



2Q2018 Financial Results

27 July 2018

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2Q2018 Highlights

- Crowne Plaza Changi Airport's (CPCA's) operating performance has progressively improved with RevPAR increasing 10.5% to \$168
- Mandarin Gallery achieved higher occupancy of 97.4% with positive rental reversions of 5.1% – signifying positive rental reversions for the third consecutive quarter
- No refinancing requirements till end-2020. Achieved savings in interest expense from the timely refinancing of its loans in December 2017



Financial Highlights & Capital Management

2Q2018 Financial Highlights

	2Q2018 S\$'000	2Q2017 S\$'000	Increase/ (Decrease) %	1H2018 S\$'000	1H2017 S\$'000	Increase/ (Decrease) %
Gross revenue:						
- Hospitality	22,277	22,324	(0.2)	46,536	45,704	1.8
- Retail	8,456	8,836	(4.3)	16,879	17,542	(3.8)
	30,733	31,160	(1.4)	63,415	63,246	0.3
Net property income:						
- Hospitality	20,135	20,142	(0.0)	42,188	41,141	2.5
- Retail	6,355	6,481	(1.9)	12,590	12,915	(2.5)
	26,490	26,623	(0.5)	54,778	54,056	1.3
Other income¹:	-	1,625	n.m.	-	3,250	n.m.
Distributable income	21,261	21,814	(2.5)	44,171	45,272	(2.4)
DPS (cents)	1.17	1.21	(3.3)	2.43	2.51	(3.2)

- Gross revenue for 2Q2018 was \$0.4 million lower than 2Q2017. Both hospitality segment and retail segment posted lower revenue for the current period.
- NPI for 2Q2018 was \$0.1 million lower than 2Q2017 due to lower gross revenue from the properties, partially mitigated by lower property expenses.
- Income available for distribution was \$0.6 million lower than 2Q2017 as OUE H-REIT no longer receives income support for CPCA, partially mitigated by lower interest expense.
- The DPS for 2Q2018 was 1.17 cents, 3.3% lower as compared to 1.21 cents for 2Q2017.

¹Other income relates to income support provided by OUEAH pursuant to the Deed of Income Support. OUE H-REIT had fully drawn down the entire income support of \$7.5 million as at 3Q2017.

2Q2018 vs 2Q2017 – Hospitality Highlights

	Revenue			Net property income			RevPAR		
	2Q2018 S\$'000	2Q2017 S\$'000	Increase/ (Decrease) %	2Q2018 S\$'000	2Q2017 S\$'000	Increase/ (Decrease) %	2Q2018 S\$	2Q2017 S\$	Increase/ (Decrease) %
Mandarin Orchard Singapore (MOS)	16,652	16,699	(0.3)	15,854	15,824	0.2	209	210	(0.5)
Crowne Plaza Changi Airport (CPCA)	5,625	5,625	-	4,281	4,318	(0.9)	168	152	10.5
Hospitality segment	22,277	22,324	(0.2)	20,135	20,142	(0.0)	195	190	2.6

- Hospitality segment recorded slightly lower revenue in 2Q2018 as compared to 2Q2017.
- Master lease income from MOS had remained relatively the same as 2Q2017 due to a relatively flat RevPAR at \$209 (2Q2017: \$210) with decline in wholesale segment, partially mitigated by higher transient segment. MOS also recorded lower food and beverage sales, attributable to lower banquet sales, partially mitigated by higher sales in all the food and beverage outlets.
- Master lease income from CPCA had remained the same as 2Q2017 at minimum rent. Notwithstanding CPCA's operating performance had progressively improved and achieved higher RevPAR of \$168 (2Q2017: \$152), the master lease income was below the minimum rent, hence minimum rent was received.

RevPAR: revenue per available room

2Q2018 vs 2Q2017 – Retail Highlights

	2Q2018	2Q2017	Increase/ (Decrease)
	S\$'000	S\$'000	%
Gross revenue:			
- Hospitality	22,277	22,324	(0.2)
- Retail	8,456	8,836	(4.3)
	30,733	31,160	(1.4)
Net property income:			
- Hospitality	20,135	20,142	(0.0)
- Retail	6,355	6,481	(1.9)
	26,490	26,623	(0.5)
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Distributable income	21,261	21,814	(2.5)
DPS (cents)	1.17	1.21	(3.3)

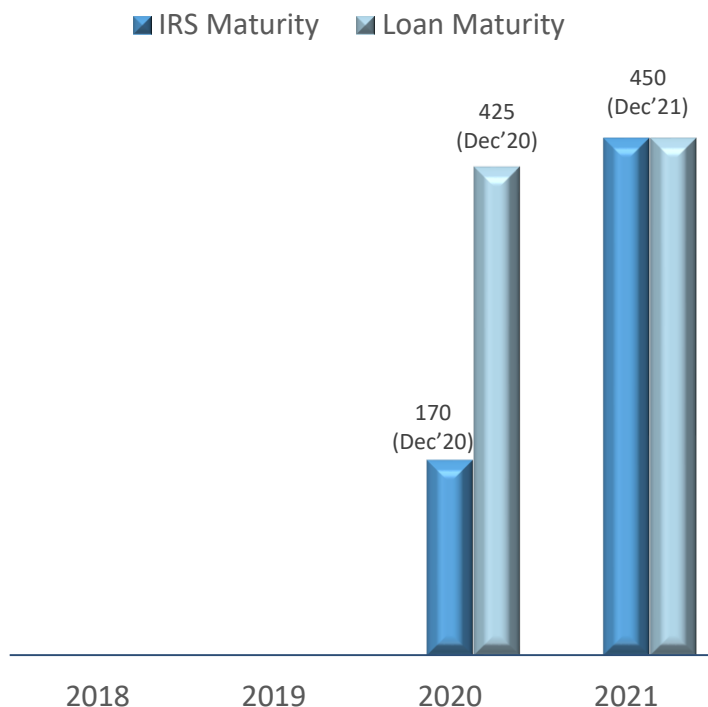
- Retail segment pertains to rental and other income from the Mandarin Gallery shopping mall.
- Retail revenue for 2Q2018 was \$0.4 million lower than 2Q2017.
- The lower retail revenue in 2Q2018 was due to lower effective rent per square foot per month of \$22.3 (2Q2017: \$23.8) as a result of negative rental reversion in the preceding quarters.
- Occupancy rate was higher in 2Q2018 at 97.4% (2Q2017: 93.9%).

