



## Presentation to Investors

*February 2015*



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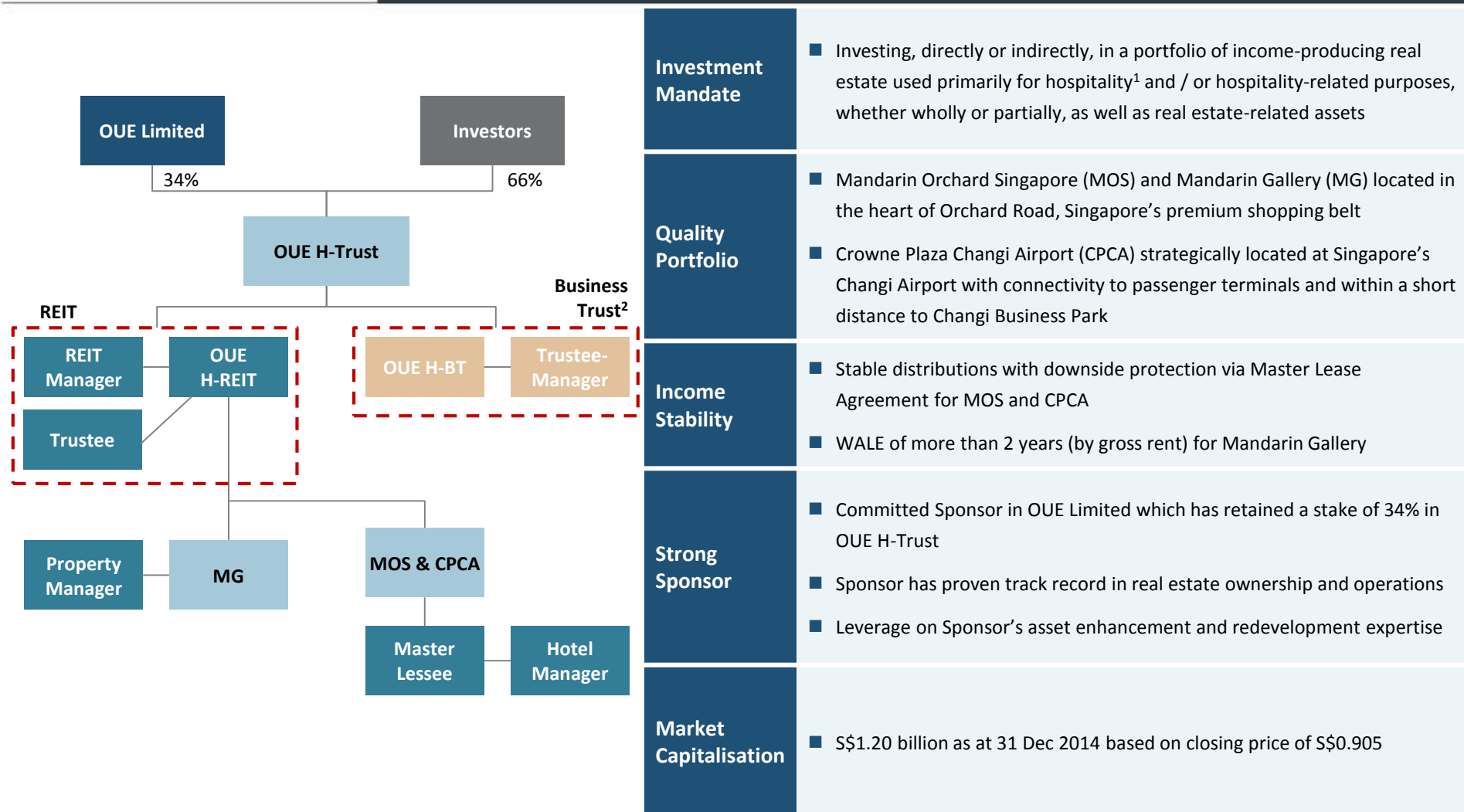
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## Overview of OUE H-Trust

# Overview of QUE H-Trust



<sup>1</sup> 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 QUE H-REIT or which QUE H-REIT has committed to buy

