

APPENDIX DATED 10 NOVEMBER 2016

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is circulated to holders of units in SPH REIT ("**SPH REIT**", the units in SPH REIT, "**Units**", and the holders of Units, "**Unitholders**"). Its purpose is to provide Unitholders with information on the Proposed Electronic Communications Trust Deed Supplement (as defined herein) to be tabled at the annual general meeting of Unitholders to be held at The Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on Monday, 2 December 2016 at 2.30 p.m. ("**AGM**").

Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Appendix. If you are in any doubt 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 Units, you should immediately forward this Appendix 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.



(Constituted in the Republic of Singapore
pursuant to a trust deed dated 9 July 2013 (as amended))

MANAGED BY

SPH REIT MANAGEMENT PTE. LTD.

(Company Registration No. 201305497E)

**APPENDIX TO UNITHOLDERS
IN RELATION TO:
THE PROPOSED ELECTRONIC COMMUNICATIONS
TRUST DEED SUPPLEMENT**

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LETTER TO SHAREHOLDERS

1 INTRODUCTION

The purpose of this Appendix is to provide Unitholders with information on the Special Business as set out in the Notice of AGM.

SPH REIT Management Pte. Ltd., in its capacity as manager of SPH REIT (the "**Manager**"), is seeking approval from Unitholders at the AGM for the proposed supplement to the trust deed dated 9 July 2013 constituting SPH REIT, as amended, varied or supplemented from time to time (the "**Trust Deed**") to include provisions regarding electronic communications of notices and documents to Unitholders of SPH REIT in the manner set out in **Annex A** of this Appendix (the "**Proposed Electronic Communications Trust Deed Supplement**").

Approval of Unitholders by way of Extraordinary Resolution¹ is required in respect of this resolution.

2 THE PROPOSED ELECTRONIC COMMUNICATIONS TRUST DEED SUPPLEMENT AND ITS RATIONALE

2.1 Background

In connection with the recent amendments to the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") as set out in the Companies (Amendment) Act 2014 (the "**Amendment Act**"), companies are allowed to send notices and documents electronically to their shareholders if the constitution of the company provides for and specifies the manner in which electronic communications are to be used². Further, notices or documents may be sent by way of electronic communications to shareholders with the express, deemed or implied consent of the shareholders in accordance with the constitution of the company³.

On 11 January 2016, the SGX-ST published a consultation paper on the "Listing Rules Amendments to Align with Changes to the Companies Act" (the "**Consultation Paper**") which, among other things, proposed to allow issuers to electronically transmit certain types of notices and documents if express consent or deemed consent of the Unitholders is obtained and subject to certain safeguards. The purpose of the proposed amendments to the listing rules of the SGX-ST (the "**Listing Rules**") as set out in the Consultation Paper is to align the Listing Rules with the recent amendments to the Companies Act which came into effect on 3 January 2016. In addition, the Consultation Paper also requested feedback from the public as to whether listed companies should be allowed to rely on implied consent of Unitholders to electronically transmit certain types of notices and documents.

Although SPH REIT is not bound by the Companies Act, the Manager wishes to amend the Trust Deed to adopt certain provisions of the Companies Act to allow for the electronic transmission of notices and documents in relation to SPH REIT.

There is no certainty that the Listing Rules will be amended to allow electronic transmission of notices and documents under the new regimes. Going forward, for so long as SPH REIT is listed on the SGX-ST, the Manager will not make use of the new regimes to transmit notices or documents electronically to Unitholders unless the Listing Rules allow it, and the Manager will comply with the Listing Rules on the subject. For the avoidance of doubt, should the Listing Rules be amended to allow electronic transmission of notices and documents under the new regimes, SPH REIT will adopt the Listing Rules.

(Paragraph 2.3 provides further details of the rationale for the Proposed Electronic Communications Trust Deed Supplement.)