Distribution Details

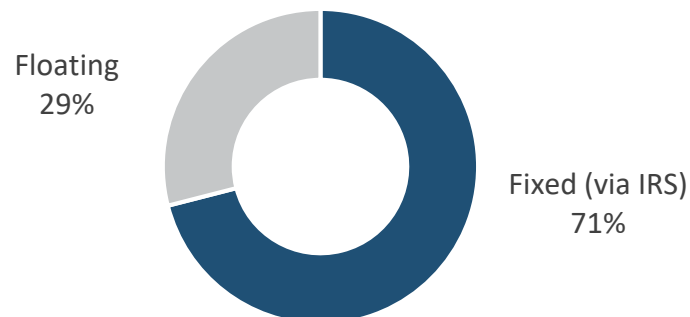
Distribution Period	1 April 2018 to 30 June 2018
Distribution Rate	1.17 cents
Ex-Distribution Date	2 August 2018
Book Closure Date	6 August 2018
Distribution Payment Date	30 August 2018

Capital Management (As at 30 June 2018)

Debt and Interest Maturity Profile (\$'m)



Interest Rate Profile



Gearing	■ 38.7%
Average Cost of Debt	■ 2.3% per annum (2Q2018)
Debt Maturity	■ Weighted average remaining tenor of 3.0 years
Interest Cover Ratio	■ 4.5 times (2Q2018)
Revolving Credit Facilities	■ \$105 million (undrawn)

- OUE H-REIT has no loan due until December 2020.

Balance Sheet Highlights (As at 30 June 2018)

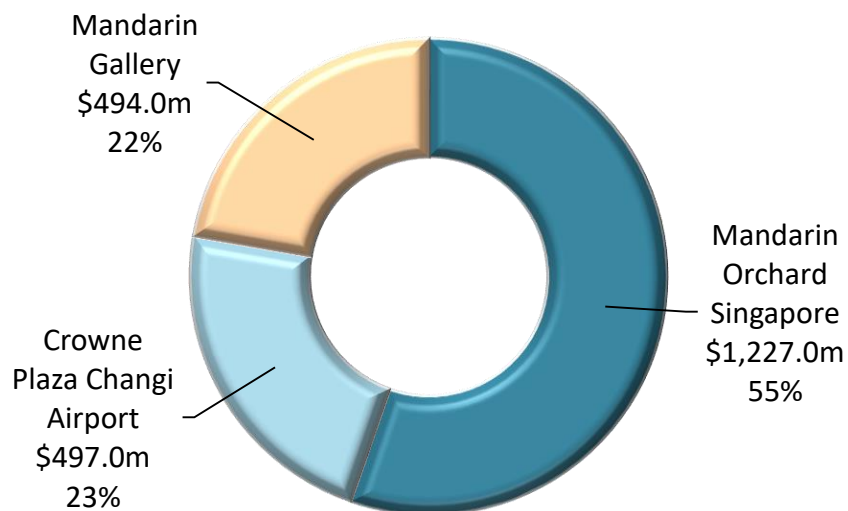
	S\$ 'm
Investment Properties	2,219.7
Total assets	2,260.6
Borrowings (secured)	875.0
Total liabilities	879.2
Net assets	1,381.3
NAV per Stapled Security (S\$)	0.76
Closing price on 29 June 2018 (S\$)	0.795
Premium to NAV (%)	+4.6%



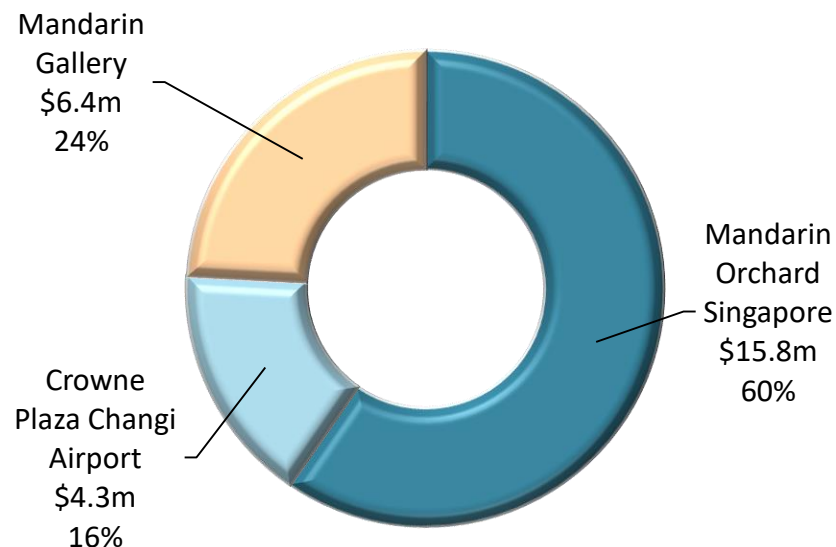
Portfolio Highlights

Asset Value and NPI Contribution

Breakdown by Asset Value¹



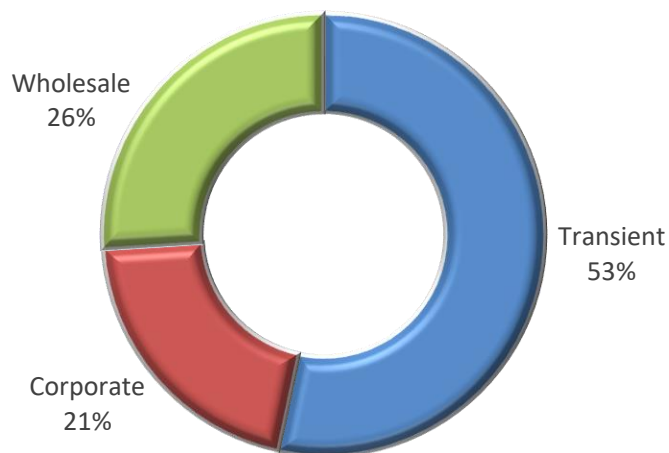
2Q2018 Breakdown by NPI Contribution



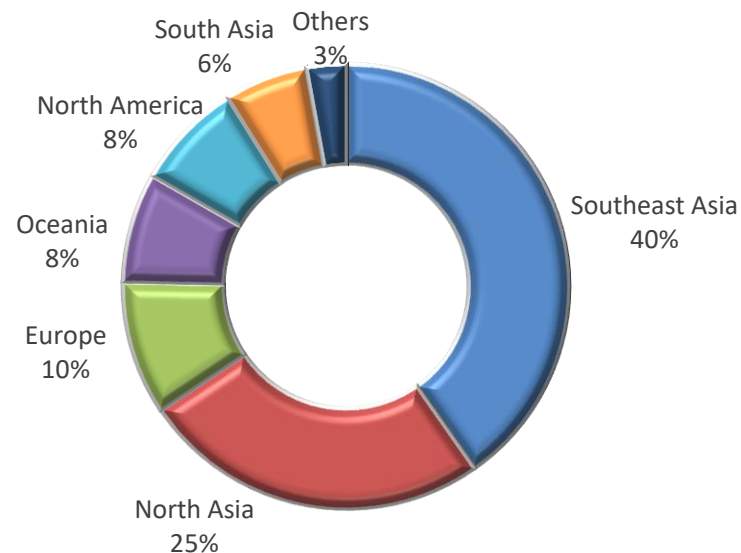
¹ Based on independent valuations as at 31 December 2017.

Portfolio Customer Profile (By Geography)

**Portfolio Customer Profile
(By Segment Based on Room Revenue)¹
1H2018**



**Portfolio Customer Profile
(By Geography Based on Room Nights Occupied)
1H2018**



¹**“Transient”** refers to revenue derived from rental of rooms and suites to individuals or groups, who do not have a contract with the Hotel

“Corporate” refers to revenue derived from the rental of rooms and suites booked via a corporate or government company that has contracted annual rates with the Hotel

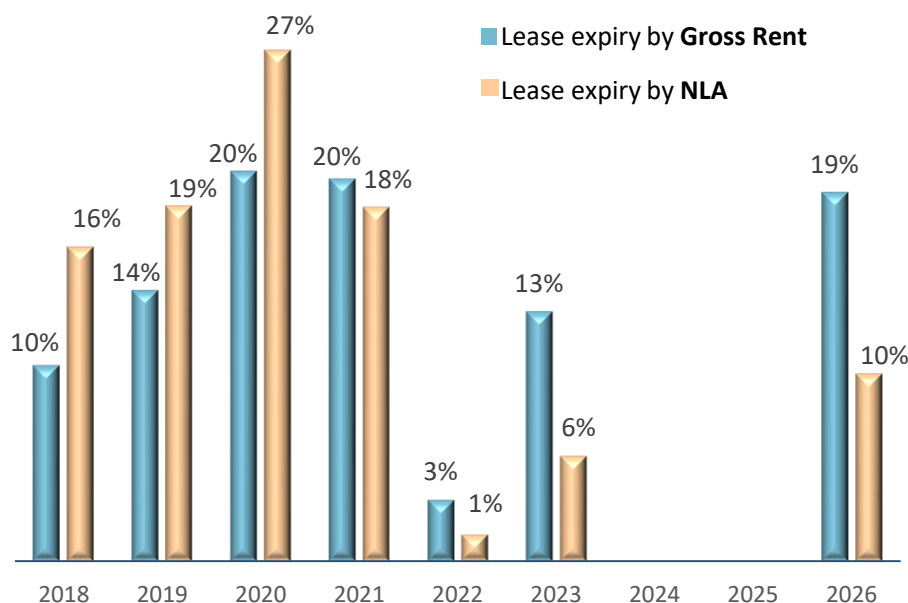
“Wholesale” refers to revenue derived from the rental of rooms and suites booked via a third party travel agent on a wholesale contracted rate basis

Note: Excludes aircrew and delays.

