds, property management agreements and the receivables of certain properties;
- assignment of all rights, titles, benefits and interests in connection with the Deed of Income Support over OUE Bayfront;
- a debenture incorporating a fixed charge over book debts, charged accounts, goodwill, intellectual property and plant and machinery in connection with OUE Bayfront and floating charge over generally all of the present and future assets of the Trust in connection with OUE Bayfront; and
- the account control or charge over certain bank accounts of the Trust and certain subsidiaries.

Unsecured Medium Term Notes

In August 2015, OUE C-REIT, through its wholly-owned subsidiary, established a S\$1.5 billion Multicurrency Debt Issuance Programme (the “Programme”). Under the Programme, OUE C-REIT may from time to time issue notes (“Notes”) and/or perpetual securities (“Perpetual”) in series or tranches. On 5 September 2017, unsecured three-year notes of S\$150.0 million have been issued under the Programme.

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1 (c) Consolidated Statement of Cash Flows

Note	1Q 2019 (S\$'000)	1Q 2018 (S\$'000)
Cash flows from operating activities		
Total return for the period	24,654	16,171
Adjustments for:		
Amortisation of intangible asset	1,548	1,113
Depreciation of plant and equipment	46	44
Manager's fees paid/payable in Units	2,531	1,939
Finance costs	15,578	11,997
Finance income	(1,540)	(506)
Tax expense	4,572	4,836
Operating income before working capital changes	47,389	35,594
Changes in working capital:		
Trade and other receivables	(1,090)	852
Trade and other payables	5,283	408
Cash generated from operating activities	51,582	36,854
Tax paid	(1,171)	(1,674)
Net cash from operating activities	50,411	35,180
Cash flow from investing activities		
Additions to plant and equipment	(2)	(25)
Payment for capital expenditure on investment properties	(5,082)	(519)
Interest received	266	208
Net cash used in investing activities	(4,818)	(336)
Cash flows from financing activities		
Distribution paid to Unitholders	(37,081)	(35,353)
Distributions paid to CPPU holder	(1,890)	(2,395)
Interest paid	(14,712)	(11,725)
Proceeds from borrowings	32,480	123,000
Redemption of CPPUs	-	(100,000)
Repayment of borrowings	(24,005)	(18,141)
Net cash used in financing activities	(45,208)	(44,614)
Net increase/(decrease) in cash and cash equivalents	385	(9,770)
Cash and cash equivalents at beginning of the period	37,074	40,314
Effect of exchange rate fluctuations on cash held	285	391
Cash and cash equivalents at end of the period	37,744	30,935

Notes to Consolidated Statement of Cash Flows:

- (1) On 2 January 2018, the redemption of 100.0 million CPPUs (amounting to S\$100.0 million) was completed.

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- (2) For purpose of the Consolidated Statement of Cash Flows, the Group’s cash and cash equivalents comprise the following:

	31 Mar 2019 (S\$’000)	31 Mar 2018 (S\$’000)
Bank and cash balances	32,815	10,894
Short-term deposits	4,929	20,041
Cash and cash equivalents	37,744	30,935

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1 (d)(i) Statements of Changes in Unitholders’ Funds

Group 1Q 2019	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)	Non- controlling interests (S\$'000)	Total (S\$'000)
Net assets attributable to owners at 1 January 2019	2,038,092	361,890	2,399,982	240,743	2,640,725
Operations					
Total return for the period	22,684	-	22,684	1,970	24,654
Less: Amount reserved for distribution to CPPU holder	(925)	925	-	-	-
Net increase in net assets resulting from operations	21,759	925	22,684	1,970	24,654
Transactions with owners					
Contributions by and distributions to owners					
Issue of new Units					
- Manager’s fees paid/payable in Units	2,531	-	2,531	-	2,531
Distribution paid to Unitholders	(37,081)	-	(37,081)	-	(37,081)
Distribution paid to CPPU holder	-	(1,890)	(1,890)	-	(1,890)
Total contributions by and distributions to owners	(34,550)	(1,890)	(36,440)	-	(36,440)
Movement in foreign currency translation reserve	5,673	-	5,673	-	5,673
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	1,270	-	1,270	21	1,291
Hedging reserve transferred to statement of total return	(275)	-	(275)	(19)	(294)
Net movement in hedging transactions	995	-	995	2	997
Net assets attributable to owners at 31 March 2019	2,031,969	360,925	2,392,894	242,715	2,635,609

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1 (d)(i) Statements of Changes in Unitholders’ Funds (cont’d)

Trust 1Q 2019	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)
Net assets attributable to owners at 1 January 2019	1,724,337	361,890	2,086,227
Operations			
Total return for the period	9,100	-	9,100
Less: Amount reserved for distribution to CPPU holder	(925)	925	-
Net increase in net assets resulting from operations	8,175	925	9,100
Transactions with owners			
<i>Contributions by and distributions to owners</i>			
Issue of new Units			
- Manager’s fees paid/payable in Units	2,531	-	2,531
Distribution paid to Unitholders	(37,081)	-	(37,081)
Distribution paid to CPPU Holder	-	(1,890)	(1,890)
Net decrease in net assets resulting from transactions with owners	(34,550)	(1,890)	(36,440)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	1,168	-	1,168
Hedging reserve transferred to statement of total return	(180)	-	(180)
Net movement in hedging transactions	988	-	988
Net assets attributable to owners at 31 March 2019	1,698,950	360,925	2,059,875

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1 (d)(i) Statements of Changes in Unitholders’ Funds (cont’d)

Group 1Q 2018	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)	Non- controlling interests (S\$'000)	Total (S\$'000)
Net assets attributable to owners at 1 January 2018	1,407,285	361,891	1,769,176	234,906	2,004,082
Operations					
Total return for the period	14,236	-	14,236	1,935	16,171
Less: Amount reserved for distribution to CPPU holder	(925)	925	-	-	-
Net increase in net assets resulting from operations	13,311	925	14,236	1,935	16,171
Transactions with owners					
<i>Contributions by and distributions to owners:</i>					
Issue of new Units					
- Manager's fees paid/payable in Units	1,939	-	1,939	-	1,939
Issue costs					
Distribution paid to Unitholders	(35,421)	-	(35,421)	-	(35,421)
Distribution paid to CPPU holder	-	(1,891)	(1,891)	-	(1,891)
Net increase/(decrease) in net assets resulting from transactions with owners	(33,482)	(1,891)	(35,373)	-	(35,373)
Movement in foreign currency translation reserve	9,675	-	9,675	-	9,675
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	4,050	-	4,050	33	4,083
Hedging reserve transferred to statement of total return	1,020	-	1,020	5	1,205
Net movement in hedging transactions	5,070	-	5,070	38	5,108
Net assets attributable to owners at 31 March 2018	1,401,859	360,925	1,762,784	236,879	1,999,663

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1 (d)(i) Statements of Changes in Unitholders’ Funds (cont’d)

Trust 1Q 2018	Unitholders (S\$’000)	CPPU holder (S\$’000)	Total (S\$’000)
Net assets attributable to owners at 1 January 2018	1,137,760	361,891	1,499,651
Operations			
Total loss for the period	(194)	-	(194)
Less: Amount reserved for distribution to CPPU holder	(925)	925	-
Net (decrease)/increase in net assets resulting from operations	(1,119)	925	(194)
Transactions with owners			
Contributions by and distributions to owners			
Issue of new Units			
- Manager’s fees paid/payable in Units	1,939	-	1,939
Issue costs			
Distribution paid to Unitholders	(35,421)	-	(35,421)
Distribution paid to CPPU Holder	-	(1,891)	(1,891)
Net decrease in net assets resulting from transactions with owners	(33,482)	(1,891)	(35,373)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	3,881	-	3,881
Hedging reserve transferred to statement of total return	1,003	-	1,003
Net movement in hedging transactions	4,884	-	4,884
Net assets attributable to owners at 31 March 2018	1,108,043	360,925	1,468,968

1 (d)(ii) Details of Any Changes in Units (Group and Trust)

	1Q 2019 ('000)	1Q 2018 ('000)
Units in issue:		
At the beginning of the period	2,855,978	1,544,013
Issue of new Units relating to:		
- Manager’s fees paid in Units	5,611	2,756
At the end of the period	2,861,589	1,546,769
Units to be issued:		
Manager’s fee payable in Units	4,996	2,727
At the end of the period	2,866,585	1,549,496

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The financial information set out in paragraphs 1,4,5,6,7,8 of this announcement has not been audited but have been extracted from the interim financial information for the quarter ended 31 March 2019 which has been reviewed by OUE C-REIT’s auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Prepared by the Independent Auditor of the Entity”.

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3 Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of matter)

Please see the attached review report.

4 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied

Except as disclosed in item 5 below, the accounting policies and methods of computation adopted in the preparation of the financial statements for the current report financial period are consistent with those described in the audited financial statements for the financial year ended 31 December 2018.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted new Financial Reporting Standards in Singapore (“FRSs”) for the financial period beginning 1 January 2019 as follows:

FRS 116 Leases

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group recognises its existing operating lease arrangements as ROU assets with corresponding lease liabilities and measures lease liabilities by applying a single discount rate to its office leases.

The Group applied the practical expedient to recognise amounts of ROU assets equal to its lease liabilities on 1 January 2019 and recognition exemptions for short-term leases and leases of low value items in accordance with the principles of FRS116.

The nature of expenses related to such leases has changed as the principles under FRS 116 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

There is no significant impact to the financial statements of the Group.

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6 Earnings per Unit and Distribution per Unit

Earnings per Unit attributable to Unitholders (“EPU”)

	1Q 2019 ⁽¹⁾	1Q 2018	
		As restated ⁽¹⁾	As previously reported
Weighted average number of Units	2,861,644,574	1,756,390,616	1,546,799,309
Basic EPU (cents)	0.76	0.76	0.86
Weighted average number of Units ⁽²⁾	3,390,767,681	2,283,635,213	1,995,393,943
Diluted EPU (cents)	0.67	0.62	0.71

Footnotes:

- (1) The weighted average number of Units and EPU have been adjusted to reflect the bonus element in the 1,288,438,981 new Units issued on 30 October 2018 at an issue price of S\$0.456 per Unit.
- (2) The weighted average number of Units includes the weighted average new Units to be issued assuming all the remaining CPPUs were converted at the conversion price of S\$0.7154 per Unit

550.0 million CPPUs were issued in October 2015 as partial satisfaction of the purchase consideration for the acquisition of ORP. The CPPUs cannot be converted for a period of four years commencing from the date of issue (“Restriction Period”) save in certain limited circumstances and thereafter, not more than one-third of the CPPUs initially issued can be converted in any one year. After the Restriction Period, the CPPUs can be converted into Units at S\$0.715 per Unit and will impact the EPU upon conversion.

As at 31 March 2019, a total of 375.0 million CPPUs remain convertible. Assuming that these CPPUs are fully converted, 542,182,276 new Units will be issued.

Distribution per Unit attributable to Unitholders (“DPU”)

	1Q 2019	1Q 2018	
		As restated ⁽²⁾	As previously stated
No of Units entitled to distribution	2,866,585,405 ⁽¹⁾	2,837,935,183 ⁽²⁾	1,549,496,202 ⁽³⁾
Distribution per Unit (cents)	0.90	0.61 ⁽⁴⁾	1.12

Footnotes:

- (1) Comprises the Units in issue as at 31 March 2019 of 2,861,589,059 and Units to be issued to the Manager as satisfaction of Manager’s base fee payable for 1Q 2019 of 4,996,346.
- (2) The number of Units entitled for distribution have been restated to include the 1,288,438,981 new Units issued pursuant to the Rights Issue on 30 October 2018.
- (3) Comprises the Units in issue as at 31 March 2018 of 1,546,769,007 and Units to be issued to the Manager as satisfaction of Manager’s base fee payable for 1Q 2018 of 2,727,195.
- (4) For purpose of comparison, the restated 1Q FY2018 DPU is calculated based on 1Q FY2018 DPU adjusted for the rights units. The DPU for 1Q FY2018 based on the number of units entitled to distribution, adjusted for the bonus element in the Rights Units is 0.99 cents.

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7 Net Asset Value per Unit and Net Tangible Asset per Unit attributable to Unitholders

	Group		Trust	
	31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
No of Units in issue and to be issued at end of period/year	2,866,585,405	2,861,589,059	2,866,585,405	2,861,589,059
Net asset value ("NAV") per Unit (S\$)	0.71	0.71	0.59	0.60
Net tangible asset ("NTA") per Unit (S\$)	0.70	0.70	0.58	0.59

The NAV per Unit and NTA per Unit are computed based on the Units in issue and to be issued as at the end of the financial period/year.

8 Review of the Performance

	1Q 2019 ⁽¹⁾ (S\$'000)	1Q 2018 ⁽¹⁾ (S\$'000)	Change (%)
Statement of Total Return			
Revenue	55,335	44,095	25.5
Property operating expenses	(11,767)	(8,818)	33.4
Net property income	43,568	35,277	23.5
Other income	4,993	956	N/M
Amortisation of intangible asset	(1,548)	(1,113)	39.1
Manager's management fees	(3,164)	(2,424)	30.5
Trustee's fee	(178)	(141)	26.2
Other expenses	(466)	(459)	1.5
Finance income	1,540	506	N/M
Finance costs	(15,578)	(11,997)	29.8
Net finance costs	(14,038)	(11,491)	22.2
Foreign exchange differences	59	402	(85.3)
Total return for the period before tax	29,226	21,007	39.1
Tax expense	(4,572)	(4,836)	(5.5)
Total return for the period	24,654	16,171	52.5

N/M: Not meaningful

Footnote:

(1) The results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.973 for 1Q 2019 and 1:4.817 for 1Q 2018.

Review of OUE C-REIT Group's performance 1Q 2019 vs 1Q 2018

1Q 2019 net property income of S\$43.6 million was 23.5% higher compared to S\$35.2 million achieved in 1Q 2018. This was due mainly to the inclusion of OUE Downtown Office's income which was acquired in November 2018 and one-off income from OUE Bayfront and One Raffles Place.

Other income for current quarter increased to S\$5.0 million with the inclusion of income support in relation to OUE Downtown Office from the Sponsor Group.

The inclusion of OUE Downtown Office also resulted in higher current period base management fees, trustee fees and amortisation of intangible assets.

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OUÉ COMMERCIAL REAL ESTATE INVESTMENT TRUST Unaudited Financial Statements Announcement for the First Quarter 2019

Net finance cost increased S\$2.5 million year-on-year mainly attributable to higher interest cost of S\$3.7 million, resulting from higher level of borrowings for the acquisition of OUE Downtown Office.

Consequently, total return for 1Q 2019 increased 52.5% to S\$24.7 million, compared to S\$16.2 million in 1Q 2018.

9 Variance between Actual and Forecast Results

OUÉ C-REIT has not made any forecast.

10 Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Singapore

Singapore’s 1Q 2019 GDP growth slowed slightly to 1.3%⁽¹⁾ in 1Q 2019, based on advance estimates by the Ministry of Trade and Industry (“MTI”), from 1.9% in the previous quarter. On a quarter-on-quarter (“QoQ”) seasonally adjusted annualised basis, GDP growth was 2.0%, higher than the 1.4% growth of the previous quarter. Growth in the manufacturing sector contracted 1.9% year-on-year (“YoY”) in 1Q 2019, a reversal of the 5.1% YoY growth in 4Q 2018, due to output declines in the precision engineering and electronics clusters. The services sector expanded by 2.1% YoY in 1Q 2019, slightly ahead of the 1.8% YoY growth in 4Q 2018. While the overall outlook remains cautious given Singapore’s small and open economy, policy stimulus from China and stable monetary policy by global central banks are expected to provide the backdrop for a pick-up in growth performance in the latter half of 2019. The official 2019 GDP growth forecast is maintained between 1.5% and 3.5%.

According to CBRE, leasing activity in the Singapore CBD was stable, driven by technology and co-working sectors, which led to higher Grade A core CBD occupancy of 95.2%⁽²⁾ as at 1Q 2019, up 0.3 ppt QoQ. Grade A CBD core office rents rose 3.2% QoQ in 1Q 2019 to S\$11.15 psf per month in the seventh consecutive quarter of growth, representing a 24.6% increase from the previous trough in 2017. Consequently, the gap between market rents and expiring rents in OUE C-REIT’s Singapore properties has narrowed significantly. Given the benign medium term supply outlook, we continue to expect positive operational performance in 2019.

China

China’s 1Q 2019 GDP growth was 6.4%⁽³⁾, at the same pace of growth as 4Q 2018. The economy showed recent signs of stabilisation after being impacted by weaker business and consumer sentiment on the back of the trade conflict with the US. Fixed asset investment was up 6.3% QoQ for 1Q 2019, while retail sales grew 8.3% YoY. March industrial production rose 8.5% YoY, as steel producers ramped up operations amid better prospects for demand. The stabilisation of the Chinese economy is expected to

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OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST Unaudited Financial Statements Announcement for the First Quarter 2019

continue, underpinned by government-led infrastructure spending, with further stimulus measures to bolster consumption spending in the pipeline.

According to Colliers International, Shanghai CBD Grade A office occupancy declined 2.4 ppt QoQ to 87.6%⁽⁴⁾ as at 1Q 2019, as demand softened on the back of slower economic growth. With increased competition for tenants amid higher office supply, Shanghai CBD Grade A office rents edged down 0.4% QoQ to RMB10.32 psm per day as at 1Q 2019. In Puxi, Grade A office occupancy fell 2.8 ppt QoQ to 89.7% as at 1Q 2019, with rents 0.1% higher QoQ at RMB 9.55 psm per day.

With a significant amount of new office supply scheduled to enter the Shanghai market in 2019, coupled with softer demand from a slower economy, rental growth is expected to be subdued in the near-term. As supply abates in the longer term from 2020, stable demand is expected to underpin steady rental growth.

Proposed merger with OUE Hospitality Trust

On 8 April 2019, the Managers of both OUE C-REIT and OUE Hospitality Trust (“OUE H-Trust”) announced the proposed merger of C-REIT and OUE H-Trust (the “Proposed Merger”). The Proposed Merger will be effected through the acquisition by DBS Trustee Limited (in its capacity as trustee of CREIT) (the “C-REIT Trustee”) of all the issued and paid-up stapled securities in H-Trust (the “Stapled Securities”) held by the stapled securityholders of H-Trust (the “Stapled Securityholders”) by way of a trust scheme of arrangement (the “Trust Scheme”) in compliance with the Singapore Code on Take-overs and Mergers (the “Takeover Code”).

⁽¹⁾ Singapore Ministry of Trade and Industry Press Release, 12 April 2019

⁽²⁾ CBRE, Singapore MarketView 1Q 2019

⁽³⁾ National Bureau of Statistics of China Press Release, 17 April 2019

⁽⁴⁾ Colliers International, Shanghai Office Property Market Overview 1Q 2019

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OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST Unaudited Financial Statements Announcement for the First Quarter 2019

- 11 Distribution**
- (a) Current financial period**
- Any distribution declared for the current financial period?
- No.
- (b) Corresponding period of the immediately preceding financial year**
- Any distribution declared for the corresponding period of the immediate preceding financial period?
- No.
- 12 If no distribution has been declared / recommended, a statement to that effect**
- Not applicable.
- 13 If OUE C-REIT has obtained a general mandate from Unitholders for interested person transactions, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no interested person transactions mandate has been obtained, a statement to that effect.**
- OUE C-REIT did not obtain a general mandate from Unitholders for interested person transactions.
- 14 Confirmation pursuant to Rule 705(5) of the Listing Manual**
- We, on behalf of the Directors of OUE Commercial REIT Management Pte. Ltd. (as Manager of OUE C-REIT), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Manager which may render the unaudited financial results of OUE C-REIT Group for the period from 1 January 2019 to 31 March 2019 to be false or misleading in any material respect.

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OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST Unaudited Financial Statements Announcement for the First Quarter 2019

15 Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

We, on behalf of the Directors of OUE Commercial REIT Management Pte. Ltd. (as Manager of OUE C-REIT), hereby confirm that the undertakings from all its directors and executive officer as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

On behalf of the Board of the Manager

Christopher Williams
Chairman and Non-Executive Director

Tan Shu Lin
Chief Executive Officer and Executive Director

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OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST Unaudited Financial Statements Announcement for the First Quarter 2019

This release 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

The value of units in OUE C-REIT (“Units”) and the income derived from them, if any, may fall or 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. The past performance of OUE C-REIT is not necessarily indicative of the future performance of OUE C-REIT.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

By Order of the Board

Jackie Thia
Company Secretary

OUE Commercial REIT Management Pte. Ltd.
(as Manager of OUE Commercial Real Estate Investment Trust)
(Company registration no. 201327018E)

9 May 2019

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

SCHEDULE F

AUDITOR’S REPORT IN RESPECT OF THE C-REIT 1Q2019 RESULTS



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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The Board of Directors
OUE Commercial REIT Management Pte. Ltd.
(in its capacity as Manager of OUE Commercial
Real Estate Investment Trust)
50 Collyer Quay
#04-08 OUE Bayfront
Singapore 049321

9 May 2019

Dear Sirs

OUE Commercial Real Estate Investment Trust

Report on review of interim financial information

Introduction

We have reviewed the accompanying interim financial information (the “Interim Financial Information”) of OUE Commercial Real Estate Investment Trust (“OUE C-REIT”) and its subsidiaries (collectively the “Group”) for the three-month period ended 31 March 2019. The Interim Financial Information consists of the following:

- Statement of financial position of the Group as at 31 March 2019;
- Statement of total return of the Group for the three-month period ended 31 March 2019;
- Statement of movements in unitholders’ funds of the Group for the period ended 31 March 2019;
- Distribution statement of the Group for the three-month period ended 31 March 2019;
- Portfolio statement of the Group as at 31 March 2019;
- Statement of cash flows of the Group for the period ended 31 March 2019; and
- Certain explanatory notes to the above Interim Financial Information.

The management of OUE Commercial REIT Management Pte. Ltd. (the “Manager” of OUE C-REIT) is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of the Statement of Recommended Accounting Practice (“RAP 7 Reporting Framework for Unit Trusts”) relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants (“ISCA”). Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

*OUE Commercial Real Estate Investment Trust and its subsidiaries
Review of Interim Financial Information
Three-month period ended 31 March 2019*



Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

The Interim Financial Information for the comparative period ended 31 March 2018 have not been audited or reviewed.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim Financial Information is not presented, in all material respects, in accordance with the recommendations of RAP 7 *Reporting Framework for Unit Trusts* relevant to interim financial information issued by ISCA.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting OUE C-REIT to meet the requirement of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and complying with the requirement of Rule 25 of Singapore Code of Take-Overs and Mergers and for no other purpose. Our report is included in the unaudited financial statements announcement of OUE C-REIT for the first quarter ended 31 March 2019 for the information of the unitholders and the unitholders' circular issued by OUE C-REIT in relation to the proposed merger with OUE Hospitality Trust. We do not assume responsibility to anyone other than the OUE C-REIT for our work, for our report, or for the conclusions we have reached in our report.

Yours faithfully

A handwritten signature in black ink that reads 'KPMG LLP'.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
9 May 2019

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

SCHEDULE G

C-REIT INDEPENDENT FINANCIAL ADVISER’S REPORT IN RESPECT OF THE C-REIT 1Q2019 RESULTS

Deloitte.

Deloitte & Touche
Corporate Finance Pte Ltd
Co. Reg. No. 200200144N
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OUE Downtown 2
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Singapore 068809

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LETTER FROM IFA ON THE UNAUDITED INTERIM FINANCIAL STATEMENTS

9 May 2019

OUE Commercial REIT Management Pte. Ltd.
(as manager of OUE Commercial Real Estate Investment Trust)
50 Collyer Quay #04-08
OUE Bayfront
Singapore 049321

Attention: The Board of Directors

Dear Sirs

THE PROPOSED MERGER OF OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST ("C-REIT") AND OUE HOSPITALITY TRUST ("H-TRUST") BY WAY OF A TRUST SCHEME OF ARRANGEMENT (THE "PROPOSED MERGER")

1. On 9 May 2019, the Board of Directors of OUE Commercial REIT Management Pte. Ltd. (the "**Board of Directors**" and the manager of C-REIT, the "**C-REIT Manager**"), in its capacity as the manager of C-REIT, announced the unaudited consolidated interim financial statements of C-REIT and its subsidiaries (collectively, the "**Group**") for the three-month period ended 31 March 2019 (the "**Unaudited Interim Financial Statements**") on the Singapore Exchange Securities Trading Limited. We have examined the Unaudited Interim Financial Statements and have discussed the same with the management of the C-REIT Manager. We have also considered the report by KPMG LLP dated 9 May 2019, in its capacity as the independent auditor of the Group, in respect to their review of the Unaudited Interim Financial Statements.
2. For the purpose of this letter, we have relied on and assumed the accuracy and completeness of all information provided to, or discussed with, us by the management of the C-REIT Manager. Save as provided in this letter, we do not express any other opinion and views on the Unaudited Interim Financial Statements. The directors of the C-REIT Manager (the "**Directors**") remain solely responsible for the Unaudited Interim Financial Statements.
3. Based on the above, we are of the opinion that the Unaudited Interim Financial Statements have been prepared by the Directors after due and careful enquiry.
4. This letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept responsibility for any person(s), other than the Directors, in respect of, arising out of, or in connection with this letter.

Yours faithfully,

For and on behalf of
Deloitte & Touche Corporate Finance Pte Ltd



Koh Soon Bee
Executive Director

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

SCHEDULE H

DISCLOSURE OF INTERESTS

1. Disclosure of Interests in H-Trust Securities

1.1 Holdings of Stapled Securities

As at the Latest Practicable Date, based on the latest information available to the C-REIT Manager, the interests in the Stapled Securities owned, controlled or agreed to be acquired by the members of the C-REIT Concert Party Group are set out below:

Name	No. of Stapled Securities					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Stapled Securities	per cent. ⁽¹⁾	No. of Stapled Securities	per cent. ⁽¹⁾	No. of Stapled Securities	per cent. ⁽¹⁾
OUE Hospitality REIT Management Pte. Ltd.	91,661,381	5.00	–	–	91,661,381	5.00
OUE Limited	585,775,399	31.97	91,661,381 ⁽²⁾	5.00	677,436,780	36.98
OUE Realty Pte. Ltd.	19,000,000	1.04	677,436,780 ⁽³⁾	36.98	696,436,780	38.01
Golden Concord Asia Limited	19,400,558	1.06	696,436,780 ⁽⁴⁾	38.01	715,837,338	39.07
Fortune Code Limited	–	–	715,837,338 ⁽⁵⁾	39.07	715,837,338	39.07
Lippo ASM Asia Property Limited	–	–	715,837,338 ⁽⁶⁾	39.07	715,837,338	39.07
Pacific Landmark Holdings Limited	–	–	715,837,338 ⁽⁷⁾	39.07	715,837,338	39.07
HKC Property Investment Holdings Limited	–	–	715,837,338 ⁽⁸⁾	39.07	715,837,338	39.07
Hongkong Chinese Limited	2,800,000	0.15	715,837,338 ⁽⁹⁾	39.07	718,637,338	39.22
Hennessy Holdings Limited	–	–	718,637,338 ⁽¹⁰⁾	39.22	718,637,338	39.22
Prime Success Limited	–	–	718,637,338 ⁽¹¹⁾	39.22	718,637,338	39.22
Lippo Limited	–	–	718,637,338 ⁽¹²⁾	39.22	718,637,338	39.22
Lippo Capital Limited	–	–	718,637,338 ⁽¹³⁾	39.22	718,637,338	39.22
Lippo Capital Holdings Company Limited	–	–	718,637,338 ⁽¹⁴⁾	39.22	718,637,338	39.22
Lippo Capital Group Limited	–	–	718,637,338 ⁽¹⁵⁾	39.22	718,637,338	39.22
Dr Stephen Riady ⁽¹⁶⁾	–	–	718,637,338 ⁽¹⁷⁾	39.22	718,637,338	39.22
PT Trijaya Utama Mandiri	–	–	718,637,338 ⁽¹⁸⁾	39.22	718,637,338	39.22
Mr James Tjahaja Riady	–	–	718,637,338 ⁽¹⁹⁾	39.22	718,637,338	39.22
Admiralty Station Management Limited	–	–	715,837,338 ⁽²⁰⁾	39.07	715,837,338	39.07
Argyle Street Management Limited	–	–	715,837,338 ⁽²¹⁾	39.07	715,837,338	39.07

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Name	No. of Stapled Securities					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Stapled Securities	per cent. ⁽¹⁾	No. of Stapled Securities	per cent. ⁽¹⁾	No. of Stapled Securities	per cent. ⁽¹⁾
Argyle Street Management Holdings Limited	–	–	715,837,338 ⁽²²⁾	39.07	715,837,338	39.07
Mr Kin Chan ⁽¹⁶⁾	–	–	715,837,338 ⁽²³⁾	39.07	715,837,338	39.07
Mr V-Nee Yeh	–	–	715,837,338 ⁽²⁴⁾	39.07	715,837,338	39.07
Idaman Investments Ltd	478,800	0.03	–	–	478,800	0.03
Mr Christopher James Williams ⁽²⁵⁾	–	–	478,800	0.03	478,800	0.03
Mr Loh Lian Huat ⁽²⁶⁾	3,666	n.m. ⁽²⁷⁾	–	–	3,666	n.m. ⁽²⁷⁾
Mr Thio Gim Hock ⁽¹⁶⁾	3,990,000	0.22	–	–	3,990,000	0.22
Ms Sng Lee Meng ⁽²⁸⁾	399,000	0.02	–	–	399,000	0.02
Ms Shincee Leonardj ⁽²⁹⁾	47,377,260	2.59	–	–	47,377,260	2.59
Mr Thio Shen Yi ⁽³⁰⁾	1,107	n.m. ⁽²⁷⁾	–	–	1,107	n.m. ⁽²⁷⁾
Ms Stefanie Yuen Thio ⁽³¹⁾	1,107	n.m. ⁽²⁷⁾	–	–	1,107	n.m. ⁽²⁷⁾
Rosie D/O Pillai Mrs Rosie Chandradas ⁽³²⁾	422,000	0.02	–	–	422,000	0.02
Mr Yet Kum Meng ⁽³³⁾	10,000	n.m. ⁽²⁷⁾	–	–	10,000	n.m. ⁽²⁷⁾
Dr Tan Tiong Chin, Louis (Chen Zhongqin, Louis) ⁽³⁴⁾	500	n.m. ⁽²⁷⁾	–	–	500	n.m. ⁽²⁷⁾
Ms Josephine Bian Wee Chan ⁽³⁵⁾	2,000	n.m. ⁽³⁴⁾	–	–	2,000	n.m. ⁽²⁷⁾
Mr Ng Ngai ⁽³⁶⁾	7,980	n.m. ⁽²⁷⁾	–	–	7,980	n.m. ⁽²⁷⁾
Mr Ng Cheng Hwa ⁽³⁷⁾	2,200	n.m. ⁽²⁷⁾	–	–	2,200	n.m. ⁽²⁷⁾
Ms Aw Soo Huang ⁽³⁸⁾	21,900	n.m. ⁽²⁷⁾	–	–	21,900	n.m. ⁽²⁷⁾
Ms Lim Puay Lee Karen ⁽³⁹⁾	232,800	0.01	–	–	232,800	0.01
Mr Lai Teck Poh ⁽⁴⁰⁾	200,000	0.01	–	–	200,000	0.01
Ms Lai Shieh Lin ⁽⁴¹⁾	–	–	60,000	n.m. ⁽²⁷⁾	60,000	n.m. ⁽²⁷⁾
Mr Tan Siew Peng (Darren) ⁽⁴²⁾	2,500	n.m. ⁽²⁷⁾	–	–	2,500	n.m. ⁽²⁷⁾
Mr Ching Wei Hong ⁽⁴³⁾	130,000	0.01	–	–	130,000	0.01
Mr Lim Wyson ⁽⁴⁴⁾	350,000	0.02	–	–	350,000	0.02
Mr Khor Hock Seng ⁽⁴⁵⁾	146,000	0.01	–	–	146,000	0.01
Citigroup Global Markets Limited ⁽⁴⁶⁾	37	n.m. ⁽²⁷⁾	25,500	n.m. ⁽²⁷⁾	25,537	n.m. ⁽²⁷⁾
Citigroup Global Markets Inc. ⁽⁴⁷⁾	–	–	250,700	0.01	250,700	0.01
TOTAL					772,751,288	42.18

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

Notes:

- (1) All references to percentage stapled securityholding of the issued Stapled Securities in this paragraph 1.1 are based on the total issued Stapled Securities as at the Latest Practicable Date, being 1,832,099,381 Stapled Securities in issue.
- (2) OUE is the holding company of the H-REIT Manager and has a deemed interest in the Stapled Securities held by the H-REIT Manager.
- (3) OUE Realty Pte. Ltd. (“**OUER**”) is the immediate holding company of OUE and has a deemed interest in the Stapled Securities in which OUE has direct and deemed interest.
- (4) Golden Concord Asia Limited (“**GCAL**”) has a deemed interest in the Stapled Securities through the direct and deemed interests of its wholly-owned subsidiary, OUER.
- (5) Fortune Code Limited (“**FCL**”) has a deemed interest in the Stapled Securities through the direct and deemed interests of its wholly-owned subsidiary, GCAL.
- (6) Lippo ASM Asia Property Limited (“**LAAPL**”) is deemed to have an interest in the Stapled Securities in which its subsidiary, FCL, has a deemed interest.
- (7) LAAPL is jointly held by Pacific Landmark Holdings Limited (“**Pacific Landmark**”) and Admiralty Station Management Limited (“**Admiralty**”). Accordingly, Pacific Landmark is deemed to have an interest in the Stapled Securities in which LAAPL has a deemed interest.
- (8) HKC Property Investment Holdings Limited (“**HKC Property**”) is the immediate holding company of Pacific Landmark. Accordingly, HKC Property is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest.
- (9) Hongkong Chinese Limited (“**HCL**”) is an intermediate holding company of Pacific Landmark. Accordingly, HCL is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest.
- (10) Hennessy Holdings Limited (“**HHL**”) is an intermediate holding company of Pacific Landmark and the immediate holding company of HCL. Accordingly, HHL is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the 2,800,000 Stapled Securities held by HCL (the “**HCL Stapled Securities**”).
- (11) Prime Success Limited (“**PSL**”) is an intermediate holding company of Pacific Landmark and HCL. Accordingly, PSL is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (12) Lippo Limited (“**LL**”) is an intermediate holding company of Pacific Landmark and HCL. Accordingly, LL is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (13) Lippo Capital Limited (“**LCL**”) is an intermediate holding company of Pacific Landmark and HCL. Accordingly, LCL is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (14) Lippo Capital Holdings Company Limited (“**LCH**”) is an intermediate holding company of Pacific Landmark and HCL. Accordingly, LCH is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (15) Lippo Capital Group Limited (“**LCG**”) is the holding company of LCH, which in turn is an intermediate holding company of Pacific Landmark and HCL. Accordingly, LCG is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (16) Director of OUE.
- (17) Dr Stephen Riady holds the entire issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of Pacific Landmark and HCL. Accordingly, Dr Stephen Riady is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (18) PT Trijaya Utama Mandiri (“**PT Trijaya**”) holds more than 20 per cent. of the shares in LCL, which in turn is an intermediate holding company of Pacific Landmark and HCL. Accordingly, PT Trijaya is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (19) Mr James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20 per cent. of the shares in LCL. LCL in turn is an intermediate holding company of Pacific Landmark and HCL. Accordingly, Mr James Tjahaja Riady is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

- (20) LAAPL is jointly held by Pacific Landmark and Admiralty. Accordingly, Admiralty is deemed to have an interest in the Stapled Securities in which LAAPL has a deemed interest.
- (21) Argyle Street Management Limited (“**ASML**”) owns 100 per cent. of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the Stapled Securities in which Admiralty has a deemed interest.
- (22) Argyle Street Management Holdings Limited (“**ASMHL**”) is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Stapled Securities in which ASML has a deemed interest.
- (23) Mr Kin Chan is the beneficial holder of more than 20 per cent. of the issued share capital of ASMHL. Accordingly, Mr Kin Chan is deemed to have an interest in the Stapled Securities in which ASMHL has a deemed interest.
- (24) Mr V-Nee Yeh is the beneficial holder of more than 20 per cent. of the issued share capital of ASMHL. Accordingly, Mr V-Nee Yeh is deemed to have an interest in the Stapled Securities in which ASMHL has a deemed interest.
- (25) Mr Christopher James Williams is a director of both the C-REIT Manager and OUE. Mr Christopher James Williams is deemed to be interested in the Stapled Securities held by Idaman Investments Ltd, which is wholly-owned by a trust of which the beneficiaries include his wife and two children.
- (26) Director of the C-REIT Manager
- (27) Not meaningful.
- (28) Wife of Mr Sin Boon Ann, a director of OUE.
- (29) Wife of Dr Stephen Riady, a director of OUE.
- (30) Director of OUER. Mr Thio Shen Yi has a direct interest in the Stapled Securities he jointly holds with his wife. Mr Thio Shen Yi is also the son of Mr Thio Gim Hock, a director and the chief executive officer of OUE.
- (31) Wife of Mr Thio Shen Yi, a director of OUER. Ms Stefanie Yuen Thio has a direct interest in the Stapled Securities she jointly holds with her husband.
- (32) Mother of Ms Usha Ranee Chandradas, a director of the C-REIT Manager.
- (33) Director of OUE Lippo Healthcare Limited and its subsidiaries.
- (34) Director of OUE LH Japan Management K.K., a subsidiary of OUE Lippo Healthcare Limited.
- (35) Wife of Mr Tan Kok Mian, Victor, a director of Bowsprit Capital Corporation Limited, a subsidiary of OUE and fellow subsidiary of the C-REIT Manager.
- (36) Director of Chung Sing Development Limited (“**Chung Sing**”), an associated company of OUE.
- (37) Director of One Realty Pte. Limited (“**One Realty**”), a subsidiary of LCG.
- (38) Wife of Mr Ng Cheng Hwa, director of One Realty, a subsidiary of LCG.
- (39) Wife of Mr Quah Wee Ghee, a director of one or more related corporations of Oversea-Chinese Banking Corporation Limited (“**OCBC**”).
- (40) Mr Lai Teck Poh is a director of one or more related corporations of OCBC.
- (41) Held by DBS Nominees (Private) Limited on behalf of Ms Lai Shieh Lin, daughter of Mr Lai Teck Poh, a director of one or more related corporations of OCBC.
- (42) Mr Tan Siew Peng (Darren) is a director of one or more related corporations of OCBC.
- (43) Mr Ching Wei Hong is a director of one or more related corporations of OCBC.
- (44) Mr Lim Wyson is a director of one or more related corporations of OCBC.
- (45) Mr Khor Hock Seng is a director of one or more related corporations of OCBC.
- (46) Citigroup Global Markets Limited borrowed 25,500 Stapled Securities.
- (47) Citigroup Global Markets Inc. borrowed 250,700 Stapled Securities.

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1.2 Dealings in H-Trust Securities

The details of the dealings in the H-Trust Securities during the Relevant Period by members of the C-REIT Concert Party Group are set out below:

Name	Date of Dealing	Type of Dealing in H-Trust Security	No. of H-Trust Securities	Transaction Price per Stapled Security (S\$)
Citigroup Global Markets Limited	28 January 2019	Borrowed Stapled Securities	139,300	Not Applicable
Citigroup Global Markets Inc.	28 January 2019	Borrowed Stapled Securities	479,000	Not Applicable
OUE Hospitality REIT Management Pte. Ltd.	29 January 2019	Payment of Base Fee and Performance Fee by way of issue of new Stapled Securities ⁽¹⁾	9,313,531	0.6674
Citigroup Global Markets Inc.	1 February 2019	Returned Stapled Securities	139,300	Not Applicable
OUE Hospitality REIT Management Pte. Ltd.	2 May 2019	Payment of Base Fee by way of issue of new Stapled Securities ⁽²⁾	2,319,794	0.7269
Citigroup Global Markets Limited	21 May 2019	Returned Stapled Securities	113,800	Not Applicable

Notes:

- (1) On 29 January 2019, the H-Trust Managers announced that 2,555,459 Stapled Securities and 6,758,072 Stapled Securities were issued to OUE Hospitality REIT Management Pte. Ltd. at an issue price of S\$0.6674 per Stapled Security, pursuant to the H-REIT Trust Deed, as payment of 100 per cent. of its Base Fee (as defined in the H-REIT Trust Deed) for the three months ended 31 December 2018 and 100 per cent. of the Performance Fee (as defined in the H-REIT Trust Deed) for FY2018 respectively.
- (2) On 2 May 2019, the H-Trust Managers announced that 2,319,794 Stapled Securities were issued to OUE Hospitality REIT Management Pte. Ltd. at an issue price of S\$0.7269 per Stapled Security, pursuant to the H-REIT Trust Deed, as payment of 100 per cent. of its Base Fee (as defined in the H-REIT Trust Deed) for 1Q2019.

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2. Disclosure of Interests in C-REIT Securities

2.1 Holdings of C-REIT Units

As at the Latest Practicable Date, based on the latest information available to the C-REIT Manager, the interests in the C-REIT Units owned, controlled or agreed to be acquired by members of the C-REIT Concert Party Group are set out below:

Name	No. of C-REIT Units					
	Direct Interest		Deemed Interest		Total Interest	
	No. of C-REIT Units	per cent. ⁽¹⁾	No. of C-REIT Units	per cent. ⁽¹⁾	No. of C-REIT Units	per cent. ⁽¹⁾
OUE Commercial REIT Management Pte. Ltd.	141,749,442	4.94	–	–	141,749,442	4.94
Clifford Development Pte. Ltd.	1,471,601,271	51.34	–	–	1,471,601,271	51.34
OUE Limited	–	–	1,613,350,713 ⁽²⁾	56.28	1,613,350,713	56.28
OUE Realty Pte. Ltd.	–	–	1,613,350,713 ⁽³⁾	56.28	1,613,350,713	56.28
Golden Concord Asia Limited	–	–	1,613,350,713 ⁽⁴⁾	56.28	1,613,350,713	56.28
Fortune Code Limited	–	–	1,613,350,713 ⁽⁵⁾	56.28	1,613,350,713	56.28
Lippo ASM Asia Property Limited	–	–	1,613,350,713 ⁽⁶⁾	56.28	1,613,350,713	56.28
Pacific Landmark Holdings Limited	–	–	1,613,350,713 ⁽⁷⁾	56.28	1,613,350,713	56.28
HKC Property Investment Holdings Limited	–	–	1,613,350,713 ⁽⁸⁾	56.28	1,613,350,713	56.28
Hongkong Chinese Limited	164,700	0.01	1,613,350,713 ⁽⁹⁾	56.28	1,613,515,413	56.29
Hennessy Holdings Limited	–	–	1,613,515,413 ⁽¹⁰⁾	56.29	1,613,515,413	56.29
Prime Success Limited	–	–	1,613,515,413 ⁽¹¹⁾	56.29	1,613,515,413	56.29
Hongkong China Treasury Limited	3,111,732	0.11	–	–	3,111,732	0.11
Lippo Limited	–	–	1,616,627,145 ⁽¹²⁾	56.40	1,616,627,145	56.40
Lippo Capital Limited	–	–	1,616,627,145 ⁽¹³⁾	56.40	1,616,627,145	56.40
Lippo Capital Holdings Company Limited	–	–	1,616,627,145 ⁽¹⁴⁾	56.40	1,616,627,145	56.40
Lippo Capital Group Limited	–	–	1,616,627,145 ⁽¹⁵⁾	56.40	1,616,627,145	56.40
Dr Stephen Riady ⁽¹⁶⁾	–	–	1,616,627,145 ⁽¹⁷⁾	56.40	1,616,627,145	56.40
PT Trijaya Utama Mandiri	–	–	1,616,627,145 ⁽¹⁸⁾	56.40	1,616,627,145	56.40
Mr James Tjahaja Riady	–	–	1,616,627,145 ⁽¹⁹⁾	56.40	1,616,627,145	56.40
Admiralty Station Management Limited	–	–	1,613,350,713 ⁽²⁰⁾	56.28	1,613,350,713	56.28

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Name	No. of C-REIT Units						
	Direct Interest		Deemed Interest		Total Interest		
	No. of C-REIT Units	per cent. ⁽¹⁾	No. of C-REIT Units	per cent. ⁽¹⁾	No. of C-REIT Units	per cent. ⁽¹⁾	
Argyle Street Management Limited	–	–	1,613,350,713 ⁽²¹⁾	56.28	1,613,350,713	56.28	
Argyle Street Management Holdings Limited	–	–	1,613,350,713 ⁽²²⁾	56.28	1,613,350,713	56.28	
Mr Kin Chan ⁽¹⁶⁾	–	–	1,613,350,713 ⁽²³⁾	56.28	1,613,350,713	56.28	
Mr V-Nee Yeh	–	–	1,613,350,713 ⁽²⁴⁾	56.28	1,613,350,713	56.28	
Idaman Investments Ltd	331,687	0.01	–	–	331,687	0.01	
Mr Christopher James Williams ⁽²⁵⁾	–	–	331,687	0.01	331,687	0.01	
Mr Loh Lian Huat ⁽²⁶⁾	995,000	0.03	332,260 ⁽²⁷⁾	0.01	1,327,260	0.05	
Ms Tan Shu Lin ⁽²⁶⁾	663,375	0.02	–	–	663,375	0.02	
Mr Thio Gim Hock ⁽¹⁶⁾	6,749,040	0.24	–	–	6,749,040	0.24	
Ms Lim Wei Shi ⁽²⁸⁾	332,260	0.01	–	–	332,260	0.01	
Mr Tan Kee Yong ⁽²⁹⁾	124,200	n.m. ⁽³⁰⁾	–	–	124,200	n.m. ⁽³⁰⁾	
Mr Yeo Kuang Hsing Rodney ⁽³¹⁾	50,000	n.m. ⁽³⁰⁾	–	–	50,000	n.m. ⁽³⁰⁾	
Mr Ng Ngai ⁽³²⁾	228,750	n.m. ⁽³⁰⁾	–	–	228,750	n.m. ⁽³⁰⁾	
Ms Chuang Nai Shan, Iris ⁽³³⁾	2,000	n.m. ⁽³⁰⁾	–	–	2,000	n.m. ⁽³⁰⁾	
Mr Ng Cheng Hwa ⁽³⁴⁾	20,000	n.m. ⁽³⁰⁾	–	–	20,000	n.m. ⁽³⁰⁾	
Ms Aw Soo Huang ⁽³⁵⁾	31,500	n.m. ⁽³⁰⁾	–	–	31,500	n.m. ⁽³⁰⁾	
Mr Lai Teck Poh ⁽³⁶⁾	–	–	200,000	0.01	200,000	0.01	
Ms Molly Goh ⁽³⁷⁾	100,000	n.m. ⁽³⁰⁾	–	–	100,000	n.m. ⁽³⁰⁾	
Ms Tan Sok Hong ⁽³⁸⁾	15,000	n.m. ⁽³⁰⁾	–	–	15,000	n.m. ⁽³⁰⁾	
Ms Lim Phay Tiang ⁽³⁹⁾	62,000	n.m. ⁽³⁰⁾	–	–	62,000	n.m. ⁽³⁰⁾	
Mr Gerard Lee How Cheng ⁽⁴⁰⁾	8,000	n.m. ⁽³⁰⁾	–	–	8,000	n.m. ⁽³⁰⁾	
Ms Kng Hwee Tin ⁽⁴¹⁾	192,846	0.01	–	–	192,846	0.01	
Mr Kng Hwee Peng ⁽⁴²⁾	1,800,021	0.06	–	–	1,800,021	0.06	
					TOTAL	1,628,532,824	56.81

Notes:

- (1) All references to percentage unitholding of the issued C-REIT Units in this paragraph 2.1 are based on the total issued C-REIT Units as at the Latest Practicable Date, being 2,866,585,405 C-REIT Units in issue.
- (2) OUE is the holding company of the C-REIT Manager and Clifford Development Pte. Ltd. (“Clifford”), and has a deemed interest in the C-REIT Units held by the C-REIT Manager and Clifford.
- (3) OUER is the immediate holding company of OUE and has a deemed interest in the C-REIT Units in which OUE has a deemed interest.
- (4) GCAL has a deemed interest in the C-REIT Units through the deemed interests of its wholly-owned subsidiary, OUER.
- (5) FCL has a deemed interest in the C-REIT Units through the deemed interests of its wholly-owned subsidiary, GCAL.

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- (6) LAAPL is deemed to have an interest in the C-REIT Units in which its subsidiary, FCL, has a deemed interest.
- (7) LAAPL is jointly held by Pacific Landmark and Admiralty. Accordingly, Pacific Landmark is deemed to have an interest in the C-REIT Units in which LAAPL has a deemed interest.
- (8) HKC Property is the immediate holding company of Pacific Landmark. Accordingly, HKC Property is deemed to have an interest in the C-REIT Units in which Pacific Landmark has a deemed interest.
- (9) HCL is an intermediate holding company of Pacific Landmark. Accordingly, HCL is deemed to have an interest in the C-REIT Units in which Pacific Landmark has a deemed interest.
- (10) HHL is an intermediate holding company of Pacific Landmark and the immediate holding company of HCL. Accordingly, HHL is deemed to have an interest in the C-REIT Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the 164,700 C-REIT Units held by HCL (the “**HCL Units**”).
- (11) PSL is an intermediate holding company of Pacific Landmark and HCL. Accordingly, PSL is deemed to have an interest in the C-REIT Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Units.
- (12) LL is an intermediate holding company of Pacific Landmark and HCL. Accordingly, LL is deemed to have an interest in the C-REIT Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Units, together with a deemed interest in the C-REIT Units held by Hongkong China Treasury Limited (“**HKCTL**”), a subsidiary of LL (the “**HKCTL Units**”).
- (13) LCL is an intermediate holding company of Pacific Landmark and HCL and the immediate holding company of LL. Accordingly, LCL is deemed to have an interest in the C-REIT Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Units, together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (14) LCH is an intermediate holding company of Pacific Landmark, HCL and LL. Accordingly, LCH is deemed to have an interest in the C-REIT Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Units, together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (15) LCG is the holding company of LCH, which in turn is an intermediate holding company of Pacific Landmark, HCL and LL. Accordingly, LCG is deemed to have an interest in the C-REIT Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Units, together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (16) Director of OUE.
- (17) Dr Stephen Riady holds the entire issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of Pacific Landmark, HCL and LL. Accordingly, Dr Stephen Riady is deemed to have an interest in the C-REIT Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Units, together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (18) PT Trijaya holds more than 20 per cent. of the shares in LCL, which in turn is an intermediate holding company of Pacific Landmark, HCL and LL. Accordingly, PT Trijaya is deemed to have an interest in the C-REIT Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Units, together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (19) Mr James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20 per cent. of the shares in LCL. LCL in turn is an intermediate holding company of Pacific Landmark, HCL and LL. Accordingly, Mr James Tjahaja Riady is deemed to have an interest in the C-REIT Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Units, together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (20) LAAPL is jointly held by Pacific Landmark and Admiralty. Accordingly, Admiralty is deemed to have an interest in the C-REIT Units in which LAAPL has a deemed interest.
- (21) ASML owns 100 per cent. of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the C-REIT Units in which Admiralty has a deemed interest.
- (22) ASMHL is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the C-REIT Units in which ASML has a deemed interest.
- (23) Mr Kin Chan is the beneficial holder of more than 20 per cent. of the issued share capital of ASMHL. Accordingly, Mr Kin Chan is deemed to have an interest in the C-REIT Units in which ASMHL has a deemed interest.

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- (24) Mr V-Nee Yeh is the beneficial holder of more than 20 per cent. of the issued share capital of ASMHL. Accordingly, Mr V-Nee Yeh is deemed to have an interest in the C-REIT Units in which ASMHL has a deemed interest.
- (25) Mr Christopher James Williams is a director of both the C-REIT Manager and OUE. Mr Christopher James Williams is deemed to be interested in the 331,687 C-REIT Units held by Idaman Investments Ltd, which is wholly-owned by a trust of which the beneficiaries include his wife and two children.
- (26) Director of the C-REIT Manager.
- (27) Mr Loh Lian Huat, as a director of the C-REIT Manager, is deemed to be interested in the 332,260 C-REIT Units held by his wife, Ms Lim Wei Shi.
- (28) Wife of Mr Loh Lian Huat, a director of the C-REIT Manager.
- (29) Brother of Ms Tan Shu Lin, a director of the C-REIT Manager.
- (30) Not meaningful.
- (31) Director of subsidiaries of OUE.
- (32) Director of Chung Sing, an associated company of OUE.
- (33) Director of Fairseas 1 Pte Ltd, a subsidiary of LCG.
- (34) Director of One Realty, a subsidiary of LCG.
- (35) Wife of Mr Ng Cheng Hwa, a director of One Realty, a subsidiary of LCG.
- (36) Held by DBS Nominees (Private) Limited on behalf of Mr Lai Teck Poh, a director of one or more related corporations of OCBC.
- (37) Ms Molly Goh is the wife of Mr Tan Yam Pin, a director of one or more related corporations of OCBC.
- (38) Ms Tan Sok Hong is a director of one or more related corporations of OCBC.
- (39) Ms Lim Phay Tiang is a director of one or more related corporations of OCBC.
- (40) Mr Gerard Lee How Cheng is a director of one or more related corporations of OCBC.
- (41) Ms Kng Hwee Tin is a director of one or more related corporations of OCBC.
- (42) Mr Kng Hwee Peng is the brother of Ms Kng Hwee Tin, a director of one or more related corporations of OCBC.

2.2 Holdings of CPPUs

The issued CPPUs will be convertible at the option of the holder(s) of CPPUs into C-REIT Units from 8 October 2019 (inclusive), provided that no more than one-third of the CPPUs initially issued can be converted in any one year. As at the Latest Practicable Date, the price at which C-REIT Units will be issued upon conversion of each CPPU is S\$0.7154. Such conversion price may be subject to further adjustments in accordance with the provisions of the C-REIT Trust Deed.

As at the Latest Practicable Date, based on the latest information available to the C-REIT Manager, the interests in the CPPUs owned, controlled or agreed to be acquired by members of the C-REIT Concert Party Group are set out below:

Name	No. of CPPUs					
	Direct Interest		Deemed Interest		Total Interest	
	No. of CPPUs	per cent. ⁽¹⁾	No. of CPPUs	per cent. ⁽¹⁾	No. of CPPUs	per cent. ⁽¹⁾
Clifford Development Pte. Ltd.	375,000,000	100.00	–	–	375,000,000	100.00
OUE Limited	–	–	375,000,000 ⁽²⁾	100.00	375,000,000	100.00
OUE Realty Pte. Ltd.	–	–	375,000,000 ⁽³⁾	100.00	375,000,000	100.00

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Name	No. of CPPUs					
	Direct Interest		Deemed Interest		Total Interest	
	No. of CPPUs	per cent. ⁽¹⁾	No. of CPPUs	per cent. ⁽¹⁾	No. of CPPUs	per cent. ⁽¹⁾
Golden Concord Asia Limited	–	–	375,000,000 ⁽⁴⁾	100.00	375,000,000	100.00
Fortune Code Limited	–	–	375,000,000 ⁽⁵⁾	100.00	375,000,000	100.00
Lippo ASM Asia Property Limited	–	–	375,000,000 ⁽⁶⁾	100.00	375,000,000	100.00
Pacific Landmark Holdings Limited	–	–	375,000,000 ⁽⁷⁾	100.00	375,000,000	100.00
HKC Property Investment Holdings Limited	–	–	375,000,000 ⁽⁸⁾	100.00	375,000,000	100.00
Hongkong Chinese Limited	–	–	375,000,000 ⁽⁹⁾	100.00	375,000,000	100.00
Hennessy Holdings Limited	–	–	375,000,000 ⁽¹⁰⁾	100.00	375,000,000	100.00
Prime Success Limited	–	–	375,000,000 ⁽¹¹⁾	100.00	375,000,000	100.00
Lippo Limited	–	–	375,000,000 ⁽¹²⁾	100.00	375,000,000	100.00
Lippo Capital Limited	–	–	375,000,000 ⁽¹³⁾	100.00	375,000,000	100.00
Lippo Capital Holdings Company Limited	–	–	375,000,000 ⁽¹⁴⁾	100.00	375,000,000	100.00
Lippo Capital Group Limited	–	–	375,000,000 ⁽¹⁵⁾	100.00	375,000,000	100.00
Dr Stephen Riady ⁽¹⁶⁾	–	–	375,000,000 ⁽¹⁷⁾	100.00	375,000,000	100.00
PT Trijaya Utama Mandiri	–	–	375,000,000 ⁽¹⁸⁾	100.00	375,000,000	100.00
Mr James Tjahaja Riady	–	–	375,000,000 ⁽¹⁸⁾	100.00	375,000,000	100.00
Admiralty Station Management Limited	–	–	375,000,000 ⁽²⁰⁾	100.00	375,000,000	100.00
Argyle Street Management Limited	–	–	375,000,000 ⁽²¹⁾	100.00	375,000,000	100.00
Argyle Street Management Holdings Limited	–	–	375,000,000 ⁽²²⁾	100.00	375,000,000	100.00
Mr Kin Chan ⁽¹⁶⁾	–	–	375,000,000 ⁽²³⁾	100.00	375,000,000	100.00
Mr V-Nee Yeh	–	–	375,000,000 ⁽²⁴⁾	100.00	375,000,000	100.00
TOTAL					375,000,000	100.00

Notes:

- (1) All references to percentage unitholding of the issued CPPUs in this paragraph 2.2 are based on the total issued CPPUs as at the Latest Practicable Date, being 375,000,000 CPPUs in issue.
- (2) OUE is the holding company of Clifford, and has a deemed interest in the CPPUs held by Clifford.
- (3) OUER is the immediate holding company of OUE and has a deemed interest in the CPPUs in which OUE has a deemed interest.

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- (4) GCAL has a deemed interest in the CPPUs through the deemed interests of its wholly-owned subsidiary, OUER.
- (5) FCL has a deemed interest in the CPPUs through the deemed interests of its wholly-owned subsidiary, GCAL.
- (6) LAAPL is deemed to have an interest in the CPPUs in which its subsidiary, FCL, has a deemed interest.
- (7) LAAPL is jointly held by Pacific Landmark and Admiralty. Accordingly, Pacific Landmark is deemed to have an interest in the C CPPUs in which LAAPL has a deemed interest.
- (8) HKC Property is the immediate holding company of Pacific Landmark. Accordingly, HKC Property is deemed to have an interest in the CPPUs in which Pacific Landmark has a deemed interest.
- (9) HCL is an intermediate holding company of Pacific Landmark. Accordingly, HCL is deemed to have an interest in the CPPUs in which Pacific Landmark has a deemed interest.
- (10) HHL is the immediate holding company of HCL. Accordingly, HHL is deemed to have an interest in the CPPUs in which HCL has a deemed interest.
- (11) PSL is an intermediate holding company of Pacific Landmark and HCL. Accordingly, PSL is deemed to have an interest in the CPPUs in which Pacific Landmark and HCL have a deemed interest.
- (12) LL is an intermediate holding company of Pacific Landmark and HCL. Accordingly, LL is deemed to have an interest in the CPPUs in which Pacific Landmark and HCL have a deemed interest.
- (13) LCL is immediate holding company of LL. Accordingly, LCL is deemed to have an interest in the CPPUs in which LL has a deemed interest.
- (14) LCH is an intermediate holding company of Pacific Landmark, HCL and LL. Accordingly, LCH is deemed to have an interest in the CPPUs in which Pacific Landmark, HCL and LL have a deemed interest.
- (15) LCG is the holding company of LCH. Accordingly, LCG is deemed to have an interest in the CPPUs in which LCH has a deemed interest.
- (16) Director of OUE.
- (17) Dr Stephen Riady holds the entire issued share capital of LCG. Accordingly, Dr Stephen Riady is deemed to have an interest in the CPPUs in which LCG has a deemed interest.
- (18) PT Trijaya holds more than 20 per cent. of the shares in LCL. Accordingly, PT Trijaya is deemed to have an interest in the CPPUs in which LCL has a deemed interest.
- (19) Mr James Tjahaja Riady effectively holds all the shares in PT Trijaya. Accordingly, Mr James Tjahaja Riady is deemed to have an interest in the CPPUs in which PT Trijaya has a deemed interest.
- (20) LAAPL is jointly held by Pacific Landmark and Admiralty. Accordingly, Admiralty is deemed to have an interest in the CPPUs in which LAAPL has a deemed interest.
- (21) ASML owns 100 per cent. of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the CPPUs in which Admiralty has a deemed interest.
- (22) ASMHL is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the CPPUs in which ASML has a deemed interest.
- (23) Mr Kin Chan is the beneficial holder of more than 20 per cent. of the issued share capital of ASMHL. Accordingly, Mr Kin Chan is deemed to have an interest in the CPPUs in which ASMHL has a deemed interest.
- (24) Mr V-Nee Yeh is the beneficial holder of more than 20 per cent. of the issued share capital of ASMHL. Accordingly, Mr V-Nee Yeh is deemed to have an interest in the CPPUs in which ASMHL has a deemed interest.

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2.3 Dealings in C-REIT Units

The details of the dealings in the C-REIT Units during the Relevant Period by the C-REIT Concert Party Group are set out below:

Name	Date	No. of C-REIT Units Acquired	No. of C-REIT Units Sold	Transaction Price per C-REIT Unit (S\$)
OUE Commercial REIT Management Pte. Ltd. ⁽¹⁾	4 February 2019	5,610,814	–	0.4601
Dr Andy Adhiwana ⁽²⁾	13 February 2019	200,000	–	0.495
	6 March 2019	–	200,000	0.500
Ms Meta Mui Khim Irene Nee Lim ⁽³⁾	20 March 2019	–	56,600	0.500
Mr Kng Hwee Peng ⁽⁴⁾	27 March 2019	–	49,200	0.505
	28 March 2019	–	200,800	0.505
OUE Commercial REIT Management Pte. Ltd. ⁽⁵⁾	14 May 2019	4,996,346	–	0.5066

Notes:

- (1) On 4 February 2019, the C-REIT Manager announced that 5,610,814 C-REIT Units were issued to OUE Commercial REIT Management Pte. Ltd. at an issue price of S\$0.4601 per C-REIT Unit as payment of 80 per cent. of its Base Fee (as defined in the C-REIT Trust Deed) for the three months ended 31 December 2018.
- (2) Director of Auric Pacific Group Limited, an associated company of OUE.
- (3) Director of subsidiaries of OUE.
- (4) Mr Kng Hwee Peng is the brother of Ms Kng Hwee Tin, a director of one or more related corporations of OCBC.
- (5) On 14 May 2019, the C-REIT Manager announced that 4,996,346 C-REIT Units were issued to OUE Commercial REIT Management Pte. Ltd. at an issue price of S\$0.5066 per C-REIT Unit as payment of 80 per cent. of its Base Fee (as defined in the C-REIT Trust Deed) for 1Q2019.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

SCHEDULE I

ADDITIONAL GENERAL INFORMATION

1. ADDITIONAL ARRANGEMENTS

1.1 No Agreement having any Connection with or Dependence upon the Trust Scheme

As at the Latest Practicable Date, save as disclosed in this Letter, there is no agreement, arrangement or understanding between (i) any member of the C-REIT Concert Party Group, and (ii) any of the current or recent directors of the H-Trust Managers or the H-REIT Trustee (acting in its capacity as trustee of H-REIT) or any of the current or recent Stapled Securityholders having any connection with or dependence upon the Trust Scheme.

1.2 No Agreement Conditional upon Outcome of Trust Scheme

As at the Latest Practicable Date, save as disclosed in this Letter, there is no agreement, arrangement or understanding between (i) C-REIT, the C-REIT Manager and the C-REIT Trustee, and (ii) any of the directors of the H-Trust Managers or the H-REIT Trustee (acting in its capacity as trustee of H-REIT) or any other person in connection with or conditional upon the outcome of the Trust Scheme or otherwise connected with the Trust Scheme.

1.3 Transfer of Stapled Securities

As at the Latest Practicable Date, save as disclosed in this Letter, there is no agreement, arrangement or understanding whereby any Stapled Securities acquired pursuant to the Trust Scheme will be transferred to any other person. C-REIT, however, reserves the right to transfer any Stapled Securities to any member of the C-REIT Concert Party Group or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to it.

1.4 No Indemnity Arrangements

None of the members of the C-REIT Concert Party Group has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the H-Trust Securities and/or C-REIT Securities which may be an inducement to deal or refrain from dealing in H-Trust Securities and/or C-REIT Securities.

1.5 No Payment or Benefit to Directors of the H-Trust Managers and H-REIT Trustee

As at the Latest Practicable Date, save as disclosed in this Letter, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the H-Trust Managers or the H-REIT Trustee (acting in its capacity as trustee of H-REIT) or any of their related corporations (within the meaning of Section 6 of the Companies Act, Chapter 50 of Singapore) as compensation for loss of office or otherwise in connection with the Trust Scheme.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

1.6 Service Contracts of Directors of the C-REIT Manager

As at the Latest Practicable Date, save as disclosed in this Letter, there is no agreement, arrangement or understanding between (i) any member of the C-REIT Concert Party Group, and (ii) any of the directors of the C-REIT Manager, whereby the emoluments received or to be received by the directors of the C-REIT Manager will be varied or affected by the Trust Scheme.

2. OTHER DISCLOSURES IN RELATION TO H-TRUST

2.1 Material Changes in the Financial Position of H-Trust

As at the Latest Practicable Date, save in relation to and in connection with the Merger and the Trust Scheme (including financing the Merger and the Trust Scheme and the costs and expenses incurred or to be incurred in connection with the Merger and the Trust Scheme) and as disclosed in the Scheme Document and any other information which is publicly available (including, without limitation, the announcements released by the H-Trust Managers, on behalf of H-Trust, on SGXNET), there has not been, to the knowledge of the C-REIT Manager, any change in the financial position or prospects of H-Trust since the date of the last balance-sheet laid before the Stapled Securityholders in a general meeting.

2.2 Transfer Restrictions of the Stapled Securities

Subject to and upon the amendment of the H-Trust Trust Deeds in the manner set out in the Letter to Stapled Securityholders, the H-Trust Trust Deeds do not contain any restrictions on the right to transfer the Stapled Securities in connection with the Merger or the Trust Scheme.

3. MARKET QUOTATIONS FOR STAPLED SECURITIES

3.1 Closing Prices on the Stapled Securities

The closing prices of the Stapled Securities on the SGX-ST, as reported by Bloomberg L.P., on (i) the Last Trading Day was S\$0.735, and (ii) the Latest Practicable Date was S\$0.705.

The last transacted prices and aggregate trading volume of the Stapled Securities on the SGX-ST on a monthly basis from October 2018 to March 2019 (being the six calendar months preceding the Joint Announcement Date), as reported by Bloomberg L.P., are set out below:

Month	Last Transacted Price (S\$)	Volume of Stapled Securities Traded
October 2018	0.680	27,004,300
November 2018	0.685	16,663,400
December 2018	0.670	12,968,900
January 2019	0.735	26,941,500
February 2019	0.720	24,790,500
March 2019	0.725	29,378,000

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

3.2 Highest and Lowest Prices of the Stapled Securities.

During the period commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date, the highest and lowest closing prices of the Stapled Securities on the SGX-ST, as reported by Bloomberg L.P., are as follows:

3.2.1 highest closing price: S\$0.740 on 1 February 2019; and

3.2.2 lowest closing price: S\$0.655 on 24 October 2018.

4. MARKET QUOTATIONS FOR C-REIT UNITS

4.1 Closing Prices on the C-REIT Units

The closing prices of the C-REIT Units on the SGX-ST, as reported by Bloomberg L.P., on (i) the Last Trading Day was S\$0.520, and (ii) the Latest Practicable Date was S\$0.505.

The last transacted prices and aggregate trading volume of the C-REIT Units on the SGX-ST on a monthly basis from October 2018 to March 2019 (being the six calendar months preceding the Joint Announcement Date), as reported by Bloomberg L.P., are set out below:

Month	Last Transacted Price (S\$)	Volume of C-REIT Units Traded
October 2018	0.465	61,145,798
November 2018	0.470	30,687,100
December 2018	0.460	15,676,300
January 2019	0.500	28,292,800
February 2019	0.500	25,013,100
March 2019	0.520	14,801,300

4.2 Highest and Lowest Prices of the C-REIT Units

During the period commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date, the highest and lowest closing prices of the C-REIT Units on the SGX-ST, as reported by Bloomberg L.P., are as follows:

4.2.1 highest closing price: S\$0.530 on 4 April 2019; and

4.2.2 lowest closing price: S\$0.450 on 16 November 2018.

5. CONSENTS AND DOCUMENTS FOR INSPECTION

5.1 Consent from the C-REIT Financial Advisers

Each of the C-REIT Financial Advisers has given and has not withdrawn its consent to the issue of this Letter with the inclusion herein of its name and all references to its name in the form and context in which it appears in this Letter.

APPENDIX B – OFFEROR’S LETTER TO THE STAPLED SECURITYHOLDERS

5.2 Consent from the C-REIT Independent Financial Adviser

Deloitte & Touche Corporate Finance Pte. Ltd. (the “**C-REIT Independent Financial Adviser**”) has given and has not withdrawn its consent to the issue of this Letter with the inclusion herein of its name and its report dated 9 May 2019 in respect of the C-REIT 1Q2019 Results as set out in Schedule G to this Letter and all references thereto, in the form and context in which it appears in this Letter.

5.3 Consent from the Auditor

KPMG LLP (the “**Auditor**”) has given and has not withdrawn its consent to the issue of this Letter with the inclusion herein of its name and its report dated 9 May 2019 in respect of the C-REIT 1Q2019 Results as set out in Schedule F to this Letter and all references thereto, in the form and context in which it appears in this Letter.

5.4 Documents for Inspection

Copies of the following documents are available for inspection at the registered office of the C-REIT Manager⁹ at 50 Collyer Quay #04-08, OUE Bayfront, Singapore 049321 during normal business hours from the date of this Letter up to the Effective Date:

- 5.4.1 the annual reports of C-REIT for FY2016, FY2017 and FY2018;
- 5.4.2 the C-REIT 1Q2019 Results;
- 5.4.3 the report from the Auditor in respect of the C-REIT 1Q2019 Results;
- 5.4.4 the report from the C-REIT Independent Financial Adviser in respect of the C-REIT 1Q2019 Results;
- 5.4.5 the Implementation Agreement;
- 5.4.6 the C-REIT Trust Deed; and
- 5.4.7 the letters of consent referred to in paragraphs 5.1 to 5.3 of this Schedule I.

⁹ Prior appointment with the C-REIT Manager will be appreciated.

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

1. DIRECTORS

The names, addresses and designations of the directors of the H-Trust Managers as at the Latest Practicable Date are as follows:

Name	Address	Designation
Mr Lee Yi Shyan	c/o 333 Orchard Road #33-00 Singapore 238867	Chairman and Non-Independent Non-Executive Director
Mr Sanjiv Misra	c/o 333 Orchard Road #33-00 Singapore 238867	Lead Independent Director
Mr Ong Kian Min	c/o 333 Orchard Road #33-00 Singapore 238867	Independent Director
Mr Liu Chee Ming	c/o 333 Orchard Road #33-00 Singapore 238867	Independent Director
Professor Neo Boon Siong	c/o 333 Orchard Road #33-00 Singapore 238867	Independent Director
Mr Christopher James Williams	c/o 333 Orchard Road #33-00 Singapore 238867	Non-Independent Non-Executive Director

2. PRINCIPAL ACTIVITIES

H-Trust, which is a stapled group comprising H-REIT and H-BT, was listed on the Main Board of the SGX-ST on 25 July 2013. Each unit in H-REIT is stapled to one unit in H-BT under the terms of the Stapling Deed.

H-REIT is a Singapore REIT constituted by the H-REIT Trust Deed and established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets. H-REIT is managed by the H-REIT Manager, a wholly-owned subsidiary of OUE, the sponsor of H-Trust.

H-BT, a registered business trust under the Business Trusts Act, is currently dormant. The H-BT Trustee-Manager is the trustee-manager of H-BT and a wholly-owned subsidiary of OUE, the sponsor of H-Trust.

3. STAPLED SECURITIES

3.1. Stapled Securities

As at the Latest Practicable Date, H-Trust has in issue an aggregate of 1,832,099,381 Stapled Securities. H-Trust has not issued any Stapled Securities since 2 May 2019.

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

3.2. Rights of the Stapled Securityholders in respect of Capital, Distributions and Voting

Selected texts of the H-Trust Trust Deeds relating to the rights of the Stapled Securityholders in respect of capital, distributions and voting have been extracted and reproduced in Appendix E to this Scheme Document.

3.3. Convertible Instruments

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, Stapled Securities or securities which carry voting rights affecting Stapled Securities.

4. FINANCIAL INFORMATION

4.1. Consolidated Income Statements

Set out below is certain financial information extracted from the audited consolidated financial statements of the H-Trust Group for FY2016, FY2017 and FY2018, and the unaudited financial statements of the H-Trust Group for 1Q2019.

