

CIRCULAR DATED 25 MAY 2016

THIS CIRCULAR IS ISSUED BY INDIABULLS PROPERTY MANAGEMENT TRUSTEE PTE. LTD. AS THE TRUSTEE-MANAGER OF INDIABULLS PROPERTIES INVESTMENT TRUST. THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Units (as defined herein), you should immediately hand this Circular 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 Circular.

INDIABULLS PROPERTIES INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 7 May 2008, as amended by a first supplemental deed dated 29 May 2008)
(Registration Number: 2008001)

Managed by

INDIABULLS PROPERTY MANAGEMENT TRUSTEE PTE. LTD.

CIRCULAR TO UNITHOLDERS

in relation to the

MANDATORY UNCONDITIONAL CASH OFFER

by

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200200144N)

for and on behalf of

GRAPENE LIMITED

(formerly known as Mixtel Co. Ltd.)
(Incorporated in Cyprus)
(Company Registration Number: HE212442)

an indirect wholly-owned subsidiary of

INDIABULLS REAL ESTATE LIMITED

(Incorporated in India)
(Company Registration Number: L45101DL2006PLC148314)

to acquire all the issued units in IPIT ("**Units**") other than those already owned, controlled or agreed to be acquired by Grapene Limited, its related corporations or their respective nominees

Independent Financial Adviser to the Independent Directors (as defined herein)



PROVENANCE CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 200309056E)

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“Accepting Unitholder”	: A unitholder who validly accepts the Offer
“Acquired Units”	: Has the meaning ascribed to it in section 1.2 of the Circular
“Board”	: The board of directors of the Trustee-Manager
“Business Day”	: A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
“Business Trusts Act”	: The Business Trusts Act (Chapter 31A of Singapore)
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to Unitholders dated 25 May 2016 in relation to the Offer
“Closing Date”	: 5.30 p.m. (Singapore time) on 8 June 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
“Code”	: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Companies Act”	: Companies Act, Chapter 50 of Singapore
“Directors”	: The directors of the Trustee-Manager as at the Latest Practicable Date, and “Director” means any one of them
“Distributions”	: In respect of the Offer Units, any dividends, other distributions and/or return of capital
“DTCF”	: Deloitte & Touche Corporate Finance Pte Ltd, the appointed financial adviser to the Offeror in relation to the Offer
“Encumbrance”	: Any claim, mortgage, assignment of receivables, debenture, lien, hypothecation, charge, pledge, title retention, right to acquire, security interest, option, equity, power-of-sale, declaration of trust, pre-emptive or other similar right, right of first refusal, restriction, third-party right or interest, any other encumbrance, condition or security interest whatsoever having similar effect or an agreement, arrangement or obligation to create any of the foregoing
“Excluded Directors”	: Shall have the meaning ascribed to it in section 7.2 of this Circular
“Excluded Documents”	: (a) The IFA Letter as set out in Appendix 1 to this Circular; and (b) the extract of the valuation summary report as set out in Appendix 4 to this Circular
“FAA”	: The Form of Acceptance and Authorisation for Offer Units in respect of the Offer, applicable to Unitholders whose Offer Units are deposited with CDP and which forms part of the Offer Document

“Final Settlement Date”	: The last settlement date in respect of the Offer for all the Offer Units validly tendered in acceptance of the Offer, being a date falling after the final Closing Date but on or before the expiry of seven Business Days from the final Closing Date
“FY”	: Financial year ended or ending 31 March, as the case may be
“Group”	: IPIT and its subsidiaries
“IBREL”	: Indiabulls Real Estate Limited
“IFA”	: Provenance Capital Pte. Ltd., the independent financial adviser to the Independent Directors in connection with the Offer
“IFA Letter”	: The letter dated 25 May 2016 from the IFA to the Independent Directors in respect of the Offer as set out in Appendix 1 to this Circular
“Independent Directors”	: The Directors of the Trustee-Manager who are considered independent for the purposes of the Offer as at the Latest Practicable Date, namely Mr Gurbachan Singh, Mr Sri Murali s/o Sinnothei Renganathan and Ms Savita Singh
“IPIT”	: Indiabulls Properties Investment Trust
“IPIT Securities”	: (a) Units; or (b) convertible securities, warrants, options or derivatives in respect of the Units
“Latest Practicable Date”	: 17 May 2016, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	: The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time up to the Latest Practicable Date
“Market Day”	: A day on which the SGX-ST is open for trading of securities
“Offer”	: The mandatory unconditional cash offer by DTCF, for and on behalf of the Offeror, for all the Offer Units on the terms and subject to the conditions set out in the Offer Document and the FAA, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
“Offer Announcement”	: The announcement released by DTCF, for and on behalf of the Offeror, relating to the Offer on the Offer Announcement Date
“Offer Announcement Date”	: 27 April 2016, being the date of the Offer Announcement
“Offer Document”	: The offer document dated 11 May 2016 issued by DTCF for and on behalf of the Offeror in respect of the Offer, including the FAA, and any other document(s) which may be issued by or on behalf of the Offeror, to amend, revise, supplement or update the document(s) from time to time
“Offer Price”	: S\$0.25 in cash for each Offer Unit
“Offer Units”	: All the Units not already owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees

“Offer Unconditional Announcement”	: The announcement released by DTCF for and on behalf of the Offeror relating to the Offer being declared unconditional in all respects on 29 April 2016
“Offeror”	: Grapene Limited (formerly known as Mixtel Co. Ltd.), an indirect wholly-owned subsidiary of IBREL
“Offeror Securities”	: (a) Ordinary shares in the capital of the Offeror; (b) securities which carry substantially the same rights as any Ordinary shares in the capital of the Offeror; and (c) convertible securities, warrants, options and derivatives in respect of any Ordinary shares in the capital of the Offeror or such securities in (b)
“Overseas Unitholders”	: Unitholders whose addresses are outside Singapore as shown in the Register or the Depository Register (as the case may be)
“Properties”	: The properties as set out in Appendix 4 to this Circular
“Register”	: The register of holders of the Units, as maintained by the Registrar
“Registrar”	: Boardroom Corporate & Advisory Services Pte. Ltd.
“Relevant Period”	: The period commencing on the date falling 6 months prior to the Offer Announcement Date and ending on the Latest Practicable Date
“SFA”	: The Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SGXNET”	: Singapore Exchange Network, a system network used by listed companies to send information and announcements to SGX-ST or any other system networks prescribed by SGX-ST
“SIC”	: The Securities Industry Council of Singapore
“SRS”	: Supplementary Retirement Scheme
“SRS Agent Banks”	: Agent banks included under SRS
“SRS Investors”	: Investors who have purchased Units pursuant to the SRS
“Trust”	: IPIT
“Trust Deed”	: The deed of trust constituting IPIT dated 7 May 2008 (as amended by a first supplemental deed dated 29 May 2008)
“Trustee-Manager”	: Indiabulls Property Management Trustee Pte. Ltd., as trustee-manager of IPIT
“Unitholders”	: Holders of the Units as indicated in the Register or the Depository Register (as the case may be)
“Units”	: Units in IPIT in issue
“Valuer”	: Knight Frank (India) Private Limited

Units and currencies

“S\$” : The lawful currency of the Republic of Singapore

“%” or “per cent.” : Per centum or percentage

Acting in Concert and Associated Company. Unless otherwise defined, the expression “**acting in concert**” and “**associated company**” shall have the same meanings as ascribed to them respectively in the Code.

Announcements and notices. References to the making of an announcement or the giving of notice by the Trust shall include the release of an announcement by the Trust or its agents, for and on behalf of the Trust, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified to the SGX-ST simultaneously.

Capitalised Terms in Extracts. Capitalised terms used in the extracts of the Offer Document and not defined herein shall bear the same meanings as attributed to them in the Offer Document.

Depository Related Terms. The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in the SFA.

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

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Offer Document. References to “**Offer Document**” shall include the FAA, unless the context otherwise requires.

Rounding. Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, the figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Unitholders. References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to Unitholders.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Business Trusts Act, the Companies Act, the Code, the Listing Manual, the SFA or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning as ascribed to it under the the Business Trusts Act, the Companies Act, the Code, the Listing Manual, the SFA or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporation. The terms “subsidiary” and “related corporation” shall have the meaning ascribed to it in Sections 5 and 6 of the Companies Act respectively.

Time and Date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively unless otherwise stated.

Total number of Units as at the Latest Practicable Date. Any reference in this Circular to the total Units in issue as at the Latest Practicable Date is a reference to a total of 754,028,697 issued Units.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Trustee-Manager’s 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. Unitholders should not place undue reliance on such forward-looking statements, and neither the Trustee-Manager nor the IFA undertakes any obligation to update publicly or revise any forward looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SUMMARY TIMETABLE

Date of despatch of Offer Document	:	11 May 2016
Date of despatch of Circular	:	25 May 2016
Closing Date of the Offer ⁽¹⁾	:	5.30 p.m. (Singapore time) on 8 June 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror
Date of settlement of the Offer ⁽¹⁾	:	In respect of valid and complete acceptances received before the Closing Date, within seven Business Days after the date of receipt of each such acceptance
Final Settlement Date of the Offer ⁽¹⁾	:	Within seven Business Days after the Closing Date

Note:

(1) Please refer to Appendix 1 to the Offer Document for further details.

INDIABULLS PROPERTY MANAGEMENT TRUSTEE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200720456G)
(as trustee-manager of Indiabulls Properties Investment Trust)

Letter to Unitholders

Board of Directors of the Trustee-Manager:

Mr Gurbachan Singh (Chairman and Independent Director)
Mr Sri Murali s/o Sinnosethi Renganathan (Independent Director)
Mr Mehul Charles Christopher Johnson (Non-Executive Director)
Ms Savita Singh (Independent Director)
Mr Kubeir Khara (Non-Executive Director)

Registered Office:

38 Beach Road
#29-11
South Beach Tower
Singapore 189767

25 May 2016

To: The Unitholders of Indiabulls Properties Investment Trust

Dear Sir / Madam

MANDATORY UNCONDITIONAL CASH OFFER BY DTCF FOR AND ON BEHALF OF THE OFFEROR

1. INTRODUCTION

1.1 Offer Announcement.

On the Offer Announcement Date, DTCF, for and on behalf of the Offeror, announced, *inter alia*, that the Offeror intends to make a mandatory conditional cash offer to acquire all the Offer Units.

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

1.2 Offer Declared Unconditional in all Respects.

As stated in the Offer Unconditional Announcement, the Offeror had acquired 19,000,000 Units (the “**Acquired Units**”) at S\$0.25 in cash per Unit (the “**Second Acquisition**”). The Acquired Units, when taken together with the total number of Units owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees prior to the Second Acquisition, resulted in the Offeror, its related corporations or their respective nominees holding Units carrying more than 50 per cent. of the voting rights attributable to all the Units.

Accordingly, the Offer became and was declared unconditional in all respects on 29 April 2016.

1.3 Offer Document.

Unitholders should by now have received a copy of the Offer Document as announced by DTCF to have been despatched on 11 May 2016, setting out, *inter alia*, the terms and conditions of the Offer.

Unitholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.

A copy of the Offer Document is available for download from the website of the SGX-ST at www.sgx.com.

1.4 Purpose of this Circular.

The purpose of this Circular is to provide Unitholders with relevant information pertaining to the Offer, and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer.

Unitholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix 1 to this Circular carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether or not to accept the Offer.

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

2. THE OFFER

Based on the information set out in the Offer Document, DTCF has, for and on behalf of the Offeror, made the Offer in accordance with Section 139 of the SFA and the Code, to acquire all the Offer Units on the terms and subject to the conditions set out in the Offer Document and the FAA on the basis reproduced below.

2.1 Offer Price.

Section 2.3 of the Offer Document states that the price for each Unit will be as follows:

For each Offer Unit: S\$0.25 in cash (the “Offer Price”).

2.2 Offer Units.

Section 2.2 of the Offer Document states that the Offeror will make the Offer for all the Units not already owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees (the “Offer Units”).

2.3 No Encumbrances.

Section 2.4 of the Offer Document states that the Offer Units will be acquired (a) fully paid; (b) free from any Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions declared, paid or made by IPIT in respect of the Offer Units on or after the Offer Announcement Date.

2.4 Adjustments for Distribution.

Section 2.4.3 of the Offer Document states that if any Distribution is announced, declared, paid or made by IPIT on or after the date of the Offer Announcement Date to a Unitholder who accepts or has accepted the Offer and the settlement date in respect of the Offer Units accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offeror reserves the right to reduce the Offer Price payable to such accepting Unitholder by the amount of such Distribution.

2.5 No Options Offer.

Section 2.6 of the Offer Document states that as at the Latest Practicable Date, based on the latest information available to the Offeror, there are no outstanding options exercisable in respect of Units.

2.6 Warranty.

Section 2.8 of the Offer Document states that a Unitholder who tenders his Offer Units in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Units as or on behalf of the beneficial owner(s) thereof (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions declared, paid or made by IPIT in respect of the Offer Units on or after the Offer Announcement Date.

2.7 Duration of the Offer.

The information on the duration of the Offer is set out in Appendix 1 of the Offer Document, and is reproduced in italics below.

"1. DURATION OF THE OFFER

1.1 First Closing Date. *The Offer is open for acceptance by Unitholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder. **Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 8 June 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.***

1.2 Subsequent Closing Date(s). *The Offeror is not obliged to extend the Offer. However, if the Offer is extended, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Unitholders, as the case may be, who have not accepted the Offer at least 14 days' prior notice in writing before it may close the Offer.*

1.3 Offer to Remain Open for 14 Days. *The Offer for Units will remain open for a period of not less than 14 days after the date on which the Offer for Units would otherwise have closed, unless the Offeror has given Unitholders at least 14 days' notice in writing ("**Shut-Off Notice**") that the Offer for Units will not be open for acceptance beyond a specified Closing Date, provided that:*

1.3.1 *the Offeror may not give a Shut-Off Notice in a competitive situation; and*

1.3.2 *the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.*

For the purposes, a "competitive situation" shall be deemed to arise when either (i) a firm intention to make a competing offer for the Company [sic] is announced, whether or not subject to any preconditions or (ii) the SIC determines that a competitive situation has arisen.

1.4 Revision. *The Offer reserves its right to revise the terms of the Offer at such time and in such manner as it may consider appropriate. If the Offer is revised, the Offer will remain open for acceptances for at least 14 days from the date of posting of the written notification of the revision to Unitholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Unitholders who have previously accepted the Offer."*

2.8 Details of the Offer.

The Offer is made in accordance with the principal terms and conditions as set out in the Offer Document. Further details on, *inter alia*, (a) the duration of the Offer; (b) the settlement of the consideration for the Offer, and (c) the requirements relating to the announcement of the level of acceptances of the Offer are set out in Appendix 1 to the Offer Document.

2.9 Procedures for Acceptance.

Appendix 2 to the Offer Document sets out the procedures for acceptance of the Offer by a Unitholder.

3. DESCRIPTION OF THE OFFEROR AND IBREL

The information on the Offeror and IBREL is set out in section 5 of the Offer Document, and is reproduced in italics below.

“5. DESCRIPTION OF THE OFFEROR AND IBREL

5.1 The Offeror. *The Offeror is a company incorporated in Cyprus on 16 November 2007. Its principal activities are those of a provider of consultancy and advisory services to companies engaged in the business of construction and real estate development. The Offeror is an indirect wholly-owned subsidiary of IBREL. The director of the Offeror is Hamervate Limited.*

Appendix 3 to this Offer Document sets out additional information on the Offeror.

5.2 IBREL. *IBREL is a company incorporated in India, the securities of which are listed on the following stock exchanges: (i) equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited, and (ii) global depository receipts are listed on the Luxembourg Stock Exchange. The businesses that IBREL is engaged in either directly or through its subsidiaries include, inter alia, construction and development of properties, project management, advisory and construction services, real estate development, consultancy services on engineering, industrial and technical matters to various industries such as companies engaged in construction-development of real estate, etc..*

As at the Latest Practicable Date, the directors of IBREL are Mr. Sameer Gehlaut, Mr. Narendra Gehlaut, Mr. Gurbans Singh, Mr. Vishal Damani, Mr. Ashok Brijmohan Kacker, Justice Surinder Sing Nijjar, Justice Bisheshwar Prasad Singh, Mrs. Rama Das, Mr. Shamsher Singh Ahlawat, Mr. Aishwarya Katoch and Brig. Labh Singh Sitara.

Appendix 4 to this Offer Document sets out additional information on IBREL.”

4. IRREVOCABLE UNDERTAKINGS

Section 2.7 of the Offer Document states that neither the Offeror nor any party acting or deemed to be acting in concert with the Offeror has received any irrevocable undertaking from any party to accept or reject the Offer.

5. RATIONALE FOR THE OFFER AND THE OFFEROR’S INTENTIONS RELATING TO IPIT

5.1 Rationale for the Offer and the Offeror’s Intentions in relation to IPIT.

The rationale for the Offer and the Offeror’s intentions relating to IPIT has been extracted from section 7 and 8.1 of the Offer Document and reproduced in italics below.

“7. RATIONALE FOR THE OFFER

The Offeror is making the Offer in compliance with the requirements of the Code, as the Offeror together with parties acting or deemed to be acting in concert with it, had acquired 7,540,300 Units, representing more than one per cent. of the total Units, during a period of six months, as a result of the First Acquisition.

