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

RENOUNCEABLE RIGHTS ISSUE TO RAISE GROSS PROCEEDS OF APPROXIMATELY S\$218.3 MILLION

1. INTRODUCTION

Further to the announcement dated 10 June 2015 on the proposed acquisition by OUE Commercial Real Estate Investment Trust ("**OUE C-REIT**") of an indirect interest in One Raffles Place (the "**Acquisition**"), OUE Commercial REIT Management Pte. Ltd. (in its capacity as manager of OUE C-REIT) (the "**Manager**") wishes to announce that it is undertaking an underwritten and renounceable rights issue (the "**Rights Issue**") of 393,305,817 new units in OUE C-REIT ("**Rights Units**") to raise gross proceeds of approximately S\$218.3 million.

2. PRINCIPAL TERMS OF THE RIGHTS ISSUE

Pursuant to the Rights Issue, the Rights Units will be offered at the rights ratio ("**Rights Ratio**") of 9 Rights Units for every 20 existing units in OUE C-REIT ("**Existing Units**") held as at the time and date on which the transfer books and register of unitholders of OUE C-REIT ("**Unitholders**") will be closed to determine the provisional allotments of Rights Units to the Eligible Unitholders (as defined herein) (the "**Rights Issue Books Closure Date**") (fractional entitlements to be disregarded).

The Rights Issue would provide Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units (the "**Rights Entitlement**") at an issue price of S\$0.555 per Rights Unit ("**Issue Price**"), which is at a discount of:

- (i) approximately 31.5% to the closing price of S\$0.810 per unit in OUE C-REIT ("**Unit**") on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 29 June 2015,

Standard Chartered Securities (Singapore) Pte. Limited, CIMB Bank Berhad, Singapore Branch and Oversea-Chinese Banking Corporation Limited were the joint global coordinators and issue managers for the initial public offering of OUE Commercial Real Estate Investment Trust.

being the last trading day of the Units prior to the announcement of the Rights Issue ("**Closing Price**");

- (ii) approximately 24.1% to the theoretical ex-rights price ("**TERP**") of S\$0.731 per Unit which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of OUE C-REIT based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$$

- (iii) approximately 39.7% to OUE C-REIT's pro forma net asset value per Unit of S\$0.92 as at 31 December 2014 after completion of the proposed Acquisition (as defined below), the proposed issue of convertible perpetual preferred units ("**CPPUs**") and the Rights Issue (collectively, the "**Transactions**") and before conversion of the CPPUs.

The Rights Units will be issued pursuant to the general mandate that was given by the Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 29 April 2015.

3. **RATIONALE FOR THE RIGHTS ISSUE**

The Manager intends to use the gross proceeds from the Rights Issue to partially fund the proposed Acquisition, where OUE C-REIT proposes to acquire an indirect interest in One Raffles Place (the "**Property**") from the OUE Limited (the "**Sponsor**") through the acquisition of the entire issued share capital of Beacon Property Holdings Pte. Ltd. ("**BPHPL**"), which holds a percentage of the issued share capital in OUB Centre Limited ("**OUBC**"). OUBC is the registered owner of the Property and owns 81.54% of the beneficial interest in the Property.

The proposed Acquisition will be subject to the approval of Unitholders to be sought at an extraordinary general meeting of Unitholders. In the event that OUE C-REIT does not proceed with the proposed Acquisition, the proceeds from the Rights Issue shall be re-deployed for potential future acquisitions or the repayment of its existing borrowings.

The Rights Issue will also increase the number of Units in issue by 393,305,817 Units or about 45.0%. The increase in the total number of Units in issue pursuant to the Rights Issue is expected to improve the trading liquidity of the Units on the SGX-ST and provide OUE C-REIT with increased visibility within the investment community.

4. **USE OF PROCEEDS**

4.1 **Use of Proceeds from the Rights Issue**

The Manager intends to use the gross proceeds of approximately S\$218.3 million from the Rights Issue in the following manner:

- (i) approximately S\$205.3 million (equivalent to approximately 94.0% of the gross proceeds) will be used to part finance the expected purchase consideration for the proposed Acquisition including the repayment of any outstanding shareholder's loan at BPHPL;

- (ii) approximately S\$3.4 million (equivalent to approximately 1.6% of the gross proceeds) will be used to pay the total costs and expenses relating to the Rights Issue; and
- (iii) approximately S\$9.6 million (equivalent to approximately 4.4% of the gross proceeds) will be used to pay the stamp duty, professional and other fees and expenses incurred or to be incurred in connection with the proposed Transactions.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes. In the event that OUE C-REIT does not proceed with the proposed Acquisition, the proceeds from the Rights Issue shall be re-deployed for potential future acquisitions or the repayment of its existing borrowings.

Pending deployment, the net proceeds from the Rights Issue may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Manager may, in its absolute discretion deem fit. The Manager will make periodic announcements on the utilisation of the net proceeds of the Rights Issue via SGXNET as and when such funds are materially utilised.

4.2 Method of Financing for the Proposed Acquisition

The Manager intends to finance the proposed Acquisition (excluding the acquisition fee to be paid to the Manager in Units) through a combination of debt and equity financing.

Where OUE C-REIT acquires a 75.0% indirect interest in OUBC, the proposed Acquisition shall be financed through a combination of debt and equity comprising:

- (i) approximately S\$218.3 million from the Rights Issue;
- (ii) S\$500.0 million of CPPUs to be issued to the Sponsor or its nominees; and
- (iii) drawdown of approximately S\$333.3 million from debt facilities.

Where OUE C-REIT acquires an 83.33% indirect interest in OUBC, the proposed Acquisition shall be financed through a combination of debt and equity comprising:

- (i) approximately S\$218.3 million from the Rights Issue;
- (ii) S\$550.0 million of CPPUs to be issued to the Sponsor or its nominees; and
- (iii) drawdown of approximately S\$399.3 million from debt facilities.

The Manager intends to part finance the proposed Acquisition by the issue of between S\$500.0 million to S\$550.0 million CPPUs at an issue price of S\$1.00 per CPPU, bearing the following key characteristics where:

- (i) each CPPU shall entitle the holder of the CPPU (the “**CPPU Holder**”) to a distribution of 1.0% per annum of the issue price of the CPPU;
- (ii) there is a restriction period of four years commencing from the date of issuance of the CPPUs (the “**Restriction Period**”), during which the CPPU Holder may not exercise his right to convert the CPPUs (“**Conversion Right**”);
- (iii) the CPPU Holder may exercise his Conversion Right upon the expiry of the Restriction Period, provided that not more than one-third of the CPPUs initially issued can be converted in any one year thereafter (i.e. S\$166.7 million to S\$183.3 million per annum); and

- (iv) the conversion price of the CPPU is S\$0.841, representing a premium of 15.0% to the TERP per Unit in relation to the Rights Issue (and subject to adjustments in accordance with the terms of the CPPU); and
- (v) each CPPU is redeemable at its issue price at the Manager's discretion.

The Manager has appointed Citigroup Global Markets Singapore Pte. Ltd. and Standard Chartered Bank Singapore Branch as the joint financial advisors for the issuance of CPPUs and the Rights Issue.

5. UNDERWRITING OF THE RIGHTS ISSUE

The Manager has appointed Citigroup Global Markets Singapore Pte. Ltd. and DBS Bank Ltd. as the joint lead managers and underwriters for the Rights Issue (the "**Joint Lead Managers and Underwriters**"). The Rights Issue (less the OUE Proportionate Rights Units (as defined herein)) is fully underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the conditions of a management and underwriting agreement entered into between the Manager and the Joint Lead Managers and Underwriters on 29 June 2015 (the "**Management and Underwriting Agreement**").

The Joint Lead Managers and Underwriters will be entitled to a commission of 2.25% of the Issue Price multiplied by the total number of Rights Units less the number of Rights Units subscribed for by Clifford Development Pte. Ltd. and the Manager (collectively, the "**Subscribing Entities**") pursuant to the Sponsor Irrevocable Undertaking (as defined below).

It should be noted that the Management and Underwriting Agreement may be terminated upon the occurrence of certain events, including those of a *force majeure* nature, but the Joint Lead Managers and Underwriters are not entitled to rely on *force majeure* to terminate the Management and Underwriting Agreement on or after the date on which ex-rights trading commences (being 3 July 2015) (in compliance with Rule 818 of the Listing Manual of the SGX-ST).

6. COMMITMENT OF THE SPONSOR

To demonstrate its support for OUE C-REIT and the Rights Issue, the Sponsor, which through its wholly-owned subsidiaries, the Subscribing Entities, has an interest in 422,018,928 Units (the "**OUE Initial Units**") representing 48.3% of the issued Units as at 29 June 2015, has, on 29 June 2015, provided an irrevocable undertaking (the "**Sponsor Irrevocable Undertaking**") to each of (a) the Manager and (b) the Joint Lead Managers and Underwriters that it will:

- (i) as at the Rights Issue Books Closure Date, the Sponsor will have (through the Subscribing Entities) in aggregate a deemed interest in not less than the number of OUE Initial Units credited to the Subscribing Entities' securities accounts with The Central Depository (Pte) Limited (the "**CDP**") and/or depository agents (as the case may be);
- (ii) in accordance with the terms and conditions of the Rights Issue and in any case not later than the last day for acceptance and payment of the Rights Units ("**Closing Date**"), procure that the Subscribing Entities accept, to subscribe and pay in full for, the Subscribing Entities' total provisional allotment of Rights Units (the "**OUE Proportionate Rights Units**");

- (iii) procure each of the Subscribing Entities not to, on or before the Closing Date, sell, transfer or otherwise dispose of the Units (or any interest therein) held by it as at the date hereof, other than to the Sponsor's wholly-owned subsidiaries; and
- (iv) unless required by applicable law or regulations or by an order of a court of competent jurisdiction, the Sponsor will not, make any public statement or announcement regarding the Rights Issue, or circulate the Sponsor Irrevocable Undertaking or make any disclosure in connection therewith to any person (other than disclosure on a need-to-know basis to its directors, officers and advisers) without first obtaining the prior written consent of the Manager and the Joint Lead Managers and Underwriters (such consent not to be unreasonably withheld).

7. APPROVAL IN-PRINCIPLE

The SGX-ST has on 29 June 2015 given its approval in-principle for the listing and quotation of the Rights Units and the Units to be issued upon conversion of the CPPUs (the "**Conversion Units**") on the Main Board of the SGX-ST.

The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the proposed CPPUs, the Conversion Units, the Rights Issue, the Rights Units and/or OUE C-REIT.

The listing approval of the Rights Units is subject to the following conditions:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) a written undertaking from OUE C-REIT and the Manager that they will:
 - (a) comply with Listing Rules 704(30), 815 and 1207(20) in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, OUE C-REIT will disclose a breakdown with specific details on the use of proceeds for working capital in OUE C-REIT's announcements on use of proceeds and in the annual report; and
 - (b) comply with the confirmation given in Listing Rule 877(10) with regards to the allotment of any excess Rights Units; and
- (iii) a written confirmation from financial institution(s) as required under Listing Rule 877(9) that the Unitholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under their undertakings.

The listing approval of the Conversion Units is subject to the following conditions:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) Unitholders' approval for the proposed CPPUs;
- (iii) a written undertaking from OUE C-REIT and the Manager that:
 - (a) the terms of the CPPUs will comply with Listing Rule 829(1); and
 - (b) they will announce any adjustment made pursuant to Listing Rule 829(1).

8. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

Eligible Unitholders are Unitholders with Units standing to the credit of their securities account

with CDP (but do not include securities sub-accounts) ("**Securities Account**") and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days¹ prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address in the U.S. or any jurisdiction in which the offering of Rights Units and Rights Entitlements may not be lawfully made ("**Eligible Unitholders**").

The Rights Units will be provisionally allotted under the Rights Issue at the Issue Price on the basis of their unitholdings as at the Rights Issue Books Closure Date to Eligible Unitholders. Eligible Unitholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units (as defined herein).

The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein) which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements (collectively, "**Excess Rights Units**") will be aggregated and used to satisfy Excess Rights Units applications (if any) or disposed of or otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit.

Subject to the requirements of or otherwise waived by the SGX-ST, in the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any) followed by allotment to the Unitholders who are neither directors of the Manager ("**Directors**") nor Substantial Unitholders (as defined herein). Directors and Substantial Unitholders who have control or influence over OUE C-REIT or the Manager in connection with the day-to-day affairs of OUE C-REIT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units.

Eligible Unitholders who hold Units under the Central Provident Fund ("**CPF**") Investment Scheme ("**CPFIS**") or the Supplementary Retirement Scheme ("**SRS**") or through a finance company or depository agent can only accept their provisional allotments of Rights Units by instructing their relevant bank, finance company or depository agent to do so on their behalf. **ANY APPLICATION MADE BY THE ABOVEMENTIONED UNITHOLDERS DIRECTLY TO CDP OR THROUGH ATMS WILL BE REJECTED.** Such Unitholders should refer to the Offer Information Statement (as defined herein) to be lodged with the Monetary Authority of Singapore (the "**MAS**") for important details relating to the offer procedure in connection with the Rights Issue.

For practical reasons and in order to avoid violating applicable securities laws outside Singapore, the Rights Units will not be offered to Unitholders who are not Eligible Unitholders with registered addresses outside Singapore as at the Rights Issue Books Closure Date and who have not before at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents ("**Foreign Unitholders**"). Accordingly, no provisional allotment of Rights Units will be made to

¹ "**Market Day**" refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

Foreign Unitholders and no purported acceptance or application for Rights Units by Foreign Unitholders will be valid.

9. OFFER INFORMATION STATEMENT

In connection with the Rights Issue, the Manager will, following the lodgement of the offer information statement (“**Offer Information Statement**”) with the MAS, issue and despatch the Offer Information Statement to Unitholders setting out, among other things, the details of the Rights Issue.

10. INDICATIVE TIMETABLE

An indicative timeline for the Rights Issue is set out below (all references are to Singapore dates and times):

Event	Date and Time
Last day of “cum-rights” trading	: 2 July 2015
First day of “ex-rights” trading	: 3 July 2015
Lodgement of Offer Information Statement with the MAS	: 3 July 2015
Rights Issue Books Closure Date to determine Rights Entitlements	: 7 July 2015 at 5.00 p.m.
Despatch of Offer Information Statement to Eligible Unitholders	: 10 July 2015
Commencement of trading of Rights Entitlements	: 10 July 2015 from 9.00 a.m.
Close of trading of Rights Entitlements	: 21 July 2015 at 5.00 p.m.
Closing Date:	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Units	: 27 July 2015 at 5.00 p.m. ⁽¹⁾ (9.30 p.m. for Electronic Applications through ATMs of Participating Banks) ⁽²⁾
Last date and time for application and payment for Excess Rights Units	: 27 July 2015 at 5.00 p.m. ⁽¹⁾ (9.30 p.m. for Electronic Applications through ATMs of Participating Banks) ⁽²⁾
Last date and time for acceptance of and payment by the renounee	: 27 July 2015 at 5.00 p.m.
Expected date for commencement of trading of Rights Units on the SGX-ST	: 5 August 2015 from 9.00 a.m.

Notes:

- (1) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units, as the case may be, are made through CDP.
- (2) Eligible Unitholders should note that Electronic Applications through ATMs of the Participating Banks will not be available on 18 July 2015 due to system maintenance.

The Manager may, in consultation with the Joint Lead Managers and Underwriters and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will announce the same via the SGXNET.

However, as at the date of this Announcement, the Manager does not expect the above timetable to be modified.

By Order of the Board
Ng Ngai
Company Secretary

OUE Commercial REIT Management Pte. Ltd.

(Registration Number: 201327018E)

(as manager of OUE Commercial Real Estate Investment Trust)

29 June 2015

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

Any offering of Rights Units will be made in and accompanied by the Offer Information Statement. A potential investor should read the Offer Information Statement before deciding whether to subscribe for Rights Units under the Rights Issue. The Offer Information Statement may be accessed online at the website of the MAS at <<http://masnet.mas.gov.sg/operas/sdrprosp.nsf>> when it is lodged with the MAS. The MAS assumes no responsibility for the contents of the Offer Information Statement. The availability of the Offer Information Statement on the MAS website does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the investment merits of OUE C-REIT. This announcement is qualified in its entirety by, and should be read in conjunction with the full text of the Offer Information Statement when it is lodged with the MAS.

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE C-REIT is not necessarily indicative of the future performance of OUE C-REIT.

Investors have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is not an offer for sale of securities in the United States or elsewhere. The “nil-paid” Rights and Rights Units are not being registered under the Securities Act, and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from registration under the Securities Act. There will be no public offering of securities in the United States.