<sup>2</sup> Dormant as at listing and is the master lessee of last resort



# Premier Portfolio of High Quality Landmark Assets

## *Mandarin Orchard Singapore*

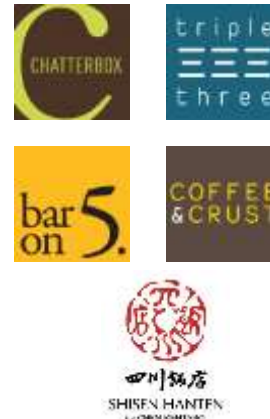


- ✓ Located in the heart of Orchard Road
- ✓ A world class hospitality icon in Singapore since 1971
- ✓ One of the top accommodation choices in Singapore for leisure and business travellers globally
- ✓ Largest hotel on Orchard Road with 1,077 rooms and approx. 25,511 sq ft of meeting and function space with a total capacity of about 1,840 people
- ✓ Addition of 26 new guest rooms in FY2013
- ✓ Strong branding



Approx. GFA (sq ft '000)	990
No. of Available Rooms	1,077
Car Park Lots	441
Purchase Consideration (S\$m)	1,180 / (1.12 per key)
Leasehold Tenure	99-yr lease commencing from 1 July 1957

### Popular F&B



### Awards & Accolades



Triple Three & Shisen Hanten

# Premier Portfolio of High Quality Landmark Assets

## *Mandarin Gallery*



GFA (sq ft '000)	196
Retail NLA (sq ft '000)	125
Purchase Consideration (\$m)	525 (S\$2,674psf <sup>1</sup> )
Leasehold Tenure	99-yr lease commencing from 1 July 1957

- ✓ 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
- ✓ Tailored destination for its specific target audience
- ✓ Large and reputable tenant mix with minimal brand duplication versus neighbouring malls

### High Quality and Diverse Tenant Base

#### Retail



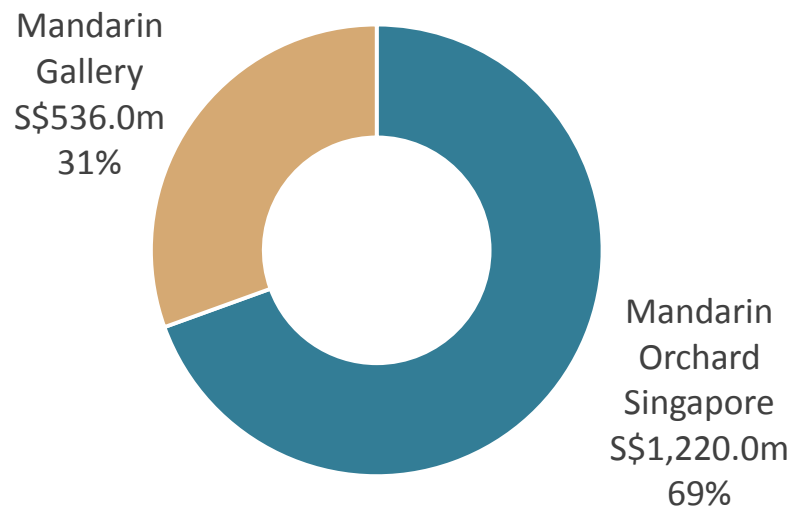
#### F&B



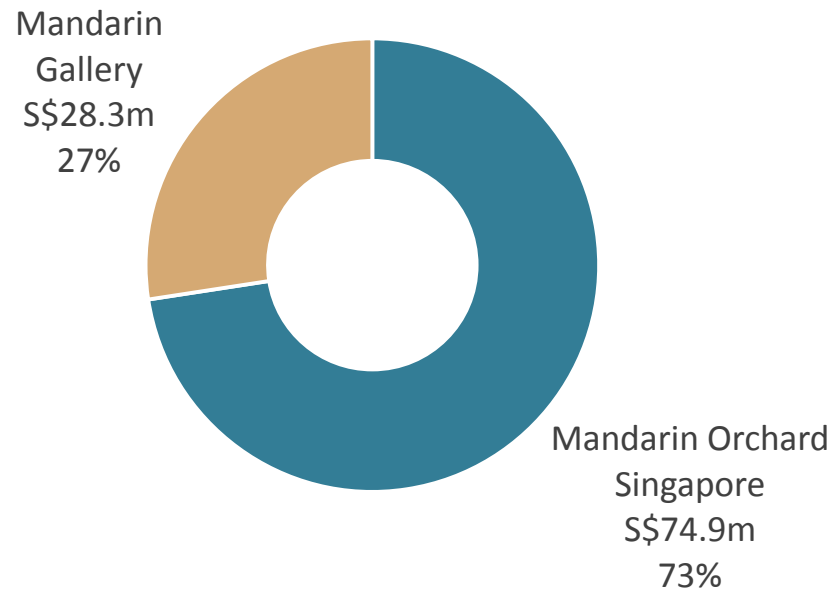
<sup>1</sup> Based on Mandarin Gallery's GFA.

# Asset Value and NPI Contribution

**Breakdown by Asset Value as at 31 Dec 2014<sup>1</sup>**



**FY 2014 Breakdown by NPI Contribution**



<sup>1</sup> Based on independent valuations as at 31 Dec 2014



## Acquisition of Crowne Plaza Changi Airport and its Future Extension



# 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 320 rooms including 27 suites, four food & beverage outlets and eight meeting rooms (including a ballroom)
- ✓ 243 rooms to be built in the extension currently under construction. Extension is expected to be completed end 2015 (but no later than June 2016)
- ✓ OUE H-Trust will complete the acquisition of the extension when construction is completed and temporary occupation permit is obtained
- ✓ Managed by InterContinental Hotels Group (IHG)

## Crowne Plaza Changi Airport (CPCA)

Completion of Acquisition	30 January 2015
Approx. GFA (sq ft '000)	336
No. of Available Rooms	320
Purchase Consideration	S\$290 million / (906 K per key)
Leasehold Tenure	Approx. 68 years remaining, expiring on 29 August 2083

## Crowne Plaza Changi Airport Extension (CPEX)

Expected Completion of Acquisition	Upon completion of CPEX, expected to be end-2015 but no later than June 2016, and TOP obtained
Approx. GFA (sq ft '000)	103
No. of Rooms	243
Purchase Consideration	S\$205 million / (844 K per key)
Leasehold Tenure	Approx. 68 years remaining, expiring on 29 August 2083

## Awards & Accolades

- ✓ Best Airport Hotel (Singapore) – Asia-Pacific Hotel Awards 2013
- ✓ One of the World's Best Airport Hotels at the Skytrax World Airport Awards 2013 and 2014

# Transaction Details

Property	Crowne Plaza Changi Airport (CPCA)	Crowne Plaza Changi Airport Extension (CPEX)	Combined CPCA & CPEX
No. of Guestrooms	320	243	563
Property Acquisition Price	S\$290.0 million	S\$205.0 million	S\$495.0 million
Expected Acquisition Yield	4.5% <sup>1</sup>		4.6% <sup>2</sup>
Capital Expenditure	S\$3.2 million commitment from Vendor		S\$3.2 million commitment from Vendor
Vendor	■ OUE Airport Hotel Pte Ltd (OUEAH), a subsidiary of OUE Limited		
Master Lease	■ Master Lease with OUEAH (as master lessee) on variable rent subject to a minimum rent <sup>3</sup>		

- Acquisition of CPCA completed on 30 January 2015
- 100% debt funded on 5-year loan tenure

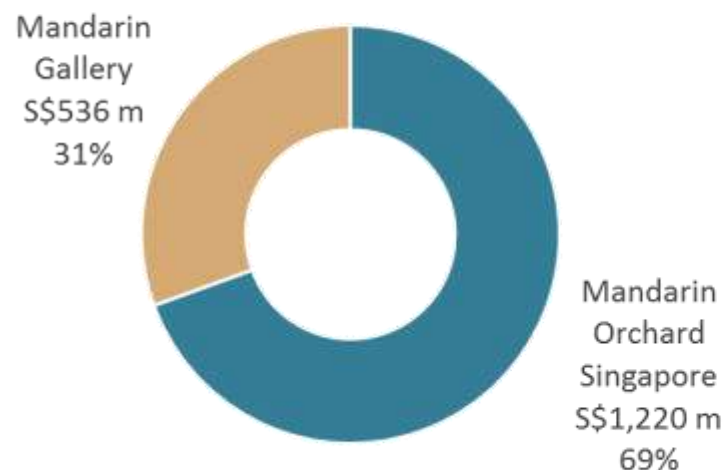
<sup>1</sup> Annualised yield based on pro forma financial period from 25 July 2013 to 31 December 2013

<sup>2</sup> Annualised yield based on pro forma financial period from 25 July 2013 to 31 December 2013 and first four quarters' target rent of the combined CPCA and CPEX

<sup>3</sup> 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

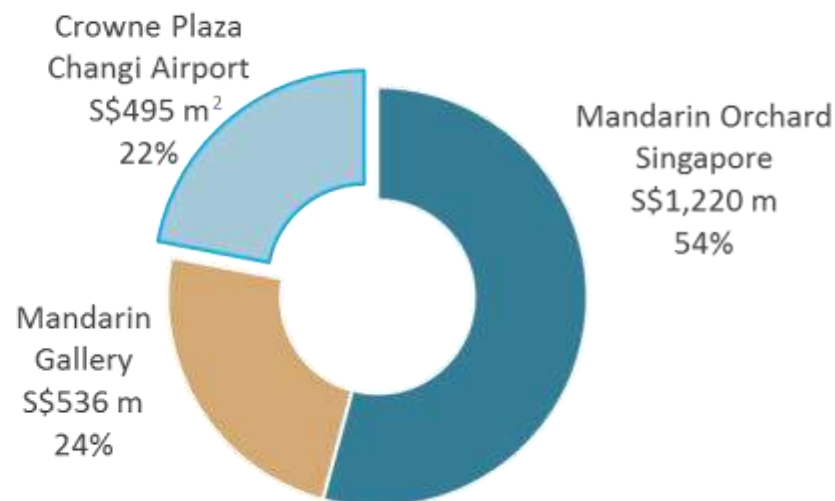
## Pre-Acquisition

### Breakdown by Asset Value Pre-Acquisition<sup>1</sup>



## Post-Acquisition

### Breakdown by Asset Value Post-Acquisition



\* As disclosed in Circular to Stapled Securityholders dated 26 December 2014

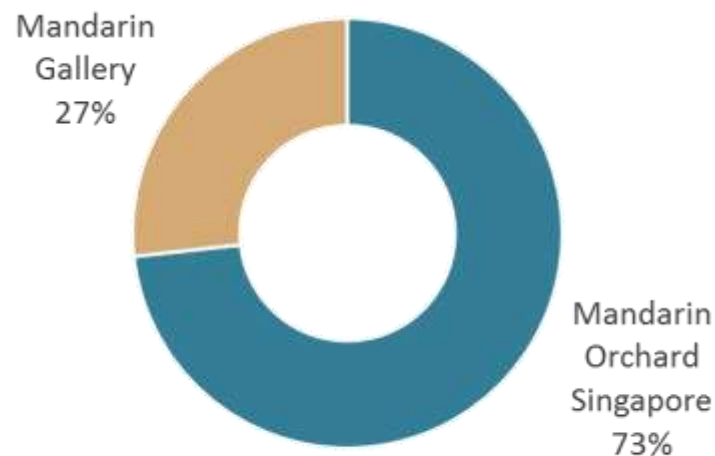
<sup>1</sup> Based on independent valuations as at 31 Dec 2013

<sup>2</sup> Based on acquisition price of CPCA and CPEX

# NPI Contribution\*

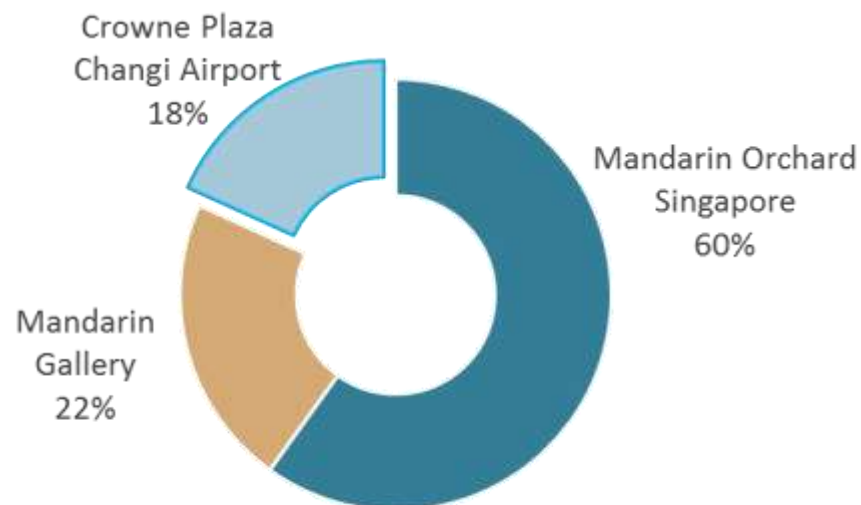
## Pre-Acquisition

**Contribution by NPI Pre-Acquisition  
For the Period from  
25 July 2013 to 31 December 2013**



## Post-Acquisition

**Contribution by NPI Post-Acquisition<sup>1</sup>  
For the Pro forma Period from  
25 July 2013 to 31 December 2013**



\* As disclosed in Circular to Stapled Securityholders dated 26 December 2014

<sup>1</sup> Post-Acquisition of CPCA and CPEX, based on the expected acquisition yield (annualised) of 4.6% for the combined CPCA and CPEX asset.





## Resilient Rental Income

# Overview of Master Leases - Mandarin Orchard Singapore

<b>Tenure</b>	<ul style="list-style-type: none"> <li>■ 15 years</li> <li>■ Option to renew for an additional 15 years on the same terms and conditions</li> </ul>
<b>Fixed Rent</b>	<ul style="list-style-type: none"> <li>■ S\$45 million per annum</li> </ul>
<b>Variable Rent</b>	<ul style="list-style-type: none"> <li>■ 33.0% of MOS GOR and 27.5% of MOS GOP, less Fixed Rent</li> </ul>
<b>FF&amp;E Reserve</b>	<ul style="list-style-type: none"> <li>■ 3.0% of Gross Revenue</li> </ul>
<b>Master Lessee</b>	<ul style="list-style-type: none"> <li>■ OUE Limited</li> </ul>

# Overview of the Master Leases - Crowne Plaza Changi Airport

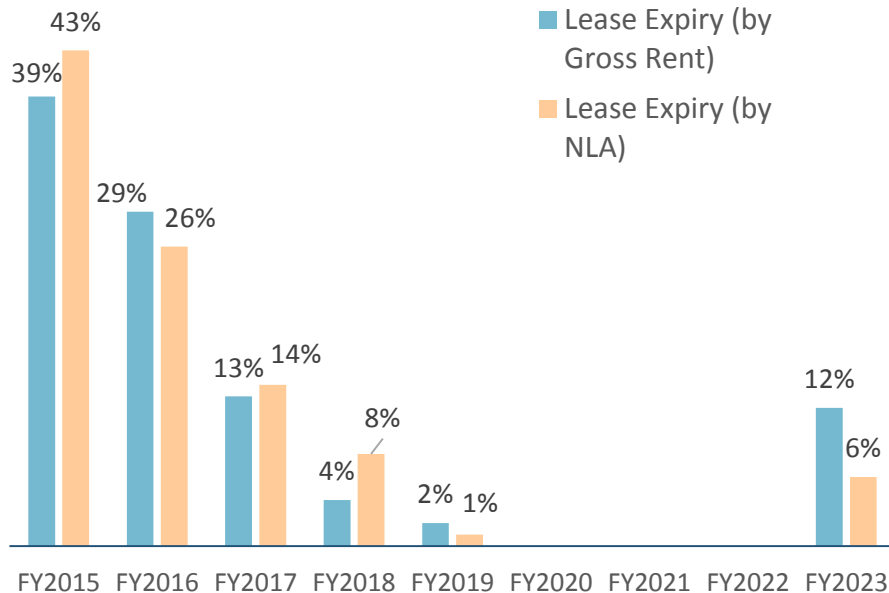
Property	CPCA	CPCA and CPEX
No. of Guestrooms	320	563
Master Lease Rental	Variable Rent Comprising Sum of: (i) 1% of Hotel F&B Revenues; (ii) 30% of Hotel Rooms and Other Revenues not related to F&B; (iii) 30% of Hotel Gross Operating Profit; and (iv) 77% of Gross Rental Income from leased space; subject to Minimum Rent of S\$12.5 million <sup>1</sup>	Variable Rent Comprising Sum of: (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; subject to Minimum Rent of S\$22.5 million <sup>1</sup>
Income Support	N.A.	Aggregate of S\$7.5 million to be drawn down over 3 years
Tenure	<ul style="list-style-type: none"> <li>■ First term of Master Lease to expire in May 2028</li> <li>■ Master Lessee has option to renew for an additional two consecutive 5-year terms</li> </ul>	
Capital Replacement Contribution	<ul style="list-style-type: none"> <li>■ Aligned with hotel management agreement between OUEAH and IHG</li> <li>■ Generally at 3%</li> </ul>	

<sup>1</sup> 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

# Mandarin Gallery – Lease Profile

## Mandarin Gallery Lease Expiry Profile

as at 31 Dec 2014<sup>1</sup>



**WALE<sup>2</sup> (by Gross Rent<sup>3</sup>)**

**2.24 years**

**WALE (by NLA)**

**1.85 years**

### As at 31 December 2014:

- Mandarin Gallery is 98.2% committed
- For FY2014, leases renewed/ signed accounting for approximately 30% of NLA achieved weighted average rental reversion of about 22.5%
- Effective rental per square foot per month of \$23.7 for FY 2014