The financial information for FY2016, FY2017 and FY2018 should be read in conjunction with the audited consolidated financial statements of the H-Trust Group and the accompanying notes as set out in the annual reports of H-Trust for FY2016, FY2017 and FY2018 respectively and the financial information for 1Q2019 should be read in conjunction with the unaudited financial statements of the H-Trust Group and the accompanying notes as set out in the unaudited financial statements of the H-Trust Group for 1Q2019.

	H-Trust Group			
	1Q2019 \$'000	FY2018 \$'000	FY2017 \$'000	FY2016 \$'000
Gross revenue	31,703	129,734	131,063	122,494
Property expenses	(4,043)	(16,976)	(18,318)	(15,099)
Net property income	27,660	112,758	112,745	107,395
Other income	–	–	4,818	2,682
Amortisation of intangible asset	–	–	(4,908)	(1,292)
REIT Manager's fees	(2,783)	(11,290)	(11,269)	(10,858)
REIT Trustee's fees	(103)	(417)	(415)	(410)
Other trust expenses	(1,090)	(1,523)	(1,238)	(1,254)
Finance income	17	67	1,718	255
Finance expenses	(6,476)	(23,837)	(33,619)	(25,190)
Net income	17,225	75,758	67,832	71,328
Net change in fair value of investment properties	–	(2,763)	8,110	(53,915)
Total return for the period/year	17,225	72,995	75,942	17,413
Earnings per Stapled Security (cents)				
Basic	0.94	4.02	4.21	1.05
Diluted	0.94	3.99	4.19	1.04
Distribution per Stapled Security (cents)	1.18	4.99	5.14	4.61

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

4.2. Distribution per Stapled Security

Set out below is also a summary of the distribution per Stapled Security declared in respect of each of FY2016, FY2017, FY2018 and 1Q2019. This information was extracted from the annual reports of H-Trust for FY2016, FY2017 and FY2018 and the unaudited financial statements of the H-Trust Group for 1Q2019.

	H-Trust Group			
	1Q2019	FY2018	FY2017	FY2016
	\$'000	\$'000	\$'000	\$'000
Distribution per Stapled Security (cents)	1.18	4.99	5.14	4.61

Distributions of H-Trust represent the aggregate of distributions by H-REIT and H-BT. The distributions of H-Trust are contributed solely by H-REIT as H-BT remains dormant. Accordingly, only the distribution of H-REIT has been included for the purpose of calculating the distribution per Stapled Security.

4.3. Consolidated Statement of Financial Position

The audited consolidated statement of financial position of the H-Trust Group as at 31 December 2018, being the latest published audited consolidated statement of financial position of the H-Trust Group prior to the Latest Practicable Date, is set out below.

The audited consolidated statement of financial position of the H-Trust Group as at 31 December 2018 should be read in conjunction with the audited consolidated financial statements of the H-Trust Group and the accompanying notes as set out in the annual report of H-Trust for FY2018.

	H-Trust Group
	FY2018
	\$'000
Non-current assets	
Investment properties	2,218,000
Deposit	3,826
Financial derivatives	1,215
	2,223,041
Current assets	
Trade and other receivables	10,109
Cash and cash equivalents	22,314
	32,423
Total assets	2,255,464

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

	H-Trust Group FY2018 \$'000
Non-current liabilities	
Borrowings	868,038
Rental deposits	3,288
	871,326
Current liabilities	
Rental deposits	1,495
Trade and other payables	10,517
	12,012
Total liabilities	883,338
Net assets	1,372,126
Represented by:	
Stapled Securityholders' funds	
Unitholders' funds of H-REIT	1,372,121
Unitholders' funds of H-BT	5
	1,372,126
Stapled Securities in issue ('000)	1,820,466
Net asset value per Stapled Security (\$)	0.75

Copies of the annual reports of H-Trust for FY2016, FY2017 and FY2018 and the unaudited financial statements of the H-Trust Group for 1Q2019 are available for inspection at the registered office of the H-Trust Managers at 333 Orchard Road, #33-00, Singapore 238867 during normal business hours from the date of this Scheme Document up to the Effective Date.

4.4. Material Changes in Financial Position

Save as disclosed in the unaudited financial statements of the H-Trust Group for 1Q2019 and any other information on the H-Trust Group which is publicly available (including without limitation, the announcements released by the H-Trust Managers, on behalf of H-Trust, on SGXNET), there have been no material changes in the financial position of H-Trust since 31 December 2018, being the date of the last published audited consolidated financial statements of the H-Trust Group.

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

4.5. Significant Accounting Policies

The significant accounting policies for the H-Trust Group are set out in the notes to the audited consolidated financial statements of the H-Trust Group for FY2018, which is set out in Appendix F to this Scheme Document. Save as disclosed in the notes to the audited consolidated financial statements of the H-Trust Group for FY2018 and as disclosed in the notes of the unaudited financial statements of the H-Trust Group for 1Q2019 as set out in Appendix G to this Scheme Document in respect of the impact arising from the adoption of FRS 116 *Leases* on 1 January 2019, there are no significant accounting policies or any matter from the notes of the financial statements of the H-Trust Group which are of any major relevance for the interpretation of the financial statements of the H-Trust Group.

4.6. Changes in Accounting Policies

As at the Latest Practicable Date, save as disclosed in Paragraph 4.5 of this Appendix C to this Scheme Document in respect of the adoption of FRS 116 *Leases* on 1 January 2019, there are no changes in the accounting policies of the H-Trust Group which will cause the figures disclosed in this Paragraph 4 of this Appendix C to this Scheme Document not to be comparable to a material extent.

5. DISCLOSURE OF INTERESTS

5.1. Holdings of C-REIT Units and C-REIT Convertible Securities by H-Trust

As at the Latest Practicable Date, none of the H-Trust Group Entities owns, controls or has agreed to acquire any C-REIT Units or any C-REIT Convertible Securities.

5.2. Interests of Directors in C-REIT Units and C-REIT Convertible Securities

As at the Latest Practicable Date, save as disclosed below and in this Scheme Document, none of the directors of the H-Trust Managers has any direct or indirect interests in the C-REIT Units or the C-REIT Convertible Securities.

Directors	Direct Interest		Deemed Interest	
	No. of C-REIT Units	% ⁽¹⁾	No. of C-REIT Units	% ⁽¹⁾
Mr Lee Yi Shyan	–	–	–	–
Mr Sanjiv Misra	–	–	–	–
Mr Ong Kian Min	–	–	–	–
Mr Liu Chee Ming	–	–	–	–
Professor Neo Boon Siong	1,529,500	0.05	–	–
Mr Christopher James Williams ⁽²⁾	–	–	331,687	0.01

Notes:

- (1) All references to percentage unitholding of the issued C-REIT Units in this Paragraph 5.2 are based on the total issued C-REIT Units as at the Latest Practicable Date, being 2,866,585,405 C-REIT Units in issue.
- (2) Mr Christopher James Williams is deemed to be interested in the 331,687 C-REIT Units held by Idaman Investments Ltd, which is wholly-owned by a trust of which the beneficiaries include his wife and two children.

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

5.3. Interests of Directors in Stapled Securities

As at the Latest Practicable Date, based on the Register of Directors' Stapled Securityholdings maintained by the H-Trust Managers, the interests in Stapled Securities held by the directors of the H-Trust Managers are set out below.

Directors	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% ⁽¹⁾	No. of Stapled Securities	% ⁽¹⁾
Mr Lee Yi Shyan	10,700	n.m. ⁽²⁾	–	–
Mr Sanjiv Misra	532,000	0.03	–	–
Mr Ong Kian Min	–	–	–	–
Mr Liu Chee Ming	532,000	0.03	–	–
Professor Neo Boon Siong	–	–	–	–
Mr Christopher James Williams	–	–	478,800 ⁽³⁾	0.03

Notes:

- (1) All references to percentage stapled securityholding of the issued Stapled Securities in this Paragraph 5.3 are based on the total issued Stapled Securities as at the Latest Practicable Date, being 1,832,099,381 Stapled Securities in issue.
- (2) Not meaningful.
- (3) Mr Christopher James Williams is deemed to be interested in the 478,800 Stapled Securities held by Idaman Investments Ltd, which is wholly-owned by a trust of which the beneficiaries include his wife and two children.

5.4. Interests of H-Trust Managers in Stapled Securities

As at the Latest Practicable Date, the interests in Stapled Securities held by the H-Trust Managers are set out below.

H-Trust Managers	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% ⁽¹⁾	No. of Stapled Securities	% ⁽¹⁾
H-REIT Manager	91,661,381	5.00	–	–
H-BT Manager	–	–	–	–

Note:

- (1) All references to percentage stapled securityholding of the issued Stapled Securities in this Paragraph 5.4 are based on the total issued Stapled Securities as at the Latest Practicable Date, being 1,832,099,381 Stapled Securities in issue.

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

5.5. Interests of Substantial Stapled Securityholders in Stapled Securities

As at the Latest Practicable Date, based on the Register of Substantial Stapled Securityholders maintained by H-Trust, the interests of the substantial Stapled Securityholders of H-Trust in the Stapled Securities are set out below:

Substantial Stapled Securityholders	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% ⁽¹⁾	No. of Stapled Securities	% ⁽¹⁾
OUE Limited	585,775,399	31.97	91,661,381 ⁽²⁾	5.00
OUE Realty Pte. Ltd. (“ OUE ”)	19,000,000	1.04	677,436,780 ⁽³⁾	36.98
Golden Concord Asia Limited (“ GCAL ”)	19,400,558	1.06	696,436,780 ⁽⁴⁾	38.01
Fortune Code Limited (“ FCL ”)	–	–	715,837,338 ⁽⁵⁾	39.07
Lippo ASM Asia Property Limited (“ LAAPL ”)	–	–	715,837,338 ⁽⁶⁾	39.07
Pacific Landmark Holdings Limited (“ Pacific Landmark ”)	–	–	715,837,338 ⁽⁷⁾	39.07
HKC Property Investment Holdings Limited (“ HKC Property ”)	–	–	715,837,338 ⁽⁸⁾	39.07
Hongkong Chinese Limited (“ HCL ”)	2,800,000	0.15	715,837,338 ⁽⁹⁾	39.07
Hennessy Holdings Limited (“ HHL ”)	–	–	718,637,338 ⁽¹⁰⁾	39.22
Prime Success Limited (“ PSL ”)	–	–	718,637,338 ⁽¹¹⁾	39.22
Lippo Limited (“ LL ”)	–	–	718,637,338 ⁽¹²⁾	39.22
Lippo Capital Limited (“ LCL ”)	–	–	718,637,338 ⁽¹³⁾	39.22
Lippo Capital Holdings Company Limited (“ LCH ”)	–	–	718,637,338 ⁽¹⁴⁾	39.22
Lippo Capital Group Limited (“ LCG ”)	–	–	718,637,338 ⁽¹⁵⁾	39.22
Dr Stephen Riady	–	–	718,637,338 ⁽¹⁶⁾	39.22
PT Trijaya Utama Mandiri (“ PT Trijaya ”)	–	–	718,637,338 ⁽¹⁷⁾	39.22
Mr James Tjahaja Riady	–	–	718,637,338 ⁽¹⁸⁾	39.22
Admiralty Station Management Limited (“ Admiralty ”)	–	–	715,837,338 ⁽¹⁹⁾	39.07
Argyle Street Management Limited (“ ASML ”)	–	–	715,837,338 ⁽²⁰⁾	39.07
Argyle Street Management Holdings Limited (“ ASMHL ”)	–	–	715,837,338 ⁽²¹⁾	39.07
Kin Chan (“ KC ”)	–	–	715,837,338 ⁽²²⁾	39.07

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

Substantial Stapled Securityholders	Direct Interest		Deemed Interest	
	No. of Stapled Securities	%(¹)	No. of Stapled Securities	%(¹)
V-Nee Yeh (“VY”)	–	–	715,837,338 ⁽²³⁾	39.07
Tang Gordon @ Tang Yigang @ Tang Gordon (“GT”)	86,370,120	4.71	86,000,000 ⁽²⁴⁾	4.69

Notes:

- (1) All references to percentage stapled securityholding of the issued Stapled Securities in this Paragraph 5.5 are based on the total issued Stapled Securities as at the Latest Practicable Date, being 1,832,099,381 Stapled Securities in issue.
- (2) OUE Limited is the holding company of the H-REIT Manager and has a deemed interest in the Stapled Securities held by the H-REIT Manager.
- (3) OUER is the immediate holding company of OUE Limited and has a deemed interest in the Stapled Securities in which OUE Limited has direct and deemed interests.
- (4) GCAL has a deemed interest in the Stapled Securities through the direct and deemed interests of its wholly-owned subsidiary, OUER.
- (5) FCL has a deemed interest in the Stapled Securities through the direct and deemed interests of its wholly-owned subsidiary, GCAL.
- (6) LAAPL is deemed to have an interest in the Stapled Securities in which its subsidiary, FCL, has a deemed interest.
- (7) LAAPL is jointly held by Pacific Landmark and Admiralty. Accordingly, Pacific Landmark is deemed to have an interest in the Stapled Securities in which LAAPL has a deemed interest.
- (8) HKC Property is the immediate holding company of Pacific Landmark. Accordingly, HKC Property is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest.
- (9) HCL is an intermediate holding company of Pacific Landmark. Accordingly, HCL is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest.
- (10) HHL is an intermediate holding company of Pacific Landmark and the immediate holding company of HCL. Accordingly, HHL is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the 2,800,000 Stapled Securities held by HCL (the “**HCL Stapled Securities**”).
- (11) PSL is an intermediate holding company of Pacific Landmark and HCL. Accordingly, PSL is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (12) LL is an intermediate holding company of Pacific Landmark and HCL. Accordingly, LL is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (13) LCL is an intermediate holding company of Pacific Landmark and HCL. Accordingly, LCL is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (14) LCH is an intermediate holding company of Pacific Landmark and HCL. Accordingly, LCH is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (15) LCG is the holding company of LCH, which in turn is an intermediate holding company of Pacific Landmark and HCL. Accordingly, LCG is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (16) Dr Stephen Riady holds the entire issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of Pacific Landmark and HCL. Accordingly, Dr Stephen Riady is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (17) PT Trijaya holds more than 20% of the shares in LCL, which in turn is an intermediate holding company of Pacific Landmark and HCL. Accordingly, PT Trijaya is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

- (18) Mr James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20% of the shares in LCL. LCL in turn is an intermediate holding company of Pacific Landmark and HCL. Accordingly, Mr James Tjahaja Riady is deemed to have an interest in the Stapled Securities in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Stapled Securities.
- (19) LAAPL is jointly held by Pacific Landmark and Admiralty. Accordingly, Admiralty is deemed to have an interest in the Stapled Securities in which LAAPL has a deemed interest.
- (20) ASML owns 100% of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the Stapled Securities in which ASML has a deemed interest.
- (21) ASMHL is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Stapled Securities in which ASML has a deemed interest.
- (22) KC is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, KC is deemed to have an interest in the Stapled Securities in which ASMHL has a deemed interest.
- (23) VY is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, VY is deemed to have an interest in the Stapled Securities in which ASMHL has a deemed interest.
- (24) GT's deemed interest in the 86,000,000 Stapled Securities held by Gold Pot Developments Limited arises from the powers granted to him under a power of attorney executed by Gold Pot Developments Limited dated 19 October 2016.

6. DEALINGS DISCLOSURE

6.1. Dealings in C-REIT Units and C-REIT Convertible Securities by the H-Trust Group

None of the H-Trust Group Entities has dealt for value in the C-REIT Units or the C-REIT Convertible Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

6.2. Dealings in C-REIT Units and C-REIT Convertible Securities by the Directors

None of the directors of the H-Trust Managers has dealt for value in the C-REIT Units or the C-REIT Convertible Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

6.3. Dealings in Stapled Securities by the Directors

None of the directors of the H-Trust Managers has dealt for value in any Stapled Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

6.4. Dealings in Stapled Securities by the H-Trust Managers

Save as disclosed below, none of the H-Trust Managers has dealt for value in any Stapled Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

	Transaction Date	Transaction Type	No. of Stapled Securities	Transaction Price per Stapled Security (S\$)
H-REIT Manager	29 January 2019	Payment of Base Fee and Performance Fee by way of issue of new Stapled Securities ⁽¹⁾	9,313,531	0.6674

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

	Transaction Date	Transaction Type	No. of Stapled Securities	Transaction Price per Stapled Security (S\$)
H-REIT Manager	2 May 2019	Payment of Base Fee by way of issue of new Stapled Securities ⁽²⁾	2,319,794	0.7269

Notes:

- (1) On 29 January 2019, the H-Trust Managers announced that 2,555,459 Stapled Securities and 6,758,072 Stapled Securities were issued to the H-REIT Manager at an issue price of S\$0.6674 per Stapled Security, pursuant to the H-REIT Trust Deed, as payment of 100.0% of the Base Fee (as defined in the H-REIT Trust Deed) for the three months ended 31 December 2018 and 100.0% of the Performance Fee (as defined in the H-REIT Trust Deed) for FY2018 respectively.
- (2) On 2 May 2019, the H-Trust Managers announced that 2,319,794 Stapled Securities were issued to the H-REIT Manager at an issue price of S\$0.7269 per Stapled Security, pursuant to the H-REIT Trust Deed, as payment of 100.0% of the Base Fee (as defined in the H-REIT Trust Deed) for 1Q2019.

6.5. Dealings in H-Trust Convertible Securities

None of the directors of the H-Trust Managers and the H-Trust Managers has dealt for value in any H-Trust Convertible Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

7. INTERESTS OF THE INDEPENDENT FINANCIAL ADVISER

7.1. Interests of the H-Trust IFA in C-REIT Units and C-REIT Convertible Securities

As at the Latest Practicable Date, none of the H-Trust IFA, its related corporations or funds whose investments are managed by the H-Trust IFA or its related corporations on a discretionary basis, owns or controls any C-REIT Units or C-REIT Convertible Securities.

7.2. Dealings in C-REIT Units and C-REIT Convertible Securities by the H-Trust IFA

None of the H-Trust IFA, its related corporations or funds whose investments are managed by the H-Trust IFA or its related corporations on a discretionary basis has dealt for value in the C-REIT Units or C-REIT Convertible Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

7.3. Interests of the H-Trust IFA in Stapled Securities and H-Trust Convertible Securities

As at the Latest Practicable Date, none of the H-Trust IFA, its related corporations or funds whose investments are managed by the H-Trust IFA or its related corporations on a discretionary basis, owns or controls any Stapled Securities or H-Trust Convertible Securities.

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

7.4. Dealings in Stapled Securities and H-Trust Convertible Securities by the H-Trust IFA

None of the H-Trust IFA, its related corporations or funds whose investments are managed by the H-Trust IFA or its related corporations on a discretionary basis has dealt for value in the Stapled Securities or H-Trust Convertible Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

8. ARRANGEMENTS AFFECTING DIRECTORS

8.1. No Payment or Benefit to Directors

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the H-Trust Managers or to any director of any other corporation which, by virtue of Section 6 of the Companies Act, is deemed to be related to the H-Trust Managers as compensation for loss of office or otherwise in connection with the Trust Scheme.

8.2. No Agreement Conditional upon Outcome of the Trust Scheme

As at the Latest Practicable Date, there is no agreement, arrangement or understanding made between any of the directors of the H-Trust Managers and any other person in connection with or conditional upon the outcome of the Trust Scheme.

8.3. No Material Interest in Material Contracts

As at the Latest Practicable Date, there is no material contract entered into by the C-REIT Manager and the C-REIT Trustee in which any director of the H-Trust Managers has a material personal interest, whether direct or indirect.

9. MATERIAL LITIGATION

As at the Latest Practicable Date:

- (a) none of the H-Trust Group Entities is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially or adversely affect the financial position of the H-Trust Group taken as a whole; and
- (b) the directors of the H-Trust Managers are not aware of any proceedings pending or threatened against any of the H-Trust Group Entities or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the H-Trust Group taken as a whole.

10. GENERAL DISCLOSURE

10.1. Financial Statements for FY2018 and 1Q2019

The audited consolidated financial statements of the H-Trust Group for FY2018 and the unaudited financial statements of the H-Trust Group for 1Q2019 are set out in Appendix F and Appendix G to this Scheme Document respectively.

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

10.2. Directors' Service Contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the directors of the H-Trust Managers or proposed directors with any H-Trust Group Entity which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

10.3. Material Contracts with Interested Persons

As at the Latest Practicable Date, save as disclosed in this Scheme Document, the audited consolidated financial statements of the H-Trust Group for FY2016, FY2017 and FY2018, the unaudited financial statements of the H-Trust Group for 1Q2019, the annual reports of H-Trust for FY2016, FY2017 and FY2018 and any other information on the H-Trust Group which is publicly available (including without limitation, the announcements released by the H-Trust Managers on SGXNET) as to material contracts with interested persons (within the meaning of Note 1 on Rule 23.12 of the Code) which are not in the ordinary course of business, none of the H-Trust Group Entities has entered into any material contracts with interested persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Joint Announcement Date and ending on the Latest Practicable Date.

10.4. Costs and Expenses

In the event that the Trust Scheme does not become effective and binding for any reason, the expenses and costs incurred by the H-Trust Managers in connection with the Trust Scheme will be paid out of the assets of H-Trust.

10.5. Directors' and H-Trust Managers' Intentions with respect to their Stapled Securities

Under the SIC's rulings as set out in Paragraph 4.2 of the Letter to Stapled Securityholders, the Relevant Directors are required to abstain from voting on the Trust Scheme. Accordingly, the Relevant Directors will abstain from voting their Stapled Securities on the Trust Scheme Resolution at the Trust Scheme Meeting.

As at the Latest Practicable Date, the H-REIT Manager holds Stapled Securities (amounting to approximately 5.00% of the total number of Stapled Securities) as set out in Paragraph 5.4 of this Appendix C to this Scheme Document. Pursuant to Rule 748(5) of the Listing Manual, the H-REIT Manager will abstain from voting on the Trust Scheme Resolution.

All the H-Trust Independent Directors who hold Stapled Securities as set out in Paragraph 5.3 of this Appendix C to this Scheme Document, have informed the H-Trust Managers that they will **VOTE IN FAVOUR** of the Trust Scheme Resolution in respect of all their Stapled Securities.

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

11. POTENTIAL TAX LIABILITY

Under Rule 26.3 of the Code, the H-Trust Managers are required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation.

With respect to the H-Trust Portfolio, H-Trust is a long-term investor in its properties. Accordingly, the H-Trust Managers are of the view that the H-Trust Portfolio has been acquired on capital account and any gain on any hypothetical disposal of the H-Trust Portfolio will not be subject to tax.

With respect to the C-REIT Portfolio, the H-Trust Managers understand that C-REIT is a long-term investor in its properties. Accordingly, the H-Trust Managers understand from the C-REIT Manager that it is of the view that the C-REIT Portfolio has been acquired on capital account and any gain on any hypothetical disposal of the C-REIT Portfolio will not be subject to tax.

12. CONSENTS

12.1. General

Rajah & Tann Singapore LLP, the H-Trust Financial Adviser and the Stapled Security Registrar have each given and have not withdrawn their respective written consents to the issue of this Scheme Document with the inclusion herein of their names and all the references to their names in the form and context in which they respectively appear in this Scheme Document.

12.2. H-Trust IFA

The H-Trust IFA has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the H-Trust IFA Letter as set out in Appendix A to this Scheme Document, the review report on the unaudited financial statements of the H-Trust Group for 1Q2019 as set out in Appendix I to this Scheme Document and all references to its name in the form and context in which it appears in this Scheme Document.

12.3. Auditors and Reporting Accountants

KPMG LLP has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the auditors' report relating to the audited consolidated financial statements of the H-Trust Group for FY2018 as set out in Appendix F to this Scheme Document, the review report on the unaudited financial statements of the H-Trust Group for 1Q2019 as set out in Appendix H to this Scheme Document, the report on the unaudited pro forma financial information of the Enlarged REIT as set out in Appendix K to this Scheme Document and all references to its name in the form and context in which it appears in this Scheme Document.

APPENDIX C – GENERAL INFORMATION RELATING TO H-TRUST

12.4. H-Trust Independent Valuer (H-Trust Portfolio)

The H-Trust Independent Valuer (H-Trust Portfolio) has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name and the H-Trust Valuation Certificates as set out in Appendix L to this Scheme Document and all references to its name in the form and context in which it appears in this Scheme Document.

12.5. H-Trust Independent Valuers (C-REIT Portfolio)

Each of the H-Trust Independent Valuers (C-REIT Portfolio) has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name and the respective C-REIT Valuation Certificates as set out in Appendix M to this Scheme Document and all references to its name in the form and context in which it appears in this Scheme Document.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the H-Trust Managers at 333 Orchard Road, #33-00, Singapore 238867 during normal business hours from the date of this Scheme Document up to the Effective Date:

- (a) the H-Trust IFA Letter;
- (b) the H-Trust Trust Deeds;
- (c) the annual reports of H-Trust for FY2016, FY2017 and FY2018;
- (d) the unaudited financial statements of the H-Trust Group for 1Q2019;
- (e) the review report from KPMG LLP on the unaudited financial statements of the H-Trust Group for 1Q2019;
- (f) the review report from the H-Trust IFA on the unaudited financial statements of the H-Trust Group for 1Q2019;
- (g) the unaudited pro forma financial information of the Enlarged REIT;
- (h) the report from KPMG LLP on the unaudited pro forma financial information of the Enlarged REIT;
- (i) the H-Trust Valuation Certificates and the desktop valuation reports in respect of the H-Trust Portfolio issued by the H-Trust Independent Valuer (H-Trust Portfolio);
- (j) the C-REIT Valuation Certificates and the valuation reports in respect of the C-REIT Portfolio issued by the H-Trust Independent Valuers (C-REIT Portfolio);
- (k) the Implementation Agreement; and
- (l) the letters of consent referred to in Paragraph 12 of this Appendix C to this Scheme Document.

APPENDIX D – TRUST DEEDS AMENDMENTS

Amendments to the H-REIT Trust Deed

To insert the following provision as Clause 24A in the H-REIT Trust Deed immediately after Clause 24 of the H-REIT Trust Deed:

“24A Trust Scheme

24A.1 Definitions

For the purposes of Clause 24A:

“Court” means the High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore;

“Offeror” means any corporation or body unincorporate (whether incorporated or carrying on business in Singapore or not) or real estate investment trust or business trust (whether registered or carrying on business in Singapore or not) or natural person (whether resident in Singapore or not and whether a citizen of Singapore or not) or any other entity proposing to acquire all the Units by way of a Trust Scheme;

“Scheme Meeting” means the general meeting(s) (or any adjourned meeting(s)) of the Holders for the purpose of, *inter alia*, considering and voting on the Scheme Resolutions;

“Scheme Resolutions” means resolutions of the Holders to approve the Trust Scheme, comprising:

- (i) a resolution passed by Holders holding in the aggregate not less than three-fourths of the voting rights of all the Holders present and voting either in person or by proxy at the Scheme Meeting to approve the amendments to this Deed to facilitate the implementation of the Trust Scheme; and/or
- (ii) a resolution passed by a majority in number of Holders representing at least three-fourths in value of the Units held by the Holders or class of Holders present and voting either in person or by proxy at the Scheme Meeting to approve the Trust Scheme; and

“Trust Scheme” means an arrangement under which an Offeror acquires all of the Units, which is subject to Scheme Resolutions being approved at a Scheme Meeting and by an order of the Court.

24A.2 Implementation of Trust Scheme

24A.2.1 Each Holder, the Trustee and the Manager shall do all things and execute all deeds, instruments, transfers or other documents as the Trustee and the Manager consider are necessary or desirable to execute, implement and/or to give full effect to the terms of the Trust Scheme and the transactions contemplated by it.

24A.2.2 Without limiting the Trustee’s and the Manager’s other powers under this Clause 24A, each of the Trustee and/or the Manager shall have the power to do all things which it considers necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Trust Scheme and the transactions contemplated by it.

APPENDIX D – TRUST DEEDS AMENDMENTS

24A.2.3 A Trust Scheme, in respect of which Scheme Resolutions have been approved at a Scheme Meeting and which is approved by an order of the Court, coming into effect on its effective date in accordance with its terms, shall be binding on the Trustee and the Manager and all Holders from time to time, including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting, and those who vote against the Scheme Resolutions at the Scheme Meeting and to the extent of any inconsistency, overrides the other provisions of this Deed.”

Amendments to the H-BT Trust Deed

To insert the following provision as Clause 22A in the H-BT Trust Deed immediately after Clause 22 of the H-BT Trust Deed:

“22A Trust Scheme

22A.1 Definitions

For the purposes of Clause 22A:

“**Court**” means the High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore;

“**Offeror**” means any corporation or body unincorporate (whether incorporated or carrying on business in Singapore or not) or real estate investment trust or business trust (whether registered or carrying on business in Singapore or not) or natural person (whether resident in Singapore or not and whether a citizen of Singapore or not) or any other entity proposing to acquire all the Units by way of a Trust Scheme;

“**Scheme Meeting**” means the general meeting(s) (or any adjourned meeting(s)) of the Holders for the purpose of, *inter alia*, considering and voting on the Scheme Resolutions;

“**Scheme Resolutions**” means resolutions of the Holders to approve the Trust Scheme, comprising:

- (i) a resolution passed by Holders holding in the aggregate not less than three-fourths of the voting rights of all the Holders present and voting either in person or by proxy at the Scheme Meeting to approve the amendments to this Deed to facilitate the implementation of the Trust Scheme; and/or
- (ii) a resolution passed by a majority in number of Holders representing at least three-fourths in value of the Units held by the Holders or class of Holders present and voting either in person or by proxy at the Scheme Meeting to approve the Trust Scheme; and

“**Trust Scheme**” means an arrangement under which an Offeror acquires all of the Units, which is subject to Scheme Resolutions being approved at a Scheme Meeting and by an order of the Court.

APPENDIX D – TRUST DEEDS AMENDMENTS

22A.2 Implementation of Trust Scheme

22A.2.1 Each Holder and the Trustee-Manager shall do all things and execute all deeds, instruments, transfers or other documents as the Trustee-Manager considers are necessary or desirable to execute, implement and/or to give full effect to the terms of the Trust Scheme and the transactions contemplated by it.

22A.2.2 Without limiting the Trustee-Manager's other powers under this Clause 22A, the Trustee-Manager shall have the power to do all things which it considers necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Trust Scheme and the transactions contemplated by it.

22A.2.3 A Trust Scheme, in respect of which Scheme Resolutions have been approved at a Scheme Meeting and which is approved by an order of the Court, coming into effect on its effective date in accordance with its terms, shall be binding on the Trustee-Manager and all Holders from time to time, including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting, and those who vote against the Scheme Resolutions at the Scheme Meeting and to the extent of any inconsistency, overrides the other provisions of this Deed."

Amendments to the Stapling Deed

To amend Clause 10.2 of the Stapling Deed to reflect the deletion as indicated by the deleted text below and the addition as indicated by the underlined text below:

10.2 "Notwithstanding anything in the Listing Rules and the listing rules of any other relevant Recognised Stock Exchange, the REIT Manager and/or the Trustee-Manager may only make an application to de-list OUE H-Trust after it has been Listed if (a) the OUE H-REIT Unitholders and OUE H-BT Unitholders by a resolution passed by a vote representing ~~80%~~ 75% or more of the total number of votes cast for and against such a resolution at a meeting of Depositors duly convened and held in accordance with the provisions contained in Schedule 1 of the OUE H-REIT Trust Deed and the OUE H-BT Trust Deed (as the case may be), decide that OUE H-Trust is to be de-listed or (b) the OUE H-REIT Unitholders and the OUE H-BT Unitholders approve the passing of the Scheme Resolutions at the Scheme Meeting."

To insert the following provision as Clause 10A in the Stapling Deed immediately after Clause 10 of the Stapling Deed:

"10A Trust Scheme

10A. Definitions

For the purposes of Clauses 10 and 10A:

"Court" means the High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore;

"Offeror" means any corporation or body unincorporate (whether incorporated or carrying on business in Singapore or not) or real estate investment trust or business trust (whether registered or carrying on business in Singapore or not) or natural person (whether resident in Singapore or not and whether a citizen of Singapore or not) or any other entity proposing to acquire all the Stapled Securities by way of a Trust Scheme;

APPENDIX D – TRUST DEEDS AMENDMENTS

“Scheme Meeting” means the general meeting (or any adjourned meeting) of the Holders for the purpose of, *inter alia*, considering and voting on the Scheme Resolutions;

“Scheme Resolutions” means resolutions of the Holders to approve the Trust Scheme, comprising:

- (i) a resolution passed by Holders holding in the aggregate not less than three-fourths of the voting rights of all the Holders present and voting either in person or by proxy at the Scheme Meeting to approve the amendments to this Deed to facilitate the implementation of the Trust Scheme; and
- (ii) a resolution passed by a majority in number of Holders representing at least three-fourths in value of the Stapled Securities held by the Holders or class of Holders present and voting either in person or by proxy at the Scheme Meeting to approve the Trust Scheme; and

“Trust Scheme” means an arrangement under which an Offeror acquires all of the Stapled Securities, which is subject to Scheme Resolutions being approved at a Scheme Meeting and by an order of the Court.

10A.2 Implementation of Trust Scheme

10A.2.1 Each Holder, the REIT Manager, the REIT Trustee and the Trustee-Manager shall do all things and execute all deeds, instruments, transfers or other documents as the REIT Manager, the REIT Trustee and the Trustee-Manager consider are necessary or desirable to execute, implement and/or to give full effect to the terms of the Trust Scheme and the transactions contemplated by it.

10A.2.2 Without limiting the REIT Manager’s, the REIT Trustee’s and the Trustee-Manager’s other powers under this Clause 10A, each of the REIT Manager, the REIT Trustee and the Trustee-Manager shall have the power to do all things which they consider necessary, desirable or reasonably incidental to execute, implement and/or to give effect to the Trust Scheme and the transactions contemplated by it.

10A.2.3 A Trust Scheme, in respect of which Scheme Resolutions have been approved at a Scheme Meeting and which is approved by an order of the Court, coming into effect on its effective date in accordance with its terms, shall be binding on the REIT Manager, the REIT Trustee, the Trustee-Manager and all Holders from time to time, including those who do not attend the Scheme Meeting, those who do not vote at the Scheme Meeting, and those who vote against the Scheme Resolutions at the Scheme Meeting and to the extent of any inconsistency, overrides the other provisions of this Deed.”

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

The rights of Stapled Securityholders in respect of capital, distributions and voting as extracted and reproduced from the H-Trust Trust Deeds are set out below:

All capitalised terms used in the following extracts shall have the same meanings given to them in the H-Trust Trust Deeds, copies of which are available for inspection during normal business hours at the registered office of the H-Trust Managers from the date of this Scheme Document up until the Effective Date.

1. THE RIGHTS OF STAPLED SECURITYHOLDERS IN RESPECT OF CAPITAL

(a) H-REIT TRUST DEED

2. PROVISIONS AS TO UNITS, HOLDERS AND STATEMENTS OF HOLDINGS

2.1 No Certificates

2.1.1 No certificate shall be issued to Holders by either the Manager or the Trustee in respect of Units (whether Listed or Unlisted) issued to Holders. For so long as the Trust is Listed on the SGX-ST, the Manager and the Trustee shall, pursuant to the Depository Services Terms and Conditions, appoint the Depository as the Unit depository for the Trust and all Units issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.

2.1.2 For so long as the Trust is Listed on the SGX-ST, the Manager or the agent appointed by the Manager shall issue to the Depository, not more than 10 Business Days after the issue of Units, a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

2.2 Form of Statements of Holdings

2.2.1 In the event the Trust is or becomes Unlisted, the Manager or the agent appointed by the Manager shall issue to each Holder not more than one month after the allotment of Units to such Holder a confirmation note confirming such allotment. The Manager or its agent shall, for so long as the Trust is Unlisted, issue to each Holder on a calendar quarterly basis (or such other period as may be agreed between the Manager and the Trustee) a statement of holdings (the “**Statement of Holdings**”). A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Units and shall be in such form as may from time to time be agreed between the Manager and the Trustee.

2.2.2 For so long as the Trust is Listed and Units are registered in the name of the Depository, the Depository shall issue to each Depositor such contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances, and at such intervals, as may be provided for in the Depository’s terms and conditions for operation of Securities Accounts.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

2.3 Sub-division and Consolidation of Units

2.3.1 The Manager may at any time, with the approval of the Trustee, and on prior written notice given by the Manager to each Holder (or (as the case may be) to each Depositor by the Manager delivering such notice in writing to the Depository for onward delivery to the Depositors), determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Holders shall be bound accordingly.

2.3.2 The Register shall be altered accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and, where applicable, the Trustee or the Manager shall cause the Depository to alter the Depository Register accordingly in respect of each Depositor's Securities Account to reflect the new number of Units or where so permitted by the Relevant Laws, Regulations or Guidelines, the new number of Stapled Securities held by each Depositor as a result of such sub-division or consolidation.

2.4 Terms and Conditions of Trust Deed, Supplemental Deeds and Stapling Deed to Bind Holders

2.4.1 The terms and conditions of this Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as this Deed and any supplemental deed (including any amending and restating deed) may require the Trustee or (as the case may be) the Manager to do.

2.4.2 For as long as the Trust and OUE H-BT are part of a Stapled Group and the Units are stapled with the OUE H-BT Units, the terms and conditions of the Stapling Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if the Stapling Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as the Stapling Deed and any supplemental deed (including any amending and restating deed) may require the Trustee or (as the case may be) the Manager to do.

2.5 Availability of Trust Deed

A copy of this Deed and of any supplemental deed (including any amending and restating deed) for the time being in force shall be made available for inspection at the registered office of the Manager at all times during usual Business Hours and shall be supplied by the Manager to any person on application at a charge not exceeding S\$10 per copy document.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

2.6 Units to be Held Free from Equities

A Holder entered in the Register as the registered holder of Units or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Units registered to him, shall be the only person recognised by the Trustee or by the Manager as having any right, title or interest in or to the Units registered in his name and the Trustee and the Manager may recognise such Holder or (as the case may be) such Depositor as absolute owner thereof and shall not be bound by any notice to the contrary or be bound to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by some court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Units. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

2.7 Variation of Rights

2.7.1 Whenever the Units of the Trust are divided into different Classes, subject to the provisions of the Relevant Laws, Regulations and Guidelines, preference Units, other than redeemable preference Units, may be repaid and the special rights attached to any Class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued Units of the Class or with the sanction of an Extraordinary Resolution at a separate meeting of holders of the Units of the Class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Trust is a going concern or during or in contemplation of a winding-up. To every such meeting of Holders, all the provisions of this Deed relating to meetings of Holders (including, but not limited to the provisions of Schedule 1) shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued Units of the Class and that every such holder shall on a poll have one vote for every Unit of the Class held by him, PROVIDED ALWAYS THAT where the necessary majority for such an Extraordinary Resolution is not obtained at such meeting of Holders, consent in writing if obtained from the holders of three-quarters of the issued Units of the Class concerned within two months of such meeting of Holders shall be as valid and effectual as an Extraordinary Resolution at such meeting of Holders. This Clause 2.7 shall apply to the variation or abrogation of the special rights attached to some only of the Units of any Class as if each group of Units of the Class differently treated formed a separate class the special rights whereof are to be varied.

2.7.2 The rights conferred upon the Holders of the Units of any Class issued with preferred, deferred, subordinated or other rights shall not, unless otherwise expressly provided by the terms of issue of the Units of that Class or by this Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further Units ranking equally therewith.

2.8 Rights of Manager in Respect of Units Not Registered

For so long as the Trust is Unlisted, the Manager shall be treated for all the purposes of this Deed as the Holder of each Unit during such times as there shall be no other person registered or entitled to be registered as the Holder and any such Unit shall be deemed to be in issue. Nothing herein contained shall prevent the Manager from becoming registered as the Holder of Units.

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2.9 Restrictions on Directions

The Holders shall not give any directions to the Manager or the Trustee (whether at a meeting of Holders convened pursuant to Clause 30 or otherwise) and if such directions are given, the Manager and/or Trustee shall be entitled to disregard such instructions if it would require the Manager or Trustee to do or omit from doing anything which may result in:

2.9.1 the Trust, the Manager or the Trustee, as the case may be, ceasing to comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange on or after the Listing Date and such other Relevant Laws, Regulations and Guidelines; or

2.9.2 the exercise of any discretion expressly conferred on the Trustee or the Manager by this Deed or the determination of any matter which under this Deed requires the agreement of either or both of the Trustee and the Manager; PROVIDED THAT nothing in this Clause 2.9.2 shall limit the right of a Holder to require the due administration of the Trust in accordance with this Deed.

2.10 Provision as to Units, Holders and Statements of Holdings where Trust is part of the Stapled Group

In the event that the Trust is part of the Stapled Group, the provisions of this Clause 2 shall apply with such modifications and qualifications as may be necessary, as though references to Holders and Units were references to holders of Stapled Securities and Stapled Securities respectively, and reference to this Deed shall be read to include the Stapling Deed.

3. REGISTRATION OF HOLDERS

3.1 Register of Holders

3.1.1 An up-to-date Register shall be kept in Singapore by the Trustee or the Registrar in such manner as may be required by any Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether the Trust is Listed or Unlisted. For so long as the Trust is Listed, the Trustee or the Registrar shall record the Depository as the registered holder of all Units in issue in the Register. In the event the Trust is Unlisted, the Trustee or the Registrar shall record each Holder as the registered holder of Units held by such Holder. There shall be entered in the Register, in respect of each Holder or person who has ceased to be a Holder, the following information as soon as practicable after the Trustee or the Registrar receives the following relevant information:

- (i) the names and addresses of the Holders (and in the case where the registered Holder is the Depository, the name and address of the Depository);
- (ii) the number of Units held by each Holder;
- (iii) the date on which every such person entered in respect of the Units standing in his name became a Holder and where he became a Holder by virtue of an instrument of transfer, a sufficient reference to enable the name and address of the transferor to be identified;

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- (iv) the date on which any transfer is registered and the name and address of the transferee; and
- (v) where applicable, the date on which a Holder ceases or ceased to be a Holder of Units.

3.1.2 Units may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

3.2 Unlisted Units

For so long as the Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves, to the satisfaction of the Manager and the Trustee, that the Register is incorrect.

3.3 Listed Units

3.3.1 For so long as the Trust is Listed, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Manager to the Depository under Clause 2.1, the entries in the Register shall prevail unless the Manager, the Trustee and the Depository mutually agree that the Register is incorrect.

3.3.2 For so long as the Trust is Listed, the Manager shall have entered into the Depository Services Terms and Conditions for the Depository to maintain a record in the Depository Register of the Depositors having Units credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clause 3.1.1(i) to 3.1.1(v) in relation to each Depositor. Each Depositor named in the Depository Register shall, for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register, and the Manager and the Trustee shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. Subject to the terms of the Depository Services Terms and Conditions, two or more persons may be registered as Joint Depositors of Units.

3.3.3 The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of account balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves, to the satisfaction of the Manager, the Trustee and the Depository, that the Depository Register is incorrect.

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3.4 Change of Name or Address

For so long as the Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified to the Manager in writing or in such other manner as the Manager may approve. If the Manager is satisfied with the change in name or address and that all formalities as may be required by the Manager have been complied with, the Manager shall notify the Trustee of the same and the Trustee shall alter or cause to be altered the Register accordingly.

3.5 Inspection of Register

3.5.1 The Trustee shall give the Manager and its representatives, or procure that the Manager and its representatives are given, access to the Register and all subsidiary documents and records relating thereto at all reasonable times during Business Hours and allow them to, or procure that they are allowed to, inspect and to take copies of the same with or without notice and without charge but neither the Manager nor its representatives shall be entitled to remove the same (save in the case where the Manager is required to produce the Register to a court of competent jurisdiction or otherwise as required by law) or to make any entries therein or alterations thereto.

3.5.2 Except when the Register is closed in accordance with Clause 3.6, the Register shall during Business Hours (subject to such reasonable restrictions as the Trustee may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder without charge PROVIDED THAT if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system, the provisions of this Clause 3.5 may be satisfied by the production of legible evidence of the contents of the Register.

3.5.3 If the Trustee is removed or retires in accordance with the provisions of Clause 23, the Trustee shall deliver to the Manager the Register and all subsidiary documents and records relating thereto. Thereafter, the Trustee shall not retain any copies of the aforesaid documents and records unless required by law.

3.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the Trustee may from time to time determine, Provided That it shall not be closed for more than 30 days in any one Year.

3.7 Transfer of Units

3.7.1 For so long as the Trust is Listed on the SGX-ST, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 3.7.2 to 3.7.6 shall not apply. The Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units of Depositors credited into Securities Accounts and to pay out of the Deposited Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the

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Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Manager and/or the Depository shall be borne by the Depositor who is the transferor. There are no restrictions as to the number of Units (whether Listed or Unlisted) which may be transferred by a transferor to a transferee. For so long as the Trust is Listed on the SGX-ST, in the case of a transfer of Units from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered in the Depository Register. If the Units are Listed on any other Recognised Stock Exchange, the transfer of Units shall be in accordance with the requirements of the relevant Recognised Stock Exchange. No transfer or purported transfer of a Listed Unit other than a transfer made in accordance with this Clause 3.7.1 shall entitle the transferee to be registered in respect thereof.

- 3.7.2** For so long as the Trust is Unlisted and is not part of a Stapled Group, every Holder, Joint-All Holder (with the concurrence of all the other Joint-All Holders) and Joint-Alternate Holder shall be entitled to transfer all or any of the Units held by him as follows:
- (i) a transfer of Units shall be effected by an instrument of transfer in writing in common form (or in such other form as the Manager and the Trustee may from time to time approve). The instrument of transfer need not be a deed;
 - (ii) every instrument of transfer relating to Units must be signed by the transferor and the transferee and subject to the provisions of Clauses 3.7 to 3.13, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof;
 - (iii) all charges in relation to such transfer as may be imposed by the Trustee shall be borne by the Holder who is the transferor; and
 - (iv) there are no restrictions as to the number of Units which may be transferred by a transferor to a transferee.
- 3.7.3** Every instrument of transfer must be duly stamped (if required by law) and left with the Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines for the time being in force and by such evidence as the Manager may require to prove the title of the transferor or his right to transfer the Units.
- 3.7.4** For so long as the Trust is Unlisted, the Manager shall notify the Trustee of the date of each transfer effected in respect of Units and the name and address of the transferee and the Trustee shall alter or cause to be altered the Register accordingly.
- 3.7.5** For so long as the Trust is Unlisted, all instruments of transfer which shall be registered in respect of Units shall be forwarded by the Manager to, and retained by, the Trustee.

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- 3.7.6** For so long as the Trust is Unlisted, a fee not exceeding S\$10 (or such other amount as the Manager and the Trustee may from time to time agree), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Trustee for the registration of any transfer by an instrument of transfer of Units. Such fee must, if required by the Trustee, be paid before the registration of any transfer.
- 3.7.7** So long as the Trust is not part of a Stapled Group, no transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 3.7 shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.
- 3.7.8** The Trustee shall have the powers to rectify the Register if it appears to the Trustee that any of the particulars recorded in the Register (including those particulars set out in Clause 3.1) is wrongly entered or omitted.

3.8 Death of Holders

The executors or administrators of a deceased Holder of Units (not being a Joint Holder) shall be the only persons recognised by the Trustee and the Manager as having title to the Units. In case of the death of any one of the Joint Holders of Units and subject to any Relevant Laws, Regulations and Guidelines, the survivor or survivors, upon producing such evidence of death as the Manager and the Trustee may require, shall be the only person or persons recognised by the Trustee and the Manager as having any title to or interest in the Units, Provided That where the sole survivor is a Minor, the Manager or the Trustee shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obligated to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder, the Minor Joint Holder or the Minor Joint Holder's legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years).

3.9 Body Corporate

A body corporate may be registered as a Holder or as one of the Joint Holders of Units. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation shall, subject to Clause 3.13, be the only person recognised by the Trustee and the Manager as having title to the Units of such corporate Holder. The registration of a body corporate as a Depositor or as one of two or more Joint Depositors of Units shall be in accordance with the Depository's terms and conditions for the operation of Securities Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Manager and the Trustee of such succession, be the only person recognised by the Trustee and the Manager as having title to the Units.

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3.10 Minors

A Minor shall not be registered as a sole Holder or as one of the Joint-Alternate Holders of Units but may be registered as one of the Joint-All Holders of Units, PROVIDED THAT at least one of the Joint-All Holders is a person who has attained the age of 18 years. In the event that one of the Joint-All Holders is a Minor, the Manager and the Trustee need only act on the instructions given by the other Joint-All Holder or Joint-All Holders who has or have attained the age of 18 years.

3.11 Transmission

3.11.1 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or being the survivor of Joint Holders may (subject as hereinafter provided), upon producing such evidence as to his title as the Trustee and the Manager shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Manager notice in writing of his desire or transfer such Unit to some other person. The Manager shall notify the Trustee upon the receipt by it of any such notice and the Trustee shall alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder.

3.11.2 Any person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such Unit in the Register or (as the case may be) the Depositor of such Unit in the Depository Register.

3.11.3 The Manager may retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Holder of or to transfer, until such person shall be registered as the Holder of such Units or shall duly transfer the same.

3.12 Payment of Fee

In respect of the registration of any probate, letter of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Unit, the Trustee may require from the person applying for such registration a fee of S\$10 (or such other amount as the Trustee and the Manager may from time to time agree) together with a sum sufficient in the opinion of the Trustee to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee, if required by the Trustee, must be paid before the registration of any transfer.

3.13 Removal from Register

For so long as the Trust is Unlisted, upon the registration of a transfer in favour of the Manager, the name of the Holder shall be removed from the Register in respect of such Units but the name of the Manager need not be entered in the Register as the Holder of such Units. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Units or as withdrawing the same from issue.

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3.14 Registrar

The Trustee may, with the approval of the Manager, at any time or from time to time appoint an agent on its behalf to keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the Manager, the Trustee and the Registrar) shall be payable out of the Deposited Property of the Trust.

5. ISSUE OF UNITS

5.1 General

5.1.1 Subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, the Manager shall have the exclusive right to effect for the account of the Trust the issue of Units (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and any Units may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Manager may think fit PROVIDED THAT, in connection with the initial Listing of the Trust on the SGX-ST, the Manager shall not be bound to accept an application for Units so as to give rise to a holding of fewer than 1,000 Units (or such other number of Units as may be determined by the Manager) and for so long as the Trust is Listed, the Manager shall comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines when issuing Units. No fractions of a Unit shall be issued (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and in issuing such number of Units as corresponding to the relevant subscription proceeds (if any), the Manager shall, in respect of each Holder's entitlement to Units, truncate but not round off to the nearest whole Unit and any balance arising from such truncation shall be retained as part of the Deposited Property. Issues of Units shall only be made on a Business Day unless and to the extent that the Manager, with the previous consent of the Trustee, otherwise prescribes. Issues of Units for cash shall be made at a price hereinafter prescribed.

5.1.2 The Manager may, by deed supplemental hereto with the Trustee, issue Classes of Units under such terms and conditions as may be contained therein.

5.1.3 Preference Units may be issued subject to such limitation thereof as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. Preference Holders shall have the same rights as ordinary Holders as regards receiving of notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the preference Units is more than six months in arrear.

5.1.4 The Manager has power to issue further preference capital ranking equally with, or in priority to, or after preference Units already issued.

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- 5.1.5** The Trust may be Listed on the SGX-ST pursuant to Clause 9 and, if so Listed, the Units shall be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through Securities Accounts into which Units are credited in accordance with Clause 3.7.
- 5.1.6** For so long as the Trust is Listed, the Manager may issue Units PROVIDED THAT the Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines.
- 5.1.7** Notwithstanding anything in this Clause 5.1, for so long as Units are Stapled with another Security or other Securities, Units will be issued at an Issue Price in accordance with such terms and conditions as may be prescribed in the Stapling Deed.
- 5.2 Issue Price of Units Prior to the Listing Date and the Initial Offering Price**
- 5.2.1** Prior to the Listing Date, the Manager may, subject to the provision of this Deed and any Relevant Laws, Regulations and Guidelines, issue Units at any time to any person at any issue price per Unit ("**Issue Price**") and on such terms and conditions as the Manager may determine in its absolute discretion.
- 5.2.2** The issue of Units for the purpose of an initial public offering of Units shall be at an Issue Price to be determined by the Manager, or within such range to be determined by the Manager, on or before the Listing Date for such Units, PROVIDED THAT the Manager may cede the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as may be decided upon and agreed by the relevant persons. The manner of and amount payable and any applicable refund on an application for Units during the initial public offering will be stated in the relevant Prospectus. Any such offer of Units for the purpose of an initial public offering may remain open for a period as may be agreed between the Manager and the Trustee, subject to any Relevant Laws, Regulations and Guidelines.
- 5.2.3** Subject to Clause 5.2.2, the Manager may extend a discount to the Issue Price under an initial public offering of Units to any applicant who successfully applies to purchase more than such number of Units (as determined by the Manager in its absolute discretion) in a single application, subject to compliance with the Listing Rules and any Relevant Laws, Regulations and Guidelines.

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5.2.4 The Manager may issue Units at the Issue Price determined in accordance with Clause 5.2.2 to the vendor of any Authorised Investments to be purchased by the Trust in conjunction with an initial public offering of Units, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by the Trust for such Authorised Investments.

5.3 Issue Price of Units when the Trust is Listed

5.3.1 Subject to Clauses 5.3.2 and 5.3.3 and any Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Manager may issue Units on any Business Day at an Issue Price equal to the Market Price, without the prior approval of the Holders in a meeting of Holders. For this purpose “**Market Price**” shall mean:

- (i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or the relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or
- (ii) if the Manager believes that the calculation in Clause 5.3.1(i) does not provide a fair reflection of the market price of a Unit, an amount as determined by the Manager and the Trustee (after consultation with a Stockbroker approved by the Trustee), as being the fair market price of a Unit.

5.3.2 For so long as the Trust is Listed, the Manager may issue Units at an Issue Price other than calculated in accordance with Clause 5.3.1 without the prior approval of the Holders in a meeting of Holders PROVIDED THAT the Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines.

5.3.3 Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as full or partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.

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5.4 Issue Price of Units where the Units are Suspended or the Trust is Delisted

Where the Units and/or the Trust become Unlisted after the Listing Date, the Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.5 Units Issued on Unpaid or Partly Paid Basis

5.5.1 Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in distributions.

5.5.2 In the event that the Manager issues Units on an unpaid or partly paid basis to any person, the provisions of Clauses 5.5.3 and 5.5.4 shall apply.

5.5.3 Calls on Units

- (i) The Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Units but subject always to the terms of issue of such Units. A call may be made payable by instalments.
- (ii) Each Holder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Trust at the time or times and place so specified the amount called on his Units. The Joint Holders of a Unit shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Manager may determine.
- (iii) If a sum called in respect of a Unit is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the Manager may determine but the Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.
- (iv) Any sum which by the terms of issue of a Unit becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- (v) The Manager may on the issue of Units differentiate between the Holders as to the amount of calls to be paid and the times of payment.
- (vi) The Manager may if it thinks fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Units held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the Units in respect of which it is made and upon the money

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so received (until and to the extent that the same would but for such advance become payable) the Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the Manager may agree. Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in profits.

5.5.4 Forfeiture and Lien

- (i) If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Trust by reason of such non-payment.
- (ii) The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Units on which the call has been made will be liable to be forfeited.
- (iii) If the requirements of any such notice as aforesaid are not complied with, any Unit in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Unit and not actually paid before forfeiture. The Manager may accept a surrender of any Unit liable to be forfeited hereunder.
- (iv) A Unit so forfeited shall become the property of the Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Manager shall think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Manager thinks fit. The Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Unit to any such other person as aforesaid.
- (v) A Holder or Depositor whose Units have been forfeited or surrendered shall cease to be a holder in respect of the Units but shall notwithstanding the forfeiture or surrender remain liable to pay to the Trust all moneys which at the date of forfeiture or surrender were presently payable by him to the Trust in respect of the Units with interest thereon at 8.0% per annum (or such lower rate as the Manager may determine) from the date of forfeiture or surrender until payment and the Manager may at its absolute discretion enforce payment without any allowance for the value of the Units at that time of forfeiture or surrender or waive payment in whole or in part.
- (vi) The Trust shall have a first and paramount lien on every Unit (not being a fully paid Unit) and distribution from time to time declared in respect of such Units. Such lien shall be restricted to unpaid calls and instalments upon the specific Units in respect of which such moneys are due and unpaid, and to such amounts as the Trust may be called upon by law to pay in respect of the

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Units of the member or deceased member. The Manager may waive any lien which has arisen and may resolve that any Unit shall for some limited period be exempt wholly or partially from the provisions of this Clause.

- (vii) The Trust may sell in such manner as the Manager thinks fit any Unit on which the Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Unit or the person entitled thereto by reason of his death or bankruptcy.
- (viii) The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Units at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the Manager may authorise some person to transfer or effect the transfer of the Units sold to the purchaser.
- (ix) A statutory declaration in writing that the declarant is a director or secretary of the Manager and that a Unit has been duly forfeited or sold to satisfy a lien of the Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Unit. Such declaration and the receipt of the Trust for the consideration (if any) given for the Unit on the sale, re-allotment or disposal thereof together (where the same be required) with the confirmation note delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Unit and the Unit shall be registered in the name of the person to whom the Unit is sold, re-allotted or disposed of or, where such person is a Depositor, the Manager shall procure that his name be entered in the Depository Register in respect of the Unit so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Unit be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Unit.

5.6 Units Issued to Persons Resident Outside Singapore

- 5.6.1** Subject to any Relevant Laws, Regulations and Guidelines, if a Unit is to be issued to a person resident outside Singapore, the Manager shall be entitled to charge an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore.
- 5.6.2** In relation to any rights issue or (as the case may be) any preferential offering, the Manager may in its absolute discretion elect not to extend an offer of Units under the rights issue or preferential offering to those Holders whose addresses are outside Singapore after having regard to the relevant considerations including whether the Manager considers such election to be necessary or expedient on account either of

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the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. In the case of a rights issue, the provisional allocations of Units of such Holders may be offered for sale by the Manager (as the nominee and authorised agent of each such relevant Holder) in such manner and at such price as the Manager may determine. Where necessary, the Trustee shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale if successful will be paid to the relevant Holders PROVIDED THAT, where the proceeds payable to any single Holder is less than S\$10, the Manager shall be entitled to retain such proceeds as part of the Deposited Property.

5.7 Non-payment of Issue Price

Subject to the Relevant Laws, Regulations and Guidelines and unless otherwise provided in the relevant agreement, application form or other document relating to the issuance of the Units, where (i) payment of the Issue Price payable in respect of any Unit agreed to be issued by the Manager has not been received by the seventh Business Day after the date on which the Unit was agreed to be issued (or such other date as the Manager and the Trustee may agree) or (ii) the Issue Price paid in respect of any Unit is returned to the holder, such Unit may, in the Manager's absolute discretion, at that time or any time thereafter be cancelled by the Manager by giving notice to that effect to the applicant and such Unit shall thereupon be deemed never to have been issued or agreed to be issued (as the case may be) and the applicant therefor shall have no right or claim in respect thereof against the Manager or the Trustee, PROVIDED THAT:

- 5.7.1** no previous valuations of the Trust shall be re-opened or invalidated as a result of the cancellation of such Units;
- 5.7.2** the Manager shall be entitled to charge the applicant (and retain for its own account) a cancellation fee of such amount as they may from time to time determine to represent the administrative costs involved in processing the application for such Units from such applicant; and
- 5.7.3** the Manager may, but shall not be bound to, require the applicant to pay to the Manager for the account of the Trust in respect of each Unit so cancelled the amount (if any) by which the Issue Price of each such Unit exceeds the Repurchase Price which would have applied in relation to each such Unit if the Manager had received on such day a request from such applicant for the repurchase or redemption thereof.

5.8 Updating of Securities Account

For so long as the Trust is Listed on the SGX-ST, the Manager shall cause the Depository to effect the book entry of Units issued to a Holder into such Holder's Securities Account no later than the tenth Business Day after the date on which those Units are agreed to be issued by the Manager.

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5.9 Selling Price of Manager's Units

For so long as the Trust is Unlisted, each Unit of which the Manager is or is deemed to be the Holder may be sold or offered for sale by the Manager at a price equal to the total of the Current Unit Value of that Unit on the day of the sale or offer, the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.10 Discounts

In the event a Preliminary Charge is imposed on the issue of Units where the Trust is Unlisted, the Manager may on any day differentiate between applicants as to the amount of the Preliminary Charge to be imposed (within the permitted limit) on the Issue Price of Units issued to them respectively and likewise the Manager may on any day on the issue of Units allow any person or persons applying for larger numbers of Units than others a discount or discounts on the Issue Price of their Units on such basis or on such scale as the Manager may think fit (PROVIDED THAT no such discount shall exceed the Preliminary Charge included in the Issue Price of the Units concerned) and in any such case, the amount of such Preliminary Charge to be deducted from the proceeds of issue of such Units shall be reduced by the amount of the discount and accordingly the discount shall be borne by the Manager. Besides the number of Units purchased, the bases on which the Manager may differentiate between applicants as to the amount of the Preliminary Charge to be included in the Issue Price of their Units depends on several other factors, including but not limited to, the performance of and the marketing strategy adopted by the Manager for the Trust.

5.11 Statement of Dealings

The Manager shall furnish to the Trustee from time to time on demand a statement of all issues of Units and of the terms on which the same are issued and of any Investments which it determines to direct to be purchased for account of the Trust, and also a statement of any Investments which in accordance with the powers hereinafter contained it determines to direct to be sold for account of the Trust, and any other information which may be necessary so that the Trustee may be in a position to ascertain at any moment the Net Asset Value of the Deposited Property. The Trustee shall be entitled to require that the Manager refuse to issue a Unit if at any time the Trustee is of the opinion that the provisions of this Clause 5 in regard to the issue of Units are being infringed, but nothing in this Clause 5.11 or elsewhere in this Deed contained shall impose upon the Trustee any responsibility for satisfying itself before issuing Units that the Manager has complied with the conditions of this Clause 5.

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5.12 Suspension of Issue

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange (while the Trust is Listed), suspend the issue of Units during any of the following events:

- 5.12.1 any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- 5.12.2 the existence of any state of affairs which, in the opinion of the Manager or (as the case may be) the Trustee might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;
- 5.12.3 any breakdown in the means of communication normally employed in determining the price of any Investments or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when for any reason the prices of any Investments cannot be promptly and accurately ascertained;
- 5.12.4 any period when remittance of money which will or may be involved in the realisation of any Investments or in the payment for any Investments cannot, in the opinion of the Manager, be carried out at normal rates of exchange;
- 5.12.5 any period where the issuance of Units is suspended pursuant to any order or direction issued by the Authority or any other relevant regulatory authority;
- 5.12.6 in relation to any general meeting of the Holders, any 48 hour period before such general meeting or any adjournment thereof; or
- 5.12.7 when the business operations of the Manager or the Trustee in relation to the operation of the Trust are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 5.12 shall exist upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee. In the event of any suspension while the Trust is Listed, the Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

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5.13 Issue of Instruments Convertible into Units

The Manager may issue instruments which may be convertible into Units (including but not limited to any options, Securities, warrants, debentures or other instruments that might or would require Units to be issued) for consideration or for no consideration and on such terms of offer and issue as the Manager may determine, subject to Clause 5.1 and any Relevant Laws, Regulations and Guidelines relating to the offer or issue of instruments which may be convertible into Units.

5.14 Issue of Preference Units

5.14.1 Preference Units may be issued subject to Clause 5.1 and any Relevant Laws, Regulations and Guidelines, as well as any limitation as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. The total number of issued Preference Units shall not exceed the total number of Units issued at any time.

5.14.2 Preference Holders shall have the same rights as ordinary Holders as regards receiving of notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the preference Units is more than six months in arrear.

5.14.3 The Manager has the power to issue further preference Units ranking equally with, or in priority to, preference Units already issued.

5.14.4 The Manager may by deed supplemental hereto issue Classes of Units under such terms and conditions as may be contained therein.

5.15 Issue of Units Stapled to Other Securities

5.15.1 Subject to Clause 5.1, the Manager may issue Units at any time to any person on the basis that such Units are to be Stapled to another Security or other Securities as Stapled Securities and on such terms and conditions as the Manager may determine in its absolute discretion.

5.15.2 For the purposes of this Clause 5.15, the Manager shall determine the proportion of the Issue Price, the Repurchase Price or buy-back price of the Stapled Security which is to represent the Issue Price, the Repurchase Price or buy-back price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Manager and the Trustee for the purpose of issuing Units Stapled with any other Security or Securities.

5.15.3 For so long as the Stapled Group is Unlisted, the Manager may determine from time to time the proportion of the Current Stapled Security Value which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Manager, the Trustee and any other part(y/ies) for the purpose of issuing Units Stapled with any other Security or Securities.

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5.15.4 In the event that the Stapled Group is Listed, the Manager may determine from time to time the proportion of the Market Price of the Stapled Security which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Manager and the Trustee for the purpose of issuing Units Stapled with any other Security or Securities. For this purpose “**Market Price**” shall mean the volume weighted average price for a Stapled Security (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Stapled Securities are Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day.

7. REPURCHASE AND REDEMPTION OF UNITS BY MANAGER

7.1 Repurchase and Redemption Restrictions when Trust is Unlisted

When the Trust is Unlisted, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Holder has no right to request for the repurchase or redemption of Units more than once a year. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Unlisted and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3.1.

7.2 Repurchase and Redemption Restrictions when Trust is Listed

7.2.1 General

The Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Listed and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause 7.3.2. In the event the Manager decides to repurchase or cause the redemption of Units, such repurchase or redemption must comply with the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix). The Manager may, subject to the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix), suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.12.

7.2.2 Holders’ Approval

For so long as the Trust is Listed on the SGX-ST, the Manager may repurchase or otherwise acquire its issued Units on such terms and in such manner as the Manager may from time to time think fit if it has obtained the prior approval of Holders in general meeting by passing an Ordinary Resolution (the “**Unit Buy-back Mandate**”), in accordance with the provisions of this Deed but subject thereto and to other requirements of the Relevant Laws, Regulations and Guidelines.

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7.2.3 Maximum Limit

The total number of Units which may be repurchased pursuant to any Unit Buy-back Mandate is limited to that number of Units representing not more than 10% of the total number of issued Units as at the date of the general meeting when such Unit Buy-back Mandate is approved by Holders.

7.2.4 Duration of Authority

Repurchases of Units may be made during the Relevant Period. “**Relevant Period**” is the period commencing from the date of the general meeting at which a Unit Buy-back Mandate is sought and the resolution relating to the Unit Buy-back Mandate is passed, and expiring on:

- (i) the date the next Annual General Meeting is or is required by the Relevant Laws, Regulations and Guidelines or this Deed to be held, whichever is earlier; or
- (ii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-back Mandate are carried out to the full extent mandated,

whichever is earlier.

For the avoidance of doubt, the authority conferred on the Manager by the Unit Buy-back Mandate to repurchase Units may be renewed at the next general meeting.

7.3 Repurchase Price

For the purposes of Clauses 7.1 and 7.2, the Repurchase Price shall be:

7.3.1 in respect of the repurchase or redemption of Units prior to the Listing Date, an amount determined by the Manager in its absolute discretion. Such amount may be less than, equal to or more than the Current Unit Value of the relevant Units on the day the Manager’s offer to repurchase or cause the redemption of Units is accepted; and

7.3.2 in respect of the repurchase or redemption of Units after the Listing Date (whether or not the Trust is Listed or has been Unlisted at the time the Manager’s offer to repurchase or redeem Units is made), unless prohibited by the Relevant Laws, Regulations and Guidelines, the Current Unit Value of the relevant Units on the day the request is accepted by the Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

The Repurchase Charge shall be retained by the Manager for its own benefit and the adjustment shall be retained as part of the Deposited Property. The Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Manager from them respectively. The bases on which the Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption

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is given, it cannot be revoked without the consent of the Manager. The Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.12.

7.4 Repurchase or Redemption Options of Manager

In the event the Manager decides to make any offer to repurchase or redeem Units, the Manager shall have the following options:

7.4.1 to effect a repurchase out of its own funds (upon which repurchase the Manager shall be entitled to the Units concerned and to the benefit of the Units concerned);

7.4.2 to procure some other person to purchase the Units and such purchase shall be deemed to be a repurchase by the Manager within the meaning of this Clause 7; or

PROVIDED THAT there is sufficient Cash in the Trust, and subject to compliance with the Relevant Laws, Regulations and the Guidelines, to request and cause the Trustee to redeem the Units out of the assets of the Trust by paying from the Deposited Property a sum sufficient to satisfy the Repurchase Price and the Repurchase Charge (if any) of the Units. The Trustee shall only comply if, in the opinion of the Trustee, sufficient Cash would be retained in the Deposited Property after the release of Cash necessary to comply with the redemption notice to meet other Liabilities, including but without limiting the generality thereof, the Property Expenses and the remuneration due to the Trustee and the Manager under this Deed. Should the Trustee advise the Manager that, in the opinion of the Trustee, sufficient Cash would not be retained in the Deposited Property to meet other Liabilities if the Trustee were to release the funds necessary to comply with any redemption notice, then the Manager may, at its absolute discretion, request the Trustee to sell, mortgage or otherwise deal with the Investments or borrow to raise sufficient Cash to redeem the Units pursuant to this Clause 7.4.

7.5 Amendments to Register

Upon delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the Units or a specified number of Units held by a Holder have been repurchased by the Manager or have been purchased by another person or have been redeemed, the Trustee shall remove or procure the removal of the name of the Holder from the Register in respect of all or (as the case may be) such number of Units.

7.6 Redeemed Units are Cancelled

Units which are redeemed shall thereupon be cancelled and shall not thereafter be reissued but this Clause 7.6 shall not limit or restrict the right of the Manager to cause the creation and/or issue of further or other Units.

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7.7 Manner of Repurchase

Subject always to the requirements of the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Manager may:

7.7.1 repurchase or acquire Units on a securities exchange (“**Market Purchase**”);
or

7.7.2 make an offer to repurchase Units, otherwise than on a securities exchange and by way of an “off-market” acquisition of the Units on an “equal access scheme” (as defined below) (“**Off-Market Purchase**”),

(each a form of “**Unit Buy-back**”), and to deal with any of the Units so purchased or acquired in accordance with this Clause 7.

For the purpose of this Clause 7, an “**equal access scheme**” is a scheme which satisfies the following criteria:

- (i) the offers under the scheme are to be made to every person who holds Units to purchase or acquire the same percentage of their Units;
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same except that there shall be disregarded:
 - (a) differences in consideration attributable to the fact that the offers relate to Units with different accrued distribution entitlements;
 - (b) differences in consideration attributable to the fact that the offers relate to Units with different amounts remaining unpaid; and
 - (c) differences in the offers introduced solely to ensure that each Holder is left with a whole number of Units.

7.8 Procedure for Repurchase of Units via a Market Purchase

7.8.1 For so long as the Trust is Listed, where Units are repurchased via a Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise a Market Purchase shall:

- (i) specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;
- (ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person’s discretion or opinion);

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- (iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and
- (iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

7.8.2 The resolution authorising a Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.8.1(i) to 7.8.1(iv).

7.8.3 The authority for a Market Purchase may, from time to time, be varied or revoked by Holders in a general meeting. A resolution to confer or vary the authority for a Market Purchase may determine the maximum price for purchase or acquisition by:

- (i) specifying a particular sum; or
- (ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

7.9 Procedure for Repurchase of Units via an Off-Market Purchase

7.9.1 For so long as the Trust is Listed, where Units are repurchased via an Off-Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise an Off-Market Purchase shall:

- (i) specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;
- (ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);
- (iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and
- (iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

7.9.2 The resolution authorising an Off-Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 7.9.1(i) to 7.9.1(iv).

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7.9.3 The authority for an Off-Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for an Off-Market Purchase may determine the maximum price for purchase or acquisition by:

- (i) specifying a particular sum; or
- (ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

7.9.4 For so long as the Trust is Listed, in the event that the Manager decides to make any offer to repurchase Units via an Off-Market Purchase, the Manager will send an offer notice to Holders. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the repurchase of their Units. At such request in writing of a Holder (or, in the case of Joint Holders, all the Joint Holders), the Manager will repurchase, in accordance with this Clause 7, such of the Units entered against his name in the Register or the Depository Register (as the case may be) as are required by the Holder to be repurchased.

7.10 Reporting Requirements

Subject to the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed on the SGX-ST, the Manager shall:

7.10.1 notify the SGX-ST (in the form of an announcement on the SGX-ST) of all purchases of Units in accordance with the Listing Rules and in such form and with such details as the SGX-ST may prescribe; and

7.10.2 make an announcement on the SGX-ST at the same time it notifies the SGX-ST of any purchase of Units pursuant to any Unit Buy-back Mandate, that the board of directors of the Manager is satisfied on reasonable grounds that, immediately after the purchase of Units, the Manager will be able to fulfil, from the Deposited Property, the Liabilities as these liabilities fall due.

(b) H-BT TRUST DEED

2. PROVISIONS AS TO UNITS, HOLDERS AND STATEMENTS OF HOLDINGS

2.1 No Certificates

2.1.1 No certificate shall be issued to Holders by the Trustee-Manager in respect of Units (whether Listed or Unlisted) issued to Holders. For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager shall, pursuant to the Depository Services Terms and Conditions, appoint the Depository as the Unit depository for the Trust and all Units issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.

