

PRESS RELEASE

OUE H-Trust reports DPS of 1.18 cents for 1Q2019

Singapore – 2 May 2019 - OUE Hospitality Trust (OUE H-Trust), a stapled group comprising OUE Hospitality Real Estate Investment Trust (OUE H-REIT) and OUE Hospitality Business Trust (OUE H-BT), reported gross revenue and net property income (NPI) of S\$31.7 million and S\$27.7 million respectively for the period from 1 January to 31 March 2019 (1Q2019). Distributable income was S\$21.7 million and distribution per Stapled Security (DPS) was 1.18 cents. The decline in distributable income was due to lower income from the hospitality segment and higher interest expense, partially mitigated by higher income received from the retail segment. Stapled Securityholders can expect to receive their DPS on 6 June 2019. Book closure date is on 10 May 2019.

Mr. Lee Yi Shyan, Chairman of OUE Hospitality REIT Management Pte. Ltd., the manager of OUE H-REIT (the REIT Manager), said: “Intra-Asia travel is expected to benefit Singapore’s tourist arrival. In the medium to longer term, new tourist offerings and investments in the integrated resorts will also strengthen Singapore’s appeal as a destination. These are factors which will support Singapore’s hospitality sector going forward.”

Mr. Chen Yi-Chung Isaac, Acting CEO of the REIT Manager, said: “The trading environment for the hospitality sector was soft in the beginning of 2019, in the absence of the large-scale biennial events this year. The lower DPS in 1Q2019 was mainly due to lower average room rates and demand, as well as lower banquet and food and beverage sales at Mandarin Orchard Singapore, resulting in lower income from the hospitality segment.”

Mr Chen added: “In the coming quarters ahead, the strategic location of Crowne Plaza Changi Airport places the hotel in a good position to benefit from the expansion and enhancement works at Changi Airport and the newly-opened Jewel. During the quarter, retail revenue was higher on the back of higher occupancy at Mandarin Gallery. As at 31 March 2019, Mandarin Gallery was fully leased and we continue to strengthen its positioning as a destination mall.”

OUE H-Trust maintains a healthy financial position with a stable gearing of 38.4% at an average cost of debt of 2.6% as at 31 March 2019, with no refinancing requirement due until December 2020.

Summary of Results

| (S\$ mil) | 1Q2019 | 1Q2018 | Variance (%) |
|-----------------------------|--------|--------|--------------|
| Gross Revenue | 31.7 | 32.7 | (3.0) |
| Net Property Income | 27.7 | 28.3 | (2.2) |
| Distributable Income | 21.7 | 22.9 | (5.5) |
| DPS (cents) | 1.18 | 1.26 | (6.3) |

Distribution Details

| | |
|----------------------------------|---------------------------------|
| Distribution Period | 1 January to 31 March 2019 |
| Distribution Rate | 1.18 cents per Stapled Security |
| Ex-Distribution Date | 9 May 2019, 9.00 am |
| Book Closure Date | 10 May 2019 |
| Distribution Payment Date | 6 June 2019 |

Outlook

Global growth for 2019 was further downgraded to 3.3%¹ while the Singapore economy grew by 1.3% on a year-on-year basis in the first quarter of 2019 based on advance estimates, moderating from the 1.9% growth in the previous quarter².

Singapore Tourism Board (“STB”) reported a 2.0% year-on-year growth in international visitor arrivals for the first two months of 2019, while the number of visitor days increased by 4.3% for the same period³. Increased investment for the broader transformation of the tourism sector includes the rejuvenation of Orchard Road, Mandai eco-tourism hub, S\$9-billion expansion of Marina Bay Sands and Resorts World Sentosa⁴, continued growth in the cruise industry, development of Greater Southern Waterfront and plans for an integrated tourism development at the Jurong Lake District⁵.

The trading environment of the hospitality industry shall benefit from the continued growth in tourist arrivals, transformation of the tourism sector and reduced supply of new hotel rooms, while it will be impacted by uncertainty in the global economy and absence of large-scale events in certain periods of 2019. More than 1,800 rooms are expected to open in 2019, and about 76 per cent of the upcoming supply is concentrated in Sentosa and the CBD-fringe area⁶. The hotel room supply pipeline is expected to taper off after 2019. CPCA, which enjoys seamless connectivity to the newly-opened Jewel, is poised to benefit from Changi Airport’s strategy of continual upgrades and enhancements. The upgrading works at Terminal 1 is near completion while enhancement works at Terminal 2 is expected to commence soon⁷.