Electronic Communications Regime

Unitholders would have expressly consented to the use of electronic communications of notices and documents if the Unitholder expressly agrees that notices and documents may be given, sent or served to him using electronic communications (the "**Express Consent Regime**").

¹ A resolution proposed and passed as such by a majority consisting of 75.0 per cent. or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

² The amendment to the Companies Act in relation to electronic communications was introduced to give effect to recommendations by the Steering Committee for Review of the Companies Act to ease the rules for the use of electronic transmission and to make them less prescriptive. These recommendations were accepted by the Ministry of Finance ("**MOF**"). In accepting these recommendations, the MOF noted the concerns of some shareholders who would prefer to have an option to receive physical copies of the notices and documents, notwithstanding that the company adopts the implied consent regime, and indicated that such shareholders could highlight their concerns when a company proposes amendments to its constitution to move to an implied consent regime.

³ Section 387C of the Companies Act.

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Unitholders are deemed to have consented to the use of electronic communications of notices and documents if the Trust Deed (i) provides for the use of electronic communications and specifies the manner in which the electronic communications is to be used and (ii) specifies that Unitholders will be given an opportunity to elect within a specified period of time (the “**Specified Time**”), whether to receive such notice or document by way of electronic communications or as a physical copy and within that Specified Time, the Unitholder fails to make an election (the “**Deemed Consent Regime**”)⁴.

Unitholders would have given their implied consent to the use of electronic communications of notices and documents if the Trust Deed provides (i) for the use of electronic communications and specifies the manner in which the electronic communications is to be used and (ii) that the Unitholders shall agree to receive such notice or documents by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document⁵ (the “**Implied Consent Regime**” and together with the Express Consent Regime and the Deemed Consent Regime, the “**Consent Regimes**”). In line with the safeguards applicable to companies under the Companies Act and the Companies Regulations 1987 (Cap 50, Rg 1) (the “**Companies Regulations**”), the Consent Regimes do not apply to notices or documents relating to take-over offers and rights issues and any notices or documents relating to take-over offers and rights issues cannot be transmitted by electronic means.

UNITHOLDERS SHOULD NOTE THAT BY APPROVING THE RESOLUTION IN RELATION TO THE PROPOSED ELECTRONIC COMMUNICATIONS TRUST DEED SUPPLEMENT, THEY ARE ALSO DEEMED TO HAVE APPROVED TO HAVE THE MANAGER ADOPT THE USE OF THE IMPLIED CONSENT REGIME AND THE DEEMED CONSENT REGIME, SUBJECT TO ANY SUBSEQUENT AMENDMENTS TO THE LISTING RULES.

2.2 The Proposed Electronic Communications Trust Deed Supplement

Based on the existing terms of the Trust Deed, any notice required to be served upon a Unitholder shall be sent to Unitholders by way of physical copies. Currently, the Trust Deed does not have any provisions to give, send or serve notices or documents to Unitholders through electronic communications.

In connection with the foregoing, and subject to the approval of Unitholders, the Manager proposes to amend the Trust Deed in the form of a supplemental deed to include provisions regarding electronic communications for notices or documents given, sent or served to Unitholders of SPH REIT.

(See **Annex A** of this Appendix for further details of the Proposed Electronic Communications Trust Deed Supplement.)

2.3 Rationale for the Proposed Electronic Communications Trust Deed Supplement

The Manager believes that the Proposed Electronic Communications Trust Deed Supplement will bring, among others, the following key benefits to Unitholders:

2.3.1 Flexibility to Unitholders

The Express Consent Regime and the Deemed Consent Regime provide the flexibility to Unitholders to choose to receive notices or documents given, sent or served by SPH REIT either in the form of electronic communications or physical notice.

2.3.2 Increased Operational Efficiency

The Manager intends to utilise the electronic transmission of documents to give, send or serve certain notices and documents of SPH REIT to its Unitholders. The use of electronic communications to give, send or serve certain notices and documents to Unitholders will enable SPH REIT to reduce costs and increase operational efficiency and speed in communications for SPH REIT. In addition, sending certain notices and documents electronically would reduce the operational costs of SPH REIT.

