
ISSUANCE OF UNDERLYING LEASE OF CROWNE PLAZA CHANGI AIRPORT TO OUE HOSPITALITY REAL ESTATE INVESTMENT TRUST BY CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.

1. ISSUANCE OF THE CPCA LEASE TO OUE H-REIT

The board of Directors (the "**Board**") of OUE Limited (the "**Company**") refers to its announcements dated 28 November 2014 and 30 January 2015 on the sale and leaseback arrangement of Crowne Plaza Changi Airport ("**CPCA**") and its future extension ("**CPEX**"), to OUE Hospitality Real Estate Investment ("**OUE H-REIT**").

The Board is pleased to announce that the lease of the strata lot on which CPCA is situated (the "**CPCA Lease**") by Changi Airport Group (Singapore) Pte. Ltd. ("**CAG**") has been issued to OUR H-REIT on 20 January 2016.

2. TERMINATION OF THE CPCA PUT OPTION

As stated in the announcement dated 28 November 2014, OUE Airport Hotel Pte. Ltd. (an indirect wholly-owned subsidiary of the Company) (the "**Vendor**") had entered into a put option agreement with OUE H-REIT in respect of CPCA (the "**CPCA Put Option Agreement**"). The CPCA Put Option Agreement provided, *inter alia*, that if the trustee of OUE H-REIT (the "**REIT Trustee**") does not (or does not expect to) receive the CPCA Lease within the period of 12 months from the date of completion of the sale of CPCA and stapled securityholders of OUE Hospitality Trust ("**Stapled Securityholders**") do not consent to the extension of the period for receiving the CPCA Lease, the REIT Trustee shall be entitled to exercise the CPCA Put Option and require the Vendor to buy back CPCA from OUE H-REIT.

Following CAG's issuance of the CPCA Lease to OUE H-REIT, the Vendor has accordingly terminated the CPCA Put Option in accordance with the terms of the CPCA Put Option Agreement on 20 January 2016.

OUE had also provided an undertaking in relation to the CPCA Put Option where, if the REIT Trustee exercises the CPCA Put Option and the Vendor is unable to complete the purchase of CPCA, OUE or its nominee shall purchase CPCA from OUE H-REIT on the terms and conditions of the CPCA Put Option Agreement.

As the Vendor has terminated the CPCA Put Option, OUE's undertaking in relation to the CPCA Put Option has also been terminated on 20 January 2016.

3. INFORMATION ON CPEX

The completion of the divestment of CPEX will take place after the construction of CPEX is completed and CPEX has obtained its temporary occupation permit. The construction of CPEX is expected to be completed by June 2016.

The Vendor had entered into a put option agreement with OUE H-REIT in respect of both CPCA and CPEX (the "**Combined Put Option Agreement**"). The Combined Put Option Agreement provided, *inter alia*, that if the REIT Trustee does not (or does not expect to) receive the lease to the combined strata lot comprising CPCA and CPEX (the "**Combined CPCA Lease**") within the period of 12 months from the date of completion of the sale of CPEX and Stapled Securityholders do not consent to the extension of the period for receiving the Combined CPCA Lease, the REIT Trustee shall be entitled to exercise the put option for both CPCA and CPEX (the "**Combined Put Option**") and require the Vendor to buy back CPCA and CPEX from OUE H-REIT.

OUE had also provided an undertaking in relation to the Combined Put Option where, if the REIT Trustee exercises the Combined Put Option and the Vendor is unable to complete the purchase of CPCA and CPEX, OUE or its nominee shall purchase CPCA and CPEX from OUE H-REIT on the terms and conditions of the Combined Put Option Agreement.

By Order of the Board
Ng Ngai
Company Secretary

OUE Limited

20 January 2016