Note: Excludes aircrew

Mandarin Gallery – Lease Profile

Mandarin Gallery Lease Expiry Profile as at 30 June 2018¹



As at 30 Jun 2018:

- Mandarin Gallery was approx. 96.7% committed.⁵
- Average occupancy⁶ of about 97.4% for 2Q2018.

Leasing Update

- Rental reversion for base rent was about +5.1% for leases signed in 2Q2018, representing approx. 4.2% of the mall's NLA.

WALE² (by Gross Rent^{1,3}) : 3.5 yrs

WALE (by NLA^{1,4}) : 2.5 yrs

¹Based on committed tenancies

²Weighted average lease expiry

³Excludes turnover rent

⁴Net lettable area

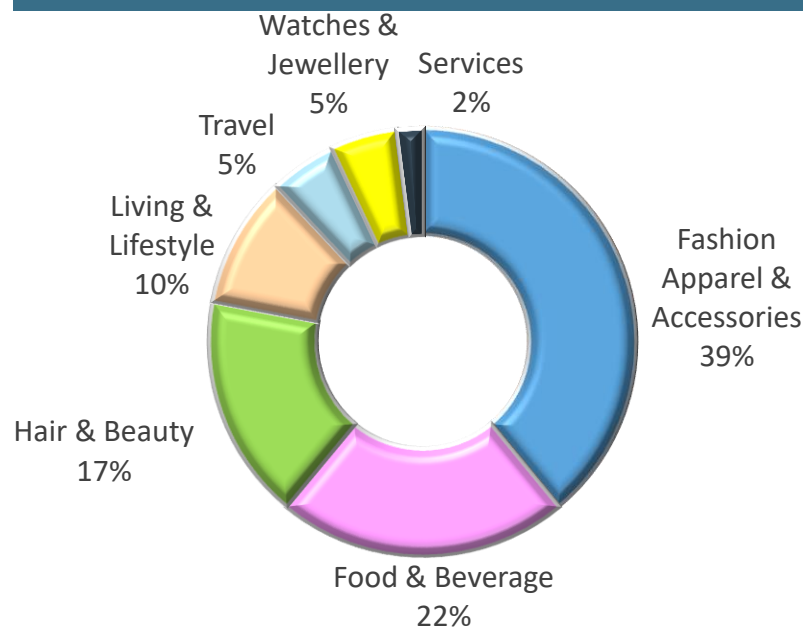
⁵Excludes pop-up stores

⁶Includes pop-up stores

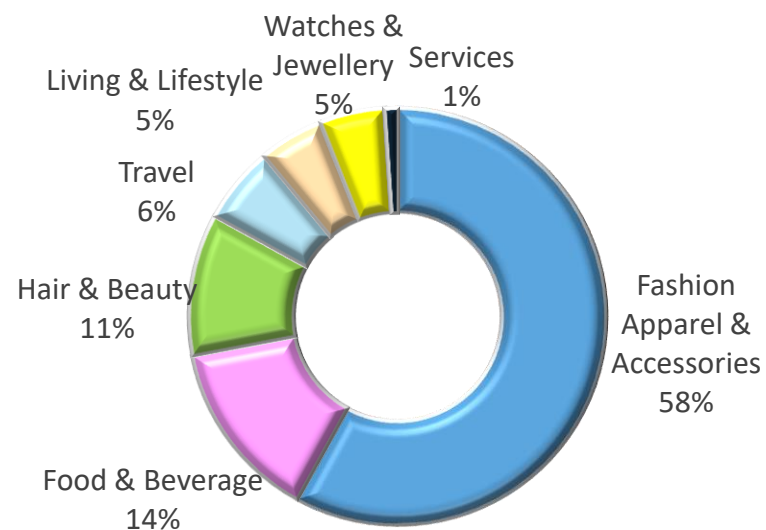
Note: Rental reversion is based on the variance between the average rental rates between the new leases and the preceding leases. New leases for space not leased for more than 12 months are excluded.

Mandarin Gallery - Tenant Mix

NLA
As at 30 Jun 2018¹



Gross Rent (excludes turnover rent)
As at 30 Jun 2018¹



¹Based on committed tenancies



Outlook

Based on advance estimates, the Singapore economy grew by 3.8% on a year-on-year basis in the second quarter of 2018, moderating from the 4.3% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.0% compared to the 1.5% growth in the preceding quarter.¹

In the tourism sector, Singapore Tourism Board (“STB”) reported a 6.9% year-on-year increase in international visitor arrivals in the first five months of 2018. The number of visitor days had also increased by 5.0%. A strong pipeline of meetings and large biennial events in the second half of 2018 is anticipated to raise demand for hotel accommodation. Singapore is also hosting the 33rd ASEAN Summit as the ASEAN chairman in 2018, where meetings and events involving foreign delegates will be held throughout the year.

By end-2018, Seletar Airport will open a new and enlarged passenger terminal, in anticipation of growth in the private and business jet traffic in the coming years.³ Jewel Changi Airport (“Jewel”) is set to open in first half of 2019. Changi Airport Group estimates that Jewel will see about 40 million to 50 million domestic and international visitors a year, of which 40% will be overseas visitors.⁴ CPCA could potentially benefit from the increase in visitor arrivals as Terminal 3 will be linked to Jewel via pedestrian bridge.

On the supply front, future supply is expected to taper off with much of the planned hotel room inventory having entered the market in the past two years. Market occupancy is expected to strengthen in light of healthy tourist arrivals.⁵

Singapore’s retail scene remains challenging. Tenants in general are more cautious and taking a longer time to renew or commit to leases. Whilst we continue to explore leasing opportunities to optimise the occupancy of Mandarin Gallery, we remain committed to curating the right tenant mix to retain the mall’s positioning as a destination mall.

We will continue to actively seek organic growth and inorganic growth through yield accretive acquisitions from our Sponsor and third parties.

¹ MTI Press Release. *Singapore’s GDP grew by 3.8 Per Cent in the Second Quarter of 2018*. 13 July 2018

² Singapore Tourism Board. *International Visitor Arrivals Statistics*. 13 July 2018

³ Changi Airport Group. *New Seletar Airport Passenger Terminal To Be Operational By End-2018*. 4 July 2018

⁴ Business Times. *Outstanding Chief Executive of the Year – Keeping Changi Airport’s Flag Flying High*. 26 April 2018

⁵ CBRE. *Hotel MarketView. Singapore H1 2018*. 23 July 2018



Thank You



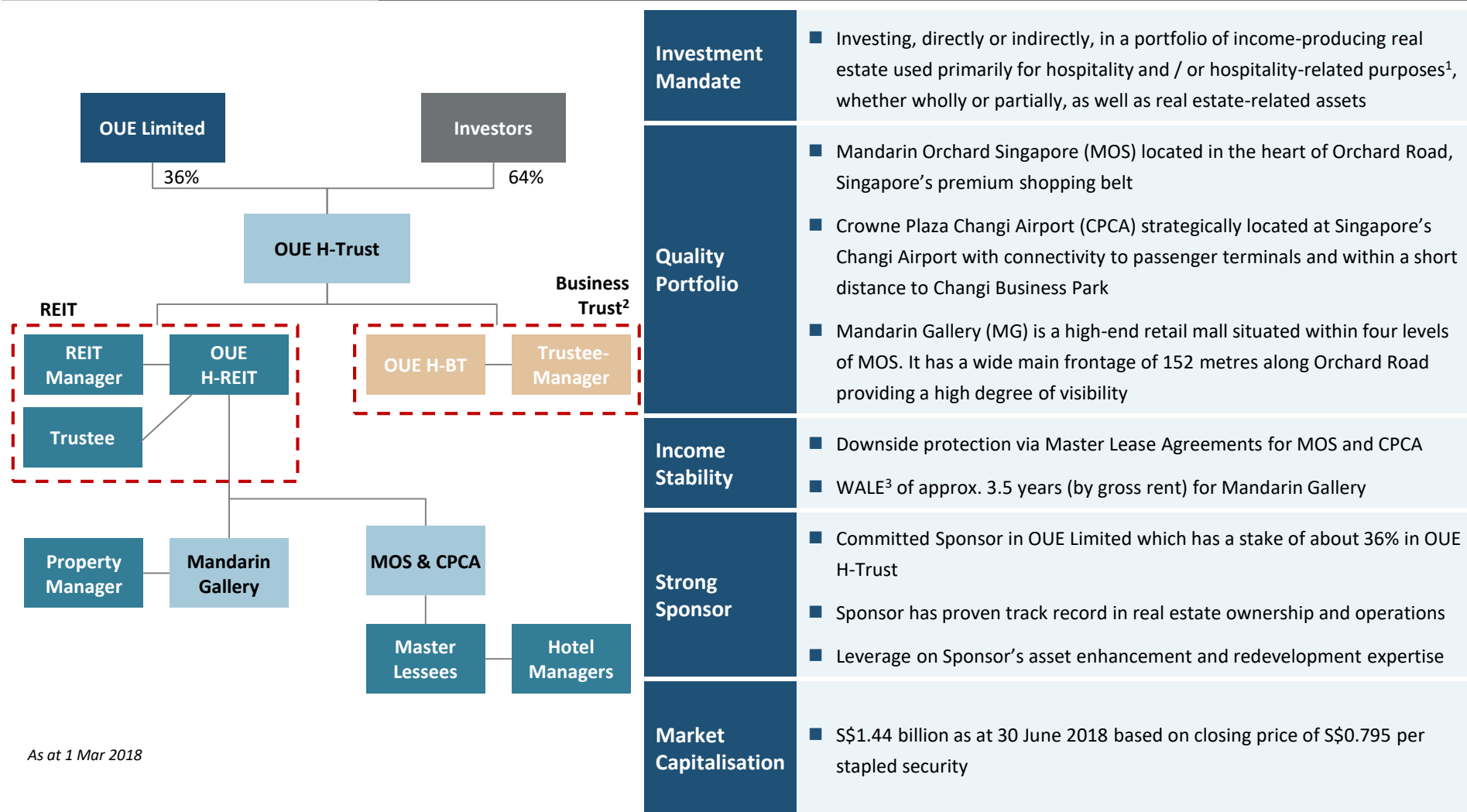
Appendices

- Overview of OUE H-Trust
- OUE H-Trust's Portfolio
- Singapore Tourism - Highlights
- About the Sponsor – OUE Limited



Overview of OUE H-Trust

Overview of OUE H-Trust



As at 1 Mar 2018

¹ Real estate which is used for hospitality purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, which may include commercial, entertainment, retail and leisure facilities, while properties which are used for hospitality-related purposes include retail and/or commercial assets which are either complementary to or adjoining hospitality assets which are owned by OUE H-REIT or which OUE H-REIT has committed to buy