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2.1.2 For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager or the Registrar shall issue to the Depository, not more than 10 Business Days after the issue of Units, a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

2.2 Form of Statements of Holdings

2.2.1 In the event the Trust is or becomes Unlisted, the Trustee-Manager or the Registrar shall issue to each Holder not more than one month after the allotment of Units to such Holder a confirmation note confirming such allotment. The Trustee-Manager or the Registrar shall, for so long as the Trust is Unlisted, issue to each Holder on a calendar quarterly basis (or such other period as may be determined by the Trustee-Manager) a statement of holdings (the “**Statement of Holdings**”). A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Units and shall be in such form as may from time to time be determined by the Trustee-Manager.

2.2.2 For so long as the Trust is Listed and Units are registered in the name of the Depository, the Depository shall issue to each Depositor the relevant contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances, and at such intervals, as may be provided in the Depository’s terms and conditions for operation of Securities Accounts.

2.3 Sub-division and Consolidation Of Units

2.3.1 The Trustee-Manager may, at any time and on giving prior written notice (such notice period shall be determined by the Trustee-Manager in its absolute discretion) to each Holder (or (as the case may be) to each Depositor by the Trustee-Manager delivering such notice in writing to the Depository for onward delivery to the Depositors), determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Holders shall be bound accordingly.

2.3.2 The Trustee-Manager shall require each Holder (who shall be bound accordingly) to deliver up his confirmation note or notes (if any) for endorsement or enfacement with the number of Stapled Securities thereby represented as a result of such sub-division or consolidation, or (in the case of a sub-division only) send or cause to be sent to each Holder at his risk, a confirmation note representing the number of additional Stapled Securities to which he has become entitled by reason of the sub-division.

2.3.3 The Register shall be altered accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and, where applicable, the Trustee-Manager shall cause the Depository to alter the Depository Register accordingly in respect of each Depositor’s Securities Account to reflect the new number of Units or where so permitted by the Relevant Laws, Regulations and Guidelines, the new number of Stapled Securities held by each Depositor as a result of such sub-division or consolidation.

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2.4 Terms and Conditions of Trust Deed, Supplemental Deeds and Stapling Deed to Bind Holders

2.4.1 The terms and conditions of this Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions hereof and an authorisation by each Holder to do all such acts and things as this Deed and any supplemental deed (including any amending and restating deed) may require the Trustee-Manager to do.

2.4.2 For so long as the Trust and OUE H-REIT are part of a Stapled Group and the Units are stapled with OUE H-REIT Units, the terms and conditions of the Stapling Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder to observe and be bound by all the provisions thereto and an authorisation by each Holder to do all such acts and things as the Stapling Deed and any supplemental deed (including any amending and restating deed) may require the Trustee-Manager to do.

2.5 Availability of Trust Deed

A copy of this Deed and of any supplemental deed (including any amending and restating deed) for the time being in force shall be made available for inspection at the registered office of the Trustee-Manager at all times during usual Business Hours and shall be supplied by the Trustee-Manager to any person on application at a charge not exceeding S\$10 per copy document.

2.6 Rights attached to Units

The rights attached to Units issued upon special conditions shall be clearly defined in this Deed. Without prejudice to any special right previously conferred on the Holders of any existing Units or Class of Units but subject to the Relevant Laws, Regulations and Guidelines and this Deed, any Units may be issued by the Trustee-Manager and any such Units may be issued with such preferred, deferred, subordinated or other special rights or such restrictions, whether in regard to distributions, voting or otherwise as the Trustee-Manager may determine.

2.7 Variation of Rights

2.7.1 Whenever the Units of the Trust are divided into different Classes, subject to the provisions of the Relevant Laws, Regulations and Guidelines, preference Units, other than redeemable preference Units, may be repaid and the special rights attached to any Class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued Units of the Class or with the sanction of an Extraordinary Resolution at a separate meeting of holders of the Units of the Class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Trust is a going concern or during or in contemplation of a winding-up. To every such meeting of Holders, all the provisions of this Deed relating to meetings of Holders (including, but not limited to the provisions of Schedule 1) shall *mutatis mutandis*

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apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued Units of the Class and that every such holder shall on a poll have one vote for every Unit of the Class held by him, PROVIDED ALWAYS that where the necessary majority for such an Extraordinary Resolution is not obtained at such meeting of Holders, consent in writing if obtained from holders of three-quarters of the issued Units of the Class concerned within two months of such meeting of Holders shall be as valid and effectual as an Extraordinary Resolution at such meeting of Holders. This Clause 2.7 shall apply to the variation or abrogation of the special rights attached to some only of the Units of any Class as if each group of Units of the Class differently treated formed a separate class the special rights whereof are to be varied.

2.7.2 The rights conferred upon the Holders of the Units of any Class issued with preferred, deferred, subordinated or other rights shall not, unless otherwise expressly provided by the terms of issue of the Units of that Class or by this Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further Units ranking equally therewith.

2.8 Units to be Held Free from Equities

A Holder entered in the Register as the registered holder of Units or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Units registered to him, shall be the only person entitled to be recognised by the Trustee-Manager as having any right, title or interest in or to the Units registered in his name and the Trustee-Manager may recognise such Holder or (as the case may be) such Depositor as absolute owner thereof and shall not be bound by any notice to the contrary or be bound to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by any court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Units. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

2.9 Restrictions on Directions

The Holders shall not give any directions to the Trustee-Manager (whether at a meeting of Holders convened pursuant to Clause 28 or otherwise) if it would require the Trustee-Manager to do or omit from doing anything which may result in:

2.9.1 the Trust or the Trustee-Manager ceasing to comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange on or after the Listing Date and such other Relevant Laws, Regulations and Guidelines; or

2.9.2 the exercise of any discretion expressly conferred on the Trustee-Manager by this Deed or the determination of any matter which under this Deed requires the agreement of the Trustee-Manager, PROVIDED THAT nothing in this Clause 2.9.2 shall limit the right of a Holder to require the due administration of the Trust in accordance with this Deed.

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2.10 Provisions as to Units, Holders and Statements of Holdings where Trust is part of the Stapled Group

In the event that the Trust is part of the Stapled Group, the provisions of this Clause 2 shall apply, with such modifications and qualifications as may be necessary, as though references to Holders and Units were references to the holder of Stapled Securities and Stapled Securities respectively and reference to this Deed shall be read to include the Stapling Deed.

3. REGISTRATION OF HOLDERS

3.1 Register of Holders

3.1.1 The Trustee-Manager shall exercise Due Care in procuring an up-to-date Register to be kept in Singapore in such manner as may be required by any Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether the Trust is Listed or Unlisted. For so long as the Trust is Listed, the Trustee-Manager or the Registrar shall record the Depository as the registered Holder of all Units in issue in the Register. In the event the Trust is Unlisted, the Trustee-Manager shall record each Holder as the registered Holder of Units held by such Holder. The Trustee-Manager shall be entitled to appoint the Registrar to keep and maintain the Register.

3.1.2 There shall be entered in the Register, in respect of each Holder or person who has ceased to be a Holder, the following information as soon as practicable after the Trustee-Manager or the Registrar receives the following relevant information:

- (i) the names and addresses of the Holders (and, in the case where the registered Holder is the Depository, the name and address of the Depository);
- (ii) the Class of Units held by each Holder;
- (iii) the number of Units held by each Holder;
- (iv) the date on which every such person entered in respect of the Units standing in his name became a Holder and, where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;
- (v) the date on which any transfer is registered and the name and address of the transferee; and
- (vi) where applicable, the date on which a Holder ceases or ceased to be a Holder of Units.

3.1.3 Units may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

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3.2 Unlisted Units

For so long as the Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves to the satisfaction of the Trustee-Manager that the Register is incorrect.

3.3 Listed Units

3.3.1 For so long as the Trust is Listed, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Trustee-Manager to the Depository under Clause 2.1, the entries in the Register shall prevail unless the Trustee-Manager and the Depository mutually agree that the Register is incorrect.

3.3.2 For so long as the Trust is Listed, the Trustee-Manager shall have entered into the Depository Services Terms and Conditions for the Depository to maintain a record in the Depository Register of the Depositors having Units credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clauses 3.1.2(i) to 3.1.2(v) in relation to each Depositor. Each Depositor named in the Depository Register shall for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register and the Trustee-Manager shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. Subject to the terms of the Depository Services Terms and Conditions, two or more persons may be registered as Joint Depositors of Units.

3.3.3 The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of account balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves to the satisfaction of the Trustee-Manager and the Depository, that the Depository Register is incorrect.

3.4 Change of Name or Address

For so long as the Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified to the Trustee-Manager in writing or in such other manner as the Trustee-Manager may approve, who, on being satisfied with the change in name or address and that all formalities as may be required by the Trustee-Manager have been complied with, shall alter or cause to be altered the Register accordingly.

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3.5 Inspection of Register

Except when the Register is closed in accordance with Clause 3.6, the Register shall during Business Hours (subject to such reasonable restrictions as the Trustee-Manager may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder without charge PROVIDED THAT, if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system, the provisions of this Clause 3.5 may be satisfied by the production of legible evidence of the contents of the Register.

3.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the Trustee-Manager may from time to time determine PROVIDED THAT it shall not be closed for more than 30 days in any one year.

3.7 Transfer of Units

- 3.7.1** For so long as the Trust is Listed on the SGX-ST, transfers of Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 3.7.2 to 3.7.6 shall not apply. The Trustee-Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units of Depositors credited into Securities Accounts and to pay out of the Trust Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Trustee-Manager and/or the Depository shall be borne by the Depositor who is the transferor. There are no restrictions as to the number of Units (whether Listed or Unlisted) which may be transferred by a transferor to a transferee. For so long as the Trust is Listed on the SGX-ST, in the case of a transfer of Units from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered in the Depository Register. If the Units are Listed on any other Recognised Stock Exchange, the transfer of Units shall be in accordance with the requirements of the relevant Recognised Stock Exchange. No transfer or purported transfer of a Listed Unit other than a transfer made in accordance with this Clause 3.7.1, shall entitle the transferee to be registered in respect thereof.

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- 3.7.2** For so long as the Trust is Unlisted, and is not part of a Stapled Group, every Holder shall be entitled to transfer any of the Units held by him or, in the case of Joint Holders, by any one of the Joint Holders as follows:
- (i) a transfer of Units shall be effected by an instrument of transfer in writing in common form (or in such other form as the Trustee-Manager may from time to time approve);
 - (ii) every instrument of transfer relating to Units must be signed by the transferor and the transferee and, subject to the provisions of Clause 3.7, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed;
 - (iii) all charges in relation to such transfer as may be imposed by the Trustee-Manager shall be borne by the Holder who is the transferor; and
 - (iv) there are no restrictions as to the number of Units which may be transferred.
- 3.7.3** Every instrument of transfer must be duly stamped (if required by law) and left with the Trustee-Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines for the time being in force and by such evidence as the Trustee-Manager may require to prove the title of the transferor or his right to transfer the Units.
- 3.7.4** For so long as the Trust is Unlisted, the Trustee-Manager shall alter or cause to be altered the Register to record the date of each transfer of Units in accordance with Clause 3.7.2 and the name and address of the transferee.
- 3.7.5** For so long as the Trust is Unlisted, all instruments of transfer which shall be registered in respect of Units shall be forwarded to, and retained by the Trustee-Manager.
- 3.7.6** For so long as the Trust is Unlisted, a fee not exceeding S\$10 (or such other amount as the Trustee-Manager may from time to time determine), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Trustee-Manager for its own account for the registration of any transfer by an instrument of transfer of Units. Such fee must, if required by the Trustee-Manager, be paid before the registration of any transfer.
- 3.7.7** So long as the Trust is not part of a Stapled Group, no transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 3.7 shall entitle the transferee to be registered in respect thereof and neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.
- 3.7.8** The Trustee-Manager shall have the power to rectify the Register if it appears to the Trustee-Manager that any of the particulars recorded in the Register (including those particulars set out in Clause 3.1) is wrongly entered or omitted.

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3.8 Death of Holders

The executors or administrators of a deceased Holder of Units (not being a Joint Holder) shall be the only persons recognised by the Trustee-Manager as having title to the Units. In case of the death of any one of the Joint Holders of Units and subject to any Relevant Laws, Regulations and Guidelines, the survivor or survivor(s), upon producing such evidence of death as the Trustee-Manager may require, shall be the only person or persons recognised by the Trustee-Manager as having any title to or interest in the Units PROVIDED THAT where the sole survivor is a Minor, the Trustee-Manager shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obligated to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder, the Minor Joint Holder or the Minor Joint Holder's legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years).

3.9 Body Corporate

A body corporate may be registered as a Holder or as one of the Joint Holders. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation, subject to Clause 3.13, shall be the only person recognised by the Trustee-Manager as having title to the Units of such corporate Holder. The registration of a body corporate as a Depositor or as one of two or more Joint Depositors of Units shall be in accordance with the Depository's terms and conditions for the operation of Securities Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Trustee-Manager of such succession, be the only person recognised by the Trustee-Manager as having title to the Units.

3.10 Minors

A Minor shall not be registered as a sole Holder but may be registered as a Joint Holder PROVIDED THAT at least one of the other Joint Holders is a person who has attained the age of 18 years. In the event that one of the Joint Holders is a Minor, the Trustee-Manager need only act on the instructions given by the other Joint Holder or Joint Holders who has or have attained the age of 18 years.

3.11 Transmission

- 3.11.1** Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or being the survivor of Joint Holders may (subject as hereinafter provided), upon producing such evidence as to his title as the Trustee-Manager shall think sufficient, either be registered himself as Holder of such Unit upon giving to the Trustee-Manager notice in writing of his desire or transfer such Unit to some other person. The Trustee-Manager shall upon the receipt by it of any such notice alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder.

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3.11.2 Any person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such Unit in the Register or (as the case may be) the Depositor of such Unit in the Depository Register.

3.11.3 The Trustee-Manager may retain any moneys payable in respect of any Unit which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Holder of or to transfer, until such person shall be registered as the Holder of such Units or shall duly transfer the same.

3.12 Payment of Fee

In respect of the registration of any probate, letters of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Unit, the Trustee-Manager may require from the person applying for such registration a fee of S\$10 (or such other amount as the Trustee-Manager may from time to time determine) together with a sum sufficient in the opinion of the Trustee-Manager to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee, if required by the Trustee-Manager, must be paid before the registration of any transfer.

3.13 Removal from Register

For so long as the Trust is Unlisted, upon the registration of a transfer in favour of the Trustee-Manager, the name of the Holder shall be removed from the Register in respect of such Units but the name of the Trustee-Manager need not be entered in the Register as the Holder of such Units. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Units or as withdrawing the same from issue. For the avoidance of doubt, such transfer in favour of the Trustee-Manager shall be in its capacity as trustee-manager of the Trust.

3.14 Registrar

The Trustee-Manager may, at any time or from time to time, appoint an agent on its behalf to keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the Trustee-Manager and the Registrar) shall be paid out of the Trust Property.

5. ISSUE OF UNITS, PREFERENCE UNITS AND INSTRUMENTS CONVERTIBLE INTO UNITS

5.1 Issue of Units

5.1.1 Notwithstanding anything to the contrary in this Deed, no Units may be issued and no offer, agreement or option which would or might require Units to be issued may be made or granted without prior approval of the Holders in general meeting by passing an Ordinary Resolution in accordance with Section 36 of the Business Trusts Act but subject thereto and to other requirements of the Relevant Laws, Requirements and Guidelines, the Trustee-Manager may issue new Units (whether on an initial issue of

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Units, a Rights Issue, an issue of new Units otherwise than by way of a Rights Issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and any Units may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Trustee-Manager may think fit.

- 5.1.2** In connection with the initial Listing of the Trust on the SGX-ST, the Trustee-Manager shall not be bound to accept an application for Units so as to give rise to a holding of fewer than 1,000 Units (or such other number of Units as may be determined by the Trustee-Manager) and for so long as the Trust is Listed, the Trustee-Manager shall comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines when issuing Units. No fractions of a Unit shall be issued (whether on an initial issue of Units, a Rights Issue, an issue of new Units otherwise than by way of a Rights Issue, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and in issuing such number of Units as corresponding to the relevant subscription proceeds (if any), the Trustee-Manager shall, in respect of each Holder's entitlement to Units, truncate but not round off to the nearest whole Unit and any balance arising from such truncation shall be retained as part of the Trust Property.
- 5.1.3** Issues of Units shall only be made on a Business Day unless and to the extent that the Trustee-Manager otherwise prescribes. Issues of Units for cash shall be made at a price hereinafter prescribed.
- 5.1.4** The Trustee-Manager may by deed supplemental hereto issue Classes of Units under such terms and conditions as may be contained therein.
- 5.1.5** Preference Units may be issued subject to such limitation thereof as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. Preference Holders shall have the same rights as ordinary Holders as regards receiving notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting convened for the purposes of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the preference Units is more than six months in arrear.
- 5.1.6** The Trustee-Manager has the power to issue further preference capital ranking equally with, or in priority to, preference Units already issued.
- 5.1.7** The Trust may be Listed on the SGX-ST pursuant to Clause 8 and, if so Listed, the Units shall be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through Securities Accounts into which Units are credited in accordance with Clause 3.7.
- 5.1.8** If the Trust is Listed on the SGX-ST, or any other Recognised Stock Exchange, then the Trustee-Manager shall not thereafter issue any further Units in numbers exceeding the limit, if any, prescribed at the time in the Listing Rules or the listing rules of the relevant Recognised Stock Exchange and any Relevant Laws, Regulations and Guidelines, except where such Units are issued in such circumstances as permitted by the Listing Rules or the listing rules of the relevant

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Recognised Stock Exchange and any Relevant Laws, Regulations and Guidelines or otherwise as required or permitted by the SGX-ST, the relevant Recognised Stock Exchange or any relevant authorities.

5.1.9 For so long as the Trust is Listed, the Trustee-Manager may issue Units provided that the Trustee-Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Business Trusts Act or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a Rights Issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a Rights Issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Trustee-Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Business Trusts Act or any other Relevant Laws, Regulations and Guidelines.

5.1.10 Notwithstanding anything in this Clause 5.1, for so long as Units are Stapled with another Security or other Securities, Units will be issued at an Issue Price in accordance with such terms and conditions as may be prescribed in the agreement or deed entered into by the Trustee-Manager for the purpose of Stapling Units to any other Security or Securities.

5.2 Issue Price of Units Prior to the Listing Date and the Initial Offering Price

5.2.1 Prior to the Listing Date, the Trustee-Manager may subject to the provision of this Deed and any Relevant Laws, Regulations and Guidelines, issue Units at any time to any person at any issue price per Unit ("**Issue Price**") and on such terms and conditions as the Trustee-Manager may determine in its absolute discretion.

5.2.2 The issue of Units for the purpose of an initial public offering of Units shall be at an Issue Price to be determined by the Trustee-Manager, or within such range to be determined by the Trustee-Manager, on or before the Listing Date for such Units, PROVIDED THAT the Trustee-Manager may cede the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the Trustee-Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination may be decided upon and agreed by the relevant persons. The manner of and amount payable and any applicable refund on an application for Units during the initial public offering will be stated in the relevant Prospectus. Any such offer of Units for the purpose of an initial public offering may remain open for a period as may be agreed by the Trustee-Manager, subject to any Relevant Laws, Regulations and Guidelines.

5.2.3 The Trustee-Manager may issue Units at the Issue Price determined in accordance with Clause 5.2.2 to the vendor of any Authorised Investments to be purchased by the Trust in conjunction with an initial public offering of Units, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by the Trust for such Authorised Investments.

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5.3 Issue Price of Units when the Trust is Listed

5.3.1 Subject to Clauses 5.3.2 and 5.3.3, Section 36 of the Business Trusts Act and any Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Trustee-Manager may issue Units on any Business Day at an Issue Price equal to the Market Price, without the prior approval of the Holders in a meeting of Holders. For this purpose “**Market Price**” shall mean:

- (i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or the relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or
- (ii) if the Trustee-Manager believes that the calculation in Clause 5.3.1(i) does not provide a fair reflection of the market price of a Unit, an amount as determined by the Trustee-Manager (after consultation with a Stockbroker approved by the Trustee-Manager), as being the fair market price of a Unit and this will be announced on the SGXNET for so long as the Trust is Listed on the SGX-ST.

5.3.2 For so long as the Trust is Listed, the Trustee-Manager may issue Units at an Issue Price other than calculated in accordance with Clause 5.3.1 without the prior approval of the Holders in a meeting of Holders PROVIDED THAT the Trustee-Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines.

5.3.3 Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Trustee-Manager shall have the discretion to determine that the Issue Price of a Unit so issued as full or partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.

5.4 Issue Price of Units where the Trust is Delisted

Where the Trust becomes Unlisted after the Listing Date, the Trustee-Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Trustee-Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the

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nearest whole cent. The Preliminary Charge shall be retained by the Trustee-Manager for its own benefit and the amount of the adjustment shall be retained as part of the Trust Property.

5.5 Units Issued on Unpaid or Partly Paid Basis

5.5.1 No Units shall be issued on an unpaid or partly paid basis, unless such issue is approved by an Extraordinary Resolution of a meeting of Holders duly convened and held in accordance with the provisions of Schedule 1.

5.5.2 In the event that the Trustee-Manager issues Units on an unpaid or partly paid basis to any person, the provisions of Clauses 5.5.3 and 5.5.4 shall apply.

5.5.3 Calls on Units

- (i) The Trustee-Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Units but subject always to the terms of issue of such Units. A call may be made payable by instalments.
- (ii) Each Holder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Trust at the time or times and place so specified the amount called on his Units. The Joint Holders of a Unit shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Trustee-Manager may determine.
- (iii) If a sum called in respect of a Unit is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the Trustee-Manager may determine but the Trustee-Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.
- (iv) Any sum which by the terms of issue of a Unit becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- (v) The Trustee-Manager may on the issue of Units differentiate between the Holders as to the amount of calls to be paid and the times of payment.
- (vi) The Trustee-Manager may if it thinks fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Units held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the Units in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the Trustee-Manager may agree. Capital paid on Units in advance of calls shall not, while carrying interest, confer a right to participate in profits.

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5.5.4 Forfeiture and Lien

- (i) If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the Trustee-Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Trust by reason of such non-payment.
- (ii) The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Units on which the call has been made will be liable to be forfeited.
- (iii) If the requirements of any such notice as aforesaid are not complied with, any Unit in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the Trustee-Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Unit and not actually paid before forfeiture. The Trustee-Manager may accept a surrender of any Unit liable to be forfeited hereunder.
- (iv) A Unit so forfeited shall become the property of the Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Trustee-Manager shall think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Trustee-Manager thinks fit. The Trustee-Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Unit to any such other person as aforesaid.
- (v) A Holder or Depositor whose Units have been forfeited or surrendered shall cease to be a holder in respect of the Units but shall notwithstanding the forfeiture or surrender remain liable to pay to the Trust all moneys which at the date of forfeiture or surrender were presently payable by him to the Trust in respect of the Units with interest thereon at 8.0% per annum (or such lower rate as the Trustee-Manager may determine) from the date of forfeiture or surrender until payment and the Trustee-Manager may at its absolute discretion enforce payment without any allowance for the value of the Units at that time of forfeiture or surrender or waive payment in whole or in part.
- (vi) The Trust shall have a first and paramount lien on every Unit (not being a fully paid Unit) and distributions from time to time declared in respect of such Units. Such lien shall be restricted to unpaid calls and instalments upon the specific Units in respect of which such moneys are due and unpaid, and to such amounts as the Trust may be called upon by law to pay in respect of the Units of the member or deceased member. The Trustee-Manager may waive any lien which has arisen and may resolve that any Unit shall for some limited period be exempt wholly or partially from the provisions of this Clause.

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- (vii) The Trust may sell in such manner as the Trustee-Manager thinks fit any Unit on which the Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Unit or the person entitled thereto by reason of his death or bankruptcy.
- (viii) The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Units at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the Trustee-Manager may authorise some person to transfer or effect the transfer of the Units sold to the purchaser.
- (ix) A statutory declaration in writing that the declarant is a director or secretary of the Trustee-Manager and that a Unit has been duly forfeited or sold to satisfy a lien of the Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Unit. Such declaration and the receipt of the Trust for the consideration (if any) given for the Unit on the sale, re-allotment or disposal thereof together (where the same be required) with the confirmation note delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Unit and the Unit shall be registered in the name of the person to whom the Unit is sold, re-allotted or disposed of or, where such person is a Depositor, the Trustee-Manager shall procure that his name be entered in the Depository Register in respect of the Unit so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Unit be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Unit.

5.6 Units Issued to Persons Resident Outside Singapore

- 5.6.1** Subject to any Relevant Laws, Regulations and Guidelines, if a Unit is to be issued to a person resident outside Singapore, the Trustee-Manager shall be entitled to charge an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred by the Trustee-Manager over the amount of expenses which would have been incurred if such person had been resident in Singapore.
- 5.6.2** In relation to any Rights Issue or (as the case may be) any preferential offering, the Trustee-Manager may in its absolute discretion elect not to extend an offer of Units under the Rights Issue or preferential offering to those Holders whose addresses are outside Singapore, after having regard to the relevant considerations including whether the Trustee-Manager considers such election to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. In the case of a Rights Issue, the provisional allocations of Units of such Holders may be offered for sale by the Trustee-Manager as the nominee and authorised agent of each

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such relevant Holder in such manner and at such price as the Trustee-Manager may determine. Where necessary, the Trustee-Manager shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale, if successful, will be paid to the relevant Holders PROVIDED THAT where the proceeds payable to any single Holder is less than S\$10, the Trustee-Manager shall be entitled to retain such proceeds as part of the Trust Property.

5.7 Non-payment of Issue Price

Subject to the Relevant Laws, Regulations and Guidelines and unless otherwise provided in the relevant agreement, application form or other document relating to the issuance of the Units, where (i) payment of the Issue Price payable in respect of any Unit agreed to be issued by the Trustee-Manager has not been received by the seventh Business Day after the date on which the Unit was agreed to be issued (or such other date as the Trustee-Manager may determine) or (ii) the Issue Price paid in respect of any Unit is returned to the Holder, such Unit may, in the absolute discretion of the Trustee-Manager, at that time or any time thereafter be cancelled by the Trustee-Manager by giving notice to that effect to the applicant and such Unit shall thereupon be deemed never to have been issued or agreed to be issued (as the case may be) and the applicant therefor shall have no right or claim in respect thereof against the Trustee-Manager, PROVIDED THAT:

- 5.7.1 no previous valuations of the Trust shall be re-opened or invalidated as a result of the cancellation of such Units;
- 5.7.2 the Trustee-Manager shall be entitled to charge the applicant (and retain for its own account) a cancellation fee of such amount as it may from time to time determine to represent the administrative costs involved in processing the application for such Units from such applicant;
- 5.7.3 the Trustee-Manager may, but shall not be bound to, require the applicant to pay to the Trustee-Manager for the account of the Trust in respect of each Unit so cancelled the amount (if any) by which the Issue Price of each such Unit exceeds the Repurchase Price which would have applied in relation to each such Unit if the Trustee-Manager had received on such day a request from such applicant for the repurchase or redemption thereof.

5.8 Updating of Securities Account

For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager shall cause the Depository to effect the book entry of Units issued to a Depositor into such Depositor's Securities Account no later than the tenth Business Day after the date on which those Units are agreed to be issued by the Trustee-Manager.

5.9 Selling Price of Trustee-Manager's Units

For so long as the Trust is Unlisted, each Unit of which the Trustee-Manager is or is deemed to be the Holder may be sold or offered for sale by the Trustee-Manager at a price equal to the total of the Current Unit Value of that Unit on the day of the sale or offer, the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Trustee-Manager for its own benefit and the amount of the adjustment shall be retained as part of the Trust Property.

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5.10 Discounts

In the event a Preliminary Charge is imposed on the issue of Units where the Trust is Unlisted, the Trustee-Manager may on any day differentiate between applicants as to the amount of the Preliminary Charge to be imposed (within the permitted limit) on the Issue Price of Units issued to them respectively and likewise the Trustee-Manager may on any day on the issue of Units allow any person or persons applying for larger numbers of Units than others a discount or discounts on the Issue Price of their Units on such basis or on such scale as the Trustee-Manager may think fit (PROVIDED THAT no such discount shall exceed the Preliminary Charge included in the Issue Price of the Units concerned) and in any such case, the amount of such Preliminary Charge to be deducted from the proceeds of issue of such Units shall be reduced by the amount of the discount and accordingly the discount shall be borne by the Trustee-Manager. Besides the number of Units purchased, the bases on which the Trustee-Manager may differentiate between applicants as to the amount of the Preliminary Charge to be included in the Issue Price of their Units depends on several other factors, including but not limited to, the performance of and the marketing strategy adopted by the Trustee-Manager for the Trust.

5.11 Suspension of Issue

The Trustee-Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange (while the Trust is Listed), suspend the issue of Units during any of the following events:

- 5.11.1 any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- 5.11.2 the existence of any state of affairs which, in the opinion of the Trustee-Manager, might seriously prejudice the interests of the Holders as a whole or of the Trust Property;
- 5.11.3 any breakdown in the means of communication normally employed in determining the price of any Trust Assets or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when, for any reason, the prices of Trust Assets cannot be promptly and accurately ascertained;
- 5.11.4 any period when remittance of money which will or may be involved in the realisation of Trust Assets or in the payment for Trust Assets cannot, in the opinion of the Trustee-Manager, be carried out at normal rates of exchange;
- 5.11.5 any period where the issuance of Units is suspended pursuant to any order or direction issued by the Authority or any other relevant regulatory authority;
- 5.11.6 in relation to any general meeting of the Holders, any 48 hour period before such general meeting or any adjournment thereof; or

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5.11.7 when the business operations of the Trustee-Manager in relation to the operation of the Trust are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Trustee-Manager and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 5.11 shall exist upon the declaration in writing thereof by the Trustee-Manager. In the event of any suspension while the Trust is Listed, the Trustee-Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

5.12 Issue of Instruments Convertible into Units

The Trustee-Manager may issue instruments which may be convertible into Units (including but not limited to any options, Securities, warrants, debentures or other instruments that might or would require Units to be issued) for consideration or for no consideration and on such terms of offer and issue as the Trustee-Manager may determine, subject to Clause 5.1 and any Relevant Laws, Regulations and Guidelines relating to the offer or issue of instruments which may be convertible into Units.

5.13 Issue of Preference Units

5.13.1 Preference Units may be issued subject to Clause 5.1 and any Relevant Laws, Regulations and Guidelines, as well as any limitation as may be prescribed by the SGX-ST or any Recognised Stock Exchange upon which Units may be listed. The total number of issued Preference Units shall not exceed the total number of Units issued at any time.

5.13.2 Preference Holders shall have the same rights as ordinary Holders as regards receiving of notices, reports and balance sheets and attending meetings of Holders, and Preference Holders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Trust or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the distribution on the preference Units is more than six months in arrear.

5.13.3 The Trustee-Manager has the power to issue further preference Units ranking equally with, or in priority to, preference Units already issued.

5.13.4 The Trustee-Manager may by deed supplemental hereto issue Classes of Units under such terms and conditions as may be contained therein

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5.14 Issue of Units Stapled to Other Securities

- 5.14.1** Subject to Clause 5.1 and the Relevant Laws, Regulations and Guidelines, the Trustee-Manager may issue Units at any time to any person on the basis that such Units are to be Stapled to another Security or other Securities as Stapled Securities and on such terms and conditions as the Trustee-Manager may determine in its absolute discretion.
- 5.14.2** For the purposes of this Clause 5.14, the Trustee-Manager shall determine the proportion of the Issue Price, the Repurchase Price or buy-back price of the Stapled Security which is to represent the Issue Price, the Repurchase Price or buy-back price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Trustee-Manager for the purpose of issuing Units Stapled with any other Security or Securities.
- 5.14.3** For so long as the Stapled Group is Unlisted, the Trustee-Manager may determine from time to time the proportion of the Current Stapled Security Value which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Trustee-Manager and any other part(y/ies) for the purpose of issuing Units Stapled with any other Security or Securities.
- 5.14.4** In the event that the Stapled Group is Listed, the Trustee-Manager may determine from time to time the proportion of the Market Price of the Stapled Security which is to represent the price of the Unit comprising part of the Stapled Security pursuant to the terms and conditions of any agreement or deed entered into by the Trustee-Manager for the purpose of issuing Units Stapled with any other Security or Securities. For this purpose “**Market Price**” shall mean the volume weighted average price for a Stapled Security (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which the Stapled Securities are Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day.

6. REPURCHASE AND REDEMPTION OF UNITS BY THE TRUSTEE-MANAGER

6.1 Repurchase and Redemption Restrictions when the Trust is Unlisted

When the Trust is Unlisted, the Trustee-Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Relevant Laws, Regulations and Guidelines and a Holder has no right to request for the repurchase or redemption of Units more than once a year. Where the Trustee-Manager offers to repurchase or cause the redemption of Units issued when the Trust is Unlisted, and upon acceptance of such an offer, the Trustee-Manager shall do so at the Repurchase Price calculated in accordance with Clause 6.3.

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6.2 Repurchase and Redemption Restrictions when the Trust is Listed

6.2.1 General

The Trustee-Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. Where the Trustee-Manager offers to repurchase or cause the redemption of Units issued when the Trust is Listed and, upon acceptance of such an offer, the Trustee-Manager shall do so at the Repurchase Price calculated in accordance with Clause 6.3.2. In the event the Trustee-Manager decides to repurchase or cause the redemption of Units, such repurchase or redemption must comply with the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange). The Trustee-Manager may, subject to the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange), suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.11.

6.2.2 Holders' Approval

For so long as the Trust is Listed on the SGX-ST, the Trustee-Manager may repurchase or otherwise acquire its issued Units on such terms and in such manner as the Manager may from time to time think fit if it has obtained the prior approval of Holders in general meeting by passing an Ordinary Resolution (the “**Unit Buy-back Mandate**”), in accordance with the provisions of this Deed but subject thereto and to other requirements of the Relevant Laws, Regulations and Guidelines.

6.2.3 Maximum Limit

The total number of Units which may be repurchased pursuant to any Unit Buy-back Mandate is limited to that number of Units representing not more than 10% of the total number of issued Units as at the date of the general meeting when such Unit Buy-back Mandate is approved by Holders.

6.2.4 Duration of Authority

Repurchases of Units may be made during the Relevant Period. “**Relevant Period**” is the period commencing from the date of the general meeting at which a Unit Buy-back Mandate is sought and the resolution relating to the Unit Buy-back Mandate is passed, and expiring on:

- (i) the date the next Annual General Meeting is or is required by the Relevant Laws, Regulations and Guidelines or this Deed to be held, whichever is earlier; or
- (ii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-back Mandate are carried out to the full extent mandated,

whichever is earlier.

For the avoidance of doubt, the authority conferred on the Manager by the Unit Buy-back Mandate to repurchase Units may be renewed at the next general meeting.

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6.3 Repurchase Price

For the purposes of Clauses 6.1 and 6.2, the Repurchase Price shall be:

6.3.1 in respect of the repurchase or redemption of Units prior to the Listing Date, an amount determined by the Trustee-Manager in its absolute discretion. Such amount may be less than, equal to or more than the Current Unit Value of the relevant Units on the day the Trustee-Manager's offer to repurchase or cause the redemption of Units is accepted; and

6.3.2 in respect of the repurchase or redemption of Units after the Listing Date (whether or not the Trust is Listed or has been Unlisted at the time the Trustee-Manager's offer to repurchase or redeem Units is made), unless prohibited by the Relevant Laws, Regulations and Guidelines, the Current Unit Value of the relevant Units on the day the request is accepted by the Trustee-Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

The Repurchase Charge shall be retained by the Trustee-Manager for its own benefit and the adjustment shall be retained as part of the Trust Property. The Trustee-Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Trustee-Manager from them respectively. The bases on which the Trustee-Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given, it cannot be revoked without the consent of the Trustee-Manager. The Trustee-Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.11.

6.4 Amendments to Register

Where all the Units or a specified number of Units held by a Holder have been purchased by the Trustee-Manager, the Trustee-Manager shall amend, or procure the amendment of the Register, in respect of such number of Units.

6.5 Redeemed Units are Cancelled

Units which are redeemed shall be thereupon cancelled and shall not thereafter be reissued but this Clause 6.5 shall not limit or restrict the right of the Trustee-Manager to cause the creation and/or issue of further or other Units.

6.6 Solvency Statement

The Trustee-Manager may repurchase Units out of the assets of the Trust by paying a sum sufficient to satisfy the Repurchase Price, provided that the Board makes a written statement, in accordance with a resolution of the Board and signed by not less than two directors, that the Board is satisfied on reasonable grounds that, immediately after the repurchase of Units, the Trustee-Manager will be able to fulfil from the Trust Property, the liabilities of the Trust as these liabilities fall due, in accordance with the requirements of the Relevant Laws, Regulations and Guidelines.

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6.7 Source of Funds

The Trustee-Manager may not repurchase Units of the Trust for a consideration other than in cash. The Trustee-Manager may utilise the Trust's internal sources of funds or external borrowings or a combination of both to finance the Trustee-Manager's repurchase of Units on behalf of the Trust pursuant to any Unit Buy-back Mandate, subject always to the requirements of the Relevant Laws, Regulations and Guidelines.

6.8 Manner of Repurchase

Subject always to the requirements of the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed, the Trustee-Manager may:

6.8.1 repurchase or acquire Units on a securities exchange ("**Market Purchase**");
or

6.8.2 make an offer to repurchase Units, otherwise than on a securities exchange and by way of an "off-market" acquisition of the Units on an "equal access scheme" (as defined below) ("**Off-Market Purchase**"),

(each a form of "**Unit Buy-back**"), and to deal with any of the Units so purchased or acquired in accordance with this Clause 6.

For the purpose of this Clause 6, an "**equal access scheme**" is a scheme which satisfies the following criteria:

- (i) the offers under the scheme are to be made to every person who holds Units to purchase or acquire the same percentage of their Units;
- (ii) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same except that there shall be disregarded:
 - (a) differences in consideration attributable to the fact that the offers relate to Units with different accrued distribution entitlements;
 - (b) differences in consideration attributable to the fact that the offers relate to Units with different amounts remaining unpaid; and
 - (c) differences in the offers introduced solely to ensure that each Holder is left with a whole number of Units.

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6.9 Procedures for Repurchase of Units via a Market Purchase

6.9.1 For so long as the Trust is Listed, where Units are repurchased via a Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise a Market Purchase shall:

- (i) specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;
- (ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);
- (iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next annual general meeting is, or is required by law to be, held, whichever is earlier; and
- (iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

6.9.2 The resolution authorising a Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 6.9.1(i) to 6.9.1(iii).

6.9.3 The authority for a Market Purchase may, from time to time, be varied or revoked by Holders in a general meeting. A resolution to confer or vary the authority for a Market Purchase may determine the maximum price for purchase or acquisition by:

- (i) specifying a particular sum; or
- (ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

6.10 Procedure for Repurchase of Units via an Off-Market Purchase

6.10.1 For so long as the Trust is Listed, where Units are repurchased via an Off-Market Purchase, the notice of general meeting specifying the intention to propose a resolution to authorise an Off-Market Purchase shall:

- (i) specify the maximum number of Units or the maximum percentage of Units authorised to be acquired or purchased;
- (ii) determine the maximum price which may be paid for the Units (either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion);
- (iii) specify a date on which the authority is to expire, being a date that must not be later than the date on which the next Annual General Meeting is, or is required by law to be, held, whichever is earlier; and

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- (iv) specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the Trust's financial position.

6.10.2 The resolution authorising an Off-Market Purchase may be unconditional or subject to conditions and shall state the particulars set out in Clauses 6.10.1(i) to 6.10.1(iv).

6.10.3 The authority for an Off-Market Purchase may, from time to time, be varied or revoked by the Holders in a general meeting. A resolution to confer or vary the authority for an Off-Market Purchase may determine the maximum price for purchase or acquisition by:

- (i) specifying a particular sum; or
- (ii) providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion.

6.10.4 For so long as the Trust is Listed, in the event that the Trustee-Manager decides to make any offer to repurchase Units via an Off-Market Purchase, the Trustee-Manager will send an offer notice to Holders. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the repurchase of their Units. At such request in writing of a Holder (or, in the case of Joint Holders, all the Joint Holders), the Trustee-Manager will repurchase, in accordance with this Clause 6, such of the Units entered against his name in the Register or the Depository Register (as the case may be) as are required by the Holder to be repurchased.

6.11 Reporting Requirements

Subject to the Relevant Laws, Regulations and Guidelines, for so long as the Trust is Listed on the SGX-ST, the Trustee-Manager shall:

6.11.1 notify the SGX-ST (in the form of an announcement on the SGX-ST) of all purchases of Units in accordance with the Listing Rules and in such form and with such details as the SGX-ST may prescribe; and

6.11.2 make an announcement on the SGX-ST at the same time it notifies the SGX-ST of any purchases of Units pursuant to any Unit Buy-back Mandate, that the directors of the Trustee-Manager are satisfied on reasonable grounds that, immediately after the purchase of Units, the Trustee-Manager will be able to fulfil, from the Trust Property, the Liabilities as these liabilities fall due.

(c) STAPLING DEED

3. PROVISIONS AS TO STAPLED SECURITIES, HOLDERS AND STATEMENTS OF HOLDINGS

3.1 Securities to be Stapled

3.1.1 On and from the Stapling Commencement Date:

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- (i) each OUE H-BT Unit and each OUE H-REIT Unit must be Stapled to one another;
- (ii) the REIT Manager must not issue a OUE H-REIT Unit unless a OUE H-BT Unit is issued by the Trustee-Manager at the same time and to the same person;
- (iii) the Trustee-Manager must not issue a OUE H-BT Unit unless a OUE H-REIT Unit is issued by the REIT Manager at the same time and to the same person;
- (iv) the REIT Manager must not issue any right or option to acquire a OUE H-REIT Unit unless the Trustee-Manager issues a corresponding right or option to acquire a OUE H-BT Unit, and such right or option to acquire a OUE H-REIT Unit can only be exercised by a Holder at the same time as the Holder exercise the option to acquire a OUE H-BT Unit;
- (v) the Trustee-Manager must not issue any right or option to acquire a OUE H-BT Unit unless the REIT Manager issues a corresponding right or option to acquire a OUE H-REIT Unit, and such right or option to acquire a OUE H-BT Unit can only be exercised by a Holder at the same time as the Holder exercise the option to acquire a OUE H-REIT Unit;
- (vi) the REIT Manager may not without prior consent of the Trustee-Manager issue any OUE H-REIT Unit of any class other than the Class existing at the Stapling Commencement Date or any right or option to acquire any such OUE H-REIT Unit;
- (vii) the Trustee-Manager may not without prior consent of the REIT Manager issue any OUE H-BT Unit of any class other than the Class existing at the Stapling Commencement Date or any right or option to acquire any such OUE H-BT Unit; and
- (viii) (for so long as the Stapled Securities are stapled and as the REIT Manager shall not issue a OUE H-REIT Unit unless a OUE H-BT Unit is issued, or as the case may be, the Trustee-Manager shall not issue a OUE H-BT Unit unless a OUE H-REIT Unit is issued) the REIT Manager in consideration of the Trustee-Manager issuing OUE H-BT Units to the REIT Manager as payment of the fees of the REIT Manager, shall issue OUE H-REIT Units to the Trustee-Manager as payment of the fees of the Trustee-Manager.

Each OUE H-BT Unit must be stapled to a OUE H-REIT Unit immediately upon the issue of the OUE H-BT Unit or the OUE H-REIT Unit as the case may be.

3.2 Dealings in Securities

3.2.1 On and from the Stapling Commencement Date, the REIT Manager and the Trustee-Manager must not:

- (i) do any act, matter or thing (including registering any issue or transfer of any Stapled Security or Unit); or

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- (ii) refrain from doing any act, matter or thing,

if to do so or refrain from doing so (as the case may be) would result directly or indirectly in any Unit no longer being Stapled as a Stapled Security, other than in accordance with Clause 11.

3.2.2 On and from the Stapling Commencement Date, the REIT Manager must not:

- (i) offer any OUE H-REIT Units for issue, subscription or sale unless an offer is made by the Trustee-Manager at the same time and to the same person for the same number of OUE H-BT Units for issue, subscription or sale;
- (ii) offer any OUE H-REIT Units for issue, subscription or sale unless the terms of that offer require each offeree to subscribe for or buy (as the case may be) the same number of OUE H-BT Units;
- (iii) issue or sell any OUE H-REIT Units to any person unless the same number of OUE H-BT Units are also issued or sold (as the case may be) by the Trustee-Manager to the same person at the same time;
- (iv) consolidate, sub-divide, cancel, buy-back, redeem or repurchase any OUE H-REIT Units unless at the same time there is a corresponding consolidation, sub-division, cancellation, buy-back or redemption or repurchase by the Trustee-Manager of OUE H-BT Units;
- (v) register any transfer of OUE H-REIT Units to any person unless the transfer of the same number of OUE H-BT Units to the same person is also registered at the same time;
- (vi) accept an application for a OUE H-REIT Unit if the applicant does not at the same time apply for a OUE H-BT Unit or if a OUE H-BT Unit will not be issued to the applicant at the same time as the issue of the OUE H-REIT Unit to the applicant;
- (vii) permit a re-investment by a Holder in a OUE H-REIT Unit unless at the same time the Holder acquires a OUE H-BT Unit. The REIT Manager and the Trustee-Manager may make provisions governing the amount of the re-invested distributions to be used to subscribe for each OUE H-REIT Unit or OUE H-BT Unit comprising the Stapled Security having regard to the issue price of the OUE H-REIT Unit or OUE H-BT Unit; and
- (viii) perform any restructure or reorganisation of OUE H-REIT Unit, including but not limited to the consolidation or subdivision of OUE H-REIT Unit or other similar or analogous corporate action in respect of OUE H-REIT or OUE H-REIT Units unless the Trustee-Manager takes the corresponding action in relation to OUE H-BT or OUE H-BT Units at the same time.

3.2.3 On and from the Stapling Commencement Date, the Trustee-Manager must not:

- (i) offer any OUE H-BT Units for issue, subscription or sale unless an offer is made by the REIT Manager at the same time and to the same person for the same number of OUE H-REIT Units for issue, subscription or sale;

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- (ii) offer any OUE H-BT Units for issue, subscription or sale unless the terms of that offer require each offeree to subscribe for or buy (as the case may be) the same number of OUE H-REIT Units;
- (iii) issue or sell any OUE H-BT Units to any person unless the same number of OUE H-REIT Units are also issued or sold (as the case may be) by the REIT Manager to the same person at the same time;
- (iv) consolidate, sub-divide, cancel, buy-back, redeem or repurchase any OUE H-BT Units unless at the same time there is a corresponding consolidation, sub-division, cancellation, buy-back or redemption or repurchase by the REIT Manager of OUE H-REIT Units;
- (v) register any transfer of OUE H-BT Units to any person unless the transfer of the same number of OUE H-REIT Units to the same person is also registered at the same time;
- (vi) accept an application for a OUE H-BT Unit if the applicant does not at the same time apply for a OUE H-REIT Unit or if a OUE H-REIT Unit will not be issued to the applicant at the same time as the issue of the OUE H-BT Unit to the applicant;
- (vii) permit a re-investment by a Holder in a OUE H-BT Unit unless at the same time the Holder acquires a OUE H-REIT Unit. The REIT Manager and the Trustee-Manager may make provisions governing the amount of the re-invested distributions to be used to subscribe for each OUE H-REIT Unit or OUE H-BT Unit comprising the Stapled Security having regard to the issue price of the OUE H-REIT Unit or OUE H-BT Unit; and
- (viii) perform any restructure or reorganisation of OUE H-BT Unit, including but not limited to the consolidation or subdivision of OUE H-BT Unit or other similar or analogous corporate action in respect of OUE H-BT or OUE H-BT Units unless the REIT Manager takes the corresponding action in relation to OUE H-REIT or OUE H-REIT Units at the same time.

3.2.4 The REIT Trustee, the REIT Manager and the Trustee-Manager are not obliged to effect a consolidation, sub-division, buy-back, cancellation, redemption, transfer or issue or other corporate action in a manner inconsistent with any constitutional, contractual or fiduciary obligation or law by which they are bound, or if they do not have any necessary consent or approval.

3.2.5 If a Unit is to be sold pursuant to forfeiture as a consequence of non-payment of a call, the party which issued the Unit will, to the maximum extent permitted by the Relevant Laws, Regulations and Guidelines and the Listing Rules, ensure that the other Unit to which it is Stapled is also sold so that the Unit is sold as part of a Stapled Security.

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3.3 Quotation as Stapled Securities

Unless and until the Stapled Securities are Unstapled in accordance with this Deed, the REIT Manager and the Trustee-Manager must both use reasonable endeavours to ensure that each Stapled Security listed for quotation on SGX-ST continues to be so listed for quotation and quoted as a Stapled Security.

3.4 No Certificates

3.4.1 No certificate shall be issued to Holders by the REIT Manager, the REIT Trustee or the Trustee-Manager in respect of any Unit or Stapled Security (whether Listed or Unlisted) issued to Holders. For so long as OUE H-Trust is Listed on the SGX-ST, the REIT Manager, the REIT Trustee and the Trustee-Manager shall, pursuant to the Depository Services Terms and Conditions, appoint the Depository as the depository for the Stapled Securities, and all Stapled Securities issued will be deposited with the Depository and represented by entries in the Register in the name of the Depository as the registered Holder thereof.

3.4.2 For so long as OUE H-Trust is Listed on the SGX-ST, the REIT Manager and the Trustee-Manager, or the agent appointed by them, shall issue to the Depository not more than 10 Business Days after the issue of Stapled Securities a confirmation note confirming the date of issue and the number of Stapled Securities so issued and, if applicable, also stating that the Stapled Securities are issued under a moratorium and the expiry date of such moratorium. For the purposes of this Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Stapled Securities issued.

3.5 Form of Statements of Holdings

3.5.1 In the event OUE H-Trust is or becomes Unlisted, the REIT Manager and the Trustee-Manager or their appointed agents shall issue to each Holder not more than one month after the allotment of Stapled Securities to such Holder a confirmation note confirming such allotment. The REIT Manager and the Trustee-Manager or their appointed agents shall, for so long as OUE H-Trust is Unlisted, jointly issue to each Holder on a calendar quarterly basis (or such other period as may be agreed between the REIT Manager, the REIT Trustee and the Trustee-Manager) a statement of holdings (the “**Statement of Holdings**”). A Statement of Holdings shall be dated and shall specify the number of Stapled Securities held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Stapled Securities and shall be in such form as may from time to time be agreed between the REIT Manager, the REIT Trustee and the Trustee-Manager.

3.5.2 For so long as OUE H-Trust is Listed on the SGX-ST and the Stapled Securities are registered in the name of the Depository, the REIT Manager and the Trustee-Manager shall reasonably procure that the Depository shall, at such intervals, and as may be provided for in the Depository’s terms and conditions for operation of Securities Accounts, issue to each Depositor such contract statements, confirmation notes, statements of accounts balances and statements of transactions and accounts balances, and at such intervals, as may be provided for in the Depository’s terms and conditions for operation of Securities Accounts.

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3.6 Sub-division and Consolidation of Stapled Securities

3.6.1 The REIT Manager (with the approval of the REIT Trustee) and the Trustee-Manager may, at any time and on giving prior written notice (such notice period to be determined by the REIT Manager and the Trustee-Manager in their absolute discretion) to each Holder or (as the case may be) to each Depositor by the REIT Manager or the REIT Trustee and/or Trustee-Manager delivering such notice in writing to such Holder or the Depository for onward delivery to the Depositors, determine that each Stapled Security shall be sub-divided into Stapled Securities or consolidated with other Stapled Securities and the Holders shall be bound accordingly.

3.6.2 The Register shall be altered accordingly to reflect the new number of Stapled Securities held by each Holder as a result of such sub-division or consolidation and where applicable, the REIT Trustee and/or the Trustee-Manager shall cause the Depository to alter the Depository Register accordingly in respect of each relevant Depositor's Securities Account to reflect the new number of Stapled Securities held by such Depositor as a result of such sub-division or consolidation.

3.7 Terms and Conditions of This Deed and Supplemental Deeds to Bind Holders

The terms and conditions of this Deed and of any supplemental deed (including any amending and restating deed) shall be binding on each Holder or (as the case may be) each Depositor and all persons claiming through him as if he had been party thereto and as if this Deed and any supplemental deed (including any amending and restating deed) contained covenants on the part of each Holder or (as the case may be) each Depositor to observe and be bound by all the provisions hereof and an authorisation of the REIT Trustee, the REIT Manager and the Trustee-Manager by each Holder or (as the case may be) each Depositor to do all such acts and things as this Deed and any supplemental deed (including any amending and restating deed) may require the REIT Trustee, the REIT Manager or (as the case may be) the Trustee-Manager to do.

3.8 Availability of This Deed

A copy of this Deed and of any supplemental deed (including any amending and restating deed) for the time being in force shall be made available for inspection at the registered offices of the REIT Manager and the Trustee-Manager at all times during usual Business Hours and shall be supplied by the REIT Manager or (as the case may be) the Trustee-Manager to any person on application at a charge not exceeding S\$10 per copy document.

3.9 Stapled Securities to be Held Free from Equities

A Holder entered in the Register as the registered holder of Stapled Securities or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Stapled Securities registered to him, shall be the only person recognised by the REIT Trustee, the REIT Manager and/or the Trustee-Manager as having any right, title or interest in or to the Stapled Securities registered in his name and the REIT Trustee, the REIT Manager and/or the Trustee-Manager may recognise such Holder or (as the case may be) such Depositor as absolute owner thereof and shall not be bound by any notice to the contrary or be bound to take notice of or to see to

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the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by any court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Stapled Security. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

3.10 Restrictions on Directions

The Holders shall not give any directions to the REIT Trustee, the REIT Manager or the Trustee-Manager (whether at a meeting of OUE H-REIT Unitholders or OUE H-BT Unitholders duly convened or otherwise) if it would require the REIT Trustee, the REIT Manager or the Trustee-Manager to do or omit from doing anything which may result in:

- 3.10.1** OUE H-REIT, OUE H-BT or OUE H-Trust ceasing to comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange on or after the Listing Date and such other Relevant Laws, Regulations and Guidelines; or
- 3.10.2** the exercise of any discretion expressly conferred on the REIT Trustee, the REIT Manager and/or the Trustee-Manager by this Deed or the determination of any matter which under this Deed requires the agreement of REIT Trustee, the REIT Manager and/or the Trustee-Manager, PROVIDED THAT nothing in this Clause 3.10.2 shall limit the right of a Holder or (as the case may be) a Depositor to require the due administration of OUE H-REIT, OUE H-BT or OUE H-Trust in accordance with this Deed.

4. ISSUE OF STAPLED SECURITIES

4.1 General

- 4.1.1** Subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, the REIT Manager and the Trustee-Manager shall have the joint exclusive right to issue Stapled Securities (whether on an initial issue of Stapled Securities, a rights issue, an issue of new Stapled Securities otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Stapled Securities pursuant to a conversion of any Securities) and any Stapled Securities may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the REIT Manager and the Trustee-Manager may think fit.
- 4.1.2** The REIT Manager and the Trustee-Manager shall not be bound to accept an application for Stapled Securities so as to give rise to a holding of fewer than 1,000 Stapled Securities (or such other number of Stapled Securities as may be determined by the REIT Manager and the Trustee-Manager) and for so long as OUE H-Trust is Listed, the REIT Manager and the Trustee-Manager shall comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange or any other Relevant Laws, Regulations and Guidelines when issuing Units. No fractions of a Stapled Security shall be issued (whether on an initial issue of Stapled Securities, a rights issue, an issue of new Stapled Securities otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement or any issue of Stapled Securities pursuant to a conversion of any Securities) and if

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any fractions of a Stapled Security arise, the REIT Manager and the Trustee-Manager shall, in respect of each Holder's entitlement to Stapled Securities, truncate but not round off to the nearest whole Stapled Security and any balance arising from such truncation shall be retained as part of the Deposited Property of OUE H-REIT and/or OUE H-BT.

- 4.1.3** Issues of Stapled Securities shall only be made on a Business Day unless and to the extent that the REIT Manager (with the prior consent of the REIT Trustee) and the Trustee-Manager otherwise prescribe. Issues of Stapled Securities for cash shall be made at a price hereinafter prescribed.
- 4.1.4** The REIT Manager and the Trustee-Manager may by deed supplemental hereto entered into with the REIT Trustee issue Classes of Stapled Securities under such terms and conditions as may be contained therein.
- 4.1.5** The Stapled Securities may be Listed on the SGX-ST pursuant to Clause 10 and, if so Listed, the Stapled Securities shall be traded on the SGX-ST and settled through the Depository. Stapled Securities already in issue may be transferred or otherwise dealt with through Securities Accounts into which Stapled Securities are credited in accordance with Clause 9.7.
- 4.1.6** For so long as OUE H-Trust is Listed, the REIT Manager and the Trustee-Manager may issue Stapled Securities provided that the REIT Manager and the Trustee-Manager complies with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, or any other Relevant Laws, Regulations and Guidelines in, among others, determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Stapled Security issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the REIT Manager and the Trustee-Manager is at a discount to the Market Price (as defined under Clause 4.3.1), the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, or any other Relevant Laws, Regulations and Guidelines.
- 4.1.7** If the Stapled Securities are Listed on the SGX-ST or any other Recognised Stock Exchange, then the REIT Manager and the Trustee-Manager shall not thereafter issue any further Stapled Securities in numbers exceeding the limit, if any, prescribed at the time in the Listing Rules or the listing rules of the relevant Recognised Stock Exchange, except where such Stapled Securities are issued in such circumstances as permitted by the Listing Rules or the listing rules of the relevant Recognised Stock Exchange or otherwise as required or permitted by the SGX-ST or the relevant Recognised Stock Exchange.
- 4.2 Issue Price of Stapled Securities Prior to the Listing Date and the Initial Offering Price**
- 4.2.1** Prior to the Listing Date, the REIT Manager and the Trustee-Manager may, subject to the provision of this Deed and any Relevant Laws, Regulations and Guidelines, issue Stapled Securities at any time to any person at any issue price per Stapled Security ("Issue Price") and on such terms and conditions as the REIT Manager and the Trustee-Manager may determine in their absolute discretion.

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- 4.2.2** The issue of Stapled Securities for the purpose of an initial public offering of Stapled Securities shall be at an Issue Price to be determined by the REIT Manager and the Trustee-Manager, or within such range to be determined by the REIT Manager and the Trustee-Manager, on or before the Listing Date for such Stapled Securities, PROVIDED THAT the REIT Manager and the Trustee-Manager may cede the right to make such determination to any underwriter, issue manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the REIT Manager and the Trustee-Manager and/or such underwriter, issue manager or placement agent following a book building process or through such other method of price determination as may be decided upon and agreed by the relevant persons. The manner of and amount payable and any applicable refund on an application for Stapled Securities during the initial public offering will be stated in the relevant Prospectus. Any such offer of Stapled Securities for the purpose of an initial public offering may remain open for a period as may be agreed between the REIT Manager, the REIT Trustee and the Trustee-Manager, subject to any Relevant Laws, Rules and Regulations.
- 4.2.3** Subject to Clause 4.2.2, the REIT Manager and the Trustee-Manager may extend a discount to the Issue Price per Stapled Security under an initial public offering of Stapled Securities, to any applicant who successfully applies to purchase more than such number of Stapled Securities (as determined by the REIT Manager and the Trustee-Manager in their absolute discretion) in a single application, subject to compliance with any applicable law or regulation and the Listing Rules.
- 4.2.4** The REIT Manager and the Trustee-Manager may issue Stapled Securities at the Issue Price determined in accordance with Clause 4.2.2 to the vendor of any Authorised Investments to be purchased by OUE H-Trust in conjunction with an initial public offering of Stapled Securities, or to any person nominated by such vendor, in full or partial satisfaction of the consideration or any deferred purchase consideration payable by OUE H-Trust for such Authorised Investments.
- 4.3 Issue Price of Stapled Securities when OUE H-Trust is Listed**
- 4.3.1** Subject to Clauses 4.3.2 and 4.3.3 and any Relevant Laws, Regulations and Guidelines, for so long as OUE H-Trust is Listed, the REIT Manager and the Trustee-Manager may issue Stapled Securities on any Business Day at an Issue Price equal to the Market Price, without the prior approval of the OUE H-REIT Unitholders and the OUE H-BT Unitholders. For this purpose “**Market Price**” shall mean:
- (i) the volume weighted average price for a Stapled Security (if applicable, of the same Class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which OUE H-Trust is Listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or

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- (ii) if the REIT Manager and the Trustee-Manager believe that the calculation in Clause 4.3.1(i) does not provide a fair reflection of the market price of a Stapled Security, an amount as determined between the REIT Manager, the Trustee-Manager and the REIT Trustee (after consultation with a Stockbroker approved by the REIT Trustee), as being the fair market price of a Stapled Security.

4.3.2 For so long as OUE H-Trust is Listed, the REIT Manager and the Trustee-Manager may issue Stapled Securities at an Issue Price other than calculated in accordance with Clause 4.3.1 without the prior approval of the Holders in a meeting of Holders PROVIDED THAT the REIT Manager and the Trustee Manager comply with the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Holders, the Issue Price of a Stapled Security issued other than by way of a rights issue offered on a pro-rata basis to all existing Holders and the Issue Price for any reinvestment of distribution arrangement. If the Issue Price determined by the REIT Manager and the Trustee-Manager is at a discount to the Market Price, the discount shall not exceed such percentage as may, from time to time, be permitted under the Listing Rules or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other Relevant Laws, Regulations and Guidelines.

4.3.3 Where Stapled Securities are issued as full or partial consideration for the acquisition of an Authorised Investment by OUE H-REIT or OUE H-BT in conjunction with an issue of Stapled Securities to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other authorised investments in conjunction with the said Authorised Investment, the REIT Manager and the Trustee-Manager shall have the discretion to determine that the Issue Price of a Stapled Security so issued as full or partial consideration shall be the same as the Issue Price for the Stapled Securities issued in conjunction to raise cash for the aforesaid purposes.

4.4 Issue Price of Stapled Securities where OUE H-Trust is Delisted

Where OUE H-Trust becomes Unlisted after the Listing Date, the REIT Manager and Trustee-Manager may issue Stapled Securities at an Issue Price equal to the Current Stapled Security Value on the date of the issue of the Stapled Securities plus, if so determined by the REIT Manager and Trustee-Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the REIT Manager and Trustee-Manager for their own benefit and the amount of the adjustment shall be retained as part of the Deposited Property of OUE H-REIT and/or OUE H-BT as agreed between the REIT Manager and Trustee-Manager.

4.5 Stapled Securities Issued on Unpaid or Partly Paid Basis

4.5.1 Capital paid on Stapled Securities in advance of calls shall not, while carrying interest, confer a right to participate in distributions.

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4.5.2 In the event that the REIT Manager and the Trustee-Manager issue Stapled Securities on an unpaid or partly paid basis to any person, the provisions of Clauses 4.5.3 and 4.5.4 shall apply.

4.5.3 Calls on Stapled Securities

- (i) The REIT Manager and the Trustee-Manager may from time to time make calls upon the Holders in respect of any moneys unpaid on their Stapled Securities but subject always to the terms of issue of such Stapled Securities. A call may be made payable by instalments.
- (ii) Each Holder shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to OUE H-Trust at the time or times and place so specified the amount called on his Stapled Securities. The Joint Holders of a Stapled Security shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the REIT Manager and the Trustee-Manager may determine.
- (iii) If a sum called in respect of a Stapled Security is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 10.0% per annum) as the REIT Manager and the Trustee-Manager may determine but the REIT Manager and the Trustee-Manager shall be at liberty in any case or cases to waive payment of such interest wholly or in part.
- (iv) Any sum which by the terms of issue of a Stapled Security becomes payable upon allotment or at any fixed date shall for all the purposes of this Deed be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Deed as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- (v) The REIT Manager and the Trustee-Manager may on the issue of Stapled Securities differentiate between the Holders as to the amount of calls to be paid and the times of payment.
- (vi) The REIT Manager and the Trustee-Manager may if they think fit receive from any Holder willing to advance the same, all or any part of the moneys uncalled and unpaid upon the Stapled Securities held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the Stapled Securities in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) OUE H-Trust may pay interest at such rate (not exceeding 8.0% per annum) as the Holder paying such sum and the REIT Manager and the Trustee-Manager may agree. Capital paid on Stapled Securities in advance of calls shall not, while carrying interest, confer a right to participate in profits.

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4.5.4 Forfeiture and Lien

- (i) If a Holder fails to pay in full any call or instalment of a call on the due date for payment thereof, the REIT Manager and the Trustee-Manager may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by OUE H-Trust by reason of such non-payment.
- (ii) The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the Stapled Securities on which the call has been made will be liable to be forfeited.
- (iii) If the requirements of any such notice as aforesaid are not complied with, any Stapled Security in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by the REIT Manager and the Trustee-Manager. Such forfeiture shall include all distributions declared in respect of the forfeited Stapled Security and not actually paid before forfeiture. The REIT Manager and the Trustee-Manager may accept a surrender of any Stapled Security liable to be forfeited hereunder.
- (iv) A Stapled Security so forfeited shall become the property of the OUE H-Trust and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the REIT Manager and the Trustee-Manager shall think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the REIT Manager and the Trustee-Manager think fit. The REIT Manager and the Trustee-Manager may, if necessary, authorise some person to transfer or effect the transfer of a forfeited Stapled Security to any such other person as aforesaid.
- (v) A Holder or Depositor whose Stapled Securities have been forfeited or surrendered shall cease to be a holder in respect of the Stapled Securities but shall notwithstanding the forfeiture or surrender remain liable to pay to OUE H-Trust all moneys which at the date of forfeiture or surrender were presently payable by him to OUE H-Trust in respect of the Stapled Securities with interest thereon at 8.0% per annum (or such lower rate as the REIT Manager and the Trustee-Manager may determine) from the date of forfeiture or surrender until payment and the REIT Manager and the Trustee-Manager may at their absolute discretion enforce payment without any allowance for the value of the Stapled Securities at that time of forfeiture or surrender or waive payment in whole or in part.
- (vi) OUE H-Trust shall have a first and paramount lien on every Stapled Security (not being a fully paid Stapled Security) and distributions from time to time declared in respect of such Stapled Securities. Such lien shall be restricted to unpaid calls and instalments upon the specific Stapled Securities in respect of which such moneys are due and unpaid, and to such amounts as

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OUE H-Trust may be called upon by law to pay in respect of the Stapled Securities of the member or deceased member. The REIT Manager and the Trustee-Manager may waive any lien which has arisen and may resolve that any Stapled Security shall for some limited period be exempt wholly or partially from the provisions of this Clause.

- (vii) OUE H-Trust may sell in such manner as the REIT Manager and the Trustee-Manager think fit any Stapled Security on which OUE H-Trust has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the Stapled Security or the person entitled thereto by reason of his death or bankruptcy.
- (viii) The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the Stapled Securities at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the REIT Manager and the Trustee-Manager may authorise some person to transfer or effect the transfer of the Stapled Securities sold to the purchaser.
- (ix) A statutory declaration in writing that the declarant is a director or secretary of the REIT Manager or the Trustee-Manager and that a Stapled Securities has been duly forfeited or sold to satisfy a lien of OUE H-Trust on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Stapled Security. Such declaration and the receipt of OUE H-Trust for the consideration (if any) given for the Stapled Security on the sale, re-allotment or disposal thereof together (where the same be required) with the confirmation note delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the Stapled Security and the Stapled Security shall be registered in the name of the person to whom the Stapled Security is sold, re-allotted or disposed of or, where such person is a Depositor, the REIT Manager and the Trustee-Manager shall procure that his name be entered in the Depository Register in respect of the Stapled Security so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Stapled Security be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Stapled Security.

4.6 Stapled Securities Issued to Persons Resident Outside Singapore

- 4.6.1** Subject to any Relevant Laws, Regulations and Guidelines, if a Stapled Security is to be issued to a person resident outside Singapore, the REIT Manager and the Trustee-Manager shall be entitled to charge for their own accounts an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore.

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4.6.2 In relation to any rights issue or (as the case may be) any preferential offering, the REIT Manager and the Trustee-Manager may in their absolute discretion elect not to extend an offer of Stapled Securities under the rights issue or preferential offering to those Holders or (as the case may be) those Depositors, whose addresses are outside Singapore. In the case of a rights issue, the provisional allocations of Stapled Securities of such Holders or Depositors may be offered for sale by the REIT Manager and the Trustee-Manager (as the nominee and authorised agent of each such relevant Holder or Depositor) in such manner and at such price as the REIT Manager and the Trustee-Manager may determine. Where necessary, the REIT Trustee and the Trustee-Manager shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale if successful will be paid to the relevant Holders or Depositors PROVIDED THAT, where the proceeds payable to any single Holder or Depositor is less than S\$10, the REIT Manager and the Trustee-Manager shall be entitled to retain such proceeds as part of the Deposited Property of OUE H-REIT and/or OUE H-BT.

4.7 Non-payment of Issue Price

Where payment of the Issue Price payable in respect of any Stapled Security agreed to be issued by the REIT Manager and the Trustee-Manager has not been received before the seventh Business Day after the date on which the Stapled Security was agreed to be issued (or such other date as the REIT Manager and the Trustee-Manager may agree) the agreement to issue such Stapled Security may, in the absolute discretion of the REIT Manager and the Trustee-Manager, at that time or any time thereafter be cancelled by the REIT Manager and the Trustee-Manager by giving notice to that effect and such Stapled Security shall thereupon be deemed never to have been issued or agreed to be issued and the applicant therefor shall have no right or claim in respect thereof against the REIT Manager and the Trustee-Manager or the REIT Trustee, PROVIDED THAT:

- (i) no previous valuations of OUE H-Trust, OUE H-REIT or OUE H-BT shall be re-opened or invalidated as a result of the cancellation of such Stapled Securities;
- (ii) the REIT Manager and the Trustee-Manager shall be entitled to charge the applicant (and retain for their own accounts) a cancellation fee of such amount as they may from time to time determine to represent the administrative costs involved in processing the application for such Stapled Securities from such applicant; and
- (iii) the REIT Manager and the Trustee-Manager may, but shall not be bound to, require the applicant to pay to the REIT Manager and the Trustee-Manager for the account of OUE H-Trust in respect of each Stapled Security so cancelled the amount (if any) by which the Issue Price of each such Stapled Security exceeds the Repurchase Price which would have applied in relation to each such Stapled Security if the REIT Manager and the Trustee-Manager had received on such day a request from such applicant for the repurchase or redemption thereof.

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4.8 Updating of Securities Account

For so long as OUE H-Trust is Listed on the SGX-ST, the REIT Manager and the Trustee-Manager shall cause the Depository to effect the book entry of Stapled Securities issued to a Depositor into such Depositor's Securities Account no later than the tenth Business Day after the date on which those Stapled Securities are agreed to be issued by the REIT Manager and the Trustee-Manager.

4.9 Suspension of Issue

The REIT Manager, the REIT Trustee or the Trustee-Manager may, with the prior written approval of the other parties and subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange (while OUE H-Trust is Listed), suspend the issue of Stapled Securities during any of the following events:

- 4.9.1 any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- 4.9.2 the existence of any state of affairs which, in the opinion of the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee, might seriously prejudice the interests of the Holders as a whole or of the Deposited Property of OUE H-REIT and/or OUE H-BT;
- 4.9.3 any breakdown in the means of communication normally employed in determining the price of any Investments or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when for any reason the prices of any Investments cannot be promptly and accurately ascertained;
- 4.9.4 any period when remittance of money which will or may be involved in the realisation of any Investments or in the payment for any Investments cannot, in the opinion of the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee, be carried out at normal rates of exchange;
- 4.9.5 any period where the issuance of Stapled Securities is suspended pursuant to any order or direction issued by the Authority or any other relevant regulatory authority;
- 4.9.6 in relation to any general meeting of the OUE H-REIT Unitholders or the OUE H-BT Unitholders, any 48 hour period before such general meeting or any adjournment thereof; or
- 4.9.7 when the business operations of the REIT Manager, the Trustee-Manager or the REIT Trustee in relation to the operation of OUE H-REIT or (as the case may be) OUE H-BT are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

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Such suspension shall take effect forthwith upon the declaration in writing thereof by the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 4.9 shall exist upon the declaration in writing thereof by the REIT Manager, the Trustee-Manager or (as the case may be) the REIT Trustee. In the event of any suspension while OUE H-Trust is Listed, the REIT Manager and the Trustee-Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

7. ALLOCATION OF ISSUE PRICE

7.1 Parties to Agree Price

- 7.1.1** The REIT Manager and the Trustee-Manager must agree from time to time the proportion of the Issue Price, the Repurchase Price or buy-back price of a Stapled Security which is to represent the Issue Price, the Repurchase Price or buy-back price of each Unit comprising the Stapled Security.

The allocation of this amount is to be determined by agreement between the REIT Manager and the Trustee-Manager before the issue, redemption or buy-back of the Stapled Security.