¹ International Monetary Fund, World Economic Outlook Update, April 2019.

² Ministry of Trade and Industry Singapore, Singapore’s GDP Grew by 1.3 Per Cent in the First Quarter of 2019, 12 April 2019.

³ Singapore Tourism Board, International Visitor Arrivals Statistics, 1 April 2019.

⁴ The Business Times, Singapore IRs Bet on S\$9b Expansion; Exclusive Licences Extended to 2030, 4 April 2019.

⁵ The Business Times, 7-ha Jurong Tourism Playground Among Moves to Fend Off Rivals, 17 April 2019.

⁶ The Business Times, Vacation Nation: Hotel Investment in Singapore to Get a Boost in 2019, 21 March 2019.

⁷ Channel News Asia, Jewel Changi Airport to Open on Apr 17; Terminal 2 to be expanded, 7 March 2019.

QUE HOSPITALITY REIT MANAGEMENT PTE. LTD.

Occupier demand for prime retail space is expected to hold firm in the near term on the back of a positive tourism outlook and sustained economic growth⁸, as retail supply pipeline is expected to tighten over the next few years⁹.

Proposed Merger with OUE Commercial REIT

On 8 April 2019, the Managers of both OUE Commercial REIT (“OUE C-REIT”) and OUE H-Trust announced the proposed merger of OUE H-Trust and OUE C-REIT (the “Proposed Merger”). The Proposed Merger will be effected through the acquisition by OUE C-REIT of all the issued and paid-up stapled securities in OUE H-Trust in exchange for a combination of cash and new units in OUE C-REIT by way of a trust scheme of arrangement (the “Trust Scheme”) in compliance with the Singapore Code on Take-overs and Mergers.

The Trust Scheme will require, amongst others, OUE H-Trust Stapled Securityholders' approval of OUE H-Trust's Trust Deeds Amendments and the Trust Scheme at the general meetings to be convened. In addition to the approvals required from OUE H-Trust Stapled Securityholders, the Trust Scheme will require the sanction of the Trust Scheme by the Singapore Court.

Further information on the Proposed Merger can be found in the joint announcement, the OUE C-REIT Manager Announcement, as well as both OUE C-REIT's and OUE H-Trust's investor presentations, which can be downloaded from SGXNET or from OUE C-REIT's and OUE H-Trust's respective websites.

About OUE Hospitality Trust

OUE Hospitality Trust is a stapled group comprising OUE Hospitality Real Estate Investment Trust (OUE H-REIT) and OUE Hospitality Business Trust (OUE H-BT), listed on the Mainboard of Singapore Exchange Securities Trading Limited. OUE H-REIT was established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets.

OUE H-REIT's asset portfolio comprising two hotels - the 1,077-room Mandarin Orchard Singapore and the 563-room Crowne Plaza Changi Airport, and a high-end retail mall - Mandarin Gallery, has a portfolio value of approximately S\$2.2 billion as at 31 December 2018.

OUE H-BT is dormant.

OUE H-REIT is managed by OUE Hospitality REIT Management Pte. Ltd., which is wholly-owned by OUE Limited (OUE). OUE H-BT is managed by OUE Hospitality Trust Management Pte. Ltd., which is also wholly-owned by OUE.

For more information, please visit www.oueht.com

⁸ Jones Lang LaSalle, Property Market Monitor, April 2019.

⁹ CBRE Research, Singapore MarketView, Q1 2019.

About the Sponsor

QUE Limited (SGX-ST: QUE) is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and United States. QUE consistently grows its business by leveraging its brands and proven expertise in developing and managing landmark assets across the commercial, hospitality, retail and residential sectors. In March 2017, QUE expanded its portfolio into the healthcare sector with the acquisition of QUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Limited), a listed integrated healthcare services and facilities provider. This was followed by the acquisition of Bowsprit Capital Corporation Limited, the manager of First REIT, Singapore's first healthcare real estate investment trust in October 2018. With its core strategy of investing in and enhancing a stable of distinctive properties, QUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value. QUE is the sponsor of QUE Hospitality Trust and QUE Commercial Real Estate Investment Trust.

For more information, please visit www.que.com.sg.

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This press release may contain forward-looking statements that involve 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers’ current view of future events.

Investors should note that they will have no right to request the Managers to redeem or purchase their Stapled Securities for so long as the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST. The listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities.