

CIRCULAR DATED 1 JULY 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular. If you are in any doubt about its contents or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of OUE Limited (the “**Company**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

OUE

OUE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 196400050E)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DISPOSAL OF 100% OF THE TOTAL NUMBER OF ISSUED AND PAID-UP SHARES IN THE CAPITAL OF BEACON PROPERTY HOLDINGS PTE. LTD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, WHICH HOLDS SHARES IN OUB CENTRE LIMITED

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	25 July 2015 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	27 July 2015 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Marina Mandarin Singapore Marina Mandarin Ballroom, Level 1 6 Raffles Boulevard Singapore 039594

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GLOSSARY

In this Circular, the following definitions apply throughout unless the context otherwise requires:

“Board”	:	The board of Directors of the Company
“BPHPL”	:	Beacon Property Holdings Pte. Ltd.
“BPHPL Sale Consideration”	:	The consideration payable to the Company by OUE C-REIT for the BPHPL Sale Shares (being the Company’s entire 100% shareholding stake in BPHPL, through which it holds its stake in OUBC) pursuant to the Proposed Disposal as described in Section 2.5.1
“BPHPL Group”	:	BPHPL and its subsidiary, OUBC
“BPHPL Sale Shares”	:	Such number of shares in the capital of BPHPL (comprising an aggregate of two (2) ordinary shares in the capital of BPHPL and any additional share(s) which may be issued by BPHPL between the Latest Practicable Date and the Completion Date) representing 100% of the total number of issued and paid up shares in the capital of BPHPL
“Business Day”	:	Means a day (other than a Saturday, a Sunday or a gazetted public holiday in Singapore) when banks in Singapore are open for business and “Business Days” shall be construed accordingly
“CDP”	:	The Central Depository (Pte) Limited
“Colliers”	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	:	OUE Limited
“Completion”	:	The completion of the Proposed Disposal in accordance with the terms of the Conditional SPA
“Completion Date”	:	The date on which Completion takes place, which shall be the Business Day immediately following the date on which BPHPL is registered as the legal owner of all the OUBC-KIO Shares (or as soon as practicable thereafter) or such other date as may be mutually agreed by the Company and the Trustee, provided that Completion shall not take place after the date falling three months after the date of the extraordinary general meeting of unitholders of OUE C-REIT convened to seek such unitholders’ approval for, among others, the acquisition of the BPHPL Sale Shares or such other earlier date as may be mutually agreed by the Company and the Trustee
“Conditional SPA”	:	The conditional sale and purchase agreement between the Company and the Trustee for the Proposed Disposal dated 10 June 2015
“CPPUs”	:	Convertible perpetual preferred units in OUE C-REIT
“Directors”	:	Directors of the Company as at the Latest Practicable Date

GLOSSARY

“EGM”	:	The extraordinary general meeting of the Company, notice of which is given in the Notice of Extraordinary General Meeting
“Existing Portfolio”	:	<p>The existing asset portfolio of OUE C-REIT, comprising:-</p> <p>(a) OUE Bayfront and its ancillary properties, which are located at Collyer Quay in Singapore’s central business district, comprising (i) OUE Bayfront, an 18-storey premium office building with rooftop restaurant premises located at 50 Collyer Quay, (ii) OUE Tower, a conserved tower building located at 60 Collyer Quay with panoramic views of the Marina Bay landscape which is currently occupied by a fine dining restaurant, and (iii) OUE Link, an overhead pedestrian link bridge with retail units located at 62 Collyer Quay; and</p> <p>(b) Lippo Plaza, which is located at 222 Huaihai Zhong Road in the commercial district of Huangpu in central Shanghai, the People’s Republic of China, a 36-storey Grade-A commercial building used for office and retail purposes which comprises a three-storey retail podium and basement car park lots, and of which OUE C-REIT has a 91.2% strata ownership</p>
“First Tranche OUBC Shares”	:	108,000,000 ordinary shares in OUBC, representing 45.00% of the total number of issued and paid up shares in the capital of OUBC
“Framework Agreement”	:	The framework agreement between the Company, BPHPL and KIO dated 10 June 2015 for the sale by KIO of the OUBC-KIO Shares
“FY2014”	:	The financial year ended 31 December 2014
“FY2014 Financial Statements”	:	The audited consolidated financial statements of the Group for the financial year ended 31 December 2014
“Group”	:	The Company and its subsidiaries
“KIO”	:	The Government of Kuwait represented by its Ministry of Finance, Kuwait Investment Office
“KIO Disposal”	:	The disposal by KIO of certain OUBC Shares to BPHPL, in accordance with the pre-emption procedure set out in the OUBC Articles applicable to the transfer of shares by the shareholders of OUBC
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 26 June 2015
“Listing Manual”	:	The Listing Manual of the SGX-ST
“Listing Rules”	:	The SGX-ST Mainboard Listing Rules as contained in the Listing Manual
“Manager”	:	OUE Commercial REIT Management Pte. Ltd. (in its capacity as manager of OUE C-REIT)
“Maximum OUBC Sale Shares”	:	200,000,000 OUBC Shares representing 83.33% of the total number of issued and paid up shares in the capital of OUBC

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“Minimum OUBC Sale Shares”	:	180,000,000 OUBC Shares representing 75.00% of the total number of issued and paid up shares in the capital of OUBC
“NAV”	:	Net asset value
“Notice of Extraordinary General Meeting”	:	The Notice of Extraordinary General Meeting of the Company set out at pages 34 to 35 of this Circular
“NTA”	:	Net tangible assets
“Ordinary Resolution”	:	A resolution passed by the affirmative vote of a simple majority of votes cast by the Shareholders present and voting at the EGM
“OUBC”	:	OUB Centre Limited
“OUBC Articles”	:	The articles of association of OUBC as amended from time to time
“OUBC Audited Accounts”	:	(i) The audited consolidated statement of financial position of OUBC and its subsidiaries as at 31 December 2014; and (ii) the audited consolidated income statement of OUBC and its subsidiaries for the year ended 31 December 2014; and (iii) the audited consolidated cash flows statement of OUBC and its subsidiaries for the year ended 31 December 2014, including the notes and together with the reports, statements and other documents annexed or attached to them
“OUBC Interest”	:	OUBC's 81.54% beneficial interest in the Property
“OUBC-KIO Shares”	:	Between 60,000,000 and 80,000,000 OUBC Shares, to be acquired by BPHPL from KIO, representing not less than 25.00% and up to 33.33% of the total number of issued and paid up shares in the capital of OUBC
“OUBC-OUE Shares”	:	Collectively, the First Tranche OUBC Shares and the Second Tranche OUBC Shares
“OUBC Shares”	:	Ordinary shares in the capital of OUBC
“OUE C-REIT”	:	OUE Commercial Real Estate Investment Trust
“Property”	:	One Raffles Place, an integrated commercial development comprising ORP Tower 1, ORP Tower 2 and ORP Shopping Mall, located at 1 Raffles Place, Singapore 048616
“Proposed Disposal”	:	The proposed disposal of the Company's total interest in OUBC, through a sale of all the BPHPL Sale Shares, to OUE C-REIT in accordance with the terms of the Conditional SPA as further described in Section 2.5
“REIT”	:	Real estate investment trust
“Restriction Period”	:	A restriction period of four (4) years after the date of issuance of the CPPUs
“Second Tranche OUBC Shares”	:	12,000,000 ordinary shares in OUBC, representing 5.00% of the total number of issued and paid up shares in the capital of OUBC

GLOSSARY

“ Securities Account ”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“ SGX-ST ”	:	The Singapore Exchange Securities Trading Limited
“ Shareholders ”	:	The registered holders of the Shares, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares, means the Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those Shares
“ Shares ”	:	Ordinary shares in the issued and paid up share capital of the Company
“ Trustee ”	:	DBS Trustee Limited (acting in its capacity as trustee of OUE C-REIT)
“ Units ”	:	Units in OUE C-REIT
“ % ” or “ per cent. ”	:	Percentage or per centum
“ S\$ ” or “ SGD ”	:	Singapore dollars, being the lawful currency of Singapore

The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The terms “**associate**”, “**controlling shareholder**” and “**interested person**” shall have the meanings ascribed to them respectively in the Listing Manual.

The terms “**subsidiary**”, “**substantial shareholders**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act and the Securities and Futures Act, Chapter 289 of Singapore.

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 and *vice versa*. References to persons shall, where applicable, include corporations.

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

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

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 Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date unless otherwise stated. Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 3 to 6 of this Circular.

INFORMATION ON OUB CENTRE LIMITED AND THE PROPERTY

BPHPL is a wholly-owned subsidiary of the Company through which the Company holds its interests in OUBC.

The Company proposes to sell to OUE C-REIT the BPHPL Sale Shares under the Conditional SPA entered into between the Company and the Trustee (acting in its capacity as trustee for OUE C-REIT), being its entire interest in BPHPL, on the terms described in this Circular.

BPHPL will, in turn, own between 75.00% and 83.33% of the total issued and paid up shares in the capital of OUBC, which it would have acquired as follows in chronological order:-

- (a) **First step - Acquisition of 45.00% of the total number of issued and paid up shares in the capital of OUBC:** As announced on 10 June 2015, the Company had transferred the First Tranche OUBC Shares to BPHPL, representing 45.00% of the total number of issued and paid up shares in the capital of OUBC. Consequent upon such transfer, the Company's resultant shareholding in OUBC was 5.00%.
- (b) **Second step - Acquisition of an additional 5.00% of the total number of issued and paid up shares in the capital of OUBC:** (After the completion of the transfer of the First Tranche OUBC Shares described in sub-paragraph (a) above) Prior to the KIO Disposal, the Company would transfer to BPHPL, the Second Tranche OUBC Shares, comprising an additional 12,000,000 OUBC Shares. These Second Tranche OUBC Shares represent 5.00% of the total number of issued and paid up shares in the capital of OUBC (being the remaining of the OUBC Shares owned by the Company). Upon such transfer being made, the Company would have transferred all its OUBC Shares to BPHPL, whereupon BPHPL would hold a resultant 50.00% in OUBC.
- (c) **Final step - Acquisition of further OUBC Shares representing between 25.00% and 33.33% of the total number of issued and paid up shares in the capital of OUBC:**
 - (i) As at the Latest Practicable Date, KIO owns OUBC Shares amounting to 33.33% of the total number of issued and paid up shares in the capital of OUBC. After the completion of the transfer of the Second Tranche OUBC Shares described in sub-paragraph (b) above, pursuant to the Framework Agreement, KIO would sell to BPHPL the maximum number of OUBC Shares it may, subject to the OUBC Articles which provide for all the shareholders of OUBC to have pre-emption rights to acquire OUBC Shares on a *pro rata* basis when a shareholder wishes to divest its OUBC Shares.
 - (ii) At this stage, BPHPL would hold a resultant 50.00% of the total number of issued and paid up shares in the capital of OUBC upon the completion of the steps described in sub-paragraphs (a) and (b) above. BPHPL, in exercising its pre-emption rights pursuant to the OUBC Articles *pro rata* to its 50.00% shareholding in OUBC, will be entitled to acquire 25.00% of the total number of issued and paid up shares in the capital of OUBC in connection with the KIO Disposal.
 - (iii) If the other shareholders of OUBC (collectively holding 16.67% of the total number of issued and paid up shares in the capital of OUBC) do not exercise their pre-emption rights to acquire any of their *pro rata* entitlement equivalent to 8.33% of the total number of issued and paid up shares in the capital of OUBC in connection with the KIO Disposal, then BPHPL will acquire the aforesaid 8.33% of the total number of issued and paid up shares in the capital of OUBC from KIO. In this scenario, the total percentage of OUBC Shares acquired by BPHPL from KIO is 33.33% of the total number of issued and paid up shares in the capital of OUBC, thereby bringing BPHPL's total shareholding in OUBC to 83.33%.