8. THE OFFEROR’S INTENTIONS IN RELATION TO THE TRUST

8.1 The Offeror’s Future Plans for the Trust. *It is the intention of the Offeror that IPIT continues its existing business activities and there are no plans to (i) introduce any major changes to the business of IPIT or the operations of any of its subsidiaries, (ii) re-deploy any of the fixed assets of IPIT, or (iii) discontinue the employment of any of the existing employees of IPIT or its subsidiaries, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to IPIT which may present themselves and which the Offeror may regard to be in the best interests of IPIT.”*

5.2 Compulsory Acquisition and Listing Status.

The Offeror's intentions in relation to the compulsory acquisition and listing status of IPIT are set out in sections 8.2 to 8.4 of the Offer Document and reproduced in italics below.

“8.2 Compulsory Acquisition. Pursuant to Section 40A(1) of the Business Trusts Act, if the Offeror receives valid acceptances pursuant to the Offer or acquires Offer Units during the Offer Period otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. of the Offer Units the Offeror will be entitled to exercise the right to compulsorily acquire all the Units of the Unitholders who have not accepted the Offer (**“Non-Assenting Unitholders”**) on the same terms as those offered under the Offer.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Units not acquired under the Offer. The Offeror will then proceed to delist IPIT from the SGX-ST.

In the event the Offeror is unable to exercise the right to compulsorily acquire all the Offer Units not acquired under the Offer and IPIT does not meet the Unitholding Requirement under Rule 723 of the Listing Manual as set out in Section 8.4 below, the Offeror and parties acting or deemed to be acting in concert with the Offeror do not intend to maintain or support any action taken or to be taken to meet the Unitholding Requirement or maintain the present listing status of IPIT. Accordingly, the Offeror and parties acting or deemed to be acting in concert with the Offeror do not intend to place out any Units held by the Offeror and parties acting or deemed to be acting in concert with the Offeror to members of the public to meet the Unitholding Requirement, and if IPIT does not meet the requirements under Rule 723 of the Listing Manual, the SGX-ST may suspend trading of the Units on the SGX-ST following the close of the Offer.

8.3 Non-Assenting Unitholders' Right. *In addition, Non-Assenting Unitholders have the right under and subject to Section 40A(4) of the Business Trusts Act to require the Offeror to acquire their Units at the Offer Price in the event that the Offeror or its nominees acquire, pursuant to the Offer, such number of Offer Units which, together with the Units held by the Offeror, its related corporations and/or their respective nominees, comprise 90 per cent. or more of the total number of Units. Non-Assenting Unitholders who wish to exercise such rights are advised to seek their own independent legal advice.*

8.4 Listing Status of the Trust. *Under Rule 723 of the Listing Manual, IPIT must ensure that at least 10 per cent. of the total number of Units is at all times held by the public (the “Unitholding Requirement”).*

In addition, under Rule 724 of the Listing Manual, if the Unitholding Requirement is not complied with, IPIT must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Units on the SGX-ST. Rule 725 of the Listing Manual states that the SGX-ST may allow IPIT a period of three months, or such longer period as the SGX-ST may agree, for the proportion of the Units held by members of the public to be raised to at least 10 per cent., failing which IPIT may be de-listed from the SGX-ST.

*As announced by the Trustee-Manager in an announcement released on 29 April 2016 on SGXNET (**“Loss of Free Float Announcement”**), as a result of the First Acquisition, the percentage unitholding interest in IPIT in the hands of public unitholders (after excluding (i) the direct or indirect unitholding interest of 48.51 per cent. held by the Offeror and (ii) the direct or indirect unitholding interests of approximately 42.05 per cent. held by the other substantial unitholders of IPIT in aggregate) has fallen below 10 per cent. of the total number of Units. Accordingly, the Trustee-Manager announced that the SGX-ST may suspend trading of the Units pursuant to Rules 724 , 1105 and 1303(1) of the Listing Manual.*

On 4 May 2016, DTCF announced, for and on behalf of the Offeror, that the total number of Units owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees is 386,220,423 resulting in the direct or indirect unitholding interest of the Offeror, its related corporations and their respective nominees in the Trust to be 51.22 per cent. (**“Current Unitholding Percentage”**). Based on the Offeror's Current Unitholding Percentage and assuming that the direct or indirect unitholding interests of the other substantial unitholders of the Trust is approximately 42.05 per cent. in aggregate (as announced by the Trustee-Manager in the Loss of Free Float Announcement), the percentage unitholding interest in IPIT in the hands of public Unitholders would be less than 7 per cent..

Under Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting or deemed to be acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the Units, the SGX-ST may suspend the trading of the Units on the SGXST until such time when the SGX-ST is satisfied that at least 10 per cent. of the Units are held by at least 500 Unitholders who are members of the public.

As mentioned in Section 8.2 above, in the event the Offeror is unable to exercise the right to compulsorily acquire all the Offer Units not acquired under the Offer and IPIT does not meet the Unitholding Requirement under Rule 723 of the Listing Manual, the Offeror and parties acting or deemed to be acting in concert with the Offeror do not intend to maintain or support any action taken or to be taken to meet the Unitholding Requirement or maintain the present listing status of IPIT.

Accordingly, the Offeror and parties acting or deemed to be acting in concert with the Offeror do not intend to place out any Units held by the Offeror and parties acting or deemed to be acting in concert with the Offeror to members of the public to meet the Unitholding Requirement, and if IPIT does not meet the requirements under Rule 723 of the Listing Manual, the SGX-ST may suspend trading of the Units on the SGX-ST following the close of the Offer.”

6. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in IPIT Securities as at the Latest Practicable Date are set out in Appendix 2 to this Circular.

7. ADVICE AND RECOMMENDATIONS IN RELATION TO THE OFFER

7.1 Appointment of Independent Financial Adviser.

Provenance Capital Pte. Ltd. has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

7.2 Independence of Directors.

Mr Mehul Charles Christopher Johnson is the President of IBREL and is responsible for the management of a large part of its business. In addition, he is a director of various subsidiaries of IBREL.

Mr Kubeir Khera is the Executive Vice President of IBREL and is currently head of sales and marketing. In addition, he is a director of various subsidiaries of IBREL.

As each of Mr Mehul Charles Christopher Johnson and Mr Kubeir Khera (the **“Excluded Directors”**) is acting in concert with the Offeror in connection with the Offer, they will be deemed as having conflicts of interest in relation to the Offer that would render it inappropriate for them to join the Independent Directors in making a recommendation to Unitholders in connection with the Offer.

On 30 March 2016, the SIC ruled that the Excluded Directors are exempted from the requirement to make a recommendation on the Offer as they face an irreconcilable conflict of interest in doing so, being presumed concert parties of the Offeror.

The Directors who are considered independent for the purposes of the offer and who will be required to make a recommendation to Unitholders in respect of the Offer are Mr Gurbachan Singh, Mr Sri Murali s/o Sinnothei Renganathan and Ms Savita Singh.

All the Directors (including, for the avoidance of doubt, the Excluded Directors) are jointly and severally responsible for the accuracy of facts stated and completeness of the information given by the Trustee-Manager to Unitholders on the Offer, including information contained in announcements and documents issued by or on behalf of IPIT in connection with the Offer.

7.3 Advice of the IFA to the Independent Directors in relation to the Offer

The advice of the IFA to the Independent Directors on the Offer is set out in the IFA Letter annexed as Appendix 1 to this Circular.

The advice of the IFA to the Independent Directors in respect of the Offer has been extracted from the IFA Letter and is reproduced in italics below:

“7. OUR RECOMMENDATIONS TO THE INDEPENDENT DIRECTORS ON THE OFFER

In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment of the Offer:

- (a) Market quotation and trading activity of the Units;*
- (b) Financial performance of the IPIT Group;*
- (c) NTA and RNTA of the IPIT Group;*
- (d) Comparison with recently completed privatisation and delisting of companies, REITs and business trusts listed on the SGX-ST;*
- (e) Comparison of valuation ratios of selected listed REITs and business trusts which are broadly comparable with IPIT;*
- (f) Distribution track record of IPIT; and*
- (g) Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment.*

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the financial terms of the Offer are not fair from the perspective of the value of the Units but reasonable on other matters.

Unitholders should note that as at the Latest Practicable Date, the public float of IPIT has fallen to 6.41%. Given the intentions of the Offeror to delist from the SGX-ST and not to take any actions to maintain the listing status of IPIT on the SGX-ST, accordingly, trading on the Units on the SGX-ST will be suspended after the close of the Offer.

Unitholders who have not accepted the Offer may face difficulties if they wish to sell their Units in the absence of a public trading platform for the Units, if the trading on the Units is suspended or if IPIT is delisted from the SGX-ST, as there is no arrangement for Unitholders to exit. Even if such Unitholders were able to sell their Units, they may receive a lower price as compared to the Offer Price.

Accordingly, we advise the Independent Directors to recommend Unitholders to ACCEPT the Offer or to sell their Units in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs)."

Unitholders are advised to read and consider carefully the full text of the IFA Letter which is set out in Appendix 1 of this Circular.

7.4 Recommendations of the Independent Directors.

The Independent Directors, having considered carefully the terms of the Offer and the advice given by the IFA to the Independent Directors in the IFA Letter, have set out below their recommendation on the Offer:

Having taken the above matters into consideration, the Independent Directors concur with the advice of the IFA in respect of the Offer and accordingly recommend that Unitholders ACCEPT the Offer or sell their Units in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs).

In rendering the above advice and making the above recommendation, the Independent Directors have not had regard to the specific investment objectives, financial situation, risk profiles, tax position and/or unique needs and constraints of any individual Unitholder. As different Unitholders would have different investment profiles and objectives, the Independent Directors recommend that any individual Unitholder who may require specific advice in relation to his Units should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

Unitholders should read and consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer in their entirety before deciding whether to accept or reject the Offer. Unitholders are also urged to read the Offer Document carefully.

8. OVERSEAS UNITHOLDERS

Overseas Unitholders should refer to section 12 of the Offer Document, which is reproduced in italics below.

"12. OVERSEAS PERSONS

12.1 Overseas Persons. *This Offer Document, the FAA and/or any related documents do not constitute an offer to sell or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document, the FAA and/or any related documents in any jurisdiction in contravention of applicable law.*

For the avoidance of doubt, the Offer is open to all Unitholders, including those to whom this Offer Document, the FAA and/or any related documents may not be sent.

The availability of the Offer to Overseas Persons may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Persons should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

12.2 Copies of Documents. *Where there are potential restrictions on sending this Offer Document, the FAA and/or any related documents to any overseas jurisdictions, the Offeror and DTCF each reserves the right not to send this Offer Document, the FAA and/or any related documents to such overseas jurisdictions. Any affected Overseas Person may nonetheless obtain copies of this Offer Document, the FAA and/or any related documents during normal business hours from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Alternatively, an affected Overseas Person may write to CDP at Robinson Road Post Office P.O. Box 1984, Singapore 903934 or to the Registrar at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 to request this Offer Document to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.*

12.3 Overseas Jurisdiction. *It is the responsibility of any Overseas Person who wishes to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements. Such Overseas Person shall be liable for any such taxes, imposts, duties or other requisite payments payable in such jurisdictions and the Offeror, its related corporations, DTCF, CDP, the Registrar and/or any other person acting on its behalf shall be fully indemnified and held harmless by such Overseas Persons for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, DTCF, CDP, the Registrar and/or any other person acting on its behalf may be required to pay. In (i) requesting for this Offer Document, the FAA and/or any related documents and (ii) accepting the Offer, the Overseas Person represents and warrants to the Offeror and DTCF 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 Unitholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.*

12.4 Notice. *The Offeror and DTCF each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all of the Unitholders (including Overseas Persons) 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 Unitholder (including an Overseas Person) to receive or see such announcement or advertisement.”*

This Circular and any related documents may not be sent to certain Overseas Unitholders due to the potential restrictions on sending such documents to overseas jurisdictions. Any affected Overseas Unitholder may, nevertheless, obtain copies of this Circular during normal business hours up to the Closing Date, from the offices of the Registrar at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623. Alternatively, any Overseas Unitholder may write to the Registrar at the aforementioned address to request for this Circular and any related documents to be sent to an address in Singapore by ordinary post at his own risk (the last date for despatch in respect of such request shall be a date falling five (5) Market Days prior to the Closing Date).

In requesting for this Circular and any related documents, each of the Overseas Unitholders represents and warrants to IPIT that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

9. INFORMATION PERTAINING TO SRS INVESTORS

SRS Investors should refer to section 13.2 of the Offer Document, which is reproduced in italics below.

“13.2.Information Pertaining to SRS Investors. *SRS Investors should receive further information on how to accept the Offer from their respective SRS Agent Banks. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks, which may be earlier than the Closing Date.*

SRS Investors who validly accept the Offer through appropriate intermediaries will receive the Offer Price payable in respect of their Offer Units in their respective SRS investment accounts.”

10. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore time) on 8 June 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror. Unitholders should refer to Appendix 2 of the Offer Document, and the accompanying FAA for the procedures for acceptance of the Offer.

Unitholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document (including the FAA) which have been sent to them.

11. RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than the Excluded Documents and those relating to the Offeror) are fair and accurate and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Circular have been arrived at after due and careful consideration and there are no other facts not contained in this Circular, the omission of which would make any statement in this Circular misleading, and they jointly and severally accept full responsibility accordingly.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect of the Group are factual and accurate.

The recommendation of the Independent Directors to the Unitholders set out in section 7.4 of this Circular is the sole responsibility of the Independent Directors.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

Yours faithfully

For and on behalf of the
Board of Directors of
INDIABULLS PROPERTY MANAGEMENT TRUSTEE PTE. LTD.
As Trustee-Manager of
INDIABULLS PROPERTIES INVESTMENT TRUST

APPENDIX 1

LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

25 May 2016

To: The Independent Directors of Indiabulls Property Management Trustee Pte. Ltd.,
as Trustee-Manager of Indiabulls Properties Investment Trust
(deemed to be independent in respect of the Offer)

Mr Gurbachan Singh	(Chairman and Independent Director)
Mr Sri Murali s/o Sinnothei Renganathan	(Independent Director)
Ms Savita Singh	(Independent Director)

Dear Sirs / Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY DELOITTE & TOUCHE CORPORATE FINANCE PTE. LTD., FOR AND ON BEHALF OF GRAPENE LIMITED, TO ACQUIRE ALL THE ISSUED UNITS IN INDIABULLS PROPERTIES INVESTMENT TRUST OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY GRAPENE LIMITED, ITS RELATED CORPORATIONS OR THEIR RESPECTIVE NOMINEES

Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the unitholders of Indiabulls Properties Investment Trust ("Unitholders") dated 25 May 2016 ("Circular"). For the purpose of our IFA Letter, where applicable, we have used the foreign exchange rates of S\$1.00:INR49.2509 and US\$1.00:S\$1.3493 on 27 April 2016, being the Offer Announcement Date. The above foreign exchange rate is extracted from published information by Bloomberg L.P. and is provided solely for information only.

1. INTRODUCTION

Offer Announcement Date

On 27 April 2016 ("**Offer Announcement Date**"), Deloitte & Touche Corporate Finance Pte Ltd ("**DTCF**") announced ("**Offer Announcement**"), for and on behalf of Grapene Limited ("**Offeror**"), an indirect wholly-owned subsidiary of Indiabulls Real Estate Limited ("**IBREL**"), that the Offeror had on 27 April 2016 acquired 7,540,300 units in Indiabulls Properties Investment Trust ("**IPIT**", together with its subsidiaries, "**IPIT Group**"), representing approximately 1.00% of the total number of units in issue ("**Units**"), at S\$0.20 in cash per Unit ("**First Acquisition**"). As a result of the First Acquisition, the Offeror and parties acting in concert with it had increased their interests in the Units from 47.51% to 48.51%. As at the Offer Announcement Date, IPIT has a total of 754,028,697 Units in issue.

Pursuant to the requirements under the Singapore Code on Take-overs and Mergers ("**Code**"), the Offeror is required to make a mandatory general offer ("**Offer**") for all the Units, other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees ("**Offer Units**").

The Offeror had announced that the Offer will be made at the offer price of S\$0.25 in cash for each Offer Unit ("**Offer Price**").

The Offer is conditional upon the Offeror having received by the close of the Offer valid acceptances (which have not been withdrawn) in respect of such number of Offer Units which, when taken together with the Units owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror, will result in the Offeror and the parties acting or deemed to be acting in concert with the Offeror holding such number of Units carrying more than 50.0% of the voting rights attributable to all the Units as at the close of the Offer ("**Minimum Acceptance Condition**").

Offer declared unconditional in all respects

On 29 April 2016, DTCF announced, for and on behalf of the Offeror, that the Offeror had on 29 April 2016 acquired 19,000,000 Units at S\$0.25 in cash per Unit ("**Second Acquisition**"). As a result of the Second Acquisition, the total number of Units owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees had amounted to an aggregate of 384,766,623 Units, representing approximately 51.03% of the total number of issued Units. Accordingly, the Acceptance Condition had been fulfilled and the Offer was declared unconditional in all respects ("**Unconditional Announcement**").

The Offeror had acquired further Units on 3 and 4 May 2016. By 4 May 2016, being the latest practicable date prior to the printing of the Offer Document, the Offeror and parties acting in concert with it had acquired direct and indirect unitholding interests of 51.22%.

On 11 May 2016, DTCF announced, for and on behalf of the Offeror, that the Offer Document setting out, *inter alia*, the terms and conditions of the Offer had been despatched to Unitholders on the same day.

As at 17 May 2016, being the latest practicable date prior to the printing of the Circular ("**Latest Practicable Date**"), the Offeror and parties acting in concert with it had accumulated direct and indirect unitholding interests of 51.54%.

Loss of public float

As a result of the First Acquisition, the Trustee-Manager had announced, for and on behalf of IPIT on 29 April 2016, that the percentage of Units held in the hands of public Unitholders (after excluding the unitholdings by the Offeror and parties acting in concert with it, and the unitholdings held by other substantial Unitholders of approximately 42.05%) had fallen to below 10.0% of the total number of Units.

Following further purchases of Units in the open market, the Offeror and parties acting in concert with it had accumulated an aggregate interest of 51.22% of the total number of Units. As disclosed in the Offer Document, on the assumption that the other substantial Unitholders' aggregate direct and indirect interests in the Units is at approximately 42.05%, the percentage unitholding interest in IPIT held in the hands of public Unitholders would be less than 7.0%.

As at the Latest Practicable Date, based on publicly available information, the Offeror and parties acting in concert with it had accumulated an aggregate interest of 51.54% of the total number of Units. On the assumption that the other substantial Unitholders' aggregate direct and indirect interests in the Units is at approximately 42.05%, the percentage unitholding interest in IPIT held in the hands of public Unitholders is approximately 6.41%.

Our role as Independent Financial Adviser to the Offer

In connection with the Offer, IPIT has appointed Provenance Capital Pte. Ltd. ("**Provenance Capital**") as the independent financial adviser ("**IFA**") to the Directors of the Trustee-Manager who are considered independent in respect of the Offer ("**Independent Directors**"), for the purpose of making their recommendation to the Unitholders in relation to the Offer.

IPIT is a business trust registered pursuant to the Business Trusts Act, Chapter 31A of Singapore, with Indiabulls Property Management Trustee Pte. Ltd. as its Trustee-Manager. The Trustee-Manager is under a duty to take into custody and hold the assets of IPIT on trust for and on behalf of the Unitholders.

The Directors of the Trustee-Manager are Mr Gurbachan Singh, Mr Sri Murali s/o Sinnotheri Renganathan, Mr Mehul Charles Christopher Johnson, Ms Savita Singh and Mr Kubeir Khera.

In respect of the Offer, the non-executive Directors of the Trustee-Manager, Mr Mehul Charles Christopher Johnson and Mr Kubeir Khera, are deemed non-independent as they are serving as the President and the Executive Vice President of IBREL respectively.

The Trustee-Manager has confirmed to us that the remaining Directors of the Trustee-Manager, namely, Mr Gurbachan Singh, Mr Sri Murali s/o Sinnothei Renganathan and Ms Savita Singh are deemed Independent Directors for the purpose of the Offer.

This letter ("**Letter**") is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and advice on the financial terms of the Offer and our recommendations on the Offer. This Letter forms part of the Circular which provides, *inter alia*, the details of the Offer and the recommendations of the Independent Directors on the Offer.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA to advise the Independent Directors in respect of their recommendation to the Unitholders in relation to the Offer.

We have confined our evaluation and assessment to the financial terms of the Offer, and have not taken into account the commercial risks or commercial merits of the Offer. In addition, we have not been requested to, and we do not express any advice or give any opinion on the merits of the Offer relative to any other alternative transaction. We were not involved in the negotiations pertaining to the Offer nor were we involved in the deliberations leading up to the decision to put forth the Offer to the Unitholders.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position or earnings potential of IPIT. Such evaluation or comments remain the responsibility of the Directors although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the Directors, and is predicated upon the economic and market conditions prevailing as at 17 May 2016, being the Latest Practicable Date as referred to in the Circular. This Letter therefore does not reflect any projections on the future financial performance of the IPIT Group and we do not express any views as to the prices at which the Units may trade after the completion of the Offer.

We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Units. In that regard, we have not addressed the relative merits of the Offer in comparison with any alternative transaction IPIT may consider in the future. Therefore, we do not express any views in these areas in arriving at our recommendation.

In formulating our opinion and recommendation, we have held discussions with the Directors and the management of the Trustee-Manager ("**Management**") and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by IPIT, the Trustee-Manager and its professional advisers. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information both written and verbal and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. Nonetheless, we have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

The Directors have confirmed, having made all reasonable enquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Offer and IPIT have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to IPIT stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

We have not made an independent evaluation or appraisal of the assets and liabilities of IPIT (including without limitation, property, plant and equipment). The Trustee-Manager had, however, earlier on commissioned the independent valuer, Knight Frank (India) Private Limited ("**Valuer**"), to carry out an independent market valuation of all the IPIT Group's investment properties and development properties in connection with the financial results of the IPIT Group for the financial year ended 31 March 2016. A copy of the above independent property valuation summary report dated 22 April 2016 ("**Valuation Summary Report**") had been provided to us, an extract of which is attached as Appendix 4 to the Circular ("**Extract of the Valuation Summary Report**").

In connection with the Offer, IPIT had requested and the Valuer had confirmed that their valuation opinion as stated in the Extract of the Valuation Summary Report is still valid and applicable for the purpose of the Offer.

The IPIT Group's properties being valued pertain to the following:

<i>Held by Indiabulls Properties Private Limited, 100.0% owned by the IPIT Group</i>	
Commercial component:	One Indiabulls Centre
Residential component:	Indiabulls Sky Indiabulls Sky Forest
Location:	City Survey No. 841 and 882 Senapati Bapat Marg (Tulsi pipeline Road) Lower Parel, Mumbai, Maharashtra India
<i>Held by Indiabulls Real Estate Company Private Limited, 100.0% owned by the IPIT Group</i>	
Commercial component:	Indiabulls Finance Centre
Residential component:	Indiabulls Sky Suites
Location:	City Survey No. 612/613 Senapati Bapat Marg (Tulsi pipeline Road) Lower Parel, Mumbai, Maharashtra India

We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the Valuation Summary Report for such asset appraisals and have not made any independent verification of the contents thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuation contained in the Valuation Summary Report or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including the Code.

The information we had relied on in the assessment of the Offer was based on market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, which may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or assumptions contained herein. Unitholders should take note of any announcements relevant to their consideration of the Offer, as the case may be, which may be released after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Unitholder. As each Unitholder may have different investment profiles and objectives, we advise the Directors to recommend that any Unitholder who may require

specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

IPIT and the Trustee-Manager have been separately advised by their own professional advisers in the preparation of the Circular. We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular. Accordingly, we take no responsibility for and express no view, whether expressed or implied, on the contents of the Circular.

Whilst a copy of this Letter may be reproduced in the Circular, neither IPIT, the Trustee-Manager nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

Our opinion is addressed to the Independent Directors for their benefit and deliberation of the Offer. The recommendation made to the Unitholders in relation to the Offer, as the case may be, shall remain the sole responsibility of the Independent Directors.

Our recommendation to the Independent Directors in relation to the Offer should be considered in the context of the entirety of this Letter and the Circular.

3. THE OFFER

The detailed terms and conditions of the Offer are set out in Section 2 and Appendix 1 to the Offer Document. The key terms of the Offer are set out below for your reference.

3.1 Offer Price

The consideration for each Offer Unit is:

For each Offer Unit: S\$0.25 in cash.

3.2 Offer Units

The Offer is extended, on the same terms and conditions, to all the Offer Units.

3.3 Rights and Encumbrances

The Offer Units will be acquired:

- (a) fully paid-up;
- (b) free from any Encumbrances; and
- (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions declared, paid or made by IPIT in respect of the Offer Units on or after the Offer Announcement Date. **If any Distribution is announced, declared, paid or made by IPIT on or after the Offer Announcement Date to a Unitholder who accepts or has accepted the Offer and the settlement date in respect of the Offer Units accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offeror reserves the right to reduce the Offer Price payable to such accepting Unitholder by the amount of such Distribution.**

Since the Offer Announcement Date and up to the Latest Practicable Date, we note that IPIT has not made or declared any dividend, right, distribution or return of capital.

3.4 Unconditional Offer

The Offer is unconditional in all respects.

3.5 Warranty

A Unitholder who tenders his Offer Units in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Units as or on behalf of the beneficial owner(s) thereof (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions declared, paid or made by IPIT in respect of the Offer Units on or after the Offer Announcement Date.

3.6 Closing Date

The first closing date of the Offer is at 5.30 p.m. (Singapore time) on 8 June 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

The Offer for the Units will remain open for a period of not less than 14 days after the date on which the Offer for Units would otherwise have closed, unless the Offeror has given unitholders at least 14 days' notice in writing ("**Shut-Off Notice**") that the Offer for Units will not be open for acceptance beyond a specified closing date, provided that the Offeror may not give a Shut-Off Notice in a competitive situation, and the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

3.7 Further details of the Offer

Further details of the Offer, including details on (a) the duration of the Offer and the settlement of the consideration for the Offer; and (b) procedures for acceptance of the Offer are set out in Appendices 1 and 2 to the Offer Document respectively.

4. INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

Offeror

As disclosed in the Offer Document, the Offeror is a company incorporated in Cyprus on 16 November 2007. Its principal activities are those of a provider of consultancy and advisory services to companies engaged in the business of construction and real estate development. The Offeror is an indirect wholly-owned subsidiary of IBREL. The director of the Offeror is Hamervate Limited.

The Offeror has an issued and paid-up capital of €4,000 comprising 2,000 ordinary shares (of par value €1 each) and 2,000 preference shares (of par value €1 each).

As disclosed in the Offer Document, for the financial year ended 31 March 2016, the Offeror reported net profit for the year of approximately US\$0.1 million (S\$0.2 million) and the Offeror had total shareholders' funds of US\$646.3 million (S\$872.0 million) as at 31 March 2016.

Further details on the Offeror are set out in Appendix 3 to the Offer Document.

IBREL

IBREL is a company incorporated in India, the securities of which are listed on the following stock exchanges: (i) equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited, and (ii) global depository receipts are listed on the Luxembourg Stock Exchange.

IBREL is engaged in the businesses, *inter alia*, of construction and development of properties, project management, advisory and construction services, real estate development, consultancy services on engineering, industrial and technical matters to various industries including companies engaged in construction-development of real estate etc., either directly or through its subsidiaries.

As disclosed in the Offer Document, for the financial year ended 31 March 2016, IBREL reported net profit for the year after minority interests of INR3,050.5 million (S\$61.9 million) and had total shareholders' funds (excluding minority interests) of INR78,444.4 million (S\$1,592.8 million) as at 31 March 2016.

IBREL is the sponsor of IPIT. According to the annual report of IPIT for the financial year ended 31 March 2015, IBREL is the third largest real estate company in India with an asset base of S\$4.6 billion and net worth of S\$1.5 billion. As at the Latest Practicable Date, IBREL has a market capitalisation of approximately INR44.8 billion (S\$909.5 million). (*Source: Bloomberg L.P.*)

Further details relating to IBREL are set out in Appendix 4 to the Offer Document.

As at the Latest Practicable Date, based on publicly available information, the Offeror and parties acting in concert with it had an aggregate interest of 51.54% of the total number of Units. On the assumption that the other substantial shareholders' aggregate direct and indirect interests in the Units is at approximately 42.05%, the percentage unitholding interest in IPIT held in the hands of public Unitholders is approximately 6.41%.

Rationale for the Offer and the Offeror's intentions on IPIT

The Offeror is making the Offer in compliance with the requirements of the Code, as the Offeror and parties acting in concert with it had acquired Units representing more than 1.0% of the total Units during a period of six months as a result of the First Acquisition.

It is the intention of the Offeror that IPIT continues its existing business activities and there are no plans to (i) introduce any major changes to the business of IPIT or the operations of any of its subsidiaries, (ii) re-deploy any of the fixed assets of IPIT, or (iii) discontinue the employment of any of the existing employees of IPIT or its subsidiaries, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to IPIT which may present themselves and which the Offeror may regard to be in the best interests of IPIT.

It is also the intention of the Offeror, if it is entitled, to exercise its right of compulsory acquisition to acquire all the remaining Units that it and parties acting in concert with it do not own pursuant to Section 40A(1) of the Business Trusts Act on the same terms as those offered under the Offer. Thereafter, the Offeror will proceed to delist IPIT from the SGX-ST.

In the event that the Offeror is unable to exercise the right of compulsory acquisition and IPIT does not meet the minimum free float requirement of at least 10.0% under Rule 723 of the Listing Manual, the Offeror and parties acting in concert with it have expressed that they do not intend to maintain or support any action taken or to be taken to meet the public float requirement or maintain the present listing status of IPIT. If IPIT does not meet the public float requirement under Rule 723 of the Listing Manual, the SGX-ST may suspend trading of the Units on the SGX-ST following the close of the Offer. As identified above, the percentage unitholding interest in IPIT held in the hands of public Unitholders is approximately 6.41% and thereby below the 10.0% threshold as defined under Rule 723 of the Listing Manual.

Further details in relation to the Offeror's intentions on IPIT are set out in Section 8 of the Offer Document.

5. INFORMATION ON IPIT

IPIT is a registered business trust constituted under the trust deed dated 7 May 2008 (as amended by a first supplemental deed dated 29 May 2008) ("**Trust Deed**") and registered pursuant to the Business Trusts Act, Chapter 31A of Singapore, with Indiabulls Property Management Trustee Pte. Ltd. as its Trustee-Manager. The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee-Manager is under a duty to take into custody and hold the assets of IPIT on trust for and on behalf of the Unitholders.

The ultimate holding company of the Trustee-Manager is IBREL and IBREL is the sponsor of IPIT.

IPIT was formally admitted to the official list of SGX-ST on 11 June 2008.

As at the Latest Practicable Date, the Trustee-Manager has an issued and paid-up share capital of US\$100,000 comprising 100,000 shares in issue and there are no shares held in treasury. The Directors of the Trustee-Manager are:

- Mr Gurbachan Singh – Chairman & Independent Director;
- Mr Sri Murali s/o Sinnothei Renganathan – Independent Director;
- Mr Mehul Charles Christopher Johnson – Non-executive Director;
- Ms Savita Singh – Independent Director; and
- Mr Kubeir Khara – Non-Executive Director.

Mr Mehul Charles Christopher Johnson serves as the President of IBREL and is responsible for a large part of its business. He is also a director of various subsidiaries of IBREL. Mr Kubeir Khara serves as the Executive Vice President of IBREL and is currently head of sales and marketing. He is also a director of various subsidiaries of IBREL.

IPIT had carried out a unit consolidation exercise ("**Unit Consolidation Exercise**") on the basis of five (5) units to be consolidated into one (1) Unit which became effective on 25 August 2015. Following the Unit Consolidation Exercise and as at the Latest Practicable Date, IPIT has a total of 754,028,697 Units in issue and there are no outstanding instruments convertible into or options in respect of Units which carry voting rights in IPIT.

Based on the Offer Price of S\$0.25 and the total number of issued Units as at the Latest Practicable Date of 754,028,697 Units, the implied market capitalisation of IPIT is approximately S\$188.5 million.

The principal activities of IPIT are to achieve competitive long term returns by investing in, either directly or indirectly, primarily in income-producing properties globally, with at least the majority comprising income-producing commercial / hospitality space, acquiring and/or developing properties globally (with at least the majority of IPIT's assets comprising commercial / hospitality space) and either holding or selling all or a portion of developed properties upon completion and investing in real-estate related assets in connection with the foregoing.

Additional information on IPIT is set out in Appendix 2 to the Circular.

6. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In evaluating and assessing the financial terms of the Offer, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

- (a) Market quotation and trading activity of the Units;
- (b) Financial performance of the IPIT Group;
- (c) Net Tangible Asset ("**NTA**") and Revalued NTA ("**RNTA**") of the IPIT Group;

- (d) Comparison with recently completed privatisation and delisting of companies, REITs and business trusts listed on the SGX-ST;
- (e) Comparison of valuation ratios of selected listed REITs and business trusts which are broadly comparable with IPIT;
- (f) Distribution track record of IPIT; and
- (g) Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment.

6.1 Market quotation and trading activity of the Units

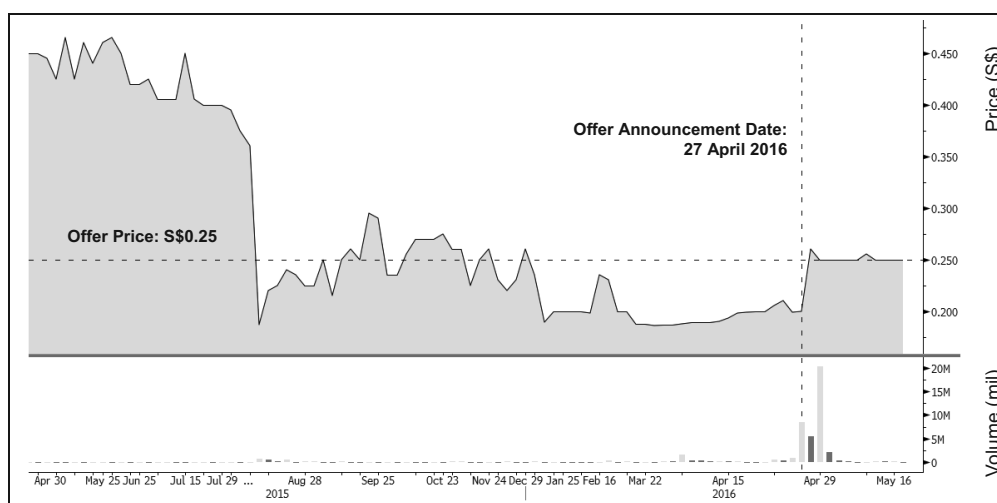
We note that the Units had traded for most of the day on 27 April 2016, being the Offer Announcement Date, until the request for the trading halt on the Units in the late afternoon. The Offer Announcement was subsequently released after trading hours on 27 April 2016.

We have therefore compared the Offer Price against the historical market price performance of the Units and considered the historical trading volume of the Units from 28 April 2015, being the 1-year period prior to the Offer Announcement Date, and up to the Latest Practicable Date (“Period Under Review”).

Price Chart of the Units

We set out below a chart showing the Offer Price relative to the daily last transacted prices and trading volume of the Units for the Period Under Review:

**Price movement and trading volume of the Units
for the Period Under Review**



Source: Bloomberg L.P.

The Unit Consolidation Exercise on the basis of five (5) units into one (1) Unit was announced on 22 June 2015 and became effective on 25 August 2015. In a perfect market situation, other things being equal, the unit consolidation exercise would not have resulted in any significant price deviation on an adjusted basis. As an illustration, the units were last traded at S\$0.09 prior to the announcement of the Unit Consolidation Exercise on 22 June 2015. On an adjusted consolidation basis, the Units should be trading at S\$0.45. However, as can be seen from the price chart above, there was a significant drop in the trading price of the Units towards S\$0.20 in August 2015, probably reflecting the market sentiments on the Units.

Units thereafter were trading broadly at between S\$0.20 and S\$0.27, and since the beginning of 2016, the Units had been trading below the Offer Price until the Offer Announcement Date. After the Offer Announcement Date and up to the Latest Practicable Date, the Units have traded at or close to the Offer Price.

Trading activity on the Units over the last one year before the Offer Announcement was low. On a monthly basis, the Units were only traded between four and nine days in each month out of an average of 20 trading days in a month.

Market Statistics

In addition to the price chart above, we have tabulated below selected statistical information on the price performance and trading liquidity of the Units for the Period Under Review.

Reference period	Highest traded price (S\$)	Lowest traded price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium / (Discount) of Offer Price over / (to) VWAP (%)	Number of traded days ⁽²⁾	Average daily trading volume ⁽³⁾ ('000)	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
Prior to the release of the Offer Announcement							
Last 1 year	0.465	0.151	0.206	21.4	85	72	0.09
Last 6 months	0.270	0.181	0.199	25.6	39	120	0.15
Last 3 months	0.235	0.181	0.198	26.3	26	231	0.29
Last 1 month	0.210	0.185	0.197	26.9	17	593	0.75
27 April 2016 (being the last trading day prior to the release of the Offer Announcement)	0.210	0.200	0.200	25.0	1	8,550	10.86
After the Offer Announcement Date							
28 April 2016 to the Latest Practicable Date	0.260	0.245	0.250	0.0	11	2,227	2.83
Latest Practicable Date	0.250	0.250	0.250	0.0	1	7	0.01

Source: Bloomberg L.P.

Notes:

- (1) The volume-weighted average price ("VWAP") for the respective periods are calculated based on the daily VWAP turnover divided by VWAP volume as extracted from Bloomberg L.P.. VWAP turnover is computed based on the aggregate daily turnover value of the Units and VWAP volume is computed based on the aggregate daily trading volume of the Units for the respective periods. Off market transactions are excluded from the calculation;
- (2) Traded days refer to the number of days on which the Units were traded on the SGX-ST during the period;
- (3) The average daily trading volume of the Units is computed based on the total volume of Units traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halts on the Units) during that period; and
- (4) Free float refers to the Units other than those directly and deemed held by the Directors and substantial Unitholders of IPIT. For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 78.7 million Units based on the estimated free float of 10.44% of the total number of Units, excluding Units held by the substantial Unitholders prior to the Offer Announcement.

We observe the following with regard to the price performance of the Units for the Period Under Review:

- (a) Over the 1-year period prior to the release of the Offer Announcement, the Units have traded between a low of S\$0.151 and a high of S\$0.465. The Offer Price represents a premium of S\$0.099 (or 65.6%) above the lowest transacted price and a discount of S\$0.215 (or 46.2%) to the highest transacted price of the Units respectively;
- (b) The Offer Price represents a premium of approximately 21.4%, 25.6%, 26.3% and 26.9% above the VWAP of the Units for the 1-year, 6-month, 3-month and 1-month periods prior to the release of the Offer Announcement respectively;
- (c) The Offer Price represents a premium of 25.0% above the last transacted price of the Units of S\$0.20 on 27 April 2016, being the day when the Units were last traded prior to the release of the Offer Announcement. The Offeror had set the Offer Price at a premium of 25.0% above its purchase price of the Units of S\$0.20 each in the open market on 27 April 2016, which then triggered the mandatory general offer for IPIT; and
- (d) Since the Offer Announcement Date and up to the Latest Practicable Date, the Units had traded at or close to the Offer Price of between S\$0.245 and S\$0.260. The Offer appears to have served as a catalyst for the Units to trade up to its highest level since January 2016. We note that bulk of the trades done on the Units was transacted at S\$0.25 and most of the Unit transactions were attributable to purchases made by the Offeror. As an illustration, of the total volume of 28.9 million Units traded between 28 April 2016 and the Latest Practicable Date, approximately 72.2% of the total Units traded were purchases made by the Offeror and at the price of S\$0.250. As at the Latest Practicable Date, the Units were last transacted at the Offer Price of S\$0.25.

We observe the following with regard to the trading liquidity of the Units:

- (i) Over the 1-year period prior to the release of the Offer Announcement, the Units were not frequently traded on a daily basis throughout the period and trading liquidity on the Units was low. The average daily trading volume of the Units for the 1-year, 6-month, 3-month and 1-month periods prior to the release of the Offer Announcement represented 0.09%, 0.15%, 0.29% and 0.75% of the free float of the Units respectively; and
- (ii) During the period following the Offer Announcement Date and up to the Latest Practicable Date, the average daily trading volume on the Units increased significantly, presumably as a reaction to the Offer and also due to the market purchases by the Offeror. Average daily trading volume was approximately 2.2 million Units, representing 2.8% of the free float of the Units, which is significantly higher when compared to the 1-year period prior to the release of the Offer Announcement. As pointed out in (d) above, the bulk of the Units traded on the SGX-ST were purchases made by the Offeror.

6.2 Financial performance of the IPIT Group

We set out below a summary of the key financial results of the IPIT Group for the last three financial years ended 31 March 2014, 2015 and 2016, that is, FY2014, FY2015 and FY2016.

As disclosed in the Annual Report 2014–2015 of IPIT, the consolidated financial statements of the IPIT Group are presented in S\$ as the financial statements are meant primarily for users in Singapore. The functional currency of the IPIT Group is Indian Rupees (“INR”).

S\$'000	Audited		Unaudited
	FY2014	FY2015	FY2016
Total property and other income	93,842	102,749	103,537
Total property expenses	(39,881)	(35,312)	(39,620)
Net property income	53,961	67,437	63,917
Finance costs	(50,188)	(59,833)	(58,756)
Trust expenses	(7,610)	(9,226)	(9,055)
Changes in fair value of investment properties	(74,665)	–	–
Loss before tax	(78,502)	(1,622)	(3,894)
Income tax (expense)/credit	21,909	(1,387)	4,698
Profit / (loss) for the year attributable to Unitholders	(56,593)	(3,009)	804

Source: IPIT's annual report for FY2015 and the announcement of the unaudited results for FY2016

Review of Operating Results

FY2015 vs FY2014

Total property and other income for FY2015 increased by S\$8.9 million (or 9.5%) from S\$93.8 million in FY2014 to S\$102.7 million in FY2015 due mainly to an increase in the base rent collected from its tenants.

Property expenses fell by S\$4.6 million (or 11.5%) from S\$39.9 million in FY2014 to S\$35.3 million in FY2015, due mainly to lower expenses incurred for advertisements and legal and professional fees. This resulted in net property income increasing by S\$13.5 million (or 25.0%) in FY2015 as compared to FY2014.

Finance costs, however, eroded a large proportion of the net property income (ranging from 88.7% to 93.0% of net property income over the last three financial years from FY2014 to FY2016). Finance costs had increased by S\$9.6 million (or 19.2%) from S\$50.2 million in FY2014 to S\$59.8 million in FY2015 and was due mainly to an increase in the interest on borrowings, arising from higher bank borrowings.

Loss before tax decreased significantly by S\$76.9 million (or 97.9%) from a loss of S\$78.5 million in FY2014 to a loss of S\$1.6 million in FY2015, due mainly to the absence of fair value adjustments of investment properties in FY2015. In FY2014, the IPIT Group recorded a significant downward adjustment to the fair value of its investment properties amounting to S\$74.7 million.

The accounting policy of the IPIT Group on investment properties subsequent to initial recognition, are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the profit/(loss) in the year in which they arise. For the last three financial years from FY2014 to FY2016, IPIT had commissioned the Valuer, Knight Frank (India) Private Limited, to conduct a valuation on its properties.

IPIT had explained that the significant downward adjustment to the fair value of the investment properties in its FY2014 results announcement was due to the following: *"The decline in the valuation is primarily due to the compression in the rentals achieved and projected. The slowdown in Indian economic growth and the slowdown in expansion of business activity have had an adverse effect on the business resulting in lower demand and the downward pressure on the rentals realisation. The subdued transaction activity has resulted in increase in the supply and reduced absorption with consequential pressure on rentals realization."*

In the absence of the fair value adjustments, the IPIT Group would have recorded a loss before tax of S\$3.8 million for FY2014. For FY2015, the IPIT Group recorded a loss before tax of S\$1.6 million and there was no adjustment to the fair value of investment properties for the year.

The IPIT Group had significant income tax credit of S\$21.9 million in FY2014 which alleviated the loss attributable to Unitholders to S\$56.6 million for FY2014.

For FY2015, the IPIT Group had income tax expense of S\$1.4 million which increased the loss attributable to Unitholders to S\$3.0 million.

FY2016 vs FY2015

Total property and other income was relatively stable at S\$103.5 million in FY2016 compared to S\$102.7 million in FY2015.

Property expenses, however, increased by S\$4.3 million (or 12.2%) from S\$35.3 million in FY2015 to S\$39.6 million in FY2016, primarily due to an increase in the rates and taxes (property tax charges) as per the tax assessments on the IPIT Group's commercial properties, namely One Indiabulls Centre and Indiabulls Finance Centre.

Similar valuation update carried out by the Valuer for FY2016 did not result in any fair value adjustment of investment properties being put through to the profit and loss statement.

As a result of the higher property expenses, the IPIT Group incurred a higher loss before tax of S\$3.9 million for FY2016 compared to a loss before tax of S\$1.6 million for FY2015.

For FY2016, the IPIT Group had a deferred tax benefit arising from the increase in the indexed cost of land as per the tax laws in India. As a result, IPIT Group reported a profit for the year of S\$804,000 for FY2016 as compared to a loss of S\$3.0 million for FY2015.

Translation differences

As mentioned above, the functional currency of the IPIT Group is INR and the presentation currency of the IPIT Group is S\$. In accordance with IPIT's accounting policies, the IPIT Group had also recorded significant translation differences arising from the conversion of the functional currency into the presentation currency in S\$ from year to year.

For FY2016, the appreciation of S\$ against INR by approximately 8.0% had resulted in a translation loss of S\$97.2 million. For FY2015, the depreciation of S\$ against INR by approximately 4.5% had resulted in a translation gain of S\$57.0 million and for FY2014, the appreciation of S\$ against INR by approximately 8.0% had resulted in a translation loss of S\$113.5 million.

These are reflected in the Statement of Comprehensive Income of the IPIT Group for the respective financial years.

Historical Price-earnings Ratio ("PER") implied by the Offer Price

PER illustrates the valuation ratio of the current market value of a company's shares relative to its consolidated basic earnings per share as stated in its financial statements. The PER is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

We note that the IPIT Group had recorded loss before tax for the last three financial years and its profit/(loss) for the year attributable to Unitholders were affected by, *inter alia*, adjustments in fair value of its investment properties and tax credits as explained above under the caption "Review of Operating Results".

In addition, the IPIT Group has significant development property projects and revenue arising from these projects is recognised based on completed project method. As a result, this may also contribute to significant variances in the financial performance of the IPIT Group from year to year. For FY2016, while the units of the residential developments (Indiabulls Sky, Sky Forest and Sky Suites) are being marketed and certain advance payments are being made by interested buyers, the income from the sale of these units will be recognised only after the construction is completed.

In view of the above, an assessment of the Offer Price based on the PER implied by the Offer Price is not meaningful.

We note that there are different time horizons to the expected completion date of Indiabulls Sky, Sky Forest and Sky Suites as disclosed in the IPIT's results announcement for FY2016. Development of Indiabulls Sky Forest and Indiabulls Sky Suites had been suspended since September 2012, but only the development of Indiabulls Sky Forest has resumed thus far. The development of Indiabulls Sky Suites continued to remain suspended.

We reproduce the following extracts from the results commentary of IPIT for FY2016 in italics: *"Please refer to our earlier announcements (both the quarterly/ annual financial results as well as our response to the relevant SGX queries). We had earlier stated that the development of Sky Forest and Sky Suites was suspended on account of regulatory changes in respect of public parking that was a pre-condition to allow for enhanced FSI to be utilized by the two properties. We also stated that Indiabulls Sky Forest development had resumed while development of Sky Suites continued to remain suspended. We continue to develop Sky Forest (though development plans have still not been finalized) while we continue to keep Sky Suites development suspended (we expect to resume development of Sky Suites upon receiving clarity on impact of regulatory changes and finalization of the development plans). Currently, we have reached 30th floor in Sky Forest, while Sky Suites is behind Sky Forest in terms of development."*

At Indiabulls Sky, all the habitable floors within the building have been constructed and we expect the building to be fully completed for hand over to the customers within 1 year. We estimate Indiabulls Sky Forest to be completed within approximately 3 years though, for reasons stated above, we are currently unable to give reasonable estimate for completion of Sky Suites. Development costs have been financed from internal accruals (income from office space and advances received from customers for the residential developments) as well as external bank borrowings, and future costs are expected to be financed in similar manner. The Trust is not under any financial stress and it's not our expectation for that to change."

In addition, we reproduce the following extract from page 147 of the IPIT Annual Report 2014–2015 in relation to the development risk faced by IPIT:

"(a) Development risk

Consistent with the risk faced in development of any property in India, the development of the Trust's properties involves various risks, including construction, regulatory and financing risks as well as risks that building permits, government consents or other approvals require from third parties in connection with the development and letting/sale of the properties may be delayed or may not be granted. The Trustee-Manager shall continue to monitor the development of the Trust's properties in order to mitigate and address these risks."

6.3 NTA and RNTA of the IPIT Group

Based on the IPIT Group's latest available financial information for FY2016, the unaudited financial position of the IPIT Group as at 31 March 2016 is set out below:

S\$'000	Unaudited As at 31 March 2016
<u>Non-current assets</u>	
Plant and equipment	13,421
Investment properties	1,187,284
Total non-current assets	1,200,705
<u>Current assets</u>	
Cash and cash equivalents	9,031
Pledged fixed deposits	13,077
Prepayments	206,856
Trade and other receivables	15,679
Other current assets	29,992
Development properties (held-for-sale)	1,274,115
Total current assets	1,548,750
Total assets	2,749,455
<u>Current liabilities</u>	
Interest bearing loans and borrowings	174,254
Trade and other payables	19,369
Total current liabilities	193,623
<u>Non-current liabilities</u>	
Interest bearing loans and borrowings	421,033
Trade and other payables	52,999
Other non-financial liability	545,462
Deferred tax liabilities	305,131
Total non-current liabilities	1,324,625
Total liabilities	1,518,248
NAV / NTA / Unitholders' funds	1,231,207
NTA of the IPIT Group	S\$1,231,207,000
Number of issued Units	754,028,697
NTA per Unit	S\$1.63

Source: The results announcement of the IPIT Group for FY2016

As at 31 March 2016, the NAV of the IPIT Group was approximately S\$1.23 billion. As IPIT has no intangible assets, the NTA of the IPIT Group is equivalent to the NAV of the IPIT Group.

The assets of the IPIT Group as at 31 March 2016 comprised mainly (i) development properties held for sale of S\$1.27 billion, representing 46.3% of total assets; and (ii) investment properties amounting to S\$1.19 billion, representing 43.2% of total assets.

The liabilities of the IPIT Group as at 31 March 2016 comprised mainly (i) bank borrowings of S\$595.3 million, representing 39.2% of total liabilities, which are secured by the IPIT Group properties and receivables on investment properties; (ii) non-financial liability of S\$545.5 million, representing 35.9% of total liabilities, which relates to advance payments made for the IPIT Group's residential development projects by interested buyers; and (iii) deferred tax liabilities of S\$305.1 million, representing 20.1% of total liabilities.

The IPIT Group's properties are mainly held by and developed by two wholly-owned subsidiaries, Indiabulls Properties Private Ltd and Indiabulls Real Estate Company Private Ltd.

Indiabulls Properties Private Ltd (“IPPL”)

The property held by IPPL comprises One Indiabulls Centre which has been developed as a commercial development, and Indiabulls Sky and Indiabulls Sky Forest which are being developed as high-end residential development projects. The property is located in City Survey No. 841 and 882 of Mumbai City in the state of Maharashtra in India on Senapati Bapat Marg (Tulsi pipeline Road).

Indiabulls Real Estate Company Private Ltd (“IRECPL”)

The property held by IRECPL comprises Indiabulls Finance Centre which has been developed as a commercial development, and Indiabulls Sky Suites which is being developed as a high-end residential development project. The property is located in City Survey No. 612/613 of Mumbai City in Maharashtra, India, on the same road as One Indiabulls Centre, Indiabulls Sky and Indiabulls Sky Forest.

The above properties comprise total commercial area of approximately 3.3 million sq. ft. and a total residential area of 3.3 million sq. ft..

Valuation Summary Report

The Valuer, Knight Frank (India) Private Limited, had carried out an independent valuation of the properties held by IPPL and IRECPL as at 31 March 2016 in connection with the financial results of the IPIT Group for FY2016. In connection with the Offer, IPIT had requested and the Valuer had confirmed that their valuation opinion as stated in the Valuation Summary Report is still valid and applicable for the purposes of the Offer. The Extract of the Valuation Summary Report dated 22 April 2016 is attached as Appendix 4 to the Circular.

Pursuant to the Valuation Summary Report, Indiabulls Finance Centre, which is close to completely leased out, has been valued by the Rent Capitalisation method, by capitalising the net current annual cash flows for the development.

The remaining properties have been valued on the basis of “Net Present Value” or the discounted cash flow (“DCF”) method, which is the Valuer’s best estimate of value of the proposed developments of properties. The Valuer had applied the definition of Net Present Value to each proposed development independently and ignored the potential effect of selling the entire portfolio at any one time.

The Net Present Value of any property is calculated after discounting future cash flows at an appropriate discount rate, assuming that the property is perpetually leased at the time of leasing. Discount rate of 14.0% was used for the commercial development of One Indiabulls Centre and 17.0% for the residential development properties. The Valuer has also selected a terminal capitalisation rate of 9.5% for the commercial developments of One Indiabulls Centre and Indiabulls Finance Centre.

Based on the methodology selected and assumptions made by the Valuer, the Valuer is of the opinion that the Net Present Value of IPIT’s interest in the proposed developments as at 31 March 2016 is as follows:

		Value of Property INR’million
IPPL	Commercial component	34,523
	Residential component	36,660
IRECPL	Commercial component	23,991
	Residential component	12,227
Total		107,401

\$S\$ equivalent (at the exchange rate of S\$1.00:INR49.07) – S\$2,188.7 million

Based on the foreign exchange of S\$1.00:INR49.07 on 31 March 2016 as applied by IPIT, the above aggregate valuation of the IPIT Group's investment and development properties as at 31 March 2016 translates to S\$2.2 billion. As disclosed in the results announcement of IPIT for FY2016, the decline in valuation of the IPIT Group's investment and development properties from S\$2.4 billion as at 31 March 2015 to S\$2.2 billion as at 31 March 2016 is due mainly to the depreciation of INR against S\$ by approximately 8.0%.

As at 31 March 2016, the investment properties of the IPIT Group which relate to the commercial components of IPPL and IRECPL already reflect the valuation determined by the Valuer in accordance with the IPIT Group's accounting policies.

The development properties (held-for-sale) of S\$1,274.1 million as at 31 March 2016 relate to the residential development properties and these are not fair valued at the reporting year end in accordance with the IPIT Group's accounting policies. Accordingly, arising from the revaluation of the residential properties undertaken by the Valuer as at 31 March 2016, there is a revaluation deficit of S\$277.8 million. This represents approximately S\$0.37 per Unit.

In assessing the revaluation deficit arising from the valuation of the development properties, we have also considered whether there is any potential tax credit on the revaluation deficit which may affect the RNTA per Unit for the purpose of evaluating against the Offer Price, especially if the properties were to be sold at the valuation amount. Management has informed us that, to the best of their knowledge and belief, in the event that the residential properties are sold, the Group may benefit from a potential tax credit at the rate of 34.6% based on the applicable tax rates in India.

Based on the above, the potential tax credit is computed to be approximately S\$96.2 million based on the foreign exchange rate of S\$1.00:INR49.07 as at 31 March 2016. The net revaluation deficit, after taking into consideration the tax credit, represents approximately S\$0.24 per Unit.

Following from the above, the RNTA of the IPIT Group as at 31 March 2016 is S\$1,049.3 million or S\$1.39 per Unit (S\$1.63 per Unit less S\$0.24 per Unit).

Price-to-NTA ("P/NTA") ratio and Price-to-RNTA ("P/RNTA") ratio implied by the Offer Price

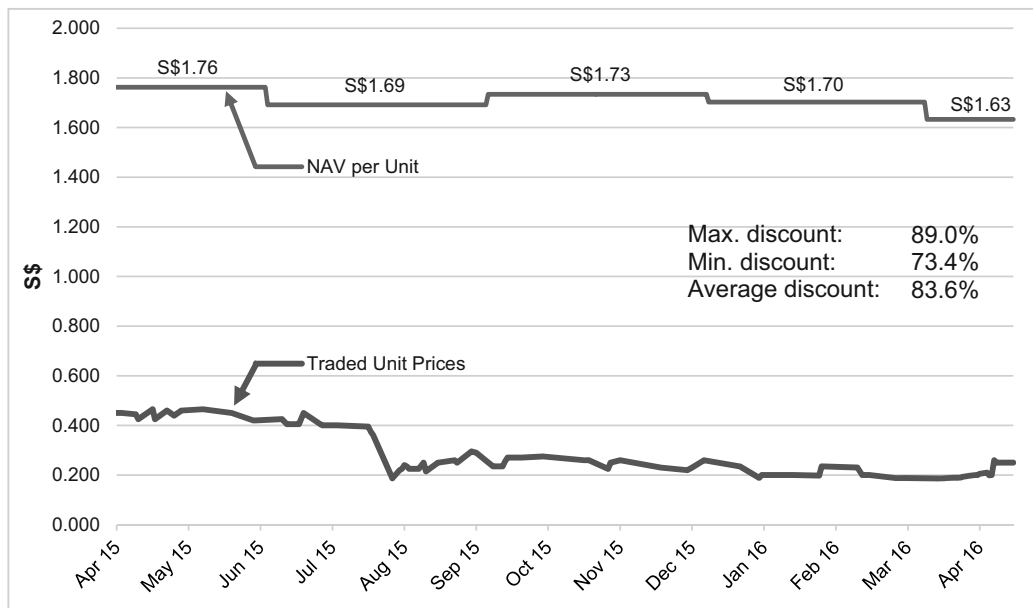
The NAV or NTA based valuation provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation. NTA is derived by deducting intangible assets from NAV.

In the case of the IPIT Group, its NAV is the same as its NTA as the IPIT Group does not have any intangible assets. We have evaluated the implied P/NTA ratio of the IPIT Group as ascribed by the Offer Price based on the (i) latest available unaudited NTA as at 31 March 2016 and (ii) RNTA as at 31 March 2016.

Based on the IPIT Group's unaudited NTA per Unit of S\$1.63 as at 31 March 2016, the Offer Price values the IPIT Group on a P/NTA ratio of approximately **0.15 times**, that is, the Offer Price is at a discount of 84.7% to the NTA per Unit.

Based on the IPIT Group's RNTA per Unit of S\$1.39 as at 31 March 2016, the Offer Price values the IPIT Group on a P/RNTA ratio of approximately **0.18 times**, that is the Offer Price is at a discount of 82.0% to the RNTA per Unit.

We note that the Units had historically been trading at a substantial discount to the NAV per Unit as illustrated by the chart below:



Source: Bloomberg L.P. and respective full year and interim results announcements by IPIT for FY2015 and FY2016

In our evaluation of the financial terms of the Offer, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the IPIT Group as at 31 March 2016, and whether there are any factors which have not been otherwise disclosed in the financial statements of the IPIT Group that are likely to impact the NAV of the IPIT Group as at 31 March 2016.

In respect of the above, we have sought the following confirmation from the Directors and the Management, and they have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief, save as disclosed above and in the FY2016 results announcement made by IPIT on 22 April 2016:

- (a) there are no material differences between the revalued values of the IPIT's assets and their respective book values as at 31 March 2016 which would have a material impact on the NAV of the IPIT Group;
- (b) there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the IPIT Group as at the Latest Practicable Date;
- (c) there is no litigation, claim or proceeding pending or threatened against IPIT or any of its subsidiaries or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of IPIT and its subsidiaries taken as a whole;
- (d) there are no other intangible assets which ought to be disclosed in the statement of financial position of the IPIT Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the IPIT Group; and
- (e) there are no material acquisitions or disposals of assets by the IPIT Group between 31 March 2016 and the Latest Practicable Date nor does the IPIT Group have any plans for any such impending material acquisition or disposal of assets, conversion of

the use of its material assets or material change in the nature of the IPIT Group's business.

For the avoidance of doubt, we have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real properties) of the IPIT Group but have been provided with the Valuation Summary Report from the Valuer. We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the Valuation Summary Report for such asset appraisal and have not made any independent verification of the contents thereof.

We do not assume any responsibility to inquire about the basis of such valuation or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including Rule 26 of the Code.

6.4 Comparison with recently completed privatisation and delistings of companies, REITs and business trusts listed on the SGX-ST

We note that the intention of the Offeror is to delist IPIT from the SGX-ST and, if and when entitled to, will exercise its rights of compulsory acquisition pursuant to Section 40A(1) of the Business Trusts Act, Chapter 31A of Singapore.

In assessing the reasonableness of the Offer Price, in light of the above stated intention of the Offeror, we have compared the financial terms of the Offer with those of selected successful privatisation transactions that were announced and completed since January 2014 and up to the Latest Practicable Date, which were carried out either by way of voluntary delisting exit offers under Rule 1307 of the Listing Manual, offers being made by way of a scheme of arrangement under Section 210 of the Companies Act or general takeover offers under the Code where the offeror has stated its intentions to delist the listed company, REIT or business trust from the SGX-ST ("**Precedent Privatisation Transactions**").

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out:

- (a) the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs over the 1-month and 3-month periods prior to the announcement of the Precedent Privatisation Transactions; and
- (b) the premium or discount represented by each of the respective offer prices to the NTA or NAV of the respective target companies. We note that certain Precedent Privatisation Transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their latest announced book values. In this respect, we have compared the offer price with the revalued NTA/NAV or adjusted NTA/NAV of the Precedent Privatisation Transactions, where applicable.

We wish to highlight that the target companies listed in the Precedent Privatisation Transactions as set out in the analysis below may not be directly comparable to IPIT in terms of market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium or discount that an offeror pays in any particular privatisation transaction varies in different specific circumstances depending on, *inter alia*, factors such as the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence or absence of competing bids for the target company, and the existing and desired level of control in the target company. The list of the Precedent Privatisation Transactions is by no means exhaustive and as such any comparison made only serves as an illustration.

Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of IPIT.

As IPIT is a business trust, we have for the purpose of our analysis, segregated the comparison based on three categories of Precedent Privatisation Transactions:

- (i) privatisation transactions of SGX-ST listed companies that are involved in property development, other than real estate investment trusts (“REITs”) and business trusts (“**Privatisation Transactions – Property Related Companies**”);
- (ii) privatisation transactions of SGX-ST listed REITs and business trusts (“**Privatisation Transactions – REITs and business trusts**”); and
- (iii) privatisation transactions of all SGX-ST listed companies excluding REITs and business trusts (“**Privatisation Transactions – All companies excluding REITs and business trusts**”).

Independent Unitholders should note that the above comparison with the Precedent Privatisation Transactions is purely for illustrative purposes only.

Privatisation Transactions – Property Related Companies

As IPIT is involved in property development, we have selected privatisation transactions of SGX-ST listed companies which are involved in property development, other than REITs and business trusts for comparison purposes in Table 1 below:

Table 1

Name of company	Sector	Date of announcement	Premium/(Discount) of Offer Price over / (to):			P/NTA ⁽¹⁾ (times)
			Last transacted price prior to announcement	1 month VWAP prior to announcement	3 month VWAP prior to announcement	
Singapore Land Limited	Property developer and investments in hotels and retail centres	24 Feb 14	11.2	16.9	13.9	0.7
CapitaMalls Asia Limited	Shopping mall developer	14 Apr 14	30.2	34.4	32.8	0.9
Lee Kim Tah Holdings Limited	Construction, property development and investments	25 Sep 14	6.4	11.8	12.3	0.9
Popular Holdings Limited	Property development, retail and distribution of publishing and e-learning	14 Jan 15	39.1	39.7	37.3	1.1
Keppel Land Limited	Property developer	23 Jan 15	20.0	25.0	28.8	0.7
Eastern Holdings Ltd	Property development and publishing	22 Sep 15	41.7	67.3	34.1	0.8
High			41.7	67.3	37.3	1.1
Low			6.4	11.8	12.3	0.7
Mean			24.8	32.5	26.5	0.9
Median			25.1	29.7	30.8	0.9
IPIT (Implied by the Offer Price)		27 Apr 16	25.0	26.9	26.3	0.15 (P/NTA) 0.18 (P/RNTA)

Source: SGX-ST announcements and circulars to shareholders in relation to the Privatisation Transactions – Property Related Companies

Note:

- (1) Please refer to the footnotes in Table 3 below for information relating to the P/NTA values for the respective Privatisation Transactions – Property Related Companies.

Based on the above, we note that:

- (a) The premia implied by the Offer Price over the last transacted price, VWAP for 1-month period and 3-month period prior to the Offer Announcement Date are within the range of the corresponding premia of the Privatisation Transactions – Property Related Companies, close to the mean and median of the corresponding premium of the Privatisation Transactions – Property Related Companies; and
- (b) The P/NTA ratio of 0.15 times and the P/RNTA ratio of 0.18 times are both below the lower end of the range of the corresponding P/NTA ratios of the Privatisation Transactions – Property Related Companies and are both significantly below the mean and median of the corresponding P/NTA and P/RNTA ratios of the Privatisation Transactions – Property Related Companies.

Privatisation Transactions – REITs and business trusts

As IPIT is constituted as a trust in Singapore, we have selected privatisation transactions of SGX-ST listed REITs and business trusts for comparison purposes in Table 2 below:

Table 2

Name of trust	Sector	Date of announcement	Premium/(Discount) of Offer Price over / (to):			P/NTA (times)
			Last transacted price prior to announcement	1 month VWAP prior to announcement	3 month VWAP prior to announcement	
Perennial China Retail Trust	Real Estate	14 Mar 14	29.6 ⁽¹⁾	34.0 ⁽¹⁾	33.0 ⁽¹⁾	0.94 ⁽²⁾
Forterra Trust	Real Estate	4 Nov 14	32.4	51.1	49.7	0.58 ⁽³⁾
IPIT (implied by the Offer Price)			25.0	26.9	26.3	0.15 (P/NTA) 0.18 (P/RNTA)

Source: SGX-ST announcements and circulars to shareholders in relation to the Privatisation Transactions – REITs and business trusts

Notes:

- (1) based on the VWAP for the respective periods prior to the pre-conditional offer announcement date;
- (2) based on the revalued NAV per unit in Perennial China Retail Trust as at 30 September 2014; and
- (3) based on the revalued NAV per unit in Forterra Trust as at 30 September 2014.

Based on the above, we note that:

- (a) The premia implied by the Offer Price over the last transacted price, VWAP for 1-month period and 3-month period prior to the Offer Announcement Date are lower than the corresponding premia of the Privatisation Transactions – REITs and business trusts; and
- (b) The P/NTA ratio of 0.15 times and the P/RNTA ratio of 0.18 times are both significantly below the corresponding P/NTA and P/RNTA ratios of the Privatisation Transactions – REITs and business trusts.

We wish to highlight that as there are only two privatisation transactions relating to REITs or business trusts and they may not be directly comparable to IPIT, therefore, the above comparison is purely for illustrative purposes only.

Privatisation Transactions – All companies excluding REITs and business trusts

As IPIT is undergoing a privatisation exercise, we have for comparison purposes, shown in Table 3 below, all privatisation transactions excluding REITs and business trusts since 2014.

