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PROPOSED ISSUE OF CONVERTIBLE BONDS AND EXCHANGEABLE BONDS

1. INTRODUCTION

The Board of Directors of OUE Limited (the “**Company**”) is pleased to announce that the Company has priced a concurrent offering to institutional and other investors of:

- (1) S\$154,750,000 1.50% convertible bonds due 2023 (the “**Convertible Bonds**”), convertible into ordinary shares in the capital of the Company (“**Shares**” and such Shares that are converted into, the “**Conversion Shares**”); and
- (2) S\$150,000,000 3.00% exchangeable bonds due 2023 (the “**Exchangeable Bonds**”), exchangeable into stapled securities of OUE Hospitality Trust, each comprising one unit in OUE Hospitality Real Estate Investment Trust (“**OUE H-REIT**”) and one unit in OUE Hospitality Business Trust (“**OUE H-BT**”), stapled together pursuant to the terms of the stapling deed dated 10 July 2013 (the “**Stapled Securities**”).

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch is the Sole Bookrunner for the issue of the Convertible Bonds and the Exchangeable Bonds.

2. PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms and conditions of the Convertible Bonds are summarised as follows:

Issue Size	: S\$154,750,000 in aggregate principal amount of Convertible Bonds
Issue Price	: 100% of the principal amount of the Convertible Bonds
Form and Denomination of the Convertible Bonds	: The Convertible Bonds will be issued in registered form in denominations of S\$250,000 each. Upon issue, the Convertible Bonds will be represented by a global certificate deposited with, and registered in the name of, a nominee of the common depository for, Euroclear Bank SA/NV and Clearstream Banking S.A.

Security	: None
Settlement and Payment	: Subject to fulfilment of the conditions set out in the subscription agreement relating to the Convertible Bonds entered into between the Company and the Sole Bookrunner dated 13 March 2018, settlement and payment for the Convertible Bonds is expected to take place in Singapore on or about 13 April 2018 or such other date as may be agreed between the Company and the Sole Bookrunner.
Issue Date	: 13 April 2018
Maturity Date	: 13 April 2023
Interest	: The Convertible Bonds will bear interest at a rate of 1.50% per annum, payable semi-annually in arrear on 13 April and 13 October of each year, commencing on 13 October 2018.
Conversion	: The obligation to deliver Conversion Shares may be satisfied by the transfer and delivery of treasury shares held by the Company and/or by the issue and delivery of new Shares. The number of Conversion Shares will be determined by dividing the principal amount of the Convertible Bond to be converted by the then prevailing conversion price at which the Conversion Shares will be issued and/or delivered upon conversion, as adjusted from time to time (the “ Conversion Price ”) in respect of the Convertible Bonds.
Initial Conversion Price	: S\$2.112 for each Conversion Share
Conversion Period	: Convertible at the option of the holder of the Convertible Bonds (each, a “ CB Holder ”) at any time on or after 24 May 2018 up to the close of business on the date falling ten days prior to the Maturity Date or if such Convertible Bond shall have been called for redemption before the Maturity Date, then up to the close of business on a date no later than seven business days prior to the date fixed for redemption, subject to customary closed periods and the terms and conditions of the Convertible Bonds (the “ CB Terms and Conditions ”).
Adjustments to Conversion Price	: The Conversion Price will be subject to adjustment in certain events including: (a) consolidation, subdivision, redesignation or reclassification of the Shares, (b) capitalisation of profits or reserves, (c) capital distributions, (d) rights issues of Shares or options over Shares, (e)

rights issues of other securities, (f) issues at less than current market price and other dilutive events. The adjustments are determined in accordance with the specified formulas set out in the CB Terms and Conditions.

Status of the Convertible Bonds : The Convertible Bonds will constitute direct, unconditional, unsubordinated, and (subject to the provisions of the CB Terms and Conditions) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the CB Terms and Conditions, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated and unsecured obligations.