- (iv) The actual percentage will depend on the number of OUBC Shares which BPHPL is able to acquire under the OUBC Articles.

Accordingly, at the Completion of the sale by the Company to OUE C-REIT of all the BPHPL Sale Shares, BPHPL will hold shares in OUBC representing at the minimum 75.00% (if it is only able to acquire OUBC Shares amounting to 25.00% under the Framework Agreement) and at the maximum 83.33% (if it is able to acquire the maximum OUBC Shares amounting to 33.33% under the Framework Agreement), of the total number of issued and paid up shares in the capital of OUBC.

OUBC is the sole registered owner of the Property. However, it owns 81.54% of the beneficial interest in the Property for itself, and holds the remaining 18.46% on trust for the benefit of a third party not related to the Group.

The Property comprises both retail and office space and is located in Singapore's main financial district at 1 Raffles Place, Singapore 048616.

SUMMARY OF APPROVAL SOUGHT

The Company is seeking the approval from its Shareholders for the proposed disposal of its entire shareholding interest in BPHPL, comprising 100% of the total number of issued and paid up shares in the capital of BPHPL, to OUE C-REIT. BPHPL will, on the Completion Date immediately prior to Completion of the Proposed Disposal, own OUBC Shares representing at the minimum 75.00% and at the maximum 83.33% of the total number of issued and paid up shares in the capital of OUBC (which will include the OUBC-KIO Shares it previously acquired from KIO under the Framework Agreement).

REQUIREMENT FOR SHAREHOLDERS' APPROVAL

The Proposed Disposal will constitute a "Major Transaction" as defined under Chapter 10 of the Listing Manual, and will be subject to the approval of the Shareholders pursuant to Rule 1014 of the Listing Manual.

Please see Section 2.7 of this Circular for further details.

RATIONALE AND KEY BENEFITS OF THE PROPOSED DISPOSAL

As at the Latest Practicable Date, the Group owned 422,018,928 Units, representing approximately 48.29% of the total number of issued and outstanding Units. After the Proposed Disposal, the Group will continue to hold an effective interest in BPHPL via its interest in its unitholdings in OUE C-REIT.

The Company believes that the Proposed Disposal will bring the following key benefits to the Company and its Shareholders:

(i) Unlock Capital from the Proposed Disposal

The Proposed Disposal will enable the Company to unlock capital and benefit from the value added from past asset enhancement initiatives of the Property while continuing to enjoy rental income. As the Company has a significant unitholding interest in OUE C-REIT, it can continue to enjoy a substantial share of the rental income and potential capital value upside. In addition, the Proposed Disposal will help to grow the Company's fund management business in the Manager as part of its overall business strategy.

(ii) Facilitate the growth of an efficient REIT platform for the holding of commercial properties

The Proposed Disposal is in line with the Company's commitment to OUE C-REIT at the time of its initial public offering, when the Company had granted a right of first refusal to OUE C-REIT for potential future acquisitions of income-producing real estate used primarily for commercial purposes. The Proposed Disposal will increase the size of OUE C-REIT's property portfolio from approximately S\$1.6 billion (as at 31 December 2014) to approximately S\$3.4 billion. As a controlling unitholder of OUE C-REIT, the Company will continue to benefit from the growth of OUE C-REIT and the potential increase in the value of the Company's holding of Units.

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Company's absolute discretion as well as applicable regulatory requirements. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event	Date and Time
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Last date and time for lodgement of Proxy Forms	: 25 July 2015 at 10.00 a.m.
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Date and Time of the EGM	: 27 July 2015 at 10.00 a.m.
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If the approval for the Proposed Disposal is obtained at the EGM:

Target date for completion of the Proposed Disposal	: 1 October 2015 (or such other date as may be agreed between the Trustee and the Company)
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LETTER TO SHAREHOLDERS

OUE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 196400050E)
(the "Company")

Directors:

Dr. Stephen Riady (*Executive Chairman*)
Mr. Christopher James Williams (*Deputy Chairman*)
Mr. Thio Gim Hock (*Chief Executive Officer/Group Managing Director*)
Mr. Kelvin Lo Kee Wai (*Non-executive independent Director*)
Mr. Sin Boon Ann (*Non-executive independent Director*)
Mr. Kin Chan (*Non-executive non-independent Director*)

Registered Office:

50 Collyer Quay
#18-01/02
OUE Bayfront
Singapore 049321

1 July 2015

To: The Shareholders of OUE Limited

Dear Sir/Madam

THE PROPOSED DISPOSAL OF 100% OF THE TOTAL NUMBER OF ISSUED AND PAID UP SHARES IN THE CAPITAL OF BEACON PROPERTY HOLDINGS PTE. LTD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, WHICH HOLDS SHARES IN OUB CENTRE LIMITED

1. INTRODUCTION

1.1 Summary of Approval Sought

The Directors are convening the EGM to be held on 27 July 2015 to seek the approval of Shareholders for the Proposed Disposal of the BPHPL Sale Shares to OUE C-REIT.

In connection with the Proposed Disposal, the Company has on 10 June 2015 entered into:

- (a) the Framework Agreement with KIO, which is an existing shareholder of OUBC holding 33.33% of the total number of issued and paid up OUBC Shares, for the purchase of up to all of the OUBC Shares held by KIO; and
- (b) the Conditional SPA with the Trustee (in its capacity as trustee of OUE C-REIT) for the sale and transfer of 100% of the total number of issued and paid up shares in the capital of BPHPL for the BPHPL Sale Consideration, which will be satisfied by the allotment and issue of such number of CPPUs in OUE C-REIT as the parties to the Conditional SPA may agree, with the remaining portion of the BPHPL Sale Consideration to be satisfied in cash.

On completion of the Proposed Disposal, OUE C-REIT will own 100% of the total number of issued and paid up shares in the capital of BPHPL, which will, on the Completion Date, own shares in OUBC representing at the minimum 75.00% and at the maximum 83.33% of the total number of issued and paid up shares in the capital of OUBC.

1.2 Background

1.2.1 The Board refers to the following announcements of the Company:-

- (a) The announcement dated 10 June 2015 wherein the Company announced that it had, in accordance with the OUBC Articles, transferred the First Tranche OUBC Shares, to BPHPL, its wholly-owned subsidiary;
- (b) The announcement dated 10 June 2015 relating to:-
 - (i) the Conditional SPA; and

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- (ii) the Framework Agreement dated 10 June 2015 between the Company, BPHPL and KIO, pursuant to which KIO will sell certain OUBC Shares to BPHPL. KIO will offer all the OUBC-KIO Shares for sale in accordance with the pre-emption procedure set out in the OUBC Articles applicable to the transfer of shares by the shareholders of OUBC, and BPHPL will purchase the maximum number of OUBC Shares it is able to purchase pursuant to and subject to such procedures of the OUBC Articles (the actual number will depend on the number of other shareholders in OUBC who exercise their aforesaid pre-emption rights under the OUBC Articles). As at the Latest Practicable Date, KIO holds 33.33% of the total number of issued and paid up OUBC Shares. Pursuant to the said pre-emption procedure, BPHPL will acquire between 60,000,000 and 80,000,000 additional OUBC Shares, representing not less than 25.00% and up to 33.33% of the total number of issued and paid up shares in the capital of OUBC. The purchase price in the transfer notice for each of the OUBC-KIO Shares shall be the fair value of each OUBC Share, and shall be determined based on the NAV of the OUBC Shares with reference to the audited accounts of OUBC for FY2014 and an agreed value ascribed to the OUBC Interest fixed at S\$1,740,000,000, which shall be subject to confirmation by the independent accountant in reliance of the latest net asset statement of OUBC (the **"Final Fair Value"**). The Final Fair Value will be announced by the Company once it has been confirmed by the independent accountant.

Apart from the interest in OUBC which is held by the Group and KIO, the remaining OUBC Shares are held by various third parties not related to the Group. The acquisition of the OUBC-KIO Shares is not subject to the approval of Shareholders as it is a transaction which is to be regarded as in the ordinary course of business of the Company, as the acquisition of the OUBC-KIO Shares (i) will augment the Company's core business as a diversified real estate owner, developer and operator whose key business includes developing and holding commercial properties for investment and rental income purposes; (ii) will not result in a change to the main business of the Company; and (iii) is not expected to change the risk profile of the Company. By reason of the aforesaid, it is not a transaction to which Chapter 10 of the Listing Manual applies.

