



OUE LIMITED

Company Registration No.: 196400050E
Incorporated in Singapore

**PROPOSED DISPOSAL OF OUE DOWNTOWN SERVICED APARTMENTS
AND PROPOSED BUSINESS SALE**

1. INTRODUCTION

1.1 The Board of Directors of OUE Limited ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce that:

- (a) Alkas Realty Pte. Ltd. ("**Alkas**"), an indirect wholly-owned subsidiary of the Company, has today entered into a sale and purchase agreement ("**Property SPA**") with DHI Holding (S) Pte. Ltd. ("**Property Purchaser**") in respect of the sale and transfer by Alkas to the Property Purchaser of its leasehold interest for a term of 99 years commencing from 19 July 1967 in respect of the whole of Lot U4627W and Accessory Lot A379V both of Town Subdivision 30 ("**OUE Downtown Serviced Apartments**") together with all plant, machinery and equipment located on the OUE Downtown Serviced Apartments and owned by Alkas ("**Proposed Disposal**"); and
- (b) OUE Downtown Pte. Ltd. ("**OUEDTPL**"), a direct wholly-owned subsidiary of the Company, has today entered into a sale and purchase agreement ("**Business SPA**") with DHI Downtown Pte. Ltd. ("**Business Purchaser**") in respect of the sale by OUEDTPL to the Business Purchaser of the business together with the assets ("**Business and Assets**") of OUEDTPL, as carried on as of today and immediately before completion under the Business SPA ("**Proposed Business Sale**"),

(collectively, "**Proposed Transactions**").

1.2 In compliance with the right of first refusal agreement dated 10 July 2013 ("**ROFR Agreement**") entered into between the Company, RBC Investor Services Trust Singapore Limited ("**Trustee**") (as trustee of OUE Hospitality Sub-Trust (formerly known as OUE Hospitality Real Estate Investment Trust)) and OUE Hospitality Trust Management Pte. Ltd. ("**Trustee-Manager**") (as trustee-manager of OUE Hospitality Business Trust), prior to the entry into the Property SPA and the Business SPA, (i) the Company had extended an offer to the Trustee and the Trustee-Manager to acquire the OUE Downtown Serviced Apartments ("**Offer**"), and (ii) the Company has received a written response from the Trustee and the Trustee-Manager that they have declined the Offer.

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2. INFORMATION ON THE OUE DOWNTOWN SERVICED APARTMENTS

The OUE Downtown Serviced Apartments is the hotel and serviced residences component of the redeveloped OUE Downtown, one of the Group's investment properties. It is a 268-room, award-winning luxury hotel and serviced residences which occupies the 7th to 32nd storeys of OUE Downtown 1 in the heart of the Central Business District. OUE Downtown Serviced Apartments is managed by Oakwood Worldwide (Asia) Pte. Ltd..

3. MATERIAL TERMS OF THE PROPOSED TRANSACTIONS

3.1 The Property SPA

- (a) The purchase consideration ("**Property Purchase Consideration**") payable to Alkas under the Property SPA is S\$287,094,000. The Property Purchase Consideration had been negotiated on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, the market value of the Property.
- (b) The Property Purchase Consideration is payable by the Property Purchaser to Alkas as follows:
 - (i) upon signing of the Property SPA by Alkas and the Property Purchaser, a deposit of S\$28,900,000 ("**Deposit**") was paid by the Property Purchaser by way of wire transfer to Alkas' lawyers to hold the same as stakeholders pending completion;
 - (ii) the remaining Property Purchase Consideration (after deducting the Deposit) shall be payable by the Property Purchaser on completion under the Property SPA ("**Property SPA Completion**") to Alkas in accordance with the terms of the Property SPA; and
 - (iii) the Deposit shall be paid to Alkas on the Property SPA Completion or otherwise applied in accordance with the terms of the Property SPA.
- (c) The Property SPA Completion is subject to the approval of the President of the Republic of Singapore (as the head lessor) having been obtained for the Proposed Disposal.
- (d) The Property SPA Completion is also conditional upon and subject to the concurrent occurrence of the Business SPA Completion (as defined below).

3.2 The Business SPA

- (a) The purchase consideration ("**Business Purchase Consideration**") payable to OUEDTPL in connection with the sale of the Business and Assets is S\$1,906,000. The Business Purchase Consideration had been negotiated on a willing-buyer and willing-seller basis, after taking into account *inter alia*, the book value of the Business and Assets.

- (b) On completion under the Business SPA ("**Business SPA Completion**"), the Business Purchaser shall pay the Business Purchase Consideration to OUEDTPL in accordance with the terms of the Business SPA. There will be apportionment of certain assets and liabilities relating to the Business and Assets post-Business SPA Completion to reflect the assets and liabilities attributable to the Business Purchaser or OUEDTPL as of the date of the Business SPA Completion.
- (c) The Business SPA Completion is conditional upon the satisfaction or the waiver (as the case may be) of the submission of an application by the Business Purchaser to the Hotels Licensing Board established under the Hotels Act (Chapter 127 of Singapore) for the approval of the change of the name of the hotel to "Oakwood Premier AMTD Singapore" with effect from the date of the Business SPA Completion.
- (d) The Business SPA Completion is also conditional upon and subject to the concurrent occurrence of the Property SPA Completion.

4. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The Proposed Transactions are not expected to have a material effect on the net tangible assets or the earnings per share of the Group for the financial year ending 31 December 2019.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company (other than in their capacity as a director or shareholder of the Company) have an interest, direct or indirect, in the Proposed Transactions.

6. CAUTIONARY STATEMENT

Shareholders and potential investors are advised that the completion of the Proposed Transactions is subject to the conditions precedent in the Property SPA and the Business SPA being fulfilled or waived (as the case may be) and there is no certainty or assurance that the Proposed Transactions will be completed or that no changes will be made to the terms of the Property SPA or the Business SPA. Accordingly, shareholders and potential investors are advised to exercise caution in dealings with the shares of the Company, to read this announcement and any further update announcement(s) released by the Company carefully and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take. The Company will make the necessary announcements when there are further material developments in this matter.

By Order of the Board

Ng Ngai
Company Secretary
18 September 2019