Status of the Conversion Shares : The Conversion Shares when allotted and delivered on conversion will with effect from the relevant conversion date, rank for any dividends, rights, allotment or other distribution, the record date for which is on or after the relevant conversion date and (subject as aforesaid) will rank *pari passu* in all respects with the then existing Shares, subject to the CB Terms and Conditions.

Negative Pledge : So long as any Convertible Bond remains outstanding, the Company will not, and will ensure that OUE Treasury Pte. Ltd. will not, create or have outstanding any security on or over any of its property or assets, whether present or future, to secure any Capital Markets Indebtedness (as defined below) or any guarantee or indemnity in respect of Capital Markets Indebtedness, without also at the same time or prior thereto (a) securing its indebtedness under the trust deed for the Convertible Bonds so that the Convertible Bonds then outstanding are secured equally or rateably with such Capital Markets Indebtedness; or (b) providing the Convertible Bonds then outstanding with the benefit of other security as may be approved by the CB Holders by way of an extraordinary resolution, subject to certain exceptions as are described in the CB Terms and Conditions.

“Capital Markets Indebtedness” means any indebtedness for moneys borrowed or interest thereon in the form of bonds, convertible bonds, notes, debentures, loan stock or other similar securities that are or are capable of being quoted, listed or ordinarily dealt with in any stock exchange, over-the-counter or other securities market.

- Conversion upon Change of Control** : If a Change of Control (as defined in the CB Terms and Conditions) occurs, the Company shall give notice of that fact to the CB Holders (the “**Change of Control Notice**”) within seven days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of conversion rights such that the relevant conversion date falls within 30 days following a Change of Control, or, if later, 30 days following the date on which the Change of Control Notice is given to CB Holders, the Conversion Price shall be adjusted in accordance with a formula set out in the CB Terms and Conditions.
- Redemption at Maturity** : Unless previously redeemed, converted or purchased and cancelled as provided herein, the Company will redeem each Convertible Bond at 105.29% of its principal amount on the Maturity Date, together with accrued but unpaid interest, if any. The Company may not redeem the Convertible Bonds at its option prior to that date except as provided in “Redemption at the Option of the Company” and “Redemption for Taxation Reasons” below.
- Redemption at the Option of the CB Holders** : The holder of each Convertible Bond will have the right to require the Issuer to redeem that Convertible Bond at 103.10% of their principal amount together with accrued but unpaid interest on the date falling three years after the Issue Date.
- Redemption for Change of Control** : Following the occurrence of a Change of Control, each CB Holder will have the right, at such holder’s option, to require the Company to redeem in whole but not in part such holder’s Convertible Bonds at the Early Redemption Amount (as defined in the CB Terms and Conditions) together with accrued but unpaid interest (calculated up to but excluding the date of redemption) on the Change of Control Redemption Date (as defined in the CB Terms and Conditions).
- Delisting Put Right** : In the event the Shares cease to be listed or admitted to trading on the SGX-ST, or, if applicable, the Alternative Stock Exchange (as defined the CB Terms and Conditions), each CB Holder shall have the right, at such holder’s option, to require the Company to redeem all (but not less than all) of such holder’s Convertible Bonds at their Early Redemption Amount together with accrued but unpaid interest (calculated up to but excluding the date of redemption) on the twentieth business day after notice has been given to CB Holders regarding the delisting.
- Redemption at the Option** : On or at any time after three years after the Issue Date but

of the Company

not less than seven business days prior to the Maturity Date, the Company may redeem the Convertible Bonds in whole but not in part, provided that no such redemption may be made unless the closing price of the Shares for each of 30 consecutive trading days, the last day of which period occurs no more than 20 trading days prior to the date upon which notice of such redemption is given pursuant to the CB Terms and Conditions was at least 130% of the applicable Early Redemption Amount divided by the conversion ratio in effect on such trading day.

If there shall occur an event giving rise to a change in the Conversion Price during any such 30 consecutive trading day period, appropriate adjustments shall be made for the purpose of calculating the closing price for the relevant days.