- 7.1.2** Where a right or option to acquire any Stapled Security is issued after the Stapling Commencement Date, the allocation of the issue price of the Stapled Security is to be determined by agreement between the REIT Manager and the Trustee-Manager prior to the issue of the right or option, at the absolute discretion of the REIT Manager and the Trustee-Manager and no OUE H-REIT Unitholder or OUE H-BT Unitholder shall have any right of action against either the REIT Manager or the Trustee-Manager in relation to such allocation.

- 7.1.3** The proportion determined under Clauses 7.1.1 and 7.1.2 must be consistent for each Stapled Security issued, redeemed or bought-back to or from each Holder at the same time.

7.2 Accountant to Resolve Dispute

- 7.2.1** If the REIT Manager and the Trustee-Manager are unable to reach agreement under Clause 7.1 within 14 Business Days after either party notifies the other that an agreement must be reached (or longer period if the parties agree in writing), either party may serve notice on the other (“Referral Notice”) that it wishes to refer the matter to a suitably experienced independent accountant for determination.

- 7.2.2** The parties shall agree on the identity of the accountant to determine the matter. In the absence of such agreement within 14 Business Days of the Referral Notice, the matter shall be referred to an accountant appointed by the President of the Institute of Certified Public Accountants of Singapore.

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- 7.2.3** The parties shall exchange written statements and supporting documentation 14 Business Days after the appointment of the accountant, and each side shall simultaneously send a copy of its written statement and supporting documentation to the accountant.
- 7.2.4** The accountant shall make his decision on the matter on the basis of the parties' written statements and supporting documentation only and there shall be no oral hearing. The accountant shall issue his decision in writing within 14 Business Days of receiving the parties' written statements and supporting documentation.
- 7.2.5** The accountant shall act as an expert and not as an arbitrator.
- 7.2.6** The accountant's decision is, in the absence of manifest error, final and binding on the parties.
- 7.2.7** The accountant's charges shall be borne equally by the parties.

8. REPURCHASE AND REDEMPTION OF STAPLED SECURITIES

8.1 Repurchase and Redemption Restrictions when OUE H-Trust is Unlisted

When OUE H-Trust is Unlisted, the REIT Manager and the Trustee-Manager may, but are not obliged to, repurchase or cause the redemption of Stapled Securities more than once a year in accordance with the Relevant Laws, Regulations and Guidelines and a Holder has no right to request for the repurchase or redemption of Stapled Securities more than once a year. Where the REIT Manager and the Trustee-Manager offer to repurchase or cause the redemption of Units issued when OUE H-Trust is Unlisted and, upon acceptance of such an offer, the REIT Manager and the Trustee-Manager shall do so at the Repurchase Price calculated in accordance with Clause 8.3.1.

8.2 Repurchase and Redemption Restrictions when OUE H-Trust is Listed

The REIT Manager and the Trustee-Manager are not obliged to repurchase or cause the redemption of Stapled Securities so long as OUE H-Trust is Listed. Where the REIT Manager and the Trustee-Manager offer to repurchase or cause the redemption of Stapled Securities issued when OUE H-Trust is Listed and, upon acceptance of such an offer, the REIT Manager and the Trustee-Manager shall do so at the Repurchase Price calculated in accordance with Clause 8.3.2. In the event the REIT Manager and the Trustee-Manager decide to repurchase or cause the redemption of Stapled Securities, such repurchase or redemption must comply with the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Relevant Laws, Regulations and Guidelines. The REIT Manager and the Trustee-Manager may, subject to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Relevant Laws, Regulations and Guidelines, suspend the repurchase or redemption of Stapled Securities for any period when the issue of Stapled Securities is suspended pursuant to Clause 4.9.

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8.3 Repurchase Price

For the purposes of Clauses 8.1 and 8.2, the Repurchase Price shall be:

8.3.1 in respect of the repurchase or redemption of Stapled Securities prior to the Listing Date, an amount determined by the REIT Manager and the Trustee-Manager in their absolute discretion. Such amount may be less than, equal to or more than the Current Stapled Security Value of the relevant Stapled Securities on the day the REIT Manager's and the Trustee-Manager's offer to repurchase or cause the redemption of Stapled Securities is accepted; and

8.3.2 in respect of the repurchase or redemption of Stapled Securities after the Listing Date (whether or not OUE H-Trust is Listed or has been Unlisted at the time the Manager's offer to repurchase or redeem Units is made), the Current Stapled Security Value of the relevant Stapled Securities on the day the request is accepted by the REIT Manager and the Trustee-Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

The Repurchase Charge shall be retained by the REIT Manager and the Trustee-Manager for their own benefit and the adjustment shall be retained as part of the Deposited Property of OUE H-REIT and/or OUE H-BT. The REIT Manager and the Trustee-Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Stapled Securities to be repurchased by the REIT Manager and the Trustee-Manager from them respectively. The bases on which the REIT Manager and the Trustee-Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Stapled Securities and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given, it cannot be revoked without the consent of the REIT Manager and the Trustee-Manager. The REIT Manager and the Trustee-Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Stapled Securities during any period when the issue of Stapled Securities is suspended pursuant to Clause 4.9.

9. REGISTRATION OF HOLDERS

9.1 Register of Holders

An up-to-date Register shall be kept in Singapore by the REIT Trustee and the Trustee-Manager or their agents in such manner as may be required by any Relevant Laws, Regulations and Guidelines. The Register shall be maintained at all times whether OUE H-Trust is Listed or Unlisted. For so long as OUE H-Trust is Listed on the SGX-ST, the REIT Trustee and the Trustee-Manager shall record the Depository as the registered holder of all Stapled Securities in issue in the Register. In the event that OUE H-Trust is Unlisted, the REIT Trustee and the Trustee-Manager shall record each Holder as the registered holder of Stapled Securities held by such Holder. There shall be entered in the Register, in respect of each Holder or person who has ceased to be a Holder, the following information as soon as practicable after the REIT

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Trustee and the Trustee-Manager or the persons appointed pursuant to Clause 9.15 as their agents to keep and maintain the Register receives the following relevant information:

- 9.1.1 the names and addresses of the Holders (and in the case where the registered Holder is the Depository, the name and address of the Depository);
- 9.1.2 the number of Stapled Securities held by each Holder;
- 9.1.3 the date on which every such person entered in respect of the Stapled Securities standing in his name became a Holder and where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;
- 9.1.4 the date on which any transfer is registered and the name and address of the transferee; and
- 9.1.5 where applicable, the date on which a Holder ceased to be a Holder of Stapled Securities.

Stapled Securities may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

The REIT Trustee and/or the Trustee-Manager shall have the power to rectify the Register if it appears to the REIT Trustee and/or the Trustee-Manager that any of the particulars recorded in the Register (including those particulars set out in this Clause 9.1) is wrongly entered or omitted.

9.2 Unlisted Stapled Securities

For so long as OUE H-Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Stapled Securities held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves, to the satisfaction of the REIT Trustee, the REIT Manager and the Trustee-Manager, that the Register is incorrect.

9.3 Listed Stapled Securities

- 9.3.1 For so long as OUE H-Trust is Listed, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Stapled Securities held by the Depository and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the REIT Manager and the Trustee-Manager to the Depository under Clause 3.4, the entries in the Register shall prevail unless the REIT Trustee, the REIT Manager, the Trustee-Manager and the Depository mutually agree that the Register is incorrect.
- 9.3.2 For so long as OUE H-Trust is Listed on the SGX-ST, the REIT Manager, the REIT Trustee and the Trustee-Manager shall have entered into the Depository Services Terms and Conditions for the Depository to maintain a record in the Depository Register of the Depositors having Stapled Securities credited into their respective

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Securities Accounts and to record in the Depository Register the information referred to in Clauses 9.1.1 to 9.1.5 in relation to each Depositor. Each Depositor named in the Depository Register shall for such period as the Stapled Securities are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Stapled Securities entered against such Depositor's name in the Depository Register and the REIT Trustee, the REIT Manager and the Trustee-Manager shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. Subject to the terms of the Depository Services Terms and Conditions, two or more persons may be registered as Joint Depositors of Stapled Securities.

- 9.3.3** The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Stapled Securities held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation notes, statements of account balances and statements of transactions and accounts balances issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves, to the satisfaction of the REIT Trustee, the REIT Manager, the Trustee-Manager and the Depository that the Depository Register is incorrect.

9.4 Change of Name or Address

For so long as OUE H-Trust is Unlisted, any change of name or address on the part of any Holder shall forthwith be notified to the REIT Manager and the Trustee-Manager in writing or in such other manner as the REIT Manager and the Trustee-Manager may approve. If the REIT Manager and the Trustee-Manager is satisfied with the change in name or address and that all formalities as may be required by the REIT Manager and Trustee-Manager have been complied with, the REIT Manager and the Trustee-Manager shall alter or cause to be altered the Register accordingly.

9.5 Inspection of Register

Except when the Register is closed in accordance with Clause 9.6, the Register shall during Business Hours (subject to such reasonable restrictions as the REIT Trustee and Trustee-Manager may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder or (as the case may be) any Depositor, without charge PROVIDED THAT if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 9.5 may be satisfied by the production of legible evidence of the contents of the Register.

9.6 Closure of Register

Subject to the Relevant Laws, Regulations and Guidelines, the Register may be closed at such times and for such periods as the REIT Trustee and Trustee-Manager may from time to time determine PROVIDED THAT it shall not be closed for more than 30 days in any one year.

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9.7 Transfer of Stapled Securities

9.7.1 For so long as OUE H-Trust is Listed on the SGX-ST, transfers of Stapled Securities between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Stapled Securities that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 9.2 to 9.6 shall not apply. The REIT Manager and the Trustee-Manager shall be entitled to appoint the Depository to facilitate transactions of Stapled Securities within the Depository and maintain records of Stapled Securities of Depositors credited into Securities Accounts and to pay out of the Deposited Property of OUE H-REIT and/or OUE H-BT all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Stapled Securities on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Stapled Securities on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the REIT Manager and Trustee-Manager and/or the Depository shall be borne by the Depositor or (as the case may be) the Depositor who is the transferor. There are no restrictions as to the number of Stapled Securities (whether Listed or Unlisted) which may be transferred by a transferor to a transferee. For so long as OUE H-Trust is Listed, in the case of a transfer of Stapled Securities credited from a Securities Account into another Securities Account, the instrument of transfer (if applicable) shall be in such form as provided by the Depository and the transferor shall be deemed to remain the Depositor of the Stapled Securities transferred until the relevant Stapled Securities have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered in the Depository Register. If the Stapled Securities are Listed on any other Recognised Stock Exchange, the transfer of Stapled Securities shall be in accordance with the requirements of the relevant Recognised Stock Exchange. No transfer or purported transfer of a Listed Stapled Security other than a transfer made in accordance with this Clause 9.7.1, shall entitle the transferee to be registered in respect thereof.

9.7.2 For so long as OUE H-Trust is Unlisted, every Holder shall be entitled to transfer any of the Units held by him or, in the case of Joint Holders, by any one of the Joint Holders as follows:

- (i) a transfer of Stapled Securities shall be effected by an instrument of transfer in writing in common form (or in such other form as the REIT Trustee, the REIT Manager and the Trustee-Manager may from time to time approve);
- (ii) every instrument of transfer relating to Stapled Securities must be signed by the transferor and the transferee and, subject to the provisions of Clause 9.7, the transferor shall be deemed to remain the Holder of the Stapled Securities transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed;

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- (iii) all charges in relation to such transfer as may be imposed by the REIT Trustee and the Trustee-Manager shall be borne by the Holder who is the transferor; and
- (iv) there are no restrictions as to the number of Stapled Securities which may be transferred.

9.7.3 Every instrument of transfer referred to in Clause 9.7.2 must be duly stamped (if required by law) and left with the REIT Manager and the Trustee-Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any Relevant Laws, Regulations and Guidelines for the time being in force and by such evidence as the REIT Manager and Trustee-Manager may require to prove the title of the transferor or his right to transfer the Stapled Securities.

9.7.4 For so long as OUE H-Trust is Unlisted, the REIT Trustee, upon notification by the REIT Manager, shall alter or cause to be altered the Register to record the date of each transfer effected in respect of Stapled Securities and the name and address of the transferee with the Trustee-Manager.

9.7.5 For so long as OUE H-Trust is Unlisted, all instruments of transfer which shall be registered in respect of Stapled Securities shall be retained by the REIT Trustee and Trustee-Manager.

9.7.6 For so long as OUE H-Trust is Unlisted, a fee not exceeding S\$10 (or such other amount as the REIT Trustee, the REIT Manager and Trustee-Manager may from time to time agree), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the REIT Trustee and the Trustee-Manager for the registration of any transfer by an instrument of transfer of Stapled Securities. Such fee must, if required by the REIT Trustee and the Trustee-Manager, be paid before the registration of any transfer.

9.7.7 No transfer or purported transfer of a Stapled Security other than a transfer made in accordance with this Clause 9 shall entitle the transferee to be registered in respect thereof and neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.

9.7.8 For so long as OUE H-Trust is Unlisted and while Stapling applies, subject to the Relevant Laws, Regulations and Guidelines, the REIT Trustee and/or the Trustee-Manager must not register any transfer of Stapled Securities unless it is a single instrument of transfer of Stapled Securities and any provision of this Clause 9.7 referring to a transfer of Stapled Securities will be deemed to be a reference to such a transfer.

9.8 Death of Holders

The executors or administrators of a deceased Holder or Depositor of Stapled Securities (not being a Joint Holder or Joint Depositor) shall be the only persons recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having title to the Stapled Securities. In case of the death of any one of the Joint Holders or Joint Depositors of Stapled Securities and subject to any Relevant Laws, Regulations and Guidelines, the survivor or survivors, upon producing such evidence of death as the REIT Trustee, the REIT Manager and the Trustee-Manager may

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require, shall be the only person or persons recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having any title to or interest in the Stapled Securities PROVIDED THAT where the sole survivor is a Minor, the REIT Trustee, the REIT Manager and the Trustee-Manager shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obligated to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder or Joint Depositor, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder or Joint Depositor, the Minor Joint Holder or Minor Joint Depositor or the Minor Joint Holder's or Minor Joint Depositor's legal guardian in omitting to act on any request, application or instruction given by any of them (in the case of the Minor, before he attains the age of 18 years).

9.9 Body Corporate

A body corporate may be registered as a Holder or as one of the Joint Holders. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation shall, be the only person recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having title to the Stapled Securities of such corporate Holder. The registration of a body corporate as a Depositor or as one of two or more Joint Depositors of Stapled Securities shall be in accordance with the Depository's terms and conditions for the operation of Securities Accounts. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the REIT Trustee, the REIT Manager and the Trustee-Manager of such succession, be the only person recognised by the REIT Trustee, the REIT Manager and the Trustee-Manager as having title to the Stapled Securities.

9.10 Minors

A Minor shall not be registered as a sole Holder but may be registered as a Joint Holder PROVIDED THAT each of the other Joint Holders is a person who has attained the age of 18 years. In the event that one of the Joint Holders is a Minor, the REIT Trustee, the REIT Manager and the Trustee-Manager need only act on the instructions given by the other Joint Holder or Joint Holders who has or have attained the age of 18 years.

9.11 Transmission

- 9.11.1 Any person becoming entitled to a Stapled Security in consequence of the death or bankruptcy of any sole Holder or (as the case may be) Depositor or of being the survivor of Joint Holders or (as the case may be) Joint Depositors may (subject as hereinafter provided), upon producing such evidence as to his title as the REIT Trustee, the REIT Manager and the Trustee-Manager shall think sufficient, either be registered himself as Holder of such Stapled Security upon giving to the REIT Manager and the Trustee-Manager notice in writing of his desire or transfer such Stapled Security to some other person. The Trustee-Manager, upon receipt of any such notice, and the REIT Trustee, upon the REIT Manager's notification, shall alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder or (as the case may be) the Depositor.

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9.11.2 Any person becoming entitled to a Stapled Security in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Stapled Security but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meetings of OUE H-REIT Unitholders or OUE H-BT Unitholders until he shall have been registered as the Holder of such Stapled Security in the Register or (as the case may be) the Depositor of such Stapled Security in the Depository Register.

9.11.3 The REIT Manager and Trustee-Manager may retain any moneys payable in respect of any Stapled Security which any person is, under the provisions as to the transmission of Stapled Securities hereinbefore contained, entitled to be registered as the Holder of or which any person under those provisions is entitled to the transfer of until such person shall be registered as the Holder of such Stapled Security or shall duly transfer the same.

9.12 Payment of Fee

In respect of the registration of any probate, letters of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or any other document relating to or affecting the title to any Stapled Security, the REIT Trustee and the Trustee-Manager may require from the person applying for such registration a fee of S\$10 (or such other amount as the REIT Manager, the REIT Trustee and the Trustee-Manager may from time to time agree) together with a sum sufficient in the opinion of the REIT Trustee and the Trustee-Manager to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration. Such fee, if required by the REIT Trustee and the Trustee-Manager, must be paid before the registration of any transfer.

9.13 Removal from Register

For so long as OUE H-Trust is Unlisted, upon the registration of a transfer of Stapled Securities in favour of the REIT Manager and the Trustee-Manager, the name of the Holder shall be removed from the Register in respect of such Stapled Securities but the names of the REIT Manager and the Trustee-Manager need not be entered in the Register as the Holder of such Stapled Securities. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Stapled Securities or as withdrawing the same from issue.

9.14 Registers must be consistent

The REIT Trustee and the Trustee-Manager must ensure that the OUE H-REIT and OUE H-BT registers of Holders, if kept separately, are entirely consistent with one another.

9.15 Registrar

The REIT Trustee may, with the approval of the REIT Manager, and the Trustee-Manager may at any time or from time to time appoint agents on their behalf to keep and maintain the Register. The fees and expenses of the Registrar (as may be agreed from time to time between the REIT Trustee, the REIT Manager, the Trustee-Manager and the Registrar) shall be payable out of the Deposited Property of OUE H-REIT and/or OUE H-BT.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

11. UNSTAPLING

11.1 Procedure for Unstapling

11.1.1 From the Stapling Commencement Date all Units will remain Stapled for so long as the Stapled Securities remain in issue, until:

- (i) otherwise determined by Extraordinary Resolutions of the OUE H-REIT Unitholders and the OUE H-BT Unitholders;
- (ii) Stapling becomes unlawful or prohibited by the Listing Rules and all other applicable laws, regulations and guidelines; or
- (iii) the date on which either OUE H-REIT or (as the case may be) OUE H-BT is terminated or (as the case may be) wound up.

11.1.2 On and from the occurrence of an event described in Clause 11.1.1;

- (i) the REIT Manager and the Trustee-Manager must procure that the OUE H-REIT Units and the OUE H-BT Units are Unstapled; and
- (ii) except in relation to the ongoing obligations in Clause 5.1.4 and Clause 11.2 and covenants in Clauses 15, 16 and 17, this Deed ceases to be of any force or effect.

11.2 Consequences of Unstapling

If, as a consequence of Unstapling, the OUE H-REIT Units and the OUE H-BT Units are no longer Stapled, the REIT Trustee and the Trustee-Manager must promptly:

- 11.2.1 repay any outstanding amount under any loan (including any interest thereon) given to it by the other party prior to Unstapling, unless the other party otherwise agrees;
- 11.2.2 pay any outstanding amounts (including any interest thereon) which it is responsible for under Clause 6.1.2 (unless the other party otherwise agrees); and
- 11.2.3 obtain a release of the other party from any guarantee or other security given by that party to any person in respect of any liability of that party.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

2. THE RIGHTS OF STAPLED SECURITYHOLDERS IN RESPECT OF DISTRIBUTIONS

(a) H-REIT TRUST DEED

11. DISTRIBUTIONS

11.1 Distribution of Income

Subject to this Clause 11 and the Relevant Laws, Regulations and Guidelines, the Manager shall make regular distributions of all (or such lower percentage as determined by the Manager in its absolute discretion) of:

11.1.1 the Net Taxable Income (excluding gains from sale of Authorised Investments determined by the IRAS to be trading gains); and

11.1.2 the Net Tax-Exempt Income,

to Holders at quarterly, half-yearly or yearly intervals or at such other intervals as the Manager shall decide in its absolute discretion.

The Manager shall further procure that any Special Purpose Vehicle owned by the Trust will similarly distribute all (or such lower percentage as determined by the Manager in its absolute discretion) of their respective income and gains that are legally available for distribution.

11.2 Manager to Collect

The Manager must collect and pay to the Trustee and the Trustee must receive all moneys, rights and property paid or receivable in respect of the Trust.

11.3 Determination of Income and Reserves

The Manager (acting after consulting the Auditors) is to determine whether any item is income in nature or capital in nature and the extent to which reserves or provisions need to be made. If the Manager determines any item to be capital in nature, the Manager may apply it to any item in the balance sheet of the Trust including, without limitation, Holders' funds and Investments. This Clause 11.3 applies to distributions and to books of account.

11.4 Frequency of Distribution of Income

The Manager will endeavour to ensure that for each Financial Year there is at least one distribution and the last distribution covers the period up to the last day of the Financial Year. For each Distribution Period the Manager will calculate, and the Trustee will distribute, each Holder's Distribution Entitlement, in accordance with the provisions of this Clause 11.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

11.4.1 “Distributable Amount” for a Distribution Period is to be determined in accordance with the following formula:

$$DA = NTI + I + E + C$$

Where:

“DA” is the Distributable Amount;

“NTI” (for any Distribution Period prior to the Listing Date) is the Net Taxable Income determined by the Manager; and

(for any Distribution Period after the Listing Date) is the Net Taxable Income for the Distribution Period determined by the Manager less an amount equal to so much of the Net Taxable Income for that Distribution Period directly assessed to Tax on the Trustee and in respect of which Tax has been paid or is payable by the Trustee;

“I” (for any Distribution Period prior to the Listing Date) is so much of the amount (which may be a negative amount) by which Net Taxable Income as agreed between the Manager and the IRAS for any Distribution Period preceding the Distribution Period for which the Distributable Amount is being calculated, exceeds or is less than the Net Taxable Income for that preceding Distribution Period distributed pursuant to this Clause as NTI, but so that the amount is only taken into account in determining the Distributable Amount for the Distribution Period prior to the Listing Date and ending immediately after the agreement between the IRAS and the Manager is reached; and

(for any Distribution Period after the Listing Date) is so much of the amount (which may be a negative amount) by which Net Taxable Income as agreed between the Manager and the IRAS for any Financial Year preceding the Financial Year in which the Distribution Period occurs (less an amount equal to so much of the Net Taxable Income for that Distribution Period directly assessed to Tax on the Trustee and in respect of which Tax has been paid or is payable by the Trustee), exceeds or is less than the Net Taxable Income for that preceding Financial Year distributed pursuant to this Clause 11 as NTI but so that the amount is only taken into account in determining the Distributable Amount for the Distribution Period ending immediately after the agreement between the IRAS and the Manager is reached;

“E” is any amount of Net Tax-Exempt Income which the Manager has determined is to be distributed; and

“C” is any additional amount (including capital), which may be a negative amount, which the Manager has determined is to be distributed or if thought fit by the Manager, to be transferred to or from an undistributed income reserve account.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

11.4.2 Each Holder's Distribution Entitlement is to be determined in accordance with the following formula:

$$DE = DA \times \frac{UH}{UI}$$

where:

"DE" is the Distribution Entitlement;

"DA" is the Distributable Amount;

"UH" is the number of Units held by the Holder, at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent he is entitled to participate in the Distributable Amount; and

"UI" is the number of Units in issue in the Trust at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent the Holder is entitled to participate in the Distributable Amount.

11.5 Distribution of Entitlement

11.5.1 The Trustee must in respect of each Distribution Period pay to each Holder, his Distribution Entitlement on or before the Distribution Date for the Distribution Period.

11.5.2 For the purpose of identifying the persons who are entitled to the Distribution Entitlement for a Distribution Period, the persons who are Holders on the Record Date for that Distribution Period have an absolute, vested and indefeasible interest in their respective Distribution Entitlements for that Distribution Period.

11.5.3 The Manager and the Trustee must deduct from each Holder's Distribution Entitlement all amounts which:

- (i) are necessary to avoid distributing a fraction of a cent;
- (ii) the Manager determines not to be practical to distribute on a Distribution Date;
- (iii) equal any amount of Tax which has been paid or which the Manager determines is or may be payable by the Trustee or the Manager in respect of the portion of the income of the Trust attributable to such Holder or the amount of the distribution otherwise distributable to such Holder;
- (iv) are required to be deducted by law, the Tax Ruling or this Deed; or
- (v) are payable by the Holder to the Trustee or the Manager.

11.5.4 The Manager must direct the Trustee as to how any sum so retained is to be applied and/or paid.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

11.6 Holder Notification

Each Holder must as and when required by the Manager, provide such information as to his place of residence for taxation purposes as the Manager may from time to time determine.

11.7 Composition of Distribution

Following the end of each Financial Year, the Manager must notify each Holder of:

11.7.1 the extent to which a distribution under this Clause 11 is composed of, and the types of, income and capital (which shall be determined by the Manager in its absolute discretion); and

11.7.2 any amounts deducted under Clauses 11.5.3(iii) and 11.5.3(iv).

11.8 Tax Declaration Forms and Tax Distribution Vouchers

11.8.1 The Manager shall where necessary in respect of each Distribution Period before the Distributable Amounts are paid out send to each Holder, a tax declaration form for the purpose of each Holder declaring his tax status. The Manager and the Trustee may rely on any representation made by a Holder as to his tax status made on each relevant tax declaration form returned to the Manager (or its agent) or the Trustee to determine whether or not to deduct Tax from the Distributable Amount. If a Holder fails to make any such declaration in time for a distribution, the Manager and the Trustee shall proceed to deduct the appropriate amount of Tax from the Distributable Amount due to that Holder.

11.8.2 On a distribution having been made, the Trustee shall where necessary issue to each Holder a tax distribution voucher prepared by the Manager in a form approved by the Trustee and the IRAS. In the case of any distribution made on termination of the Trust, each tax distribution voucher shall show what proportion of the distribution represents capital, what proportion represents income exempt from Singapore income tax or income subject to Singapore income tax and what proportion represents the portion of any tax payable by the Trustee on income and gains attributable to the Holders.

11.9 Categories and Sources of Income

11.9.1 For any category or source of income the Manager may keep separate accounts and allocate the income from any category or source to any Holder.

11.9.2 The Manager may cause the distribution of any amount recorded in an account or record kept pursuant to Clause 11.9.1 before the distribution of any other amount.

11.10 Distribution Policy

The Manager and the Trustee acknowledge that subject to the Trust's distribution policy, on and after the Listing Date, it is to distribute as much of its income as practicable.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

11.11 Distribution Reinvestment Arrangements

The Manager may advise Holders, from time to time in writing that Holders, may, on terms as permitted by the Property Funds Appendix, the Listing Rules or the listing rules of the relevant Recognised Stock Exchange and all other Relevant Laws, Regulations and Guidelines and as specified in the notice, participate in an arrangement under which Holders may request that all or a proportion of specified distributions due to them be applied to the issue of further Units PROVIDED THAT the Issue Price for any such Units to be issued shall be the Issue Price determined in accordance with Clause 5.3 if the Units are Listed and Clause 5.4 if the Units are Unlisted. The Units so issued shall be deemed to be purchased by such Holders. The Manager shall be entitled to amend the terms of any such distribution reinvestment arrangements from time to time by notice in writing to Holders. In the event that the Trust is part of a Stapled Group, the terms of any distribution reinvestment arrangements shall be agreed between the Manager and the other entities in the Stapled Group or responsible entities of such entities in the Stapled Group.

11.12 Capitalisation of Undistributed Distributable Amount

Prior to the Listing Date, the Manager, with the agreement of all Holders, may elect not to distribute in accordance with Clause 11.4 and in lieu of such distribution capitalise the undistributed Distributable Amount.

11.13 Distribution of Capital and Unrealised Gains

Subject to the Relevant Laws, Regulations and Guidelines, the Manager may with the consent of the Trustee (which consent shall not be unreasonably withheld) cause the distribution of an amount which represents:

11.13.1 part of the capital of the Trust and which the Manager reasonably determines to be in excess of the financial needs of the Trust;

11.13.2 part or all of the unrealised gains (including any revaluation gains); or

11.13.3 any other amount which the Manager deems appropriate.

12. PLACE AND CONDITIONS OF PAYMENT

12.1 Place and Conditions of Payment

12.1.1 Any moneys payable by the Trustee to any Holder on the relevant Record Date under the provisions of this Deed shall be paid in the case of Holders who do not hold their Units jointly with any other person, by cheque or warrant (if applicable) sent through the post to the registered address of such Holder or, in the case of Joint Holders, to the registered address of the Joint Holder who is first named in the Register or to the registered address of any other of the Joint Holders as may be authorised by all of them. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee. Where the Trustee receives the necessary authority in such form as the Trustee shall consider sufficient, the Trustee shall pay the amount due to any Holder to his bankers or other agent and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

12.1.2 Any moneys payable by the Trustee to any Depositor appearing in the Depository Register on the relevant Record Date under the provisions of this Deed shall be paid, in the case of such Depositor's Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities credited into a Securities Account, by transferring such moneys into the Depository's bank account (as notified to the Manager and the Trustee) and by the Trustee causing the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the registered address of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Manager and the Depository. Payment of the moneys by the Trustee to the Depository shall be a satisfaction of the moneys payable to the relevant Depositor and shall be a good discharge to the Trustee. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed shall be borne out of the Deposited Property.

12.1.3 No amount payable to any Holder or Depositor shall bear interest.

12.2 Deductions

Before any payment is made to a Holder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any income or other taxes, charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government taxes or charges payable by the Manager or (as the case may be) the Trustee for which the Manager or (as the case may be) the Trustee may be made liable in respect of or in connection therewith.

There may also be deducted from such payment the amount of any stamp duties or other governmental taxes or charges payable by the Manager or, as the case may be, the Trustee or for which either of them may be made liable in respect of such payment or any documents signed by it in connection therewith.

Neither the Manager or the Trustee shall be liable to account to a Holder for any payment made or suffered to be made by the Manager or (as the case may be) the Trustee in good faith and in the absence of fraud, gross negligence, wilful default, a breach of this Deed or a breach of trust (in the case of the Trustee) to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered to be made.

12.3 Receipt of Holders

The receipt of the Holder or (as the case may be) the Depository on behalf of the Depositors, for any amounts payable in respect of Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities shall be a good discharge to the Manager or (as the case may be) the Trustee and if several persons are registered as Joint Holders or, in consequence of the death of a Holder, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

12.4 Unclaimed Moneys

- 12.4.1** Any moneys payable to a Holder under this Deed which remain unclaimed after a period of 12 months shall be accumulated in a special account (the “**Unclaimed Moneys Account**”) from which the Trustee may, from time to time, make payments to a Holder claiming any such moneys.
- 12.4.2** Subject to Clause 26, the Trustee shall cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into court after deducting from such sum all fees, costs and expenses incurred in relation to such payment into court PROVIDED THAT if the said moneys are insufficient to meet all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property.
- 12.4.3** Clauses 12.4.1 and 12.4.2 shall not apply to moneys payable to a Holder which remain unclaimed where the Trust is Listed and to the extent that such unclaimed moneys are held by the Depository. Subject to Clause 26, the Trustee shall cause such sums which are returned by the Depository to the Trustee (and which have remained unclaimed by a Holder for a period of six years after the time when such moneys became payable to such Holder) to be paid into court after deducting from such sum all fees, costs and expenses incurred in relation to such payment into court PROVIDED THAT if the said moneys are insufficient to meet all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property.

(b) H-BT TRUST DEED

11. DISTRIBUTIONS

11.1 Distribution to Holders

Subject to this Clause 11 and the Relevant Laws, Regulations and Guidelines, the Trustee-Manager may, at its sole discretion, make distributions to Holders at half-yearly intervals or at such other intervals as the Trustee-Manager shall decide in its absolute discretion. The Trustee-Manager shall further procure that any Special Purpose Vehicle owned by the Trust will similarly distribute all (or such lower percentage as determined by the Trustee-Manager in its absolute discretion) of their respective income and gains that are legally available for distribution.

11.2 Determination of Distributable Amount and Reserves

The Trustee-Manager (acting after consultation with the Auditors) may from time to time at its absolute discretion:

- 11.2.1** set aside out of the profits of the Trust and to carry to reserve such sums and make such provisions as it thinks fit;
- 11.2.2** determine the amount available for distribution; and
- 11.2.3** capitalise any sum for the time being standing in the reserves or otherwise available for distribution.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

11.3 Frequency of Distribution of Income

For each Distribution Period the Trustee-Manager will calculate and distribute each Holder's Distribution Entitlement in accordance with the provisions of this Clause 11.

11.4 Distribution Entitlement

11.4.1 "Distributable Amount" for a Distribution Period is to be determined in accordance with the following formula:

$$DA = E + C$$

Where:

"DA" is the Distributable Amount;

"E" is any amount which the Trustee-Manager has determined is to be distributed after any reserve determined pursuant to Clause 11.2; and

"C" is any additional amount (including capital), which may be a negative amount, which the Trustee-Manager has determined is to be distributed after any reserve determined pursuant to Clause 11.2 or if thought fit by the Trustee-Manager, to be transferred to or from an undistributed income reserve account.

11.4.2 Each Holder's Distribution Entitlement is to be determined in accordance with the following formula:

$$DE = DA \times \frac{UH}{UI}$$

where:

"DE" is the Distribution Entitlement;

"DA" is the Distributable Amount;

"UH" is the number of Units held by the Holder at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent he is entitled to participate in the Distributable Amount; and

"UI" is the number of Units in issue in the Trust at the close of business on the Record Date for the relevant Distribution Period.

11.5 Distribution of Entitlement

11.5.1 Upon declaration by the Trustee-Manager of a distribution, each Holder shall be entitled to receive and the Trustee-Manager shall pay, the Holder's Distribution Entitlement on or before the Distribution Date for the Distribution Period.

11.5.2 The persons who are Holders on the Record Date for a Distribution Period are entitled to their respective Distribution Entitlements for that Distribution Period.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

11.5.3 The Trustee-Manager may deduct from each Holder's Distribution Entitlement all amounts which:

- (i) are necessary to avoid distributing a fraction of a cent;
- (ii) the Trustee-Manager determines not to be practical to distribute on a Distribution Date;
- (iii) equal any amount of Tax which has been paid or which the Trustee-Manager determines is or may be payable by the Trustee-Manager in respect of the portion of the income of the Trust attributable to such Holder, or the amount of the distribution otherwise distributable to such Holder;
- (iv) are required to be deducted by law, the Tax Ruling or this Deed; or
- (v) are payable by the Holder to the Trustee-Manager.

11.5.4 The Trustee-Manager may in its absolute discretion determine how any sum so retained is to be applied and/or paid.

11.6 Holder Notification

Each Holder must as and when required by the Trustee-Manager, provide such information as to his place of residence for taxation purposes as the Trustee-Manager may from time to time determine.

11.7 Categories and Sources of Income

11.7.1 Subject to Clause 11.4.2, for any category or source of income the Trustee-Manager may keep separate accounts and allocate the income from any category or source to any Holder.

11.7.2 The Trustee-Manager may cause the distribution of any amount recorded in an account or record kept pursuant to Clause 11.7.1 before the distribution of any other amount.

11.8 Distribution Policy

The Trustee-Manager acknowledges that subject to the Trust's distribution policy on and after the Listing Date, it is to distribute as much of its income as practicable.

11.9 Distribution Reinvestment Arrangements

The Trustee-Manager may advise Holders, from time to time in writing that Holders, may, on terms as permitted by the Listing Rules or the listing rules of the relevant Recognised Stock Exchange and all other Relevant Laws, Regulations and Guidelines and as specified in the notice, participate in an arrangement under which Holders may request that all or a proportion of specified distributions due to them be applied to the issue of further Units subject to Clause 5.1 and PROVIDED THAT the Issue Price for any such Units to be issued shall be the Issue Price determined in accordance with Clause 5.3 if the Units are Listed and Clause 5.2 or 5.4 if the Units are Unlisted. The Units so issued shall be deemed to be purchased by such Holders. The Trustee-Manager shall be entitled to amend the terms of any such distribution

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

reinvestment arrangements from time to time by notice in writing to Holders. In the event that the Trust is part of a Stapled Group, the terms of any distribution reinvestment arrangements shall be agreed between the Trustee-Manager and the other entities in the Stapled Group or responsible entities of such entities in the Stapled Group.

11.10 Capitalisation of Undistributed Distributable Amount

Prior to the Listing Date, the Trustee-Manager, with the agreement of all Holders, may elect not to distribute in accordance with Clause 11.3 and in lieu of such distribution capitalise the undistributed Distributable Amount.

11.11 Distribution of Capital and Unrealised Gains

Subject to the Relevant Laws, Regulations and Guidelines, the Trustee-Manager may at its discretion cause the distribution of an amount which represents:

11.11.1 part of the capital of the Trust and which the Trustee-Manager reasonably determines to be in excess of the financial needs of the Trust;

11.11.2 part or all of the unrealised gains (including any revaluation gains); or

11.11.3 any other amount which the Trustee-Manager deems appropriate.

12. PLACE AND CONDITIONS OF PAYMENT

12.1 Place and Conditions of Payment

12.1.1 Any moneys payable by the Trustee-Manager to any Holder on the relevant Record Date under the provisions of this Deed shall be paid, in the case of Holders who do not hold their Units jointly with any other person, by cheque or warrant (if applicable) sent through the post to the registered address of such Holder or, in the case of Joint Holders, to the registered address of the Joint Holder who is first named on the Register or to the registered address of any other of the Joint Holders as may be authorised by all of them. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee-Manager. Where the Trustee-Manager receives the necessary authority in such form as the Trustee-Manager shall consider sufficient, it shall pay the amount due to any Holder to his bankers or other agent and the receipt of such an amount by such bankers or other agent shall be a good discharge therefor.

12.1.2 Any moneys payable by the Trustee-Manager to any Depositor appearing in the Depository Register on the relevant Record Date under the provisions of this Deed shall be paid, in the case of such Depositor's Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities credited into a Securities Account, by transferring such moneys into the Depository's bank account (as notified to the Trustee-Manager) and the Trustee-Manager causing the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the registered address of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Trustee-Manager and the Depository.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

Payment of the moneys by the Trustee-Manager to the Depository shall be a satisfaction of the moneys payable to the relevant Depositor and shall be a good discharge to the Trustee-Manager. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed may be paid out of the Trust Property.

12.1.3 No amount payable to any Holder or Depositor shall bear interest.

12.2 Deductions

Before any payment is made to a Holder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any income or other taxes, charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government taxes or charges payable by the Trustee-Manager for which the Trustee-Manager may be made liable in respect of or in connection therewith.

The Trustee-Manager shall not be liable to account to a Holder for any payment made or suffered to be made by the Trustee-Manager in good faith and in the absence of fraud, wilful default, a breach of this Deed or a breach of trust or lack of Due Care to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered to be made.

12.3 Receipt of Holders

The receipt of the Holder or (as the case may be) the Depository on behalf of the Depositors for any amounts payable in respect of Units or (in the event that the Trust is part of a Stapled Group) Stapled Securities shall be a good discharge to the Trustee-Manager, and if several persons are registered as Joint Holders or, in consequence of the death of a Holder, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.

12.4 Unclaimed Moneys

12.4.1 Any moneys payable to a Holder under this Deed which remain unclaimed after a period of 12 months shall be accumulated in a special account (the "Unclaimed Moneys Account") from which the Trustee-Manager may, from time to time, make payments to a Holder claiming any such moneys.

12.4.2 Subject to Clause 24, the Trustee-Manager may, at its absolute discretion and if practicable, cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into court after deducting from such sum all fees, costs and expenses incurred in relation to such payment into court PROVIDED THAT if the said moneys are insufficient to meet all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the Trust Property.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

12.4.3 Clauses 12.4.1 and 12.4.2 shall not apply to moneys payable to a Holder which remain unclaimed where the Trust is Listed and to the extent that such unclaimed moneys are held by the Depository. Subject to Clause 24, the Trustee-Manager may, at its absolute discretion and if practicable, cause such sums which are returned by the Depository to the Trustee-Manager (and which have remained unclaimed by a Holder for a period of six years after the time when such moneys became payable to such Holder) to be paid into court after deducting from such sum all fees, costs and expenses incurred in relation to such payment into court PROVIDED THAT if the said moneys are insufficient to meet all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the Trust Property.

3. THE RIGHTS OF STAPLED SECURITYHOLDERS IN RESPECT OF VOTING

(a) H-REIT TRUST DEED

13. Voting Rights in Respect of the Deposited Property

13.1 Manager's Right to Determine How Voting Rights are Exercised

Except as otherwise expressly provided and subject to Clause 10.4 relating to Special Purpose Vehicles and Treasury Companies owned by the Trustee, all rights of voting conferred by any of the Deposited Property shall be exercised in such manner as the Manager may in writing direct and the Manager may refrain at its own discretion from the exercise of any voting rights and no Holder shall have any right to interfere or complain.

The Trustee shall, upon written request by and at the expense of the Manager from time to time, execute and deliver or cause to be executed or delivered to the Manager or its nominees such powers of attorney or proxies as the Manager may reasonably require, in such name or names as the Manager may request, authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Deposited Property.

The Manager shall be entitled to exercise the said rights in what the Manager may consider to be the best interests of the Holders, but neither the Manager nor the Trustee shall be under any liability or responsibility in respect of the management of the Investment in question nor in respect of any vote, action or consent given or taken or not given or not taken by the Manager whether in person or by proxy, and neither the Trustee nor the Manager nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted to be done or approval voted or given or withheld by the Trustee or the Manager or by the holder of such proxy or power of attorney under this Deed; and the Trustee shall be under no obligation to anyone and shall not incur any liability with respect to any action taken or caused to be taken or omitted to be taken by the Manager or by any such proxy or attorney.

The Manager shall in respect of its having exercised or not having exercised any such right of voting, action or consent keep a written record of such exercise or non-exercise and shall at all reasonable times during Business Hours give the Trustee and any Holder reasonable access to such record and allow the Trustee and any Holder to inspect such record but neither the Trustee nor any Holder shall be entitled to remove the same or to make any entries therein or alterations thereto,

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PROVIDED ALWAYS THAT if such record is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 13.1 may be satisfied by the production of legible evidence of the contents of such record.

13.2 Construction of Voting Rights

The phrase “**rights of voting**” or the word “**vote**” used in this Clause 13 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

30. Meetings of Holders

The provisions set out in Schedule 1 relating to meetings of Holders shall have effect as if the same were included herein.

Schedule 1

MEETING OF HOLDERS

1. A general meeting to be called the “Annual General Meeting” shall, in addition to any other meeting of Holders, be held once in every calendar year and not more than 15 months after the holding of the last preceding Annual General Meeting, but so long as the Trust holds its first Annual General Meeting within 18 months of its constitution, the Trust need not hold it in the year of its constitution or in the following year. Save as set out above and in Clause 21, all Annual General Meetings may be held at such time and place as may be determined by the Trustee and the Manager. All other general meetings shall be called Extraordinary General Meetings.
2. The Trustee or the Manager (and the Manager shall at the request in writing of not less than 50 Holders or Holders representing not less than 10.0% of the issued Units of the Trust) may at any time convene a meeting of Holders at such time and place (subject as hereinafter provided) as may be thought fit and the following provisions of this Schedule shall apply thereto. Any such meeting convened shall be held in Singapore.
3. Prior to the Listing Date or (in the event that the Trust is part of a Stapled Group) the listing of the Stapled Group, the Manager or (being a Holder) any Associate thereof shall be entitled to receive notice of and attend at any such meeting and shall be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the Manager or any Associate has a material interest.
4. After the Listing Date or (as the case may be) the listing of the Stapled Group, the Manager or (being a Holder), the controlling shareholders (as defined in the Listing Rules) of the Manager and any Associate thereof shall be entitled to receive notice of and attend at any such meeting but shall subject to paragraph 5(ii) of this Schedule, not be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the relevant controlling shareholders of the Manager or any Associate has a material interest (including, for the avoidance of doubt, interested person transactions (as defined in the Listing Rules and/or the listing rules of other relevant Recognised Stock Exchange) and interested party transactions (as defined in the Property Funds Appendix) and accordingly for

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the purposes of the following provisions of this Schedule, Units or (as the case may be) Stapled Securities held or deemed to be held by the Manager or any Associate shall not be regarded as being in issue under such circumstances. Any director, the secretary and any solicitor of the Manager, the Trustee and directors and any authorised official and any solicitor of the Trustee shall be entitled to attend and be heard at any such meeting.

5. A meeting of Holders duly convened and held in accordance with the provisions of this Schedule shall be competent by:
- (i) Extraordinary Resolution to:
 - (a) sanction any modification, alteration or addition to the provisions of this Deed which shall be agreed by the Trustee and the Manager as provided in Clause 28 of this Deed;
 - (b) sanction a supplemental deed (including an amending and restating deed) increasing the maximum permitted limit or any change in the structure of the Management Fee (including the Base Fee and the Performance Fee), the Acquisition Fee, the Divestment Fee and the Trustee's remuneration as provided in Clause 15 of this Deed;
 - (c) remove the Auditors and appoint other Auditors in their place as provided in Clause 22.3 of this Deed;
 - (d) remove the Trustee as provided in Clause 23.3.4 of this Deed;
 - (e) direct the Trustee to take any action pursuant to Section 295 of the Securities and Futures Act (relating to the winding up of the Trust); and
 - (f) delist the Trust after it has been Listed as provided in Clause 9.2 of this Deed; and
 - (ii) a resolution duly proposed and passed as such by a simple majority of Holders present and voting at a general meeting, with no Holder being disenfranchised, to remove the Manager as provided in Clause 24.1.4 of this Deed,

and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee. Any decision to be made by resolution of the Holders other than those specified in this paragraph 5(i) and (ii), shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the Securities and Futures Act, the Code or the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange.

- 5.1 Subject to paragraph 5.2 below, at least 2 days' notice (in the case of Holders' meetings prior to the Listing Date) or 14 days' notice (in the case of Holders' meetings after the Listing Date or (as the case may be) the listing of the Stapled Group to pass an Ordinary Resolution) or 21 days' notice (in the case of Holders' meetings after the Listing Date to pass an Extraordinary Resolution) (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Holders in manner provided in this Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed, and each such notice shall where required by any Relevant Laws, Regulations and Guidelines be given by advertisement in the

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daily press and in writing to each stock exchange on which the Trust or the Stapled Group is listed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. Any accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.

- 5.2 Notwithstanding the provisions of paragraph 5.1 above, a meeting of Holders convened by the Trustee for the purposes of the winding up of the Trust pursuant to the Securities and Futures Act shall comply with the relevant requirements of the Securities and Futures Act.
6. The quorum shall be not less than two Holders (whether present in person or by proxy) together holding or representing one-tenth in value of all the Units or (as the case may be) Stapled Securities for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.
7. If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman of the meeting. Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units or (as the case may be) Stapled Securities held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.
8. A person nominated in writing by the Trustee shall preside at every meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting, the Holders present shall choose one of their number to be the Chairman.
9. The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
10. At any meeting a resolution put to the vote of the meeting shall, subject to the requirements of the prevailing Relevant Laws, Regulations and Guidelines, be decided on a poll. A Holder shall not be entitled to vote unless all calls or other sums personally payable by him in respect of Units have been paid.
11. A poll shall be taken in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was conducted.
12. A poll shall be taken at such time and place as the Chairman directs.
13. On a poll every Holder who is present in person or by proxy shall have one vote for every Unit or (as the case may be) Stapled Security of which he is the Holder. A person entitled to more than one vote need not use all his votes or cast them the same way.
14. In the case of Joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other Joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first being the senior.

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15. On a poll votes may be given either personally or by proxy.
16. The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.
17. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee or the Manager with the approval of the Trustee may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder. The valid instrument appointing a proxy to vote at a meeting of the Holders shall be deemed to confer the same authority to demand or join in demanding a poll as that of the appointing Holder.
18. A Holder who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting.
19. A Holder who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting.
20. An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve.
21. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units or (as the case may be) Stapled Securities in respect of which the proxy is given PROVIDED THAT no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.
22. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Manager at the expense of the Manager and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.
23. A resolution in writing signed by or on behalf of all the Holders for the time being entitled to receive notice of any meeting of Holders shall be as valid and effectual as a resolution (including an Extraordinary Resolution) passed at a meeting of those Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Holders concerned.

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24. For the purpose of this Deed, an Extraordinary Resolution means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution (where voting is by poll) or by a majority of the number of Holders present and voting (where voting is by show of hands) at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Manager and an Ordinary Resolution means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution (where voting is by poll) or by a majority of the number of Holders present and voting (where voting is by show of hands) at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Manager.

An Extraordinary Resolution or (as the case may be) an Ordinary Resolution shall be binding on all Holders whether or not present at the relevant meeting and each of the Holders and the Trustee and the Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly.

25. A corporation, being a Holder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Holders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
26. For the purposes of determining the number of Units held in respect of Units, or (as the case may be) the number of Stapled Securities held in respect of Stapled Securities registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units or (as the case may be) Stapled Securities, each of the Trustee and the Manager shall be entitled and bound to accept as accurate the number of Units or (as the case may be) Stapled Securities credited into the Securities Account(s) of the relevant Depositor as shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee, and to accept as the maximum number of votes which in aggregate that Depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units or (as the case may be) Stapled Securities credited into the Securities Account(s) of the relevant Depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the Depositor or in the instrument of proxy. Neither the Trustee nor the Manager shall under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.
27. Notwithstanding anything in this Deed, where a corporation is beneficially entitled to all the Units or (as the case may be) Stapled Securities in issue and a minute is signed by a duly authorised representative of the corporation stating that any act, matter, or thing, or any Ordinary Resolution or Extraordinary Resolution, required by this Deed to be made, performed, or passed by or at a meeting of Holders has been made, performed, or passed, that act, matter, thing, or resolution shall, for all purposes, be deemed to have been duly made, performed, or passed by or at a meeting of Holders duly convened and at which a quorum is formed. For the avoidance of doubt, paragraph 8 of this Schedule need not be complied with when any act, matter, thing, or resolution is be deemed to have been duly made, performed, or passed by or at a duly convened meeting of Holders by virtue of this paragraph 26.

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(b) H-BT TRUST DEED

13. VOTING RIGHTS IN RESPECT OF THE TRUST PROPERTY

13.1 Trustee-Manager's Right to Determine How Voting Rights are Exercised

Except as otherwise expressly provided and subject to Clause 9.5 relating to Special Purpose Vehicles and Treasury Companies owned by the Trustee-Manager, all rights of voting conferred by any of the Trust Property shall be exercised in such manner as the Trustee-Manager may in writing direct and the Trustee-Manager may refrain at its own discretion from the exercise of any voting rights and no Holder shall have any right to interfere or complain.

The Trustee-Manager shall, from time to time, execute and deliver such powers of attorney or proxies, in such name or names as the Trustee-Manager may request, authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Trust Property.

The Trustee-Manager shall be entitled to exercise the said rights in what the Trustee-Manager may consider to be the best interests of the Holders, but the Trustee-Manager shall not be under any liability or responsibility in respect of the management of the Trust Asset in question nor in respect of any vote, action or consent given or taken or not given or not taken by the Trustee-Manager whether in person or by proxy save for when the Trustee-Manager is fraudulent, in wilful default, in breach of this Deed or breach of trust or fails to exercise Due Care, and neither the Trustee-Manager nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted to be done or approval voted or given or withheld by the Trustee-Manager or by the holder of such proxy or power of attorney under this Deed save for when the Trustee-Manager is fraudulent, in wilful default, in breach of this Deed or breach of trust or fails to exercise Due Care; and the Trustee-Manager shall be under no obligation to anyone and shall not incur any liability with respect to any action taken or caused to be taken or omitted to be taken by any such proxy or attorney save for when the Trustee-Manager is fraudulent in wilful default, in breach of this Deed or breach of trust or fails to exercise Due Care.

The Trustee-Manager shall in respect of its having exercised or not having exercised any such right of voting, action or consent keep a written record of such exercise or non-exercise and shall at all reasonable times during Business Hours give any Holder reasonable access to such record and allow any Holder to inspect such record but no Holder shall be entitled to remove the same or to make any entries therein or alterations thereto, PROVIDED ALWAYS THAT if such record is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 13.1 may be satisfied by the production of legible evidence of the contents of such record.

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13.2 Construction of Voting Rights

The phrase “**rights of voting**” or the word “**vote**” used in this Clause 13 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Trust Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

28. Meetings of Holders

The provisions set out in Schedule 1 relating to meetings of Holders shall have effect as if the same were included herein.

Schedule 1

Meeting of Holders

1. General Meetings

1.1 Annual general meetings

An Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting and, for so long as the Trust is Listed on the SGX-ST and/or any other Recognised Stock Exchange, within such period as may be prescribed by the Listing Rules and/or the listing rules of such other Recognised Stock Exchange) and place as may be determined by the Trustee-Manager. All other general meetings shall be called Extraordinary General Meetings.

1.2 Extraordinary general meetings

The Trustee-Manager may whenever it thinks fit, and shall on requisition in accordance with the Relevant Laws, Regulations and Guidelines, proceed with proper expedition to convene an Extraordinary General Meeting.

1.3 Requisition and calling of general meetings

Requisition of general meetings and calling of general meetings shall be in accordance with the Business Trusts Act and any other Relevant Laws, Regulations and Guidelines.

2. Notice of General Meeting

2.1 Subject to the Business Trusts Act and for so long as the Trust is Listed, the Listing Rules as well, notice of every general meeting shall be given to the Holders in the manner provided in this Deed. The period of notice shall be determined in accordance with the Business Trusts Act and for so long as the Trust is Listed, the Listing Rules as well, PROVIDED THAT the period of notice prescribed under the Business Trusts Act and the Listing Rules (as the case may be) shall not be inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given. Where there is an inconsistency between the Business Trusts Act and the Listing Rules on the period of notice required, the period of notice required for the purposes of this Deed shall be the longer of the periods of notice prescribed by the Business Trusts Act and the Listing Rules. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such businesses.

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- 2.2** The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed. The accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.
- 2.3** Notwithstanding the preceding sub-paragraphs of this paragraph 2 but subject to the Relevant Laws, Regulations and Guidelines, any notice or other document required to be served upon or sent to all the Holders for the time being shall be deemed to have been duly served or sent if published in any one leading English-language daily newspaper in Singapore and any one leading Chinese-language daily newspaper in Singapore. Any notice or document so served or sent shall be deemed to have been so served or sent on the date of such publication and, if the publication in the two newspapers does not appear on the same day, on the date of the later publication.

3. Proceedings at Meetings

3.1 Chairman of meetings

The chairman or deputy chairman of the Board or if the chairman or deputy chairman is not present or there is no chairman or deputy chairman present, a person nominated in writing by the Trustee-Manager shall preside as chairman (“**Chairman**”) at a general meeting. If the chairman or deputy chairman is not present within fifteen minutes after the time appointed for holding the general meeting, or in the case where there is no chairman or deputy chairman present and there is no person nominated in writing by the Trustee-Manager or such nominated person is not present, the Holders present shall choose one of their number to be Chairman.

3.2 Holders’ rights at meetings

Every Holder shall, notwithstanding any provision to the contrary in this Deed, have a right to attend any general meeting of the Holders and to speak and vote on any resolution before the meeting in accordance with paragraphs 3.5 and 3.6 of this Schedule.

3.3 Quorum

No business other than the appointment of a Chairman shall be transacted at any general meeting unless the quorum is present at the commencement of business. The quorum shall be not less than two Holders present in person or by proxy of one-tenth in value of all the Units for the time being in issue, PROVIDED THAT (i) a proxy representing more than one Holder shall only count as one Holder for the purpose of determining the quorum; and (ii) where a Holder is represented by more than one proxy such proxies shall count as only one Holder for the purpose of determining the quorum.

3.4 Adjournment of meetings

- 3.4.1** If within half an hour from the time appointed for a meeting (or such longer interval as the Chairman may think fit to allow) a quorum is not present, the general meeting, if convened on the requisition of Holders, shall be dissolved. In any other case it shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman.

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3.4.2 Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.

3.4.3 The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

3.5 Voting

3.5.1 At any meeting a resolution put to the vote of the meeting shall, subject to the requirements of the prevailing Relevant Laws, Regulations and Guidelines, be decided on a poll.

3.5.2 A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was conducted. The Chairman may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

3.5.3 A poll shall be taken at such time and place as the Chairman directs.

3.6 Votes of Holders

3.6.1 Subject to the Business Trusts Act, each Unit shall confer the right to poll at any meeting to one vote, and one vote only. A Holder shall not be entitled to vote unless all calls or other sums personally payable by him in respect of Units have been paid.

3.6.2 On a poll every Holder who is present in person or by proxy shall have one vote for every Unit of which he is the Holder. On a poll votes may be given either personally or by proxy. A person entitled to more than one vote need not use all his votes or cast them the same way.

3.6.3 In the case of Joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other Joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first being the senior.

3.6.4 Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Holder on the ground (however formulated) of mental disorder, the Trustee-Manager may in its absolute discretion, upon or subject to production of such evidence of the appointment as the Trustee-Manager may require, permit such receiver or other person on behalf of such Holder to vote in person or by proxy at any meeting or to exercise any other right conferred by holding of Units in relation to meetings.

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- 3.6.5** No Holder shall, unless the Trustee-Manager otherwise determines, be entitled in respect of Units held by him to vote at a meeting either personally or by proxy or to exercise any other right conferred by holding of Units in relation to meetings if any call or other sum presently payable by him to the Trust in respect of such Units remains unpaid.
- 3.6.6** For the purposes of determining the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities held in respect of Units registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units or (in the event the Trust is part of a Stapled Group) Stapled Securities, the Trustee-Manager shall be entitled and bound to accept as accurate the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities credited into the Securities Account(s) of the relevant Depositor as shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee-Manager, and to accept as the maximum number of votes which in aggregate that Depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities credited into the Securities Account(s) of the relevant Depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the Depositor or in the instrument of proxy. The Trustee-Manager shall not under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.

4. Proxies

- 4.1** An instrument of proxy may be in the usual common form or in any other form which the Trustee-Manager shall approve.
- 4.2** The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.
- 4.3** The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee-Manager may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Trustee-Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder.
- 4.4** A Holder who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting.
- 4.5** A Holder who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting.

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- 4.6** In any case where a form of proxy appoints more than one proxy, the proportion of the holding of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities concerned to be represented by each proxy shall be specified in the form of proxy. Where a Holder appoints two proxies and does not specify the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities to be represented by each proxy, then the Units or (in the event the Trust is part of a Stapled Group) Stapled Securities held by the Holder are deemed to be equally divided between the proxies.
- 4.7** If the Holder is a Depositor, the Trustee-Manager shall be entitled and bound:
- 4.7.1** to reject any instrument of proxy lodged if the Depositor is not shown to have any Units or (in the event the Trust is part of a Stapled Group) Stapled Securities entered against his name in the Depository Register as at 48 hours before the time of the relevant meeting as certified by the Depository to the Trust; and
- 4.7.2** to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of Units or (in the event the Trust is part of a Stapled Group) Stapled Securities entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant meeting as certified by the Depository to the Trust, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- 4.8** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units or (in the event the Trust is part of a Stapled Group) Stapled Securities in respect of which the proxy is given PROVIDED THAT no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Trustee-Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.
- 5. Minutes of Proceedings**
- 5.1** The Trustee-Manager shall exercise Due Care to ensure that it will comply with all provisions of Relevant Laws, Regulations and Guidelines in relation to records of proceedings of meetings.
- 5.2** Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee-Manager and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.
- 6. Resolutions**
- 6.1** An Ordinary Resolution means a resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution at a meeting of Holders or, to the extent permitted by law, a resolution in writing, as described in paragraph 6.3 below.

APPENDIX E – EXTRACTS FROM THE H-TRUST TRUST DEEDS

- 6.2** An Extraordinary Resolution means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Holders or, to the extent permitted by law, a resolution in writing, as described in paragraph 6.3 below.
- 6.3** A resolution in writing signed by or on behalf of the relevant percentage, as required for the passing of an Ordinary Resolution or Extraordinary Resolution (as the case may be), of the Holders for the time being entitled to receive notice of any meeting of Holders shall be as valid and effectual as an Ordinary Resolution or Extraordinary Resolution (as the case may be) passed at a meeting of those Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Holders concerned. The expressions “in writing” and “signed” include approval by any such Holder by telefax or any form of electronic communication approved by the Trustee-Manager.
- 6.4** An Extraordinary Resolution or an Ordinary Resolution, as the case may be, shall be binding on all Holders or, where applicable, the holders of the Stapled Securities, whether or not present at the relevant meeting and each of the Holders or, where applicable, the holders of the Stapled Securities and the Trustee-Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly.

7. Corporate Representatives

- 7.1** A corporation, being a Holder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Holders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
- 7.2** Notwithstanding anything in this Deed, where a corporation is beneficially entitled to all the Units or (in the event the Trust is part of a Stapled Group) Stapled Securities in issue and a minute is signed by a duly authorised representative of the corporation stating that any act, matter, or thing, or any Ordinary Resolution or Extraordinary Resolution, required by this Deed to be made, performed, or passed by or at a meeting of Holders has been made, performed, or passed, that act, matter, thing, or resolution shall, for all purposes, be deemed to have been duly made, performed, or passed by or at a meeting of Holders duly convened and at which a quorum is formed. For the avoidance of doubt, paragraph 3.1 of this Schedule need not be complied with when any act, matter, thing, or resolution is be deemed to have been duly made, performed, or passed by or at a duly convened meeting of Holders by virtue of this paragraph 7.2.

**APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE H-TRUST GROUP FOR FY2018**

OUE Hospitality Business Trust
**(Constituted in the Republic of Singapore pursuant to a
trust deed dated 10 July 2013)**

Annual report
Year ended 31 December 2018

OUE Hospitality Real Estate Investment Trust
**(Constituted in the Republic of Singapore pursuant to a
trust deed dated 10 July 2013)**

Annual report
Year ended 31 December 2018

OUE Hospitality Trust
**(Constituted in the Republic of Singapore pursuant to a
stapling deed dated 10 July 2013)**

Annual report
Year ended 31 December 2018

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust
Report of the Trustee-Manager of OUE Hospitality Business Trust
Year ended 31 December 2018*

Report of the Trustee-Manager of OUE Hospitality Business Trust

The directors of OUE Hospitality Trust Management Pte. Ltd., the trustee-manager of OUE Hospitality Business Trust (“OUE H-BT”, and the trustee-manager of OUE H-BT, the “Trustee-Manager”), are pleased to present this report to the unitholders together with the audited financial statements for the financial year ended 31 December 2018.

Directors

The directors of the Trustee-Manager in office at the date of this report are as follows:

Lee Yi Shyan (Chairman)
Sanjiv Misra
Ong Kian Min
Liu Chee Ming
Neo Boon Siong
Christopher James Williams

Directors’ interests in units or debentures

According to the register kept by the Trustee-Manager for the purpose of Section 76 of the Business Trusts Act, Chapter 31A of Singapore (the “Act”), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in units in OUE H-BT are as follows:

	Direct Interest		Deemed Interest	
	Holdings at beginning of the year	Holdings at end of the year	Holdings at beginning of the year	Holdings at end of the year
Lee Yi Shyan	10,700	10,700	–	–
Sanjiv Misra	532,000	532,000	–	–
Liu Chee Ming	532,000	532,000	–	–
Christopher James Williams	–	–	478,800	478,800

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in units of OUE H-BT either at the beginning of the financial year or at the end of the financial year.

There were no changes in any of the abovementioned interests in OUE H-BT between the end of the financial year and 21 January 2019.

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust
Report of the Trustee-Manager of OUE Hospitality Business Trust
Year ended 31 December 2018*

Arrangements to enable directors to acquire units and debentures

Neither at the end of, nor at any time during the financial year, was the Trustee-Manager a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in or debentures of OUE H-BT.

Directors' contractual benefits

Since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by OUE H-BT or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the financial statements.

Options

During the financial year, there were:

- (i) no options granted by the Trustee-Manager to any person to take up unissued units in OUE H-BT; and
- (ii) no units issued by virtue of any exercise of option to take up unissued units of OUE H-BT.

As at the end of the financial year, there were no unissued units of OUE H-BT under options.

Auditors

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

Statement by the Trustee-Manager

In our opinion:

- (a) the financial statements of OUE H-BT set out on pages FS1 to FS69 are drawn up so as to give a true and fair view of the financial position of OUE H-BT as at 31 December 2018 and the financial performance, changes in unitholders' funds and cash flows of OUE H-BT for the year ended on that date in accordance with the provisions of the Act and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that OUE H-BT will be able to fulfil, out of the trust property of OUE H-BT (the "Trust Property"), the liabilities of OUE H-BT as and when they fall due.

**APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE H-TRUST GROUP FOR FY2018**

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust
Report of the Trustee-Manager of OUE Hospitality Business Trust
Year ended 31 December 2018*

With respect to the statement of comprehensive income of OUE H-BT for the year ended 31 December 2018, we further certify that:

- fees or charges paid or payable out of the Trust Property to the Trustee-Manager are in accordance with OUE H-BT's trust deed dated 10 July 2013;
- interested person transactions are not detrimental to the interests of all the unitholders of OUE H-BT as a whole based on the circumstances at the time of the transactions; and
- the Board is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of OUE H-BT or on the interests of all the unitholders OUE H-BT as a whole.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

**For and on behalf of the Board of Directors of the Trustee-Manager,
OUE Hospitality Trust Management Pte. Ltd.**

Lee Yi Shyan
Director

Christopher James Williams
Director

Singapore
28 February 2019

**APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE H-TRUST GROUP FOR FY2018**

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust
Statement by the Chief Executive Officer of the Trustee-Manager
Year ended 31 December 2018*

Statement by the Chief Executive Officer of the Trustee-Manager

In accordance with Section 86 of the Act, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of OUE H-BT or on the interests of all the unitholders of OUE H-BT as a whole.

Chen Yi Chung
Acting Chief Executive Officer

Singapore
28 February 2019

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust*

*Report of the Trustee of OUE Hospitality Real Estate Investment Trust
Year ended 31 December 2018*

Report of the Trustee of OUE Hospitality Real Estate Investment Trust

RBC Investor Services Trust Singapore Limited (the “REIT Trustee”) is under a duty to take into custody and hold the assets of OUE Hospitality Real Estate Investment Trust (“OUE H-REIT”) held by it or through its subsidiary (collectively, the “OUE H-REIT Group”) in trust for the holders of units (“Unitholders”) in OUE H-REIT. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the REIT Trustee shall monitor the activities of OUE Hospitality REIT Management Pte. Ltd. (the “REIT Manager”) for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 10 July 2013 (as amended) (the “OUE H-REIT Trust Deed”) between the REIT Manager and the REIT Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the REIT Trustee, the REIT Manager has, in all material respects, managed OUE H-REIT during the period covered by these financial statements, set out on pages FS1 to FS69, in accordance with the limitations imposed on the investment and borrowing powers set out in the OUE H-REIT Trust Deed.

**For and on behalf of the REIT Trustee,
RBC Investor Services Trust Singapore Limited**

Hoi Sau Kheng
Director

Farrah Begum Binte Abdul Salam
Senior Manager, Trustee Services

Singapore
28 February 2019

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust
Report of the Manager of OUE Hospitality Real Estate Investment Trust
Year ended 31 December 2018*

Report of the Manager of OUE Hospitality Real Estate Investment Trust

In the opinion of the directors of OUE Hospitality REIT Management Pte. Ltd. (the “REIT Manager”), the manager of OUE Hospitality Real Estate Investment Trust (“OUE H-REIT”), the accompanying financial statements of OUE H-REIT and its subsidiary (collectively, the “OUE H-REIT Group”), and OUE Hospitality Trust (the “Stapled Group”, comprising the OUE H-REIT Group and OUE Hospitality Business Trust (“OUE H-BT”)) set out on pages FS1 to FS69 comprising their statements of financial position, statements of total return, distribution statements, statements of movements in unitholders’ funds, statements of cash flows, portfolio statements and notes to the financial statements are drawn up so as to present fairly, in all material respects, the financial positions of the OUE H-REIT Group and the Stapled Group as at 31 December 2018, the total return, distributable income, movements in unitholders’ funds and cash flows of the OUE H-REIT Group and the Stapled Group for the year then ended, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants and the provisions of the trust deed dated 10 July 2013 (as amended) (the “OUE H-REIT Trust Deed”) between RBC Investor Services Trust Singapore Limited (the “REIT Trustee”) and the REIT Manager, and the stapling deed of OUE Hospitality Trust between the REIT Trustee, the REIT Manager and OUE Hospitality Trust Management Pte. Ltd. (the trustee-manager of OUE H-BT) dated 10 July 2013. At the date of this statement, there are reasonable grounds to believe that the OUE H-REIT Group and the Stapled Group will be able to meet their respective financial obligations as and when they materialise.

**For and on behalf of the REIT Manager,
OUE Hospitality REIT Management Pte. Ltd.**

Lee Yi Shyan
Director

Singapore
28 February 2019

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

KPMG LLP
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Independent auditors' report

Unitholders
OUE Hospitality Business Trust
(Constituted under a Trust Deed in the Republic of Singapore)
OUE Hospitality Real Estate Investment Trust
(Constituted under a Trust Deed in the Republic of Singapore)

Report on the audit of the financial statements

Opinion

We have audited:

- (i) the financial statements of OUE Hospitality Business Trust (“OUE H-BT”), which comprise the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of movements in unitholders’ funds and statement of cash flows of OUE H-BT for the year then ended, and notes to the financial statements, including a summary of significant accounting policies; and
- (ii) the consolidated financial statements of OUE Hospitality Real Estate Investment Trust (“OUE H-REIT”) and its subsidiary (the “OUE H-REIT Group”) and OUE Hospitality Trust, which comprise the statements of financial position and portfolio statements as at 31 December 2018, the statements of total return, distribution statements, statements of movements in unitholders’ funds and statements of cash flows of the OUE H-REIT Group and OUE Hospitality Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies;

as set out on pages FS1 to FS69. OUE Hospitality Trust, which comprises OUE H-BT and the OUE H-REIT Group, is hereinafter referred to as the “Stapled Group”.

In our opinion:

- (a) the accompanying financial statements of OUE H-BT are properly drawn up in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the state of affairs of OUE H-BT as at 31 December 2018 and the financial performance, movements in unitholders’ funds and cash flows of OUE H-BT for the year ended on that date; and
- (b) the accompanying consolidated financial statements of the OUE H-REIT Group and the Stapled Group present fairly, in all material respects, the financial positions and portfolio holdings of the OUE H-REIT Group and the Stapled Group as at 31 December 2018 and the financial performance, distributable income, movements in unitholders’ funds and cash flows of the OUE H-REIT Group and the Stapled Group for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* (“RAP 7”) issued by the Institute of Singapore Chartered Accountants (the “ISCA”).

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust
Independent auditors' report
Year ended 31 December 2018*

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the ‘*Auditors’ responsibilities for the audit of the financial statements*’ section of our report. We are independent of OUE H-BT, the OUE H-REIT Group and the Stapled Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

(Refer to Note 4 to the financial statements)

Risk

The OUE H-REIT Group and the Stapled Group have investment properties in Singapore with a carrying value of \$2.2 billion as at 31 December 2018. Investment properties represent the most significant asset item on the statements of financial position.

The accounting policy of the OUE H-REIT Group and the Stapled Group is to state investment properties at fair value which are based on independent external valuations. The valuation process involves significant judgement in determining the valuation method to be used and estimating the underlying assumptions to be applied. The valuations are sensitive to the key assumptions applied and a change in assumptions could have a significant impact to the valuation.

Our response

We evaluated the competence and objectivity of the external valuers and held discussions with the valuers to understand their valuation approach and basis of valuation.

We considered the valuation methods used in the valuations against those applied for similar property types. We assessed the reasonableness of the key assumptions used in the valuations which included a comparison of the discount rates, terminal yield rates, capitalisation rates, price per square metre and price per room against historical trends and available market data, taking into consideration comparability and market factors.

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust
Independent auditors' report
Year ended 31 December 2018*

Our findings

The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methods used by the valuers are in line with generally accepted market practices and the key assumptions used are within range of market data.

Other information

OUE Hospitality Trust Management Pte. Ltd., the Trustee-Manager of OUE H-BT (the "Trustee-Manager") and OUE Hospitality REIT Management Pte. Ltd., the REIT Manager of OUE H-REIT (the "REIT Manager") are responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Statistics of Stapled Securityholdings (the "Report"), which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Trustee-Manager and the REIT Manager and take appropriate actions in accordance with SSAs.

Responsibilities of the Trustee-Manager for the financial statements

The Trustee-Manager is responsible for the preparation of financial statements of OUE H-BT that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair accounts and to maintain accountability of assets.

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust
Independent auditors' report
Year ended 31 December 2018*

In preparing the financial statements, the Trustee-Manager is responsible for assessing OUE H-BT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to terminate OUE H-BT or to cease operations of OUE H-BT, or has no realistic alternative but to do so.

The Trustee-Manager's responsibilities include overseeing OUE H-BT's financial reporting process.

Responsibilities of the REIT Manager for the financial statements

The REIT Manager is responsible for the preparation and fair presentation of the consolidated financial statements of the OUE H-REIT Group and the Stapled Group in accordance with the recommendations of RAP 7 issued by the ISCA, and for such internal controls as the REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of the OUE H-REIT Group and the Stapled Group, the REIT Manager is responsible for assessing the ability of the OUE H-REIT Group and the Stapled Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager either intends to terminate the OUE H-REIT Group and the Stapled Group or to cease operations of the OUE H-REIT Group and the Stapled Group, or has no realistic alternative but to do so.

The REIT Manager's responsibilities include overseeing the financial reporting process of the OUE H-REIT Group and the Stapled Group.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust
Independent auditors' report
Year ended 31 December 2018*

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of OUE H-BT, the OUE H-REIT Group and the Stapled Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager and the REIT Manager.
- Conclude on the appropriateness of the Trustee-Manager's and the REIT Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of OUE H-BT, the OUE H-REIT Group and the Stapled Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause OUE H-BT, the OUE H-REIT Group and the Stapled Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the OUE H-REIT Group and the Stapled Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Trustee-Manager and the REIT Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Trustee-Manager and the REIT Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Trustee-Manager and the REIT Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE H-TRUST GROUP FOR FY2018**

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust
Independent auditors' report
Year ended 31 December 2018*

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of OUE H-BT have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Koh Wei Peng.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
28 February 2019

**APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE H-TRUST GROUP FOR FY2018**

*OU E Hospitality Business Trust
OU E Hospitality Real Estate Investment Trust
OU E Hospitality Trust
Financial statements
Year ended 31 December 2018*

**Statements of Financial Position (cont'd)
As at 31 December 2018**

Note	OU E H-BT		OU E H-REIT Group			Stapled Group	
	31 Dec 2018 \$'000	31 Dec 2017 \$'000	1 Jan 2017 \$'000	31 Dec 2018 \$'000	31 Dec 2017 \$'000	31 Dec 2018 \$'000	31 Dec 2017 \$'000
	5	8	—	—	—	—	—
	5	8	—	1,372,121	1,376,061	1,372,121	1,376,061
	5	8	10	—	—	5	8
	5	8	10	1,372,121	1,376,061	1,372,126	1,376,069
	11	1,820,466	1,806,518	1,820,466	1,806,518	1,820,466	1,806,518
	12	*	*	0.75	0.76	0.75	0.76

Represented by:

Unitholders' funds

Unitholders' funds of OU E H-REIT Group
Unitholders' funds of OU E H-BT

Units/Stapled Securities in issue ('000)

**Net asset value per Unit/
Stapled Security (\$)**

* less than \$0.01

The accompanying notes form an integral part of these financial statements.

FS2

**APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE H-TRUST GROUP FOR FY2018**

*OUE Hospitality Business Trust
OUE Hospitality Real Estate Investment Trust
OUE Hospitality Trust
Financial statements
Year ended 31 December 2018*

**Statement of Comprehensive Income of OUE H-BT
Statements of Total Return of OUE H-REIT Group and the Stapled Group
Year ended 31 December 2018**

	Note	OUE H-BT		OUE H-REIT Group		Stapled Group	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Gross revenue	13	–	–	129,734	131,063	129,734	131,063
Property expenses	14	–	–	(16,976)	(18,318)	(16,976)	(18,318)
Net property income		–	–	112,758	112,745	112,758	112,745
Other income	15	–	–	–	4,818	–	4,818
Amortisation of intangible asset	5	–	–	–	(4,908)	–	(4,908)
REIT Manager's fees	16	–	–	(11,290)	(11,269)	(11,290)	(11,269)
REIT Trustee's fees		–	–	(417)	(415)	(417)	(415)
Other trust expenses	17	(3)	(2)	(1,520)	(1,236)	(1,523)	(1,238)
Finance income	18	–	–	67	1,718	67	1,718
Finance expenses	18	–	–	(23,837)	(33,619)	(23,837)	(33,619)
Net finance expenses		–	–	(23,770)	(31,901)	(23,770)	(31,901)
Net (loss)/income		(3)	(2)	75,761	67,834	75,758	67,832
Net change in fair value of investment properties		–	–	(2,763)	8,110	(2,763)	8,110
Total return for the year	19	(3)	(2)	72,998	75,944	72,995	75,942
Other comprehensive income for the year, net of tax		–	–				
Total comprehensive income for the year		(3)	(2)				
Earnings per Stapled Security (cents)							
- Basic	21					4.02	4.21
- Diluted	21					3.99	4.19

The accompanying notes form an integral part of these financial statements.

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**APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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**Distribution Statements
Year ended 31 December 2018**

	Note	OUE H-REIT Group and Stapled Group	
		2018	2017
		\$'000	\$'000
Income available for distribution to Stapled Securityholders at beginning of the year		23,160	24,523
Total return of OUE H-REIT	19	73,004	75,949
Net tax adjustments (Note A)		17,789	16,991
Income available for distribution for the current year		90,793	92,940
Income available for distribution to Stapled Securityholders		113,953	117,463
Distributions to Stapled Securityholders:			
- Distribution of 1.36 cents per Stapled Security for the period from 1/10/2016 to 31/12/2016		–	(24,475)
- Distribution of 1.30 cents per Stapled Security for the period from 1/1/2017 to 31/3/2017		–	(23,427)
- Distribution of 1.21 cents per Stapled Security for the period from 1/4/2017 to 30/6/2017		–	(21,832)
- Distribution of 1.36 cents per Stapled Security for the period from 1/7/2017 to 30/9/2017		–	(24,569)
- Distribution of 1.27 cents per Stapled Security for the period from 1/10/2017 to 31/12/2017		(23,036)	–
- Distribution of 1.26 cents per Stapled Security for the period from 1/1/2018 to 31/3/2018		(22,880)	–
- Distribution of 1.17 cents per Stapled Security for the period from 1/4/2018 to 30/6/2018		(21,271)	–
- Distribution of 1.28 cents per Stapled Security for the period from 1/7/2018 to 30/9/2018		(23,302)	–
		(90,489)	(94,303)
Income available for distribution to Stapled Securityholders at end of the year		23,464	23,160
Distribution per Stapled Security* (cents)		4.99	5.14

* *Distribution per Stapled Security relates to the distributions in respect of the relevant financial year. The distribution for the last quarter of the financial year will be made subsequent to the reporting date.*

The accompanying notes form an integral part of these financial statements.

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**APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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**Distribution Statements (cont'd)
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	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$'000	\$'000
Note A – Net tax adjustments comprise:		
Non-tax deductible/(chargeable) items:		
- Amortisation of debt-related transaction costs	2,916	2,174
- Write-off of unamortised debt-related transaction costs	–	3,053
- Cost of unwinding derivative financial instrument	–	5,068
- Amortisation of intangible asset	–	4,908
- Change in fair value of financial derivatives	–	(812)
- Ineffective portion of changes in fair value of cash flow hedges	–	(840)
- REIT Manager's fees paid/payable in Stapled Securities	11,290	11,269
- REIT Trustee's fees	417	415
- Straight-lining of lease adjustments	(27)	(333)
- Net change in fair value of investment properties	2,763	(8,110)
- Other items	430	199
Net tax adjustments	<u>17,789</u>	<u>16,991</u>

Distributions of the Stapled Group represent the aggregate distributions by OUE H-REIT and OUE H-BT. The distribution of the Stapled Group for the year is contributed solely by OUE H-REIT as OUE H-BT was dormant during the year. Accordingly, only the income available for distribution of OUE H-REIT has been presented.

The accompanying notes form an integral part of these financial statements.

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**Statements of Movements in Unitholders' Funds
Year ended 31 December 2018**

	--Unitholders' funds of OUE H-BT--		----- Unitholders' funds of OUE H-REIT Group -----		Stapled Group			
	Units in issue \$'000	Accumulated losses \$'000	Units in issue and to be issued \$'000	Issue costs \$'000	Hedging reserve \$'000	Accumulated profits/ (losses) \$'000	Total \$'000	Total \$'000
At 1 January 2018	20	(12)	8	(26,577)	(1,046)	(36,718)	1,376,061	1,376,069
Operations								
(Decrease)/increase in net assets resulting from operations	-	(3)	(3)	-	-	72,998	72,998	72,995
Hedging reserve								
Effective portion of net changes in fair value of cash flow hedges	-	-	-	-	2,261	-	2,261	2,261
Unitholders' transactions								
Distributions to Stapled Securityholders	-	-	-	-	-	(90,489)	(90,489)	(90,489)
Units/Stapled Securities issued/to be issued as payment of REIT Manager's management fees	-	-	-	-	-	-	11,290	11,290
Net increase/(decrease) in net assets resulting from unitholders' transactions	-	-	-	-	-	(90,489)	(79,199)	(79,199)
At 31 December 2018	20	(15)	5	(26,577)	1,215	(54,209)	1,372,121	1,372,126

The accompanying notes form an integral part of these financial statements.

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**APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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**Statements of Movements in Unitholders' Funds (cont'd)
Year ended 31 December 2018**

	--Unitholders' funds of OUE H-BT--		----- Unitholders' funds of OUE H-REIT Group -----		Stapled Group			
	Units in issue \$'000	Accumulated losses \$'000	Units in issue and to be issued \$'000	Issue costs \$'000	Hedging reserve \$'000	Accumulated profits/ (losses) \$'000	Total \$'000	Total \$'000
At 1 January 2017	20	(10)	1,429,133	(26,577)	(2,229)	(18,359)	1,381,968	1,381,978
Operations								
(Decrease)/increase in net assets resulting from operations	-	(2)	-	-	-	75,944	75,944	75,942
Hedging reserve								
Effective portion of net changes in fair value of cash flow hedges	-	-	-	-	1,183	-	1,183	1,183
Unitholders' transactions								
Distributions to Stapled Securityholders	-	-	-	-	-	(94,303)	(94,303)	(94,303)
Units/Stapled Securities issued/to be issued as payment of REIT Manager's management fees	-	-	11,269	-	-	-	11,269	11,269
Net increase/(decrease) in net assets resulting from unitholders' transactions	-	-	11,269	-	-	(94,303)	(83,034)	(83,034)
At 31 December 2017	20	(12)	1,440,402	(26,577)	(1,046)	(36,718)	1,376,061	1,376,069

The accompanying notes form an integral part of these financial statements.

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Portfolio Statements As at 31 December 2018							
OUÉ H-REIT Group							
Description of Property	Leasehold tenure	Location	Existing use	Carrying value at 31/12/2018 \$'000	Percentage of total net assets at 31/12/2018 %	Carrying value at 31/12/2017 \$'000	Percentage of total net assets at 31/12/2017 %
<i>Investment properties</i>							
<i>Singapore</i>							
Crowne Plaza Changi Airport	74-year lease from 1 July 2009	75 Airport Boulevard, Singapore 819664	Hotel	497,000	36.2	497,000	36.1
Mandarin Orchard Singapore	99-year lease from 1 July 1957	333 Orchard Road, Singapore 238867	Hotel	1,227,000	89.4	1,227,000	89.2
Mandarin Gallery	99-year lease from 1 July 1957	333A Orchard Road, Singapore 238897	Retail	494,000	36.0	494,000	35.9
Investment properties, at valuation				2,218,000	161.6	2,218,000	161.2
Other assets and liabilities (net)				(845,879)	(61.6)	(841,939)	(61.2)
Net assets				1,372,121	100.0	1,376,061	100.0

The accompanying notes form an integral part of these financial statements.

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**APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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Portfolio Statements (cont'd) As at 31 December 2018								
Stapled Group	Description of Property	Leasehold tenure	Location	Existing use	Carrying value at 31/12/2018 \$'000	Percentage of total net assets at 31/12/2018 %	Carrying value at 31/12/2017 \$'000	Percentage of total net assets at 31/12/2017 %
<i>Investment properties</i>								
<i>Singapore</i>								
	Crowne Plaza Changi Airport	74-year lease from 1 July 2009	75 Airport Boulevard, Singapore 819664	Hotel	497,000	36.2	497,000	36.1
	Mandarin Orchard Singapore	99-year lease from 1 July 1957	333 Orchard Road, Singapore 238867	Hotel	1,227,000	89.4	1,227,000	89.2
	Mandarin Gallery	99-year lease from 1 July 1957	333A Orchard Road, Singapore 238897	Retail	494,000	36.0	494,000	35.9
Investment properties, at valuation					2,218,000	161.6	2,218,000	161.2
Other assets and liabilities (net)					(845,874)	(61.6)	(841,931)	(61.2)
Net assets					1,372,126	100.0	1,376,069	100.0

The accompanying notes form an integral part of these financial statements.

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APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

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Portfolio Statements (cont'd) **As at 31 December 2018**

As at 31 December 2018, Crowne Plaza Changi Airport was leased to a related party of the REIT Manager under a master lease arrangement. The initial term of the lease was from 30 January 2015 to 27 May 2028, with an option to renew for two consecutive terms of five years each. On 1 August 2016, OUE H-REIT acquired the extension to Crowne Plaza Changi Airport Hotel for a purchase consideration of \$205,000,000. A supplemental lease agreement was entered into to vary the master lease agreement whereby Crowne Plaza Changi Airport and its extension are leased to a related party of the REIT Manager till 27 May 2028, with an option to renew for two consecutive terms of five years each.

Mandarin Orchard Singapore is leased to a related party of the REIT Manager under a master lease arrangement. The lease contains an initial term of 15 years from 25 July 2013 with an option to renew for a further 15 years.

The leases for Mandarin Gallery contain an initial non-cancellable term of one to ten years. Subsequent renewals are renegotiated with the lessees.

The accompanying notes form an integral part of these financial statements.

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APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

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Statements of Cash Flows Year ended 31 December 2018

	OUE H-BT		OUE H-REIT Group		Stapled Group	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash flows from operating activities						
Total return for the year	(3)	(2)	72,998	75,944	72,995	75,942
Adjustments for:						
Amortisation of intangible asset	–	–	–	4,908	–	4,908
Finance income	–	–	(67)	(1,718)	(67)	(1,718)
Finance expenses	–	–	23,837	33,619	23,837	33,619
REIT Manager's fees paid/payable in Stapled Securities	–	–	11,290	11,269	11,290	11,269
Net change in fair value of investment properties	–	–	2,763	(8,110)	2,763	(8,110)
Straight-lining of lease adjustments	–	–	(27)	(333)	(27)	(333)
Operating (loss)/ income before working capital changes	(3)	(2)	110,794	115,579	110,791	115,577
Changes in working capital:						
Deposit	–	–	(1,531)	–	(1,531)	–
Trade and other receivables	–	–	908	1,303	908	1,303
Trade and other payables	–	1	467	449	467	450
Rental deposits	–	–	275	116	275	116
Cash (used in)/ generated from operating activities	(3)	(1)	110,913	117,447	110,910	117,446
Cash flows from investing activities						
Capital expenditure on investment properties	–	–	(2,755)	(950)	(2,755)	(950)
Interest received	–	–	67	87	67	87
Net cash used in investing activities	–	–	(2,688)	(863)	(2,688)	(863)

The accompanying notes form an integral part of these financial statements.

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**APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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**Statements of Cash Flows (cont'd)
Year ended 31 December 2018**

	Note	OUE H-BT		OUE H-REIT Group		Stapled Group	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash flows from financing activities							
Distributions to Stapled Securityholders		–	–	(90,489)	(94,303)	(90,489)	(94,303)
Repayment of borrowings		–	–	–	(859,000)	–	(859,000)
Proceeds from borrowings		–	–	–	875,000	–	875,000
Payment of transaction costs on borrowings		–	–	–	(9,790)	–	(9,790)
Cost of unwinding derivative financial instruments		–	–	–	(5,068)	–	(5,068)
Finance expenses paid		–	–	(20,978)	(26,422)	(20,978)	(26,422)
Net cash used in financing activities		–	–	(111,467)	(119,583)	(111,467)	(119,583)
Net decrease in cash and cash equivalents		(3)	(1)	(3,242)	(2,999)	(3,245)	(3,000)
Cash and cash equivalents at beginning of the year		11	12	25,548	28,547	25,559	28,559
Cash and cash equivalents at end of the year	8	8	11	22,306	25,548	22,314	25,559

Significant non-cash transactions

OUE H-REIT Group and Stapled Group

In 2018, a total of 15,895,115 (2017: 14,277,047) Stapled Securities amounting to \$11,291,143 (2017: \$11,268,745) were or would be issued to the REIT Manager as satisfaction of the REIT Manager's management fees for the financial year.

The accompanying notes form an integral part of these financial statements.

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APPENDIX F – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR FY2018

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Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Trustee-Manager, the REIT Manager and the REIT Trustee on 28 February 2019.

1 General

OUE Hospitality Trust is a stapled group comprising OUE Hospitality Real Estate Investment Trust (“OUE H-REIT”) and its subsidiary (the “OUE H-REIT Group”) and OUE Hospitality Business Trust (“OUE H-BT”) (collectively, the “Stapled Group”).

OUE H-REIT is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 10 July 2013 (as amended) (the “OUE H-REIT Trust Deed”) between OUE Hospitality REIT Management Pte. Ltd. (the “REIT Manager”) and RBC Investor Services Trust Singapore Limited (the “REIT Trustee”). The OUE H-REIT Trust Deed is governed by the laws of the Republic of Singapore. The REIT Trustee is under a duty to take into custody and hold the assets of OUE H-REIT held by it or through its subsidiary in trust for the holders of units in OUE H-REIT. OUE H-BT is a business trust constituted by a trust deed dated 10 July 2013 (as amended) (the “OUE H-BT Trust Deed”) and is managed by OUE Hospitality Trust Management Pte. Ltd. (the “Trustee-Manager”). The securities in each of OUE H-REIT and OUE H-BT are stapled together under the terms of a stapling deed dated 10 July 2013 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager (the “Stapling Deed”) and cannot be traded separately. Each stapled security in OUE Hospitality Trust (the “Stapled Security”) comprises a unit in OUE H-REIT (the “OUE H-REIT Unit”) and a unit in OUE H-BT (the “OUE H-BT Unit”).

OUE Hospitality Trust was formally admitted to the Official List of Singapore Exchange Securities Trading Limited (“SGX-ST”) on 25 July 2013 (the “Listing Date”).

The principal activity of OUE H-REIT is to invest in income producing real estate and real estate related assets, which are used or substantially used for hospitality and hospitality related purposes, with the primary objective to deliver regular and stable distributions to the Stapled Securityholders and to achieve long-term growth in distributions and in the net asset value per Stapled Security, while maintaining an appropriate capital structure.

As at the reporting date, OUE H-BT is dormant.

The consolidated financial statements of the OUE H-REIT Group relate to OUE H-REIT and its subsidiary. The consolidated financial statements of the Stapled Group relate to OUE H-BT and the OUE H-REIT Group.

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Several service agreements were entered into in relation to management of OUE H-BT and OUE H-REIT and its property operations. The fee structures of these services are as follows:

(i) *Trustee-Manager's fees*

Pursuant to the OUE H-BT Trust Deed, the Trustee-Manager is entitled to the following:

- a trustee fee of not exceeding 0.1% per annum of the value of OUE H-BT's Trust Property (as defined in the OUE H-BT Trust Deed), subject to a minimum fee of \$10,000 per month, provided that the value of OUE H-BT's Trust Property is at least \$50.0 million and OUE H-BT has become active. The trustee fee is payable in arrears on a quarterly basis in the form of cash.
- a management fee of 10.0% per annum of OUE H-BT's profit before interest and tax in the relevant financial year (calculated before accounting for the management fee in that financial year).

The management fee is payable in the form of cash or Stapled Securities as Trustee-Manager may elect.

Any portion of the management fee payable in the form of Stapled Securities is payable quarterly in arrears and any portion of the management fee payable in cash is payable monthly in arrears.

- an acquisition fee at a rate of 0.75% for acquisitions from related parties and at a rate of 1.0% for all other cases (or such lower percentage as may be determined by the Trustee-Manager's absolute discretion). The acquisition fee is payable in the form of cash and/or Stapled Securities as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager.

(ii) *REIT Manager's fees*

Pursuant to the OUE H-REIT Trust Deed, the REIT Manager's management fees comprise a base fee of not exceeding 0.3% per annum of the value of OUE H-REIT's Deposited Property (as defined in the OUE H-REIT Trust Deed) and a performance fee of 4.0% per annum of OUE H-REIT's net property income (as defined in the OUE H-REIT Trust Deed).

The management fees shall be payable in the form of cash or Units (or Stapled Securities, where the Trust is part of the Stapled Group), or a combination of both, as the REIT Manager may elect. Any portion of the base fee payable in the form of Units is payable quarterly in arrears and any portion of the base fee payable in cash is payable monthly in arrears. The performance fee is paid annually in arrears, regardless of whether it is paid in the form of cash and/or Stapled Securities. For the financial years ended 31 December 2018 and 2017, 100.0% of the management fees payable to the REIT Manager were in the form of Stapled Securities.

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The REIT Manager is also entitled to receive an acquisition fee of 0.75% of the acquisition price for acquisitions from related parties and 1.0% for all other cases. A divestment fee of 0.5% of the sale price will also be entitled on all future disposals of properties. The acquisition or divestment fee is payable in the form of Stapled Securities and/or cash as the REIT Manager may elect, and such proportion as may be determined by the REIT Manager.

(iii) Property Manager's fee

Under the property management agreement between OUE H-REIT and OUE Property Management Pte. Ltd. (the "Property Manager") in respect of Mandarin Gallery and the certain commercial areas of Mandarin Orchard Singapore, the property management fees are payable as follows:

- 2.0% per annum of the gross revenue of Mandarin Gallery and certain commercial areas of Mandarin Orchard Singapore;
- 2.0% per annum of the net property income of Mandarin Gallery and certain commercial areas of Mandarin Orchard Singapore (calculated before accounting for the property management fee in that financial year); and
- 0.5% per annum of the net property income of Mandarin Gallery (calculated before accounting for the property management fee in that financial year), in lieu of leasing commissions otherwise payable to the property manager and/or third party agents.

The property management fees are payable monthly in arrears.

(iv) REIT Trustee's fee

Pursuant to the OUE H-REIT Trust Deed, the REIT Trustee's fee shall not exceed 0.1% per annum of the value of OUE H-REIT's Deposited Property. The REIT Trustee's fee is payable out of OUE H-REIT's Deposited Property on a monthly basis, in arrears. The REIT Trustee's fee is presently charged on a scaled basis of up to 0.02% per annum of the value of the OUE H-REIT Deposited Property (subject to a minimum of \$20,000 per month). The REIT Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the OUE H-REIT Trust Deed.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of OUE H-BT have been prepared in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"). These are OUE H-BT's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements of OUE H-BT were prepared in accordance with Financial Reporting Standards in Singapore (FRS). The transition to SFRS(I) and application of SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* do not have any significant impact to the financial statements of OUE H-BT.

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The financial statements of the OUE H-REIT Group and the Stapled Group are prepared in accordance with the Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* (“RAP 7”) issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the OUE H-REIT Trust Deed and the Stapling Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of FRS.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the functional currency of OUE H-BT and OUE H-REIT. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements is described in Note 4 – valuation of investment properties.

Measurement of fair values

A number of the accounting policies and disclosures of the OUE H-REIT Group and the Stapled Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The OUE H-REIT Group and the Stapled Group have an established process with respect to the measurement of fair values.

The REIT Manager reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the REIT Manager assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit and Risk Committee.

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When measuring the fair value of an asset or a liability, the REIT Manager uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The OUE H-REIT Group and the Stapled Group recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 4 – valuation of investment properties.

3 Significant accounting policies

The accounting policies set out below have been applied by OUE H-BT, the OUE H-REIT Group and the Stapled Group (“the Entities”) consistently to all periods presented in these financial statements, and in preparing the opening SFRS(I) statement of financial position at 1 January 2017 for the OUE H-BT for the purposes of transition to SFRS(I), unless otherwise indicated.

3.1 Consolidation

(i) *Stapling*

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the purchase method.

(ii) *Subsidiary*

A subsidiary is an entity controlled by the OUE H-REIT Group and the Stapled Group. The OUE H-REIT Group and the Stapled Group control an entity when they are exposed to, or have rights to, variable returns from their involvement with the entity and have the ability to affect those returns through their power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of the subsidiary have been changed when necessary to align them with the policies of the OUE H-REIT Group and the Stapled Group.

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(iii) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements of the OUE H-REIT Group and the Stapled Group.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the OUE H-REIT Group and the Stapled Group entities at the exchange rate at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in the statement of total return.

3.3 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of total return.

The cost of a purchased property comprises its purchase price and any directly attributable expenditure including transaction costs. Fair value is determined in accordance with the OUE H-REIT Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the CIS Code issued by MAS.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of total return.

The investment properties are subject to continued maintenance and regularly revalued on the basis set out above. For income tax purposes, OUE H-REIT may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

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When a property is acquired, the OUE H-REIT Group and the Stapled Group consider whether each acquisition represents an acquisition of business or an acquisition of an asset. An acquisition is accounted for as a business combination where an integrated set of activities is acquired, in addition to the property. In determining whether an integrated set of activities is acquired, the OUE H-REIT Group and the Stapled Group consider whether significant processes, such as strategic management and operational processes, are acquired. Where significant processes are acquired, the acquisition is considered an acquisition of business. Where an acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of acquisition is allocated to the assets and liabilities acquired and no goodwill or deferred tax is recognised.

3.4 Intangible asset

The intangible asset represents the income support receivable by the OUE H-REIT Group and the Stapled Group under the Deed of Income Support in relation to Crowne Plaza Changi Airport.

The intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses.

The intangible asset is amortised in the statement of total return on a straight-line basis over its estimated useful life of 14 months to 24 months. The intangible asset is tested for impairment as described in Note 3.6.

The intangible asset has been fully amortised as at 31 December 2017.

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the OUE H-REIT Group and the Stapled Group become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through the statement of total return, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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(ii) **Classification and subsequent measurement**

Non-derivative financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the OUE H-REIT Group and the Stapled Group change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through the statement of total return:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment – Policy applicable from 1 January 2018

The OUE H-REIT Group and the Stapled Group make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the OUE H-REIT Group's and the Stapled Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the OUE H-REIT Group's and the Stapled Group's continuing recognition of the assets.

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Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the OUE H-REIT Group and the Stapled Group consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the OUE H-REIT Group and the Stapled Group consider:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the OUE H-REIT Group’s and the Stapled Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 January 2018

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in the statement of total return. Any gain or loss on derecognition is recognised in the statement of total return.

Non-derivative financial assets – Policy applicable before 1 January 2018

The OUE H-REIT Group and the Stapled Group classify non-derivative financial assets into loans and receivables category.

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Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 January 2018

Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprised cash and cash equivalents, and trade and other receivables (excluding prepayments).

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the statement of total return.

These financial liabilities comprised borrowings, trade and other payables and rental deposits.

(iii) Derecognition

Financial assets

The OUE H-REIT Group and the Stapled Group derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the OUE H-REIT Group and the Stapled Group neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The OUE H-REIT Group and the Stapled Group enter into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The OUE H-REIT Group and the Stapled Group derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire. The OUE H-REIT Group and the Stapled Group also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

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(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the OUE H-REIT Group and the Stapled Group currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and fixed deposit.

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The OUE H-REIT Group and the Stapled Group hold derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

The OUE H-REIT Group and the Stapled Group designate certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the OUE H-REIT Group and the Stapled Group document the risk management objective and strategy for undertaking the hedge. The OUE H-REIT Group and the Stapled Group also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedging relationships designated under FRS 39 that were still existing as at 31 December 2017 are treated as continuing hedges and hedge documentations were aligned accordingly to the requirements of FRS 109/SFRS(I) 9.

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. However, embedded derivatives are not separated from host contracts that are financial assets in the scope of FRS 109/SFRS(I) 9. Instead, the hybrid financial instrument is assessed as a whole for classification of financial assets under FRS 109/SFRS(I) 9. Furthermore, for all cash flow hedges, including hedges of transactions resulting in the recognition of non-financial items, the amounts accumulated in the cash flow hedge reserve were reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affected the statement of total return. Furthermore, for cash flow hedges that were terminated before 2017, forward points were recognised immediately in the statement of total return.

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Cash flow hedges

The OUE H-REIT Group and the Stapled Group designate certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in unitholders' funds and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in unitholders' funds until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

3.6 Impairment

(i) **Non-derivative financial assets - Policy applicable from 1 January 2018**

The OUE H-REIT Group and the Stapled Group recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Loss allowances of the OUE H-REIT Group and the Stapled Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The OUE H-REIT Group and the Stapled Group apply the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

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General approach

The OUE H-REIT Group and the Stapled Group apply the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the OUE H-REIT Group and the Stapled Group assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the OUE H-REIT Group and the Stapled Group consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the OUE H-REIT Group's and the Stapled Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The OUE H-REIT Group and the Stapled Group consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the OUE H-REIT Group and the Stapled Group in full, without recourse by the OUE H-REIT Group and the Stapled Group to action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the OUE H-REIT Group and the Stapled Group are exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the OUE H-REIT Group and the Stapled Group expect to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the OUE H-REIT Group and the Stapled Group assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the OUE H-REIT Group and the Stapled Group on terms that the OUE H-REIT Group and the Stapled Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the OUE H-REIT Group and the Stapled Group determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the OUE H-REIT Group's and the Stapled Group's procedures for recovery of amounts due.

Non-derivative financial assets – Policy applicable before 1 January 2018

A financial asset not carried at fair value through the statement of total return, was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets were impaired included default or delinquency by a debtor, restructuring of an amount due to the OUE H-REIT Group and the Stapled Group on terms that the OUE H-REIT Group and the Stapled Group would not consider otherwise, indications that a debtor or issuer would enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The OUE H-REIT Group and the Stapled Group considered evidence of impairment for loans and receivables at both an individual asset and collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

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In assessing collective impairment, the OUE H-REIT Group and the Stapled Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in the statement of total return and reflected in an allowance account. When the OUE H-REIT Group and the Stapled Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through the statement of total return.

(ii) Non-financial assets

The carrying amounts of the OUE H-REIT Group's and the Stapled Group's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGUs exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Unitholders' funds

Unitholders' funds of the Stapled Group comprise unitholders' funds of OUE H-BT and the OUE H-REIT Group. Unitholders' funds are classified as equity.

Issue costs relate to expenses incurred in connection with the issuance of Stapled Securities. The expenses are deducted directly against the unitholders' funds.

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3.8 Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

3.9 Revenue recognition

Rental income from operating leases

Rental income from operating leases is recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received. Variable rentals are recognised as income in the accounting period in which they are earned and the amount can be measured reliably.

3.10 Lease payments

Payments made under operating leases are recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.11 Finance income and finance expenses

The OUE H-REIT Group's and the Stapled Group's finance income and finance costs include:

- interest income;
- interest expense;
- change in fair value of financial derivatives;
- cost of unwinding derivative financial instruments;
- amortisation of debt-related transaction costs;
- hedge ineffectiveness recognised in statement of total return; and
- the reclassification of net gains and losses previously recognised in unitholders' funds on cash flow hedges of interest rate risk for borrowings.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of total return using the effective interest method.

3.12 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that it relates to items recognised directly in unitholders' funds.

The OUE H-REIT Group and the Stapled Group have determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investment in subsidiary to the extent that the OUE H-REIT Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the OUE H-REIT Group and the Stapled Group expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the OUE H-REIT Group and the Stapled Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the OUE H-REIT Group and the Stapled Group take into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The OUE H-REIT Group and the Stapled Group believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the OUE H-REIT Group and the Stapled Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore (“IRAS”) has issued a tax ruling on the taxation of OUE H-REIT for income earned and expenditure incurred after its listing on SGX-ST. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of OUE H-REIT, OUE H-REIT will not be taxed on the portion of taxable income of OUE H-REIT that is distributed to holders of OUE H-REIT units (“Unitholders”). Any portion of the taxable income that is not distributed to Unitholders will be taxed at OUE H-REIT’s level. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of OUE H-REIT is finally agreed with IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with IRAS.

Although OUE H-REIT is not taxed on its taxable income distributed, the REIT Trustee and the REIT Manager are required to deduct income tax at the applicable corporate tax rate from distributions of such taxable income of OUE H-REIT (i.e. which has not been taxed in the hands of the REIT Trustee) to certain Unitholders.

Qualifying Unitholders are entitled to gross distributions from OUE H-REIT. For distributions made to qualifying non-resident non-individual Unitholders during the period to 31 December 2025, the REIT Trustee is required to withhold tax at the reduced rate of 10% on distributions made. For other types of Unitholders, the REIT Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by OUE H-REIT. Such other types of Unitholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source at the prevailing corporate tax rate by the REIT Trustee.

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A Qualifying Unitholder refers to a unit holder who is:

- an individual;
- a company incorporated and tax resident in Singapore;
- a Singapore branch of a company incorporated outside Singapore;
- a body of persons incorporated or registered in Singapore, including a charity registered under the Charities Act (Cap. 37) or established by any written law, a town council, a statutory board, a co-operative society registered under the Co-operative Societies Act (Cap. 62) or a trade union registered under the Trade Unions Act (Cap. 333); and
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145).

A qualifying non-resident non-individual Unitholder refers to a unit holder who:

- does not have any permanent establishment in Singapore; or
- carries on any operation through a permanent establishment in Singapore, where the funds used by that person to acquire the units in OUE H-REIT are not obtained from that operation in Singapore.

The above tax transparency ruling does not apply to gains from the disposal of any properties such as immovable properties and shares that are determined by the IRAS to be revenue gains chargeable to tax and income derived by OUE H-REIT but not distributed to the Unitholders in the same year in which the income is derived. Tax on such gains or profits will be subject to tax in accordance to Section 10(1)(a) of the Income Tax Act (Cap. 134) and collected from the REIT Trustee. Distribution made out of the after-tax amount will not be subject to any further tax. Where the disposal gains are regarded as capital in nature, they will not be subject to tax and the REIT Trustee and the REIT Manager may distribute the capital gains without tax being deducted at source.

3.13 Earnings per Stapled Security

The Stapled Group presents basic and diluted earnings per Stapled Security. Basic earnings per Stapled Security is calculated by dividing the total return attributable to Stapled Securityholders by the weighted average number of Stapled Securities outstanding during the year. Diluted earnings per Stapled Security is determined by adjusting the total return attributable to Stapled Securityholders and the weighted average number of Stapled Securities outstanding, for the effects of all dilutive potential Stapled Securities.

3.14 Segment reporting

An operating segment is a component of the OUE H-REIT Group and the Stapled Group that engages in business activities from which they may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the other components of the OUE H-REIT Group and the Stapled Group. All operating segments' operating results are reviewed regularly by the Board of Directors of the REIT Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors of the REIT Manager include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance income, finance expenses and trust expenses.

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4 Investment properties

Note	OUE H-REIT Group and Stapled Group	
	2018 \$'000	2017 \$'000
At 1 January	2,218,000	2,208,100
Capital expenditure incurred	2,736	1,457
Straight-lining of lease adjustments	27	333
Changes in fair value recognised in the statement of total return (unrealised)	(2,763)	8,110
At 31 December	2,218,000	2,218,000

As at 31 December 2018, investment properties with a carrying amount of \$1,721,000,000 (2017: \$1,721,000,000) are pledged as security to secure bank loans (see Note 9).

Measurement of fair value

(i) Fair value hierarchy

The investment properties are stated at fair value as at 31 December 2018 and 31 December 2017 based on independent valuations undertaken by Savills Valuation and Professional Services (S) Pte Ltd. The independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued.

The fair values as at 31 December 2018 and 31 December 2017 were derived based on direct comparison, income capitalisation and discounted cash flow methods. The valuation methods involve certain estimates including those relating to discount rate, terminal yield rate, capitalisation rate, price per room and price per square metre.

The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations. In relying on the valuation reports, the REIT Manager has exercised its judgment and is satisfied that the valuation methods and estimates used are reflective of the current market conditions.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

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(ii) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<i>Discounted cash flow method:</i> The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value	Discount rate: 7.00% (2017: 7.00%) Terminal yield: 5.25% - 5.75% (2017: 5.25% - 5.50%)	The estimated fair value would increase/(decrease) if the discount rates and terminal yield were lower/(higher).
<i>Income capitalisation method:</i> The income capitalisation method capitalises an income stream into a present value using single-year capitalisation rates	Capitalisation rate: 5.00% - 5.25% (2017: 5.00%)	The estimated fair value would increase/(decrease) if the capitalisation rate was lower/(higher).
<i>Direct comparison method:</i> The direct comparison method involves the analysis of comparable sales of similar properties, with adjustments made to differentiate the comparables in terms of location, area, quality and other relevant factors	Price per square metre: \$44,600 (2017: \$41,900) Price per room: \$1.02 million - \$1.20 million (2017: \$1.04 million - \$1.26 million)	The estimated fair value would increase/(decrease) if the price per square metre or per room was higher/(lower).

5 Intangible asset

	OUE H-REIT Group and Stapled Group \$'000
Cost	
At 1 January 2017 and 31 December 2017	6,200
Acquisition	—
At 31 December 2018	<u>6,200</u>
Amortisation and impairment loss	
At 1 January 2017	(1,292)
Amortisation for the year	(4,908)
At 31 December 2017	<u>(6,200)</u>
Amortisation for the year	—
At 31 December 2018	<u>(6,200)</u>

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	OUE H-REIT Group and Stapled Group \$'000
Carrying amounts	
At 1 January 2017	4,908
At 31 December 2017	–
At 31 December 2018	–

Intangible asset represents the unamortised income support receivable by the OUE H-REIT Group and the Stapled Group under the deed of income support entered into with OUE Airport Hotel Pte. Ltd., a related party of the REIT Manager, in relation to Crowne Plaza Changi Airport and its extension (the “Deed of Income Support”).

Under the terms of the Deed of Income Support, should Crowne Plaza Changi Airport and its extension not achieve an agreed target quarterly rent from 1 August 2016 to 31 July 2019, the OUE H-REIT Group and the Stapled Group will be able to draw down the income support over (i) three years from 1 August 2016; or (ii) until the income support of \$7.5 million has been fully drawn down, whichever is earlier.

The OUE H-REIT Group and the Stapled Group had fully drawn down \$4.8 million under the Deed of Income Support in 2017 (see Note 15).

In 2017, the OUE H-REIT Group and the Stapled Group reviewed the rate that the income support was being drawn down. The income support which management had previously expected to fully draw down within 24 months, has been fully drawn down in 14 months from the date of entitlement. As a result, the expected useful life of the intangible asset was reduced and the amortisation charge was accelerated. The effect of this change resulted in an increase in amortisation charge of \$1,808,000.

6 Financial derivatives

	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$'000	\$'000
Derivative assets/(liabilities)		
Interest rate swaps used for hedging		
- Non-current	1,215	(1,046)
- Current	–	–
	1,215	(1,046)
Financial derivatives as a percentage of net assets	0.09%	(0.08%)

The OUE H-REIT Group and the Stapled Group use interest rate swaps to manage their exposures to interest rate movements on floating rate interest-bearing bank loans by swapping the interest expense on certain of these bank loans from floating rates to fixed rates.

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As at 31 December 2018, the OUE H-REIT Group and the Stapled Group have interest rate swap contracts with a total notional amount of \$620 million (2017: \$620 million). Under the contracts, the OUE H-REIT Group and the Stapled Group pay fixed interest rates of 1.61% to 1.72% (2017: 1.61% to 1.72%) and receive interest at the three-month Singapore Dollar swap offer rate (“SOR”).

7 Trade and other receivables

	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$'000	\$'000
Trade receivables from:		
- related parties of the REIT Manager	7,875	8,738
- third parties	676	419
	8,551	9,157
Other receivables	3	275
	8,554	9,432
Prepayments	1,555	1,585
	10,109	11,017

Trade receivables from related parties of the REIT Manager relate to receivables from the master lessees of Mandarin Orchard Singapore and Crowne Plaza Changi Airport. The balances are unsecured. There is no impairment loss arising from these outstanding balances as the ECL is not material. The receivables are considered to be held with a held-to-collect business model.

Concentration of credit risk relating to trade receivables of Mandarin Gallery is limited due to the many varied tenants.

The ageing of trade receivables at the reporting date is:

	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$'000	\$'000
Gross		
Not past due	7,877	8,738
Past due 1 – 60 days	293	215
Past due over 60 days	381	204
	8,551	9,157

The OUE H-REIT Group and the Stapled Group believe that the unimpaired amounts that are past due are still collectible based on historic payment behaviour and the deposits held.

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8 Cash and cash equivalents

	OUE H-BT			- OUE H-REIT Group -		- Stapled Group -	
	31 Dec	31 Dec	1 Jan	31 Dec	31 Dec	31 Dec	31 Dec
	2018	2017	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash at bank	8	11	12	19,306	21,048	19,314	21,059
Fixed deposit with financial institutions	-	-	-	3,000	4,500	3,000	4,500
	<u>8</u>	<u>11</u>	<u>12</u>	<u>22,306</u>	<u>25,548</u>	<u>22,314</u>	<u>25,559</u>

9 Borrowings

	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$'000	\$'000
Non-current		
Secured bank loans	875,000	875,000
Less: Unamortised transaction costs	(6,962)	(9,688)
	<u>868,038</u>	<u>865,312</u>

The OUE H-REIT Group and the Stapled Group have in place secured term loan facilities of \$875 million and \$105 million secured revolving credit facility (2017: \$875 million and \$105 million secured revolving credit facility).

These facilities are secured by:

- A registered first legal mortgage over Mandarin Orchard Singapore and Mandarin Gallery (collectively, the “Properties”);
- A legal assignment of all insurance taken in respect of the Properties except public liability insurance;
- An assignment of all rights, titles, benefits and interests in connection with any lease, tenancy or property management agreements and lease or tenancy deposits/proceeds in respect of Mandarin Gallery;
- An assignment of all rights, titles, benefits and interests in connection with any master lease entered into by OUE H-REIT and lease or tenancy deposits/proceeds in connection with such master lease in respect of Mandarin Orchard Singapore; and
- A debenture incorporating a fixed and floating charge over generally all of OUE H-REIT’s present and future assets in connection with the Properties.

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As at the reporting date, OUE H-REIT Group and Stapled Group had drawn down \$875 million (2017: \$875 million) term loan facilities and the revolving credit facilities were undrawn. The OUE H-REIT Group and Stapled Group have partially hedged the floating interest rates on these loans using interest rate swaps (see Note 6).

In addition, OUE H-REIT's wholly-owned subsidiary, OUE H-T Treasury Pte. Ltd. ("OUE HTT"), has established a US\$1 billion guaranteed Euro Medium Term Note Programme (the "EMTN Programme"). Under the EMTN Programme, OUE HTT may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in series or tranches ("EMTN Notes"). Each series or tranche of EMTN Notes may be issued in United States dollars or any other currency, in various amounts and tenors, and may bear interest at fixed or floating rates.

The EMTN Notes shall constitute direct, unconditional, unsecured and unsubordinated obligations of OUE HTT and shall at all times rank pari passu, without any preference or priority among themselves and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of OUE HTT. All sums payable in respect of the EMTN Notes will be unconditionally and irrevocably guaranteed by the REIT Trustee.

As at 31 December 2018 and 2017, no EMTN Notes have been issued under the EMTN Programme.

Terms and debt repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
OUE H-REIT Group and Stapled Group					
31 December 2018					
Term loans	SGD	2.72% - 2.78%	2020 - 2021	875,000	868,038
31 December 2017					
Term loans	SGD	1.88% - 1.93%	2020 - 2021	875,000	865,312

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Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		Derivative (assets)/ liabilities held to hedge long-term borrowings	Total \$'000
	Borrowings \$'000	Accrued interest payable \$'000	Interest rate swap used for hedging \$'000	
Balance at 1 January 2018	865,312	723	1,046	867,081
Changes from financing cash flows				
Finance expenses paid	–	(19,410)	(1,568)	(20,978)
Total changes from financing cash flows	–	(19,410)	(1,568)	(20,978)
Change in fair value	–	–	(2,261)	(2,261)
Other changes				
Liability-related				
Re-classification from derivatives to accrued interest payable	–	(188)	188	–
Finance expense	–	19,541	1,380	20,921
Amortisation of debt-related transaction costs	2,916	–	–	2,916
Change in borrowings	(190)	–	–	(190)
Total liability-related other changes	2,726	19,353	1,568	23,647
Balance at 31 December 2018	868,038	666	(1,215)	867,489
Balance at 1 January 2017	853,995	3,821	3,880	861,696
Changes from financing cash flows				
Repayment of bank loans	(859,000)	–	–	(859,000)
Proceeds from bank loans	875,000	–	–	875,000
Payment of transaction costs on borrowings	(9,790)	–	–	(9,790)
Cost of unwinding derivative financial instruments	–	–	(5,068)	(5,068)
Finance expenses paid	–	(17,841)	(8,581)	(26,422)
Total changes from financing cash flows	6,210	(17,841)	(13,649)	(25,280)
Change in fair value	–	–	(2,834)	(2,834)
Other changes				
Liability-related				
Re-classification from derivatives to accrued interest payable	–	(1,366)	1,366	–
Finance expense	–	16,109	7,215	23,324
Amortisation of debt-related transaction costs	5,227	–	–	5,227
Cost of unwinding derivative financial instruments	–	–	5,068	5,068
Change in borrowings	(120)	–	–	(120)
Total liability-related other changes	5,107	14,743	13,649	33,499
Balance at 31 December 2017	865,312	723	1,046	867,081

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10 Trade and other payables

	----- OUE H-BT -----			- OUE H-REIT Group -		---- Stapled Group ----	
	31 Dec 2018 \$'000	31 Dec 2017 \$'000	1 Jan 2017 \$'000	31 Dec 2018 \$'000	31 Dec 2017 \$'000	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Trade payables to:							
- a related party of the REIT Manager	-	-	-	-	489	-	489
- third parties	-	-	-	2,120	1,633	2,120	1,633
Other payables	-	-	-	248	279	248	279
Accrued expenses	3	3	2	7,480	6,809	7,483	6,812
Interest payable	-	-	-	666	723	666	723
	<u>3</u>	<u>3</u>	<u>2</u>	<u>10,514</u>	<u>9,933</u>	<u>10,517</u>	<u>9,936</u>

Outstanding balances with the related party of the REIT Manager are unsecured, interest-free and repayable on demand.

11 Units/Stapled Securities in issue and to be issued

	OUE H-BT		OUE H-REIT Group		Stapled Group	
	2018 '000	2017 '000	2018 '000	2017 '000	2018 '000	2017 '000
Units/Stapled Securities in issue:						
At 1 January	1,806,518	1,790,428	1,806,518	1,790,428	1,806,518	1,790,428
Creation of Units/Stapled Securities:						
- REIT Manager's management fee paid in Stapled Securities	13,948	16,090	13,948	16,090	13,948	16,090
At 31 December	<u>1,820,466</u>	<u>1,806,518</u>	<u>1,820,466</u>	<u>1,806,518</u>	<u>1,820,466</u>	<u>1,806,518</u>
Units/Stapled Securities to be issued:						
- REIT Manager's management fee payable in Stapled Securities	9,314	7,366	9,314	7,366	9,314	7,366
Issued and issuable Units/Stapled Securities	<u>1,829,780</u>	<u>1,813,884</u>	<u>1,829,780</u>	<u>1,813,884</u>	<u>1,829,780</u>	<u>1,813,884</u>

Financial year ended 31 December 2018

- (i) During the financial year, 13,947,785 Stapled Securities at unit prices ranging from \$0.7059 to \$0.8439 per Stapled Security, amounting to \$11,291,630, were issued as satisfaction of the REIT Manager's management fees payable in units.
- (ii) 9,313,531 Stapled Securities at unit price \$0.6674 per Stapled Security, amounting to \$6,215,851, were issued subsequent to year end as satisfaction of the REIT Manager's base management fees for the period from 1 October 2018 to 31 December 2018 and performance management fees for the financial year ended 31 December 2018.

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- (i) During the financial year, 16,089,486 Stapled Securities at unit prices ranging from \$0.6534 to \$0.7815 per Stapled Security, amounting to \$11,049,731, were issued as satisfaction of the REIT Manager's management fees payable in units.
- (ii) 7,366,201 Stapled Securities at unit price \$0.8439 per Stapled Security, amounting to \$6,216,338, were issued subsequent to year end as satisfaction of the REIT Manager's base management fees for the period from 1 October 2017 to 31 December 2017 and performance management fees for the financial year ended 31 December 2017.

Each OUE H-REIT unit is stapled together with an OUE H-BT unit under the terms of a stapling deed dated 10 July 2013 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager and cannot be traded separately. Each Stapled Security represents an undivided interest in OUE H-REIT and OUE H-BT.

A holder of the Stapled Security has no equitable or proprietary interest in the underlying assets of the Stapled Group and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of the Stapled Group.

The liability of a holder of the Stapled Securities is limited to the amount paid or payable for the Stapled Securities.

Each OUE H-BT unit and OUE H-REIT unit carry the same voting rights.

Capital management

The REIT Manager's principal objectives are to deliver regular and stable distributions to Stapled Securityholders and to achieve long-term growth in distributions and in the net asset value per Stapled Security, while maintaining an appropriate capital structure. Capital consists of unitholders' funds of the Stapled Group.

OUE H-REIT's capital funding objectives are to maintain a strong financial position, manage the cost of debt financing, and potential refinancing or repayment risks, secure diversified funding sources and potentially implement hedging strategies to manage the exposure arising from adverse market movements in interest rates, after taking into account the prevailing market conditions.

OUE H-REIT is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code issued by the MAS. The CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45% of its Deposited Property.

The Aggregate Leverage of OUE H-REIT as at 31 December 2018 was 38.8% (2017: 38.8%) of its Deposited Property. This complied with the Aggregate Leverage limit as described above.

There were no substantial changes in the OUE H-REIT Group's and the Stapled Group's approach to capital management during the year.

Neither OUE H-BT, OUE H-REIT nor its subsidiary are subject to externally imposed capital requirement.

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12 Net asset value per Unit/Stapled Security

	Note	OUE H-BT		OUE H-REIT Group		Stapled Group	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net asset value per Unit/Stapled Security is based on:							
- Net assets		5	8	1,372,121	1,376,061	1,372,126	1,376,069
		'000	'000	'000	'000	'000	'000
- Total issued and issuable Units/Stapled Securities at 31 December	11	1,829,780	1,813,884	1,829,780	1,813,884	1,829,780	1,813,884

13 Gross revenue

	OUE H-REIT Group and Stapled Group	
	2018 \$'000	2017 \$'000
Fixed rent	99,562	100,189
Variable rent	29,145	29,849
Others	1,027	1,025
	<u>129,734</u>	<u>131,063</u>

Under the terms of lease agreements for the properties, the OUE H-REIT Group and the Stapled Group are generally entitled to a fixed rent component and/or a variable rent component computed based on a certain percentage of the revenue and/or gross operating profit of its tenants.

Included in the gross revenue of the OUE H-REIT Group and the Stapled Group is rental income from related parties of the REIT Manager of \$95,831,000 (2017: \$96,341,000), which represents 73.9% (2017: 73.5%) of the revenue of the OUE H-REIT Group and the Stapled Group and relates to the hospitality segment.

14 Property expenses

	OUE H-REIT Group and Stapled Group	
	2018 \$'000	2017 \$'000
Energy cost	980	894
Insurance	215	224
Operating lease expense:		
- Fixed component	1,000	1,000
- Variable component	3,459	3,248
Property management fees	1,349	1,361
Property tax	6,929	8,671
Other property expenses	3,044	2,920
	<u>16,976</u>	<u>18,318</u>

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15 Other income

Other income relates to the amount received/receivable by the OUE H-REIT Group and the Stapled Group under the Deed of Income Support in relation to Crowne Plaza Changi Airport and its extension (see Note 5).

16 REIT Manager’s fees

	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$’000	\$’000
Base fee	6,780	6,759
Performance fee	4,510	4,510
	<u>11,290</u>	<u>11,269</u>

Included in the REIT Manager’s fees is an aggregate of 15,895,115 (2017: 14,277,047) Stapled Securities, amounting to \$11,291,143 (2017: \$11,268,745), that have been or will be issued to the REIT Manager as satisfaction of the REIT Manager’s management fees payable in Stapled Securities at unit prices ranging from \$0.6674 to \$0.8322 (2017: \$0.6881 to \$0.8439) per Stapled Security.

17 Other trust expenses

Included in other trust expenses are the following:

	OUE H-BT		OUE H-REIT Group		Stapled Group	
	2018	2017	2018	2017	2018	2017
	\$’000	\$’000	\$’000	\$’000	\$’000	\$’000
Auditors’ remuneration:						
- Audit fees	–	–	176	181	176	181
- Non-audit fees	2	2	60	56	62	58
Valuation fees	–	–	39	49	39	49
			<u>39</u>	<u>49</u>	<u>39</u>	<u>49</u>

18 Finance income and finance expenses

	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$’000	\$’000
Interest income under the effective interest method on cash and cash equivalents	67	66
Total interest income arising from financial assets measured at amortised cost	<u>67</u>	<u>66</u>
Ineffective portion of change in fair value of cash flow hedges	–	840
Net change in fair value of financial derivatives	–	812
Finance income	<u>67</u>	<u>1,718</u>

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	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$'000	\$'000
Amortisation of debt-related transaction costs	(2,916)	(2,174)
Write-off of unamortised debt-related transaction costs	–	(3,053)
Interest paid/payable to banks	(20,921)	(23,324)
Cost of unwinding derivative financial instruments	–	(5,068)
Finance expenses	(23,837)	(33,619)

19 Total return for the year

	OUE H-BT		OUE H-REIT Group		Stapled Group	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Comprises total return of:						
- OUE H-REIT	–	–	73,004	75,949	73,004	75,949
- Other OUE H-REIT Group entity	–	–	(6)	(5)	(6)	(5)
- OUE H-BT	(3)	(2)	–	–	(3)	(2)
	(3)	(2)	72,998	75,944	72,995	75,942

20 Tax expense

	OUE H-BT		OUE H-REIT Group		Stapled Group	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation of effective tax rate						
Total return for the year	(3)	(2)	72,998	75,944	72,995	75,942
Tax calculated using Singapore tax rate of 17% (2017: 17%)	*	*	12,410	12,910	12,409	12,910
Non-tax deductible items	*	*	3,030	2,946	3,030	2,946
Non-taxable items	–	–	(5)	(56)	(5)	(56)
Tax transparency (Note 3.12)	–	–	(15,435)	(15,800)	(15,434)	(15,800)
	–	–	–	–	–	–

* less than \$1,000

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21 Earnings per Stapled Security

(a) Basic earnings per Stapled Security is based on:

	Stapled Group	
	2018	2017
	\$'000	\$'000
Total return for the year	72,995	75,942
	Number of Stapled Securities	Number of Stapled Securities
	2018	2017
	'000	'000
Weighted average number of Stapled Securities:		
- outstanding during the year	1,817,111	1,803,165
- to be issued as payment of the REIT Manager's management fees payable in Stapled Securities	25	20
	1,817,136	1,803,185

(b) Diluted earnings per Stapled Security

In calculating diluted earnings per Stapled Security, the total return for the year and weighted average number of Stapled Securities outstanding are adjusted for the effect of all dilutive potential Stapled Securities, as set out below:

	Stapled Group	
	2018	2017
	\$'000	\$'000
Total return for the year	72,995	75,942
	Number of Stapled Securities	Number of Stapled Securities
	2018	2017
	'000	'000
Weighted average number of Stapled Securities used in calculation of basic earnings per Stapled Security	1,817,136	1,803,185
Effect of payment of the REIT Manager's management fees payable in Stapled Securities	12,644	10,699
Weighted average number of Stapled Securities in issue (diluted)	1,829,780	1,813,884

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22 Issue costs

Issue costs comprise professional, advisory and underwriting fees and other costs related to the issue of Stapled Securities.

23 Operating segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment net property income, as included in the internal management reports that are reviewed by the Board of Directors of the REIT Manager. Segment net property income is used to measure performance as management believes that such information is the most relevant in evaluating the results of its segments relative to other entities that operate within the same industry.

Segment information by geographical area is not presented as all of the OUE H-REIT Group's assets are located in Singapore.

No segment information is presented for OUE H-BT as it is dormant.

Information about reportable segments

	Hospitality \$'000	Retail \$'000	Total \$'000
OUE H-REIT Group			
Year ended 31 December 2018			
Gross revenue	95,831	33,903	129,734
Property expenses	(8,574)	(8,402)	(16,976)
Reportable segment net property income	87,257	25,501	112,758
Unallocated items:			
- REIT Manager's fees			(11,290)
- REIT Trustee's fees			(417)
- Other trust expenses			(1,520)
- Finance income			67
- Finance expenses			(23,837)
Net income			75,761
Net change in fair value of investment properties	(1,703)	(1,060)	(2,763)
Total return for the year			72,998

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	Hospitality \$'000	Retail \$'000	Total \$'000
OUE H-REIT Group			
Year ended 31 December 2017			
Gross revenue	96,341	34,722	131,063
Property expenses	(8,924)	(9,394)	(18,318)
Reportable segment net property income	87,417	25,328	112,745
Other income	4,818	–	4,818
Amortisation of intangible asset	(4,908)	–	(4,908)
Unallocated items:			
- REIT Manager's fees			(11,269)
- REIT Trustee's fees			(415)
- Other trust expenses			(1,236)
- Finance income			1,718
- Finance expenses			(33,619)
Net income			67,834
Net change in fair value of investment properties	15,844	(7,734)	8,110
Total return for the year			<u>75,944</u>
Stapled Group			
Year ended 31 December 2018			
Gross revenue	95,831	33,903	129,734
Property expenses	(8,574)	(8,402)	(16,976)
Reportable segment net property income	87,257	25,501	112,758
Unallocated items:			
- REIT Manager's fees			(11,290)
- REIT Trustee's fees			(417)
- Other trust expenses			(1,523)
- Finance income			67
- Finance expenses			(23,837)
Net income			75,758
Net change in fair value of investment properties	(1,703)	(1,060)	(2,763)
Total return for the year			<u>72,995</u>

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	Hospitality \$'000	Retail \$'000	Total \$'000
Stapled Group			
Year ended 31 December 2017			
Gross revenue	96,341	34,722	131,063
Property expenses	(8,924)	(9,394)	(18,318)
Reportable segment net property income	87,417	25,328	112,745
Other income	4,818	–	4,818
Amortisation of intangible asset	(4,908)	–	(4,908)
Unallocated items:			
- REIT Manager's fees			(11,269)
- REIT Trustee's fees			(415)
- Other trust expenses			(1,238)
- Finance income			1,718
- Finance expenses			(33,619)
Net income			67,832
Net change in fair value of investment properties	15,844	(7,734)	8,110
Total return for the year			75,942

24 Financial instruments

Financial risk management

Overview

The OUE H-REIT Group and the Stapled Group have exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the exposure of the OUE H-REIT Group and the Stapled Group to each of the above risks, their objectives, policies and processes for measuring and managing risk, and their management of capital.

Risk management framework

Risk management is integral to the whole business of the OUE H-REIT Group and the Stapled Group. The OUE H-REIT Group and the Stapled Group have a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Trustee-Manager and the REIT Manager continually monitor the OUE H-REIT Group's and the Stapled Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the OUE H-REIT Group's and the Stapled Group's activities.

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The Board of Directors of the REIT Manager have overall responsibility for the establishment and oversight of the risk management framework of the OUE H-REIT Group. The Audit and Risk Committee of the REIT Manager assists the Board of Directors and oversees how the REIT Manager monitors compliance with the risk management policies and procedures of the OUE H-REIT Group, and reviews the adequacy of the risk management framework in relation to the risks faced by the OUE H-REIT Group. The Audit and Risk Committee reports regularly to the Board of Directors on its activities.

Credit risk

Credit risk is the risk of financial loss to the OUE H-REIT Group and the Stapled Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the receivables from customers and investment securities.

The carrying amount of financial assets in the statements of financial position represents maximum exposure of the OUE H-REIT Group and the Stapled Group to credit risk, before taking into account any collateral held.

Trade and other receivables

Credit evaluations are performed before lease agreements are entered into with tenants. Rental deposits are received, where appropriate, to reduce credit risk. In addition, the REIT Manager monitors the balances due from its lessees and tenants on an ongoing basis.

The Stapled Group establishes allowances for impairment that represents its estimate of the expected credit loss and specific loss component in respect of trade and other receivables.

The allowance account in respect of trade and other receivables is used to record impairment losses. If the OUE H-REIT Group and the Stapled Group are satisfied that no recovery of the amount owing is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At 31 December 2018, 92.1% (2017: 95.4%) of the trade receivables of the OUE H-REIT Group and the Stapled Group are due from related parties of the REIT Manager. Except as disclosed above, there was no significant concentration of credit risk.

Expected credit loss assessment for individual tenants as at 1 January and 31 December 2018

The OUE H-REIT Group and the Stapled Group use an allowance matrix to measure the ECLs of trade receivables from individual tenants, which comprise a very small number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the past three years.

The OUE H-REIT Group and the Stapled Group believe that no allowance for impairment is necessary in respect of the trade receivables as these receivables relate mainly to tenants that have a good record with the OUE H-REIT Group and the Stapled Group or have sufficient security deposits as collateral, and hence ECL is not material.

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Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated A1/P-1 to Aa1/P-1, based on Moody's ratings.

Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated and rated Aa3/P-1, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The OUE H-REIT Group and the Stapled Group consider that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Liquidity risk

Liquidity risk is the risk that the OUE H-REIT Group and the Stapled Group will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset. The REIT Manager monitors the liquidity risk of the OUE H-REIT Group and the Stapled Group and maintains a level of cash and cash equivalents deemed adequate to finance their operations and to mitigate the effects of fluctuations in cash flows. The REIT Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

The OUE H-REIT Group and the Stapled Group have a total of \$980 million secured facilities comprising (i) \$875 million secured term loan facilities; (ii) \$55 million committed revolving credit facility and (iii) \$50 million uncommitted revolving credit facility (2017: \$980 million secured facilities comprising (i) \$875 million secured term loan facilities; (ii) \$55 million committed revolving credit facility and (iii) \$50 million uncommitted revolving credit facility). As at 31 December 2018, OUE H-REIT Group and Stapled Group had drawn down \$875 million (2017: \$875 million) term loan facilities and the revolving credit facilities were unutilised.

In addition, the OUE H-REIT Group and the Stapled Group have a US\$1 billion (2017: US\$1 billion) EMTN Programme (see Note 9). As at 31 December 2018, no EMTN Notes have been issued (2017: nil) under the EMTN Programme.

The OUE H-REIT Group and the Stapled Group have contractual commitments to incur capital expenditure (see Note 25).

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Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Cash flows		
			1 year or less	After 1 year but within 5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000
OUE H-REIT Group 2018					
Non-derivative financial liabilities					
Borrowings	868,038	(932,701)	(22,430)	(910,271)	–
Trade and other payables	10,514	(10,514)	(10,514)	–	–
Rental deposits	4,783	(4,783)	(1,495)	(3,272)	(16)
	<u>883,335</u>	<u>(947,998)</u>	<u>(34,439)</u>	<u>(913,543)</u>	<u>(16)</u>
Derivative financial instruments					
Interest rate swaps	(1,215)	1,246	742	504	–
	<u>882,120</u>	<u>(946,752)</u>	<u>(33,697)</u>	<u>(913,039)</u>	<u>(16)</u>
2017					
Non-derivative financial liabilities					
Borrowings	865,312	(949,650)	(18,241)	(931,409)	–
Trade and other payables	9,933	(9,933)	(9,933)	–	–
Rental deposits	4,508	(4,508)	(1,432)	(3,076)	–
	<u>879,753</u>	<u>(964,091)</u>	<u>(29,606)</u>	<u>(934,485)</u>	<u>–</u>
Derivative financial instruments					
Interest rate swaps	1,046	(730)	(2,539)	1,809	–
	<u>880,799</u>	<u>(964,821)</u>	<u>(32,145)</u>	<u>(932,676)</u>	<u>–</u>
Stapled Group 2018					
Non-derivative financial liabilities					
Borrowings	868,038	(932,701)	(22,430)	(910,271)	–
Trade and other payables	10,517	(10,517)	(10,517)	–	–
Rental deposits	4,783	(4,783)	(1,495)	(3,272)	(16)
	<u>883,338</u>	<u>(948,001)</u>	<u>(34,442)</u>	<u>(913,543)</u>	<u>(16)</u>
Derivative financial instruments					
Interest rate swaps	(1,215)	1,246	742	504	–
	<u>882,123</u>	<u>(946,755)</u>	<u>(33,700)</u>	<u>(913,039)</u>	<u>(16)</u>

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	Carrying amount	Contractual cash flows	Cash flows		
			1 year or less	After 1 year but within 5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000
Stapled Group 2017					
Non-derivative financial liabilities					
Borrowings	865,312	(949,650)	(18,241)	(931,409)	–
Trade and other payables	9,936	(9,936)	(9,936)	–	–
Rental deposits	4,508	(4,508)	(1,432)	(3,076)	–
	<u>879,756</u>	<u>(964,094)</u>	<u>(29,609)</u>	<u>(934,485)</u>	<u>–</u>
Derivative financial instruments					
Interest rate swaps	1,046	(730)	(2,539)	1,809	–
	<u>880,802</u>	<u>(964,824)</u>	<u>(32,148)</u>	<u>(932,676)</u>	<u>–</u>

The maturity analyses show the contractual undiscounted cash flows of the OUE H-REIT Group's and the Stapled Group's financial liabilities on the basis of their earliest possible contractual maturity. Derivative financial instruments held are normally not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled.

The interest payments on floating rate borrowings in the table above reflect market forward interest rates at the period end and these amounts may change as market interest rates changes. The future cash flows on derivative instruments may be different from the amounts in the above table as interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

All the derivative financial instruments are designated as cash flow hedges. The table above reflects the periods in which the cash flows associated with cash flow hedges are expected to occur and to impact the total return.

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect OUE H-REIT Group's and the Stapled Group's total return or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The OUE H-REIT Group and the Stapled Group enter into derivatives in order to manage market risks. All such transactions are carried out within the guidelines set by the Audit and Risk Committee of the REIT Manager. Generally, the OUE H-REIT Group and the Stapled Group seek to apply hedge accounting in order to manage volatility in the statement of total return.

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Interest rate risk

The REIT Manager's strategy to manage the risk of potential interest rate volatility may be through the use of interest rate hedging instruments and/or fixed rate borrowings. The REIT Manager will regularly evaluate the feasibility of putting in place the appropriate level of interest rate hedges, after taking into account the prevailing market conditions.

The OUE H-REIT Group and the Stapled Group determine the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The OUE H-REIT Group and the Stapled Group assess whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

Derivative financial instruments are used to manage exposure to interest rate risk arising from financing activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the OUE H-REIT Group and the Stapled Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

Exposure to interest rate risk

The exposure of the OUE H-REIT Group and the Stapled Group to changes in interest rates relate primarily to interest-earning financial assets and interest-bearing financial liabilities. At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	OUE H-REIT Group and Stapled Group	
	Nominal amount	
	2018	2017
	\$'000	\$'000
Fixed rate instruments		
Fixed deposit	3,000	4,500
Interest rate swaps	(620,000)	(620,000)
	(617,000)	(615,500)
Variable rate instruments		
Borrowings	(875,000)	(875,000)
Interest rate swaps	620,000	620,000
	(255,000)	(255,000)

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Fair value sensitivity analysis for fixed rate instruments

OUE H-REIT Group and the Stapled Group do not account for any fixed rate financial assets and liabilities at fair value through profit and loss. OUE H-REIT Group and the Stapled Group do not designate interest rate swaps as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect total return.

Sensitivity analysis for variable instruments

For the variable rate instruments, a change of 50 (2017: 50) basis points (“bp”) in interest rate at the reporting date would increase/(decrease) total return and unitholders’ funds (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

	OUE H-REIT Group and Stapled Group			
	Statement of Total Return		Unitholders’ funds	
	50 bp increase \$’000	50 bp decrease \$’000	50 bp increase \$’000	50 bp decrease \$’000
Year ended 31 December 2018				
Variable rate instruments				
Borrowings	(4,375)	4,375	–	–
Interest rate swaps	3,100	(3,100)	669	(649)
	(1,275)	1,275	669	(649)
Year ended 31 December 2017				
Variable rate instruments				
Borrowings	(4,375)	4,375	–	–
Interest rate swaps	3,100	(3,100)	897	(458)
	(1,275)	1,275	897	(458)

Business risk

Mandarin Orchard Singapore and Crowne Plaza Changi Airport are each leased by OUE H-REIT to a single related party (“Master Lessee”) of the REIT Manager. In return, OUE H-REIT is paid a rent by the Master Lessee comprising a fixed rent component and a variable rent component. The latter is pegged to the underlying performance of the property.

In addition, OUE H-REIT derives variable rent from the tenants of Mandarin Gallery, which is pegged to the underlying performance of the tenants. As a result, a variation in the underlying performance of these properties may have an impact on the revenue of OUE H-REIT and consequently, the distributable income of OUE H-REIT.

Sensitivity analysis

A change of 10% (2017: 10%) in gross revenue attributable to the variable rent component of gross revenue at the reporting date would increase/(decrease) total return (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

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	2018		2017	
	10% increase \$'000	10% decrease \$'000	10% increase \$'000	10% decrease \$'000
Gross revenue	2,915	(2,915)	2,985	(2,985)

Hedge accounting

Cash flow hedge

At 31 December 2018, the OUE H-REIT Group and the Stapled Group held the following instruments to hedge exposures to changes in interest rates.

	OUE H-REIT Group and Stapled Group		
	Maturity		
	1 year or less	After 1 year but within 5 years	More than 5 years
Interest rate risk			
Interest rate swaps			
Net exposure (in thousands of SGD)	–	620,000	–
Average fixed interest rate	–	1.66%	–

The amounts at the reporting date relating to items designated as hedged items were as follows.

	31 December 2018		
	Change in value used for calculating hedge ineffective hedge ineffectiveness \$'000	Cash flow hedge reserve \$'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied \$'000
Interest rate risk			
Variable-rate instruments	–	1,215	–

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The amounts relating to items designated as hedging instrument were as follows:

	-----2018-----		During the period - 2018
Nominal amount \$'000	Carrying amount – Assets \$'000	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in unitholders' funds \$'000
Interest rate risk			
Interest rate swaps	620,000	1,215	Financial derivatives 2,261

The following table provides a reconciliation by risk category of components of unitholders' funds and analysis of unitholders' funds items, net of tax, resulting from cash flow hedge accounting.

	2018 Hedging reserve \$'000
Balance at 1 January 2018	(1,046)
Cash flow hedges	
Change in fair value:	
Interest rate risk	2,261
Balance at 31 December 2018	<u>1,215</u>

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Accounting classifications and fair values

The carrying values and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Amortised cost \$'000	Carrying amount		Fair value				Total \$'000
		Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
OUE H-REIT Group								
31 December 2018								
Financial assets not measured at fair value								
	3,826	–	–	–	–	–	–	3,826
7	8,554	–	–	–	–	–	–	8,554
8	22,306	–	–	–	–	–	–	22,306
	34,686	–	–	–	–	–	–	34,686
Financial assets measured at fair value								
6	–	1,215	–	–	1,215	–	–	1,215
Financial liabilities not measured at fair value								
9	–	–	(868,038)	–	–	–	–	(868,038)
10	–	–	(10,514)	–	–	–	–	(10,514)
	–	–	(4,783)	–	–	–	–	(4,783)
	–	–	(883,335)	–	–	–	–	(883,335)

* Excluding prepayments

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	----- Carrying amount -----		----- Fair value -----				
	Fair value – Loans and receivables instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
OUE H-REIT Group							
31 December 2017							
Financial assets not measured at fair value							
Deposit	2,295	-	2,295				
Trade and other receivables*	9,432	-	9,432				
Cash and cash equivalents	25,548	-	25,548				
	<u>37,275</u>	<u>-</u>	<u>37,275</u>				
Financial liabilities measured at fair value							
Financial derivatives	-	(1,046)	(1,046)	-	(1,046)	-	(1,046)
Financial liabilities not measured at fair value							
Borrowings	-	(865,312)	(865,312)				
Trade and other payables	-	(9,933)	(9,933)				
Rental deposits	-	(4,508)	(4,508)			(4,291)	(4,291)
	<u>-</u>	<u>(879,753)</u>	<u>(879,753)</u>				

* Excluding prepayments

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Note	Amortised cost \$'000	Carrying amount		Fair value				Total \$'000
		Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
Stapled Group								
31 December 2018								
Financial assets not measured at fair value								
	3,826	–	–	–	–	–	–	3,826
7	8,554	–	–	–	–	–	–	8,554
8	22,314	–	–	–	–	–	–	22,314
	<u>34,694</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>34,694</u>
Financial assets measured at fair value								
6	–	1,215	–	–	1,215	–	–	1,215
Financial liabilities not measured at fair value								
9	–	–	(868,038)	–	–	–	–	(868,038)
10	–	–	(10,517)	–	–	–	–	(10,517)
	–	–	(4,783)	–	–	–	–	(4,783)
	<u>–</u>	<u>–</u>	<u>(883,338)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(883,338)</u>

* Excluding prepayments

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	Carrying amount		Fair value				Total \$'000
	Loans and receivables \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Stapled Group							
31 December 2017							
Financial assets not measured at fair value							
Deposit	2,295	–	–	–	–	–	2,295
Trade and other receivables*	9,432	–	–	–	–	–	9,432
Cash and cash equivalents	25,559	–	–	–	–	–	25,559
	<u>37,286</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>37,286</u>
Financial liabilities measured at fair value							
Financial derivatives	–	(1,046)	–	–	(1,046)	–	(1,046)
Financial liabilities not measured at fair value							
Borrowings	–	–	(865,312)	–	–	–	(865,312)
Trade and other payables	–	–	(9,936)	–	–	–	(9,936)
Rental deposits	–	–	(4,508)	–	–	(4,291)	(4,508)
	<u>–</u>	<u>–</u>	<u>(879,756)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(879,756)</u>

* Excluding prepayments

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Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

OUE H-REIT Group and Stapled Group

Financial instruments measured at fair value

<u>Type</u>	<u>Valuation technique</u>
Interest rate swaps	The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Financial instruments not measured at fair value

<u>Type</u>	<u>Valuation technique</u>
Rental deposits	Discounted cash flow method

There were no transfers between Level 2 and Level 3 during the year.

25 Commitments

Operating leases as lessor

Non-cancellable operating lease rentals are receivable as follows:

	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$'000	\$'000
1 year or less	98,204	97,114
After 1 year but within 5 years	332,495	333,611
More than 5 years	322,123	397,356
	<u>752,822</u>	<u>828,081</u>

The above operating lease receivables are based on the fixed component of the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for under the lease agreements.

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Operating lease as lessee

Non-cancellable operating lease rentals are payable as follows:

	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$'000	\$'000
1 year or less	1,000	1,000
After 1 year but within 5 years	4,000	4,000
More than 5 years	59,660	60,660
	64,660	65,660

The operating lease rental payable relates to the land rent payable to Changi Airport Group in relation to the Crowne Plaza Changi Airport site. Under the terms of the lease agreement, the land rent payable comprises a fixed component and a variable component computed based on certain percentage of the hotel revenue. The above operating lease payable is based on the fixed component of the rent payable under the lease agreement.

Capital commitments

	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$'000	\$'000
Capital expenditure on investment properties contracted but not provided for	1,846	1,329

26 Related party transactions

The REIT Manager is a direct wholly-owned subsidiary of a substantial holder of the Stapled Securities in the Stapled Group.

In the normal course of the operations of OUE H-REIT, the REIT Manager's management fee and REIT Trustee's fees have been paid or are payable to the REIT Manager and the REIT Trustee respectively. Property management fees are payable to the Property Manager, a related party of the REIT Manager.

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During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	OUE H-REIT Group and Stapled Group	
	2018	2017
	\$'000	\$'000
Received/Receivable from related parties of the REIT Manager:		
- reimbursement of expenses	10	2
 Paid/Payable to related parties of the REIT Manager:		
- property management fees	1,349	1,361
- shared electricity expenses	915	838
- shared service expenses	521	504
- utilities expenses	68	60
- hotel services	46	52
- carpark services	53	50
- reimbursement of expenses	154	131
- transfer of fixed assets	6	–
	<hr/>	<hr/>

27 Financial ratios

	OUE H-REIT Group and Stapled Group	
	2018	2017
	%	%
Expenses to weighted average net assets ⁽¹⁾		
- including performance component of the REIT Manager's fees	0.96	1.30
- excluding performance component of the REIT Manager's fees	0.63	0.97
Portfolio turnover ratio ⁽²⁾	–	–
	<hr/>	<hr/>

⁽¹⁾ The ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of OUE H-REIT Group and the Stapled Group, excluding property expenses and finance expenses.

⁽²⁾ The turnover ratio is computed based on the lesser of purchases or sales of underlying investment properties of OUE H-REIT Group and the Stapled Group expressed as a percentage of daily average net asset value.

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28 Subsidiary

Details of the subsidiary of OUE H-REIT are as follows:

Name of subsidiary	Place of incorporation	Effective equity interest held by OUE H-REIT Group and Stapled Group	
		2018 %	2017 %
<u>Subsidiary of OUE H-REIT</u>			
OUE H-T Treasury Pte. Ltd. ("OUE HTT") ¹	Singapore	100	100

¹ Audited by KPMG LLP.

OUE HTT's principal activity is to provide treasury services, including on-lending proceeds from issuances of notes under the EMTN Programme (see Note 9) to OUE H-REIT.

29 Subsequent events

There were the following events subsequent to the reporting date:

- The Stapled Group issued 2,555,459 Stapled Securities at an issue price of \$0.6674 per Stapled Security to the REIT Manager as payment of the REIT Manager's base fee for the period from 1 October 2018 to 31 December 2018.
- The Stapled Group issued 6,758,072 Stapled Securities at an issue price of \$0.6674 per Stapled Security to the REIT Manager as payment of the REIT Manager's performance fee for the year ended 31 December 2018.
- The REIT Manager declared a distribution of 1.28 cents per Stapled Security, amounting to approximately \$23.3 million, in respect of the period from 1 October 2018 to 31 December 2018.
- As announced on 24 January 2019, there was an extension of the one-year revolving credit facility of \$55 million for a further one-year period.

30 Explanation of transition to SFRS(I) and adoption of new standards

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies and business trusts listed on the SGX-ST will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

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As stated in Note 2.1, these are the first financial statements of OUE H-BT prepared in accordance with SFRS(I).

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 December 2018, the comparative information presented in these financial statements for the year ended 31 December 2017 and in the preparation of the opening SFRS(I) statement of financial position at 1 January 2017 (the OUE H-BT's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

In addition to the adoption of SFRS(I) framework by OUE H-BT as described above, a number of new FRSs or SFRS(I)s, amendments to and interpretations of FRS or SFRS(I) are effective from 1 January 2018. Those which are relevant to the OUE H-BT, the OUE H-REIT Group and the Stapled Group (collectively, the "Entities") are set out below:

- FRS 115/SFRS(I) 15 *Revenue from Contracts with Customers* and Amendments to FRS 115/SFRS(I) 15 *Clarifications to FRS 115/SFRS(I) 15*; and
- FRS 109/SFRS(I) 9 *Financial Instruments*

The application of the above standards and interpretations do not have a material effect on the financial statements.

An explanation of how the transition from previous FRS to SFRS(I) is set out below.

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

In adopting SFRS(I) in 2018, the OUE H-BT has applied the transition requirements in SFRS(I) 1 with 1 January 2017 as the date of transition. SFRS(I) 1 generally requires that the OUE H-BT applies SFRS(I) that are effective as at 31 December 2018 on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have any significant impact on the financial statements.

FRS 115/SFRS(I) 15 Revenue from Contracts with Customers and Amendments to FRS 115/SFRS(I) 15 Clarifications to FRS 115/SFRS(I) 15

FRS 115/SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Entities have also applied the practical expedient not to retrospectively restate contracts for contract modifications that occurred before the date of initial application. Instead, the Entities have reflected the aggregate effect of all modifications that occurred before the date of initial application when:

- identifying the satisfied and unsatisfied performance obligations (PO);
- determining the transaction price; and
- allocating the transaction price to the satisfied and unsatisfied PO.

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The adoption of FRS 115/SFRS(I) 15 did not have a material effect on the financial statements.

FRS 109/SFRS(I) 9 *Financial Instruments*

FRS109/SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new ‘expected credit loss’ (ECL) model and a new general hedge accounting model. The Entities adopted FRS 109/SFRS(I) 9 from 1 January 2018.

In accordance with the exemption in FRS 109 and SFRS(I) 1, the Entities elected not to restate information for 2017. Accordingly, the information presented for 2017 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of FRS 109/SFRS(I) 9 are recognised in retained earnings and reserves as at 1 January 2018.

Arising from this election, the Entities is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of FRS 109/SFRS(I) 9 have been generally applied by the Entities retrospectively, except as described below.

- The following assessments were made on the basis of facts and circumstances that existed at 1 January 2018.
 - The determination of the business model within which a financial asset is held; and
 - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest of the principal amount outstanding.
- New hedge accounting requirements are applied prospectively. All hedging relationships designated under FRS 39 *Financial Instruments: Recognition and Measurement* at 31 December 2017 that meet the criteria for hedge accounting under FRS 109/SFRS(I) 9 at 1 January 2018 will be regarded as continuing hedging relationships.

The impact upon adoption of FRS 109/SFRS(I) 9, including the corresponding tax effects, are described below.

(i) Classification of financial assets and financial liabilities

Under FRS 109/SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI – equity instrument; or FVTPL. The classification of financial assets under FRS 109/SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. FRS 109/SFRS(I) 9 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

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For an explanation of how the Entities classify and measure financial assets and related gains and losses under FRS 109/SFRS(I) 9, see Note 3.5.

The adoption of FRS 109/SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under FRS 109/SFRS(I) 9 for each class of the Group's financial assets as at 1 January 2018.

			1 January 2018		
		Original classification under FRS 39	New classification under FRS 109/ SFRS(I) 9	Original carrying amount under FRS 39 \$'000	New carrying amount under FRS 109/ SFRS(I) 9 \$'000
<u>OUE H-REIT Group</u>					
Financial assets					
Deposit		Loans and receivables	Amortised cost	2,295	2,295
Trade and other receivables*	7	Loans and receivables	Amortised cost	9,432	9,432
Cash and cash equivalents	8	Loans and receivables	Amortised cost	25,548	25,548
Total financial assets				37,275	37,275
<u>Stapled Group</u>					
Financial assets					
Deposit		Loans and receivables	Amortised cost	2,295	2,295
Trade and other receivables*	7	Loans and receivables	Amortised cost	9,432	9,432
Cash and cash equivalents	8	Loans and receivables	Amortised cost	25,559	25,559
Total financial assets				37,286	37,286

* *Excluding prepayments*

Trade and other receivables that were classified as loans and receivables under FRS 39 are now classified at amortised cost. There was no material increase in the allowance for impairment to be recognised in opening retained earnings of the Entities at 1 January 2018 respectively on transition to FRS 109/SFRS(I) 9.

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(ii) Impairment of financial assets

FRS 109/SFRS(I) 9 replaces the ‘incurred loss’ model in FRS 39 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortised cost.

Under FRS 109/SFRS(I) 9, credit losses are recognised earlier than under FRS 39. For assets in the scope of the FRS 109/SFRS(I) 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Entities have determined that the application of FRS 109/SFRS(I) 9’s impairment requirements at 1 January 2018 does not result in a material additional allowance for impairment.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Additional information about how the Entities measure the allowance for impairment is described in Note 3.6.

(iii) Hedging accounting

The Entities adopted the new general hedge accounting model in FRS 109/SFRS(I) 9. This requires the Entities to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

The Entities uses interest rate swap contracts to hedge the variability in cash flows arising from changes in interest rates relating to borrowings. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity.

For an explanation of how the Entities applies hedge accounting under FRS 109/SFRS(I) 9, see Note 3.5.

(iv) Transition impact on equity

The impact, net of tax, of transition to FRS 109/SFRS(I) 9 on reserves and retained earnings at 1 January 2018 is nil.

31 New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

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The following new SFRS(I) is effective for annual periods beginning after 1 January 2018. Those which are relevant to the Entities are set out below:

Applicable to 2019 financial statements

- FRS 116/SFRS(I) 16 *Leases*
- IFRIC 23/SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

The Entities have assessed the estimated impact that initial application of FRS 116/SFRS(I) 16.

FRS 116/SFRS(I) 16

FRS 116/SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. FRS 116/SFRS(I) 16 replaces existing lease accounting guidance, including FRS 17/SFRS(I) 1-17 *Leases*, INT FRS 15/SFRS(I) INT 1-15 *Operating Leases – Incentives* and INT FRS 27/SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Entities plan to apply FRS 116/SFRS(I) 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting FRS 116/SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Entities plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply FRS 116/SFRS(I) 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with FRS 17/SFRS(I) 1-17.

The potential impact of adoption of FRS 116/SFRS(I) 16 is described below.

(i) The Entities as lessor

FRS 116/SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Entities continue to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

The Entities do not expect a significant effect on the financial statements.

(ii) The Entities as lessee

The Entities expect to measure lease liabilities by applying a single discount rate to their land leases. Furthermore, the Entities are likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 January 2019. For lease contracts that contain the option to renew, the Entities are expected to use hindsight in determining the lease term.

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The Entities expect their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under FRS 116/SFRS(I) 16.

As at 1 January 2019, the Entities expect an increase in ROU assets and lease liabilities of \$33,485,791.

The nature of expenses related to those leases will change as FRS 116/SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

The Entities do not expect the adoption of FRS 116/SFRS(I) 16 to impact their ability to comply with the Aggregate Leverage limit described in Note 11.

**APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF
THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019**



**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND
OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”)
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY ("OUE H-REIT GROUP") FOR THE FIRST QUARTER ENDED 31 MARCH 2019

INTRODUCTION

OUE Hospitality Trust ("**OUE H-Trust**") is a stapled group (the "**Stapled Group**") comprising OUE Hospitality Real Estate Investment Trust ("**OUE H-REIT**"), a real estate investment trust, and its subsidiary (the "**OUE H-REIT Group**") and OUE Hospitality Business Trust ("**OUE H-BT**"), a business trust. OUE H-Trust was listed on Singapore Exchange Securities Trading Limited ("**SGX**") on 25 July 2013 (the "**Listing Date**").

The units in OUE H-REIT and OUE H-BT are stapled together as stapled securities in OUE H-Trust ("**Stapled Securities**") under the terms of a stapling deed dated 10 July 2013 (the "**Stapling Deed**") entered into between OUE Hospitality REIT Management Pte. Ltd. (in its capacity as the manager of OUE H-REIT) (the "**REIT Manager**"), RBC Investor Services Trust Singapore Limited (in its capacity as the trustee of OUE H-REIT) (the "**REIT Trustee**") and OUE Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of OUE H-BT) (the "**Trustee-Manager**"). Each Stapled Security in OUE H-Trust comprises one unit in OUE H-REIT and one unit in OUE H-BT and cannot be traded separately.

OUE H-REIT was constituted by a trust deed dated 10 July 2013 (the "**REIT Trust Deed**"). OUE H-REIT is a Singapore-based REIT established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets.

As at 31 March 2019, OUE H-REIT's asset portfolio comprised the 1,077-room Mandarin Orchard Singapore ("**MOS**"); the adjoining Mandarin Gallery ("**MG**"); and the 563-room Crowne Plaza Changi Airport ("**CPCA**") which was named the World's Best Airport Hotel for four consecutive years since 2015.

OUE H-BT was constituted by a trust deed dated 10 July 2013. OUE H-BT is a Singapore-based business trust which is presently dormant. OUE H-BT will, however, become active if OUE H-REIT is required but is unable to appoint a master lessee for its hospitality assets or for a newly acquired hospitality asset. In such circumstances, OUE H-BT will be appointed by OUE H-REIT as a master lessee for that hospitality asset, and OUE H-BT will in turn appoint a professional hotel manager to manage the day-to-day operations and marketing of the hospitality asset. OUE H-BT exists primarily as "a master lessee of last resort".

Distribution Policy

OUE H-REIT will distribute at least 90.0% of its property-related income chargeable to tax under the Income Tax Act, Chapter 134 of Singapore after the deduction of allowable expenses and capital allowances, if any ("**Taxable Income**"), to holders of Stapled Securities ("**Stapled Securityholders**"), with the actual level of distribution to be determined at the REIT Manager board's discretion after having considered OUE H-Trust's funding requirements, other capital management considerations and the overall stability of distributions.

OUE H-REIT makes distributions on a quarterly basis in arrears for the periods ending 31 March, 30 June, 30 September and 31 December each year.

OUE H-BT may make distributions in the future when it becomes active and profitable.

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

1 (a) STATEMENTS OF TOTAL RETURN

	Note	OUE H-REIT Group			Stapled Group		
		1Q2019	1Q2018	Increase/ (Decrease)	1Q2019	1Q2018	Increase/ (Decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Gross revenue	(a)	31,703	32,682	(3.0)	31,703	32,682	(3.0)
Property tax		(1,903)	(1,879)	1.3	(1,903)	(1,879)	1.3
Insurance		(61)	(54)	13.0	(61)	(54)	13.0
Other property expenses	(b)	(2,079)	(2,461)	(15.5)	(2,079)	(2,461)	(15.5)
Net property income		27,660	28,288	(2.2)	27,660	28,288	(2.2)
REIT Manager's base management fees		(1,686)	(1,673)	0.8	(1,686)	(1,673)	0.8
REIT Manager's performance fees		(1,097)	(1,132)	(3.1)	(1,097)	(1,132)	(3.1)
REIT Trustee's fees		(103)	(103)	-	(103)	(103)	-
Other trust expenses		(1,089)	(325)	>100	(1,090)	(326)	>100
Finance income		17	17	-	17	17	-
Finance expenses		(6,476)	(5,742)	12.8	(6,476)	(5,742)	12.8
Net finance expenses	(c)	(6,459)	(5,725)	12.8	(6,459)	(5,725)	12.8
Total return for the period		17,226	19,330	(10.9)	17,225	19,329	(10.9)

n.m.: not meaningful

NOTES TO THE STATEMENTS OF TOTAL RETURN

- (a) Gross revenue comprises master lease income from MOS and CPCA, and rental income from MG. Please refer to section 8 for further details.
- (b) Other property expenses comprise mainly property maintenance expenses, utilities expenses, marketing expenses, land rent expenses and property management fees.
- (c) Net finance expenses comprise the following:

	Note	OUE H-REIT Group and Stapled Group		
		1Q2019	1Q2018	Increase/ (Decrease)
		\$'000	\$'000	%
Interest income from fixed deposits		17	17	-
Finance income		17	17	-
Amortisation of debt-related transaction costs		(738)	(731)	1.0
Interest expense paid/payable to banks	(c)(i)	(5,516)	(5,011)	10.1
Finance expense - lease liabilities	(c)(ii)	(222)	-	n.m.
Finance expenses		(6,476)	(5,742)	12.8
Net finance expenses		(6,459)	(5,725)	12.8

- (c)(i) The interest expense was higher in 1Q2019 due to higher cost of debt.
- (c)(ii) OUE H-REIT Group and the Stapled Group adopted FRS 116/SFRS(I) 16 on 1 January 2019 and the existing land lease was recognised as right-of-use (“ROU”) asset with corresponding lease liabilities. The lease liabilities was amortised using the effective interest rate and this was recognised as finance expense – lease liabilities. The finance expense – lease liabilities is non-cash in nature and has no impact on income available for distribution.

**APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF
THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019**



**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND
OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”)
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

1 (a) STATEMENTS OF TOTAL RETURN (cont’d)

NOTES TO THE STATEMENTS OF TOTAL RETURN (cont’d)

(d) Total return for the period of the Stapled Group was contributed by:

	1Q2019	1Q2018	Increase/ (Decrease)
	\$'000	\$'000	%
OUE H-REIT	17,227	19,331	(10.9)
Other OUE H-REIT Group entity	(1)	(1)	-
OUE H-REIT Group	17,226	19,330	(10.9)
OUE H-BT	(1)	(1)	-
Stapled Group	17,225	19,329	(10.9)

(e) Income available for distribution

OUE H-REIT Group and Stapled Group			
Note	1Q2019	1Q2018	Increase/ (Decrease)
	\$'000	\$'000	%
Total return for the period for OUE H-REIT	17,227	19,331	(10.9)
Add/(Less):			
Non-tax deductible/(chargeable) items:			
- REIT Manager’s management fees paid/payable in Stapled Securities	2,783	2,805	(0.8)
- REIT Trustee’s fees	103	103	-
- Amortisation of debt-related transaction costs	738	731	1.0
- Straight-lining of lease incentives	1	(105)	n.m.
- Other items	809	45	>100
	4,434	3,579	23.9
Income available for distribution	(e)(ii) 21,661	22,910	(5.5)

n.m.: not meaningful

(e)(i) Straight-line lease incentive relates to the timing difference between the recognition of lease rental income in MG and the cash rental received. As straight-line lease incentives are non-cash in nature, it is adjusted to arrive at the income available for distribution.

(e)(ii) The distribution for the Stapled Group represents the aggregate of distributions by OUE H-REIT and OUE H-BT. The distribution of the Stapled Group for the financial period is contributed solely by OUE H-REIT as OUE H-BT was dormant during the financial period. Accordingly, only the income available for distribution of OUE H-REIT has been presented.

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

1 (b)(i) STATEMENTS OF FINANCIAL POSITION

	Note	OUE H-REIT Group		OUE H-BT		Stapled Group	
		31/3/2019 \$'000	31/12/2018 \$'000	31/3/2019 \$'000	31/12/2018 \$'000	31/3/2019 \$'000	31/12/2018 \$'000
ASSETS							
Non-current assets							
Investment properties	(a)	2,243,952	2,218,000	-	-	2,243,952	2,218,000
Deposit	(b)	3,826	3,826	-	-	3,826	3,826
Financial derivative assets	(c)	2,311	1,215	-	-	2,311	1,215
		2,250,089	2,223,041	-	-	2,250,089	2,223,041
Current assets							
Trade and other receivables		10,469	10,109	-	-	10,469	10,109
Cash and cash equivalents		18,990	22,306	8	8	18,998	22,314
		29,459	32,415	8	8	29,467	32,423
Total assets		2,279,548	2,255,456	8	8	2,279,556	2,255,464
LIABILITIES							
Non-current liabilities							
Borrowings	1(b)(ii)	868,774	868,038	-	-	868,774	868,038
Rental deposits		3,514	3,288	-	-	3,514	3,288
Lease liabilities	(a)	25,109	-	-	-	25,109	-
		897,397	871,326	-	-	897,397	871,326
Current liabilities							
Rental deposits		1,212	1,495	-	-	1,212	1,495
Trade and other payables		11,134	10,514	4	3	11,138	10,517
		12,346	12,009	4	3	12,350	12,012
Total liabilities		909,743	883,335	4	3	909,747	883,338
Net assets		1,369,805	1,372,121	4	5	1,369,809	1,372,126
Represented by:							
Unitholders' funds							
Unitholders' funds of OUE H-REIT Group		1,369,805	1,372,121	-	-	1,369,805	1,372,121
Unitholders' funds of OUE H-BT		-	-	4	5	4	5
		1,369,805	1,372,121	4	5	1,369,809	1,372,126

NOTES TO STATEMENTS OF FINANCIAL POSITION

- (a) OUE H-REIT Group and the Stapled Group adopted FRS 116/SFRS(I) 16 on 1 January 2019 and the existing land lease was recognised as ROU asset with corresponding lease liabilities. Increase in investment properties was mainly due to the recognition of ROU asset of \$25.9 million.
- (b) Deposit pertains to the security deposit placed with Changi Airport Group (“CAG”), the lessor of CPCA.
- (c) Financial derivative assets relate to the fair value of interest rate swaps used to hedge OUE H-REIT Group's interest rate risk.

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

1 (b)(i) STATEMENTS OF FINANCIAL POSITION (cont’d)

1 (b)(ii) BORROWINGS

	OUE H-REIT Group and Stapled Group	
	31/3/2019 \$'000	31/12/2018 \$'000
Repayable within one year		
Secured borrowings	-	-
Less: Unamortised transaction costs	-	-
	-	-
Repayable after one year		
Secured borrowings	875,000	875,000
Less: Unamortised transaction costs	(6,226)	(6,962)
	868,774	868,038
Total		
Secured borrowings	875,000	875,000
Less: Unamortised transaction costs	(6,226)	(6,962)
	868,774	868,038

Details of borrowings and collateral

Secured bank loans

		OUE H-REIT Group and Stapled Group As at 31/03/2019			
		Facility amount \$'000	Drawn down \$'000	Repaid \$'000	Repayable
2017 Facility	3-year term loan	425,000	425,000	-	December 2020
	4-year term loan	450,000	450,000	-	December 2021
	1-year revolving credit facility ⁽¹⁾ (committed)	55,000	-	-	Undrawn
	4-year revolving credit facility (uncommitted)	50,000	-	-	Undrawn

The Stapled Group has no loan refinancing requirements until December 2020.

As at 31 March 2019, the weighted average debt maturity was 2.2 years and gearing at 38.4%. The average cost of debt for 1Q2019 was 2.6% per annum, with an interest cover of 4.3 times.

⁽¹⁾ On 24 January 2019, the Stapled Group announced the extension of the 1-year revolving credit facility for a further one year period.

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY ("OUE H-REIT GROUP") FOR THE FIRST QUARTER ENDED 31 MARCH 2019

1 (b)(i) STATEMENTS OF FINANCIAL POSITION (cont'd)

1 (b)(ii) BORROWINGS (cont'd)

The above bank loan facilities are secured by:

- A registered first legal mortgage over MOS and MG (collectively, the "Properties");
- A legal assignment of all insurance taken in respect of the Properties except public liability insurance;
- An assignment of all rights, titles, benefits and interests in connection with any lease, tenancy or property management agreements, and lease or tenancy deposits/proceeds in respect of MG;
- An assignment of all rights, titles, benefits and interests in connection with any master lease, entered into by OUE H-REIT and lease or tenancy deposits/proceeds in connection with such master lease in respect of MOS; and
- A debenture incorporating a fixed and floating charge over generally all its present and future assets in connection with the Properties.

Unsecured medium term notes

In April 2014, OUE H-REIT Group, through its subsidiary, established a US\$1.0 billion Guaranteed Euro Medium Term Note Programme ("**Programme**"). Under the Programme, OUE H-REIT, through its subsidiary, may from time to time issue the notes (the "**Notes**") in series or tranches. Each series or tranche of Notes may be issued in United States dollars or any other currency, in various amounts and tenors, and may bear interest at fixed or floating rates. All sums payable in respect of the Notes will be unconditionally and irrevocably guaranteed by the REIT Trustee.

The Notes issued will constitute direct, unconditional, unsubordinated and unsecured obligations and shall at all times rank *pari passu* and without preference among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the subsidiary.

As at 31 March 2019, no Notes have been issued under this Programme.

**APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF
THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019**



**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND
OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”)
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

1 (c) STATEMENTS OF CASH FLOWS

	Note	OUE H-REIT Group		Stapled Group	
		1Q2019	1Q2018	1Q2019	1Q2018
		\$'000	\$'000	\$'000	\$'000
Operating activities					
Total return for the period		17,226	19,330	17,225	19,329
Adjustments for:					
REIT Manager's fees paid/payable in Stapled Securities	(a)	2,783	2,805	2,783	2,805
Finance income		(17)	(17)	(17)	(17)
Finance expenses		6,476	5,742	6,476	5,742
Straight-lining of lease incentives		1	(105)	1	(105)
Operating income before working capital changes		26,469	27,755	26,468	27,754
Changes in working capital:					
Trade and other receivables		(1,360)	714	(1,360)	714
Trade and other payables		674	527	675	527
Rental deposits		(57)	102	(57)	102
Cash generated from operating activities		25,726	29,098	25,726	29,097
Investing activities					
Interest received		17	17	17	17
Capital expenditure on investment properties		(83)	(580)	(83)	(580)
Cash used in investing activities		(66)	(563)	(66)	(563)
Financing activities					
Finance expenses paid		(5,555)	(5,011)	(5,555)	(5,011)
Distribution to Stapled Securityholders	(b)	(23,421)	(23,036)	(23,421)	(23,036)
Cash used in financing activities		(28,976)	(28,047)	(28,976)	(28,047)
Net (decrease)/increase in cash and cash equivalents		(3,316)	488	(3,316)	487
Cash and cash equivalents at beginning of the period		22,306	25,548	22,314	25,559
Cash and cash equivalents at end of the period		18,990	26,036	18,998	26,046

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

1 (c) STATEMENTS OF CASH FLOWS (cont'd)

NOTES TO STATEMENTS OF CASH FLOWS

(a) 1Q2019

In 1Q2019, 2,319,794 Stapled Securities amounting to \$1,686,259 will be issued to the REIT Manager on 2 May 2019 as satisfaction of the REIT Manager’s base management fees payable in Stapled Securities. A performance fee of \$1,096,393 has been accrued in the current quarter, which will be settled through the issuance of Stapled Securities after the year ending 31 December 2019.

In 1Q2018, 2,010,762 Stapled Securities amounting to \$1,673,356 has been issued to the REIT Manager on 2 May 2018 as satisfaction of the REIT Manager’s base management fees payable in Stapled Securities. The performance fee of \$1,131,525 has been settled through the issuance of 1,695,422 Stapled Securities on 29 January 2019.

(b) 1Q2019

Distribution to Stapled Securityholders relates to the distribution paid in respect of 4Q2018. In the previous corresponding period, the distribution paid was in respect of 4Q2017.

**APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF
THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019**



**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND
OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”)
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

1 (d)(i) STATEMENTS OF MOVEMENT IN UNITHOLDERS’ FUNDS

Note	OUE H-REIT Group					OUE H-BT	Stapled Group
	Units in issue and to be issued	Issue costs	Hedging reserve	Accumulated profits/(losses)	Total	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1/1/2019	1,451,692	(26,577)	1,215	(54,209)	1,372,121	5	1,372,126
Operations							
Increase/(Decrease) in net assets resulting from operations	-	-	-	17,226	17,226	(1)	17,225
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	-	-	1,096	-	1,096	-	1,096
Unitholders’ transactions							
Distribution to Stapled Securityholders (a)(i)	-	-	-	(23,421)	(23,421)	-	(23,421)
Stapled Securities to be issued as payment of REIT Manager’s management fees (b)(i)	2,783	-	-	-	2,783	-	2,783
Increase/(Decrease) in net assets resulting from unitholders’ transactions	2,783	-	-	(23,421)	(20,638)	-	(20,638)
At 31/3/2019	1,454,475	(26,577)	2,311	(60,404)	1,369,805	4	1,369,809

Note	OUE H-REIT Group					OUE H-BT	Stapled Group
	Units in issue and to be issued	Issue costs	Hedging reserve	Accumulated profits/(losses)	Total	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1/1/2018	1,440,402	(26,577)	(1,046)	(36,718)	1,376,061	8	1,376,069
Operations							
Increase/(Decrease) in net assets resulting from operations	-	-	-	19,330	19,330	(1)	19,329
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	-	-	6,079	-	6,079	-	6,079
Unitholders’ transactions							
Distribution to Stapled Securityholders (a)(ii)	-	-	-	(23,036)	(23,036)	-	(23,036)
Stapled Securities to be issued as payment of REIT Manager’s management fees (b)(ii)	2,805	-	-	-	2,805	-	2,805
Increase/(Decrease) in net assets resulting from unitholders’ transactions	2,805	-	-	(23,036)	(20,231)	-	(20,231)
At 31/3/2018	1,443,207	(26,577)	5,033	(40,424)	1,381,239	7	1,381,246

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

1 (d)(i) STATEMENTS OF MOVEMENT IN UNITHOLDERS’ FUNDS (cont’d)

NOTES TO STATEMENTS OF MOVEMENT IN UNITHOLDERS’ FUNDS

- (a)(i) Distribution to Stapled Securityholders relates to the distribution made in respect of 4Q2018.
- (a)(ii) Distribution to Stapled Securityholders relates to the distribution made in respect of 4Q2017.
- (b)(i) This represents Stapled Securities to be issued as satisfaction of the REIT Manager’s base and performance management fee in respect of 1Q2019. 2,319,794 Stapled Securities relating to base management fee will be issued on 2 May 2019. Stapled Securities relating to performance management fee will be issued after the year ending 31 December 2019.
- (b)(ii) This represents Stapled Securities to be issued as satisfaction of the REIT Manager’s base and performance management fee in respect of 1Q2018. 2,010,762 Stapled Securities relating to base management fee has been issued on 2 May 2018. 1,695,422 Stapled Securities relating to performance management fee has been issued on 29 January 2019.

1(d)(ii) DETAILS OF ANY CHANGES IN THE STAPLED SECURITIES

	Stapled Group	
	1Q2019 '000	1Q2018 '000
Issued Stapled Securities at beginning of the period	1,820,466	1,806,518
Issuance of new Stapled Securities:		
- as payment of REIT Manager’s management fees	9,314	7,366
Issued Stapled Securities at end of the period	1,829,780	1,813,884
Stapled Securities to be issued:		
- as payment of REIT Manager’s management fees	3,828	3,370
Total issued and issuable Stapled Securities at end of the period	1,833,608	1,817,254

NOTE

- (a) This represents Stapled Securities issued/to be issued as satisfaction of the REIT Manager’s management fee incurred for the respective quarters. This is calculated based on the volume weighted average traded price (“VWAP”) of a Stapled Security for the last 10 business days of the relevant period in which the management fee accrues, as provided for in the REIT Trust Deed, Supplemental Deeds and the Stapling Deed.

3,828,107 Stapled Securities relates to base management fee and performance management fee payable for 1Q2019. 2,319,794 Stapled Securities relating to the base management fee for 1Q2019 will be issued on 2 May 2019. 1,508,313 Stapled Securities relating to performance management fee for 1Q2019 was calculated based on the VWAP of the Stapled Security for the last 10 business days before 31 March 2019 and this will be issued after year ending 31 December 2019 based on VWAP of the Stapled Security for the last 10 business days before 31 December 2019 in accordance with MAS requirements.

3,370,441 Stapled Securities relates to base management fee and performance management payable for 1Q2018. 2,010,762 Stapled Securities relating to the base management fee for 1Q2018 has been issued on 2 May 2018. 1,359,679 Stapled Securities relating to the performance management fee for 1Q2018 was calculated based on the VWAP of the Stapled Security for the last 10 business days before 31 March 2018. On 29 January 2019, the performance management fee for 1Q2018 was settled through the issuance of 1,695,422 Stapled Securities based on VWAP of the Stapled Security for the last 10 business days before 31 December 2018 in accordance with MAS requirements.

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited but have been extracted from the financial information for the quarter ended 31 March 2019 which has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements SSRE 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

3. Where the figures have been audited or reviewed, the auditor’s report (including any qualifications or emphasis of matter)

Please refer to the attached review report.

4. Whether the same accounting principles and methods of computation as in the issuer’s most recent audited financial statements have been applied

Other than the disclosure in section 5, the accounting principles and methods of computation adopted are consistent with those applied in the audited financial statements for the financial year ended 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Stapled Group has adopted FRS 116/SFRS(I) 16 Leases effective for the financial period beginning 1 January 2019. FRS 116/SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees whereby a lessee recognises a ROU asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Stapled Group has applied the modified retrospective approach by recognising the ROU assets (as part of investment properties) with corresponding lease liabilities, with no adjustment to the opening balance of retained earnings at 1 January 2019 and no restatement of comparative information. The Stapled Group also applied the practical expedient whereby FRS 116/SFRS(I) 16 will be applied to all contracts entered into before 1 January 2019 and identified as leases in accordance with FRS 17/SFRS(I) 1-17.

The Stapled Group has recognised the existing operating lease arrangements at 1 January 2019 as ROU assets with corresponding lease liabilities under FRS 116/SFRS (I) 16. The nature of expenses related to these operating leases has changed as FRS 116/SFRS (I) 16 replaced the straight-line operating lease expense (previously recognised in “other property expenses”) with change in fair value for ROU assets and interest expense on lease liabilities.

No significant impact is expected for other leases in which the Group is a lessor.

The impact on the Stapled Group’s financial statements arising from the adoption of FRS 116 is as follows:

	Stapled Group	
	1Q2019	1Q2018
	\$’000	\$’000
Increase in investment properties	25,887	-
Increase in lease liabilities	(25,109)	-
Increase in net assets	778	-
Interest expenses on lease liabilities	(222)	-
Variable lease payments not included in the measurement of lease liabilities	(856)	-

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

6. EARNINGS PER STAPLED SECURITY AND DISTRIBUTION PER STAPLED SECURITY

Earnings per Stapled Security (“EPS”)

	Stapled Group	
	1Q2019	1Q2018
Weighted average number of Stapled Securities ('000)	1,829,805	1,813,907
Basic EPS (cents)	0.94	1.07
Weighted average number of Stapled Securities ('000)	1,833,608 ⁽¹⁾	1,817,255 ⁽¹⁾
Diluted EPS (cents)	0.94	1.06

⁽¹⁾ The weighted average number of Stapled Securities is adjusted to take into account the number of Stapled Securities to be issued as payment for the REIT Manager’s performance fee after the financial year end.

Distribution per Stapled Security (“DPS”)

	Stapled Group	
	1Q2019	1Q2018
Number of Stapled Securities entitled to distribution ('000)	1,832,099 ⁽¹⁾	1,815,895 ⁽²⁾
DPS (cents)	1.18	1.26

⁽¹⁾ Included 2,319,794 Stapled Securities to be issued as satisfaction of REIT Manager’s base management fee for 1Q2019.

⁽²⁾ Included 2,010,762 Stapled Securities issued as satisfaction of REIT Manager’s base management fee for 1Q2018.

7. NET ASSET VALUE (“NAV”) / NET TANGIBLE ASSET (“NTA”)

	OUE H-REIT Group and Stapled Group	
	31/03/2019	31/12/2018
Number of Stapled Securities ('000):		
- in issue	1,829,780	1,820,466
- issuable	3,828	9,314
	1,833,608	1,829,780
NAV per OUE H-REIT unit / Stapled Security	\$0.75	\$0.75
NTA per OUE H-REIT unit / Stapled Security	\$0.75	\$0.75

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

8. REVIEW OF PERFORMANCE

		Stapled Group		
Note	1Q2019	1Q2018	Increase/ (Decrease)	
	\$'000	\$'000	%	
Gross revenue:				
	- Hospitality	23,193	24,259	(4.4)
	- Retail	8,510	8,423	1.0
(a)		31,703	32,682	(3.0)
Property expenses:				
	- Hospitality	(1,926)	(2,206)	(12.7)
	- Retail	(2,117)	(2,188)	(3.2)
(b)		(4,043)	(4,394)	(8.0)
Net property income:				
	- Hospitality	21,267	22,053	(3.6)
	- Retail	6,393	6,235	2.5
(c)		27,660	28,288	(2.2)
	REIT Manager's fees	(2,783)	(2,805)	(0.8)
	REIT Trustee's fees	(103)	(103)	-
	Other trust expenses	(1,090)	(326)	>100
(d)	Net finance expenses	(6,459)	(5,725)	12.8
(e)	Total return for the period	17,225	19,329	(10.9)
(f)	Income available for distribution	21,661	22,910	(5.5)
(f)	DPS (cents)	1.18	1.26	(6.3)

n.m.: not meaningful

1Q2019 vs 1Q2018

- (a) Gross revenue for 1Q2019 was \$1.0 million lower than 1Q2018. Lower revenue from hospitality segment was partially mitigated by higher revenue from the retail segment.

Hospitality segment pertains to the master lease income from the Mandarin Orchard Singapore hotel (“**MOS**”) and the Crowne Plaza Changi Airport hotel (“**CPCA**”) which is pegged to a percentage of the operating revenue and profit of the respective hotels, subject to minimum rent.

Retail segment pertains to rental and other income from the Mandarin Gallery (“**MG**”) shopping mall.

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

8. REVIEW OF PERFORMANCE (cont'd)

1Q2019 vs 1Q2018 (cont'd)

	Revenue			Net property income			RevPAR		
	1Q2019	1Q2018	Increase/ (Decrease)	1Q2019	1Q2018	Increase/ (Decrease)	1Q2019	1Q2018	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%	\$	\$	%
MOS	17,568	18,634	(5.7)	16,772	17,836	(6.0)	211	232	(8.9)
CPCA	5,625	5,625	-	4,495	4,217	6.6	185	184	0.5
Hospitality portfolio	23,193	24,259	(4.4)	21,267	22,053	(3.6)	202	215	(6.2)

Hospitality segment recorded lower revenue in 1Q2019 as compared to 1Q2018 due to lower master lease income from MOS.

Master lease income from MOS was lower than 1Q2018. MOS recorded a lower RevPAR of \$211 (1Q2018: \$232) due to lower average room rates and lower demand from the corporate and wholesale segments. MOS also recorded lower food and beverage sales due to lower banquet sales following the suspension of services of the Grand Mandarin Ballroom and its attached kitchen, which was partially mitigated by compensation received, as well as lower sales from some of the food and beverage outlets.

Master lease income from CPCA had remained the same as 1Q2018 at minimum rent. CPCA's RevPAR increased marginally to \$185 (1Q2018: \$184). As the master lease income was below the minimum rent, minimum rent was received for the period.

Retail revenue was marginally higher than 1Q2018 mainly due to higher average occupancy recorded in the current period.

- (b) Lower property expenses by \$0.4 million were mainly due to lower marketing expenses and lower operating lease expense as the fixed component of the operating lease expense has been recognised as finance expense – lease liabilities instead of operating lease expense due to the adoption of FRS 116, see section 1(a)(cii) and section 5.
- (c) Net property income (“NPI”) for 1Q2019 was \$0.6 million lower than 1Q2018 due to lower gross revenue from the hospitality segment, partially mitigated by lower property expenses.
- (d) Net finance expenses for 1Q2019 were higher than 1Q2018 by \$0.7 million mainly due to higher interest expense and finance expense – lease liabilities recognised due to the adoption of FRS 116, see section 1(a)(cii) and section 5.
- (e) Total return in 1Q2019 of \$17.2 million (1Q2018: \$19.3 million) was \$2.1 million lower mainly due to lower net property income, higher net finance expenses and higher trust expenses.
- (f) Income available for distribution was \$1.2 million lower than 1Q2018 due to lower income from the hospitality segment and higher interest expense, partially mitigated by higher income received from the retail segment. The DPS for 1Q2019 was 1.18 cents, 6.3% lower as compared to 1.26 cents for 1Q2018.

9. VARIANCE BETWEEN ACTUAL AND FORECAST RESULTS

No forecast has been disclosed.

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Global growth for 2019 was further downgraded to 3.3%¹ while the Singapore economy grew by 1.3% on a year-on-year basis in the first quarter of 2019 based on advance estimates, moderating from the 1.9% growth in the previous quarter².

Singapore Tourism Board (“STB”) reported a 2.0% year-on-year growth in international visitor arrivals for the first two months of 2019, while the number of visitor days increased by 4.3% for the same period³. Increased investment for the broader transformation of the tourism sector includes the rejuvenation of Orchard Road, Mandai eco-tourism hub, S\$9-billion expansion of Marina Bay Sands and Resorts World Sentosa⁴, continued growth in the cruise industry, development of Greater Southern Waterfront and plans for an integrated tourism development at the Jurong Lake District⁵.

The trading environment of the hospitality industry shall benefit from the continued growth in tourist arrivals, transformation of the tourism sector and reduced supply of new hotel rooms, while it will be impacted by uncertainty in the global economy and absence of large-scale events in certain periods of 2019. More than 1,800 hotel rooms are expected to open in 2019, and about 76 per cent of the upcoming supply is concentrated in Sentosa and the CBD-fringe area⁶. The hotel room supply pipeline is expected to taper off after 2019. CPCA, which enjoys seamless connectivity to the newly-opened Jewel, is poised to benefit from Changi Airport’s strategy of continual upgrades and enhancements. The upgrading works at Terminal 1 is near completion while enhancement works at Terminal 2 is expected to commence soon⁷.

Occupier demand for prime retail space is expected to hold firm in the near term on the back of a positive tourism outlook and sustained economic growth⁸, as retail supply pipeline is expected to tighten over the next few years⁹.

Proposed Merger with OUE Commercial REIT

On 8 April 2019, the Managers of both OUE Commercial REIT (“OUE C-REIT”) and OUE H-Trust announced the proposed merger of OUE H-Trust and OUE C-REIT (the “Proposed Merger”). The Proposed Merger will be effected through the acquisition by OUE C-REIT of all the issued and paid-up stapled securities in OUE H-Trust in exchange for a combination of cash and new units in OUE C-REIT by way of a trust scheme of arrangement (the “Trust Scheme”) in compliance with the Singapore Code on Take-overs and Mergers.

The Trust Scheme will require, amongst others, OUE H-Trust Stapled Securityholders’ approval of OUE H-Trust’s Trust Deeds Amendments and the Trust Scheme at the general meetings to be convened. In addition to the approvals required from OUE H-Trust Stapled Securityholders, the Trust Scheme will require the sanction of the Trust Scheme by the Singapore Court.

Further information on the Proposed Merger can be found in the joint announcement, the OUE C-REIT Manager Announcement, as well as both OUE C-REIT’s and OUE H-Trust’s investor presentations, which can be downloaded from SGXNET or from OUE C-REIT’s and OUE H-Trust’s respective websites.

¹ International Monetary Fund, World Economic Outlook Update, April 2019.

² Ministry of Trade and Industry Singapore, Singapore’s GDP Grew by 1.3 Per Cent in the First Quarter of 2019, 12 April 2019.

³ Singapore Tourism Board, International Visitor Arrivals Statistics, 1 April 2019.

⁴ The Business Times, Singapore IRs Bet on S\$9b Expansion; Exclusive Licences Extended to 2030, 4 April 2019.

⁵ The Business Times, 7-ha Jurong Tourism Playground Among Moves to Fend Off Rivals, 17 April 2019.

⁶ The Business Times, Vacation Nation: Hotel Investment in Singapore to Get a Boost in 2019, 21 March 2019.

⁷ Channel News Asia, Jewel Changi Airport to Open on Apr 17; Terminal 2 to be expanded, 7 March 2019.

⁸ Jones Lang LaSalle, Property Market Monitor, April 2019.

⁹ CBRE Research, Singapore MarketView, Q1 2019.

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

11. Distributions

(a) Current financial period

Any distribution declared for the current financial period?	Yes
Name of distribution	Distribution for the period from 1 January 2019 to 31 March 2019
Distribution type	Taxable income
Distribution rate per stapled security	1.18 cents
Book closure date	10 May 2019
Date payable	6 June 2019

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the previous corresponding period?	Yes
Name of distribution	Distribution for the period from 1 January 2018 to 31 March 2018
Distribution type	Taxable income
Distribution rate per stapled security	1.26 cents

(c) Tax rate

Taxable income distribution

Qualifying investors and individuals (other than those who held their stapled securities through a partnership) will receive pre-tax distributions. These distributions are exempted from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

12. If no distribution has been declared/recommended, a statement to that effect

Not applicable.

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

13. General mandate relating to Interested Person Transactions

OUE H-Trust has not obtained a general mandate from Stapled Securityholders for Interested Person Transactions.

14. CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

Pursuant to Rule 705(5) of the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”), we, on behalf of the directors of the REIT Manager and the Trustee-Manager confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of the REIT Manager and the Trustee-Manager which may render the unaudited financial results of Stapled Group for the quarter ended 31 March 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lee Yi Shyan
Chairman

Christopher James Williams
Director

2 May 2019

15. CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

Pursuant to Rule 720(1) of the Listing Manual of SGX-ST, we, on behalf of the directors and executive officers of the REIT Manager and the Trustee-Manager confirm that we have submitted the undertakings to the Exchange.

On behalf of the Board of Directors and Executive Officers

Lee Yi Shyan
Chairman

Chen Yi Chung
Acting Chief Executive Officer

2 May 2019

APPENDIX G – UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2019



UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

Disclaimer

This release 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 other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

The value of the Stapled Securities and the income derived from them may fall or rise. The Stapled Securities are not obligations, or deposits in, or guaranteed by the REIT Manager, the Trustee-Manager (together with the REIT Manager, the “Managers”) or RBC Investor Services Trust Singapore Limited (as trustee of OUE H-REIT Group) or any of their affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE Hospitality Trust is not necessarily indicative of the future performance of OUE Hospitality Trust.

Stapled Securityholders have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

By Order of the Board

Jackie Thia
Company Secretary
OUE Hospitality REIT Management Pte. Ltd.
(Company Registration No. 201310245G)
As manager of OUE Hospitality Real Estate Investment Trust

By Order of the Board

Jackie Thia
Company Secretary
OUE Hospitality Trust Management Pte. Ltd.
(Company Registration No. 201310246W)
As trustee-manager of OUE Hospitality Business Trust

2 May 2019

**APPENDIX H – REVIEW REPORT FROM KPMG LLP
ON THE UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP
FOR THE 3 MONTHS ENDED 31 MARCH 2019**



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16 Raffles Quay #22-00
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Singapore 048581

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Internet www.kpmg.com.sg

Report on review of Interim Financial Information

The Board of Directors

OUE Hospitality Trust Management Pte. Ltd.

(in its capacity as the Trustee-Manager of OUE Hospitality Business Trust) (the “Trustee-Manager”)

c/o OUE Hospitality Trust Management Pte. Ltd.

333 Orchard Road #33-00

Mandarin Orchard Singapore

Singapore 238867

OUE Hospitality REIT Management Pte. Ltd.

(in its capacity as Manager of OUE Hospitality Real Estate Investment Trust) (the “Manager”)

c/o OUE Hospitality REIT Management Pte. Ltd.

333 Orchard Road #33-00

Mandarin Orchard Singapore

Singapore 238867

2 May 2019

Dear Sirs

OUE Hospitality Trust

Introduction

We have reviewed the accompanying interim financial information (the “Interim Financial Information”) of OUE Hospitality Trust (“OUE H-Trust”) for the three-month period ended 31 March 2019. OUE H-Trust comprises OUE Hospitality Business Trust and OUE Hospitality Real Estate Investment Trust (“OUE H-REIT”) and its subsidiary, collectively the “Stapled Group”. The Interim Financial Information consists of the following:-

**APPENDIX H – REVIEW REPORT FROM KPMG LLP
ON THE UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP
FOR THE 3 MONTHS ENDED 31 MARCH 2019**

*OUE Hospitality Trust
Review of Interim Financial Information
Three-month period ended 31 March 2019*



- Statement of financial position of the Stapled Group as at 31 March 2019;
- Statement of total return of the Stapled Group for the three-month period ended 31 March 2019;
- Statement of movements in unitholders' funds of the Stapled Group for the period ended 31 March 2019;
- Distribution statement of the Stapled Group for the three-month period ended 31 March 2019;
- Portfolio statement of the Stapled Group as at 31 March 2019;
- Statement of cash flows of the Stapled Group for the period ended 31 March 2019; and
- Certain explanatory notes to the above Interim Financial Information.

The management of OUE Hospitality REIT Management Pte. Ltd. (the "Manager" of OUE H-REIT) is responsible for the preparation and presentation of this Interim Financial Information in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants ("ISCA"). Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

The Interim Financial Information for the comparative period ended 31 March 2018 have not been audited or reviewed.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not presented, in all material respects, in accordance with the recommendations of RAP 7 *Reporting Framework for Unit Trusts* relevant to interim financial information issued by the ISCA.

**APPENDIX H – REVIEW REPORT FROM KPMG LLP
ON THE UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP
FOR THE 3 MONTHS ENDED 31 MARCH 2019**

*OUE Hospitality Trust
Review of Interim Financial Information
Three-month period ended 31 March 2019*



Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting OUE H-Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and comply with the requirements of Rule 25 of Singapore Code of Take-Overs and Mergers, and for no other purpose. Our report is included in the unaudited financial statements announcement of OUE H-Trust for the first quarter ended 31 March 2019 for the information of the holders of its Stapled Securities and the scheme document issued by OUE H-Trust in relation to the proposed merger with OUE Commercial Real Estate Investment Trust. We do not assume responsibility to anyone other than the OUE H-Trust for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
2 May 2019

**APPENDIX I – REVIEW REPORT FROM THE H-TRUST IFA ON
THE UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP
FOR THE 3 MONTHS ENDED 31 MARCH 2019**



Report from the IFA in respect of the Interim Financial Statements

2 May 2019

The Board of Directors (the “**Directors**”) of
OUE Hospitality REIT Management Pte. Ltd.
(in its capacity as Manager of OUE Hospitality Real Estate Investment Trust)
333 Orchard Road
#33-00 Mandarin Orchard Singapore
Singapore 238867

OUE Hospitality Trust Management Pte. Ltd.
(in its capacity as Trustee-Manager of OUE Hospitality Business Trust)
333 Orchard Road
#33-00 Mandarin Orchard Singapore
Singapore 238867

RBC Investor Services Trust Singapore Limited
(in its capacity as Trustee of OUE Hospitality Real Estate Investment Trust)
8 Marina View
#26-01 Asia Square Tower 1
Singapore 018960

Dear Sirs,

Report from the IFA in respect of the Interim Financial Statements (as defined herein) made in the announcement which was released by OUE Hospitality Trust (the “Company”) on SGXNET on 2 May 2019

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the Joint Announcement in relation to the Proposed Merger of OUE Commercial Real Estate Investment Trust and OUE Hospitality Trust dated 8 April 2019.

On 8 April 2019, the H-Trust Managers and the C-REIT Manager jointly announced the Proposed Merger, which shall be effected through the acquisition by the C-REIT Trustee of all the Stapled Securities held by the Stapled Securityholders in exchange for a combination of cash and C-REIT Units by way of a trust scheme of arrangement in compliance with the Code.

On 2 May 2019, the Directors had approved the unaudited financial statements announcement of the Company relating to its financial performance for the first quarter ended 31 March 2019 (“**1QFY2019**”) (the “**Interim Financial Statements**”).

We have reviewed the Interim Financial Statements and have held discussions with the management of the Company who are responsible for the preparation of the Interim Financial Statements.

Save for the adoption of the accounting standard FRS 116/SFRS(I) 16, the Interim Financial Statements were arrived at on bases consistent with the significant accounting policies and methods of computation adopted by the Company for the preparation of the audited consolidated financial statements of the

**APPENDIX I – REVIEW REPORT FROM THE H-TRUST IFA ON
THE UNAUDITED FINANCIAL STATEMENTS OF THE H-TRUST GROUP
FOR THE 3 MONTHS ENDED 31 MARCH 2019**



Company for the full year ended 31 December 2018 (“FY2018”), which are set out in the annual report of the Company for FY2018.

We have also considered the Report on review of Interim Financial Information dated 2 May 2019 issued by KPMG LLP, being the external independent auditors of the Company, relating to their review of the Interim Financial Statements.

Based on the above, we are of the opinion that the Interim Financial Statements have been made by the Directors after due and careful enquiry.

For the purpose of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us and/or discussed with us by the Company. Save as provided in this letter, we do not express any other opinion or views on the Interim Financial Statements. The Directors remain solely responsible for the Interim Financial Statements.

The letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any person(s), other than the Company and the Directors, in respect of, arising out of, or in connection with this letter.

Yours faithfully

For and on behalf of

Australia and New Zealand Banking Group Limited, Singapore Branch

A handwritten signature in black ink, appearing to read 'Sigismund Kwok'.

Sigismund Kwok
Corporate Advisory

APPENDIX J – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

A. INTRODUCTION

The unaudited pro forma financial information has been prepared in connection with the Merger of OUE Commercial Real Estate Investment Trust (“C-REIT”) and OUE Hospitality Trust (“H-Trust”) which will be effected through the acquisition by DBS Trustee Limited (in its capacity as trustee of C-REIT) (the “C-REIT Trustee”) of all issued and paid-up stapled securities (the “Stapled Securities”) held by the stapled securityholders (the “Stapled Securityholders”) of H-Trust by way of a trust scheme of arrangement to form the enlarged REIT (the “Enlarged REIT”). The consideration for each Stapled Security will be a sum of S\$0.04075 in cash and issuance of 1.3583 new C-REIT units. Upon the completion of the Merger, H-Trust will become a wholly-owned sub-trust of C-REIT.

H-Trust is a stapled group comprising OUE Hospitality Real Estate Investment Trust (“H-REIT”) and its subsidiary (the “H-REIT Group”) and OUE Hospitality Business Trust (“H-BT”) (collectively, the “Stapled Group”).

The principal activity of the Enlarged REIT is to invest, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs, hospitality and hospitality related purposes within and outside of Singapore, as well as real estate-related assets.

B. BASES AND ASSUMPTIONS UNDERLYING THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

Basis of Preparation

The unaudited pro forma financial information of the Enlarged REIT has been prepared for illustrative purposes only, and is based on certain pro forma adjustments to show the pro forma financial effects on:

- (a) the unaudited pro forma statement of financial position of the Enlarged REIT as at 31 December 2018 as if the Merger had occurred on 31 December 2018; and
- (b) the unaudited pro forma statement of total return and distribution statement of the Enlarged REIT for the year ended 31 December 2018 as if the Merger had occurred on 1 January 2018.

The unaudited pro forma financial information, because of its nature, may not give a true picture of the actual financial position and financial results of the Enlarged REIT.

The unaudited pro forma financial information of the Enlarged REIT for the year ended 31 December 2018 has been compiled based on the following:

- (i) the audited consolidated financial statements of C-REIT for the year ended 31 December 2018, which were prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “*Reporting Framework for Unit Trusts*”; and
- (ii) the audited consolidated financial statements of H-Trust for the year ended 31 December 2018, which were prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “*Reporting Framework for Unit Trusts*”.

The auditors’ reports on the consolidated financial statements of C-REIT and H-Trust do not contain any qualifications.

APPENDIX J – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

The objective of the unaudited pro forma financial information is to show what the financial performance and financial position might have been, had the Enlarged REIT as described above existed at an earlier date. However, the unaudited pro forma financial information is not necessarily indicative of the financial performance and financial position that would have been attained had the Enlarged REIT actually existed earlier. The unaudited pro forma financial information, because of its nature, may not give a true picture of the Enlarged REIT's actual financial performance or financial position.

Assumptions

The unaudited pro forma financial information of the Enlarged REIT has been prepared based on the following key assumptions:

1. Unaudited pro forma statement of financial position

- (a) the consideration is determined based on an exchange ratio of one Stapled Security for 1.3583 C-REIT units and a sum of \$0.04075 in cash. The consideration of \$1,345.1 million for the Merger is derived based on the 1-month VWAP of S\$0.5112 as at 5 April 2019 for each C-REIT unit and is settled by way of the issuance of approximately 2,485.4 million new C-REIT units and an aggregate cash consideration of S\$74.6 million. The discount between the consideration and the net assets of H-Trust is allocated to H-Trust's investment properties;
- (b) merger-related transaction costs are estimated to be approximately \$15 million and are assumed to be funded by cash and capitalised to the Enlarged REIT's investment properties;
- (c) the acquisition fee of \$8.3 million in respect of the acquisition of H-Trust's investment properties pursuant to the Merger is recorded and capitalised to the Enlarged REIT's investment properties;
- (d) H-Trust's investment properties are revalued to their fair value of \$2,218 million as at 31 December 2018; and
- (e) all financial derivatives of H-Trust are designated into new effective cash flow hedging relationships.

2. Unaudited pro forma statement of total return and pro forma distribution statement

- (a) the consideration is determined based on an exchange ratio of one Stapled Security for 1.3583 C-REIT units and a sum of \$0.04075 in cash. The consideration of \$1,333.4 million for the Merger is derived based on the 1-month VWAP of S\$0.5112 as at 5 April 2019 for each C-REIT unit and is settled by way of the issuance of approximately 2,463.8 million new C-REIT units and an aggregate cash consideration of S\$73.9 million. The discount between the consideration and the net assets of H-Trust is allocated to H-Trust's investment properties;
- (b) merger-related transaction costs are estimated to be approximately \$15 million and are assumed to be funded by cash and capitalised to the Enlarged REIT's investment properties;
- (c) the acquisition fee of \$8.3 million in respect of the acquisition of H-Trust's investment properties pursuant to the Merger is recorded and capitalised to the Enlarged REIT's investment properties;
- (d) H-Trust's investment properties are revalued to their fair value of \$2,218 million as at 31 December 2018;
- (e) interest expense of \$2.4 million is incurred on additional borrowings of \$74.7 million is based on an effective interest rate of approximately 3.5% per annum;

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- (f) H-Trust's fee structure for the management fees is replaced with the fee structure in the C-REIT Trust Deed with effect from 1 January 2018. The base management fee for H-Trust of \$6.8 million for FY2018 is paid in C-REIT units and no performance fee is paid for FY 2018; and
- (g) all financial derivatives of H-Trust are designated into new effective cash flow hedging relationships on the occurrence of the Merger and there is no ineffective portion of changes in the fair values of financial derivatives during the year ended 31 December 2018.

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C. UNAUDITED PRO FORMA FINANCIAL INFORMATION

Statement of Financial Position of the Enlarged REIT as at 31 December 2018

Assuming the Merger had occurred on 31 December 2018

	As at 31 December 2018 S\$'000
Non-current assets	
Plant and equipment	393
Investment properties	6,712,535
Intangible assets	24,465
Financial derivatives	1,215
Trade and other receivables	4,001
Total non-current assets	6,742,609
Current assets	
Trade and other receivables	24,493
Financial derivatives	116
Cash and cash equivalents	44,388
Total current assets	68,997
Total assets	6,811,606
Non-current liabilities	
Borrowings	2,653,932
Trade and other payables	45,688
Financial derivatives	7,828
Deferred tax liabilities	87,726
Total non-current liabilities	2,795,174
Current liabilities	
Borrowings	1,992
Trade and other payables	77,592
Financial derivatives	132
Current tax liabilities	13,429
Total current liabilities	93,145
Total liabilities	2,888,319
Net assets	3,923,287
Represented by:	
Unitholders' funds	3,320,654
Convertible Perpetual Preferred Units ("CPPU") holder's funds	361,890
	3,682,544
Non-controlling interests	240,743
Total unitholders' funds	3,923,287

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Statement of Total Return of the Enlarged REIT

Assuming the Merger had occurred on 1 January 2018

	Year Ended 31 December 2018 S\$'000
Revenue	306,130
Property operating expenses	(55,185)
Net property income	250,945
Other income	7,189
Amortisation of intangible assets	(5,286)
Manager's management fees	(17,345)
Trustee's fee	(1,019)
Other expenses	(3,400)
Finance income	3,748
Finance costs	(78,127)
Net finance costs	(74,379)
Net income	156,705
Net change in fair value of investment properties	87,978
Total return for the year before tax	244,683
Tax expense	(19,734)
Total return for the year	224,949
Total return attributable to:	
Unitholders and CPPU holder	211,729
Non-controlling interests	13,220
	224,949

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Distribution Statement of the Enlarged REIT

Assuming the Merger had occurred on 1 January 2018

	Year Ended 31 December 2018 S\$'000
Total return after income tax, before distribution for the year	211,729
Less: Amount reserved for distribution to CPPU holder	(3,750)
Add: Distribution adjustments (Note A)	(48,331)
Amount available for distribution to Unitholders for the current year	159,648

Note A - Distribution adjustments

Non-tax deductible items and other adjustments:	
Net change in fair value of investment properties	(87,978)
Amortisation of intangible assets	5,286
Amortisation of debt establishment costs	7,958
Net change in fair value of financial derivatives	565
Ineffective portion of changes in fair value of cash flow hedges	(2,874)
Hedging reserve transferred from unitholder's funds due to discontinuation of hedge accounting	653
Manager's management fees paid/payable in units	15,232
Trustee's fee	1,019
Foreign exchange differences	(12)
Deferred tax expense	5,329
Straight-lining of lease incentives	1,520
Transfer to statutory reserve	(1,585)
Other items	6,556
Distributions adjustments	(48,331)

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D. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. Basis of preparation

1.1 Statement of compliance

The unaudited pro forma financial information is prepared in accordance with the bases set out in Section B and applied to the financial information prepared in accordance with the Statement of Recommended Accounting Practice (“RAP”) 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (the “MAS”) and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards (“FRS”).

1.2 Basis of measurement

The unaudited pro forma financial information is prepared on the historical cost basis, except as disclosed in the accounting policies below.

1.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the functional currency of the C-REIT. All unaudited pro forma financial information has been rounded to the nearest thousand, unless otherwise stated.

1.4 Use of estimates and judgments

The preparation of financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

2. Significant accounting policies

2.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with the recognition and measurement principles of FRS 103 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred to the Enlarged REIT.

The Enlarged REIT measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests (“NCI”) in the acquiree; plus

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- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in the statement of total return.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of total return.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as unitholders' funds, it is not remeasured and settlement is accounted for within unitholders' funds. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the statement of total return.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Enlarged REIT incurs in connection with a business combination are expensed as incurred.

Changes in the Enlarged REIT's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the statement of total return. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Property acquisitions and business combinations

When a property is acquired through corporate acquisitions or otherwise, the Manager considers whether the acquisition represents an acquisition of business or an acquisition of an asset. An acquisition is accounted for as a business combination when an integrated set of activities is acquired, in addition to the property. In determining whether an integrated set of activities is acquired, the Manager considers whether significant processes, such as strategic management and operational processes, are acquired. Where significant processes are acquired, the acquisition is considered an acquisition of business. Where an acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of acquisition is allocated to the assets and liabilities acquired and no goodwill or deferred tax is recognised.

(iii) Stapling

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the purchase method.

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2.2 Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Enlarged REIT entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the statement of total return, except for differences arising from the translation of a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective, or qualifying cash flow hedges to the extent that the hedge is effective, which are recognised in unitholders' funds.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve in unitholders' funds. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to the statement of total return as part of the gain or loss on disposal. When the Enlarged REIT disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that is considered to form part of a net investment in a foreign operation, or qualifying cash flow hedges to the extent that the hedge is effective, which are recognised in the unitholders' funds.

2.3 Plant and equipment

(i) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of total return.

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the statement of total return on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Furniture and fittings	- 5 years
Office equipment	- 5 years
Operating equipment	- 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of total return.

The cost of a purchased property comprises its purchase price and any directly attributable expenditure, including transaction costs. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the CIS Code issued by the MAS.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of total return.

The investment properties are subject to continued maintenance and regularly revalued on the basis set out above. For income tax purposes, the Enlarged REIT may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

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2.5 Intangible assets

The intangible assets represent the income support receivable by the Enlarged REIT under the Deeds of Income Support in relation to OUE Bayfront, OUE Downtown Office, and Crowne Plaza Changi Airport.

The intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

The intangible assets are amortised in the statement of total return on a straight-line basis over their estimated useful lives of between 14 months to 60 months.

Amortisation method, useful life and residual value are reviewed at the end of each reporting period and adjusted, if appropriate.

2.6 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Enlarged REIT becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified and measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Enlarged REIT changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL. On initial recognition, the Enlarged REIT may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Enlarged REIT makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Enlarged REIT's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Enlarged REIT considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Enlarged REIT considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Enlarged REIT's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of total return. Any gain or loss on derecognition is recognised in the statement of total return.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses are recognised in the statement of total return.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of total return.

These financial liabilities comprise trade and other payables (excluding advance rental received) and borrowings.

(iii) Derecognition

Financial assets

The Enlarged REIT derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Enlarged REIT neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Enlarged REIT derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Enlarged REIT also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Enlarged REIT currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Enlarged REIT holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

The Enlarged REIT designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Enlarged REIT documents the risk management objective and strategy for undertaking the hedge. The Enlarged REIT also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedging relationships designated under FRS 39 *Financial instruments: Recognition and measurement* that were still existing as at 31 December 2017 are treated as continuing hedges and hedge documentations were aligned accordingly to the requirements of FRS 109.

Cash flow hedges

The Enlarged REIT designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in unitholders' funds and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in unitholders' funds until it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

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2.7 Impairment

(i) Non-derivative financial assets

The Enlarged REIT recognises loss allowances for ‘expected credit losses’ (ECLs) on financial assets measured at amortised costs.

Loss allowances of the Enlarged REIT are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Enlarged REIT applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Enlarged REIT applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Enlarged REIT assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Enlarged REIT considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Enlarged REIT’s historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Enlarged REIT considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Enlarged REIT in full, without recourse by the Enlarged REIT to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Enlarged REIT is exposed to credit risk.

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Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Enlarged REIT expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Enlarged REIT assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes a breach of contract such as a default.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Enlarged REIT determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Enlarged REIT's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Enlarged REIT's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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2.8 Unitholders' funds

Unitholders' funds are classified as equity.

Issue costs relate to expenses incurred in connection with the issue of units. The expenses are deducted directly against unitholders' funds.

2.9 Convertible perpetual preferred units

The convertible perpetual preferred units do not have a maturity date and distribution payment is optional at the discretion of the Manager of C-REIT. As C-REIT does not have a contractual obligation to repay the principal nor make any distributions, the convertible perpetual preferred units are classified as equity.

Any distributions made are directly debited from equity. Incremental costs directly attributable to the issue of the convertible perpetual preferred units are deducted against the proceeds from the issue.

2.10 Revenue recognition

(i) Rental income

Rental income from investment properties is recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable rent is recognised as income in the accounting period in which it is earned and can be reliably estimated.

(ii) Service fee income

Revenue from servicing and maintaining the investment property is recognised when the services are rendered and collectability is reasonably assured.

(iii) Car park income

Car park income is recognised on utilisation of car parking facilities.

2.11 Employee benefits

(i) Short term employee benefits

All short term employee benefits are recognised in the statement of total return in the period in which the employees render their services.

A provision is recognised for the amount expected to be paid under variable bonus if the Enlarged REIT has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

APPENDIX J – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

(ii) Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the statement of total return as incurred.

2.12 Lease payments

Payments made under operating leases are recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

2.13 Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

2.14 Finance income and finance costs

The Enlarged REIT's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities;
- change in fair value of financial derivatives;
- cost of unwinding derivative financial instruments;
- amortisation of debt related transaction costs;
- hedge ineffectiveness recognised in the statement of total return; and
- the reclassification of net gains and losses previously recognised in unitholders' funds on cash flow hedges of interest rate risk for borrowings.

Foreign currency gains and losses are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements are in a net gain or net loss position.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

APPENDIX J – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of total return using the effective interest method.

2.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that it relates to items recognised directly in unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries to the extent that the Enlarged REIT is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Enlarged REIT expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale. In all other cases, the amount of deferred tax is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Enlarged REIT. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

APPENDIX J – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Enlarged REIT takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Enlarged REIT believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Enlarged REIT to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore (“IRAS”) has issued the Tax Transparency Ruling and Foreign-Sourced Income Tax Exemption Ruling.

Tax Transparency Rulings

Pursuant to the Tax Transparency Rulings issued by the IRAS, tax transparency treatment has been granted to C-REIT and H-REIT in respect of certain taxable income (“Specified Taxable Income”). Subject to meeting the terms and conditions of the Tax Transparency Ruling, which includes a distribution of at least 90% of the Specified Taxable Income of C-REIT, C-REIT and H-REIT are not subject to tax on the Specified Taxable Income distributed to their unitholders in the same year in which the Specified Taxable Income was derived. In addition, the Trustee and the Manager of C-REIT would undertake to deduct income tax at the prevailing corporate tax rate (currently at 17%) from distributions made to unitholders out of such Specified Taxable Income, except:

- (i) Where the beneficial owners are Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; or
- (ii) Where the beneficial owners are Qualifying Foreign Non-Individual Unitholders, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for distributions made up to 31 December 2025, unless the concession is extended.

A “Qualifying Unitholder” is a unitholder who is:

- an individual;
- a company incorporated and tax resident in Singapore;
- a Singapore branch of a company incorporated outside Singapore;
- a body of persons (excluding partnerships) incorporated or registered in Singapore, including:
 - (i) a charity registered under the Charities Act (Cap. 37) or established by any written law;
 - (ii) a town council;
 - (iii) a statutory board;
 - (iv) a co-operative society registered under the Co-operative Societies Act (Cap. 62); or
 - (v) a trade union registered under the Trade Unions Act (Cap. 333);
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); or
- a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

APPENDIX J – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

A Qualifying Foreign Non-Individual Unitholder is a person other than an individual who is not resident in Singapore for Singapore income tax purposes and who:

- does not have a permanent establishment in Singapore; or
- carries on an operation in Singapore through a permanent establishment in Singapore, where the funds used by that person to acquire units of C-REIT are not obtained from that operation.

The Tax Transparency Ruling does not apply to gains or profits from the disposal of any properties such as immovable properties and shares that are determined by the IRAS to be revenue gains chargeable to tax and income derived by C-REIT but not distributed to the unitholders in the same year in which the income is derived. Tax on such gains or profits will be subject to tax in accordance with Section 10(1)(a) of the Income Tax Act (Cap. 134). Distribution made out of the after-tax amount will not be subject to any further tax. Where the disposal gains are regarded as capital in nature, they will not be subject to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

Any distributions made by C-REIT to the unitholders out of tax-exempt income and taxed income would be exempt from Singapore income tax in the hands of all unitholders, regardless of their corporate or residence status.

Foreign-sourced Income Tax Exemption Ruling

Pursuant to the Foreign-sourced Income Tax Exemption Ruling issued by the IRAS and subject to the meeting of certain conditions, C-REIT will be exempt from Singapore income tax on dividends received by C-REIT from its subsidiary, OUE Eastern Limited.

2.16 New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, this has not been early adopted in the preparation of the financial information.

FRS 116 Leases is assessed to have a more significant impact on the financial information and the estimated impact on the initial application of FRS 116 is shown below.

FRS 116

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. FRS 116 replaces existing lease accounting guidance, including FRS 17 *Leases*, INT FRS 15 *Operating Leases – Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

As FRS 116 was adopted on 1 January 2019 using the modified retrospective approach, the cumulative effect of adopting FRS 116 was recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

The practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 January 2019, has been elected. Accordingly, existing lease contracts that were still effective on 1 January 2019 continue to be accounted for as lease contracts under FRS 116. An

APPENDIX J – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

assessment of the impact on the financial statements is performed based on the existing operating lease arrangements.

(i) *The Enlarged REIT as lessor*

FRS 116 substantially carries forward the current existing lessor accounting requirements. Accordingly, the leases continues to be classified as operating leases or finance leases, and accounted for using the existing operating lease and finance lease accounting models respectively.

This did not have a significant effect on the financial information.

(ii) *The Enlarged REIT as lessee*

The existing operating lease arrangements are recognised as ROU assets with corresponding lease liabilities under FRS 116. Furthermore, the practical expedient has been applied to recognise amounts of ROU assets equal to its lease liabilities at 1 January 2019. For lease contracts that contain the option to renew, hindsight is used to determine the lease term.

As at 1 January 2019, an increase in ROU assets and lease liabilities of approximately \$25,887,000 was recorded. The nature of expenses related to the land lease would change as FRS 116 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

APPENDIX K – REPORT FROM KPMG LLP ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

The Board of Directors
OUE Hospitality Trust Management Pte. Ltd.
(in its capacity as the Trustee-Manager of OUE Hospitality Business Trust)
(the “Trustee-Manager”)
c/o OUE Hospitality Trust Management Pte. Ltd.
333 Orchard Road #33-00
Mandarin Orchard Singapore
Singapore 238867

OUE Hospitality REIT Management Pte. Ltd.
(in its capacity as Manager of OUE Hospitality Real Estate Investment Trust) (the “Manager”)
c/o OUE REIT Management Pte. Ltd.
333 Orchard Road #33-00
Mandarin Orchard Singapore
Singapore 238867

RBC Investor Services Trust Singapore Limited
(as the Trustee of OUE Hospitality Real Estate Investment Trust) (the “Trustee”)
8 Marina View
#26-01 Asia Square Tower 1
Singapore 018960

Report on the compilation of unaudited pro forma financial information

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of OUE Hospitality Trust (“H-Trust”) by OUE Hospitality REIT Management Pte. Ltd. and OUE Hospitality Trust Management Pte. Ltd. (collectively the “Managers”). H-Trust comprises OUE Hospitality Business Trust and OUE Hospitality Real Estate Investment Trust and its subsidiary. The unaudited pro forma financial information of H-Trust and OUE Commercial Real Estate Investment Trust (“C-REIT”) (the “Enlarged REIT”) consists of the unaudited pro forma statement of financial position of the Enlarged REIT as at 31 December 2018, the unaudited pro forma statement of total return and distribution statement of the Enlarged REIT for the year ended 31 December 2018, and related notes (collectively, the “Unaudited Pro Forma Financial Information”) as set out in Appendix J of the scheme document (the “Scheme Document”) to be issued in connection with the proposed merger of C-REIT and H-Trust (the “Merger”). The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and are based on certain assumptions, after making certain adjustments. The applicable criteria (the “Criteria”) on the basis of which the Managers have compiled the Unaudited Pro Forma Financial Information are described in section B of Appendix J.

APPENDIX K – REPORT FROM KPMG LLP ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

The Unaudited Pro Forma Financial Information has been compiled by the Managers to illustrate the impact of the Merger on:

- (a) the financial position of the Enlarged REIT as at 31 December 2018 as if the Merger had taken place on 31 December 2018; and
- (b) the total return and distribution statement of the Enlarged REIT for the year ended 31 December 2018 as if the Merger had taken place on 1 January 2018.

The dates on which the Merger described above are assumed to have been undertaken, are hereinafter collectively referred to as the Relevant Dates.

As part of this process, information about the Enlarged REIT's financial position, total return and distribution statement has been extracted by the Managers from the following financial statements:

- audited consolidated financial statements of the H-Trust for the year ended 31 December 2018, which were prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants (the "ISCA"); and
- audited consolidated financial statements of the C-REIT for the year ended 31 December 2018, which were prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the ISCA.

The aforementioned financial statements are hereinafter collectively referred to as the Relevant Financial Statements. Audit reports on the Relevant Financial Statements have been published.

The Managers' responsibilities for the Unaudited Pro Forma Financial Information

The Managers are responsible for compiling the Unaudited Pro Forma Financial Information on the basis of the Criteria.

Reporting accountants' independence and quality control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

APPENDIX K – REPORT FROM KPMG LLP ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED REIT

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the Unaudited Pro Forma Financial Information has been compiled, in all material respects, by the Managers on the basis of the Criteria.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, *Assurance Engagements to Report on the Compilation of Unaudited Pro Forma Financial Information Included in a Prospectus*, issued by ISCA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Managers have compiled, in all material respects, the Unaudited Pro Forma Financial Information on the basis of the Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a scheme document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the Relevant Dates would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been compiled, in all material respects, on the basis of the Criteria involves performing procedures to assess whether the Criteria used by the Managers in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those Criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to his understanding of the nature of the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**APPENDIX K – REPORT FROM KPMG LLP ON THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION OF THE ENLARGED REIT**

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been compiled:
 - (i) in a manner consistent with the accounting policies to be adopted by the Enlarged REIT, which are in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the ISCA; and
 - (ii) on the basis of the Criteria stated in section B of Appendix J of the Scheme Document; and
- (b) each material adjustment made to the information used in the preparation of the Unaudited Pro Forma Financial Information is appropriate for the purpose of preparing such unaudited financial information.

This letter has been prepared for inclusion in the Scheme Document of H-Trust to be issued in connection with the Merger.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

10 July 2019

APPENDIX L – H-TRUST VALUATION CERTIFICATES



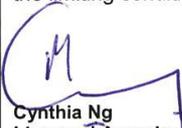
VALUATION CERTIFICATE

Address of Property	333 Orchard Road Mandarin Orchard Singapore Singapore 238867
Client	OUE Hospitality REIT Management Pte Ltd (in its capacity as REIT manager of OUE Hospitality Real Estate Investment Trust)
Purpose of Valuation	To provide the market value as at 31 March 2019 for the purpose of the proposed merger of OUE Hospitality Trust and OUE Commercial REIT
Legal Description	Lot 1546N Town Subdivision 21
Tenure	Leasehold 99 years commencing from 1 July 1957 (unexpired lease of approximately 37.2 years)
Registered Proprietor/Lessee	RBC Investor Services Trust Singapore Limited (as Trustee of OUE Hospitality Real Estate Investment Trust)
Brief Description	<p>The subject property is located on the south-western side of Orchard Road, sandwiched between Orchard Link and Grange Road, just within the traffic restricted Electronic Road Pricing zone, and approximately 5 kilometres from the City Centre. It lies in the centre of the premier shopping and entertainment belt in Singapore.</p> <p>Mandarin Orchard Singapore is a 39-storey 5-star full service hotel with 2 basement levels. It accommodates 1,077 guest rooms within 2 wings known as Main Tower and Orchard Wing. It is integrated with the shopping mall known as Mandarin Gallery. The hotel is an icon of world-class Asian hospitality in Singapore. The guestrooms and suites offer views of the city skyline, complemented by bespoke amenities, versatile meeting facilities, and showcases a vibrant lineup of restaurants that includes two Michelin-star Shisen Hanten by Chef Kentaro. Hotel facilities include restaurants (some with private dining rooms) and F&B outlets - namely Triple Three, Chatterbox, Bar on 5, Coffee and Crust, Takumi Bar, Shisen Hanten (2 Michelin Star restaurant); wellness spa, clinic, concierge desk and 24-hour room service.</p> <p>Recreational facilities include a tennis court, gym, swimming pool and an outdoor function area known as Terrace on 6th which overlooks the swimming pool. There are a total of 3 ballrooms and 13 meeting suites which are well-appointed venues fitted with the state-of-the-art audio-visual equipment, intelligent lighting systems and efficient internet connectivity.</p> <p>The property has garnered various service excellence and dining awards in 2018. The property is assumed to be in good condition.</p>
Site Area	Approximately 10,305.3 sm subject to government's re-survey.
Gross Floor Area	Approximately 91,999.8 sm as provided and subject to final survey
Year of Completion	Circa early 1970s with several rounds of refurbishment carried out in the past 10 years. The latest improvement works to the guest rooms were completed in 2017.

APPENDIX L – H-TRUST VALUATION CERTIFICATES



VALUATION CERTIFICATE

Occupancy/Tenancy Brief	<p>The hotel is leased to OUE Limited under a Master Lease Agreement. The main terms and conditions based on available information to the best of our knowledge, are set out below:-</p> <table border="1" style="width: 100%;"> <tr> <td style="background-color: #e1f5fe;">Lease Term</td> <td>15+15 years with effect from 15 July 2013</td> </tr> <tr> <td style="background-color: #e1f5fe;">Fixed Rent</td> <td>\$45,000,000 p.a. (minimum)</td> </tr> <tr> <td style="background-color: #e1f5fe;">Variable Rent</td> <td>33% of Gross Operating Revenue and 27.5% of Gross Operating Profit, less fixed rent</td> </tr> <tr> <td style="background-color: #e1f5fe;">Lessor's Obligation</td> <td>Property Tax, insurance and capital expenditure</td> </tr> <tr> <td style="background-color: #e1f5fe;">Lessee's Obligation</td> <td>Property Management Fee, provision for furniture, fixtures, furnishings and equipment (FF&E)</td> </tr> </table>	Lease Term	15+15 years with effect from 15 July 2013	Fixed Rent	\$45,000,000 p.a. (minimum)	Variable Rent	33% of Gross Operating Revenue and 27.5% of Gross Operating Profit, less fixed rent	Lessor's Obligation	Property Tax, insurance and capital expenditure	Lessee's Obligation	Property Management Fee, provision for furniture, fixtures, furnishings and equipment (FF&E)
Lease Term	15+15 years with effect from 15 July 2013										
Fixed Rent	\$45,000,000 p.a. (minimum)										
Variable Rent	33% of Gross Operating Revenue and 27.5% of Gross Operating Profit, less fixed rent										
Lessor's Obligation	Property Tax, insurance and capital expenditure										
Lessee's Obligation	Property Management Fee, provision for furniture, fixtures, furnishings and equipment (FF&E)										
Trading Information	Based on the information as at 1 st Quarter 2019 provided to us, the hotel average room rate and occupancy rate are in the range of approximately \$243 to \$247 per day and approximately 82.0% to 90.0% respectively.										
Annual Value	The current Annual Value is \$30,403,000. Property Tax is payable at 10.0% per annum of the assessed Annual Value.										
Master Plan Zoning (2014/Draft 2019)	"Hotel" with gross plot ratio of 4.9+										
Legal Requisition	The official Master Plan Zoning, Road/Drainage/MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.										
Basis of Valuation	As-is Basis, subject to existing lease agreement										
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method										
Material Date of Valuation	31 March 2019										
Capitalisation Rate	5.00%										
Terminal Capitalisation Rate	5.50%										
Discount Rate	7.00%										
Rate Per Room	\$1,139,276 per room										
Valuation (100% Interest)	\$1,227,000,000 (Singapore Dollars One Billion Two Hundred and Twenty-Seven Million Only)										
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report dated 31 December 2018 and also the limiting conditions herein										
Prepared by	<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  Cynthia Ng Licensed Appraiser No. AD041-2003388A Managing Director Savills Valuation And Professional Services (S) Pte Ltd </div> <div style="text-align: center;">  Selina Chia Licensed Appraiser No. AD041-2005633K Executive Director </div> </div>										

To any party relying on this report, we advise that this summary must be read in conjunction with the previous formal valuation report on which this valuation certificate is based on. This valuation certificate should not be relied upon in insolation for finance or any other purpose.

CYC/CN/k

APPENDIX L – H-TRUST VALUATION CERTIFICATES



LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme (s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX L – H-TRUST VALUATION CERTIFICATES



VALUATION CERTIFICATE

Address of Property	333A Orchard Road Mandarin Gallery Singapore 238897
Client	OUE Hospitality REIT Management Pte Ltd (in its capacity as REIT manager of OUE Hospitality Real Estate Investment Trust)
Purpose of Valuation	To provide the market value as at 31 March 2019 for the purpose of the proposed merger of OUE Hospitality Trust and OUE Commercial REIT
Legal Description	Lot 1546Npt Town Subdivision 21
Tenure	Leasehold 99 years commencing from 1 July 1957 (unexpired lease of approximately 37.2 years)
Registered Proprietor/Lessee	RBC Investor Services Trust Singapore Limited (as Trustee of OUE Hospitality Real Estate Investment Trust)
Brief Description	<p>The subject property is located on the south-western side of Orchard Road, sandwiched between Orchard Link and Grange Road, just within the traffic restricted Electronic Road Pricing zone, and approximately 5 kilometres from the City Centre. It lies in the centre of the premier shopping and entertainment belt in Singapore.</p> <p>Mandarin Gallery comprises the first 4 levels of the Orchard Road wing of the Mandarin Orchard Singapore hotel. It underwent extensive retrofitting works in 2008/9 transforming it into a high-end shopping destination, featuring upscale international fashion, lifestyle, services and food & beverages tenants. The property is served by passenger lifts and two main sets of escalators. In addition, a pair of external escalators from street level along Orchard Road brings shoppers directly up to the 2nd storey.</p> <p>The property is assumed to be in good condition.</p>
Site Area	Approximately 10,305.3 sm subject to government's re-survey.
Gross Floor Area	Approximately 18,240.0 sm as provided and subject to final survey
Lettable Floor Area	Approximately 11,732.0 sm, as provided and subject to final survey
Year of Completion	We understand the subject property was completed around 1971 with refurbishment works done around 2008/2009. The Temporary Occupation Permit was issued on 4 December 2009.
Occupancy/Tenancy Brief	The development is multi-tenanted. According to published information, we understand that the average occupancy rate during the 1 st quarter of 2019 was approximately 98.4% whereas as at 31 March 2019, it has achieved 100% occupancy. No other information was made available to us.
Annual Value	The current total Annual Value is \$31,834,600. Property Tax is payable at 10.0% per annum of the assessed Annual Value.
Master Plan Zoning (2014/Draft 2019)	"Hotel" with gross plot ratio of 4.9+
Legal Requisition	The official Master Plan Zoning, Road/Drainage/MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.
Basis of Valuation	As-is Basis, with vacant possession

APPENDIX L – H-TRUST VALUATION CERTIFICATES



VALUATION CERTIFICATE

Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
Material Date of Valuation	31 March 2019
Capitalisation Rate	5.25%
Terminal Capitalisation Rate	5.75%
Discount Rate	7.00%
Rate (\$/sm)	\$ 42,107 psm
Valuation (100% Interest)	\$494,000,000 (Singapore Dollars Four Hundred And Ninety-Four Million Only)
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report dated 31 December 2018 and also the limiting conditions herein
Prepared by	 Cynthia Ng Licensed Appraiser No. AD041-2003388A Managing Director Savills Valuation And Professional Services (S) Pte Ltd
	 Angus Quek Licensed Appraiser No. AD041-2009188F Director (Corporate Specialist) Savills Valuation And Professional Services (S) Pte Ltd

To any party relying on this report, we advise that this summary must be read in conjunction with the previous formal valuation report on which this valuation certificate is based on. This valuation certificate should not be relied upon in isolation for finance or any other purpose.

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APPENDIX L – H-TRUST VALUATION CERTIFICATES



LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme (s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
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Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX L – H-TRUST VALUATION CERTIFICATES



VALUATION CERTIFICATE

Address of Property	75 Airport Boulevard Crowne Plaza Changi Airport Singapore 819664										
Client	OUE Hospitality REIT Management Pte Ltd (in its capacity as REIT Manager of OUE Hospitality Real Estate Investment Trust)										
Purpose of Valuation	To provide the market value as at 31 March 2019 for the purpose of the proposed merger of OUE Hospitality Trust and OUE Commercial REIT										
Legal Description	Lot 4594L (part) Mukim 31										
Tenure	Leasehold 74 years 1 month 30 days commencing from 1 July 2009 (unexpired lease of approximately 64.4 years)										
Registered Proprietor/Lessee	RBC Investor Services Trust Singapore Limited (as Trustee of OUE Hospitality Real Estate Investment Trust)										
Brief Description	<p>Crowne Plaza Changi Airport is located on the north-western side of T3 Departure Drive, off Airport Boulevard, within Changi International Airport, and approximately 21 kilometres from the City Centre.</p> <p>The subject property is a part 9/part 10-storey airport hotel developed in two phases. Phase I comprises a 9-storey 320-room hotel built in 2008 while Phase II comprises a 10-storey 243-room extension completed in August 2016. The two hotel blocks are linked at level 2 with the hotel reception lobby located at level 1 of Phase I. Meeting & function room facilities, F&B outlets and other hotel/recreational facilities can be found on the first three levels of Phase I. In addition, Crowne Plaza Changi Airport is a resort ambiance hotel with its guestrooms offering spectacular views of the airport runway and the newly opened Jewel Changi Airport. The property has garnered various awards on ranking as World's Best Airport Hotel in 2018, amongst others. The property is assumed to be in good condition.</p>										
Site Area	Approximately 8,000.0 sm subject to government's re-survey.										
Gross Floor Area	Approximately 40,913.5 sm as provided and subject to final survey										
Year of Completion	Circa 2008 with the new extension wing completed in August 2016.										
Occupancy/Tenancy Brief	<p>The hotel is leased to OUE Airport Hotel Pte. Ltd. under a Master Lease Agreement. The main terms and conditions based on available information to the best of our knowledge, are set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e6f2ff;">Lease Term</td> <td>12+5+5 years with effect from 1 August 2016</td> </tr> <tr> <td style="background-color: #e6f2ff;">Fixed Rent</td> <td>\$22,500,000 p.a. (minimum)</td> </tr> <tr> <td style="background-color: #e6f2ff;">Variable Rent</td> <td>4% of Hotel F&B Revenue; 33% of Hotel Room and Other Revenues not related to F&B; 30% of Gross Operating Profit; and 80% of gross rental income from lease space, less fixed rent</td> </tr> <tr> <td style="background-color: #e6f2ff;">Lessor's Obligation</td> <td>Property Tax, insurance and capital expenditure</td> </tr> <tr> <td style="background-color: #e6f2ff;">Lessee's Obligation</td> <td>Property management fee, provision for furniture, fixtures, furnishings and equipment (FF&E)</td> </tr> </table>	Lease Term	12+5+5 years with effect from 1 August 2016	Fixed Rent	\$22,500,000 p.a. (minimum)	Variable Rent	4% of Hotel F&B Revenue; 33% of Hotel Room and Other Revenues not related to F&B; 30% of Gross Operating Profit; and 80% of gross rental income from lease space, less fixed rent	Lessor's Obligation	Property Tax, insurance and capital expenditure	Lessee's Obligation	Property management fee, provision for furniture, fixtures, furnishings and equipment (FF&E)
Lease Term	12+5+5 years with effect from 1 August 2016										
Fixed Rent	\$22,500,000 p.a. (minimum)										
Variable Rent	4% of Hotel F&B Revenue; 33% of Hotel Room and Other Revenues not related to F&B; 30% of Gross Operating Profit; and 80% of gross rental income from lease space, less fixed rent										
Lessor's Obligation	Property Tax, insurance and capital expenditure										
Lessee's Obligation	Property management fee, provision for furniture, fixtures, furnishings and equipment (FF&E)										

APPENDIX L – H-TRUST VALUATION CERTIFICATES



VALUATION CERTIFICATE

Trading Information	Based on the information as at 1 st Quarter 2019 provided to us, the hotel average room rate and occupancy rate are in the range of approximately \$213 to \$218 per day and approximately 82.0% to 89.0% respectively.
Annual Value	The current Annual Value is \$10,250,000. Property Tax is payable at 10.0% per annum of the assessed Annual Value.
Land Rent	The current land rent payable to Changi Airport Group is \$1,000,000 plus 6.35% of Gross Operating Revenue per annum.
Master Plan Zoning (2014/Draft 2019)	"Port/Airport"
Legal Requisition	The official Master Plan Zoning, Road/Drainage/MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.
Basis of Valuation	As-is Basis, subject to existing lease agreement
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
Material Date of Valuation	31 March 2019
Capitalisation Rate	5.00%
Terminal Capitalisation Rate	5.25%
Discount Rate	7.00%
Rate Per Room	\$882,771 per room
Valuation (100% Interest)	\$497,000,000 (Singapore Dollars Four Hundred And Ninety-Seven Million Only)
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report dated 31 December 2018 and also the limiting conditions herein
Prepared by	<div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  Cynthia Ng Licensed Appraiser No. AD041-2003388A Managing Director Savills Valuation And Professional Services (S) Pte Ltd </div> <div style="text-align: center;">  Daniel Ee Licensed Appraiser No. AD041-2004607E Senior Director </div> </div>

To any party relying on this report, we advise that this summary must be read in conjunction with the previous formal valuation report on which this valuation certificate is based on. This valuation certificate should not be relied upon in insolation for finance or any other purpose.

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APPENDIX L – H-TRUST VALUATION CERTIFICATES



LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme (s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX M – C-REIT VALUATION CERTIFICATES



Cushman & Wakefield VHS Pte. Ltd.
3 Church Street
#09-03 Samsung Hub
Singapore 049483
Tel +65 6535 3232
Fax +65 6535 1028
cushmanwakefield.com
Company Registration No. 200709839D

12 June 2019

OUE Hospitality REIT Management Pte. Ltd.
(in its capacity as REIT Manager of OUE Hospitality Real Estate Investment Trust)
333 Orchard Road #33-00
Mandarin Orchard Singapore
Singapore 238867

Dear Sirs,

VALUATION OF THE PROPERTIES IN SINGAPORE COMPRISING:

- 1. OUE BAYFRONT, OUE TOWER AND OUE LINK**
- 2. OUE DOWNTOWN OFFICE**

Cushman & Wakefield (“C&W”) has been instructed by OUE Hospitality REIT Management Pte. Ltd. (in its capacity as REIT Manager of OUE Hospitality Real Estate Investment Trust (“HT” or “the Client”) to provide the Market Values as at 31 March 2019 and reports in respect of the above mentioned two properties in Singapore (“the Properties”) for the purpose of proposed merger of OUE Hospitality Trust and OUE Commercial REIT.

C&W has prepared the valuations in accordance with the requirements of the instructions and the following international definition of Market Value:

“Market Value is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after property marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion”.

The valuations have been made on the assumption that the owner sells the Properties on the open market in their existing state taking into account the terms of the existing occupancy arrangements, where appropriate, but without the benefit of any other deferred term contract, joint venture or any similar arrangement which would affect the value of the Property.

We provide a valuation summary of the valuation of the Properties together with the key factors that have been considered in determining the market values of the Property. The value conclusions reflect all information known by the valuers of C&W who worked on the valuations in respect to the Properties, market conditions and available data.

Reliance on This Letter

This letter is a summary of the reports that C&W has prepared and it does not contain all the necessary information and assumptions that are included in the reports. Further reference may be made to the reports, copies of which are held by the Client.

The valuation contained in each report is not a guarantee or prediction but are based on the information obtained from reliable and reputable agencies and sources, the Client and other related parties. Whilst C&W has endeavoured to obtain accurate information, it has not independently verified all the information provided by the Client or other reliable and reputable agencies.

APPENDIX M – C-REIT VALUATION CERTIFICATES



VALUATION OF TWO COMMERCIAL PROPERTIES IN SINGAPORE

C&W has also relied to a considerable extent the property data provided by the owner on matters such as tenancy details, income and expenses information, site and building plans, title particulars/ownership, net lettable areas ("NLA"), dates of completion and all other relevant matters.

Also, in the course of the valuation, we have assumed that all leases are legally valid and enforceable and the Properties have proper legal titles that can be freely transferred, leased and sub-leased in the market without being subject to any land premium or any extra charges, C&W has no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation.

No allowance has been made in the valuation for any charges, mortgages or amounts owing on the Properties. C&W has assumed that the Properties are free from encumbrances, restrictions or other outgoings of an onerous nature which would affect their market values, other than those which have been made known to C&W.

The methodologies used in valuing the Properties, are namely, the Discounted Cash Flow Analysis (DCF) Capitalization Approach and/or Comparison Method.

The DCF approach is based on our professional opinion and estimates of the future results and are not guarantees or predictions. Each methodology is based on a set of assumptions as to the income and expenses taking into consideration the changes in economic conditions and other relevant factors affecting the property. The resultant value is, in our opinion, the best estimate but it is not to be construed as a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made. This summary does not contain all the necessary support data and details included in the reports. For further information on that, reference should be made to the reports to understand the complexity of the methodologies and the variables involved to appreciate the context in which the values are arrived at.

We have inspected the exterior and, where possible, the interior of the Properties. We have not conducted structural surveys nor tested the building services as this is not part of our terms of reference and, as such, we cannot report that the Properties are free from rot, infestation or any other structural defects. For purpose of this valuation, the Properties are assumed to be in sound structural condition and the building services in good working order. Our valuation assumes that the premises and any works thereto comply with all relevant statutory and planning regulations and the necessary licences obtained.

We have also not carried out investigations on sites to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

Valuation Rationale

In arriving at our valuation, we have considered relevant general and economic factors and in particular investigated recent transactions of comparable properties that have occurred in the vicinity or in similar standard localities. We have utilized the Discounted Cash Flow Analysis, Capitalization Approach and/or the Comparison Method, where appropriate, in undertaking our assessment of the Properties.

Discounted Cash Flow Analysis

We have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the Property is sold at the commencement of the eleventh year of the cash flow. This form of analysis allows an investor to make an assessment of the long term return that is likely to be derived from a property with a combination of both net income/rental and capital growth over an assumed investment horizon in undertaking this analysis, a wide range of assumptions are made including a target or pre-selected discounted rate, rental growth, sale price of the property at the end of the investment horizon as well as costs associated with its disposal at the end of the investment period.

APPENDIX M – C-REIT VALUATION CERTIFICATES



VALUATION OF TWO COMMERCIAL PROPERTIES IN SINGAPORE

We have investigated the current market requirements for an investment return over a 10-year period from the relevant market sector in order to determine the appropriate discount rates for the Property.

Our selected terminal capitalization rates, used to estimate the terminal sale price, takes into consideration perceived market conditions in the future, estimated tenancy and cash flow profile and the overall physical condition of the buildings in 10 years' time. The adopted terminal capitalization rate, additionally, has regard to the duration of the remaining tenure of the property at the end of the cash flow period.

Capitalization Approach

The Capitalization Approach takes into account estimated sustainable revenues of the property, adjusting to reflect anticipated operating expenses or outgoings, deriving a net income which is then capitalized at appropriate capitalization rate over the remaining lease term or tenure.

Alternatively, and based on the same approach, this method can be varied so that the market rent is capitalized in accordance to the tenure of the lease with appropriate adjustments for rental shortfalls and/ or overages.

Comparison Method

Where appropriate, we have also cross-checked with the Comparison Method where reference to comparable sale transactions where available in the relevant markets have been made. Appropriate adjustments are made for any differences between the property and the comparables such as location, size, tenure, age and condition and facilities, amongst other factors.

Summary of Valuation

The valuation of the 2 commercial properties in Singapore is summarized below:

No.	Address	NLA (sq m)	Balance Lease (approx. years)	Market Value as at 31 March 2019 (SGD)
1	OUE Bayfront, OUE Tower and OUE Link at 50, 60 and 62 Collyer Quay, Singapore 049321, 049322 and 049325 respectively	37,157.1	87.6 ¹	S\$1,180,000,000
2	OUE Downtown Office at 6 and 6A Shenton Way, Singapore 068809 and 068815 respectively	49,238.4	47.3	S\$921,700,000

Our valuation is exclusive of Goods and Services Tax, where applicable.

The Valuation Certificates containing more property details of each property are attached.

Disclaimer

We have prepared this valuation summary for the Client in relation to the proposed merger of OUE Hospitality Trust and OUE Commercial REIT. We only make warranty or representation as to the accuracy of the information in this valuation summary and the reports.

All information provided to us is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

¹ OUE Bayfront and OUE Tower have a balance lease term of about 87.6 years and OUE Link has a balance lease term of about 6.0 years. These lease terms have been taken into consideration in the valuation.

APPENDIX M – C-REIT VALUATION CERTIFICATES



VALUATION OF TWO COMMERCIAL PROPERTIES IN SINGAPORE

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Properties and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom the Client are contracting with.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers in the respective jurisdictions and have the necessary experience in valuing similar types of properties.

Yours faithfully,

For and on behalf of

CUSHMAN & WAKEFIELD VHS PTE. LTD.

A handwritten signature in black ink, appearing to read "Chew May Yen", written in a cursive style.

Chew May Yen
MSISV,
Licensed Appraiser No AD41-2004419H
Executive Director
Valuation & Advisory, Singapore

Enc.

APPENDIX M – C-REIT VALUATION CERTIFICATES



VALUATION OF TWO COMMERCIAL PROPERTIES IN SINGAPORE

VALUATION CERTIFICATE

Date of Valuation:	31 March 2019	
Property:	OUE Bayfront, OUE Tower and OUE Link at 50, 60 and 62 Collyer Quay, Singapore 049321, 049322 and 049325 respectively (the “The Property”)	
Client:	OUE Hospitality REIT Management Pte Ltd (in its capacity as REIT Manager of OUE Hospitality Real Estate Investment Trust)	
Purpose of Valuation:	To provide the market value as at 31 March 2019 for the purpose of the proposed merger of OUE Hospitality Trust and OUE Commercial REIT	
Legal Description:	OUE Bayfront and OUE Tower (Nos. 50 and 60)	Lot 404K Town Subdivision 30 (Land) Lot 80020K Town Subdivision 30 (Subterranean)
	OUE Link (No. 62)	Lot 70012W Town Subdivision 30 (Airspace)
Registered Owner:	DBS Trustee Limited (in its capacity as Trustee of OUE Commercial Real Estate Investment Trust)	
Tenure/ Interest Valued:	Lot 404K Town Subdivision 30	Leasehold 99 years commencing 12 November 2007 (balance lease term of about 87.6 years)
	Lot 80020K Town Subdivision 30	Leasehold 99 years commencing 7 January 2002 (balance lease term of about 81.8 years)
	Lot 70012W Town Subdivision 30	Leasehold 15 years commencing 26 March 2010 (balance lease term of about 6.0 years)
Brief Description of Property:	<p>The Property is located along Collyer Quay, near to its intersection with Marina Boulevard/ Raffles Quay/ Finlayson Green. It is strategically situated along the shorefront of Marina Bay downtown area and across the road from Raffles Place, within the Central Business District of Singapore. The Raffles Place MRT Interchange is situated within short walking distance via the OUE Link overhead bridge and an underpass leading to the adjacent One Marina Boulevard. Surrounding developments comprise mainly commercial developments as well as several hotel and high-end residential developments.</p> <p>The Property is an integrated development comprising OUE Bayfront, an 18-storey office building with a rooftop restaurant and 4 basement car park levels (245 car park lots including 3 lots for the handicapped); OUE Tower, a conserved 10-storey tower which houses a restaurant with one revolving level; and OUE Link, an elevated retail link-bridge which straddles across the road Collyer Quay and provides direct connectivity to Raffles Place. The development was completed in January 2011. OUE Bayfront is certified with the Green Mark Gold Award by the Building and Construction Authority in Singapore.</p>	
Town Planning:	Zoned “Commercial” use and part of the site is gazetted as conservation area with a conservation building.	
Land/ Subterranean/ Airspace Area:	Lot 404K Town Subdivision 30 (Land)	6,447.5 sq m or 69,400 sq ft
	Lot 80020K Town Subdivision 30 (Subterranean)	60.8 sq m or 654 sq ft
	Lot 70012W Town Subdivision 30 (Airspace)	589.6 sq m or 6,346 sq ft



APPENDIX M – C-REIT VALUATION CERTIFICATES



VALUATION OF TWO COMMERCIAL PROPERTIES IN SINGAPORE

Gross Floor Area (“GFA”):	Approximately 46,774.61 sq m/ 503,477 sq ft	
Net Lettable Area (“NLA”)²:	OUE Bayfront & OUE Tower (Nos. 50 & 60)	Office: 35,181.7 sq m or 378,692 sq ft Retail: 1,710.3 sq m or 18,409 sq ft
	OUE Link (No. 62)	Retail: 265.1 sq m or 2,854 sq ft
	Total:	37,157.1 sq m or 399,955 sq ft
Tenancy Details:	The whole development is multi-tenanted. According to the tenancy schedule provided to us, OUE Bayfront has an occupancy rate of about 99.3% for the office component and fully leased for the retail component, including pre-committed leases. The OUE Link retail units are fully leased. The average passing gross rent for OUE Bayfront is around S\$11.65 per sq ft per month (“psfpm”) for the office component and retail component. The average passing gross rent for OUE Link retail space is around S\$17.14 psfpm.	
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalization Approach and Comparison Method	
Capitalization Rate:	Office (Nos. 50 & 60)	3.60%
	Retail (No. 62)	6.50%
Terminal Capitalization Rate:	Office (Nos. 50 & 60)	3.85%
	Retail (No. 62)	n.a.
Discount Rate:	Office (Nos. 50 & 60)	6.75%
	Retail (No. 62)	7.00%
Market Value:	S\$1,180,000,000/-	
Rate \$psf/NLA:	S\$2,950/-	
Remarks:	This Valuation Certificate is a summary of the full report that Cushman & Wakefield have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. Further reference may be made to the report, copies of which are held by the Management.	

² NLA including pre-committed leases, according to information provided.

APPENDIX M – C-REIT VALUATION CERTIFICATES



VALUATION OF TWO COMMERCIAL PROPERTIES IN SINGAPORE

VALUATION CERTIFICATE

Date of Valuation:	31 March 2019	
Property:	OUE Downtown Office at 6 & 6A Shenton Way, Singapore 068809 and 068815 respectively (“the Property”)	
Client:	OUE Hospitality REIT Management Pte Ltd (in its capacity as REIT Manager of OUE Hospitality Real Estate Investment Trust)	
Purpose of Valuation:	To provide the market value as at 31 March 2019 for the purpose of the proposed merger of OUE Hospitality Trust and OUE Commercial REIT	
Legal Description:	OUE Downtown 1 (35 th to 46 th storeys) – Lot U4628V of Town Subdivision 30 OUE Downtown 2 (7 th to 34 th storeys) – Lot U4629PV of Town Subdivision 30	
Registered Owner:	DBS Trustee Limited (in its capacity as Trustee of OUE Commercial Real Estate Investment Trust)	
Tenure/ Interest Valued:	Leasehold 99 years commencing 19 July 1967 (balance lease term of about 47.3 years)	
Brief Description of Property:	<p>The Property is bounded by Shenton Way, Mccallum Street, Maxwell Link and Maxwell Road. It is located within Shenton Way, a prime financial district of Singapore. Surrounding developments comprise mainly commercial developments as well as hotel, service apartments and high-end residential developments. The Tanjong Pagar MRT station and the upcoming Shenton Way MRT station are located nearby.</p> <p>The Property comprises Grade A office space from the 35th to 46th storeys of OUE Downtown 1 and Grade A office space from the 7th to 34th storeys of OUE Downtown 2, within a recently refurbished mixed-use development. The development comprises two high-rise towers of 50-storeys (OUE Downtown 1) and 37-storeys (OUE Downtown 2) as well as a retail podium and multi-storey carpark.</p>	
Town Planning:	Zoned “Commercial” use with a plot ratio of 11.2+	
Gross Floor Area (“GFA”):	Approximately 69,922.0 sq m or 752,640 sq ft	
Net Lettable Area (“NLA”):	Approximately 49,238.4 sq m or 530,002 sq ft	
Tenancy Details:	The Property is multi-tenanted and the occupancy rate is about 93.9%, including pre-committed leases, according to the tenancy schedule provided to us. The average passing gross rent is around S\$7.00 per sq ft per month (“psfpm”) based on actual leased area as at the date of valuation. The gross rent incorporates a service charge of S\$0.95 psfpm.	
Methods of Valuation:	Discounted Cash Flow Analysis, Capitalization Approach and Comparison Method	
Capitalization Rate:	4.00%	
Terminal Capitalization Rate:	4.25%	
Discount Rate:	6.75%	
Market Value:	S\$921,700,000/-	
Rate \$psf/NLA:	S\$1,739/-	
Remarks:	This Valuation Certificate is a summary of the full report that Cushman & Wakefield have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. Further reference may be made to the report, copies of which are held by the Management.	

APPENDIX M – C-REIT VALUATION CERTIFICATES



VALUATION CERTIFICATE

Address of Property	OUB Centre Limited's 81.54% beneficial interest in 1 Raffles Place One Raffles Place Singapore 048616								
Client	OUE Hospitality REIT Management Pte Ltd (in its capacity as REIT manager of OUE Hospitality Real Estate Investment Trust)								
Purpose of Valuation	To provide the market value as at 31 March 2019 for the purpose of the proposed merger of OUE Hospitality Trust and OUE Commercial REIT								
Date of Inspection	6 June 2019								
Legal Description	Lots 716L, 718M, 721M and 696V, all of Town Subdivision 1								
Tenure	<p>Lot 716L Town Subdivision 1 Leasehold 99 years commencing from 1 November 1985 (unexpired lease of approximately 65.6 years)</p> <p>Lot 718M Town Subdivision 1 Leasehold 841 years 3 months and 20 days commencing from 1 November 1985 (unexpired lease of approximately 807.9 years)</p> <p>Lots 721M & 696V, both of Town Subdivision 1 Leasehold 99 years commencing from 26 May 1983 (unexpired lease of approximately 63.1 years)</p>								
Registered Proprietor/Lessee	OUB Centre Limited ("OUBC")								
Brief Description	The subject property is located in the heart of the traditional financial and commercial district of Singapore. It is bounded by Market Street along its western boundary, Chulia Street along its northern boundary and Malacca Street along its southern boundary. One Raffles Place is an integrated commercial development which is adjacent to Raffles Place MRT Interchange Station. It contains two office towers which comprises a 62-storey Grade A office tower (Tower 1), a Platinum Green Mark 38-storey Grade A office tower (Tower 2) and a 5-storey plus 1 basement retail podium with 3 basement levels of car park (total 324 car park lots). The retail podium has direct link to the Raffles Place MRT Station at Basement 1. All essential public services are connected. The property appeared to be in fairly good condition as at date of our inspection.								
Site Area	6,985.7 sm or thereabouts, subject to government's re-survey.								
Gross Floor Area	Approximately 119,626.3 sm as provided and subject to final survey								
Lettable Floor Area*	Approximately 65,042.0 sm (comprising 9,231.7 sm and 55,810.3 sm for the retail and office areas respectively), as provided and subject to final survey <i>*Based on OUB Centre Limited beneficial interest of 81.54%</i>								
Year of Completion	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Component</th> <th style="text-align: left;">Date of Completion</th> </tr> </thead> <tbody> <tr> <td>Tower 1</td> <td>Originally completed in 1986 and the Certificate of Statutory Completion (CSC) was obtained on 11 November 1991</td> </tr> <tr> <td>Tower 2</td> <td>Progressively issued on 30 December 2011, 30 April 2012 and 23 August 2012 and its CSC was issued on 8 June 2015</td> </tr> <tr> <td>Retail</td> <td>Originally completed in 1986 and the Certificate of Statutory Completion (CSC) was obtained on 11 November 1991. It undergone a major asset enhancement improvement (AEI) works and its TOP and CSC were issued on 27 May 2014 and 28 August 2015 respectively. another round of AEI works was recently carried out to the retail podium and its TOP was issued on 20 February 2019.</td> </tr> </tbody> </table>	Component	Date of Completion	Tower 1	Originally completed in 1986 and the Certificate of Statutory Completion (CSC) was obtained on 11 November 1991	Tower 2	Progressively issued on 30 December 2011, 30 April 2012 and 23 August 2012 and its CSC was issued on 8 June 2015	Retail	Originally completed in 1986 and the Certificate of Statutory Completion (CSC) was obtained on 11 November 1991. It undergone a major asset enhancement improvement (AEI) works and its TOP and CSC were issued on 27 May 2014 and 28 August 2015 respectively. another round of AEI works was recently carried out to the retail podium and its TOP was issued on 20 February 2019.
Component	Date of Completion								
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Retail	Originally completed in 1986 and the Certificate of Statutory Completion (CSC) was obtained on 11 November 1991. It undergone a major asset enhancement improvement (AEI) works and its TOP and CSC were issued on 27 May 2014 and 28 August 2015 respectively. another round of AEI works was recently carried out to the retail podium and its TOP was issued on 20 February 2019.								

APPENDIX M – C-REIT VALUATION CERTIFICATES



VALUATION CERTIFICATE

Occupancy/Tenancy Brief	The development is multi-tenanted. According to the tenancy schedule as at 31 March 2019, the portion owned by OUBC (which represent approximately 81.54% of the beneficial interest in One Raffles Place) was 97.50% let (including pre-committed leases) and generate a total monthly gross rent of \$6,919,137. The typical monthly service charges are \$10.23/sm, \$10.76/sm and \$12.92/sm for office tower 1, office tower 2 and retail respectively. In addition, the typical monthly advertising & promotion charge is \$3.23/sm for retail component.				
Annual Value	The current total Annual Value is \$79,640,800. Property Tax is payable at 10.0% per annum of the assessed Annual Value.				
Master Plan Zoning (2014/Draft 2019)	<table border="1"> <tr> <td>Master Plan 2014</td> <td>Commercial" with gross plot ratio of 12.6+</td> </tr> <tr> <td>Draft Master Plan 2019</td> <td>Commercial with gross plot ratio of 15.0</td> </tr> </table>	Master Plan 2014	Commercial" with gross plot ratio of 12.6+	Draft Master Plan 2019	Commercial with gross plot ratio of 15.0
Master Plan 2014	Commercial" with gross plot ratio of 12.6+				
Draft Master Plan 2019	Commercial with gross plot ratio of 15.0				
Legal Requisition	The official Master Plan Zoning, Road/Drainage/MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.				
Basis of Valuation	As-is Basis, subject to the existing tenancies				
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method				
Material Date of Valuation	31 March 2019				
Capitalisation Rate	3.50% (Tower 1); 3.75% (Tower 2); 4.00% (Retail 841 Years); 4.25% (Retail 99 Years)				
Terminal Capitalisation Rate	3.75% (Tower 1); 4.00% (Tower 2); 4.25% (Retail 841 Years); 4.50% (Retail 99 Years)				
Discount Rate	6.50%				
Rate (\$/sm)	\$28,120 psm				
Valuation (81.54% Beneficial Interest)	\$1,829,000,000 (Singapore Dollars One Billion Eight Hundred And Twenty-Nine Million Only)				
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the full valuation report and also the limiting conditions herein				
Prepared by	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  Cynthia Ng Licensed Appraiser No. AD041-2003388A Managing Director Savills Valuation And Professional Services (S) Pte Ltd </div> <div style="text-align: center;">  Cynthia Soo Licensed Appraiser No. AD041-2006556K Executive Director </div> </div>				

To any party relying on this report, we advise that this valuation certificate must be read in conjunction with our formal valuation report of which this summary is based on. This valuation certificate should not be relied upon in insolation for finance or any other purpose.

CS/CN/ds

APPENDIX M – C-REIT VALUATION CERTIFICATES



LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme (s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX M – C-REIT VALUATION CERTIFICATES



VALUATION CERTIFICATE

Address of Property	Majority Portion of Lippo Plaza, No. 222 Huaihai Zhong Road, Huangpu District, Shanghai, The People's Republic of China
Client	OUE Hospitality REIT Management Pte. Ltd. Ltd (in its capacity as REIT Manager of OUE Hospitality Real Estate Investment Trust)
Purpose of Valuation	To provide the market value as at 31 March 2019 for the purpose of the proposed merger of OUE Hospitality Trust and OUE Commercial REIT
Date of Inspection	5 June 2019
Legal Description	Property Location: 222 Huaihai Zhong Road Lot No.: Qiu 1/1, Jiefang 141, Huaihai Zhong Road Street, Luwan District
Tenure	50-year land use right commencing from 2 July 1994 (The unexpired term of the land use rights is approximately 25.3 years)
Registered Proprietor/Lessee	Lippo Realty (Shanghai) Limited [力宝置业(上海)有限公司]
Brief Description	<p>Lippo Plaza is situated at Huaihai Zhong Road, within Puxi area of downtown Shanghai. This area is considered as a traditional high-end commercial and residential area at Huangpu District of Shanghai.</p> <p>Lippo Plaza comprises a 39-storey (including 3 basements) commercial building completed in 1999. Levels 1 to 3 and Basement Level 1 of the building are designated for retail use; Levels 4 to 39 (nominal floor, there being no Levels 14, 24 and 34) are designated for office use and Basement Levels 2 and 3 are designated for car park use.</p> <p>The Property comprises the majority of the building excluding i) retail unit 2 in Basement Level 1; ii) the Levels 12, 13, 15 and 16 and; iii) 4 car park lots, which have been sold.</p>
Site Area	Approximately 7,457.00 sq m
Gross Floor Area	Approximately 58,521.54 sq m
Lettable Floor Area	Approximately 39,221.55 sq m (comprising 33,538.65 sm and 5,682.90sm for the office and retail areas respectively), as provided by the client.
Year of Completion	1999 (As quoted from the Shanghai Certificate of Real Estate Ownership Hu Fang Di Lu Zi (2011) Di 001727 Hao dated 23 August 2011)
Occupancy/Tenancy Brief	The Property is multi-tenanted. According to the tenancy schedule as at 31 March 2019, the property was 85.19% let and generates a total monthly gross rent of RMB11,942,406.32.
Basis of Valuation	As-is Basis, subject to the existing tenancies

APPENDIX M – C-REIT VALUATION CERTIFICATES



VALUATION CERTIFICATE

Valuation Approaches	Direct Comparison Method and Discounted Cash Flow Analysis
Material Date of Valuation	31 March 2019
Terminal Capitalisation Rate	Office 3.50% Retail 4.00%
Discount Rate	Office 6.50% Retail 7.00%
Rate (RMB/sqm)	RMB50,434psm
Valuation (100% Interest)	RMB2,952,000,000 (RENMINBI TWO BILLION NINE HUNDRED AND FIFTY-TWO MILLION ONLY)
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report dated 31 March 2019 and also the limiting conditions herein
Prepared by	<div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  Jiang Lanlei (Frank Jiang) MRICS MAI MCIQB CIREA Senior Director </div> <div style="text-align: center;">  Zhang Ping (Apple Zhang) MRICS CIREA Associate Director </div> </div> <p style="text-align: center;">Savills Real Estate Valuation (Guangzhou) Ltd. Shanghai Branch</p>

To any party relying on this report, we advise that this summary must be read in conjunction with the previous formal valuation report of which this summary is based on/forms part of. This valuation summary should not be relied upon in insolation for finance or any other purpose.

APPENDIX M – C-REIT VALUATION CERTIFICATES



LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with RICS Valuation - Global Standards 2017 published by The Royal Institution of Chartered Surveyors ("RICS"), and International Valuation Standards 2017, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in RMB unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Shanghai Municipal Planning, Land and Resources Administration which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme (s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

APPENDIX N – SCHEME CONDITIONS

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the H-Trust Managers from the date of this Scheme Document up until the Effective Date.

As at the Latest Practicable Date, save for the Scheme Conditions set out in Paragraphs (d)(iii) (*Regulatory Approvals (SIC)*), (d)(iv) (*Regulatory Approvals (SGX-ST) of the Trust Scheme, the Scheme Document and proposed delisting of H-Trust*), and (d)(v) (*Regulatory Approvals (SGX-ST) for the listing and quotation of the Consideration Units*) of this Appendix N to this Scheme Document which have been satisfied (or, where applicable, waived), the Trust Scheme is conditional upon the satisfaction (or, where applicable, waiver) of the remaining Scheme Conditions as set out in this Appendix N to this Scheme Document by the Long-Stop Date.

The Merger is conditional upon:

- (a) **Amendments to H-Trust Trust Deeds:** the approval by the Stapled Securityholders holding in aggregate not less than three-fourths of the total number of votes held by the Stapled Securityholders present and voting either in person or by proxy cast for and against the resolution to amend the H-Trust Trust Deeds to, among others, include provisions for the implementation of the Trust Scheme, in the form set out in Appendix D to this Scheme Document or otherwise agreed in writing by the Parties, at the extraordinary meeting of the Stapled Securityholders to be convened;
- (b) **Trust Scheme:** the approval of the Trust Scheme by a majority in number of the Stapled Securityholders representing at least three-fourths in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy at the Trust Scheme Meeting in compliance with the Trust Deeds Amendments;
- (c) **Court Approval for the Scheme:** the grant of the Trust Scheme Court Order by the Court;
- (d) **Regulatory Approvals:** the following Regulatory Approvals being obtained prior to the order from the Court to convene the Trust Scheme Meeting, and such approvals not being revoked or withdrawn on or before the Relevant Date:
 - (i) confirmation from IRAS that stamp duty is not chargeable on the transfer of Stapled Securities held by the Stapled Securityholders to the C-REIT Trustee and a tax ruling from IRAS that H-REIT will be an approved sub-trust and enjoy tax transparency;
 - (ii) confirmations from the MAS:
 - (A) that in the event the Merger is implemented, the MAS would have no objection to the withdrawal of the authorisation of H-REIT as an authorised collective investment scheme, and that H-REIT as a private sub-trust would no longer be subject to the requirements governing collective investment schemes; and
 - (B) that in the event the authorisation of H-REIT as an authorised collective investment scheme is withdrawn, the MAS would have no objections to granting H-REIT an exemption from Section 295(2) of the SFA;

APPENDIX N – SCHEME CONDITIONS

- (iii) confirmations from the SIC that:
 - (A) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the Trust Scheme, subject to any conditions that the SIC may deem fit to impose; and
 - (B) it has no objections to the Scheme Conditions;
- (iv) the approval-in-principle from the SGX-ST of the Trust Scheme, the Trust Scheme Document and for the proposed delisting of H-Trust from the SGX-ST after the Trust Scheme becomes effective and binding in accordance with its terms; and
- (v) the approval-in-principle from the SGX-ST for the listing and quotation for the Consideration Units on the Main Board of the SGX-ST;
- (e) **Approval from C-REIT Unitholders:** approval of the C-REIT Unitholders for the Merger, the issue of Consideration Units as consideration for the Merger and such other resolutions as may be necessary to give effect to and implement the Merger and Trust Scheme;
- (f) **Authorisations and Consents:** in addition to the approvals aforementioned in Paragraph (d) (*Regulatory Approvals*) of this Appendix N to this Scheme Document above, the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by any and all Parties under any and all applicable laws, from all Governmental Agencies and Third Parties, for or in respect of the implementation of the Trust Scheme and the transactions contemplated under the Implementation Agreement;
- (g) **No Legal or Regulatory Restraint:** between the date of the Implementation Agreement and up to the Relevant Date, no issuance of any order, injunction, judgement, decree or ruling issued by any Governmental Agencies or by any court of competent jurisdiction preventing the consummation of the Merger or the implementation of the Trust Scheme, being in effect as at the Relevant Date;
- (h) **No Prescribed Occurrence:** between the date of the Implementation Agreement and up to the Relevant Date, no Prescribed Occurrence in relation to the C-REIT Group Entities and/or H-Trust Group Entities (as the case may be) occurs other than as required or contemplated by the Implementation Agreement, the Trust Scheme or the Merger;
- (i) **H-Trust Representations, Warranties and Covenants:**
 - (i) there being no breach of the representations and warranties of the H-REIT Trustee and the H-Trust Managers set out in the Implementation Agreement (details of the representations and warranties are as reproduced in Appendix Q to this Scheme Document) which are material in the context of the Trust Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date), except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and
 - (ii) the H-REIT Trustee and the H-Trust Managers shall have, as at the Relevant Date, performed and complied with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by them, on or prior to the Relevant Date and which are material in the context of the Trust Scheme;

APPENDIX N – SCHEME CONDITIONS

(j) **C-REIT Representations, Warranties and Covenants:**

- (i) there being no breach of the representations and warranties of the C-REIT Trustee and the C-REIT Manager set out in the Implementation Agreement (details of the representations and warranties are as reproduced in Appendix P to this Scheme Document) which are material in the context of the Trust Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date), except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and
- (ii) the C-REIT Trustee and the C-REIT Manager shall have, as at the Relevant Date, performed and complied with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by them, on or prior to the Relevant Date and which are material in the context of the Trust Scheme; and

(k) **Material Adverse Event:** there being no event or events, whether individually or in aggregate, occurring from the date of the Implementation Agreement and up to the Relevant Date, which has or have the effect of causing a diminution:

- (i) in relation to the C-REIT Group, in the consolidated net tangible assets of the C-REIT Group by more than 10 per cent. as compared to the consolidated net tangible assets of S\$2,013.6 million as at 31 December 2018 as stated in the C-REIT FY2018 Financial Statements; and
- (ii) in relation to the H-Trust Group, in the consolidated net tangible assets of the H-Trust Group by more than 10 per cent. as compared to the consolidated net tangible assets of S\$1,372.1 million as at 31 December 2018 as stated in the H-Trust FY2018 Financial Statements.

APPENDIX O – PRESCRIBED OCCURRENCES

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the H-Trust Managers from the date of this Scheme Document up until the Effective Date.

For the purpose of the Implementation Agreement, “**Prescribed Occurrence**”, in relation to H-Trust and each H-Trust Group Entity, and in relation to C-REIT and each C-REIT Group Entity, as the case may be, means any of the following:

- (a) **Conversion of Stapled Securities or C-REIT Units:** converting all or any of Stapled Securities or C-REIT Units into a larger or smaller number of Stapled Securities or C-REIT Units as the case may be;
- (b) **Securities Buy-back:** H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity) entering into a securities buy-back agreement or resolving to approve the terms of a securities buy-back agreement under the relevant securities legislation;
- (c) **Issuance of Stapled Securities or C-REIT Units:** H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity) issuing, or granting an option to subscribe for, any Stapled Securities or C-REIT Units or securities convertible into Stapled Securities or C-REIT Units or agreeing to issue or to grant such an option or convertible security (except for any issuance of (i) C-REIT Units to the C-REIT Manager as payment of management fees as consistent with its usual policy of electing to receive C-REIT Units; and (ii) Stapled Securities to the H-REIT Manager as payment of management fees as consistent with its usual policy of electing to receive Stapled Securities);
- (d) **Issuance of Debt Securities:** H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity) issuing, or agreeing to issue, convertible notes or other debt securities;
- (e) **Amendment of Trust Deeds:** the H-Trust Managers or the C-REIT Manager making any amendment to the H-Trust Trust Deeds (save for the Trust Deeds Amendments) and/or the C-REIT Trust Deed respectively;
- (f) **Distributions:** declaring, making or paying any distribution to Stapled Securityholders or C-REIT Unitholders (as the case may be), except for any distribution which has been declared or which H-Trust or C-REIT (as the case may be) is under a contractual obligation to pay but has not been paid prior to the date of the Implementation Agreement, and save for the H-Trust Permitted Distributions or the C-REIT Permitted Distributions (as the case may be);
- (g) **Injunctions:** an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Trust Scheme or the Merger or any part thereof by H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity);
- (h) **Resolution for Winding Up:** resolving that H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity) be wound up;
- (i) **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager and/or provisional judicial manager of H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity);

APPENDIX O – PRESCRIBED OCCURRENCES

- (j) **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity);
- (k) **Composition:** entering into any arrangement or general assignment or composition for the benefit of the creditors generally of H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity);
- (l) **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity);
- (m) **Insolvency:** H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity) becoming or being deemed by law or a court of competent jurisdiction to be insolvent, or stops or suspends or defaults on or threatens to stop or suspend or default on, payment of its debts;
- (n) **Cessation of Business:** H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity) ceases or threatens to cease for any reason to carry on business in the ordinary and usual course;
- (o) **Investigations and Proceedings:** if H-Trust (or any H-Trust Group Entity) or C-REIT (or any C-REIT Group Entity) or H-REIT Manager, H-BT Trustee-Manager or C-REIT Manager or any of their respective directors or employees is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding;
- (p) **Suspension or Delisting from the SGX-ST:** if H-Trust or C-REIT is suspended by the SGX-ST or removed from the Main Board of the SGX-ST; or
- (q) **Analogous Event:** any event occurs which, under the laws of any applicable jurisdiction, has an analogous or equivalent effect to any of the foregoing events.

APPENDIX P – C-REIT REPRESENTATIONS AND WARRANTIES

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the H-Trust Managers from the date of this Scheme Document up until the Effective Date.

The C-REIT Trustee and the C-REIT Manager represent and warrant that:

1. Status

1.1 C-REIT

C-REIT is duly constituted pursuant to the C-REIT Trust Deed and validly existing under the laws of Singapore.

1.2 The C-REIT Subsidiaries

1.2.1 Each of the C-REIT Subsidiaries is a company or corporation duly incorporated and existing under its respective laws of incorporation.

1.2.2 C-REIT holds the following equity interests on trust for the benefit of the holders of units in C-REIT in accordance with the C-REIT Trust Deed, but otherwise free from any Encumbrances:

- (i) C-REIT is the legal owner of 100% of the equity interest in each of the C-REIT Subsidiaries, save for OUB Centre Limited; and
- (ii) C-REIT holds the equity interest in OUB Centre Limited in the manner and as described in the C-REIT 2015 Circular.

2. Pre-emption and Units, etc.

2.1 C-REIT

2.1.1 All the C-REIT Units have been duly authorised and validly issued, are fully paid-up and rank pari passu in all respects with each other. Save for the C-REIT CPPUs, C-REIT is not subject to any actual or contingent obligation to issue or convert securities and C-REIT will not make any distribution (in cash or in kind) to any C-REIT Unitholders, except to pay any distribution which has been declared or which it is under a contractual obligation to pay but has not been paid prior to the date of the Implementation Agreement, and save for the C-REIT Permitted Distributions.

2.1.2 All the Consideration Units, when issued, shall be duly authorised and validly issued, fully paid-up and rank pari passu in all respects with the existing C-REIT Units as at the date of their issue.

2.1.3 All the Consideration Units shall be issued no later than seven Business Days from the Effective Date.

2.1.4 The Consideration Units shall be issued free from all and any Encumbrances and restrictions on transfers.

APPENDIX P – C-REIT REPRESENTATIONS AND WARRANTIES

2.2 C-REIT Subsidiaries

All the issued shares of each of the C-REIT Subsidiaries have been duly authorised and validly issued, are fully paid-up and rank pari passu in all respects with each other.

3. **No Breach**

Save for the required approvals and consents as set out in Clauses 3.1.1, 3.1.2, 3.1.3, 3.1.4, 3.1.5 and 3.1.6 of the Implementation Agreement, neither the execution nor performance by the C-REIT Trustee or the C-REIT Manager of the Implementation Agreement nor any transaction contemplated under the Implementation Agreement will violate or accelerate the obligations of any C-REIT Group Entity under any provision of their respective constitutive documents or any order, writ, injunction or decree of any Governmental Agency applicable to any C-REIT Group Entity or their respective assets.

4. **Full Disclosure**

All information contained in the Implementation Agreement (including the Schedules in the Implementation Agreement) and the C-REIT Disclosure Letter (including the C-REIT Due Diligence Information referred to therein) was when given, and remains, true and correct in all material respects and not misleading and C-REIT is not aware of any fact or matter or circumstances which renders any such information untrue, inaccurate or misleading in any material respect provided always that no warranty or representation shall be given by the C-REIT Trustee or the C-REIT Manager in relation to any forecast, estimate, projection or forward-looking statement which has been made by or on behalf of the C-REIT Group. All material information in relation to the C-REIT Group has been announced on SGXNET in compliance with its continuous disclosure requirements.

5. **Accounts and Records**

5.1 Accounts

The C-REIT FY2018 Financial Statements have been properly drawn up in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts”. The C-REIT FY2018 Financial Statements give a true and fair view of the state of affairs of the C-REIT Group as at 31 December 2018, and the results of operations and the cash flow of the C-REIT Group for the year ended 31 December 2018.

5.2 Changes since 31 December 2018

Save as publicly disclosed up to and including the Relevant Date, there have been no material adverse changes in the financial condition and operation of the C-REIT Group taken as a whole since 31 December 2018 up to the date of the Implementation Agreement and up to the Relevant Date as regards the C-REIT Group taken as a whole, and, in particular:

- 5.2.1 its business has been carried on solely in the ordinary and usual course, without any material interruption or alteration in its nature, scope or manner, and so as to maintain the same as a going concern;

APPENDIX P – C-REIT REPRESENTATIONS AND WARRANTIES

5.2.2 it has not assumed or incurred any material obligations or liabilities (including material contingent liabilities) or made any material payment not provided for in the C-REIT FY2018 Financial Statements or which is not in the ordinary and usual course of carrying on its business; or

5.2.3 it has not entered into any unusual, long-term and onerous commitments and contracts that would have a material adverse effect on the business, operations, assets and/or financial condition of the C-REIT Group taken as a whole.

5.3 Absence of Undisclosed Liabilities

Save as publicly disclosed up to and including the Relevant Date, there are no material liabilities (including material contingent liabilities) of any C-REIT Group Entity which are outstanding on the part of each C-REIT Group Entity, or which are not:

5.3.1 liabilities disclosed or provided for in the C-REIT FY2018 Financial Statements;

5.3.2 liabilities incurred in the ordinary and usual course of business since 31 December 2018;

5.3.3 liabilities disclosed elsewhere in the Implementation Agreement;

5.3.4 liabilities disclosed in all public documents of C-REIT, including its public announcements, circulars, releases and annual reports; or

5.3.5 liabilities disclosed in the C-REIT Due Diligence Information.

5.4 Trade and other Receivables

As far as C-REIT is aware, the trade and other receivables, including accrued revenue in the C-REIT FY2018 Financial Statements are stated at figures not exceeding the amounts which could, in the circumstances existing at the date of the C-REIT FY2018 Financial Statements, reasonably be expected to be realised in the ordinary and usual course of carrying on the business of the C-REIT Group. No new adverse events have occurred that would give doubt as to the ability to realise all current trade and other receivables in the ordinary and usual course of business after taking into account any provision for bad and doubtful debts made in the C-REIT FY2018 Financial Statements.

6. Legal Matters

6.1 Compliance with Laws

6.1.1 Each C-REIT Group Entity has carried on and is carrying on its business and operations so that there have been no breaches of applicable laws, regulations and bye-laws in each country in which they are carried on which has a material adverse effect on the assets or business of the C-REIT Group taken as a whole, except that where any breach arises by reason only of any law, regulation and/or bye-law having been enacted between the date of the Implementation Agreement and the Relevant Date which has retrospective effect, such C-REIT Group Entity shall not be regarded as having been in breach of this paragraph 6.1.1 if such C-REIT Group Entity takes all reasonable steps to comply with such law, regulation and/or bye-law immediately thereafter.

APPENDIX P – C-REIT REPRESENTATIONS AND WARRANTIES

- 6.1.2** There have not been and there are no material breaches by any C-REIT Group Entity of its constitutional documents.
- 6.1.3** C-REIT is not aware of any investigation or enquiry by, or order, decree, decision or judgement of, any court, tribunal, arbitrator, governmental agency or regulatory body outstanding or anticipated against any C-REIT Group Entity which has had or may have a material adverse effect on the assets or business of the C-REIT Group taken as a whole.
- 6.1.4** There is no notice or other communication received from any court, tribunal, arbitrator, governmental agency or regulatory body with respect to an alleged, actual or potential violation of and/or failure to comply with any such applicable law, regulation, bye-law or constitutional document, or requiring it to take or omit any action, which has had or would have a material adverse effect on the assets or business of the C-REIT Group taken as a whole.

6.2 Licences and Consents

- 6.2.1** All Licences necessary for the carrying on of the businesses and operations of each C-REIT Group Entity have been obtained, are in full force and effect and all conditions applicable to any such Licence have been and are being complied with in all material respects, unless the failure to obtain any such Licence does not have a material adverse effect on the assets or business of the C-REIT Group taken as a whole.
- 6.2.2** As far as C-REIT is aware, there is no investigation, enquiry or proceeding outstanding or anticipated which will or is likely to result in the suspension, cancellation, modification or revocation of any of the Licences that will result in a material adverse effect on the assets or business of the C-REIT Group taken as a whole.
- 6.2.3** None of the Licences has been breached, suspended, cancelled, refused, modified or revoked (whether as a result of the entry into the Implementation Agreement or otherwise) that will result in a material adverse effect on the assets or business of the C-REIT Group taken as a whole, nor is any of the foregoing likely to happen as far as C-REIT is aware, except that where any breach arises by reason only of any changes to the Licence imposed by the relevant authority and/or any changes to any applicable law, regulation and/or bye-law between the date of the Implementation Agreement and the Relevant Date which has retrospective effect, such C-REIT Group Entity shall not be regarded as having been in breach of this paragraph 6.2.3 if such C-REIT Group Entity takes all reasonable steps to comply with such changes to the Licence immediately thereafter.

6.3 Litigation, Arbitration and Investigations

- 6.3.1** No litigation, arbitration or administrative proceeding is current or pending or, as far as C-REIT is aware, threatened, to restrain the entry into, the exercise of C-REIT's rights under and/or performance or enforcement of or compliance with its obligations under the Implementation Agreement.

APPENDIX P – C-REIT REPRESENTATIONS AND WARRANTIES

- 6.3.2** No litigation, arbitration or administrative proceeding is current or pending or, as far as C-REIT is aware, threatened (other than in the ordinary course of business), which has or could have a material adverse effect on the business, operations, assets and/or financial condition of the C-REIT Group taken as a whole.
- 6.3.3** As of the date of the Implementation Agreement, C-REIT is not aware of any investigation or enquiry by any court, tribunal, arbitrator, governmental agency or regulatory body outstanding or anticipated against any C-REIT Group Entity.

6.4 Insolvency

- 6.4.1** No order has been made or application presented or resolution passed for the winding-up or administration of any C-REIT Group Entity, nor, as far as C-REIT is aware, are there any grounds on which any person would be entitled to have any C-REIT Group Entity wound-up or placed in administration.
- 6.4.2** No application has been presented for an order for the appointment of a judicial manager (or other similar order) to be made in relation to any C-REIT Group Entity, nor has any such order been made.
- 6.4.3** C-REIT has not received any notification of the appointment of any person as, nor as far as C-REIT is aware, has any person become entitled to appoint, a receiver or receiver and manager or other similar officer over any C-REIT Group Entity's business or assets or any part of them.
- 6.4.4** No composition in satisfaction of the debts of any C-REIT Group Entity, or scheme of arrangement of its affairs, or compromise or arrangement between it and its creditors and/or members or any class of its creditors and/or members, has been proposed to C-REIT, sanctioned or approved.
- 6.4.5** No distress, distraint, charging order, garnishee order, execution or other process has been levied or applied for in respect of the whole or any part of any of the property, assets and/or undertaking of any C-REIT Group Entity.
- 6.4.6** None of the C-REIT Group Entities has ceased trading or stopped payment to its creditors and as far as C-REIT is aware, there are no grounds on which any C-REIT Group Entity could be found to be unable to pay its debts within the meaning of Section 254(1)(e) of the Companies Act.
- 6.4.7** As far as C-REIT is aware, no event has occurred causing, or which upon intervention or notice by any third party may cause, any floating charge created by any C-REIT Group Entity to crystallise or any charge created by it to become enforceable, nor has any such crystallisation occurred or is such enforcement in process.

7. Contractual Arrangements

7.1 Debts, Contracts and Arrangements with Interested Persons etc.

Save as disclosed in public announcements, prospectuses, offer information statements, circulars, releases and annual reports of C-REIT on MASNET/SGXNET, there is no interested person transaction (as defined in the Listing Manual) between any C-REIT Group Entity and any interested person (as defined in the Listing Manual) of C-REIT which is of a value of 3% or more of the latest audited net tangible assets of the C-REIT Group on a consolidated basis.

APPENDIX P – C-REIT REPRESENTATIONS AND WARRANTIES

7.2 Effect of the Merger

The execution and delivery of, and the performance by C-REIT of its obligations under the Implementation Agreement and the transactions contemplated hereunder:

- 7.2.1** does not and will not result in a breach of any provision of the Memorandum or Articles of Association or the constitutional documents of any C-REIT Group Entity; or
- 7.2.2** does not and will not conflict with or result in the breach of or constitute a default under the C-REIT Key Lease Agreements to which any C-REIT Group Entity is now a party or any loan to or mortgage created by any C-REIT Group Entity or relieve any other party to such contract with any C-REIT Group Entity of its obligations under such contract or entitle such party to terminate or modify such contract, whether summarily or by notice or result in the creation of any Encumbrance under any such contract or result in a breach of any order, judgement or decree of any court, governmental agency or regulatory body to which any C-REIT Group Entity is a party or by which any C-REIT Group Entity or any of their respective assets is bound.

7.3 Contracts

- 7.3.1** Save for contracts with its professional advisers or as disclosed in public announcements, prospectuses, offer information statements, circulars, releases and annual reports of C-REIT on MASNET/SGXNET, no C-REIT Group Entity is, or has been, a party to any contract or transaction which:
- (i) is outside the ordinary and usual course of business; and
 - (ii) is not wholly on an arm's length basis.
- 7.3.2** Save as disclosed in public announcements, prospectuses, offer information statements, circulars, releases and annual reports of C-REIT on MASNET/SGXNET, none of the C-REIT Group Entities:
- (i) is, or has agreed to become, a member of any joint acquiror, consortium, partnership or other unincorporated association; or
 - (ii) is, or has agreed to become, a party to any agreement or arrangement for participating with others in any business sharing commissions or other income.

7.4 Compliance with Agreements

As far as C-REIT is aware, all the contracts and all leases, tenancies, licences, concessions and agreements which are material to the operations of the C-REIT Group to which any of the C-REIT Group Entities is a party are valid, binding and enforceable obligations of the relevant C-REIT Group Entity and the terms thereof have been complied with in all material respects by the relevant C-REIT Group Entity and, to the best of the knowledge of C-REIT, there are no circumstances likely to give rise to any breach of such terms, no grounds for rescission, avoidance or repudiation of any of such contracts or such leases, tenancies, licences, concessions or agreements and no notice of termination or of intention to terminate has been received in respect of any thereof.

APPENDIX P – C-REIT REPRESENTATIONS AND WARRANTIES

8. Taxation Matters

8.1 Provisions or Reserve for Taxation

8.1.1 Proper provision or reserve has been made in the C-REIT FY2018 Financial Statements for all Taxation liable to be assessed, charged or imposed on each C-REIT Group Entity or for which each is or may become accountable in respect of:

- (i) profits, gains or income (as computed for Taxation purposes) arising or accruing or deemed to arise or accrue on or before 31 December 2018;
- (ii) any Transactions effected or deemed to be effected on or before 31 December 2018 or provided for in the C-REIT FY2018 Financial Statements; and
- (iii) distributions made or deemed to be made on or before 31 December 2018 or provided for in the C-REIT FY2018 Financial Statements.

8.1.2 Proper provision or reserve for deferred taxation in accordance with accounting principles and standards generally accepted at the date of the Implementation Agreement in the country of incorporation of the relevant C-REIT Group Entity has been made in the C-REIT FY2018 Financial Statements.

8.2 Returns, Information, Clearances, Incentives

8.2.1 Each C-REIT Group Entity has complied in all material respects with all applicable tax laws, regulations, concessions, consents and/or clearances imposed by the relevant Taxation authorities. As far as C-REIT is aware, no C-REIT Group Entity is, nor is expected to be involved in a dispute in relation to Tax, and no Taxation authority has in the last 6 years of tax assessment preceding the date of the Implementation Agreement investigated or indicated that it intends to investigate any C-REIT Group Entity's tax affairs.

8.2.2 All taxes assessed or imposed by any government or governmental or statutory body which have been assessed upon any C-REIT Group Entity and which are due and payable on or before the Effective Date have been paid and were paid on or before the relevant due date for payment or will be paid before the relevant due date for payment.

8.2.3 All the Tax incentives and preferential Tax treatment enjoyed by the C-REIT Group as at the date of the Implementation Agreement will not, as far as C-REIT is aware, be affected, varied, withdrawn or revoked as a result of the Scheme.

8.2.4 C-REIT has not received any notification that any of its relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, repayment or allowance or otherwise) from, against or in respect of any Taxation that has been claimed and/or given to C-REIT would be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of any act, or omission by C-REIT, which has or would have a material adverse effect on the profits, business, operations, assets and/or financial condition of the C-REIT Group taken as a whole.

APPENDIX P – C-REIT REPRESENTATIONS AND WARRANTIES

8.2.5 No C-REIT Group Entity has done or omitted to do anything since any application for any concession, consent or clearance from any Taxation authority that was made which might reasonably be expected to cause such concession, consent or clearance to be or become invalid, or to be withdrawn by the relevant Taxation authorities.

8.2.6 Each of the C-REIT Trustee and the C-REIT Manager will not take or omit to take any action that will cause such consent or clearance to be or become invalid, or to be withdrawn by the relevant Taxation authorities.

8.3 Residence

Each C-REIT Group Entity has been resident for tax purposes in its country of incorporation and nowhere else at all times since its incorporation, and will be so resident at the Relevant Date.

8.4 Finance Leases

Save as disclosed in the C-REIT FY2018 Financial Statements, no C-REIT Group Entity is or has been the lessor or the lessee under any material finance lease of an asset. For the purposes of this paragraph, “**finance lease**” means any arrangements for the leasing of an asset which fall for the purposes of the accounts of a C-REIT Group Entity to be treated in accordance with normal accounting practice (based on the lease accounting standards applicable to the preparation of the C-REIT FY2018 Financial Statements) as a finance lease or loan.

9. Subsidiaries, Associates and Branches

Save as disclosed in Schedule 4 of the Implementation Agreement, no C-REIT Group Entity:

- (a) is the holder or beneficial owner of, or has agreed to acquire, any share or loan capital of any other company (whether incorporated in Singapore or elsewhere); or
- (b) has any branch, agency, division, establishment or operations outside the jurisdiction in which it is incorporated.

10. Insurance

10.1 All the material assets of each of the C-REIT Group Entities which are capable of being insured have at all material times been adequately insured against fire and other risks normally insured against by companies carrying on similar businesses or owning assets of a similar nature.

10.2 In respect of all such insurances, each C-REIT Group Entity has complied in all material respects with the following:

10.2.1 all premiums have been duly paid to date;

10.2.2 all the current policies are valid and enforceable and, as far as C-REIT is aware, are not void or voidable; and

10.2.3 no claim is outstanding, unpaid or in dispute and no circumstances exist which are likely to give rise to any claim under any of the policies.

APPENDIX P – C-REIT REPRESENTATIONS AND WARRANTIES

11. Intellectual Property and Information Technology

11.1 Ownership etc.

In all material respects, all Intellectual Property (whether registered or not) and all pending applications thereof which have been and are being used for the business of each C-REIT Group Entity are (or, where appropriate in the case of pending applications, will be):

11.1.1 legally and beneficially owned by such C-REIT Group Entity or lawfully used with the consent of the owner under a licence; and

11.1.2 as far as C-REIT is aware, not being infringed or attacked or opposed by any person.

11.2 Intellectual Property

Each C-REIT Group Entity has complied in all material respects with the following:

11.2.1 all rights in Intellectual Property required for the business of any C-REIT Group Entity are vested in or validly granted to such C-REIT Group Entity and are not subject to any limit as to time or any other limitation, right of termination or restriction and all renewal fees and steps required for their maintenance or protection have been paid and taken;

11.2.2 all rights in the Intellectual Property owned, used by or otherwise required for the business of any C-REIT Group Entity is in the possession of such C-REIT Group Entity;

11.2.3 no C-REIT Group Entity has granted or is obliged to grant any licence, sub-licence or assignment in respect of any Intellectual Property owned, used by or otherwise required for the business of such C-REIT Group Entity other than to its employees or those of the other C-REIT Group Entities for the purpose of carrying on its business;

11.2.4 no C-REIT Group Entity nor any party with which such C-REIT Group Entity has contracted is in breach of any licence, sub-licence or assignment granted to or by it in respect of any Intellectual Property owned, used by or otherwise required for the business of such C-REIT Group Entity or is to be made available to it; and

11.2.5 as far as C-REIT is aware, there is no, nor has there been at any time, any unauthorised use or infringement by any person of any of the Intellectual Property owned, used by or otherwise required for the business of any C-REIT Group Entity.

11.3 Process

As far as C-REIT is aware, the processes employed in the businesses conducted by each C-REIT Group Entity and the products and services dealt in by each C-REIT Group Entity do and did not use, embody or infringe any rights or interests of third parties in Intellectual Property (other than those belonging to or licenced to the C-REIT Group Entities) and no claims of infringement of any such rights or interests have been made by any third party.

APPENDIX P – C-REIT REPRESENTATIONS AND WARRANTIES

12. Properties

12.1 The Properties

The C-REIT Properties comprise all of the premises and land owned, occupied or otherwise used in connection with the businesses of the C-REIT Group Entities.

12.2 Title

The title to all real property owned by any of the C-REIT Group Entities and the C-REIT Trustee listed in Schedule 6 of the Implementation Agreement is proper legal and good marketable title, and in each case free from (i) any Encumbrances (save that the C-REIT Trustee holds such property on trust for the benefit of the holders of units in C-REIT in accordance with the C-REIT Trust Deed, and save for applicable debt financing); and (ii) defects, except such as do not materially affect the value of such property and do not materially interfere with the use of such property.

12.3 Leasehold Properties

Where the interest of any of the C-REIT Group Entities and the C-REIT Trustee in any C-REIT Property is leasehold, the requisite details have been completed in Schedule 6 of the Implementation Agreement, and as far as the C-REIT Trustee is aware, the terms of the lease for the C-REIT Properties have been complied with and there is no material subsisting breach, nor any material non-observance of any covenant, condition or agreement contained in the lease on the part of either the relevant landlord, any of the C-REIT Group Entities or the C-REIT Trustee.

13. Title to Assets (excluding the C-REIT Properties)

13.1 All assets of each C-REIT Group Entity (excluding the C-REIT Properties), including all debts due to each C-REIT Group Entity which are included in the C-REIT FY2018 Financial Statements were at 31 December 2018, the absolute property of such C-REIT Group Entity and (save for those subsequently disposed of or realised in the ordinary and usual course of business) all such assets and debts which have subsequently been acquired or arisen are the absolute property of such C-REIT Group Entity.

13.2 All such assets are, where capable of possession, in the possession of or under the control of the relevant C-REIT Group Entity or the relevant C-REIT Group Entity is entitled to take possession or control of such assets.

14. Employees

Save for OUB Centre Limited and Lippo Realty (Shanghai) Limited, none of the C-REIT Group Entities has any employees.

15. Sufficiency of Financial Resources

The C-REIT Trustee has sufficient financial resources to satisfy in full the aggregate Cash Consideration required for the Trust Scheme.

APPENDIX Q – H-TRUST REPRESENTATIONS AND WARRANTIES

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the H-Trust Managers from the date of this Scheme Document up until the Effective Date.

The H-REIT Trustee (in respect of H-REIT and the H-Trust Subsidiary only) and the H-Trust Managers represent and warrant that:

1. Status

1.1 H-Trust

Each of H-REIT and H-BT is duly constituted pursuant to the H-REIT Trust Deed and the H-BT Trust Deed respectively, and validly existing under the laws of Singapore.

1.2 H-Trust Subsidiary

1.2.1 The H-Trust Subsidiary is duly incorporated and existing under the laws of Singapore. The H-REIT Trustee is the legal owner of 100% of the equity interest in the H-Trust Subsidiary, and holds such equity interests on trust for the benefit of the holders of units in H-REIT in accordance with the H-REIT Trust Deed, but otherwise free from any Encumbrances.

1.2.2 H-Trust does not currently have any subsidiaries other than the H-Trust Subsidiary.

2. Pre-emption and Units, etc.

2.1 H-Trust

All the Stapled Securities have been duly authorised and validly issued, are fully paid-up and rank pari passu in all respects with each other. H-Trust is not subject to any actual or contingent obligation to issue or convert securities and H-Trust will not make any distribution (in cash or in kind) to any Stapled Securityholders, except to pay any distribution which has been declared or which it is under a contractual obligation to pay but has not been paid prior to the date of the Implementation Agreement, and save for the H-Trust Permitted Distributions.

2.2 H-Trust Subsidiary

All the issued shares of the H-Trust Subsidiary have been duly authorised and validly issued, are fully paid-up and rank pari passu in all respects with each other.

3. No Breach

Save for the required approvals and consents as set out in Clauses 3.1.1, 3.1.2, 3.1.3, 3.1.4, 3.1.5 and 3.1.6 of the Implementation Agreement, neither the execution nor performance by the H-REIT Trustee or the H-Trust Managers of the Implementation Agreement nor any transaction contemplated under the Implementation Agreement will violate or accelerate the obligations of any H-Trust Group Entity under any provision of their respective constitutive documents or any order, writ, injunction or decree of any Governmental Agency applicable to any H-Trust Group Entity or their respective assets.

APPENDIX Q – H-TRUST REPRESENTATIONS AND WARRANTIES

4. Full Disclosure

All information contained in the Implementation Agreement (including the Schedules in the Implementation Agreement) and the H-Trust Disclosure Letter (including the H-Trust Due Diligence Information referred to therein) was when given, and remains, true and correct in all material respects and not misleading and H-Trust is not aware of any fact or matter or circumstances which renders any such information untrue, inaccurate or misleading in any material respect provided always that no warranty or representation shall be given by the H-REIT Trustee or the H-Trust Managers in relation to any forecast, estimate, projection or forward-looking statement which has been made by or on behalf of the H-Trust Group. All material information in relation to the H-Trust Group has been announced on SGXNET in compliance with its continuous disclosure requirements.

5. Accounts and Records

5.1 Accounts

The H-Trust FY2018 Financial Statements have been properly drawn up in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts”. The H-Trust FY2018 Financial Statements give a true and fair view of the state of affairs of the H-Trust Group as at 31 December 2018, and the results of operations and the cash flow of the H-Trust Group for the year ended 31 December 2018.

5.2 Changes since 31 December 2018

Save as publicly disclosed up to and including the Relevant Date, there have been no material adverse changes in the financial condition and operation of the H-Trust Group taken as a whole since 31 December 2018 up to the date of the Implementation Agreement and up to the Relevant Date as regards the H-Trust Group taken as a whole, and, in particular:

- 5.2.1 its business has been carried on solely in the ordinary and usual course, without any material interruption or alteration in its nature, scope or manner, and so as to maintain the same as a going concern;
- 5.2.2 it has not assumed or incurred any material obligations or liabilities (including material contingent liabilities) or made any material payment not provided for in the H-Trust FY2018 Financial Statements or which is not in the ordinary and usual course of carrying on its business; or
- 5.2.3 it has not entered into any unusual, long-term and onerous commitments and contracts that would have a material adverse effect on the business, operations, assets and/or financial condition of the H-Trust Group taken as a whole.

5.3 Absence of Undisclosed Liabilities

Save as publicly disclosed up to and including the Relevant Date, there are no material liabilities (including material contingent liabilities) of any H-Trust Group Entity which are outstanding on the part of each H-Trust Group Entity, or which are not:

- 5.3.1 liabilities disclosed or provided for in the H-Trust FY2018 Financial Statements;

APPENDIX Q – H-TRUST REPRESENTATIONS AND WARRANTIES

- 5.3.2 liabilities incurred in the ordinary and usual course of business since 31 December 2018;
- 5.3.3 liabilities disclosed elsewhere in the Implementation Agreement;
- 5.3.4 liabilities disclosed in all public documents of H-Trust, including its public announcements, circulars, releases and annual reports; or
- 5.3.5 liabilities disclosed in the H-Trust Due Diligence Information.

5.4 Trade and other Receivables

As far as H-Trust is aware, the trade and other receivables, including accrued revenue in the H-Trust FY2018 Financial Statements are stated at figures not exceeding the amounts which could, in the circumstances existing at the date of the H-Trust FY2018 Financial Statements, reasonably be expected to be realised in the ordinary and usual course of carrying on the business of the H-Trust Group. No new adverse events have occurred that would give doubt as to the ability to realise all current trade and other receivables in the ordinary and usual course of business after taking into account any provision for bad and doubtful debts made in the H-Trust FY2018 Financial Statements.

6. Legal Matters

6.1 Compliance with Laws

- 6.1.1 Each H-Trust Group Entity has carried on and is carrying on its business and operations so that there have been no breaches of applicable laws, regulations and bye-laws in each country in which they are carried on which has a material adverse effect on the assets or business of the H-Trust Group taken as a whole, except that where any breach arises by reason only of any law, regulation and/or bye-law having been enacted between the date of the Implementation Agreement and the Relevant Date which has retrospective effect, such H-Trust Group Entity shall not be regarded as having been in breach of this paragraph 6.1.1 if such H-Trust Group Entity takes all reasonable steps to comply with such law, regulation and/or bye-law immediately thereafter.
- 6.1.2 There have not been and there are no material breaches by any H-Trust Group Entity of its constitutional documents.
- 6.1.3 H-Trust is not aware of any investigation or enquiry by, or order, decree, decision or judgement of, any court, tribunal, arbitrator, governmental agency or regulatory body outstanding or anticipated against any H-Trust Group Entity which has had or may have a material adverse effect on the assets or business of the H-Trust Group taken as a whole.
- 6.1.4 There is no notice or other communication received from any court, tribunal, arbitrator, governmental agency or regulatory body with respect to an alleged, actual or potential violation of and/or failure to comply with any such applicable law, regulation, bye-law or constitutional document, or requiring it to take or omit any action, which has had or would have a material adverse effect on the assets or business of the H-Trust Group taken as a whole.

APPENDIX Q – H-TRUST REPRESENTATIONS AND WARRANTIES

6.2 Licences and Consents

- 6.2.1** All Licences necessary for the carrying on of the businesses and operations of each H-Trust Group Entity have been obtained, are in full force and effect and all conditions applicable to any such Licence have been and are being complied with in all material respects, unless the failure to obtain any such Licence does not have a material adverse effect on the assets or business of the H-Trust Group taken as a whole.
- 6.2.2** As far as H-Trust is aware, there is no investigation, enquiry or proceeding outstanding or anticipated which will or is likely to result in the suspension, cancellation, modification or revocation of any of the Licences that will result in a material adverse effect on the assets or business of the H-Trust Group taken as a whole.
- 6.2.3** None of the Licences has been breached, suspended, cancelled, refused, modified or revoked (whether as a result of the entry into the Implementation Agreement or otherwise) that will result in a material adverse effect on the assets or business of the H-Trust Group taken as a whole, nor is any of the foregoing likely to happen as far as H-Trust is aware, except that where any breach arises by reason only of any changes to the Licence imposed by the relevant authority and/or any changes to any applicable law, regulation and/or bye-law between the date of the Implementation Agreement and the Relevant Date which has retrospective effect, such H-Trust Group Entity shall not be regarded as having been in breach of this paragraph 6.2.3 if such H-Trust Group Entity takes all reasonable steps to comply with such changes to the Licence immediately thereafter.

6.3 Litigation, Arbitration and Investigations

- 6.3.1** No litigation, arbitration or administrative proceeding is current or pending or, as far as H-Trust is aware, threatened, to restrain the entry into, the exercise of H-Trust's rights under and/or performance or enforcement of or compliance with its obligations under the Implementation Agreement.
- 6.3.2** No litigation, arbitration or administrative proceeding is current or pending or, as far as H-Trust is aware, threatened (other than in the ordinary course of business), which has or could have a material adverse effect on the business, operations, assets and/or financial condition of the H-Trust Group taken as a whole.
- 6.3.3** As of the date of the Implementation Agreement, H-Trust is not aware of any investigation or enquiry by any court, tribunal, arbitrator, governmental agency or regulatory body outstanding or anticipated against any H-Trust Group Entity.

6.4 Insolvency

- 6.4.1** No order has been made or application presented or resolution passed for the winding-up or administration of any H-Trust Group Entity, nor, as far as H-Trust is aware, are there any grounds on which any person would be entitled to have any H-Trust Group Entity wound-up or placed in administration.

APPENDIX Q – H-TRUST REPRESENTATIONS AND WARRANTIES

- 6.4.2** No application has been presented for an order for the appointment of a judicial manager (or other similar order) to be made in relation to any H-Trust Group Entity, nor has any such order been made.
- 6.4.3** H-Trust has not received any notification of the appointment of any person as, nor as far as H-Trust is aware, has any person become entitled to appoint, a receiver or receiver and manager or other similar officer over any H-Trust Group Entity's business or assets or any part of them.
- 6.4.4** No composition in satisfaction of the debts of any H-Trust Group Entity, or scheme of arrangement of its affairs, or compromise or arrangement between it and its creditors and/or members or any class of its creditors and/or members, has been proposed to H-Trust, sanctioned or approved.
- 6.4.5** No distress, distraint, charging order, garnishee order, execution or other process has been levied or applied for in respect of the whole or any part of any of the property, assets and/or undertaking of any H-Trust Group Entity.
- 6.4.6** None of the H-Trust Group Entities has ceased trading or stopped payment to its creditors and as far as H-Trust is aware, there are no grounds on which any H-Trust Group Entity could be found to be unable to pay its debts within the meaning of Section 254(1)(e) of the Companies Act.
- 6.4.7** As far as H-Trust is aware, no event has occurred causing, or which upon intervention or notice by any third party may cause, any floating charge created by any H-Trust Group Entity to crystallise or any charge created by it to become enforceable, nor has any such crystallisation occurred or is such enforcement in process.

7. Contractual Arrangements

7.1 Debts, Contracts and Arrangements with Interested Persons etc.

Save as disclosed in public announcements, prospectuses, offer information statements, circulars, releases and annual reports of H-Trust on MASNEX/SGXNET, there is no interested person transaction (as defined in the Listing Manual) between any H-Trust Group Entity and any interested person (as defined in the Listing Manual) of H-Trust which is of a value of 3% or more of the latest audited net tangible assets of the H-Trust Group on a consolidated basis.

7.2 Effect of the Merger

The execution and delivery of, and the performance by H-Trust of its obligations under the Implementation Agreement and the transactions contemplated thereunder:

- 7.2.1** does not and will not result in a breach of any provision of the Constitution or the constitutional documents of any H-Trust Group Entity; or
- 7.2.2** does not and will not conflict with or result in the breach of or constitute a default under the H-Trust Key Lease Agreements to which any H-Trust Group Entity is now a party or any loan to or mortgage created by any H-Trust Group Entity or relieve any other party to such contract with any H-Trust Group Entity of its obligations

APPENDIX Q – H-TRUST REPRESENTATIONS AND WARRANTIES

under such contract or entitle such party to terminate or modify such contract, whether summarily or by notice or result in the creation of any Encumbrance under any such contract or result in a breach of any order, judgement or decree of any court, governmental agency or regulatory body to which any H-Trust Group Entity is a party or by which any H-Trust Group Entity or any of their respective assets is bound.

7.3 Contracts

7.3.1 Save for contracts with its professional advisers or as disclosed in public announcements, prospectuses, offer information statements, circulars, releases and annual reports of H-Trust on MASNET/SGXNET, no H-Trust Group Entity is, or has been, a party to any contract or transaction which:

- (i) is outside the ordinary and usual course of business; and
- (ii) is not wholly on an arm's length basis.

7.3.2 Save as disclosed in public announcements, prospectuses, offer information statements, circulars, releases and annual reports of H-Trust on MASNET/SGXNET, none of the H-Trust Group Entities:

- (i) is, or has agreed to become, a member of any joint acquiror, consortium, partnership or other unincorporated association; or
- (ii) is, or has agreed to become, a party to any agreement or arrangement for participating with others in any business sharing commissions or other income.

7.4 Compliance with Agreements

As far as H-Trust is aware, all the contracts and all leases, tenancies, licences, concessions and agreements which are material to the operations of the H-Trust Group to which any of the H-Trust Group Entities is a party are valid, binding and enforceable obligations of the relevant H-Trust Group Entity and the terms thereof have been complied with in all material respects by the relevant H-Trust Group Entity and, to the best of the knowledge of H-Trust, there are no circumstances likely to give rise to any breach of such terms, no grounds for rescission, avoidance or repudiation of any of such contracts or such leases, tenancies, licences, concessions or agreements and no notice of termination or of intention to terminate has been received in respect of any thereof.

8. **Taxation Matters**

8.1 Provisions or Reserve for Taxation

8.1.1 Proper provision or reserve has been made in the H-Trust FY2018 Financial Statements for all Taxation liable to be assessed, charged or imposed on each H-Trust Group Entity or for which each is or may become accountable in respect of:

- (i) profits, gains or income (as computed for Taxation purposes) arising or accruing or deemed to arise or accrue on or before 31 December 2018;

APPENDIX Q – H-TRUST REPRESENTATIONS AND WARRANTIES

- (ii) any Transactions effected or deemed to be effected on or before 31 December 2018 or provided for in the H-Trust FY2018 Financial Statements; and
- (iii) distributions made or deemed to be made on or before 31 December 2018 or provided for in the H-Trust FY2018 Financial Statements.

8.1.2 Proper provision or reserve for deferred taxation in accordance with accounting principles and standards generally accepted at the date of the Implementation Agreement in the country of incorporation of the relevant H-Trust Group Entity has been made in the H-Trust FY2018 Financial Statements.

8.2 Returns, Information, Clearances, Incentives

8.2.1 Each H-Trust Group Entity has complied in all material respects with all applicable tax laws, regulations, concessions, consents and/or clearances imposed by the relevant Taxation authorities. As far as H-Trust is aware, no H-Trust Group Entity is, nor is expected to be involved in a dispute in relation to Tax, and no Taxation authority has in the last 6 years of tax assessment preceding the date of the Implementation Agreement investigated or indicated that it intends to investigate any H-Trust Group Entity's tax affairs.

8.2.2 All taxes assessed or imposed by any government or governmental or statutory body which have been assessed upon any H-Trust Group Entity and which are due and payable on or before the Effective Date have been paid and were paid on or before the relevant due date for payment or will be paid before the relevant due date for payment.

8.2.3 All the Tax incentives and preferential Tax treatment enjoyed by the H-Trust Group as at the date of the Implementation Agreement will not, as far as H-Trust is aware, be affected, varied, withdrawn or revoked as a result of the Scheme.

8.2.4 H-Trust has not received any notification that any of its relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, repayment or allowance or otherwise) from, against or in respect of any Taxation that has been claimed and/or given to H-Trust would be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of any act, or omission by H-Trust, which has or would have a material adverse effect on the profits, business, operations, assets and/or financial condition of the H-Trust Group taken as a whole.

8.2.5 No H-Trust Group Entity has done or omitted to do anything since any application for any concession, consent or clearance from any Taxation authority that was made which might reasonably be expected to cause such concession, consent or clearance to be or become invalid, or to be withdrawn by the relevant Taxation authorities.

8.2.6 Each of the H-REIT Trustee and the H-Trust Managers will not take or omit to take any action that will cause such consent or clearance to be or become invalid, or to be withdrawn by the relevant Taxation authorities.

APPENDIX Q – H-TRUST REPRESENTATIONS AND WARRANTIES

8.3 Residence

Each H-Trust Group Entity has been resident for tax purposes in its country of incorporation and nowhere else at all times since its incorporation, and will be so resident at the Relevant Date.

8.4 Finance Leases

Save as disclosed in the H-Trust FY2018 Financial Statements, no H-Trust Group Entity is or has been the lessor or the lessee under any material finance lease of an asset. For the purposes of this paragraph, “**finance lease**” means any arrangements for the leasing of an asset which fall for the purposes of the accounts of a H-Trust Group Entity to be treated in accordance with normal accounting practice (based on the lease accounting standards applicable to the preparation of the H-Trust FY2018 Financial Statements) as a finance lease or loan.

9. **Subsidiaries, Associates and Branches**

Save as disclosed in Schedule 5 of the Implementation Agreement, no H-Trust Group Entity:

- (a) is the holder or beneficial owner of, or has agreed to acquire, any share or loan capital of any other company (whether incorporated in Singapore or elsewhere); or
- (b) has any branch, agency, division, establishment or operations outside the jurisdiction in which it is incorporated.

10. **Insurance**

10.1 All the material assets of each of the H-Trust Group Entities which are capable of being insured have at all material times been adequately insured against fire and other risks normally insured against by companies carrying on similar businesses or owning assets of a similar nature.

10.2 In respect of all such insurances, each H-Trust Group Entity has complied in all material respects with the following:

10.2.1 all premiums have been duly paid to date;

10.2.2 all the current policies are valid and enforceable and, as far as H-Trust is aware, are not void or voidable; and

10.2.3 no claim is outstanding, unpaid or in dispute and no circumstances exist which are likely to give rise to any claim under any of the policies.

APPENDIX Q – H-TRUST REPRESENTATIONS AND WARRANTIES

11. Intellectual Property and Information Technology

11.1 Ownership etc.

In all material respects, all Intellectual Property (whether registered or not) and all pending applications thereof which have been and are being used for the business of each H-Trust Group Entity are (or, where appropriate in the case of pending applications, will be):

11.1.1 legally and beneficially owned by such H-Trust Group Entity or lawfully used with the consent of the owner under a licence; and

11.1.2 as far as H-Trust is aware, not being infringed or attacked or opposed by any person.

11.2 Intellectual Property

Each H-Trust Group Entity has complied in all material respects with the following:

11.2.1 all rights in Intellectual Property required for the business of any H-Trust Group Entity are vested in or validly granted to such H-Trust Group Entity and are not subject to any limit as to time or any other limitation, right of termination or restriction and all renewal fees and steps required for their maintenance or protection have been paid and taken;

11.2.2 all rights in the Intellectual Property owned, used by or otherwise required for the business of any H-Trust Group Entity is in the possession of such H-Trust Group Entity;

11.2.3 no H-Trust Group Entity has granted or is obliged to grant any licence, sub-licence or assignment in respect of any Intellectual Property owned, used by or otherwise required for the business of such H-Trust Group Entity other than to its employees or those of the other H-Trust Group Entities for the purpose of carrying on its business;

11.2.4 no H-Trust Group Entity nor any party with which such H-Trust Group Entity has contracted is in breach of any licence, sub-licence or assignment granted to or by it in respect of any Intellectual Property owned, used by or otherwise required for the business of such H-Trust Group Entity or is to be made available to it; and

11.2.5 as far as H-Trust is aware, there is no, nor has there been at any time, any unauthorised use or infringement by any person of any of the Intellectual Property owned, used by or otherwise required for the business of any H-Trust Group Entity.

11.3 Process

As far as H-Trust is aware, the processes employed in the businesses conducted by each H-Trust Group Entity and the products and services dealt in by each H-Trust Group Entity do and did not use, embody or infringe any rights or interests of third parties in Intellectual Property (other than those belonging to or licenced to the H-Trust Group Entities) and no claims of infringement of any such rights or interests have been made by any third party.

APPENDIX Q – H-TRUST REPRESENTATIONS AND WARRANTIES

12. Properties

12.1 The Properties

The H-Trust Properties comprise all of the premises and land owned, occupied or otherwise used in connection with the businesses of the H-Trust Group Entities.

12.2 Title

The title to all real property owned by the H-REIT Trustee listed in Schedule 7 of the Implementation Agreement is proper legal and good marketable title, and in each case free from (i) any Encumbrances (save that the H-REIT Trustee holds such property on trust for the benefit of the holders of units in H-REIT in accordance with the H-REIT Trust Deed, and save for applicable debt financing); and (ii) defects, except such as do not materially affect the value of such property and do not materially interfere with the use of such property.

12.3 Leasehold Properties

Where the interest of the H-REIT Trustee in any H-Trust Property is leasehold, the requisite details have been completed in Schedule 7 of the Implementation Agreement, and as far as H-Trust is aware, the terms of the lease for the H-Trust Properties have been complied with and there is no material subsisting breach, nor any material non-observance of any covenant, condition or agreement contained in the lease on the part of either the relevant landlord or the H-REIT Trustee.

13. Title to Assets (excluding the H-Trust Properties)

13.1 All assets of each H-Trust Group Entity (excluding the H-Trust Properties), including all debts due to each H-Trust Group Entity which are included in the H-Trust FY2018 Financial Statements were at 31 December 2018, the absolute property of such H-Trust Group Entity and (save for those subsequently disposed of or realised in the ordinary and usual course of business) all such assets and debts which have subsequently been acquired or arisen are the absolute property of such H-Trust Group Entity.

13.2 All such assets are, where capable of possession, in the possession of or under the control of the relevant H-Trust Group Entity or the relevant H-Trust Group Entity is entitled to take possession or control of such assets.

14. Employees

None of the H-Trust Group Entities has any employees.

APPENDIX R – OBLIGATIONS OF C-REIT

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the H-Trust Managers from the date of this Scheme Document up until the Effective Date.

Each of the C-REIT Trustee (to the extent applicable) and the C-REIT Manager shall execute all documents and do or cause to be done all acts and things necessary for the implementation of the Merger and/or the Trust Scheme, as expeditiously as practicable, including the following:

- (a) **Joint Announcement:** the release of the Joint Announcement of the Merger and the Trust Scheme by the C-REIT Manager, jointly with the H-Trust Managers, on the date of the Implementation Agreement;
- (b) **C-REIT Circular:** the preparation and despatch of a circular (the “**C-REIT Circular**”) to convene an extraordinary general meeting of the C-REIT Unitholders (the “**C-REIT EGM**”), in connection with the Merger;
- (c) **SGX-ST Approval in respect of the C-REIT Circular:** the submission of the draft C-REIT Circular to the SGX-ST for clearance as soon as reasonably practicable after the date of the Implementation Agreement and diligently seeking such clearance promptly;
- (d) **C-REIT EGM:** subject to obtaining the approval of the SGX-ST for the C-REIT Circular, the convening of the C-REIT EGM;
- (e) **Despatch of Documents:** instructing the unit registrar of C-REIT to despatch to the C-REIT Unitholders the C-REIT Circular and the appropriate forms of proxy for use at the extraordinary general meeting of the C-REIT Unitholders promptly following approval thereof by the SGX-ST;
- (f) **Consultation with the H-REIT Trustee and the H-Trust Managers:** subject to the C-REIT Trustee’s and the C-REIT Manager’s legal and regulatory obligations, the C-REIT Trustee and the C-REIT Manager will consult in good faith with the H-REIT Trustee and the H-Trust Managers with a view to establishing appropriate procedures to provide the H-REIT Trustee and the H-Trust Managers with access to information which they may reasonably require for the purposes of the Merger and/or the Trust Scheme and to facilitate the timely notification of material matters affecting the business of C-REIT to the H-REIT Trustee and the H-Trust Managers;
- (g) **Provision of Information:** subject to the C-REIT Trustee’s and the C-REIT Manager’s legal and regulatory obligations, from the date of the Implementation Agreement until the Effective Date, the C-REIT Trustee and the C-REIT Manager will furnish to the H-REIT Trustee, the H-Trust Managers and their advisers such information relating to C-REIT as the H-REIT Trustee, the H-Trust Managers and their advisers may reasonably request for the purpose of the preparation of the Scheme Document in accordance with the Implementation Agreement;
- (h) **C-REIT’s Letter to Stapled Securityholders:** the preparation of C-REIT’s Letter to Stapled Securityholders in compliance with all applicable laws and regulations, for inclusion as part of the Scheme Document;

APPENDIX R – OBLIGATIONS OF C-REIT

- (i) **Representation:** (if necessary) ensure that the C-REIT Trustee and the C-REIT Manager, through their legal counsel, are represented at Court hearings in relation to the Trust Scheme at which, if requested by the Court, the C-REIT Trustee and the C-REIT Manager shall do or cause to be done all things and take or cause to be taken all steps as are reasonably possible to ensure the fulfilment of their obligations under the Implementation Agreement and the Trust Scheme;
- (j) **Satisfaction of Consideration:** subject to the fulfilment or waiver of the conditions in Clause 3 of the Implementation Agreement, it will be bound by the Trust Scheme, and will pay or cause to be paid the aggregate Scheme Consideration pursuant to the Trust Scheme and on the terms set out in the Implementation Agreement and the Scheme Document; and
- (k) **No Action on the part of C-REIT:** subject to any legal or statutory obligations or fiduciary duties that the directors of the C-REIT Trustee and the C-REIT Manager may be subject to (including making recommendations by the independent directors of the C-REIT Manager (where applicable)), the C-REIT Trustee and the C-REIT Manager will not take any action which may be prejudicial to the successful completion of the Merger and/or the Trust Scheme.

APPENDIX S – OBLIGATIONS OF H-TRUST

All capitalised terms used and not defined in the following extracts shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the H-Trust Managers from the date of this Scheme Document up until the Effective Date.

Each of the H-REIT Trustee (to the extent applicable) and the H-Trust Managers shall execute all documents and do or cause to be done all acts and things necessary for the implementation of the Merger and/or the Trust Scheme, as expeditiously as practicable, including the following:

- (a) **Joint Announcement:** the release of the Joint Announcement of the Merger and the Trust Scheme by the H-Trust Managers, jointly with the C-REIT Manager, on the date of the Implementation Agreement;
- (b) **SGX-ST Approval in respect of the Scheme Document:** the submission of the draft Scheme Document to the SGX-ST for clearance as soon as reasonably practicable after the date of the Implementation Agreement and diligently seeking such clearance promptly;
- (c) **Scheme Document:** the preparation and despatch of the Scheme Document in compliance with all applicable laws and regulations, to seek the approval of the Stapled Securityholders for (i) the Trust Deeds Amendments and (ii) the Trust Scheme;
- (d) **Extraordinary General Meeting and Trust Scheme Meeting:** subject to the obtaining of the approval of the SGX-ST as set out in Clause 6.2.2 of the Implementation Agreement, it will apply to the Court for an order convening the Trust Scheme Meeting and for any ancillary orders relating thereto, and taking all other necessary steps for the convening of the extraordinary general meeting and the Trust Scheme Meeting to approve (i) the Trust Deeds Amendments, and (ii) the Trust Scheme, respectively;
- (e) **Despatch of Documents:** instructing the stapled security registrar of H-Trust to despatch to the Stapled Securityholders the Scheme Document and the appropriate forms of proxy for use at the extraordinary general meeting and the Trust Scheme Meeting promptly following approval thereof by the SGX-ST and the Court, respectively;
- (f) **Court Order:** if the Trust Scheme is approved by the Stapled Securityholders, promptly applying to the Court for, and diligently seeking its sanction and confirmation of, the Trust Scheme;
- (g) **MAS Lodgement:** the lodgement of the Trust Scheme Court Order with the MAS or the notification to the MAS of the grant of the Trust Scheme Court Order, as may be applicable within such time frame as shall be agreed between the Parties in writing;
- (h) **Consultation with the C-REIT Trustee and the C-REIT Manager:** subject to the H-REIT Trustee's and the H-Trust Managers' legal and regulatory obligations, the H-REIT Trustee and the H-Trust Managers will consult in good faith with the C-REIT Trustee and the C-REIT Manager with a view to establishing appropriate procedures to provide the C-REIT Trustee and the C-REIT Manager with access to information which they may reasonably require for the purposes of the Merger and/or the Trust Scheme and to facilitate the timely notification of material matters affecting the business of H-Trust to the C-REIT Trustee and the C-REIT Manager;

APPENDIX S – OBLIGATIONS OF H-TRUST

- (i) **Provision of Information:** subject to the H-REIT Trustee's and the H-Trust Managers' legal and regulatory obligations, from the date of the Implementation Agreement until the Effective Date, the H-REIT Trustee and the H-Trust Managers will furnish to the C-REIT Trustee, the C-REIT Manager and their advisers such information relating to H-Trust as the C-REIT Trustee, the C-REIT Manager and their advisers may reasonably request, for the implementation of the Trust Scheme; and
- (j) **No Action on the part of H-Trust:** subject to any legal or statutory obligations or fiduciary duties that the directors of the H-REIT Trustee and the H-Trust Managers may be subject to (including making recommendations by the Independent Directors), the H-REIT Trustee and the H-Trust Managers will not take any action which may be prejudicial to the successful completion of the Merger and/or the Trust Scheme.

APPENDIX T – NOTICE OF EXTRAORDINARY GENERAL MEETING



OUE HOSPITALITY TRUST

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** of the holders of Stapled Securities (the "**Stapled Securityholders**") of OUE Hospitality Trust ("**H-Trust**") will be held at Mandarin Orchard Singapore, Mandarin Ballroom I, II, and III, 6th Floor, Main Tower, 333 Orchard Road, Singapore 238867, on Wednesday, 14 August 2019 at 3.00 p.m., for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution:

THE TRUST DEEDS AMENDMENTS (EXTRAORDINARY RESOLUTION)

That:

- (a) approval be and is hereby given to amend (i) the trust deed dated 10 July 2013 constituting OUE Hospitality Real Estate Investment Trust ("**H-REIT**") (as amended and supplemented, the "**H-REIT Trust Deed**"), (ii) the trust deed dated 10 July 2013 constituting OUE Hospitality Business Trust ("**H-BT**") (as amended and supplemented, the "**H-BT Trust Deed**"), and (iii) the stapling deed dated 10 July 2013 stapling the H-REIT units and the H-BT units to form the Stapled Securities of H-Trust (as amended and supplemented, the "**Stapling Deed**" and together with the H-REIT Trust Deed and the H-BT Trust Deed, the "**H-Trust Trust Deeds**"), with the proposed amendments to the H-Trust Trust Deeds (the "**Trust Deeds Amendments**") being described and set out in Appendix D to the Scheme Document dated 10 July 2019; and
- (b) the H-Trust Managers, any director of the H-Trust Managers ("**Director**") and RBC Investor Services Trust Singapore Limited, in its capacity as trustee of H-REIT ("**H-REIT Trustee**") be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the H-Trust Managers, such Director, or as the case may be, the H-REIT Trustee, may consider expedient or necessary or in the interests of H-Trust to give effect to the Trust Deeds Amendments.

By Order of the Board of Directors

OUE Hospitality REIT Management Pte. Ltd.

(Company Registration No. 201310245G)

As manager of OUE Hospitality Real Estate Investment Trust

OUE Hospitality Trust Management Pte. Ltd.

(Company Registration No. 201310246W)

As trustee-manager of OUE Hospitality Business Trust

10 July 2019

APPENDIX T – NOTICE OF EXTRAORDINARY GENERAL MEETING

Important Notice:

- (1) A Stapled Securityholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
- (2) A Stapled Securityholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting. Each proxy appointed must be appointed to exercise the rights attached to a different Stapled Security or Stapled Securities held by such Stapled Securityholder.

A “**relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore who holds Stapled Securities in that capacity; or
 - (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (3) Where the instrument appointing a proxy or proxies (the “**Proxy Form (EGM)**”) appoints more than one proxy, the proportion of the holding of Stapled Securities concerned to be represented by each proxy shall be specified in the Proxy Form (EGM). Where a Stapled Securityholder appoints two proxies and does not specify the number of Stapled Securities to be represented by each proxy, then the Stapled Securities held by the Stapled Securityholder are deemed to be equally divided between the proxies.
 - (4) A proxy need not be a Stapled Securityholder.
 - (5) The Proxy Form (EGM) must be lodged at the office of the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the Extraordinary General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a Stapled Securityholder (i) consents to the collection, use and disclosure of the Stapled Securityholder’s personal data by the H-Trust Managers and the H-REIT Trustee (or their agents) for the purpose of the processing and administration by the H-Trust Managers and the H-REIT Trustee (or their agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the H-Trust Managers and the H-REIT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder’s proxy(ies) and/or representative to the H-Trust Managers and the H-REIT Trustee (or their agents), the Stapled Securityholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the H-Trust Managers and the H-REIT Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Stapled Securityholder will indemnify the H-Trust Managers and the H-REIT Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Stapled Securityholder’s breach of warranty.

APPENDIX U – MANNER OF CONVENING TRUST SCHEME MEETING

The manner of convening the Trust Scheme Meeting as ordered by the Court under the Trust Scheme Meeting Court Order is set out below:

1. The H-Trust Managers and the H-REIT Trustee shall be at liberty to convene the Trust Scheme Meeting at a date, time and venue in Singapore to be determined by the H-Trust Managers and the H-REIT Trustee.
2. The notice convening the Trust Scheme Meeting (the “**Notice**”), together with a copy of the Trust Scheme will be included in the Scheme Document and be provided to the Stapled Securityholders at least twenty-one (21) clear days (not inclusive of the day on which the Notice is served and of the day of the Trust Scheme Meeting) before the date of the Trust Scheme Meeting in the following manner:
 - (a) in the case of Stapled Securityholders whose Stapled Securities are not deposited with The Central Depository (Pte) Limited (“**CDP**”), by ordinary post to or left at the Stapled Securityholder’s address as appearing in the Register of Stapled Securityholders or in the case of joint Stapled Securityholders, to the joint Stapled Securityholder whose name stands first in the Register; and
 - (b) in the case of Stapled Securityholders whose Stapled Securities are deposited with CDP (being a “Depositor” as defined in Section 81SF of the Securities and Futures Act (Cap. 289) (“**SFA**”)), by ordinary post to or left at the Stapled Securityholder’s address as appearing in the Depository (as defined in Section 81SF of the SFA), or in the case of joint Depositors, to the joint Depositor whose name stands first in the record of the Depository Register (as defined in Section 81SF of the SFA),save that, where there are potential restrictions on sending the Notice and/or the Scheme Document to any overseas jurisdiction, the H-Trust Managers and the H-REIT Trustee need not send the Scheme Document to the Stapled Securityholders in such overseas jurisdiction.
3. The Notice be advertised in the “The Straits Times”, stating the place at which and the manner in which the Scheme Document may be obtained, at least twenty-one (21) clear days before the date of the Trust Scheme Meeting.
4. Further and/or in addition to paragraphs 2 and 3 of this Appendix U to this Scheme Document above, an electronic copy of the Scheme Document shall be made available at the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at least twenty-one (21) clear days before the date of the Trust Scheme Meeting. A Stapled Securityholder in an overseas jurisdiction may also write in to the Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at its registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 to request for the Scheme Document to be sent to an address in Singapore by ordinary post up to three (3) Market Days (where “Market Day” refers to a day on which the SGX-ST is open for the trading of securities) prior to the date of the Trust Scheme Meeting at such Stapled Securityholder’s own risk.
5. Any accidental omission to give any Stapled Securityholder notice of the Trust Scheme Meeting or the non-receipt of such notice by any Stapled Securityholder shall not invalidate the proceedings at the Trust Scheme Meeting, unless ordered by the Court.
6. Subject to any restrictions under law or set by any relevant regulatory authority, each Stapled Securityholder is entitled to attend and vote at the Trust Scheme Meeting either in person or by proxy in the manner set out below, unless the Court orders otherwise:

APPENDIX U – MANNER OF CONVENING TRUST SCHEME MEETING

- (i) shall be entitled to appoint only one proxy to attend and vote at the Trust Scheme Meeting; and
 - (ii) may only cast all the votes it uses at the Trust Scheme Meeting in one way, namely, either for or against the resolution proposed at the Trust Scheme Meeting.
7. Proxy forms must be completed, signed and deposited with the Registrar at its registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time fixed for the Trust Scheme Meeting. If a Stapled Securityholder fails to lodge a proxy form as stipulated, the proxy of such Stapled Securityholder shall not be entitled to vote at the Trust Scheme Meeting.
 8. Sanjiv Misra, Lead Independent Director of the H-Trust Managers, or failing him, any other director of the H-Trust Managers, be appointed to act as the chairman of the Trust Scheme Meeting (the “**Chairman**”).
 9. Subject to paragraph 1 of this Appendix U to this Scheme Document above, the Chairman shall be at liberty to adjourn the Trust Scheme Meeting for such period as he shall deem appropriate.
 10. The Chairman, or failing him, any other director of the H-Trust Managers present at the Trust Scheme Meeting shall report the results of the Trust Scheme Meeting to the Court.
 11. Save where expressly provided herein, the provisions of the H-REIT Trust Deed, the H-BT Trust Deed and the Stapling Deed in relation to the meetings of Stapled Securityholders may be applied in respect of the Trust Scheme Meeting as appropriate in the discretion of the Chairman of the Trust Scheme Meeting.

APPENDIX V – THE TRUST SCHEME

TRUST SCHEME OF ARRANGEMENT

Under Order 80 of the Rules of Court (Cap. 322, R5, 2014 Rev Ed)

In the matter of

OUE HOSPITALITY TRUST

comprising OUE Hospitality Real Estate Investment Trust

(a real estate investment trust constituted on 10 July 2013 under the laws of the Republic of Singapore)

and OUE Hospitality Business Trust

(a business trust constituted on 10 July 2013 under the laws of the Republic of Singapore)

Between

1. **OUE HOSPITALITY REIT MANAGEMENT PTE. LTD. (in its capacity as manager of OUE Hospitality Real Estate Investment Trust)** (Company Registration No. 201310245G)
2. **OUE HOSPITALITY TRUST MANAGEMENT PTE. LTD. (in its capacity as trustee-manager of OUE Hospitality Business Trust)** (Company Registration No. 201310246W)
3. **RBC INVESTOR SERVICES TRUST SINGAPORE LIMITED (in its capacity as trustee of OUE Hospitality Real Estate Investment Trust)** (Company Registration No. 199504677Z)

And

THE STAPLED SECURITYHOLDERS

(as defined in the Trust Scheme)

And

THE C-REIT MANAGER

(as defined in the Trust Scheme)

And

THE C-REIT TRUSTEE

(as defined in the Trust Scheme)

APPENDIX V – THE TRUST SCHEME

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2. Preamble
3. Scheme Conditions and Effectiveness of the Trust Scheme
4. Transfer of Stapled Securities
5. Scheme Consideration
6. Effective Date
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8. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore
9. Capacity and Liability of the H-REIT Trustee

APPENDIX V – THE TRUST SCHEME

1. DEFINITIONS

1.1 In this Trust Scheme (as defined below), except where the context or subject matter otherwise indicates or requires, the following words and phrases shall have the meanings set out opposite them:

“Books Closure Date”	:	The books closure date to be announced (before the Effective Date) by the H-Trust Managers on which the Transfer Books and the Register of Stapled Securityholders of H-Trust will be closed in order to determine the entitlements of the Stapled Securityholders in respect of the Trust Scheme
“Business Day”	:	A day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore
“Business Trusts Act”	:	Business Trusts Act, Chapter 31A of Singapore
“Cash Consideration”	:	As defined in Clause 5.1.1 below
“CDP”	:	The Central Depository (Pte) Limited
“Code”	:	The Singapore Code on Take-overs and Mergers
“Consideration Units”	:	As defined in Clause 5.1.2 below
“Court”	:	The High Court of the Republic of Singapore or where applicable on appeal, the Court of Appeal of the Republic of Singapore
“C-REIT”	:	OUE Commercial Real Estate Investment Trust
“C-REIT Manager”	:	OUE Commercial REIT Management Pte. Ltd., in its capacity as manager of the C-REIT
“C-REIT Permitted Distributions”	:	The distributions declared, paid or made by the C-REIT Manager to the C-REIT Unitholders in the ordinary course of business in respect of the period from 1 January 2019 up to the day immediately before the Effective Date (including any clean-up distribution to the C-REIT Unitholders in respect of the period from the day following the latest completed financial half of C-REIT preceding the Effective Date for which a half-year distribution has been declared, up to the day immediately before the Effective Date)
“C-REIT Trustee”	:	DBS Trustee Limited, in its capacity as trustee of C-REIT

APPENDIX V – THE TRUST SCHEME

“C-REIT Unitholders”	:	The registered holder for the time being of a C-REIT Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “C-REIT Unitholder” shall, in relation to C-REIT Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with C-REIT Units
“C-REIT Units”	:	The issued and paid-up units of C-REIT
“Effective Date”	:	The date on which the Trust Scheme becomes effective and binding in accordance with its terms
“Encumbrances”	:	Any charge, mortgage, lien, hypothecation, judgement, encumbrance, easement, right of pre-emption, security, title retention, preferential right, trust arrangement or other security interest or any other agreement or arrangement having a commercial effect analogous to the conferring of security or a similar right in favour of any person
“Entitled Stapled Securityholders”	:	Stapled Securityholders as at 5.00 p.m. on the Books Closure Date
“H-BT”	:	OUE Hospitality Business Trust
“H-BT Trust Deed”	:	The trust deed constituting H-BT dated 10 July 2013 as may be amended, supplemented or varied from time to time
“H-BT Trustee-Manager”	:	OUE Hospitality Trust Management Pte. Ltd., as trustee-manager of H-BT
“H-REIT”	:	OUE Hospitality Real Estate Investment Trust
“H-REIT Manager”	:	OUE Hospitality REIT Management Pte. Ltd., as manager of H-REIT
“H-REIT Trust Deed”	:	The trust deed dated 10 July 2013 made between the H-REIT Manager and the H-REIT Trustee constituting H-REIT as may be amended, supplemented or varied from time to time
“H-REIT Trustee”	:	RBC Investor Services Trust Singapore Limited, in its capacity as trustee of H-REIT
“H-Trust”	:	OUE Hospitality Trust, which comprises H-REIT and H-BT
“H-Trust Managers”	:	The H-REIT Manager and the H-BT Trustee-Manager

APPENDIX V – THE TRUST SCHEME

“H-Trust Permitted Distributions”	:	The distributions declared, paid or made by the H-REIT Manager to the Stapled Securityholders in the ordinary course of business in respect of the period from 1 January 2019 up to the day immediately before the Effective Date (including any clean-up distribution to the Stapled Securityholders in respect of the period from the day following the latest completed financial quarter of H-Trust preceding the Effective Date, up to the day immediately before the Effective Date)
“Implementation Agreement”	:	The implementation agreement dated 8 April 2019 entered into between the C-REIT Trustee, the C-REIT Manager, the H-REIT Trustee, the H-REIT Manager and the H-BT Trustee-Manager setting out the terms and conditions on which the Trust Scheme will be implemented
“Joint Announcement”	:	The joint announcement by the H-Trust Managers and the C-REIT Manager dated 8 April 2019 in relation to, <i>inter alia</i> , the Merger and the Trust Scheme
“Long-Stop Date”	:	8 October 2019 (or such other date as the Parties may agree in writing)
“MAS”	:	Monetary Authority of Singapore
“Merger”	:	The proposed merger of C-REIT and H-Trust which will be effected through the acquisition by the C-REIT Trustee of all the Stapled Securities held by the Stapled Securityholders by way of the Trust Scheme in compliance with the Code
“Parties”	:	The C-REIT Trustee, the C-REIT Manager, the H-REIT Trustee, the H-REIT Manager and the H-BT Trustee-Manager
“Relevant Date”	:	The date falling on the Business Day immediately preceding the Effective Date
“Register of Stapled Securityholders”	:	The register of Stapled Securityholders of H-Trust
“Rules of Court”	:	Rules of Court, Chapter 322, R 5 of Singapore
“Scheme Consideration”	:	As defined in Clause 5.1 below
“Scheme Document”	:	The document dated 10 July 2019 and any other document(s) which may be issued by or on behalf of the H-Trust Managers to amend, revise, supplement or update the document(s) from time to time

APPENDIX V – THE TRUST SCHEME

- “Securities Account”** : The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
- “SFA”** : Securities and Futures Act, Chapter 289 of Singapore
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “Stapled Securities”** : The issued and paid-up stapled securities of H-Trust
- “Stapled Securityholder”** : The registered holder for the time being of a Stapled Security, including person(s) so registered as joint holders, except where the registered holder is CDP, the term **“Stapled Securityholder”** shall, in relation to Stapled Securities registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Stapled Securities
- “Stapling Deed”** : The stapling deed of H-Trust dated 10 July 2013 made between the H-REIT Trustee, the H-REIT Manager and the H-BT Trustee-Manager, as may be amended, supplemented or varied from time to time
- “Trust Scheme”** : This trust scheme of arrangement in its present form (as may be amended or modified from time to time)
- “Trust Scheme Court Order”** : The order of the Court sanctioning the Trust Scheme under Order 80 of the Rules of Court
- 1.2 The terms **“Depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.
- 1.3 The headings in this Trust Scheme are inserted for convenience only and shall be ignored in construing this Trust Scheme.
- 1.4 Words denoting the singular number only shall, where applicable, include the plural number and *vice versa*, and words denoting persons only shall, where applicable, include firms and corporations.
- 1.5 Any reference to any document or agreement shall include a reference to such document or agreement as amended, modified, supplemented and/or varied from time to time.
- 1.6 Words importing any gender shall, where applicable, include the other gender and references to any person shall, where applicable, include that person’s successor and permitted assigns.
- 1.7 Any reference to a statutory provision shall include such provision and any regulations made in pursuance thereof as may from time to time be modified or re-enacted whether before or after the date of this Trust Scheme.
- 1.8 Any reference in this Trust Scheme to a time of day and date shall be a reference to Singapore time and date, unless otherwise stated.

APPENDIX V – THE TRUST SCHEME

2. PREAMBLE

- 2.1 H-Trust is a stapled group comprising H-REIT and H-BT. The units in H-REIT and H-BT are stapled together under the terms of the Stapling Deed and cannot be traded separately.
- 2.2 H-REIT is a real estate investment trust constituted in the Republic of Singapore under the H-REIT Trust Deed. H-REIT is managed by the H-REIT Manager.
- 2.3 H-BT is a business trust constituted in the Republic of Singapore under the H-BT Trust Deed. The H-BT is registered under the Business Trusts Act and is managed by the H-BT Trustee-Manager.
- 2.4 H-Trust was listed on the Main Board of the SGX-ST on 25 July 2013.
- 2.5 C-REIT is a real estate investment trust constituted in the Republic of Singapore and was listed on the Main Board of the SGX-ST on 27 January 2014. C-REIT is managed by the C-REIT Manager.
- 2.6 On 8 April 2019, the H-Trust Managers and the C-REIT Manager jointly announced the Merger, which shall be effected through the acquisition by the C-REIT Trustee of all the Stapled Securities from the Stapled Securityholders by way of a trust scheme of arrangement in compliance with the Code.
- 2.7 The Parties have entered into the Implementation Agreement to set out their respective rights and obligations with respect to this Trust Scheme.
- 2.8 The main purpose of this Trust Scheme is to give effect to the Merger.
- 2.9 Pursuant to the terms of the Implementation Agreement, the C-REIT Trustee (to the extent applicable) and the C-REIT Manager have each undertaken to, *inter alia*, if necessary, ensure that the C-REIT Trustee and the C-REIT Manager, through their legal counsel, are represented at Court hearings in relation to the Trust Scheme at which, if requested by the Court, the C-REIT Trustee and the C-REIT Manager shall do or cause to be done all things and take or cause to be taken all steps as are reasonably possible to ensure the fulfilment of their obligations under the Implementation Agreement and the Trust Scheme.

3. SCHEME CONDITIONS AND EFFECTIVENESS OF THE TRUST SCHEME

This Trust Scheme is conditional upon each condition precedent set out in Clause 3.1 of the Implementation Agreement (as reproduced in Appendix N to the Scheme Document) being satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.

4. TRANSFER OF STAPLED SECURITIES

- 4.1 With effect from the Effective Date, all the Stapled Securities held by the Entitled Stapled Securityholders as at the Books Closure Date will be transferred to the C-REIT Trustee:
- 4.1.1 fully paid;
- 4.1.2 free from all Encumbrances; and

APPENDIX V – THE TRUST SCHEME

- 4.1.3 together with all rights, benefits and entitlements attaching thereto as at the date of the Joint Announcement, including the right to receive and retain all rights and other distributions (if any) declared by H-Trust on or after the date of the Joint Announcement, except for the H-Trust Permitted Distributions.

On the Effective Date, the C-REIT Trustee will hold 100 per cent. (100%) of the Stapled Securities. For the avoidance of doubt, the Parties shall be entitled to declare, make or pay the H-Trust Permitted Distributions and the C-REIT Permitted Distributions, as the case may be, without any adjustment to the Scheme Consideration. The Stapled Securityholders as at the books closure date(s) fixed for such H-Trust Permitted Distributions shall have the right to receive and retain the H-Trust Permitted Distributions (if any) in addition to the Scheme Consideration.

- 4.2 For the purpose of giving effect to the transfer of the Stapled Securities as provided for in Clause 4.1 of this Trust Scheme:

4.2.1 in the case of Entitled Stapled Securityholders (not being Depositors), the H-Trust Managers shall authorise any person to execute or effect on behalf of all such Entitled Stapled Securityholders an instrument or instruction of transfer of all the Stapled Securities held by such Entitled Stapled Securityholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Stapled Securityholder; and

4.2.2 in the case of the Entitled Stapled Securityholders (being Depositors), the H-Trust Managers shall instruct CDP, for and on behalf of such Entitled Stapled Securityholders, to debit, not later than **seven (7) Business Days** after the Effective Date, all of the Stapled Securities standing to the credit of the Securities Account(s) of such Entitled Stapled Securityholders and credit all of such Stapled Securities to the Securities Account(s) of the C-REIT Trustee.

5. SCHEME CONSIDERATION

- 5.1 In consideration of the transfer of the Stapled Securities in accordance with Clause 4.1 of this Trust Scheme and subject to Clause 3 of this Trust Scheme, each of the C-REIT Trustee and C-REIT Manager agrees to pay or procure the payment of the following consideration (the “**Scheme Consideration**”) for each Stapled Security held by each Stapled Securityholder as at the Books Closure Date:

5.1.1 firstly, the payment by the C-REIT Trustee of a sum of S\$0.04075 in cash per Stapled Security (the “**Cash Consideration**”); and

5.1.2 secondly, allot and issue, or procure the allotment and issuance (as the case may be), by the C-REIT Manager of 1.3583 new C-REIT Units per Stapled Security (the “**Consideration Units**”), such Consideration Unit to be credited as fully paid.

On the Effective Date, the C-REIT Trustee will hold 100 per cent. (100%) of the Stapled Securities.

The aggregate Cash Consideration to be paid to each Stapled Securityholder shall be rounded to the nearest S\$0.01. The number of Consideration Units which each Stapled Securityholder will be entitled to pursuant to the Trust Scheme, based on the Stapled Securities held by such Stapled Securityholder as at the Books Closure Date, will be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units to be issued to any Stapled Securityholder pursuant to the Trust Scheme.

APPENDIX V – THE TRUST SCHEME

5.2 The Cash Consideration

5.2.1 The C-REIT Trustee shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Stapled Securities set out in Clause 4.1 of this Trust Scheme:

(a) Entitled Stapled Securityholders whose Stapled Securities are not deposited with CDP

pay each Entitled Stapled Securityholder (not being a Depositor) by sending a cheque for the Cash Consideration payable to and made out in favour of such Entitled Stapled Securityholder by ordinary post to his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder made out in favour of such Entitled Stapled Securityholder by ordinary post to his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders;

(b) Entitled Stapled Securityholders whose Stapled Securities are deposited with CDP

pay each Entitled Stapled Securityholder (being a Depositor) by making payment of the Cash Consideration payable to such Entitled Stapled Securityholder to CDP. CDP shall:

- (i) in the case of an Entitled Stapled Securityholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Cash Consideration payable to such Entitled Stapled Securityholder, to the designated bank account of such Entitled Stapled Securityholder; and
- (ii) in the case of an Entitled Stapled Securityholder (being a Depositor) who has not registered for CDP's direct crediting service, send to such Entitled Stapled Securityholder, by ordinary post to his address as appearing in the Depository Register at the close of business on the Books Closure Date regardless of whether such Entitled Stapled Securityholder holds the Stapled Securities as custodian or nominee and at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder by ordinary post to his address as appearing in the Depository Register at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholder, a cheque for the payment of such Cash Consideration made out in favour of such Entitled Stapled Securityholders.

5.2.2 On and after the day being six (6) calendar months after the posting of such cheques relating to the Cash Consideration, the C-REIT Trustee shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the C-REIT Trustee's name with a licensed bank in Singapore selected by the C-REIT Trustee.

5.2.3 The C-REIT Trustee or its successor entities shall hold such moneys until the expiration of six (6) years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to Clause 5.2.2 of this Trust Scheme to persons

APPENDIX V – THE TRUST SCHEME

who satisfy the C-REIT Trustee or its successor entities that they are respectively entitled thereto and that the cheques referred to in Clause 5.2.1 of this Trust Scheme for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the C-REIT Trustee hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this Clause 5.2.3 of this Trust Scheme.

5.2.4 On the expiry of six (6) years from the Effective Date, the C-REIT Trustee shall be released from any further obligation to make any payments of the Cash Consideration under this Trust Scheme.

5.2.5 Clause 5.2.4 of this Trust Scheme shall take effect subject to any prohibition or condition imposed by law.

5.3 The Consideration Units

5.3.1 The C-REIT Manager shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Stapled Securities set out in Clause 4.1 of this Trust Scheme:

(a) Entitled Stapled Securityholders whose Stapled Securities are not deposited with CDP

deliver the confirmation notes for the relevant number of new C-REIT Units to each Entitled Stapled Securityholder (not being a Depositor) by sending to such Entitled Stapled Securityholder the same by ordinary post at his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder by ordinary post at his address as appearing in the Register of Stapled Securityholders at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders; and

(b) Entitled Stapled Securityholders whose Stapled Securities are deposited with CDP

deliver the confirmation notes for the relevant number of new C-REIT Units to each Entitled Stapled Securityholder (being a Depositor) by sending the same to CDP. CDP shall send to such Entitled Stapled Securityholder, by ordinary post at his address as appearing in the Depository Register at the close of business on the Books Closure Date at the sole risk of such Entitled Stapled Securityholder, or in the case of joint Entitled Stapled Securityholders, to the first named Entitled Stapled Securityholder by ordinary post at his address as appearing in the Depository Register at the close of business on the Books Closure Date, at the sole risk of such joint Entitled Stapled Securityholders, a statement showing the number of new C-REIT Units credited to his Securities Account.

5.3.2 All mandates or other instructions given by any Entitled Stapled Securityholder relating to the payment of distributions by H-Trust or relating to notices, annual report or other communications in force on the Relevant Date shall, unless and until specifically revoked in writing, be deemed on and from the Effective Date to be an effective mandate or, as the case may be, an effective instruction in respect of his corresponding holding of Consideration Units.

APPENDIX V – THE TRUST SCHEME

5.4 The despatch of payment of the Cash Consideration and delivery of confirmation notes by the C-REIT Trustee and the C-REIT Manager (as the case may be) to each Entitled Stapled Securityholder's address and/or CDP (as the case may be) in accordance with Clause 5 of this Trust Scheme shall be deemed as a good discharge to H-Trust, C-REIT, the Parties and CDP of the Cash Consideration and of the Consideration Units represented thereby.

5.5 From the Effective Date, each existing confirmation note representing a former holding of Stapled Securities by Entitled Stapled Securityholders (not being Depositors) will cease to be evidence of title of the Stapled Securities represented thereby. The Entitled Stapled Securities (not being Depositors) shall forward their existing confirmation notes relating to their Stapled Securities to the Stapled Security Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation.

6. EFFECTIVE DATE

6.1 The Trust Scheme will become effective upon the lodgement of the Trust Scheme Court Order with the MAS or the notification to the MAS of the grant of the Trust Scheme Court Order, as the case may be, which shall be effected by the C-REIT Trustee within ten (10) Business Days from the date the last condition precedent set out in Paragraphs (a) (*Amendments to H-Trust Trust Deeds*), (b) (*Trust Scheme*), (c) (*Court Approval for the Scheme*), (d) (*Regulatory Approvals*), (e) (*Approval from C-REIT Unitholders*), and (f) (*Authorisations and Consents*) in Appendix N to the Scheme Document is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement (and which date shall, in any event, be no later than the Long-Stop Date).

6.2 Unless the Trust Scheme shall have become effective and binding as aforesaid on or before the Long-Stop Date, this Trust Scheme shall lapse.

6.3 The Parties may jointly consent in writing, for and on behalf of all concerned, to any modification of, or amendment to, this Trust Scheme or to any condition which the Court may think fit to approve or impose.

6.4 In the event that this Trust Scheme does not become effective and binding for any reason, the expenses and costs incurred by the H-Trust Managers in connection with this Trust Scheme will be paid out of the assets of H-Trust.

7. PROPER LAW AND JURISDICTION

7.1 This Trust Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore.

7.2 H-Trust, C-REIT, the Parties and the Stapled Securityholders hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Republic of Singapore.

8. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B OF SINGAPORE

A person who is not a party to this Trust Scheme has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term or provision of this Trust Scheme.

APPENDIX V – THE TRUST SCHEME

9. CAPACITY AND LIABILITY OF THE H-REIT TRUSTEE

- 9.1 Notwithstanding any provision to the contrary in this Trust Scheme, the Parties agree and acknowledge that RBC Investor Services Trust Singapore Limited (“**RBC**”) has entered into this Trust Scheme in its capacity as trustee of H-REIT and not in its personal capacity and all references to the H-REIT Trustee in this Trust Scheme shall be construed accordingly. As such, notwithstanding any provision to the contrary in this Trust Scheme, RBC has assumed all obligations under this Trust Scheme in its capacity as trustee of H-REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the H-REIT Trustee under this Trust Scheme is given in its capacity as trustee of H-REIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate is limited to the assets of or held on trust for H-REIT and shall not extend to any personal assets of RBC or any assets held by RBC in its capacity as trustee of any other trust. Any obligation, matter, act, action or thing required to be done, performed, or undertaken or any covenant, representation, warranty or undertaking given by the H-REIT Trustee under this Trust Scheme shall only be in connection with the matters relating to H-REIT and shall not extend to the obligations of RBC in respect of any other trust or real estate investment trust of which it is trustee.
- 9.2 Notwithstanding any provision to the contrary in this Trust Scheme, the Parties hereby acknowledge and agree that the obligations of the H-REIT Trustee under this Trust Scheme will be solely the corporate obligations of RBC and that the Parties shall not have any recourse against the shareholders, directors, officers or employees of RBC for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of this Trust Scheme.
- 9.3 For the avoidance of doubt, any legal action or proceedings commenced against the H-REIT Trustee whether in Singapore or elsewhere pursuant to this Trust Scheme shall be brought against RBC in its capacity as trustee of H-REIT and not in its personal capacity.
- 9.4 The provisions of this Clause 9 shall survive the termination or rescission of this Trust Scheme.

Dated this 10th day of July 2019

APPENDIX W – NOTICE OF TRUST SCHEME MEETING

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OS 534/2019

In the Matter of Order 80 of the Rules of Court (Cap. 322, R5, 2014 Rev Ed)

And

In the Matter of OUE HOSPITALITY TRUST comprising OUE Hospitality Real Estate Investment Trust (a real estate investment trust constituted on 10 July 2013 under the laws of the Republic of Singapore) and OUE Hospitality Business Trust (a business trust constituted on 10 July 2013 under the laws of the Republic of Singapore)

1. **OUE HOSPITALITY REIT MANAGEMENT PTE. LTD. (in its capacity as manager of OUE Hospitality Real Estate Investment Trust)** (Company Registration No. 201310245G)
2. **OUE HOSPITALITY TRUST MANAGEMENT PTE. LTD. (in its capacity as trustee-manager of OUE Hospitality Business Trust)** (Company Registration No. 201310246W)
3. **RBC INVESTOR SERVICES TRUST SINGAPORE LIMITED (in its capacity as trustee of OUE Hospitality Real Estate Investment Trust)** (Company Registration No. 199504677Z)

. . . Applicants

TRUST SCHEME OF ARRANGEMENT

Between

OUE Hospitality REIT Management Pte. Ltd. (in its capacity as manager of OUE Hospitality Real Estate Investment Trust)

OUE Hospitality Trust Management Pte. Ltd. (in its capacity as trustee-manager of OUE Hospitality Business Trust)

RBC Investor Services Trust Singapore Limited (in its capacity as trustee of OUE Hospitality Real Estate Investment Trust)

And

Stapled Securityholders (as defined herein)

And

OUE Commercial REIT Management Pte. Ltd. (in its capacity as manager of OUE Commercial Real Estate Investment Trust)

And

DBS Trustee Limited (in its capacity as trustee of OUE Commercial Real Estate Investment Trust)

APPENDIX W – NOTICE OF TRUST SCHEME MEETING

NOTICE OF TRUST SCHEME MEETING

NOTICE IS HEREBY GIVEN that by an Order of Court made in the above matter, the High Court of the Republic of Singapore (the “**Court**”) has directed a meeting (the “**Trust Scheme Meeting**”) of stapled securityholders (the “**Stapled Securityholders**”) of OUE Hospitality Trust (“**H-Trust**”) to be convened and such Trust Scheme Meeting shall be held at Mandarin Orchard Singapore, Mandarin Ballroom I, II and III, 6th Floor, Main Tower, 333 Orchard Road, Singapore 238867, on Wednesday, 14 August 2019 at 4.00 p.m. (or as soon thereafter following the conclusion of the extraordinary general meeting of the Stapled Securityholders to be held at 3.00 p.m. on the same day and at the same venue (the “**Extraordinary General Meeting**”), for the purpose of considering and, if thought fit, approving the following resolution. All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the Scheme Document dated 10 July 2019.

THE TRUST SCHEME RESOLUTION

RESOLVED THAT:

- (a) subject to and contingent upon the passing of the Trust Deeds Amendments Resolution at the Extraordinary General Meeting, the trust scheme of arrangement dated 10 July 2019 proposed to be made in accordance with the H-Trust Trust Deeds (as amended pursuant to the Trust Deeds Amendments Resolution at the Extraordinary General Meeting) and in compliance with the Code, between (i) the H-Trust Managers, (ii) the H-REIT Trustee, (iii) the Stapled Securityholders, (iv) the C-REIT Manager and (v) the C-REIT Trustee, a copy of which has been circulated with the Notice convening this Trust Scheme Meeting, be and is hereby approved; and
- (b) the H-Trust Managers and the H-REIT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents) as the H-Trust Managers and the H-REIT Trustee may consider expedient or necessary or in the interests of H-Trust to give effect to the Trust Scheme.

Notes:

1. A copy of the said Trust Scheme is incorporated in the Scheme Document of which this Notice forms part.
2. Stapled Securityholders (including Overseas Stapled Securityholders) may obtain copies of the Scheme Document and any related documents during normal business hours and up to the date of the Trust Scheme Meeting from the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Stapled Securityholder may write in to the Stapled Security Registrar at the same address to request for the Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three (3) Market Days prior to the date of the Trust Scheme Meeting.
3. A form of proxy applicable for the Trust Scheme Meeting (the “**Proxy Form (Trust Scheme Meeting)**”) is enclosed with the Scheme Document, of which this Notice forms part.
4. Each Proxy Form (Trust Scheme Meeting) must be signed by the appointor or his attorney duly authorised in writing. Where a Proxy Form (Trust Scheme Meeting) is executed by a corporation, it must be either executed under its common seal or signed by its officer or attorney so authorised.
5. A corporation, being a Stapled Securityholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Trust Scheme Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
6. A Stapled Securityholder voting by proxy shall be included in the count of Stapled Securityholders present and voting at the Trust Scheme Meeting as if that Stapled Securityholder was voting in person, such that the votes of a proxy who has been appointed to represent more than one Stapled Securityholder at the Trust Scheme Meeting shall be counted as the votes of the number of appointing Stapled Securityholders.
7. The Proxy Form (Trust Scheme Meeting) and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited with the Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Trust Scheme Meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Stapled Securityholder but must attend the Trust Scheme Meeting in person to represent the appointor.

APPENDIX W – NOTICE OF TRUST SCHEME MEETING

8. A Stapled Securityholder may appoint one (and not more than one) proxy to attend and vote at the Trust Scheme Meeting, PROVIDED THAT if the Stapled Securityholder is a Depositor, the H-Trust Managers shall be entitled and bound:
 - (i) to reject any Proxy Form (Trust Scheme Meeting) lodged if the Depositor is not shown to have any Stapled Securities entered against his name in the Depository Register as at 48 hours before the time of the Trust Scheme Meeting as certified by the Depository to the H-Trust Managers; and
 - (ii) to accept as the maximum number of votes which in aggregate the proxy appointed by the Depositor is or are able to cast on a poll a number which is the number of Stapled Securities entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the Trust Scheme Meeting as certified by the Depository to the H-Trust Managers, whether that number is greater or smaller than the number specified in any Proxy Form (Trust Scheme Meeting) executed by or on behalf of that Depositor.
9. In the case of joint Stapled Securityholders, any one of such persons may vote, but if more than one of such persons be present at the Trust Scheme Meeting, the person whose name stands first in the Register of Stapled Securityholders of H-Trust or, as the case may be, the Depository Register shall alone be entitled to vote.
10. A Stapled Securityholder may only cast all the votes it uses at the Trust Scheme Meeting in one way, namely, either for or against the resolution to be proposed at the Trust Scheme Meeting.
11. By the said Order of Court, the Court has appointed Mr Sanjiv Misra, or failing him, any other director of the H-Trust Managers, to act as Chairman of the Trust Scheme Meeting and has directed the Chairman to report the results of the Trust Scheme Meeting to the Court.
12. The said Trust Scheme will be subject to, *inter alia*, the subsequent approval of the Court.

Personal Data Privacy:

By submitting an instrument appointing a proxy and/or representative to attend, speak and vote at the Trust Scheme Meeting and/or any adjournment thereof, a Stapled Securityholder (i) consents to the collection, use and disclosure of the Stapled Securityholder's personal data by the H-Trust Managers and the H-REIT Trustee (or their agents) for the purpose of the processing and administration by the H-Trust Managers and the H-REIT Trustee (or their agents) of proxies and representatives appointed for the Trust Scheme Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Trust Scheme Meeting (including any adjournment thereof), and in order for the H-Trust Managers and the H-REIT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder's proxy and/or representative to the H-Trust Managers and the H-REIT Trustee (or their agents), the Stapled Securityholder has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the H-Trust Managers and the H-REIT Trustee (or their agents) of the personal data of such proxy and/or representative for the Purposes, and (iii) agrees that the Stapled Securityholder will indemnify the H-Trust Managers and the H-REIT Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Stapled Securityholder's breach of warranty.

Dated this 10th day of July 2019

By Order of the Court

OUE Hospitality REIT Management Pte. Ltd.
(as manager of OUE Hospitality Real Estate Investment Trust)
333 Orchard Road, #33-00, Singapore 238867

OUE Hospitality Trust Management Pte. Ltd.
(as trustee-manager of OUE Hospitality Business Trust)
333 Orchard Road, #33-00, Singapore 238867

RBC Investor Services Trust Singapore Limited
(as trustee of OUE Hospitality Real Estate Investment Trust)
8 Marina View, #26-01 Asia Square Tower 1,
Singapore 018960

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OUE

HOSPITALITY
TRUST