² Dormant as at listing and is the master lessee of last resort

³ Weighted average lease expiry



OUE H-Trust's Portfolio

Premier Portfolio of High Quality Landmark Assets

Mandarin Orchard Singapore



- ✓ Located in the heart of Orchard Road
- ✓ A world class hospitality icon in Singapore since 1971
- ✓ One of the top accommodation choices in Singapore for leisure and business travellers globally
- ✓ Largest hotel on Orchard Road with 1,077 rooms and more than 30,000 sqft of meeting and function space
- ✓ Shisen Hanten by Chen Kentaro awarded two stars in the Michelin Guide Singapore for three consecutive years in 2016, 2017 and 2018
- ✓ Chatterbox, home of the legendary Mandarin Chicken Rice, made it to the Hall of Fame for winning the SPBA Heritage Brand distinction five years in a row

GFA (sq ft '000)	990
No. of Available Rooms	1,077
Car Park Lots	441
Valuation as at 31 Dec 2017	S\$1,227 million
Leasehold Tenure	99-yr lease commencing from 1 July 1957

Popular F&B



Awards & Accolades



**Best City Hotel,
Singapore**



Shisen Hanten

Overview of Master Leases

Mandarin Orchard Singapore

Property	Mandarin Orchard Singapore
No. of Guestrooms	1,077
Master Lease Rental	<p>Variable Rent Comprising Sum of:</p> <p>(i) 33.0% of MOS GOR¹ ; and</p> <p>(ii) 27.5% of MOS GOP²;</p> <p>subject to Minimum Rent of \$45 million³</p>
Master Lessee	<ul style="list-style-type: none"> ▪ OUE Limited
Tenure	<ul style="list-style-type: none"> ▪ First term of 15 years to expire in July 2028 ▪ Option to renew for an additional 15 years on the same terms and conditions
FF&E Reserve	<ul style="list-style-type: none"> ▪ 3% of GOR

¹ Gross operating revenue

² Gross operating profit

³ The rental under the Master Lease will be the minimum rent if the amount of variable rent for that operating year is less than the amount of minimum rent

Premier Portfolio of High Quality Landmark Assets

Crowne Plaza Changi Airport



- ✓ Located at Singapore Changi Airport – The hotel has direct access to the passenger terminals and is within a short distance to Changi Business Park
- ✓ Designed by award-winning architectural firm WOHA
- ✓ The hotel has 563 rooms including 27 suites, four food & beverage outlets and eight meeting rooms (including a ballroom)
- ✓ Managed by InterContinental Hotels Group (IHG)

Awards & Accolades

- ✓ Best Airport Hotel – 27th Annual TTG Travel Awards
- ✓ World Best Airport Hotel - Skytrax World Airport Awards 2015, 2016, 2017 & 2018
- ✓ Travel Weekly Asia 2016 Readers Choice - Best Airport Hotel

	Crowne Plaza Changi Airport (CPCA)
Completion of Acquisition	30 January 2015 (for the operating hotel) 1 August 2016 (for the extension)
Approx. GFA (sq ft '000)	439
No. of Available Rooms	563
Valuation as at 31 Dec 2017	\$497 million
Leasehold Tenure	Approx. 66 years remaining, expiring on 29 August 2083

Overview of the Master Leases

Crowne Plaza Changi Airport

Property	CPCA
No. of Guestrooms	563
Master Lease Rental	<p>Variable Rent Comprising Sum of:</p> <ul style="list-style-type: none"> (i) 4% of Hotel F&B Revenues; (ii) 33% of Hotel Rooms and Other Revenues not related to F&B; (iii) 30% Hotel Gross Operating Profit; and (iv) 80% of Gross Rental Income from leased space; <p>subject to Minimum Rent of \$22.5 million¹</p>
Income Support	Aggregate of \$7.5 million has been fully drawn down in 3Q2017 ²
Master Lessee	OUE Airport Hotel Pte. Ltd. (OUEAH)
Tenure	<ul style="list-style-type: none"> ■ First term of Master Lease to expire in May 2028 ■ Master Lessee has option to renew for an additional two consecutive 5-year terms
Capital Replacement Contribution	<ul style="list-style-type: none"> ■ Aligned with hotel management agreement between OUEAH and IHG ■ Generally at 3% of GOR

¹ The rental under the Master Lease will be the minimum rent if the amount of variable rent for that operating year is less than the amount of minimum rent

² In 3Q2017, OUE H-REIT has fully drawn down the full income support of \$7.5 million with a final claim of the remaining \$1.6 million.

Premier Portfolio of High Quality Landmark Assets

Mandarin Gallery



- ✓ Prime retail landmark on Orchard Road featuring six duplexes and six street front shop units
- ✓ Completed in 2009 with a high degree of prominence given 152-metre wide frontage along Orchard Road
- ✓ Preferred location for flagship stores of international brands
- ✓ Minimal brand duplication versus neighbouring malls
- ✓ Tailored destination for its specific target audience

GFA (sq ft '000)	196
Retail NLA (sq ft '000)	126
Valuation as at 31 Dec 2017	\$494 million
Leasehold Tenure	99-yr lease commencing from 1 July 1957

High Quality and Diverse Tenant Base

Retail

VICTORIA'S SECRET
MICHAEL KORS
MaxMara RIMOWA
Germany since 1898
BIMBA Y LOLA Y-3

F&B



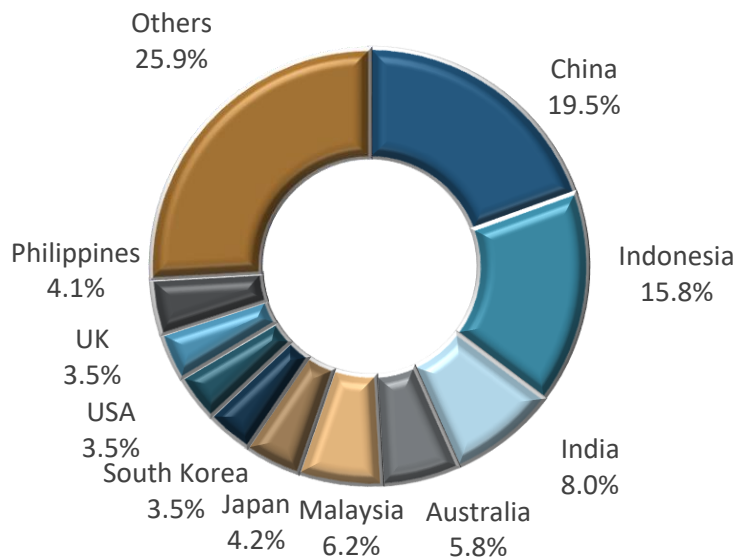


Singapore Tourism - Highlights

International Visitor Arrivals to Singapore (Top Markets)

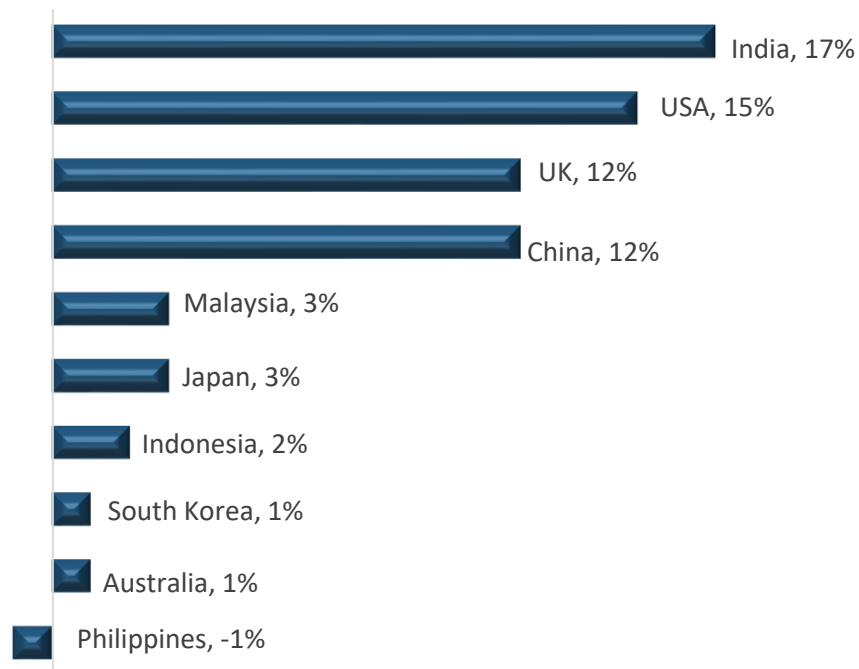
Visitor Arrivals (By Country)

YTD May 2018



Top 10 Inbound Markets Growth Rate (Year-on-Year)

YTD May 2018



- For the first five months of 2018, international visitor arrivals to Singapore was 7.7 million, an increase of 6.9% over the same period last year
- No. of visitor days increased 5.0% for the same period

Singapore – Multi-Faceted Offerings

Increased Prominence as Host Venue for Regional and International Sports Events



Top International MICE Destination

- ✓ **Top APAC Meeting City**
- Union of International Associations 2016
- ✓ **Asia Pacific Top Convention City**
- ICCA Global Rankings 2016
- ✓ **Best BT MICE City**
- TTG Travel Awards 2016
- ✓ **Top Asia Pacific Destination**
- Inaugural CVENT Top 25 Asia Pacific Destinations 2016

Source: Singapore Tourism Board
<http://www.yoursingapore.com/content/mice/en.html>

Established Cultural and Leisure Marquee Events



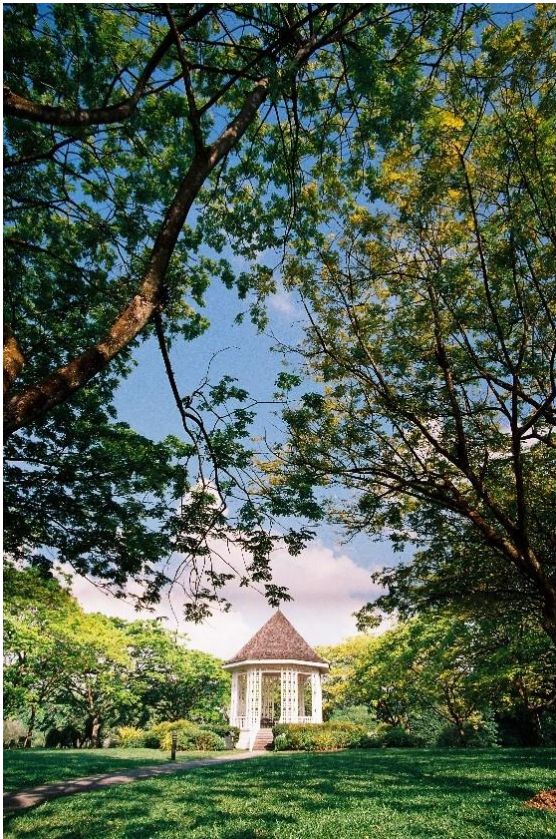
Other Initiatives

- ✓ **Alipay and Singapore Tourism Board (STB)** launched a series of joint marketing initiatives aimed at raising destination awareness of Singapore and driving tourist spending among Chinese visitors
- ✓ **Qantas, STB and Changi Airport Group (CAG)** announced a S\$5 million partnership to promote Singapore as a destination and a connecting gateway to Asia, Europe and Australia.
- ✓ **CAG, Singapore Airlines and STB** signed new \$34 million joint tripartite partnership to strengthen Singapore's destination appeal, promoting Singapore as an attractive stopover and twinning destination.

Source: Singapore Tourism Board Media Releases

Singapore – Multi-Faceted Offerings (cont'd)

Singapore Botanic Gardens – Inscribed as a UNESCO World Heritage Site on 4 July 2015



Upcoming Attractions and Developments



Revamp and expansion of Mandai zoo precinct
Est Completion ~ 2020



About the Sponsor – OUE Limited

OUE – Leading Property Developer in Singapore

Track Record in Real Estate Ownership and Operations

Diversified real estate owner, developer and operator with a real estate portfolio located in Asia and the United States, across commercial, hospitality, retail, residential and healthcare segments

Commercial



OUE Bayfront
OUE Commercial REIT



Lippo Plaza, Shanghai
OUE Commercial REIT



One Raffles Place
Towers 1 & 2, and Shopping Mall
OUE Commercial REIT



OUE Downtown Towers 1 and 2
(100% stake)



U.S. Bank Tower, Los Angeles
(100% stake)

Hospitality



Mandarin Orchard Singapore
OUE Hospitality Trust



Crowne Plaza Changi Airport
OUE Hospitality Trust



Marina Mandarin
(30% stake)



Crowne Plaza Changi Airport Extension¹



Oakwood Premier
OUE Singapore

Retail



Mandarin Gallery
OUE Hospitality Trust



Downtown Gallery
(100% stake)

Healthcare



Chengdu Hospital Development Project, China

Portfolio of 16 healthcare assets across China, Japan and Malaysia

Residential



OUE Twin Peaks
(100% stake)

OUE – Leading Property Developer in Singapore

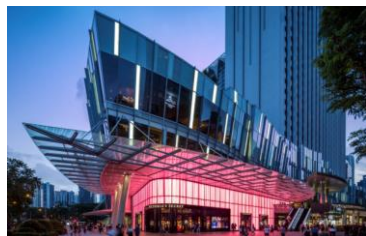
Proven Track Record in Asset Enhancement

Mandarin Gallery

Before redevelopment:



After redevelopment:



- S\$200 million conversion of the old hotel lobby of Mandarin Orchard Singapore
 - Addition of 67,447 sq ft of prime retail space
 - Repositioned as a high-end shopping and lifestyle destination
 - Completed in November 2009

OUE Bayfront

Before redevelopment:



After redevelopment



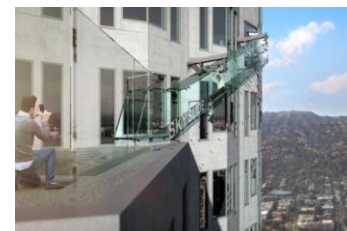
- Redevelopment of the well located former site of Overseas Union House into a premium commercial development comprising a Grade A office building, complemented by retail facilities at its ancillary properties, OUE Tower and OUE Link
- Completed in 2011

U.S. Bank Tower

Before redevelopment:



After redevelopment:



- Transformed tallest office building into a vibrant tourist destination (two outdoor observation decks with 360-degree views of California, 45-foot-long outdoor glass slide from 70th to 69th storey - OUE Skyslide, private event venue and bar for corporate meetings, social events and weddings).
- OUE Skyspace and Skyslide LA opened on 25 June 2016.

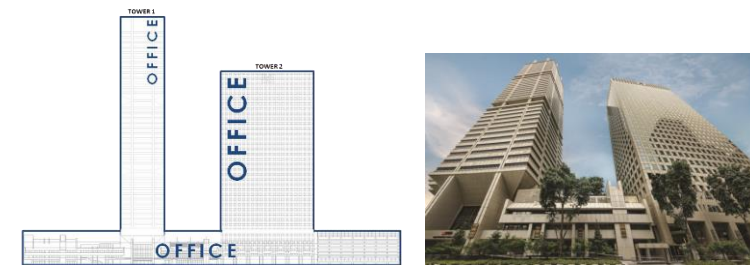
Ability to leverage on the Sponsor's asset enhancement and redevelopment expertise

OUE – Leading Property Developer in Singapore

Proven Track Record in Asset Enhancement

OUE Downtown

Before Conversion:



After Conversion:



- Transformed two landmark towers – 50 storey Tower 1 and 37-storey Tower 2 – linked by a podium, auditorium and multi-storey carpark into a vibrant mixed-use development encompassing offices, a retail podium and serviced residences
- A podium and auditorium were converted into Downtown Gallery, a retail podium with six levels of exciting retail and dining concepts, and a 262-metre-wide frontage and pedestrian walkway
- The 7th to 32nd storeys of the 50-storey Tower 1 were converted into serviced residences, Oakwood Premier OUE Singapore. The total of 268 serviced residences comprise 82 studio, 139 one-bedroom and 47 two-bedroom units.
- OUE Downtown reshapes work, life and play on Shenton Way

RETAIL: **DOWNTOWN** Gallery



SERVICED APARTMENT:



Ability to leverage on the Sponsor's asset enhancement and redevelopment expertise



Thank you