Upon the expiry of any such notice, the Company will be bound to redeem the Convertible Bonds at their Early Redemption Amount together with accrued but unpaid interest (calculated up to but excluding the date of redemption) on the date fixed for such redemption.

If at any time the aggregate principal amount of the Convertible Bonds outstanding is less than 10% of the aggregate principal amount originally issued (including any further issues of Convertible Bonds in accordance with the CB Terms and Conditions), the Company shall have the option to redeem such outstanding Convertible Bonds in whole but not in part at their Early Redemption Amount together with accrued but unpaid interest (calculated up to but excluding the date of redemption) on the date fixed for such redemption.

Redemption for Taxation Reasons : In the event certain changes occur affecting taxes in Singapore, the Company may, subject to certain conditions being satisfied, redeem the Convertible Bonds in whole but not in part at their Early Redemption Amount together with accrued but unpaid interest (calculated up to but excluding the date of redemption).

Listing : An application will be made to list the Convertible Bonds on the SGX-ST.

Governing Law : English law

3. CONVERSION SHARES

The number of Conversion Shares to be delivered by the Company, pursuant to the full conversion of the S\$154,750,000 in aggregate principal amount of Convertible Bonds is

approximately 73,271,780 Conversion Shares (based on the Initial Conversion Price and assuming no adjustments to the Initial Conversion Price). The 73,271,780 Conversion Shares represent approximately 8.12% of the existing Shares in issue (excluding treasury shares) as of the date of this announcement.

4. PRINCIPAL TERMS OF THE EXCHANGEABLE BONDS

The principal terms and conditions of the Exchangeable Bonds are summarised as follows:

Issue Size	:	S\$150,000,000 in aggregate principal amount Exchangeable Bonds
Issue Price	:	100% of the principal amount of the Exchangeable Bonds
Form and Denomination of the Exchangeable Bonds	:	The Exchangeable Bonds will be issued in registered form in denominations of S\$250,000 each. Upon issue, the Exchangeable Bonds will be represented by a global certificate deposited with, and registered in the name of, a nominee of the common depository for, Euroclear Bank SA/NV and Clearstream Banking S.A.
Security	:	None
Settlement and Payment	:	Subject to fulfilment of the conditions set out in the subscription agreement in relation to the Exchangeable Bonds entered into between the Company and the Sole Bookrunner dated 13 March 2018, settlement and payment for the Exchangeable Bonds is expected to take place in Singapore on or about 13 April 2018 or such other date as may be agreed between the Company and the Sole Bookrunner.
Issue Date	:	13 April 2018
Maturity Date	:	13 April 2023
Interest	:	The Exchangeable Bonds will bear interest at a rate of 3.00% per annum, payable semi-annually in arrear on 13 April and 13 October of each year, commencing on 13 October 2018.
Exchange	:	The number of Stapled Securities to be delivered upon exchange will be determined by dividing the principal amount of the Exchangeable Bond to be exchanged by the then prevailing exercise price at which the Stapled Securities will be delivered upon exchange, as adjusted from time to time (the " Exchange Price ") in respect of the Exchangeable Bonds.
Initial Exchange Price	:	S\$0.957 for each Stapled Security

Exchange Period : Exchangeable at the option of the holder of the Exchangeable Bonds (each, a “**EB Holder**”) at any time on or after 24 May 2018 up to the close of business on the date falling ten days prior to the Maturity Date or if such Exchangeable Bond shall have been called for redemption before the Maturity Date, then up to the close of business on a date no later than seven business days prior to the date fixed for redemption, subject to customary closed periods and the terms and conditions of the Exchangeable Bonds (the “**EB Terms and Conditions**”).

Adjustments to Exchange Price : The Exchange Price will be subject to adjustment in certain events including: (a) consolidation, subdivision, redesignation or reclassification of the Stapled Securities, (b) capitalisation of profits or reserves, (c) excess distributions (please refer to “Adjustments to Exchange Price arising from Excess Distributions” below for further details), (d) rights issues of Stapled Securities or options over Stapled Securities, (e) rights issues of other securities, (f) issues at less than current market price and other dilutive events. The adjustments are determined in accordance with the specified formulas set out in the EB Terms and Conditions.