Table 3

Name of company	Sector	Date of announcement	Premium/(Discount) of Offer Price over / (to):			P/NTA (times)
			Last transacted price prior to announcement	1 month VWAP prior to announcement	3 month VWAP prior to announcement	
Singapore Land Limited	Property developer and investments in hotels and retail centres	24 Feb 14	11.2	16.9	13.9	0.7 ⁽¹⁾
Chemoil Energy Limited	Physical supplier in the marine fuel industry	25 Feb 14	29.0	31.1	32.5	1.1
Asia Power Corporation Limited	Ownership, management and operation of power plants	24 Mar 14	–	1.2	1.4	0.6
China XLX Fertiliser Limited	Manufacturing and sale of urea, compound fertiliser and methanol in the PRC	31 Mar 14	23.1	28.9	24.8	0.8
CapitaMalls Asia Limited	Shopping mall developer	14 Apr 14	30.2	34.4	32.8	0.9 ⁽²⁾
ASJ Holdings Limited	Manufacturing and sale of resistors and distributors of electronic and non-electronic components	7 May 14	18.2	43.7	55.4	0.7 ⁽³⁾
Goodpack Limited	Intermediate bulk container solutions provider	27 May 14	23.2	30.8	31.3	3.1
Lee Kim Tah Holdings Limited	Construction, property development and investments	25 Sep 14	6.4	11.8	12.3	0.9 ⁽⁴⁾
UE E&C Ltd.	Provider of integrated building solutions	3 Oct 14	(2.3)	2.7	5.0	1.2 ⁽⁵⁾
ECS Holdings Limited	Distribution of information, communications and technology products	14 Nov 14	11.5	9.0	11.5	0.7 ⁽⁶⁾
euNetworks Group Limited	Operates high capacity fibre networks, provide high capacity communications infrastructure and networking solutions and services to large corporate companies, carriers, and service providers	17 Nov 14	32.6	58.4	69.2	1.9
STATS ChipPAC Ltd.	Provider of semiconductor packaging design, bump, probe, assembly, test, and distribution services for communications, digital consumer, and computing market applications	29 Dec 14	39.0	24.5	27.6	1.9 ⁽⁷⁾
Popular Holdings Limited	Property development, retail and distribution of publishing and e-learning	14 Jan 15	39.1	39.7	37.3	1.1 ⁽⁸⁾
Keppel Land Limited	Property developer	23 Jan 15	20.0	25.0	28.8	0.7 ⁽⁹⁾
Action Asia Limited	Manufacturing and assembling of mobile audio and video entertainment products	27 Feb 15	69.6	67.6	66.7	0.8 ⁽¹⁰⁾
Junma Tyre Cord Company Limited	Production and sale of Nylon 6 industrial yarn and Nylon 6 dipped tyre cords	10 Mar 15	222.6 ⁽²⁴⁾	162.3 ⁽²⁴⁾	174.7 ⁽²⁴⁾	0.9 ⁽¹¹⁾
Lizhong Wheel Group Limited	Manufacturer of aluminium wheels	17 Aug 15	96.1	87.3	79.2	0.6 ⁽¹²⁾
Chosen Holdings Limited	Product design and development, mould design and fabrication, plastic injection moulding and secondary processes and final product assembly	1 Sep 15	21.0	26.0	27.0	0.8 ⁽¹³⁾

Name of company	Sector	Date of announcement	Premium/(Discount) of Offer Price over / (to):			P/NTA (times)
			Last transacted price prior to announcement	1 month VWAP prior to announcement	3 month VWAP prior to announcement	
Eastern Holdings Ltd	Property development and publishing	22 Sep 15	41.7	67.3	34.1	0.8 ⁽¹⁴⁾
Zagro Asia Limited	Investment holding and manufacturing and distribution of crop care and animal health products	3 Nov 15	15.4	19.1	20.0	1.0 ⁽¹⁵⁾
Sinotel Technologies Ltd.	Investment holding and telecommunications	30 Nov 15	50.6	30.6	45.5	0.8
Li Heng Chemical Fibre Technologies Limited	Manufacturer and sale of high end nylon yarn products	22 Dec 15	115.1	100.8	104.5	0.4 ⁽¹⁶⁾
Interplex Holdings Ltd.	Precision engineering	23 Dec 15	15.5	11.1	13.1	1.7 ⁽¹⁷⁾
Tiger Airways Holdings Limited	Airline and aircraft management in aviation	4 Jan 16	45.2	48.5	56.3	5.4 ⁽¹⁸⁾⁽²⁴⁾
China Yongsheng Limited	Production and supply of concrete and related products	24 Feb 16	52.4	67.4	62.4	0.7 ⁽¹⁹⁾
Xinren Aluminum Holdings Limited	Smelting, sale, production and trading of aluminium and related products	25 Feb 16	25.1	49.6	50.0	1.5 ⁽²⁰⁾
OSIM International Ltd	Distributes, sells and franchises healthy lifestyle products	7 Mar 16	27.0 ⁽²¹⁾	40.9 ⁽²¹⁾	42.5 ⁽²¹⁾	2.6 ⁽²¹⁾
Select Group Limited	Food catering and management services	23 Mar 16	23.5	37.9	43.4	3.9
XYEC Holdings Co., Ltd.	Provision of integrated engineering and IT consultancy and services	29 Mar 16	50.0 ⁽²²⁾	43.5 ⁽²²⁾	47.1 ⁽²²⁾	1.3 ⁽²³⁾

High	222.6	162.3	174.7	5.4
Low	(2.3)	1.2	1.4	0.4
Mean	33.2	37.7	38.4	1.2
Median	26.1	32.8	33.5	0.9

IPIT (implied by the Offer Price)	27 Apr 16	25.0	26.9	26.3	0.15 (P/NTA)
					0.18 (P/RNTA)

Source: SGX-ST announcements and circulars to shareholders in relation to the Privatisation Transactions – All companies excluding REITs and business trusts

Notes:

- (1) based on the revalued NTA per share as adjusted for the net revaluation surplus on the hotel properties of Singapore Land Limited as at 31 December 2013;
- (2) based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of CapitaMalls Asia Limited as at 31 March 2014;
- (3) based on the revalued NTA per share as adjusted for the net revaluation surplus on certain property, plant and equipment of ASJ Holdings Limited as at 30 April 2014;
- (4) based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of Lee Kim Tah Holdings Limited as at 30 June 2014;
- (5) based on the revalued NAV per share as adjusted for the change in carrying value of investments in associates and joint ventures of UE E&C Ltd. as at 30 September 2014;
- (6) based on the unaudited NTA per share after deducting for intangible assets of ECS Holdings Limited as at 30 September 2014;
- (7) based on the NTA per share (excluding the value of the perpetual securities which were issued in connection with the offer) of STATS ChipPAC Ltd. as at 29 March 2015;

- (8) based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of Popular Holdings Limited as at 31 October 2014;
- (9) based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of Keppel Land Limited as at 31 December 2014;
- (10) based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of Action Asia Limited as at 31 March 2015;
- (11) based on the revalued NTA per share as adjusted for the net revaluation surplus on the land use rights, property, plant and equipment of Junma Tyre Cord Company Limited as at 31 December 2014;
- (12) based on the revalued NTA per share as adjusted for the net revaluation surplus on the properties of Lizhong Wheel Group Limited as at 30 June 2015;
- (13) based on the revalued NAV per share as adjusted for the net revaluation surplus on certain properties of Chosen Holdings Limited as at 30 June 2015;
- (14) based on the revalued NTA per share as adjusted for the net revaluation surplus on certain properties of Eastern Holdings Ltd and the net revaluation surplus arising from the net gain of financial assets as at 30 September 2015;
- (15) based on the revalued NTA per share as adjusted for the net revaluation surplus on the properties of Zagro Asia Limited as at 30 June 2015;
- (16) based on the revalued NAV per share as adjusted for the revaluation write-down of property, plant and equipment of Li Heng Chemical Fibre Technologies Limited as at 30 September 2015;
- (17) based on the unaudited NAV per share of Interplex Holdings Ltd. as at 31 December 2015;
- (18) based on the NAV per share (on a fully diluted basis) of Tiger Airways Holdings Limited as at 30 September 2015 and the final offer price;
- (19) based on the revalued NAV per share of China Yongsheng Limited as at 31 December 2015;
- (20) based on the revalued NAV per share of Xinren Aluminum Holdings Limited as at 31 December 2015;
- (21) based on the final offer price of S\$1.39 per share announced on 5 April 2016;
- (22) as extracted from the joint announcement of the proposed voluntary delisting of XVEC Holdings Co., Ltd. ("XVEC") dated 29 March 2016;
- (23) based on the NAV per share of XVEC as at 30 September 2015; and
- (24) excluded as statistical outlier in the mean and median computations.

Based on the above, we note that:

- (a) The premia implied by the Offer Price over the last transacted price, VWAP for 1-month period and 3-month period prior to the Offer Announcement Date are within the range of the corresponding premia of the Privatisation Transactions – All companies excluding REITs and business trusts but are lower than the mean and median of the corresponding premium of the Privatisation Transactions – All companies excluding REITs and business trusts; and
- (b) The P/NTA ratio of 0.15 times and the P/RNTA ratio of 0.18 times are both below the lower end of the range of the corresponding P/NTA ratios of the Privatisation Transactions – All companies excluding REITs and business trusts and are both significantly below the mean and median of the corresponding P/NTA and P/RNTA ratios of the Privatisation Transactions – All companies excluding REITs and business trusts.

6.5 Comparison of valuation ratios of selected listed REITs and business trusts which are broadly comparable with IPIT

For the purpose of assessing the Offer Price, we have identified listed REITs and business trusts with a market capitalisation of below S\$2.0 billion to be considered as broad proxies to IPIT ("**Comparable REITs**"). These Comparable REITs are listed on the SGX-ST or Stock Exchange of Hong Kong. We had considered the suitability and reasonableness of the selected Comparable REITs as a basis for comparison with IPIT. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable REITs. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The accounting policies of the selected Comparable REITs with respect to the values for which the assets, revenue or cost are recorded may differ from that of IPIT.

We wish to highlight that the selected Comparable REITs are not exhaustive and it should be noted that there may not be any listed company that is directly comparable to IPIT in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the selected Comparable REITs. Therefore, any comparison made serves only as an illustrative guide. A brief description of the selected Comparable REITs, as extracted from Bloomberg L.P. is set out below:

Name	Stock Exchange	Principal business
Frasers Centrepoint Trust (" FCT ")	Singapore	Frasers Centrepoint is a Singapore-domiciled retail REIT. The REIT invests in income-producing properties used primarily for retail purposes in Singapore and overseas.
Starhill Global REIT (" Starhill ")	Singapore	Starhill is a Singapore-based REIT. The REIT invests primarily in real estate used for retail and office purposes, both in Singapore and overseas.
CapitaLand Retail China Trust (" CRCT ")	Singapore	CRCT is a shopping mall REIT. The REIT was established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate used primarily for retail purposes and located in China.
Frasers Commercial Trust (" FCOT ")	Singapore	Frasers Commercial is a REIT. The REIT invests primarily in income-producing commercial office properties and its current portfolio consists of office buildings located in Singapore and Australia.
Lippo Malls Indonesia Retail Trust (" LMIRT ")	Singapore	LMIRT is a REIT that invests in malls and other retail locations in Indonesia.
OUE Commercial Real Estate Investment Trust (" OUECT ")	Singapore	OUECT provides real estate investment services. The Trust purchases and develops commercial real estate properties in Singapore.
Ascendas India Trust (" AIT ")	Singapore	AIT is a business trust that invests in real estate. AIT acquires, owns, and develops land for business use.
Croesus Retail Trust (" Croesus ")	Singapore	Croesus is a retail business trust. Croesus invests in a diversified portfolio of predominantly retail real estate assets located in Japan and across the Asia-Pacific region and real estate-related assets relating to the foregoing.
IREIT Global (" IREIT ")	Singapore	IREIT operates as a REIT. The REIT invests in office buildings in Germany and other European properties.
BHG Retail REIT (" BHG ")	Singapore	BHG is a REIT in Singapore with retail assets primarily in China.
Spring Real Estate Investment Trust (" SREIT ")	Hong Kong	SREIT is a REIT formed primarily to own and invest in high quality income-producing real estate in Asia.

Source: Bloomberg L.P.

For the purpose of our evaluation and for illustration, we have made comparison between IPIT and the selected Comparable REITs using the P/NTA ratio or NTA approach, which is used to show the extent the value of each share is backed by net tangible assets. The NTA approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities and intangibles of the group.

Name	Last financial year end	Market capitalisation as at the Offer Announcement Date (\$'million)	Historical P/NTA ratio ⁽¹⁾ (times)
FCT	30 Sep 2015	1,743.5	0.99
Starhill	30 Jun 2015	1,603.2	0.82
CRCT	31 Dec 2015	1,189.0	0.83
FCOT	30 Sep 2015	913.1	0.75
LMIRT	31 Dec 2015	867.3	0.82
OUECT	31 Dec 2015	810.1	0.66
AIT	31 Mar 2016	740.6	1.16
Croesus	30 Jun 2015	514.5	1.20
IREIT	31 Dec 2015	410.9	1.07
BHG	31 Dec 2015	394.2	0.97
SREIT	31 Dec 2015	575.8	0.47
High			1.20
Low			0.47
Mean			0.89
Median			0.83
IPIT (implied by the Offer Price)	31 Mar 2016	188.5	0.15 (P/NTA)
			0.18 (P/RNTA)

Source: Bloomberg L.P.

Note:

- (1) the P/NTA ratios of the Comparable REITs are computed based on their respective NTA values as set out in their latest published financial statements available as at the Offer Announcement Date.

Based on the above, we note that the P/NTA ratio of IPIT of 0.15 times as implied by the Offer Price and the P/RNTA ratio of IPIT of 0.18 times as implied by the Offer Price are both below the lower end of the range of the historical P/NTA ratios of the Comparable REITs and are both significantly below the mean and median of the Comparable REITs.

6.6 Distribution track record of IPIT

We set out below the information on the distribution per Unit declared by IPIT in respect of the last three financial years:

Distributions declared	FY2014	FY2015	FY2016
Total distributions for the year (S\$)	0.00158 ⁽¹⁾	0.00140 ⁽¹⁾	0.000638
Average Unit price ⁽²⁾ (S\$)	0.5524	0.5710	0.3280
Yield ⁽³⁾ (%)	0.29	0.25	0.19

Source: Bloomberg L.P. and IPIT's annual reports

Notes:

- (1) Adjusted for the Unit Consolidation Exercise which became effective on 25 August 2015;
- (2) Average daily closing price of the Units for each respective financial year (adjusted for the Unit Consolidation Exercise); and
- (3) Computed based on distribution per Unit divided by the average Unit price.

Based on our analysis of the Comparable REITs, the average current yield of these Comparable REITs is approximately 6.73%, which is significantly higher than the yield on the Units. (Source: Bloomberg L.P.)

As stated in the IPIT's Annual Report 2014–2015, IPIT distributes at least 90.0% of its distributable income, with the actual level of distribution to be determined at the Trustee-Manager's discretion. Distribution, when paid, will be in S\$. Distributions are made on a semi-annual basis for the six-month period ending 31 March and 30 September of each year.

We wish to highlight that the above distribution analysis of IPIT serves only as an illustrative guide and is not an indication of IPIT's future dividend policy. There is no assurance that IPIT will continue to pay distributions in future and/or maintain the level of distributions paid in the past periods.

6.7 Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment

6.7.1 Loss of public float and intentions of the Offeror

As mentioned in Section 1 of our Letter, IPIT had already announced that the Units which are held in the hands of the public is below the minimum public float requirement of 10.0%. As at the Latest Practicable Date, the public float has fallen further to approximately 6.41%.

Given the intention of the Offeror to delist from the SGX-ST and not to maintain or support any action to maintain the listing status of IPIT on the SGX-ST after the Offer, that is, to meet the minimum public float requirement of at least 10.0% as required under Rule 723 of the Listing Manual, the suspension of the trading of the Units is likely to happen at the close of the Offer.

6.7.2 Likelihood of competing offers is remote

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal from any third party has been received. We also note that there is no publicly available evidence of any alternative offer for the Offer Units from any third party.

As the Offer has become unconditional in all respects and the Offeror and parties acting in concert with it already garnered 51.54% of the total number of Units as at the Latest Practicable Date, the likelihood of a competing offer is remote.

6.7.3 Statutory control

As the Offer has become unconditional in all respects and the Offeror and parties acting in concert with it already garnered 51.54% of the total number of Units as at the Latest Practicable Date, the Offeror and parties acting in concert with it have already acquired statutory control of IPIT as they have already accumulated more than 50.0% of the total number of Units as at the Latest Practicable Date. This places the Offeror in a position to significantly influence, *inter alia*, the management, operating and financial policies of IPIT and is in a position to pass all ordinary resolutions on matters in which the Offeror and its concert parties do not have an interest, at general meetings of Unitholders.

6.7.4 Compulsory acquisition

Pursuant to Section 40A(1) of the Business Trusts Act, in the event that the Offeror receives valid acceptances pursuant to the Offer or acquires Offer Units during the Offer Period otherwise than through valid acceptances of the Offer, in respect of not less than 90.0% of the Offer Units, the Offeror would be entitled to exercise the right to compulsorily acquire all the Units from Unitholders who have not accepted the Offer ("**Non-Assenting Unitholders**") at a price equal to the Offer Price.

In such an event, the Offeror has expressed that it intends to, when entitled, to exercise its right of compulsory acquisition under Section 40A(1) of the Business Trusts Act. The Offeror will then proceed to delist IPIT from the SGX-ST.

Non-Assenting Unitholders have the right under and subject to Section 40A(4) of the Business Trusts Act to require the Offeror to acquire their Units at the Offer Price in the event that the Offeror or its nominees acquire, pursuant to the Offer, such number of Offer Units, which together with the Units held by the Offeror, its related corporations and/or their respective nominees, comprise 90.0% or more of the total number of Units. Non-Assenting Unitholders who wish to exercise such rights are advised to seek their own independent legal advice.

6.7.5 Listing Status

Prior to the despatch of the Offer Document, the Offeror and its related corporations own, in aggregate, 51.26% of the total number of Units.

Based on the interpretation of Section 40A(1) of the Business Trusts Act, in order for the Offeror to exercise its right of compulsory acquisition, it will have to receive acceptances of the Offer or acquire the Offer Units during the Offer Period of at least 90.0% of the remaining 48.74% Units that it and its related corporations do not already own, that is 43.87%. In total, the Offeror and its related corporations must have own or control Units including acceptances of the Offer of at least approximately 95.13% of the total number of Units.

The other substantial Unitholders hold, directly and indirectly, based on public disclosure, approximately 42.05% of the total number of Units, while the public Unitholders then held approximately 6.69%. In view of the above, the Offeror is unlikely to garner 90.0% or more of the total number of Units to exercise its right of compulsory acquisition unless the other substantial Unitholders mentioned above accept the Offer.

As disclosed in Section 8.2 of the Offer Document, the Offeror has expressed that in the event it is unable to exercise the right to compulsorily acquire all the Offer Units not acquired under the Offer and IPIT does not meet the public float requirement under Rule 723 of the Listing Manual, the Offeror and parties acting in concert with it do not intend to maintain or support any action taken or to be taken to meet the public float requirement or maintain the present listing status of IPIT.

As mentioned in Section 6.7.1 of our Letter, IPIT has already announced that the Units which are held in the hands of the public is below the minimum public float requirement of 10.0%. As at the Latest Practicable Date, the public float has fallen further to approximately 6.41%.

Under such a situation, the SGX-ST may suspend the trading of the Units on the SGX-ST following the close of the Offer pursuant to Rules 724, 1105 and 1303 of the Listing Manual. However, this does not automatically result in the official delisting of IPIT from the SGX-ST. Until such time when IPIT is officially delisted from the SGX-ST, IPIT will have to continue to comply with the requirement of the Listing Manual, although the trading of the Units may be suspended.

