



OUE Limited
Company Registration No.:196400050E
Incorporated in Singapore

SALE OF RESIDENTIAL PROPERTY DEVELOPMENT AT 26A NASSIM ROAD

1. INTRODUCTION

The Board of Directors of OUE Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that OUE Reef Development Pte. Ltd. ("**OUE Reef Development**"), an indirect wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement (the "**Agreement**") for the sale of the building plot known as 26A Nassim Road having a land area of 3,182.0 square metres together with the property being built by OUE Reef Development on the land (the "**Property**"), free from encumbrances, to Dr Stephen Riady (hereafter referred to as the "**Purchaser**" or "**Dr Riady**") for a total consideration of S\$95,000,000 (the "**Transaction**").

The Purchaser of the Property, Dr Riady, is the Executive Chairman and a controlling shareholder of the Company. As at the date of this announcement, based on the Company's Register of Substantial Shareholders, Dr Riady has a deemed interest in approximately 68.65% of the issued shares of the Company (excluding treasury shares).

2. RATIONALE FOR THE TRANSACTION

The Group carries on the business of, *inter alia*, housing development and is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations predominantly in Singapore. The sale of the Property is in the ordinary course of business of the Group.

The Property is a Good Class Bungalow built on a building plot known as 26A Nassim Road (the "**Nassim Land Parcels**") that OUE Reef Development successfully acquired in 2016. Development was undertaken by OUE Reef Development. The Group obtained the temporary occupation permit for the Property on 6 August 2019.

The Property is valued on the basis of market value as at 25 June 2019 at S\$87,000,000 and S\$85,500,000 by Cushman & Wakefield VHS Pte Ltd using the comparable sales method and Knight Frank Pte Ltd (collectively with Cushman & Wakefield VHS Pte Ltd, the "**Valuers**") using the direct comparison method respectively.

Based on the independent valuations of the Property by the Valuers as set out above, the average market value is approximately S\$86,250,000. The consideration for the Sale of the Property of S\$95,000,000 is 10.1% higher than the average market value of the Property.

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3. PRINCIPAL TERMS OF THE TRANSACTION

The Agreement contains customary provisions for the sale and purchase of housing units in a housing project between a housing developer and a purchaser.

3.1 Sale Price

The consideration payable by the Purchaser to OUE Reef Development for the Property is S\$95,000,000 (the "**Sale Price**"). The Sale Price is payable in instalments in accordance with the payment schedule under the Agreement. 60% of the Sale Price has been paid upon the signing of the Agreement with the balance being payable in stages: (i) 25% of the Sale Price is payable within 7 days after the date on which vacant possession of the Property is delivered to the Purchaser; and (ii) the final 15% of the Sale Price is payable on the date on which completion of the Transaction takes place. There may also be authorised deductions from the Sale Price under customary provisions contained in the Agreement, where any liquidated damages payable by OUE Reef Development to the Purchaser (in the event of delay in delivering vacant possession of the Property or delay in completion of the Transaction) in accordance the Agreement may be deducted from any instalment of the Sale Price due to OUE Reef Development.

The Sale Price was arrived at after taking into account various factors, including the independent valuation reports by the Valuers (which is more fully described in section 2 above). There is no discount to the average market value of the Property.

3.2 Completion

Pursuant to the terms of the Agreement, completion of the sale and purchase of the Property shall take place on 31 December 2019.

3.3 Other Salient Terms

Other salient terms and conditions relating to the sale of the Property under the Agreement are as described below.

(a) **Late Payment of Instalments**

If the Purchaser fails to pay any or part of any instalment in accordance with the payment terms under the Agreement, the Purchaser shall pay interest on the unpaid amount until (i) the unpaid amount is paid, or (ii) the expiration of the repudiation notice period under the Agreement (if any), whichever first occurs. Interest on the unpaid amount shall be calculated on a daily basis at the rate of 2% per annum above the Base Rate (as defined in the Agreement).

(b) **Repudiation**

OUE Reef Development has the right to treat the Agreement as having been repudiated if any or any part of any instalment or amount of the Sale Price and interest payable by the Purchaser remains unpaid for more than 14 days after the expiry of the relevant period or the due date for payment of such amount payable. Under the Agreement, OUE Reef Development is required to give the Purchaser not less than 21 days' notice in writing of its intention to treat the Agreement as having been repudiated, and the Agreement would be treated as annulled after the expiration of the relevant notice period, if the unpaid amounts are not paid within such notice period.

4. INTERESTED PERSON TRANSACTION

Dr Riady is an “interested person” of the Company for purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), as he is the Executive Director of the Company as well as a “controlling shareholder”. In addition, Dr Riady is an “associate” (as that term is defined in the Listing Manual) of an “interested person” as he is the brother of Mr James Tjahaja Riady, who, as a “controlling shareholder” of the Company, is regarded as an “interested person” for the purposes of Chapter 9 of the Listing Manual. The Transaction is therefore an “interested person transaction” for the purposes of Chapter 9 of the Listing Manual.

Dr Riady has recused (and will continue to recuse) himself from the Board’s decision-making in relation to the Transaction and will abstain from participating in any recommendation to be made by the Board with respect to the Transaction.

4.1 Board and Audit Committee Statements

Pursuant to Rules 912 and 917 of the Listing Manual, the Audit Committee of the Company (comprising Mr Kelvin Lo Kee Wai, Mr Sin Boon Ann and Mr Kin Chan) has considered the terms of the Transaction, and is of the view that the terms and conditions of the Transaction are fair and reasonable, on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders.

Pursuant to Rule 912 of the Listing Manual, the Board (with Dr Riady recusing himself) has reviewed, and is satisfied that, the terms and conditions of the Transaction are not prejudicial to the interests of the Company and its minority shareholders.

4.2 Current Total Value of Interested Persons Transactions

For the current financial year commencing on 1 January 2019 up to the date of this announcement, the aggregate value of all interested person transactions entered into between the Group and Dr Riady and his associates (excluding transactions which are less than S\$100,000 but including the Transaction) is approximately S\$151.9 million, representing approximately 3.90% of the Group’s latest audited consolidated net tangible assets for the financial year ended 31 December 2018.

The total value of all interested person transactions entered into by the Group for the current financial year commencing on 1 January 2019 up to the date of this announcement (excluding transactions which are less than S\$100,000 but including the Transaction) is approximately S\$151.9 million.

5. EXPECTED IMPACT OF THE TRANSACTION ON THE COMPANY

The Transaction is not expected to have a material impact on the net tangible assets or the earnings per share of the Group for the financial year ending 31 December 2019.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above, none of the Directors or the controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company, if any), in the Transaction.

By order of the Board
OUE Limited

Ng Ngai
Company Secretary

14 August 2019