Adjustments to Exchange Price arising from Excess Distributions : The Exchange Price will be subject to adjustment in the event if and whenever any Excess Distribution is paid or made to holders of Stapled Securities, such adjustment to be determined in accordance with the specified formula set out in the EB Terms and Conditions.

“**Excess Distribution**” means a Capital Distribution (as defined in the EB Terms and Conditions) paid or otherwise distributed in any financial year of either OUE H-REIT or OUE H-BT ending 31 December (“**Financial Year**”) if and to the extent that the sum of:

(i) the Fair Market Value (as defined in the EB Terms and Conditions) per Stapled Security of the proposed Capital Distribution; and

(ii) the Fair Market Value per Stapled Security of any other Capital Distribution previously paid or otherwise distributed in that Financial Year,

exceeds for the relevant Financial Year an amount equal to 2.00% of the average of the closing prices quoted by the SGX-ST or, as the case may be, by the Alternative Stock Exchange for one Stapled Security (being a Stapled Security carrying full entitlement to distribution) for the 15

consecutive trading days ending on the trading day immediately preceding the date on which the Capital Distribution is publicly announced.

Status of the Exchangeable Bonds : The Exchangeable Bonds will constitute direct, unconditional, unsubordinated, and (subject to the provisions of the EB Terms and Conditions) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Exchangeable Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the EB Terms and Conditions, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated and unsecured obligations.

Status of the Stapled Securities : The Stapled Securities delivered on exchange will with effect from the relevant exchange date, rank for any distributions, rights, allotment or other distribution, the record date for which is on or after the relevant exchange date and (subject as aforesaid) will rank *pari passu* in all respects with the then existing Stapled Securities, subject to the EB Terms and Conditions.

Negative Pledge : So long as any Exchangeable Bond remains outstanding, the Company will not, and will ensure that OUE Treasury Pte. Ltd. will not, create or have outstanding any security on or over any of its property or assets, whether present or future, to secure any Capital Markets Indebtedness (as defined below) or any guarantee or indemnity in respect of Capital Markets Indebtedness, without also at the same time or prior thereto (a) securing its indebtedness under the trust deed for the Exchangeable Bonds so that the Exchangeable Bonds then outstanding are secured equally or rateably with such Capital Markets Indebtedness; or (b) providing the Exchangeable Bonds then outstanding with the benefit of other security as may be approved by the EB Holders by way of an extraordinary resolution, subject to certain exceptions as are described in the EB Terms and Conditions.

“Capital Markets Indebtedness” means any indebtedness for moneys borrowed or interest thereon in the form of bonds, convertible or exchangeable bonds, notes, debentures, loan stock or other similar securities that are or are capable of being quoted, listed or ordinarily dealt with in any stock exchange, over-the-counter or other securities market.

- Exchange upon Change of Control** : If a Change of Control (as defined in the EB Terms and Conditions) occurs, the Company shall give notice of that fact to the EB Holders (the “**Change of Control Notice**”) within seven days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of exchange rights such that the relevant exchange date falls within 30 days following a Change of Control, or, if later, 30 days following the date on which the Change of Control Notice is given to EB Holders, the Exchange Price shall be adjusted in accordance with a formula set out in the EB Terms and Conditions.
- Redemption at Maturity** : Unless previously redeemed, exchanged or purchased and cancelled as provided herein, the Company will redeem each Exchangeable Bond at 100% of its principal amount on the Maturity Date, together with accrued but unpaid interest, if any. The Company may not redeem the Exchangeable Bonds at its option prior to that date except as provided in “Redemption at the Option of the Company” and “Redemption for Taxation Reasons” below.
- Redemption at the Option of the EB Holders** : The holder of each Exchangeable Bond will have the right to require the Issuer to redeem that Exchangeable Bond at 100% of their principal amount together with accrued but unpaid interest on the date falling three years after the Issue Date.
- Redemption for Change of Control** : Following the occurrence of a Change of Control, each EB Holder will have the right, at such holder’s option, to require the Company to redeem in whole but not in part such holder’s Exchangeable Bonds at 100% of their principal amount together with accrued but unpaid interest (calculated up to but excluding the date of redemption) on the Change of Control Redemption Date (as defined in the EB Terms and Conditions).
- Delisting Put Right** : In the event the Stapled Securities cease to be listed or admitted to trading on the SGX-ST, or, if applicable, the Alternative Stock Exchange (as defined the EB Terms and Conditions), each EB Holder shall have the right, at such holder’s option, to require the Company to redeem all (but not less than all) of such holder’s Exchangeable Bonds at 100% of their principal amount together with accrued but unpaid interest (calculated up to but excluding the date of redemption) on the twentieth business day after notice has been given to EB Holders regarding the delisting.
- Redemption at the Option of the Company** : On or at any time after three years after the Issue Date but not less than seven business days prior to the Maturity

Date, the Company may redeem the Exchangeable Bonds in whole but not in part, provided that no such redemption may be made unless the closing price of the Stapled Securities for each of 30 consecutive trading days, the last day of which period occurs no more than 20 trading days prior to the date upon which notice of such redemption is given pursuant to the EB Terms and Conditions was at least 130% of the Exchange Price in effect on such trading day.

If there shall occur an event giving rise to a change in the Exchange Price during any such 30 consecutive trading day period, appropriate adjustments shall be made for the purpose of calculating the closing price for the relevant days.

Upon the expiry of any such notice, the Company will be bound to redeem the Exchangeable Bonds at 100% of their principal amount together with accrued but unpaid interest (calculated up to but excluding the date of redemption) on the date fixed for such redemption.

If at any time the aggregate principal amount of the Exchangeable Bonds outstanding is less than 10% of the aggregate principal amount originally issued (including any further issues of Exchangeable Bonds in accordance with the EB Terms and Conditions), the Company shall have the option to redeem such outstanding Exchangeable Bonds in whole but not in part at 100% of their principal amount together with accrued but unpaid interest (calculated up to but excluding the date of redemption) on the date fixed for such redemption.

Redemption for Taxation Reasons : In the event certain changes occur affecting taxes in Singapore, the Company may, subject to certain conditions being satisfied, redeem the Exchangeable Bonds in whole but not in part at 100% of their principal amount together with accrued but unpaid interest (calculated up to but excluding the date of redemption).

Listing : An application will be made to list the Exchangeable Bonds on the SGX-ST.

Governing Law : English law

5. DISCLOSURE OF INTEREST

None of the directors and substantial shareholders of the Company has any interest, direct or indirect, in the issue of the Convertible Bonds or the Exchangeable Bonds.

By Order of the Board

Ng Ngai
Company Secretary
14 March 2018

IMPORTANT NOTICE

This announcement is not an offer of securities for sale in the United States or elsewhere.

The Convertible Bonds, the Exchangeable Bonds, the Conversion Shares and the Stapled Securities have not been, and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States or other jurisdictions and may not be offered or sold within the United States, except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and applicable state securities law. The Convertible Bonds, the Exchangeable Bonds, the Conversion Shares and the Stapled Securities are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. No public offering of the Convertible Bonds, the Exchangeable Bonds, the Conversion Shares or the Stapled Securities will be made in the United States or in any jurisdiction where such an offering is restricted or prohibited. This notice is for information purposes only and does not constitute an invitation or an offer to acquire, purchase or subscribe for or a sale of Convertible Bonds, Exchangeable Bonds, Conversion Shares or Stapled Securities in the United States or any other jurisdiction. Neither this announcement nor any portion hereof may be sent or transmitted into the United States or any jurisdiction where to do so is unlawful. Any failure to comply with these restrictions may constitute a violation of the United States securities law or the securities laws of any such other jurisdiction. No money, securities or other consideration is being solicited by this announcement or the information contained herein and if sent in response to this announcement or the information contained herein, will not be accepted.