Rule 724(2) of the Listing Manual states that *"The Exchange may allow the issuer a period of 3 months, or such longer period as the Exchange may agree, to raise the percentage of securities in public hands to at least 10%. The issuer may be removed from the Official List if it fails to restore the percentage of securities in public hands to at least 10% after the period."*

Rule 1105 of the Listing Manual states that *"Where a takeover offer is made for the securities of an issuer, upon the announcement by the offeror that acceptances have been received that bring the holdings owned by it and parties acting in concert with it to above 90% of the total number of issued shares excluding treasury shares, the Exchange may suspend the trading of such securities in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued shares excluding treasury shares are held by at least 500 shareholders who are members of the public."*

Rule 1303(1) of the Listing Manual states that *"In a take-over situation, where the Offeror succeeds in garnering acceptances exceeding 90% of the issuer's total number of issued shares excluding treasury shares, thus causing the percentage of an issuer's total number of issued shares excluding treasury shares held in public hands to fall below 10%, the Exchange will suspend trading of the listed securities of the issuer only at the close of the take-over offer."*

In the event that IPIT is not officially delisted from the SGX-ST and the Offeror and/or IPIT apply to delist from the SGX-ST after the close of the Offer, then the relevant Rules 1307 and 1309 of the Listing Manual will apply.

Pursuant to Rule 1307 of the Listing Manual:

"The Exchange may agree to an application by an issuer to delist from the Exchange if:–

- (1) the issuer convenes a general meeting to obtain shareholder approval for the delisting;*
- (2) the resolution to delist the issuer has been approved by a majority of at least 75% of the total number of issued shares excluding treasury shares held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting (the issuer's directors and controlling shareholder need not abstain from voting on the resolution); and*
- (3) the resolution has not been voted against by 10% or more of the total number of issued shares excluding treasury shares held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting."*

Accordingly, given the percentage unitholdings held by the Offeror and parties acting in concert with it, and the percentage unitholdings held by the other substantial Unitholders, the delisting resolution will be passed if the other substantial Unitholders support and vote for the delisting resolution, as there will not be 10.0% or more of the total number of Units to vote against the delisting resolution.

Pursuant to Rule 1309 of the Listing Manual:

"If an issuer is seeking to delist from the Exchange:–

- (1) a reasonable exit alternative, which should normally be in cash, should be offered to (a) the issuer's shareholders and (b) holders of any other classes of listed securities to be delisted.*

- (2) *the issuer should normally appoint an independent financial adviser to advise on the exit offer."*

However, pursuant to Rule 33.2 of the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the closure of the Offer, make a second offer to, or acquire any Units from, any Unitholder on terms better than those made available under the Offer.

This will imply that the exit offer in connection with the delisting under Rule 1309 of the Listing Manual cannot be made at any better terms within the next six months after the close of the Offer.

6.7.6 Transaction costs in connection with the disposal of the Units

Unitholders who are considering a disposal of the Units may wish to accept the Offer instead as the Offer presents an opportunity for Unitholders to dispose of their Units for cash without any transaction costs as opposed to the sale of the Units in the open market which will incur expenses such as brokerage commission and transaction costs.

6.7.7 Implications to Unitholders holding on to delisted Units or suspended Units

Shares of unquoted companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of liquidity and marketability. This will also apply to the Units if IPIT is delisted or if the Units are suspended from trading on the SGX-ST.

If IPIT is delisted from the Official List of the SGX-ST, Unitholders who have not accepted the Offer may face difficulties if they wish to sell their Units in the absence of a public market for the Units as there is no arrangement for Unitholders to exit. Even if such Unitholders were able to sell their Units, they may receive a lower price as compared to the Offer Price.

As an unquoted business trust, IPIT will no longer be obliged to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 and Appendices 7.1 to 7.4 to the Listing Manual.

If IPIT is delisted from the Official List of the SGX-ST, Unitholders who hold Units that are deposited with CDP and have not accepted the Offer will receive statements of their holdings in accordance with the relevant provisions of the Trust Deed as set out in Appendix 3 to the Circular.

Unitholders who are in doubt of their position should seek independent professional advice.

6.7.8 Unaudited FY2016 results announcement

We wish to highlight the following commentary on the business environment faced by the IPIT Group as disclosed in its announcement of the financial results for FY2016: *"As per the reports below, the real estate market in Mumbai remained challenging. The residential market has witnessed demand slowdown and increase in unsold inventory volume. The office market overall has witnessed improving demand – supply equation and reduced vacancy level. Consistent with the Mumbai market, in our properties, we are witnessing moderate inquiries / take up in leasing / sale activity and stable office rentals / residential rates."*

Please refer to the details on the above commentary in IPIT's results announcement for FY2016.

6.7.9 Foreign currency movement between S\$ and INR

We note that at the time of listing of IPIT on the SGX-ST in 2008, the approximate exchange rate of S\$ to INR was S\$1.00:INR29.02. Since then, the S\$ has appreciated against INR by approximately 69.7% to S\$1.00:INR49.2509 as at the Offer Announcement Date.

As the functional currency of the IPIT Group is in INR but the presentation of the financial statements are in S\$, and due to the overall appreciation of the S\$ against INR since the listing of IPIT in 2008, the above trend had an unfavourable impact on the reported financial results of the IPIT Group. In addition, in view of the size of the property assets of the IPIT Group, it has given rise to significant variances in translation gains and losses from year to year as highlighted in our analysis under the caption "Translation differences" in Section 6.2 of our Letter.

The depreciation of the INR against the S\$ may also have an adverse impact on the amount that would be available for distribution on the Units when converted in S\$, as the distribution on the Unit is paid in S\$.

6.7.10 Closing Date

The first closing date of the Offer is at 5.30 p.m. (Singapore time) on 8 June 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror. As at the Latest Practicable Date, the Offeror has not announced the Shut-Off Notice. Unitholders should take note of any announcements on the Shut-Off Notice by, or on behalf of, the Offeror.

7. OUR RECOMMENDATIONS TO THE INDEPENDENT DIRECTORS ON THE OFFER

In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment of the Offer:

- (a) Market quotation and trading activity of the Units;
- (b) Financial performance of the IPIT Group;
- (c) NTA and RNTA of the IPIT Group;
- (d) Comparison with recently completed privatisation and delisting of companies, REITs and business trusts listed on the SGX-ST;
- (e) Comparison of valuation ratios of selected listed REITs and business trusts which are broadly comparable with IPIT;
- (f) Distribution track record of IPIT; and
- (g) Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the financial terms of the Offer are not fair from the perspective of the value of the Units but reasonable on other matters.

Unitholders should note that as at the Latest Practicable Date, the public float of IPIT has fallen to 6.41%. Given the intentions of the Offeror to delist from the SGX-ST and not to take any actions to maintain the listing status of IPIT on the SGX-ST, accordingly, trading on the Units on the SGX-ST will be suspended after the close of the Offer.

Unitholders who have not accepted the Offer may face difficulties if they wish to sell their Units in the absence of a public trading platform for the Units, if the trading on the Units is suspended or if IPIT is delisted from the SGX-ST, as there is no arrangement for Unitholders to exit. Even if such Unitholders were able to sell their Units, they may receive a lower price as compared to the Offer Price.

Accordingly, we advise the Independent Directors to recommend Unitholders to **ACCEPT** the Offer or to sell their Units in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs).

In rendering the above advice, we have not given regard to any specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Unitholder. As each individual Unitholder would have different investment objectives and profiles, we would advise that any individual Unitholder who may require specific advice in relation to his investment objectives or portfolio should consult his legal, financial, tax or other professional adviser immediately. The Independent Directors should advise Unitholders that the opinion and advice of Provenance Capital should not be relied upon by any Unitholder as the sole basis for deciding whether or not to accept the Offer, as the case may be.

Our recommendation is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Offer, as the case may be, and may not be used or relied on for any other purposes (other than for the purpose of the Offer) without the prior written consent of Provenance Capital. The recommendation to be made by the Independent Directors to Unitholders in respect of the Offer, as the case may be, shall remain the sole responsibility of the Independent Directors.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

APPENDIX 2

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Mr. Gurbachan Singh	14, Toh Avenue Toh Estate Singapore (508040)	Chairman & Independent Director
Mr. Sri Murali s/o Sinnothei Renganathan	39, Coronation Road Singapore (269450)	Independent Director
Mr. Mehul Charles Christopher Johnson	2802, 28th Floor, Tower 1, Imperial Tower, M P Mills Compound, Tardeo, Mumbai, 400034	Non-Executive Director
Ms. Savita Singh	15A, Neelima, Police Officers' Quarters, B G Kher Marg Nxt To Malabar Hill Police Station, Malabar Hill, Mumbai 400006	Independent Director
Mr. Kubeir Khera	1202/7, Nri Complex, Seawood Estate Nerul, Navi Mumbai, Thane 4000706	Non-Executive Director

2. REGISTERED OFFICE

The registered office of the Trustee-Manager is at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767.

3. PRINCIPAL ACTIVITIES

IPIT is a Singapore-based Business Trust registered with the Monetary Authority of Singapore ("MAS") and listed on the Main Board of the SGX-ST. IPIT's principal activities are in investing, either directly or indirectly, primarily in income-producing properties globally, with at least the majority comprising income-producing commercial/hospitality space and/or; acquiring and/or developing properties globally (with at least the majority of IPIT's assets comprising commercial/hospitality space) and either holding or selling all or a portion of developed properties upon completion; and/or investing in real estate-related assets in connection with the foregoing.

4. UNITS

4.1 Units of IPIT

As at the Latest Practicable Date:

- (a) IPIT only has one class of Units comprising (subsequent to completion of the unit consolidation exercise on 25 August 2015) 754,028,697 Units in respect of an aggregate Units in issue amount of approximately S\$3,102,916,000 (rounded up to the nearest thousand)¹;
- (b) IPIT has not issued any Units since FY2015, being the last financial year for which accounts were adopted by unitholders of IPIT; and
- (c) IPIT has no outstanding instruments convertible into, rights to subscribe for, or options in respect of, the Units.

4.2 Rights of Unitholders in relation to Voting, Distribution and the Units

The rights of Unitholders in respect of voting, distribution and the Units are contained in the Trust Deed, which is available for inspection at the Trustee-Manager's registered office at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767. The relevant provisions in the Trust Deed relating to the rights of Unitholders in respect of voting, distribution and the Units have been extracted and reproduced in Appendix 3 to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Trust Deed and/or the Business Trusts Act.

5. DISCLOSURE OF INTERESTS AND DEALINGS

5.1 Interests and dealings of IPIT in the Offeror Securities

- (a) As at the Latest Practicable Date, IPIT does not have any direct or deemed interest in any Offeror Securities.
- (b) IPIT has not dealt for value in any Offeror Securities during the Relevant Period.

5.2 Interests and dealings of the Directors in the Offeror Securities

- (a) As at the Latest Practicable Date, none of the Directors have any direct or deemed interests in the Offeror Securities.
- (b) None of the Directors has dealt for value in the Offeror Securities during the Relevant Period.

5.3 Interests and dealings of the Directors in the IPIT Securities

- (a) As at the Latest Practicable Date, none of the Directors have any direct or deemed interests in the IPIT Securities.
- (b) None of the Directors has dealt for value in the IPIT Securities during the Relevant Period.

5.4 Interests and dealings of the IFA

- (a) None of the IFA, its related corporations or any of the funds whose investments are managed by the IFA on a discretionary basis own or control any IPIT Securities or Offeror Securities as at the Latest Practicable Date.
- (b) None of the IFA, its related corporations or any of the funds whose investments are managed by the IFA on a discretionary basis have dealt for value in any IPIT Securities or Offeror Securities during the Relevant Period.

¹ As per IPIT's annual report for FY2015, IPIT has only one class of Units comprising of 3,770,143,000 Units in respect of an aggregate Units in issue amount of approximately S\$3,102,916,000 (rounded up to nearest thousand).

6. OTHER DISCLOSURES

6.1 Directors' service contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with IPIT or the Trustee-Manager or any of their subsidiaries with more than 12 months to run, which the employing company cannot, within the next 12 months, terminate without payment of compensation; and
- (b) there are no such contracts entered into or amended during the Relevant Period.

6.2 Arrangements affecting Directors

As at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 2 of the Business Trust Act deemed to be related to IPIT or the Trustee-Manager, as compensation for loss of office or otherwise in connection with the Offer.
- (b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save for information on IPIT that is publicly available and other than those entered into in the ordinary course of business, as at the Latest Practicable Date, the Trustee-Manager on behalf of IPIT or any of IPIT's subsidiaries has not entered into material contracts with persons who are interested persons (as defined in the Note on Rule 23.12 of the Code) during the period beginning three (3) years before the Offer Announcement Date.

8. MATERIAL LITIGATION

Save for information on IPIT that is publicly available, as at the Latest Practicable Date, none of IPIT and its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of IPIT or the Group, taken as a whole. Save for information on IPIT that is publicly available, the Directors are not aware of any litigation, claims or proceedings pending or threatened against IPIT or any of its subsidiaries or of any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of IPIT and its subsidiaries taken as a whole.

9. SUMMARY OF FINANCIAL INFORMATION

9.1 Consolidated Financial Statements of Comprehensive Income

A summary of the audited consolidated financial statements of comprehensive income of the Group for FY2013, FY2014 and FY2015, and the unaudited consolidated financial statements of comprehensive income of the Group for FY2016 is set out below.

Particulars	Audited FY2013 S\$'000	Audited FY2014 S\$'000	Audited FY2015 S\$'000	Unaudited FY2016 S\$'000
Property income				
Base rent	83,666	81,561	90,011	90,538
Operations and maintenance income	9,155	9,632	10,424	10,525
Car park and other income	2,157	2,649	2,314	2,474
Total income	94,978	93,842	102,749	103,537
Property expenses				
Advertisement	(6,828)	(6,544)	(4,296)	(2,683)
Operating maintenance and security	(13,339)	(13,239)	(13,734)	(13,801)
Legal and professional fees	(3,149)	(8,115)	(3,529)	(3,584)
Other direct costs	(12,851)	(11,983)	(13,753)	(19,552)
Total property expenses	(36,167)	(39,881)	(35,312)	(39,620)
Net property income	58,811	53,961	67,437	63,917
Finance costs	(50,284)	(50,188)	(59,833)	(58,756)
Trust expenses				
Trustee fee	(480)	(421)	(465)	(466)
Management fee – Base	(5,968)	(5,369)	(5,818)	(5,825)
Management fee – Performance	(2,352)	(2,141)	(2,699)	(2,556)
Other trust operating expenses	(422)	(332)	(270)	(298)
Foreign exchange gain	1,442	653	26	90
Changes in fair valuation of investment properties	(94,738)	(74,665)	–	–
Loss before tax	(93,991)	(78,502)	(1,622)	(3,894)
Income tax	(13,479)	21,909	(1,387)	4,698
Loss for the year	(107,470)	(56,593)	(3,009)	804
Basic and diluted earnings per unit (cents)	(14.550)	(7.600)	(0.401)	0.107
Distribution per unit (cents)	0.1485	0.1580	0.1396	0.0638

The above summary of the key financial results of the Group for FY2013, FY2014, FY2015 and FY2016 should be read together with the audited financial statements of the Group for the relevant years and related notes thereto, copies of which are available for inspection at the registered office of the Trustee-Manager at 38 Beach Road, #29-11, South Beach Tower, Singapore (189767) during normal business hours.

9.2 Statement of Financial Position

A summary of the audited statement of financial position of the Group as at 31 March 2015 and the unaudited consolidated balance sheet of the Group as at 31 March 2016 is set out below.

	Audited As at 31 March 2015 S\$'000	Unaudited As at 31 March 2016 S\$'000
ASSETS		
Non-current assets		
Plant and equipment	16,853	13,421
Investment properties	1,275,519	1,187,284
Total non-current assets	1,292,372	1,200,705
Current assets		
Cash and cash equivalents	6,712	9,031
Pledged fixed deposits	13,557	13,077
Prepayments	216,349	206,856
Trade and other receivables	16,953	15,679
Other current assets	17,747	29,992
Development properties (held-for-sale)	1,309,261	1,274,115
Total current assets	1,580,579	1,548,750
Total assets	2,872,951	2,749,455
LIABILITIES		
Current liabilities		
Interest bearing loans and borrowings	79,191	174,254
Trade and other payables	21,386	19,369
Total current liabilities	100,577	193,623
Non-current liabilities		
Interest bearing loans and borrowings	502,718	421,033
Trade and other payables	58,361	52,999
Other non-financial liability	549,859	545,462
Deferred tax liabilities	332,804	305,131
Total non-current liabilities	1,443,742	1,324,625
Total liabilities	1,544,319	1,518,248
NET ASSETS	1,328,632	1,231,207
UNITHOLDERS' FUNDS		
Unitholders' funds	1,328,632	1,231,207

The above summary of the audited statement of financial position of the Group as at 31 March 2015 should be read together with the annual report for FY2015 and the audited financial statements of the Group for FY2015 and related notes thereto, copies of which are available for inspection at the registered office of the Trustee-Manager at 38 Beach Road, #29-11, South Beach Tower, Singapore (189767) during normal business hours.

9.3 Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in notes to the audited financial statements of the Group for FY2015, copies of which are available for inspection at the registered office of the Trustee-Manager at 38 Beach Road, #29-11, South Beach Tower, Singapore (189767) during normal business hours.

9.4 Changes in Accounting Policies

There are no changes in the accounting policies of the Group which will cause the financial statements of the Group not to be comparable to a material extent.

10. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in publicly available information on IPIT (including but not limited to announcements released by IPIT in respect of its financial results), as at the Latest Practicable Date, there have been no known material changes in the financial position of IPIT since 31 March 2015, being the date to which IPITs last published audited accounts were made up.