4 Section 387C(3) of the Companies Act.

5 Section 387C(2) of the Companies Act.

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2.4 Safeguards to Unitholders

Although REITs are not bound by the Companies Act, for good corporate governance and to ensure that SPH REIT adheres to similar standards, the Manager proposes to amend the Trust Deed to adopt the electronic communications safeguards under the Companies Act and the Companies Regulations.

The Trust Deed includes the following amendments to safeguard the interests of Unitholders⁶:

2.4.1 Separate Notice to Unitholders

Before sending any notice or document to Unitholders who are deemed to have consented to receive notices or documents by way of electronic communications, the Manager must give a separate notice in writing to Unitholders stating that (i) the Unitholders can elect to receive notices and documents either electronically or by way of a physical copy, (ii) if a Unitholder does not make an election, notices and documents will be sent to the Unitholder electronically, (iii) electronic communications will be used in the manner specified in the Trust Deed, (iv) the Unitholder may make a fresh election at any time and (v) the Unitholders' latest election to receive notice and documents will prevail over the Unitholders' earlier elections.

2.4.2 Unitholders to Make Fresh Elections

The Manager must allow Unitholders under the Deemed Consent Regime to make a fresh election at any time and the Unitholders' latest election as to whether to receive notices or documents by way of electronic communications or physical notice will prevail.

2.4.3 Separate Notice to Unitholders when making Documents Available on a Website

Where the Manager chooses to transmit documents by making them available on a website, the Manager must give a separate notice to Unitholders (using such means as may be satisfied in the Trust Deed) of the presence of the document on the website and the manner which the document may be accessed.

2.4.4 Notices or Documents relating to Take-over Offers and Rights Issues Excluded

In line with the safeguards applicable to companies under the Companies Act and the Companies Regulations, notices or documents relating to take-over offers and rights issues are not permitted to be transmitted by electronic means.

⁶ These amendments are in line with the safeguards in relation to electronic communications set out in the Companies Act and the Companies Regulations, including Regulations 89C and 89D of the Companies Regulations.

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3 DIRECTORS' RECOMMENDATION

Having considered the relevant factors, including the rationale for the Proposed Electronic Communications Trust Deed Supplement as set out in paragraph 2.3 of this Appendix, the Directors recommend that Unitholders vote at the AGM in favour of the resolution relating to the Proposed Electronic Communications Trust Deed Supplement.

4 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Electronic Communications Trust Deed Supplement, SPH REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix 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 Appendix in its proper form and context.

5 DOCUMENT ON DISPLAY

The Trust Deed will be available for inspection during normal business hours at the registered office of the Manager at 1000 Toa Payoh North, News Centre, Singapore 318994⁷ for so long as SPH REIT is in existence.

⁷ Prior appointment with the Manager (telephone: +65 6319 6319) would be appreciated.

IMPORTANT NOTICE

This Appendix does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of SPH REIT in Singapore or any other jurisdictions. The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, the Trustee, or any of their affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Unitholders have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of SPH REIT is not indicative of the future performance of SPH REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Appendix may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

If you have sold or transferred all your Units, you should immediately forward this Appendix, together with the Notice of AGM and the accompanying Proxy Form, 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.