1.2.2 The Company proposes to sell and transfer the BPHPL Sale Shares to OUE C-REIT, under the terms of the Conditional SPA entered into between the Company and the Trustee (acting in its capacity as trustee for OUE C-REIT), being its entire interest in BPHPL. BPHPL will, at the Completion Date, own between 75.00% and 83.33% of the total number of issued and paid up shares in the capital of OUBC, which it would have acquired as follows in chronological order:-

- (a) **Acquisition of 45.00% of the total number of issued and paid up shares in the capital of OUBC:** As announced on 10 June 2015 (please refer to Section 1.2.1(a) above), the Company had transferred the First Tranche OUBC Shares to BPHPL. Consequent upon such transfer, the Company's resultant shareholding in OUBC was 5.00%. This transfer has already taken place and accordingly, as at the Latest Practicable Date, BPHPL owns the First Tranche OUBC Shares, representing 45.00% of the total number of issued and paid up shares in the capital of OUBC.
- (b) **Acquisition of an additional 5.00% of the total number of issued and paid up shares in the capital of OUBC:** (After the completion of the transfer of the First Tranche OUBC Shares described in sub-paragraph (a) above) Prior to the KIO Disposal, the Company would transfer to BPHPL, the Second Tranche OUBC Shares, comprising an additional 12,000,000 OUBC Shares. These Second Tranche OUBC Shares represent 5.00% of the total number of issued and paid up shares in

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the capital of OUBC (being the remaining OUBC Shares owned by the Company). Upon such transfer being made, which is expected to be just prior to completion under the Framework Agreement, the Company would have transferred all its OUBC Shares to BPHPL. Consequent thereto, BPHPL will hold 120,000,000 OUBC Shares (representing 50.00% of the total number of issued and paid up shares in the capital of OUBC).

(c) **Acquisition of further OUBC Shares representing between 25.00% and 33.33% of the total number of issued and paid up shares in the capital of OUBC:**

- (i) As at the Latest Practicable Date, KIO owns OUBC Shares amounting to 33.33% of the total number of issued and paid up shares in the capital of OUBC. After the completion of the transfer of the Second Tranche OUBC Shares described in sub-paragraph (b) above, pursuant to the Framework Agreement, KIO would sell to BPHPL the maximum number of OUBC Shares it may, subject to the OUBC Articles which provide for all the shareholders of OUBC to have pre-emption rights to acquire OUBC Shares on a *pro rata* basis when a shareholder wishes to divest its OUBC Shares.
- (ii) At this stage, BPHPL would hold a resultant 50.00% of the total number of issued and paid up shares in the capital of OUBC upon the completion of the steps described in sub-paragraphs (a) and (b) above. BPHPL, in exercising its pre-emption rights pursuant to the OUBC Articles *pro rata* to its 50.00% shareholding in OUBC, will be entitled to acquire 25.00% of the total number of issued and paid up shares in the capital of OUBC in connection with the KIO Disposal.
- (iii) If the other shareholders of OUBC (collectively holding 16.67% of the total number of issued and paid up shares in the capital of OUBC) do not exercise their pre-emption rights to acquire any of their *pro rata* entitlement equivalent to 8.33% of the total number of issued and paid up shares in the capital of OUBC in connection with the KIO Disposal, then BPHPL will acquire the aforesaid 8.33% of the total number of issued and paid up shares in the capital of OUBC from KIO. In this scenario, the total percentage of OUBC Shares acquired by BPHPL from KIO is 33.33% of the total number of issued and paid up shares in the capital of OUBC, thereby bringing BPHPL's total shareholding in OUBC to 83.33%.
- (iv) The actual percentage will depend on the number of OUBC Shares which BPHPL is able to acquire under the OUBC Articles.

Accordingly, at the Completion of the sale by the Company to OUE C-REIT of all the BPHPL Sale Shares, BPHPL will hold shares in OUBC representing at the minimum 75.00% (if it is only able to acquire 25.00% under the Framework Agreement) and at the maximum 83.33% (if it is able to acquire the maximum 33.33% under the Framework Agreement), of the total number of issued and paid up shares in the capital of OUBC.

Completion under the Conditional SPA will take place subject to, *inter alia*, approval of the Shareholders and upon completion of the KIO Disposal under the Framework Agreement. Accordingly, the Proposed Disposal will relate to the OUBC-OUE Shares and the OUBC-KIO Shares, together representing at the minimum 75.00% and at the maximum 83.33% of the total number of issued and paid up shares in the capital of OUBC.

1.3 Requirement for Shareholder's Approval

The Proposed Disposal will constitute a "Major Transaction" as defined under Chapter 10 of the Listing Manual, and will be subject to, *inter alia*, the approval of the Shareholders pursuant to Rule 1014 of the Listing Manual.

LETTER TO SHAREHOLDERS

Please see Section 2.7 of this Circular for further details on the requirements under Chapter 10 of the Listing Manual.

1.4 Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Disposal and to seek Shareholders' approval at the EGM for the Proposed Disposal. Notice of the EGM is set out on pages 34 to 35 of this Circular.

2. THE PROPOSED DISPOSAL

2.1 BPHPL

BPHPL was incorporated in the Republic of Singapore on 22 May 2015 and is a wholly-owned subsidiary of the Company through which the Company holds its interests in OUBC. The Company announced on 10 June 2015 that the Company had transferred the First Tranche OUBC Shares to BPHPL for a consideration of S\$626,486,400¹ which was satisfied by the allotment and issue of 1 ordinary share in the capital of BPHPL to the Company at an issue price of S\$626,486,400. Prior to the KIO Disposal, the Company shall transfer to BPHPL, and BPHPL shall acquire from the Company, the Second Tranche OUBC Shares for a consideration of S\$69,609,600² which is to be satisfied by the allotment and issue of 1 ordinary share in the capital of BPHPL to the Company at an issue price of S\$69,609,600. The consideration payable by BPHPL for the transfer of the First Tranche OUBC Shares and the Second Tranche OUBC Shares by the Company to BPHPL (being in the aggregate 50.00% of OUBC) is a total sum of S\$696,096,000. This consideration was calculated based on the NAV of OUBC and its subsidiaries as at 31 December 2014 as reflected in the audited consolidated accounts³ and adjusted for the agreed value of the OUBC Interest at S\$1,740,000,000.

The Company will make an immediate announcement upon the completion of the aforesaid transfer of the Second Tranche OUBC Shares in accordance with the requirements of Rule 704(18) of the Listing Manual, including details on the consideration payable. Consequent upon the foregoing, the Company's entire direct shareholding in OUBC would have been divested to BPHPL.

Pursuant to the Framework Agreement, BPHPL will acquire additional OUBC Shares representing a minimum of 25.00% and up to a maximum of 33.33% of the total number of issued and paid up shares in the capital of OUBC. This is because pursuant to the articles of association of OUBC, if a shareholder wishes to dispose any OUBC Shares, the remaining shareholders are entitled to acquire such OUBC Shares *pro rata* in accordance with their existing shareholding. Upon KIO giving notice of its intention to dispose of its 33.33% interest and in the event that each of the remaining shareholders exercises its entitlement to acquire the relevant OUBC Shares, BPHPL would have a *pro rata* entitlement to acquire a 25.00% interest in OUBC, bringing its total interest in OUBC to 75.00%. If the remaining shareholders of OUBC do not exercise their entitlement to acquire the relevant OUBC Shares, then BPHPL would be able to acquire up to a maximum of 33.33% interest in OUBC, bringing its total interest in OUBC to 83.33%. Therefore, the final BPHPL Sale Consideration shall be determined based on the number of the OUBC-KIO Shares acquired by BPHPL pursuant to the Framework Agreement.

It should be noted that as at the Latest Practicable Date, the Group owned 422,018,928 Units, representing approximately 48.29% of its total number of issued and outstanding Units. After the Proposed Disposal, the Group will continue to hold an effective interest in BPHPL via its interest in its unitholdings in OUE C-REIT (which will comprise the existing 422,018,928 Units and the new CPPUs to be issued as part of the BPHPL Sale Consideration).

1 Representing 45.00% of the adjusted NAV of S\$1,392.2 million

2 Representing 5.00% of the adjusted NAV of S\$1,392.2 million.

3 Based on the consolidated audited accounts of OUBC as at 31 December 2014, the NAV of OUBC and its subsidiaries was S\$1,389.2 million. Taking into account the agreed value of the OUBC Interest at S\$1,740.0 million, the adjusted NAV of OUBC is S\$1,392.2 million

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2.2 Information on OUBC and the Property

OUBC is a Singapore incorporated company and the sole registered owner of the Property. It owns 81.54% of the beneficial interest in the Property for itself and holds the remaining 18.46% on trust for the benefit of a third party not related to the Group.

As at the Latest Practicable Date, the Company, together with BPHPL, collectively hold a 50.00% interest in OUBC (out of which 45.00% (being the First Tranche OUBC Shares) is being currently held by BPHPL and the other 5.00% (being the Second Tranche OUBC Shares) will be transferred by the Company to BPHPL prior to the Proposed Disposal). The remaining 50.00% interest is held by several third parties, including KIO, which holds a 33.33% interest in OUBC.

The Property is located in Singapore's main financial district, situated above the Raffles Place MRT station. The Property is an integrated development comprising One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall. One Raffles Place Tower 1 is a 62-storey Grade-A office tower and One Raffles Place Tower 2 is a 38-storey Grade-A office building. One Raffles Place Shopping Mall is a five-storey retail podium with a retail basement level.

2.3 Valuation of the OUBC Interest

The OUBC Interest, being OUBC's 81.54% beneficial interest in the Property, is valued by Colliers at S\$1,740,000,000 as at 10 June 2015 on an "as-is" basis. Colliers had used the investment method and the direct comparison method in its valuation of the OUBC Interest.

Please see Appendix 1 of this Circular for further details on the valuation of the OUBC Interest by Colliers.

2.4 Information on OUE C-REIT

OUE C-REIT is a real estate investment trust listed on the Mainboard of the SGX-ST. OUE C-REIT is established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs within and outside of Singapore, as well as real estate-related assets. OUE C-REIT is managed by the Manager, a wholly-owned subsidiary of the Company. As at the Latest Practicable Date, the Group has an interest in 422,018,928 Units, representing 48.29% of the total number of issued Units. As disclosed in the prospectus of OUE C-REIT dated 17 January 2014, the Property is one of the properties identified by the Company which could potentially be offered to OUE C-REIT.

OUE C-REIT's Existing Portfolio has a combined value of S\$1,630.6 million as at 31 December 2014.

2.5 Key terms of the Conditional SPA

2.5.1 Consideration payable for the BPHPL Sale Shares

The BPHPL Sale Consideration payable to the Company in connection with the Proposed Disposal shall be the actual NAV attributable to the controlling shareholder of the BPHPL Group at the Completion Date, after taking into account the agreed value of S\$1,715,000,000 for the OUBC Interest and the shareholder's loan to be repaid by BPHPL upon Completion of the Proposed Disposal. The actual loan amount to be repaid will depend on the number of OUBC-KIO Shares to be acquired by BPHPL, based on the operation of the pre-emption rights described in Section 1.2.2(c). The agreed value of S\$1,715,000,000 is lower than the valuation of S\$1,740,000,000 referred to in Section 2.3. For the purposes of this Section 2.5.1 only, "BPHPL Group" means BPHPL and its subsidiary, OUBC, at Completion.