11. VALUATION ON PROPERTIES

The Trustee-Manager has commissioned independent valuations of the Properties as at 31 March 2016. An Extract of the Valuation Summary Report is set out in Appendix 4 of this Circular.

Under Rule 26.3 of the Code, IPIT is 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 the valuation. Based on the valuation summary report, the potential tax liability (after adjusting for the potential tax credit of approximately S\$96.2 million (please refer to page 17 of the IFA Letter) from the deferred tax liability of approximately S\$305.1 million as at 31 March 2016) that may be incurred by IPIT on the hypothetical sale of the Properties is approximately S\$208.9 million.

12. CONSENTS

Provenance Capital Pte. Ltd., named as the IFA, has given and has not withdrawn their written consent to the issue of this Circular with the inclusion of the IFA Letter in Appendix 1 of this Circular and the references to them and their name in the form and context in which they appear in this Circular.

Knight Frank (India) Private Limited, named as the Valuer, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the extracts of its Valuation Summary Report in Appendix 4 of this Circular and the references to them and their name in the form and context in which they appear in this Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Trustee-Manager's registered office at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 during normal business hours from the date of this Circular up to and including the date of the Closing Date:-

- (a) the Trust Deed of IPIT;
- (b) the annual reports of IPIT for FY2013, FY2014 and FY2015;
- (c) the unaudited consolidated financial statements of the Group for FY2016;
- (d) the extract of valuation summary report as set out in Appendix 4 of this Circular;
- (e) the IFA Letter as set out in Appendix 1 of this Circular;
- (f) the letters of consent referred to in section 12 of this Appendix 2.

APPENDIX 3

EXTRACTS OF RELEVANT PROVISIONS IN THE TRUST DEED

1. RIGHTS OF UNITHOLDERS IN RESPECT OF THE UNITS, DISTRIBUTIONS AND VOTING

The rights of Unitholders in respect of the Units, distributions and voting as extracted from the Trust Deed are set out in paragraphs 1.1, 1.2 and 1.3 below.

1.1 Rights in respect of the Units

The relevant provisions in clauses 3 and 6 of the Trust Deed, which set out the Unitholders' rights in respect of the Units, are set out below:

3. *Provisions as to Units, Holders and Statements of Holdings*

3.2.1 *Form of Statement of Holdings*

In the event the Trust is Listed on a Recognised Stock Exchange other than the SGX-ST 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 Listed on a Recognised Stock Exchange other than the SGX-ST or is Unlisted, issue to each Holder of Units on a 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 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.

3.3 *Sub-division and Consolidation of Units*

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.

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 relevant Depositor's Securities Account to reflect the new number of Units held by such Depositor as a result of such sub-division or consolidation.

3.5 *Rights attached to Units*

The rights attached to the 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 (including the Vendor Special 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.

3.6 Variation of Rights

- 3.6.1 *If at any time different Classes of Units are issued, the rights attached to any Class (unless otherwise provided by the terms of issue of the Units of that Class) may, subject to the provisions of the Relevant Laws, Regulations and Guidelines, whether or not the Trust is being wound up, be varied or abrogated with the sanction of an Extraordinary Resolution of the Holders in respect of Units of that Class, and to every such Extraordinary Resolution the provisions of this Deed relating to meetings of Holders shall apply mutatis mutandis PROVIDED THAT the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued Units of the Class and that any Holder in respect of Units of that Class present in person or by proxy or by attorney may demand a poll.*
- 3.6.2 *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.*

3.7 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 as absolute owner thereof and shall not be bound by any notice to the contrary and shall also not 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.

6. Issue of Units

6.1 Issue of Units

- 6.1.1 *Subject to the provisions of this Deed and any Relevant Laws, Regulations and Guidelines, the Trustee-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, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) PROVIDED THAT, 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). 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 Deposited Property. Issues of Units shall only be made on a Business Day unless and to the extent that the Trustee- Manager, with the previous consent of the Trustee-Manager, otherwise prescribes. Issues of Units for cash shall be made at a price hereinafter prescribed.*
- 6.1.2 *The Trustee-Manager may by deed supplemental hereto issue further Classes of Units under such terms and conditions as may be contained therein.*

6.1.3 The Trust may be listed on the SGX-ST pursuant to Clause 7 and if so listed shall be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through the Securities Accounts into which Units are credited in accordance with Clause 4.7.

6.1.4 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 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.

6.2 Issue Price of Units Prior to the Listing Date

6.2.1 Prior to the Listing Date, the Trustee-Manager may, subject to 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.

6.2.2 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 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 by the Trustee-Manager, subject to the prevailing laws, rules and regulations.

6.2.3 The Trustee-Manager may issue Units at the Issue Price determined in accordance with Clause 6.2.2 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.

6.3 Issue Price of Units when the Trust is Listed

6.3.1 Subject to Clauses 6.3.2, 6.3.3 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 relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or
- (ii) if the Trustee-Manager believes that the calculation in Clause 6.3.1(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.

6.3.2 *The Trustee-Manager shall comply with the Listing Rules in determining the Issue Price, including*

- (i) the Issue Price for a rights issue on a pro-rata basis to all existing Holders;*
- (ii) 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;*
- (iii) the Issue Price for any reinvestment of distribution arrangement; and*
- (iv) the discount, if any, to the Issue Price.*

6.3.3 *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. For the avoidance of doubt, when the issue of the Units to the vendor of the Authorised Investment is not in conjunction with an issue of Units to raise cash, there shall be no discount to the Market Price.*

6.4 **Units Issued to Persons Resident Outside Singapore**

If a Unit is to be issued to a person resident outside Singapore, the Trustee-Manager shall be entitled to charge for its own account 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. 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 to those Holders whose addresses are outside Singapore. In such event, the rights or entitlements to the Units of such Holders will be offered for sale by the Trustee-Manager as the nominee and authorised agent of each 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 whose rights or entitlements have been thus sold, PROVIDED THAT where such proceeds payable to the relevant Holders are less than S\$10.00, the Trustee-Manager shall be entitled to retain such proceeds as part of the Trust Property.

6.5 **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 Units, where (a) payment of the Issue Price payable in respect of any Unit agreed to be issued by the Trustee-Manager has not been received before 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 agree) or (b) the Issue Price paid in respect of any Unit is returned to the Holder, (in respect of sub-paragraph (a)) the agreement to issue such Unit and (in respect of sub-paragraph (b)) such Units 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:

6.5.1 *no previous valuations of the Trust shall be re-opened or invalidated as a result of the cancellation of such Units; and*

6.5.2 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

6.6 Updating of Securities Account

For so long as the Trust is Listed on the SGXST, 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.

6.7 Suspension of Issue

The Trustee-Manager may, subject to the Listing Rules, suspend the issue of Units during any of the following events:

6.7.1 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;

6.7.2 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;

6.7.3 when, for any reason, the prices of investments cannot be promptly and accurately ascertained;

6.7.4 when remittance of money which will or may be involved in the realisation of Investments or in the payment for Investments cannot, in the opinion of the Trustee-Manager, be carried out at normal rates of exchange;

6.7.5 in relation to any general meeting of the Holders, the period of 48 hours before such general meeting or any adjournment thereof;

6.7.6 where the issuance of Units is suspended pursuant to any order or direction issued by the MAS or other relevant regulatory authorities; or

6.7.7 when the business operations of the Trustee-Manager in relation to the Trust are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, widespread communicable and infectious diseases, 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 6.7 exists 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.

1.2 Rights in respect of distributions

The relevant provisions in clause 10 of the Trust Deed, which set out the Unitholders' rights in respect of distributions, are set out below:

10. Distributions

10.1 Distribution to Holders

Subject to this Clause 10 and to the Relevant Laws, Regulations and Guidelines, the Trustee-Manager shall make distributions of at least 90.0% of the Distributable Amount determined in accordance with Clause 10.4.1 to Holders at half-yearly intervals or at such other intervals as the Trustee-Manager shall decide in its absolute discretion.

10.2 Determination of Distributable Amount and Reserves

The Trustee-Manager (acting after consultation with the Auditors) may from time to time:

10.2.1 set aside out of the profits of the Trust and to carry to reserve such sums and make such provisions as it thinks fit;

10.2.2 determine the amount available for distribution; and

10.2.3 capitalise any sum for the time being standing in the reserves or otherwise available for distribution.

10.3 Frequency of Distribution of Income

The Trustee-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 Trustee-Manager will calculate and distribute each Holder's Distribution Entitlement in accordance with the provisions of this Clause 10.

10.4 Distribution Entitlement

10.4.1 "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 of Net Tax-Exempt Income which the Trustee-Manager has determined is to be distributed; and

"C" is any additional amount (including capital), which may be a negative amount, which the Trustee-Manager has determined is to be distributed or if thought fit by the Trustee-Manager, to be transferred to or from an undistributed income reserve account.

10.4.2 Each Holder's Distribution Entitlement is to be determined in accordance with the following formula:

$$DA \times \frac{UH}{UI}$$

where:

"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; 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 Distribution Amount.

10.5 Distribution of Entitlement

10.5.1 Save for the Vendor Special Units and subject to Schedule 2, 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. Holders of the Vendor Special Units shall be entitled to Distributions as specified in Schedule 2.

10.5.2 The persons who are Holders on the Record Date for a Distribution Period are entitled to their respective Distribution Entitlements for that Distribution Period.

10.5.3 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.*

10.5.4 The Trustee-Manager may in its absolute discretion determine how any sum so retained is to be applied and/or paid.

10.6 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.

10.7 Categories and Sources of Income

10.7.1 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.

10.7.2 The Trustee-Manager may cause the distribution of any amount recorded in an account or record kept pursuant to Clause 10.7.1 before the distribution of any other amount.

10.8 Distribution Policy

The Trustee-Manager acknowledges that subject to Clause 10.1, the Trust's distribution policy on and after the Listing Date is to distribute as much of its income as practicable.

10.9 Distribution Reinvestment Arrangements

The Trustee-Manager may advise Holders, from time to time in writing that Holders, may on terms 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 6.1 and PROVIDED THAT the Issue Price for any such Units to be issued shall be the Issue Price determined in accordance with Clause 6.3 if the Units are Listed and Clause 6.2 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 reinvestment arrangements from time to time by notice in writing to Holders.

10.10 Capitalisation of Undistributed Distribution Amount

Prior to the Listing Date, the Trustee-Manager, with the agreement of all Holders, may elect not to distribute in accordance with Clause 10.3 and in lieu of such distribution capitalise the undistributed Distribution Amount.

10.11 Distribution of Capital and Unrealised Gains

The Trustee-Manager may at its discretion cause the distribution of an amount which represents:

- 10.11.1 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; or*
- 10.11.2 part or all of the unrealised gains due to the increase in the capital value of the Real Estate held by the Trust arising from asset enhancement*

1.3 Rights in respect of voting

The relevant provisions of schedule 1 to the Trust Deed are set out below:

Schedule 1

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 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 Units are Listed, the Listing Rules as well, notice of every general meeting shall be given to the Holders in manner provided in this Deed. The period of notice 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.*

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. 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 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 (1) 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.

3.3 Adjournment of meetings

3.3.1 *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.*

3.3.2 *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.*

3.3.3 *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.*

3.4 Voting

3.4.1 *At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded (i) by the Chairman; (ii) by five or more Holders having the right to vote at the meeting; or (iii) by Holder(s) representing not less than 10.0% of the total voting rights of all the Holders having the right to vote at the meeting.*

3.4.2 *Unless a poll is so demanded a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.*

3.4.3 *If a poll is duly demanded it 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 demanded. 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.*

3.4.4 *A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs. A demand for a poll may be withdrawn at any time.*

3.4.5 *The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.*

3.5 Votes of Holders

3.5.1 *Subject to the Business Trusts Act, each Unit shall confer the right to poll at any meeting to one vote, and one vote only.*

3.5.2 *On a show of hands every Holder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote.*

3.5.3 *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.*

3.5.4 *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.*

3.5.5 *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.*

3.5.6 *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.*

3.5.7 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, the Trustee-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-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 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 The instrument appointing a proxy to vote at a meeting of the Holders shall be deemed to confer authority to demand or join in demanding a poll. A demand by a person as proxy for a Holder shall, for the purpose of Paragraph 3.4, be deemed to be the same as a demand by the Holder.
- 4.5 A Holder may appoint not more than two proxies to attend and vote at the same meeting, PROVIDED THAT if the Holder is a Depositor, the Trustee-Manager shall be entitled and bound:
- 4.5.1 to reject any instrument of proxy lodged if the Depositor is not shown to have any Units 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
- 4.5.2 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 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.
- 4.6 In any case where a form of proxy appoints more than one proxy, the proportion of the holding of Units concerned to be represented by each proxy shall be specified in the form of proxy.

- 4.7 *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 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 *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 an Ordinary Resolution or an 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.*
- 6.2 *An Extraordinary Resolution or an Ordinary Resolution, as the case may be, shall be binding on all Holders whether or not present at the relevant meeting and each of the Holders 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.*

APPENDIX 4

EXTRACT OF THE VALUATION SUMMARY REPORT



Extract of Independent Property Valuation Summary Report

Knight Frank India Pvt. Ltd has been instructed by Indiabulls Property Management Trustee Pte. Ltd. as Trustee Manager for Indiabulls Properties Investment Trust (the “Company”) to provide a formal opinion of value of the Company’s interests in the proposed developments of properties located in **Indiabulls Properties Private Ltd and Indiabulls Real Estate Company Private Ltd** located at Lower Parel, Mumbai, (hereinafter referred to individually as a “Property” and collectively, the “Properties” or the “Portfolio”).

Knight Frank is providing this opinion of value (the “Valuation Report”) to be used in the preparation of financial results of the Company for the financial year ended 31st March 2016, or for any other document to be produced in relation thereof. This extract forms part of the complete report wherein particular attention is drawn to the assumptions, qualifications and disclaimers included in the Valuation Report.

Date of Valuation

We confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we deem necessary to derive our opinion of the valuation of the Trust’s proposed interests in the Properties (the “Valuation”) as at 31st March 2016 (the “Date of Valuation”).

Portfolio Overview

We have carried out the Valuation of the following Properties:

1. Indiabulls Properties Private Ltd

The Property has city survey no. 841 and 882 of Mumbai City in the state of Maharashtra in India. The land area is 11.1 acres and is located on Senapati Bapat Marg, Lower Parel, Mumbai. One Indiabulls Centre has been developed as a commercial development while Indiabulls Sky and Indiabulls Sky Forest (hereinafter referred to collectively as “residential development”) are being developed as high-end residential developments.

The Property is located on the Senapati Bapat Marg (Tulsi pipeline road), very close to Elphinstone Road railway station. It lies in the micro-market of Lower Parel. The immediately adjoining localities of Worli and Prabhadevi in this micro-market are nearby and have an important influence on the development on the subject.

2. Indiabulls Real Estate Company Private Ltd

The Property has city survey no. 612/613 of Mumbai City in the state of Maharashtra in India. The land area is 7.8 acres and is located on Senapati Bapat Marg, Lower Parel, Mumbai. Indiabulls Finance Centre has been developed as a commercial development while Indiabulls Sky Suites is being developed as high-end residential development.

The Property is located on the Senapati Bapat Marg (Tulsi pipeline road), very close to Elphinstone Road railway station. It lies in the micro-market of Lower Parel. The immediately adjoining localities of Worli and Prabhadevi in this micro-market are nearby and have an important influence on the development on the subject.

The above properties comprise total commercial area of approximately 3.3 million sq ft and total residential area of 3.3 million sq ft.

Basis of Valuation

Our Valuation has been prepared in accordance with the appropriate sections of both the current Global Professional Standards (“PS”) and Global Valuation Practice Statements (“VPS”) contained within the ‘RICS Appraisal and Valuation standards, (the “Red Book”, 2014 Edition) as well as the International Financial Reporting Standard 13 (IFRS 13), subject to variation to meet the local established law, custom, practice and market conditions and our general principles of valuation.

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While Indiabulls Finance Centre which is close to completely leased out commercial development has been valued by Rent Capitalisation, our Valuation of rest of the Properties is made on the basis of 'Net Present Value', which is our best estimate of value of the proposed developments of properties. The net present value of any property can be calculated after discounting future cash flows at an appropriate discount rate, assuming that the property is perpetually leased at the time of leasing. Future cash flows are estimated on the basis of prevailing market conditions, and discount factor is estimated on the basis of the company's targeted long-term capital structure and the cost thereof, depending on the asset class and its current construction as well as sales/leasing status in consideration. Discount rate is taken as 14% for the commercial development of One Indiabulls Centre and 17% for the residential development for the purpose of this Valuation. Indiabulls Finance Centre is valued by capitalising the Net Current Annual Cash Flows for the development.

We have applied the definition of Net Present Value to each proposed development independently and ignored the potential effect of selling the entire Portfolio at any one time. We have valued the Company's proposed interest in the Properties with the benefit of vacant possession, unless otherwise stated.

Summary of Valuation

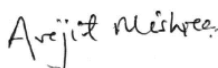
Based on the methodology described above, assumptions discussed herein, we are of the opinion that the net present value of the Company's interests in the proposed developments, as at 31st March 2016 is as follows:

No. Particulars	Value of Property INR million
1. Indiabulls Properties Private Ltd	
Commercial Component	34,523
Residential Component	36,660
2. Indiabulls Real Estate Company Private Ltd	
Commercial Component	23,991
Residential Component	12,227
Total	107,401

For Knight Frank (India) Private Limited,



Saurabh Mehrotra MRICS
National Director – Advisory Services



Avijit Mishra MRICS
Principal Consultant – Advisory Services

Date: 22 April 2016