GLOSSARY

In this Appendix, the following definitions apply throughout unless otherwise stated:

Amendment Act	:	Companies (Amendment) Act 2014
Appendix	:	This Appendix to Unitholders dated 10 November 2016
CDP	:	The Central Depository (Pte) Limited
Companies Act	:	Companies Act, Chapter 50 of Singapore
Companies Regulations	:	Companies Regulations 1987 (Cap 50, Rg 1)
Consent Regimes	:	The Express Consent Regime, the Deemed Consent Regime and the Implied Consent Regime
Consultation Paper	:	The consultation paper on the "Listing Rules Amendments to Align with Changes to the Companies Act" issued by the SGX-ST on 11 January 2016
Deemed Consent Regime	:	The deemed consent of the Unitholders for the use of electronic communications of notices and documents if the Trust Deed (i) provides for the use of electronic communications and specifies the manner in which the electronic communications is to be used and (ii) specifies that Unitholders will be given an opportunity to elect within the Specified Time, whether to receive such notice or document by way of electronic communications or as a physical copy and within that Specified Time, the Unitholder fails to make an election
Directors	:	The directors of the Manager
Express Consent Regime	:	The express consent of the Unitholders that notices and documents may be given, sent or served to him using electronic communications
Extraordinary Resolution	:	A resolution proposed and passed as such by a majority consisting of 75.0 per cent. or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Implied Consent Regime	:	The implied consent of Unitholders for the use of electronic communications of notices and documents if the Trust Deed provides (i) for the use of electronic communications and specifies the manner in which the electronic communications is to be used and (ii) that the Unitholders shall agree to receive such notice or documents by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document
Listing Rules	:	Listing Rules of the SGX-ST
Manager	:	SPH REIT Management Pte. Ltd., as manager of SPH REIT
MOF	:	Ministry of Finance
Proposed Electronic Communications Trust Deed Supplement	:	The proposed Trust Deed supplement to include provisions regarding electronic communications of notices and documents to Unitholders of SPH REIT
REIT	:	Real estate investment trust
S\$ and cents	:	Singapore dollars and cents
Securities Account	:	Unitholders' securities accounts with the CDP
SGX-ST	:	Singapore Exchange Securities Trading Limited
Specified Time	:	A specified period of time that Unitholders will be given an opportunity to elect whether to receive such notice or document by way of electronic communications or as a physical copy

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SPH REIT	:	SPH REIT, a unit trust constituted on 9 July 2013 under the laws of the Republic of Singapore
Trust Deed	:	The trust deed dated 9 July 2013 entered into between the Trustee and the Manager constituting SPH REIT, as amended, varied or supplemented from time to time
Trustee	:	DBS Trustee Limited, in its capacity as trustee of SPH REIT
Unit	:	A unit representing an undivided interest in SPH REIT
Unitholder	:	The registered holder for the time being of a Unit, including person so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
% or per cent.	:	Per centum or percentage

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

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

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Unless otherwise stated in this Appendix, where applicable, figures and percentages are rounded to one decimal place.

ANNEX A

PROPOSED ELECTRONIC COMMUNICATIONS TRUST DEED SUPPLEMENT

The proposed form of the amendments to the Trust Deed upon Unitholders' approval of the Proposed Electronic Communications Trust Deed Supplement is as follows:

- that Clause 1.1 of the Trust Deed be amended to reflect the additions as indicated by the underlined text below:

"1.1 Definitions

"Electronic communications" means communication transmitted (whether from one person to another, from one device to another, from a person to a device or from a device to a person):

(a) by means of a telecommunication system (as defined in the Telecommunications Act, Chapter 323 of Singapore); or

(b) by other means but while in an electronic form,

such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form;"

- that Clause 27.1 of the Trust Deed be amended to reflect the deleted text and additions indicated by the underlined text below:

"27.1 Notices to Holders and Depositors

27.1.1 Any notice required to be served upon a Holder shall be deemed to have been duly given if sent by post to or left, in the case of Units not credited into a Securities Account, at his address as appearing in the Register or in the case of Joint Holders, to the Joint Holder whose name stands first in the Register and, in the case of Units credited into a Securities Account, at his address on record with the Depository, or in the case of Joint Depositors, to the Joint Depositor whose name stands first in the record of the Depository Register. Any notice so served by post shall be deemed to have been served on the date of posting, and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed, stamped and posted. Any charges payable to the Depository for serving notices or other documents to Holders shall be borne out of the Deposited Property.