The BPHPL Sale Consideration has been negotiated on a willing-buyer and willing-seller basis, after taking into account the independent valuation of Colliers.

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The expected BPHPL Sale Consideration shall be S\$1,025.4 million (if BPHPL holds 75.00% of the total number of issued and paid up shares in the capital of OUBC at Completion), or S\$1,139.3 million (if BPHPL holds 83.33% of the total number of issued and paid up shares in the capital of OUBC at Completion), assuming:

- (a) the Proposed Disposal was completed on 31 December 2014, and BPHPL has been incorporated and held OUBC Shares on the same date;
- (b) that the BPHPL Sale Consideration is based on the NAV attributable to the controlling shareholder of the BPHPL Group as at 31 December 2014 and as adjusted for the agreed value of the OUBC Interest at S\$1,715,000,000; and
- (c) the repayment of the shareholder's loan, the exact quantum of which shall depend on the number of OUBC Shares acquired by BPHPL (based on the operation of the pre-emption rights, described in Section 1.2.2(c)), which shall be extended by the Company to BPHPL for the acquisition of the OUBC-KIO Shares.

As described in Section 1.2.1, the actual number of OUBC Shares that BPHPL will hold at Completion will depend on whether the other shareholders of OUBC exercise their pre-emption rights set out in the OUBC Articles. The assumed BPHPL Sale Consideration shall be adjusted to reflect the actual NAV attributable to the controlling shareholder of the BPHPL Group at the Completion Date.

2.5.2 Terms of payment

(a) Consideration

At Completion, the Trustee shall make payment to the Company of the BPHPL Sale Consideration for the BPHPL Sale Shares by way of a combination of CPPUs and cash, in the following manner:

- (i) the allotment and issue of such number of CPPUs by OUE C-REIT at S\$1.00 per CPPU to the Company and/or its nominee(s), with such number of CPPUs to be determined by mutual agreement between the Company and the Trustee, failing such agreement the BPHPL Sale Consideration shall be fully satisfied in cash; and
- (ii) where applicable, the remaining portion of the BPHPL Sale Consideration, after deducting the component satisfied by the allotment and issue of the CPPUs pursuant to Section 2.5.2(a)(i) above, shall be paid in cash to the Company and/or its nominee(s).

It has been agreed between the Company and the Trustee that the Manager will issue between a minimum of 500,000,000 CPPUs for a total issue price of S\$500,000,000 (on the basis that BPHPL holds 75.00% of the total number of issued and paid up shares in the capital of OUBC on the Completion Date) and up to a maximum of 550,000,000 CPPUs for a total issue price of S\$550,000,000 (on the basis that BPHPL holds 83.33% of the total number of issued and paid up shares in the capital of OUBC on the Completion Date), to the Company (or its nominees) for part payment of the BPHPL Sale Consideration. The minimum and maximum number of CPPUs to be issued was arrived at based on commercial negotiation between the parties (and is not pegged to a percentage of the BPHPL Sale Consideration).

By way of illustration, (1) if the minimum number of 500,000,000 CPPUs are issued for a total issue price of S\$500,000,000, the balance BPHPL Sale Consideration payable in cash would be an amount equivalent to the difference between the BPHPL Sale Consideration and S\$500,000,000, and (2) if the maximum number of 550,000,000 CPPUs are issued for a total issue price of S\$550,000,000, the balance BPHPL Sale Consideration payable in cash would be an amount equivalent to the difference between the BPHPL Sale Consideration and S\$550,000,000.

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(b) Key terms of the CPPUs

CPPUs will be issued to the Company as part payment of the BPHPL Sale Consideration. The CPPUs entitle the holder to receive a distribution of 1.0% per annum of the issue price of the CPPU. As such, the CPPUs will give the Company a return via the distribution for at least four (4) years. Further, the CPPUs will be convertible into Units at the holder's option upon the expiration of the Restriction Period. The CPPUs may not be redeemed during the Restriction Period, save for exceptional circumstances such as a takeover or when the Manager announces an intention to carry out a Permitted Reorganisation (as defined below) where the holder is entitled to convert the CPPUs into Units even during the Restriction Period.

The other key characteristics of the CPPUs are set out in the table below:-

Key Characteristics	Salient Terms
Term	The CPPUs shall be perpetual instruments.
Issue Price	The CPPUs shall be issued at S\$1.00 per CPPU.
Issue Size	Up to 500,000,000 to 550,000,000 CPPUs.
Listing	It is not intended that the CPPUs be listed on a stock exchange.
Distributions	<p>Each CPPU in issue shall entitle a holder of CPPUs ("CPPU Holder") to receive a distribution (the "CPPU Distribution") of an amount equivalent to 1.0% per annum of the issue price of each CPPU. Based on such distribution rate, the amount of CPPU Distribution to be paid to the CPPU Holders per annum is between S\$5,000,000 to S\$5,500,000.</p> <p>Any and all decisions regarding the declaration of any CPPU Distribution shall be at the sole and absolute discretion of the Manager.</p> <p>Any CPPU Distribution or part thereof not due or payable pursuant to the CPPU Terms⁴ shall not accumulate for the benefit of the CPPU Holders or entitle the CPPU Holders to any claim in respect thereof against OUE C-REIT, the Trustee and/or the Manager.</p> <p>The CPPUs shall, in respect of the entitlement to participate in the distributions of OUE C-REIT, rank:</p> <ul style="list-style-type: none"> (i) junior to any securities or ownership interests and all obligations of OUE C-REIT (excluding debt obligations) that are expressed to rank senior to the CPPUs; (ii) <i>pari passu</i> with (a) each other and (b) any other securities or ownership interests and all obligations of OUE C-REIT (excluding debt obligations) that are expressed to rank <i>pari passu</i> with the CPPUs; and (iii) senior to the Units.

⁴ "**CPPU Terms**" means the terms and conditions of offer and issue of the CPPUs, and as may be amended, modified or supplemented from time to time.

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Key Characteristics	Salient Terms
Distribution and Capital Stopper	<p>In the event any CPPU Distribution (taking into account the Special CPPU Distribution (as defined herein)) is not declared in full for any reason in respect of any CPPU Distribution Period⁵, OUE C-REIT shall not, and shall procure that the subsidiaries of OUE C-REIT shall not, in respect of the same period:</p> <ul style="list-style-type: none"> (i) declare or pay any distributions in respect of, or repurchase or redeem, any Units or any other securities or ownership interests of OUE C-REIT ranking <i>pari passu</i> with or junior to the CPPUs; and (ii) contribute any moneys to a sinking fund for the payment of any distributions in respect of, or for the redemption or repurchase of, any such Units or any other securities or ownership interests, <p>except where required pursuant to under any relevant laws, regulations and guidelines.</p>
Ranking at liquidation	<p>In the event of the commencement of any dissolution or winding up of OUE C-REIT (other than pursuant to a Permitted Reorganisation⁶), the CPPUs shall, in respect of the Priority Amounts⁷, rank:</p> <ul style="list-style-type: none"> (i) junior to (a) all debt of OUE C-REIT (including, without limitation, all amounts due under Clause 26.5 of the trust deed constituting OUE C-REIT dated 10 October 2013, as amended, modified or supplemented from time to time (the “Trust Deed”), all costs of the Trustee in its capacity as trustee of OUE C-REIT (including, but not limited to, liabilities owed to any CPPU Holder or Unitholder who is a creditor of OUE C-REIT) and subordinated debt), and (b) any securities or ownership interests and all obligations of OUE C-REIT that are expressed to rank senior to the CPPUs; (ii) <i>pari passu</i> with (a) each other and (b) any other securities or ownership interests and all obligations of OUE C-REIT that are expressed to rank <i>pari passu</i> with the CPPUs; and (iii) senior to the Units.

5 “**CPPU Distribution Period**” means (i) for the first CPPU Distribution Period, the period from, and including, the date of issue of the CPPUs to, and including, 31 December 2015; and (ii) in all other cases, such periods, identical to the distribution periods in respect of the Units, for which the CPPU Distribution shall accrue.

6 “**Permitted Reorganisation**” means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking and assets of the Trust which are held by the Trustee are transferred to a successor entity which assumes all the obligations of the Trustee and/or Manager (as the case may be) in relation to the CPPUs.

7 “**Priority Amount**” means the sum of (i) the issue price multiplied by the number of CPPUs held by the relevant CPPU Holder and (ii) any preferential distribution which may be declared by the Manager in its sole discretion in respect of the CPPUs in accordance with the CPPU Terms (the “**Preferred Distribution**”) and Special CPPU Distributions which have been declared to be payable to the relevant CPPU Holder but which remain unpaid as at the date of the dissolution or winding up of OUE C-REIT.

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Key Characteristics	Salient Terms
Special CPPU Distribution Entitlements upon Redemption	Where any CPPUs are to be redeemed, the Manager may, at its sole discretion, elect to declare a special CPPU Distribution (" Special CPPU Distribution ") of an amount per CPPU equivalent to the Distribution Amount ⁸ pro-rated over the relevant Special Preferred Distribution Period ⁹ , on all CPPUs for the relevant Special Preferred Distribution Period, which shall be payable on the relevant Redemption Date (as defined herein) in accordance with the terms of the CPPUs, provided that the Special CPPU Distribution in respect of each CPPU shall, together with all prior distributions declared in respect of each CPPU in the relevant year, not exceed the Distribution Amount.
Restriction Period	The restriction period shall be a period of four years commencing from the date of issue of the CPPUs (the " Restriction Period "), within which the CPPU Holder may not exercise its right of conversion of CPPUs, save in exceptional circumstances such as a takeover or when the Manager announces an intention to carry out a Permitted Reorganisation where the CPPU Holders will be entitled to exercise their right to convert the CPPUs into Units (" Conversion Right ") even during the Restriction Period.
Conversion of the CPPUs¹⁰	<p>The CPPUs shall be convertible at the option of the CPPU Holders, in whole or in part, into Units at the Conversion Price on a Business Day to be determined at the CPPU Holders' discretion after the expiry of the Restriction Period (each such day a "Conversion Date") provided that not more than one-third of the CPPUs initially issued can be converted in any one year.</p> <p>During the Restriction Period, the CPPU Holders shall not be entitled to exercise their Conversion Right when the Manager exercises its right to redeem any of the CPPUs (the "Redemption Right").</p> <p>After the expiry of the Restriction Period and in the event that the Manager exercises its Redemption Right in respect of any of the CPPUs, the CPPU Holders shall be entitled (but shall not be obliged) at any time to exercise their Conversion Right to convert up to one-third of the CPPUs initially issued into Units in accordance with the terms of the CPPU on a date no later than five Business Days prior to the date fixed for redemption thereof.</p> <p>Any exercise of the Conversion Right by the CPPU Holders in respect of their CPPUs which are the subject of the Redemption Right shall prevail and the Redemption Notice¹¹ shall be disregarded in respect of such CPPUs, provided that the CPPU Holders have exercised their Conversion Right no later than five Business Days prior to the date fixed for redemption of such CPPUs.</p>

8 "**Distribution Amount**" means the Preferred Distribution of an amount equivalent to 1.0% per annum of the issue price of the CPPU.

9 "**Special Preferred Distribution Period**" means, in relation to the calculation of Special CPPU Distributions, the period commencing the day after the end of the last distribution period (whether in respect of CPPU Distribution or Special CPPU Distribution) immediately preceding the relevant Redemption Date.

10 There is no gain or loss upon conversion of the CPPUs. The CPPUs are recorded as an investment in the subsidiary (OUE C-REIT), at cost. Upon conversion, the investment remains at cost. There will also be no fair value gain or loss as the CPPUs have also been assessed to be scoped out from FRS 39 Financial Instruments for accounting purposes.

11 "**Redemption Notice**" means the notice issued by the Manager to a CPPU Holder to redeem all (or a part) of the CPPUs held by that CPPU Holder.

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Key Characteristics	Salient Terms
Conversion Price	The Conversion Price shall be an amount equivalent to a premium of 15.0% above the theoretical ex-rights price per Unit of S\$0.731.
Adjustments to Conversion Price	<p>Some of the events which will result in an adjustment to the Conversion Price (as described above) include:</p> <ul style="list-style-type: none"> (i) consolidation or subdivision or buy-back of Units; (ii) capitalisation of profits or reserves; (iii) rights issue of Units or options over Units; (iv) rights issue of other securities; (v) issues of Units at less than the market price; (vi) issues of other securities at less than the market price; (vii) modification of rights of conversion; or (viii) other offers to Unitholder. <p>Some of the events above are subject to certain thresholds being met.</p>
Redemption of the CPPUs	<p>CPPUs shall be redeemable on a <i>pro rata</i> basis at the option of the Manager, in whole or in part, at the issue price on a Business Day to be determined at the Manager's discretion (each such day a "Redemption Date"), except upon the occurrence of certain special events.</p> <p>The CPPUs shall not be redeemable at the option of the CPPU Holders.</p>
Voting Rights	<p>The CPPU Holders shall not be entitled to attend and vote at meetings of Unitholders except in the following circumstances:</p> <ul style="list-style-type: none"> (i) during such period as the CPPU Distribution or Special CPPU Distribution so declared or any part thereof remains in arrears and unpaid for at least 12 months after the date when the CPPU Distribution or Special CPPU Distribution should otherwise have been paid if declared by the Manager; (ii) in respect of any resolution which varies or abrogates any right, preference or privilege of the CPPUs (including, without limitation, the authorisation, creation or issue of any securities or ownership interests and all obligations of OUE C-REIT ranking senior to (but excluding, for purposes of this paragraph only, those ranking <i>pari passu</i> with) the CPPUs as to entitlement to participate in the distributions and/or (in the event of any dissolution or winding up of OUE C-REIT) the Deposited Property¹²); or (iii) in respect of any resolution for the dissolution or winding up of OUE C-REIT, <p>and every CPPU Holder who is present in person at such general meetings shall have on a show of hands, one vote and on a poll, one vote for every CPPU of which it is the holder.</p>

¹² "**Deposited Property**" as defined in the Trust Deed means all assets of OUE C-REIT, including all its Authorised Investments (as defined in the Trust Deed) for the time being held or deemed to be held upon the trusts of the Trust Deed.

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Key Characteristics	Salient Terms
Transferability	The CPPUs are generally freely transferable save for such restrictions as may be necessary to facilitate the conversion and redemption of the CPPUs after the Restriction Period.

2.5.3 Conditions Precedent

Pursuant to the terms of the Conditional SPA, completion of the Proposed Disposal is conditional upon the fulfilment (or waiver) of, *inter alia*, the following conditions:

- (a) closing of the acquisition by BPHPL of the OUBC-KIO Shares as provided under the Framework Agreement having taken place and BPHPL being the legal and beneficial owner of a minimum of 75.00% and up to a maximum of 83.33% of the total number of issued and paid up shares in the capital of OUBC;
- (b) no statute, regulation or decision which would prohibit the sale and purchase of the BPHPL Sale Shares or the operation of OUBC or any of its subsidiaries having been proposed, enacted or taken by any governmental or official authority;
- (c) the passing of the resolutions by the Shareholders in accordance with the requirements of the Listing Rules or any other applicable laws or regulations for the Proposed Disposal and the transactions in connection with the Proposed Disposal;
- (d) the passing of the resolutions by the unitholders of OUE C-REIT in accordance with the requirements of the Listing Rules or any other applicable laws or regulations for the acquisition of the BPHPL Sale Shares by the Trustee and the transactions in connection with such acquisition, including the issuance of CPPUs to the Company and/or its nominee and any applicable whitewash resolution to be obtained from unitholders of OUE C-REIT in connection with such issuance;
- (e) the approval and confirmation being received by OUE C-REIT from the Inland Revenue Authority of Singapore that the CPPUs will be treated as equity;
- (f) the approval and confirmation being received by OUE C-REIT from the Monetary Authority of Singapore that the CPPUs will not count towards OUE C-REIT's aggregate leverage limit under Appendix 6 to the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore; and
- (g) (i) no event or circumstance shall have occurred in respect of or in connection with the affairs of OUBC and/or the Property since 31 December 2014, and (ii) there being no breach of any clause of the Conditional SPA, which adversely affects the NAV of OUBC by 25.00% when compared to the NAV of OUBC reflected in the OUBC Audited Accounts.

Completion of the Proposed Disposal is conditional upon the above conditions precedent being fulfilled or waived by the relevant party to the Conditional SPA on or prior to the Long Stop Date, save for conditions (c) and (d) which may not be waived. For the purposes of the Conditional SPA, "**Long Stop Date**" refers to the date falling three months after the date of the extraordinary general meeting of unitholders of OUE C-REIT convened to seek such unitholders' approval for, *inter alia*, the acquisition of the BPHPL Sale Shares or such other earlier date as may be mutually agreed by the Trustee and the Company.

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2.6 Use of Proceeds

The BPHPL Sale Consideration will be satisfied by the issuance of CPPUs and/or payment in cash, as may be agreed and determined in accordance with the terms of the Conditional SPA (as more fully described in Section 2.5.2). The Company intends to use the proceeds from the cash component of the BPHPL Sale Consideration (if any) for general corporate and working capital purposes.

2.7 Major Transaction under Chapter 10 of the Listing Manual

Chapter 10 of the Listing Manual governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by the Company. Such transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

A proposed disposal of assets by the Company may fall into any of the categories set out above, depending on the size of the relative figures computed on the following applicable bases of comparison set out in Rule 1006 of the Listing Manual:

- (a) the NAV of the assets to be disposed of, compared with the NAV of the Group;
- (b) the net profits attributable to the assets disposed of, compared with the Group's net profits; and
- (c) the aggregate value of the consideration given or received, compared with the Company's market capitalisation.

The relative figures in relation to the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual, on the assumption that BPHPL holds the Maximum OUBC Sale Shares as at the Completion Date, are as follows:

Rule 1006	Basis	BPHPL Group ⁽¹⁾ (S\$'000)	Group ⁽²⁾ (S\$'000)	Relative Figures
(a)	NAV of BPHPL Group as at 31 December 2014, compared with the Group's NAV as at 31 December 2014	928,161 ⁽³⁾	4,339,447	21.4%
(b)	Net profits of BPHPL Group, compared with the Group's net profits for FY2014	126,247 ⁽⁴⁾	1,300,784	9.7%
(c)	Aggregate value of the BPHPL Sale Consideration, compared with the Company's market capitalisation	1,139,327 ⁽⁶⁾	1,822,137 ⁽⁵⁾	62.5%
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A.	N.A.	N.A.

Notes:

- (1) Assuming BPHPL was incorporated as at 31 December 2014 and has held and consolidated OUBC (based on Maximum OUBC Sale Shares) as at 31 December 2014.

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- (2) The Group's figures are based on the FY2014 Financial Statements, at which point the Group owned 120,000,000 OUBC Shares (representing 50% of the total number of issued and paid up shares in the capital of OUBC) as the KIO Disposal had not been completed.

- (3) NAV is defined under the Listing Rule 1002(3)(a) of the Listing Manual as total assets less total liabilities. Accordingly, the BPHPL Group's NAV of S\$928,161,000 includes OUBC's NAV (100%) of S\$1,389.2 million as at 31 December 2014.

The NAV of the BPHPL Group attributable to the Company (as well as the NTA of the BPHPL Group) is S\$696,096,000, which includes 83.33% of OUBC's attributable NAV.

- (4) Net profit is defined under the Listing Rule 1002(3)(b) of the Listing Manual as profit or loss before income tax, minority interests and extraordinary items. Accordingly, the BPHPL Group's net profit of S\$126,247,000 relates to 100% of OUBC's FY2014 profit before income tax and non-controlling interest.

The net profits of the BPHPL Group attributable to the Company is S\$105,206,000, which relates to BPHPL's 83.33% share of OUBC's net profit.

- (5) The Company's market capitalisation is based on 909,885,860 Shares in issue (excluding treasury shares) and the weighted average price of S\$2.0026 per Share as at the Latest Practicable Date.

- (6) The BPHPL Sale Consideration is calculated based on OUBC's NAV of S\$1,389.2 million as at 31 December 2014 and adjusted for the agreed value of the OUBC Interest at S\$1,715.0 million.

In relation to the Proposed Disposal (on the basis that BPHPL holds the Maximum OUBC Sale Shares at Completion Date), as the relative figures calculated under Rule 1006 of the Listing Manual in rows (a) and (c) of the table above are more than 20.00%, the Company is seeking the approval of Shareholders for the Proposed Disposal.

3. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

3.1 Bases and Assumptions

The pro forma financial effects have been prepared for illustrative purposes only and are neither indicative of the actual financial effects of the Proposed Disposal on the net tangible assets ("NTA") per Share and earnings per Share ("EPS") of the Group, nor of the future actual financial performance of the Group.

The pro forma financial effects have been prepared based on the FY2014 Financial Statements. Pursuant to the KIO Disposal, BPHPL will acquire additional OUBC Shares representing not less than 25.00% and up to 33.33% of the total number of issued and paid up shares in the capital of OUBC. For the purposes of this Section, we have illustrated the financial effects based on two scenarios – one (**Scenario 1**) where we have assumed that BPHPL owns the Minimum OUBC Sale Shares, and the second (**Scenario 2**) where we have assumed that BPHPL owns the Maximum OUBC Sale Shares, as at the Completion Date.

The financial effects have been illustrated based on the Group's unitholdings in OUE C-REIT of 418,202,843 as at 31 December 2014 (representing an interest of 48.06%). After the Proposed Disposal, the Group will continue to hold an effective interest in BPHPL via its interest in its unitholdings OUE C-REIT.

Other significant assumptions and bases are set out as follows:

- (a) for purposes of computing the NTA per Share, (i) BPHPL was incorporated and held OUBC Shares on 31 December 2014; and (ii) the Proposed Disposal was completed on 31 December 2014; and
- (b) for the purposes of computing the EPS, (i) BPHPL was incorporated and held OUBC Shares on 1 January 2014; (ii) the Proposed Disposal was completed on 1 January 2014; and (iii) OUE C-REIT was listed on the Mainboard of the SGX-ST on 1 January 2014.

LETTER TO SHAREHOLDERS

3.2 NTA per Share

3.2.1 Scenario 1 – Pro forma effect on NTA per Share based on BPHPL holding the Minimum OUBC Sale Shares

Assuming that the Proposed Disposal (on the basis that BPHPL holds the Minimum OUBC Sale Shares) had been completed on 31 December 2014, being the end of the most recently completed financial year, the financial effect of the Proposed Disposal on the NTA per Share of the Group as at 31 December 2014 would be as follows:

	Before Completion of the Proposed Disposal ⁽¹⁾	After Completion of the Proposed Disposal ⁽²⁾
Number of Shares ('000)	909,886	909,886
NTA (S\$'000)	3,853,336	3,834,595
NTA per Share (S\$) ⁽³⁾	4.23	4.21

Notes:

- (1) Based on the FY2014 Financial Statements where OUBC is equity accounted for as an associate at 50%.
- (2) Based on consolidating the BPHPL Group via the Group's interest in OUE C-REIT. The Group has an effective interest of approximately 36.05% in OUBC as at 31 December 2014.
- (3) Based on 909,885,860 Shares in issue (excluding treasury shares) as at 31 December 2014.

3.2.2 Scenario 2 – Pro forma effect on NTA per Share based on BPHPL holding the Maximum OUBC Sale Shares

Assuming that the Proposed Disposal (on the basis that BPHPL holds the Maximum OUBC Sale Shares) had been completed on 31 December 2014, being the end of the most recently completed financial year, the financial effect of the Proposed Disposal on the NTA per Share of the Group as at 31 December 2014 would be as follows:

	Before Completion of the Proposed Disposal ⁽¹⁾	After Completion of the Proposed Disposal ⁽²⁾
Number of Shares ('000)	909,886	909,886
NTA (S\$'000)	3,853,336	3,834,143
NTA per Share (S\$) ⁽³⁾	4.23	4.21

Notes:

- (1) Based on the FY2014 Financial Statements where OUBC is equity accounted for as an associate at 50%.
- (2) Based on consolidating the BPHPL Group via the Group's interest in OUE C-REIT. The Group has an effective interest of approximately 40.05% in OUBC as at 31 December 2014.
- (3) Based on 909,885,860 Shares in issue (excluding treasury shares) as at 31 December 2014.

LETTER TO SHAREHOLDERS

3.3 EPS

3.3.1 Scenario 1 – Pro forma effect on EPS based on BPHPL holding the Minimum OUBC Sale Shares

Assuming that the Proposed Disposal (on the basis that BPHPL holds the Minimum OUBC Sale Shares) had been completed on 1 January 2014, being the beginning of the most recently completed financial year, the financial effect of such disposal on the EPS of the Group for FY2014 would be as follows:

	Before Completion of the Proposed Disposal ⁽¹⁾	After Completion of the Proposed Disposal ⁽²⁾
Number of Shares ('000)	909,886	909,886
Profit after tax attributable to Shareholders (S\$'000)	1,094,020	1,069,719
EPS (S\$) ⁽³⁾	1.20	1.18
Diluted EPS (S\$) ⁽⁴⁾	1.20	1.18

Notes:

- (1) Based on the FY2014 Financial Statements where OUBC is equity accounted for as an associate at 50%.
- (2) Based on consolidating the BPHPL Group via the Group's interest in OUE C-REIT. The Group has an effective interest of approximately 36.05% in OUBC as at 31 December 2014.
- (3) EPS is derived based on the weighted average number of Shares in issue, being 909,885,860 (excluding treasury shares) for FY2014.
- (4) Diluted EPS is the same as basic EPS as there are no dilutive potential ordinary shares.

3.3.2 Scenario 2 – Pro forma effect on EPS based on BPHPL holding the Maximum OUBC Sale Shares

Assuming that the Proposed Disposal (on the basis that BPHPL holds the Maximum OUBC Sale Shares) had been completed on 1 January 2014, being the beginning of the most recently completed financial year, the financial effect of such disposal on the EPS of the Group for FY2014 would be as follows:

	Before Completion of the Proposed Disposal ⁽¹⁾	After Completion of the Proposed Disposal ⁽²⁾
Number of Shares ('000)	909,886	909,886
Profit after tax attributable to Shareholders (S\$'000)	1,094,020	1,069,284
EPS (S\$) ⁽³⁾	1.20	1.18
Diluted EPS (S\$) ⁽⁴⁾	1.20	1.18

Notes:

- (1) Based on the FY2014 Financial Statements where OUBC is equity accounted for as an associate at 50%.
- (2) Based on consolidating the BPHPL Group via the Group's interest in OUE C-REIT. The Group has an effective interest of approximately 40.05% in OUBC as at 31 December 2014.
- (3) EPS is derived based on the weighted average number of Shares in issue, being 909,885,860 (excluding treasury shares) for FY2014.
- (4) Diluted EPS is the same as basic EPS as there are no dilutive potential ordinary shares.

LETTER TO SHAREHOLDERS

- 3.4** As the Proposed Disposal is to OUE C-REIT, a subsidiary of the Group, the Group would not record any gain or loss from the Proposed Disposal under both Scenario 1 and Scenario 2. The reduction in NTA per Share and EPS under both Scenarios relates mainly to transaction-related costs estimated to be incurred by the Group.

4. RATIONALE AND KEY BENEFITS OF THE PROPOSED DISPOSAL

4.1 Unlock Capital from the Proposed Disposal

The Proposed Disposal will enable the Company to unlock capital and benefit from the value added from past asset enhancement initiatives of the Property while continuing to enjoy rental income. As the Company has a significant unitholding interest in OUE C-REIT, it can continue to enjoy a substantial share of the rental income and potential capital value upside.

In addition, the Proposed Disposal will help to grow the Company's fund management business in the Manager as part of its overall business strategy.

4.2 Facilitate the growth of an efficient REIT platform for the holding of commercial properties

The Proposed Disposal is in line with the Company's commitment to OUE C-REIT at the time of its initial public offering, when the Company had granted a right of first refusal to OUE C-REIT for its potential future acquisitions of income-producing real estate used primarily for commercial purposes. As a controlling unitholder of OUE C-REIT, the Company will continue to benefit from the growth of OUE C-REIT and the potential increase in the value of the Company's holding of Units.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

5.1 Interests of Directors

Mr. Christopher James Williams, who is a director of the Company, is also a director of the Manager.

Based on the Register of Directors' shareholdings maintained by the Company, the direct and deemed interests of the Directors in the Company as at the Latest Practicable Date are set out in the table below:

Director	Direct Interest in the Company		Deemed Interest in the Company	
	No. of Shares	(%)	No. of Shares	(%)
Stephen Riady ⁽¹⁾	—	—	—	—
Christopher James Williams	—	—	—	—
Thio Gim Hock	—	—	—	—
Kelvin Lo Kee Wai	—	—	—	—
Sin Boon Ann	—	—	—	—
Kin Chan	—	—	618,916,410 ⁽²⁾	68.02 ⁽³⁾

Notes:

- (1) Dr. Stephen Riady and his family members are the beneficiaries of a discretionary trust of which Lanius Limited is the trustee. Lanius Limited holds the entire issued share capital of Lippo Capital Limited which is deemed to have an interest in the Shares. For further details, please see Note (11) under Interests of Substantial Shareholders below.
- (2) Mr. Kin Chan is the beneficial holder of more than 20% of the issued share capital of Argyle Street Management Holdings Limited. Accordingly, Mr. Kin Chan is deemed to have an interest in the Shares in which Argyle Street Management Holdings Limited has a deemed interest. For further details, please see Note (17) under Interests of Substantial Shareholders below.
- (3) The shareholding percentage is calculated based on 909,885,860 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

The direct and deemed interests of the Directors in OUE C-REIT as at the Latest Practicable Date are set out in the table below:

Director	Direct Interest in OUE C-REIT		Deemed Interest in OUE C-REIT	
	No. of Units	(%)	No. of Units	(%)
Stephen Riady	–	–	–	–
Christopher James Williams	–	–	125,000 ⁽¹⁾	0.01 ⁽³⁾
Thio Gim Hock	2,000,000	0.23 ⁽³⁾	–	–
Kelvin Lo Kee Wai	–	–	–	–
Sin Boon Ann	–	–	–	–
Kin Chan	–	–	422,018,928 ⁽²⁾	48.29 ⁽³⁾

Notes:

- (1) Mr. Christopher James Williams is deemed to be interested in the 125,000 Units held by Idaman Investments Ltd. The entire share capital of Idaman Investments Ltd. is owned by a trust of which the beneficiaries include the wife and two children of Mr. Christopher James Williams.
- (2) Mr. Kin Chan is the beneficial holder of more than 20% of the issued share capital of Argyle Street Management Holdings Limited. Accordingly, Mr. Kin Chan is deemed to have an interest in the Units in which Argyle Street Management Holdings Limited has a deemed interest. For further details, please see Note (17) under Interests of Substantial Shareholders below.
- (3) The unitholding percentage is calculated based on 874,012,928 issued Units as at the Latest Practicable Date.

Save as disclosed in this Section 5.1 and based on the information available to the Company as at the Latest Practicable Date, none of the Directors have any interest, direct or indirect, in the Proposed Disposal.

5.2 Interests of Substantial Shareholders

The interests of the Substantial Shareholders in the Shares, based on the information available to the Company and as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Name	Direct Interests		Deemed Interests	
	No. of Shares	(%)	No. of Shares	(%)
OUE Realty Pte. Ltd. (“ OUE ”)	502,513,060	55.23 ⁽¹⁹⁾	–	–
Golden Concord Asia Limited (“ G ”)	116,403,350	12.79 ⁽¹⁹⁾	502,513,060 ⁽¹⁾	55.23 ⁽¹⁹⁾
Fortune Code Limited (“ F ”)	–	–	618,916,410 ⁽²⁾	68.02 ⁽¹⁹⁾
Lippo ASM Asia Property Limited (“ LA ”)	–	–	618,916,410 ⁽³⁾	68.02 ⁽¹⁹⁾
Pacific Landmark Holdings Limited (“ Pacific Landmark ”)	–	–	618,916,410 ⁽⁴⁾	68.02 ⁽¹⁹⁾
HKC Property Investment Holdings Limited (“ HKC Property ”)	–	–	618,916,410 ⁽⁵⁾	68.02 ⁽¹⁹⁾
Hongkong Chinese Limited (“ H ”)	–	–	621,844,410 ⁽⁶⁾	68.34 ⁽¹⁹⁾

LETTER TO SHAREHOLDERS

Name	Direct Interests		Deemed Interests	
	No. of Shares	(%)	No. of Shares	(%)
Hennessy Holdings Limited (“HHL”)	–	–	621,844,410 ⁽⁷⁾	68.34 ⁽¹⁹⁾
Prime Success Limited (“PSL”)	–	–	621,844,410 ⁽⁸⁾	68.34 ⁽¹⁹⁾
Lippo Limited (“LL”)	–	–	621,844,410 ⁽⁹⁾	68.34 ⁽¹⁹⁾
Lippo Capital Limited (“LCL”)	–	–	621,844,410 ⁽¹⁰⁾	68.34 ⁽¹⁹⁾
Lanius Limited (“Lanius”)	–	–	621,844,410 ⁽¹¹⁾	68.34 ⁽¹⁹⁾
Admiralty Station Management Limited (“Admiralty”)	–	–	618,916,410 ⁽¹²⁾	68.02 ⁽¹⁹⁾
ASM Asia Recovery (Master) Fund (“AARMF”)	–	–	618,916,410 ⁽¹³⁾	68.02 ⁽¹⁹⁾
ASM Asia Recovery Fund (“AARF”)	–	–	618,916,410 ⁽¹⁴⁾	68.02 ⁽¹⁹⁾
Argyle Street Management Limited (“ASML”)	–	–	618,916,410 ⁽¹⁵⁾	68.02 ⁽¹⁹⁾
Argyle Street Management Holdings Limited (“ASMHL”)	–	–	618,916,410 ⁽¹⁶⁾	68.02 ⁽¹⁹⁾
Kin Chan (“KC”)	–	–	618,916,410 ⁽¹⁷⁾	68.02 ⁽¹⁹⁾
V-Nee Yeh (“VY”)	–	–	618,916,410 ⁽¹⁸⁾	68.02 ⁽¹⁹⁾

Notes:

- (1) GCAL is deemed to have an interest in the Shares held by OUER. OUER is a wholly-owned subsidiary of GCAL.
- (2) FCL has a deemed interest in the Shares through the direct and deemed interests of its wholly-owned subsidiary, GCAL.
- (3) LAAPL is deemed to have an interest in the Shares in which its subsidiary, FCL, has a deemed interest.
- (4) LAAPL is jointly held by Pacific Landmark and Admiralty. Accordingly, Pacific Landmark is deemed to have an interest in the Shares in which LAAPL has a deemed interest.
- (5) HKC Property is the immediate holding company of Pacific Landmark. Accordingly, HKC Property is deemed to have an interest in the Shares in which Pacific Landmark has a deemed interest.
- (6) Each of HKC Property and Wonder Plan Holdings Limited (“Wonder Plan”) is a wholly-owned subsidiary of HCL. Wonder Plan has a direct interest in 2,928,000 Shares. Accordingly, HCL is deemed to have an interest in (i) the Shares in which Pacific Landmark has a deemed interest and (ii) the Shares held by Wonder Plan.
- (7) HHL is an intermediate holding company of Pacific Landmark. Accordingly, HHL is deemed to have an interest in the Shares in which Pacific Landmark has a deemed interest. HHL is an intermediate holding company of Wonder Plan. Accordingly, HHL is deemed to have an interest in the Shares held by Wonder Plan.
- (8) PSL is an intermediate holding company of Pacific Landmark. Accordingly, PSL is deemed to have an interest in the Shares in which Pacific Landmark has a deemed interest. PSL is an intermediate holding company of Wonder Plan. Accordingly, PSL is deemed to have an interest in the Shares held by Wonder Plan.
- (9) LL is an intermediate holding company of Pacific Landmark. Accordingly, LL is deemed to have an interest in the Shares in which Pacific Landmark has a deemed interest. LL is the intermediate holding company of Wonder Plan. Accordingly, LL is deemed to have an interest in the Shares held by Wonder Plan.
- (10) LCL is a holding company of Pacific Landmark. Accordingly, LCL is deemed to have an interest in the Shares in which Pacific Landmark has a deemed interest. LCL is a holding company of Wonder Plan. Accordingly, LCL is deemed to have an interest in the Shares held by Wonder Plan.

LETTER TO SHAREHOLDERS

- (11) Lanius is the holder of the entire issued share capital of LCL, which in turn is a holding company of Pacific Landmark and Wonder Plan. Accordingly, Lanius is deemed to have an interest in the Shares in which Pacific Landmark has a deemed interest as well as the Shares held by Wonder Plan. Lanius is the trustee of a discretionary trust the beneficiaries of which include Dr. Stephen Riady and other members of his family. Dr. Stephen Riady is the Executive Chairman of the Company. Dr. Stephen Riady is also the Chairman of LL and HCL, both of which have a deemed interest in the Shares.
- (12) LAAPL is jointly held by Pacific Landmark and Admiralty. Accordingly, Admiralty is deemed to have an interest in the Shares in which LAAPL has a deemed interest.
- (13) AARMF is a majority shareholder of Admiralty. Accordingly, AARMF is deemed to have an interest in the Shares in which Admiralty has a deemed interest.
- (14) AARF is a majority shareholder of AARMF. Accordingly, AARF is deemed to have an interest in the Shares in which AARMF has a deemed interest.
- (15) ASML manages AARF. Accordingly, ASML is deemed to have an interest in the Shares in which AARF has a deemed interest.
- (16) ASMHL is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Shares in which ASML has a deemed interest.
- (17) KC is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, KC is deemed to have an interest in the Shares in which ASMHL has a deemed interest.
- (18) VY is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, VY is deemed to have an interest in the Shares in which ASMHL has a deemed interest.
- (19) The shareholding percentage is calculated based on 909,885,860 issued Shares (excluding treasury shares) as at the date of the Latest Practicable Date.

Save as disclosed in this Section 5.2 and based on the information available to the Company as at the Latest Practicable Date, none of the substantial shareholders have any interest, direct or indirect, in the Proposed Disposal.

- 5.3** The Proposed Disposal does not constitute an “Interested Person Transaction” under Chapter 9 of the Listing Manual for the Company as provided in Rule 915(3) of the Listing Manual. Rule 915(3) of the Listing Manual exempts transactions between an entity at risk and an investee company, where the interested person’s interest in the investee company, other than that held through the issuer, is less than 5%. At the time of entry into the Proposed Disposal (being the date of the Conditional SPA), the interest of the Company’s interested persons (as defined in Chapter 9 the Listing Manual, namely its chief executive officer, controlling shareholders and directors, and their respective associates) in OUE C-REIT, other than held through the Company, is less than 5%. Accordingly, the Proposed Disposal falls within the exemption in Rule 915(3), and is not treated as an “Interested Person Transaction” under the Listing Manual.

6. DIRECTORS’ SERVICE CONTRACTS

No new directors are proposed to be appointed to the Board in connection with the Proposed Disposal. As such, no service agreements will be entered into with any new director of the Company in connection with the Proposed Disposal.

7. RECOMMENDATIONS

Accordingly, the Directors (save for Mr. Christopher James Williams who is a director of the Manager, and has abstained from making any recommendation to Shareholders in relation to the Proposed Disposal) recommend that the Shareholders vote at the EGM in favour of the Ordinary Resolution to approve the Proposed Disposal. The interests of the Directors in Units are set out in Section 5.1.

LETTER TO SHAREHOLDERS

8. EXTRAORDINARY GENERAL MEETING

The EGM, the notice of which is given in the Notice of Extraordinary General Meeting, will be held on 27 July 2015 at 10.00 a.m. at Marina Mandarin Singapore, Marina Mandarin Ballroom, Level 1, 6 Raffles Boulevard, Singapore 039594, for the purpose of considering and, if thought fit, passing (with or without modification), the Ordinary Resolution set out in the Notice of Extraordinary General Meeting.

9. ABSTENTIONS FROM VOTING

Mr. Christopher James Williams is a director of the Manager. Therefore, for good corporate governance, he (i) will abstain, and will procure that his associates will abstain, from voting at the EGM on the Ordinary Resolution; and (ii) will not, and will procure that his associates will not, accept appointments as proxies in relation to the Ordinary Resolution, unless specific instructions as to voting are given.

10. ACTIONS TO BE TAKEN BY SHAREHOLDERS

10.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 50 Collyer Quay, #18-01/02, OUE Bayfront, Singapore 049321, not later than 10.00 a.m. on 25 July 2015. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.

10.2 When Depositor is regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

LETTER TO SHAREHOLDERS

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by Shareholders during normal business hours at the registered office of the Company located at 50 Collyer Quay, #18-01/02, OUE Bayfront, Singapore 049321 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Annual Report of the Company for FY2014;
- (c) the Conditional SPA; and
- (d) the independent valuation report of Colliers.

Yours faithfully
For and on behalf of the Board of Directors of
OUE LIMITED

Thio Gim Hock
Chief Executive Officer/Group Managing Director
1 July 2015

APPENDIX 1 – VALUATION OF ONE RAFFLES PLACE



VALUATION CERTIFICATE

Address of Property : 1 Raffles Place
ONE RAFFLES PLACE
Singapore 048616

Our Reference : 2015/71

Valuation Prepared for : OUE Limited and its advisors

**Legal Description/
Land Area/ Tenure** : The legal description, land area and tenure of the subject property are as follows:

Lot No. (All of Town Subdivision 1)	Land Area* (sm)	Tenure
696V	139.8	99 years commencing 26 May 1983 (Balance of approximately 66.9 years as at the date of valuation)
716L	2,529.5	99 years commencing 1 November 1985 (Balance of approximately 69.4 years as at the date of valuation)
718M	2,670.7	841 years, 3 months and 20 days commencing 1 November 1985 (Balance of approximately 811.7 years as at the date of valuation)
721M	1,645.7	99 years commencing 26 May 1983 (Balance of approximately 66.9 years as at the date of valuation)
Total	6,985.7	

* Subject to government's re-survey

Note: A detailed title search to be carried out by your legal advisor is recommended. In the event that your detailed title search reveal a material difference, a revaluation is required.

Registered Proprietor(s) : OUB Centre Limited

Brief Description : The subject property is an integrated commercial development comprising a 62-storey Grade A office building (Tower 1), a 38-storey with a basement level Grade A office building (Tower 2), a 5-storey retail podium with a basement retail level all sitting on 3 basement levels of car park (total 324 car parking lots). It is situated within the heart of the traditional financial and commercial district of Singapore, just on top of Raffles Place MRT Interchange Station.

Vertical movement within the development is via passenger lifts, service lifts, a set of escalators and reinforced concrete staircases generally.

All essential public utilities and tele-communication services are connected.

Gross Floor Area
(GFA)** : Approximately 119,725.8 sm (1,288,717 sf)

*Note: ** We recommend that a requisition be conducted with the relevant authorities to determine the approved gross floor area.*

APPENDIX 1 – VALUATION OF ONE RAFFLES PLACE



Year of Completion	:	The development was originally completed in 1986. Addition and alteration works involving the erection of a new office building (Tower 2) and addition of 2 levels (61 st / 62 nd storeys) to Tower 1 was completed in 2011. The retail podium re-opened around mid-2014 after completing a major refurbishment exercise.
Condition	:	Good
Tenancy Brief	:	We do not have the benefit of any tenancy information. Based on our observations, some of the major/anchor tenants within the subject development include H & M, Uniqlo, The Hour Glass, Paris Baguette and Food Leisure for the retail space as well as Virgin Active, Fitness First, TNT Express, Posterscope and Pramerica Real Estate Investors (Asia) Pte Ltd for the office space.
Master Plan Zoning (2014 Edition)	:	'Commercial' with a gross plot ratio of 12.6+
Basis Of Valuation	:	As-Is Basis subject to vacant possession
Methods Of Valuation	:	Investment Method and Direct Comparison Method
Capitalisation Rate (Retail)	:	4.75%*** / 5.25%
Capitalisation Rate (Office)	:	3.75%*** / 4.25%
***Note: For remaining unexpired term of 841 years, 3 months and 20 days commencing 1 November 1985.		
Date of Valuation	:	10 June 2015
Market Value****	:	S\$1,740,000,000/- (Singapore Dollars One Billion Seven Hundred And Forty Million Only)

****Note: The valuation of One Raffles Place represents OUB Centre Limited's beneficial interest of approximately 81.54% in the property

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

KH/CN/ha

This valuation certificate is subject to the attached Limiting Conditions.



LIMITING CONDITIONS

1. Values are reported in Singapore currency unless otherwise stated.
2. In our valuation it is presumed that the property as currently used is not in contravention of any planning or similar regulations. We shall not be responsible if it is otherwise.
3. For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.
4. No requisition on road, MRT, LRT, drainage and other government proposals has been made. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
5. While due care is exercised in the course of our inspection to note any serious defects, we will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible. Further, we will not be able to report that the building is free from rot, infestations or other defects. The building services will not be tested but will be presumed to be in good working order. We recommend that appropriately qualified persons be engaged to undertake investigations excluded from our scope of work.
6. Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular or statement or be published in any way without our prior written consent to the form and context in which it may appear. We shall bear no responsibility for any unauthorised inclusion or publication and reserve the right to claim for any loss, liability, costs or expenses (including but not limited to professional or executive time) we may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
7. In accordance with our usual practice, we must state that this valuation report is restricted to the client or person to whom this valuation report is specifically addressed to and for the specific purpose stated therein and to be used within a reasonable time. We disclaim any liability should it be used by any other person or for any other purpose(s) or beyond a reasonable time.
8. Where it is stated in the valuation report that information has been supplied to us by another party, the information is presumed to be reliable and we do not accept any responsibility should it be proven otherwise. The study of possible alternative development options and the related economics are not within the scope of this report unless expressly stated.
9. Our opinion of the market value of the property is free from any influence and/or point of views of any other parties.
10. Any market projections incorporated within our services including but not limited to, income, expenditure, associated growth rates and other variables are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
11. No allowance will be made in our valuation report for any charges, mortgages or other claims affecting the property nor for any costs, expenses, taxation or outgoings which may be involved in any transaction of the property.
12. The title to the property is presumed to be good and marketable and, unless mentioned in this valuation report, be free from any encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title, searches and requisitions and other such legal matters.
13. Any plans included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
14. All Location Plans are obtained from Streetdirectory.com. Whilst we do make every endeavour to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
15. We shall not be required to give testimony or to appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we be properly reimbursed. For the avoidance of doubt, our directors and employees shall have no liability in respect of their private assets. The amount of aggregate liability of Colliers is limited to the fee for this service.

NOTICE OF EXTRAORDINARY GENERAL MEETING

OUE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 196400050E)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an **Extraordinary General Meeting** of OUE Limited (the “**Company**”) will be held at 10.00 a.m. on 27 July 2015 at Marina Mandarin Singapore, Marina Mandarin Ballroom, Level 1, 6 Raffles Boulevard, Singapore 039594, for the purpose of considering and, if thought fit, passing (with or without modification) the following Ordinary Resolution:

ORDINARY RESOLUTION - THE PROPOSED DISPOSAL OF 100% OF THE TOTAL NUMBER OF ISSUED AND PAID UP SHARES IN THE CAPITAL OF BEACON PROPERTY HOLDINGS PTE. LTD. (“BPHPL”), A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, WHICH HOLDS SHARES IN OUB CENTRE LIMITED

That:

- (i) approval be and is hereby given for the proposed disposal (the “**Proposed Disposal**”) of 100% of the total number of issued and paid up shares in the capital of BPHPL, which holds shares in OUB Centre Limited, to DBS Trustee Limited (in its capacity as trustee of OUE Commercial Real Estate Investment Trust) (the “**Trustee**”) by the Company on the terms and conditions set out in the agreement dated 10 June 2015 (the “**Conditional SPA**”) entered into between the Company and the Trustee for the Proposed Disposal;
- (ii) the entry into the Conditional SPA be and is hereby approved and ratified;
- (iii) approval be and is hereby given for the payment of all fees and expenses relating to the Proposed Disposal;
- (iv) approval be and is hereby given for the entry by the Company (whether directly or indirectly through its subsidiaries) into all agreements and transactions in connection with the Proposed Disposal and all ancillary agreements contemplated thereby or incidental thereto, or which are necessary to give effect to the Proposed Disposal; and
- (v) the Company and any director of the Company be and are hereby severally authorised to do all such acts and things as they may consider necessary, desirable or expedient for the purpose of giving effect to the Proposed Disposal by the Company and/or the transactions contemplated under this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required).

BY ORDER OF THE BOARD

Ng Ngai
Company Secretary
1 July 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. Where a member appoints two proxies, the appointments shall be invalid unless the member specifies the proportions of his or its holdings to be represented by each proxy.
- (3) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Collyer Quay, #18-01/02, OUE Bayfront, Singapore 049321, not less than 48 hours before the time appointed for holding the Extraordinary General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or its service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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OUE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 196400050E)

IMPORTANT:

CPF Investors

1. For investors who have used their CPF moneys to buy shares in OUE Limited, this Circular to Shareholders dated 1 July 2015 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR THEIR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Extraordinary General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 1 July 2015.

PROXY FORM

EXTRAORDINARY GENERAL MEETING

*I/We _____ (Name) _____ (NRIC No. / Passport No. / Company Registration No.)

of _____ (Address)

being a member/members of OUE Limited (the “**Company**”), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			Number of Shares	%
and/or (delete as appropriate)				

or failing him/her, or either or both of the persons, referred to above, Mr Sin Boon Ann, or whom failing, Mr Thio Gim Hock, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Extraordinary General Meeting of the Company to be held at Marina Mandarin Singapore, Marina Mandarin Ballroom, Level 1, 6 Raffles Boulevard, Singapore 039594 on 27 July 2015 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matters arising at the Extraordinary General Meeting.

No.	Ordinary Resolution	*For	*Against
1	To Approve The Proposed Disposal Of 100% Of The Total Issued Shares In Beacon Property Holdings Pte. Ltd., A Wholly-Owned Subsidiary Of The Company, Which Holds Shares In OUB Centre Limited		

* Indicate your vote “For” or “Against” with a “✓” within the box provided.

Dated this _____ day of _____ 2015.

Total no. of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal

Important: Please read note on the reverse side



Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. Where a member appoints two proxies, the appointments shall be invalid unless the member specifies the proportions of his or its holdings to be represented by each proxy.
3. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies, to the Meeting.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

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Affix
Postage
Stamp

The Company Secretary
OUE Limited
50 Collyer Quay
#18-01/02 OUE Bayfront
Singapore 049321

Please fold here

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 50 Collyer Quay, #18-01/02, OUE Bayfront, Singapore 049321 not less than 48 hours before the time set for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
9. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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