27.1.2 Without prejudice to the provisions of Clause 27.1.1, but subject otherwise to any Listing Rules relating to electronic communications, any notice or document (including, without limitation, any notice of meetings, accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under this Trust Deed, or by the Directors, to a Holder may be given, sent or served using electronic communications:

(i) to the current address of the Holder; or

(ii) by making it available on a website prescribed by the Manager from time to time,

in accordance with the provisions of this Trust Deed, the Listing Rules and any other applicable rules of any other relevant Recognised Stock Exchange on which the Trust may be Listed. Notwithstanding anything to the contrary, any notice or document relating to:

(a) any take-over offer of the Trust; or

(b) any rights issue by the Trust,

shall not be sent or served to the Holder using electronic communications.

27.1.3 For the purposes of Clause 27.1.2 above, a Holder shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive the physical copy of such notice or document.

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27.1.4 Notwithstanding Clause 27.1.3, the Manager may, at its discretion, at any time give a Holder an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a Holder shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

27.1.5 Where a notice or document is given, sent or served by electronic communications:

- (i) to the current address of a person pursuant to Clause 27.1.2(i), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Manager or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Listing Rules and/or any other applicable regulations or procedures; and
- (ii) by making it available on a website pursuant to Clause 27.1.2(ii), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Listing Rules and/or any other applicable regulations or procedures.

27.1.6 Where a notice or document is given, sent or served to a Holder by making it available on a website pursuant to Clause 27.1.2(ii), the Manager shall give separate notice to the Holder of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:

- (i) by sending such separate notice to the Holder personally or through the post pursuant to Clause 27.1.1;
- (ii) by sending such separate notice to the Holder using electronic communications to his current address pursuant to Clause 27.1.2(i);
- (iii) by way of advertisement in any one leading English-language daily newspaper and any one leading Chinese-language daily newspaper in Singapore; and/or
- (iv) by way of announcement on any Stock Exchange upon which the Trust may be listed.

27.1.7 The use of electronic communications pursuant to Clause 27.1.2 is subject to the following safeguards:

- (i) before giving, sending or serving any notice or document by way of electronic communications to a Holder who is deemed to have consented pursuant to Clause 27.1.4, the Manager must have given separate notice to the Holder in writing on at least one occasion that:
 - (a) the Holder may elect whether to receive notices and documents by way of electronic communications or as a physical copy;
 - (b) if the Holder does not make an election, notices and documents will be given, sent or served to the Holder by way of electronic communications;
 - (c) the manner in which electronic communications will be used is the manner specified in the Trust Deed;
 - (d) the Holder may make a fresh election at any time to receive notices or documents by way of electronic communications or as a physical copy; and

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- (e) the Holder's election to receive notices or documents by way of electronic communications or as a physical copy that is conveyed to the Trust last in time prevails over all previous elections as the Holder's valid and subsisting election in relation to all documents and notices to be given, sent or served to the Holder until the Holder makes a fresh election;
- (ii) where a Holder is deemed to have consented to receive notices or documents by way of electronic communications pursuant to Clause 27.1.4 or where a Holder has made an election pursuant to Clause 21.1.7 (i)(a) or (d):

 - (a) the Manager must allow the Holder to make a fresh election at any time to receive notices or documents by way of electronic communications or as a physical copy; and
 - (b) a Holder's election to receive notices or documents by way of electronic communications or as a physical copy that is conveyed to the Trust last in time prevails over all previous elections as the Holder's valid and subsisting election in relation to all documents and notices to be given or served to the Holder;
- (iii) where the Manager gives, sends or serves any notice or document to a Holder by way of electronic communications by publishing the notice or document on the Trust's website, the Manager must give separate notice to the Holder (using such means as may be specified in the Trust Deed) of the publication and the manner in which the notice or document may be accessed."