### As at 27 January 2015:

- Mandarin Gallery is 100% committed

<sup>1</sup>Based on committed tenancies

<sup>2</sup>Weighted average lease expiry

<sup>3</sup>Excludes turnover rent





## 4Q 2014 Results Highlights & Capital Management

# Actual 4Q 2014 vs Actual 4Q 2013

	Actual 4Q 2014	Actual 4Q 2013	Change
<b>Gross Revenue (\$m)</b>	<b>30.4</b>	<b>29.0</b>	<b>↑ 4.8%</b>
<b>Net Property Income (\$m)</b>	<b>27.0</b>	<b>25.5</b>	<b>↑ 5.5%</b>
<b>Distributable Income (\$m)</b>	<b>23.6</b>	<b>21.9</b>	<b>↑ 7.5%</b>
<b>DPS (S cents)</b>	<b>1.78</b>	<b>1.67</b>	<b>↑ 6.6%</b>

- Both hospitality and retail segments posted higher revenue in 4Q 2014. Gross revenue for 4Q 2014 was \$30.4 million, an increase of \$1.4 million or 4.8% over 4Q 2013.
- Hospitality segment pertains to the master lease income earned from the Mandarin Orchard Singapore hotel which is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of the hotel. Hospitality revenue was \$0.9 million or 4.5% higher due to higher master lease income as the hotel recorded higher revenue per available room ("RevPAR") of \$255 in 4Q 2014 as compared to RevPAR of \$249 in 4Q 2013. The higher RevPAR was attributed to both higher occupancy and room rates. The hotel also recorded better food & beverage (F&B) sales from higher patronage.
- Retail segment pertains to rental and other income earned from the Mandarin Gallery shopping mall. Retail revenue for 4Q 2014 was \$0.5 million or 5.4% higher than 4Q 2013 mainly due to higher rental rates and income earned from leasing of advertising and outdoor space. The mall recorded an effective rent per square foot per month of \$23.60 for 4Q 2014 and \$23.10 for 4Q 2013.
- Net property income for 4Q 2014 was \$27.0 million, an increase of \$1.4 million or 5.5% over 4Q 2013 which was mainly contributed by higher revenue recorded by both segments.
- Income available for distribution was higher by \$1.6 million or 7.5% as a result of higher net property income coupled with lower trust expenses. The DPS achieved was 1.78 cents as compared to 4Q 2013 DPS of 1.67 cents.

# Actual vs Forecast 2014

	4Q Actual	4Q <sup>1</sup> Forecast	Variance	FY Actual	FY <sup>1</sup> Forecast	Variance
<b>Gross Revenue (\$m)</b>	<b>30.4</b>	<b>30.5</b>	<b>- 0.3%</b>	<b>115.9</b>	<b>115.4</b>	<b>↑ 0.4%</b>

## 4Q 2014

- Gross revenue was largely in line with forecast at \$30.4 million for 4Q 2014. Hospitality segment recorded \$0.3 million lower revenue which was offset by higher retail segment revenue of \$0.2 million.
- Hospitality segment pertains to the master lease income earned from the Mandarin Orchard Singapore hotel which is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of the hotel. Revenue from hospitality segment was lower due to lower master lease income as the hotel recorded RevPAR of \$255 as compared to the forecast RevPAR of \$263 due to weaker than forecast market demand. The hotel's F&B sales continued to perform better than forecast due to more banquet events and functions held which mitigated the impact of lower room sales in 4Q 2014.
- For the retail segment, Mandarin Gallery recorded higher revenue than forecast mainly due to higher income earned from leasing of advertising and outdoor space.

## FY 2014

- Both hospitality and retail segments posted higher than forecast revenue for FY 2014. Gross revenue was \$115.9 million, \$0.5 million higher than forecast revenue of \$115.4 million.
- Revenue from hospitality segment was \$0.1 million higher due to higher master lease income earned from the Mandarin Orchard Singapore hotel. The hotel recorded lower room sales as the RevPAR recorded was \$249 as compared to forecast RevPAR of \$257 mainly due to the impact of the renovation on room rates in 1H 2014 and the lower RevPAR achieved in 4Q 2014. F&B sales performed better than forecast due to higher banquet sales thereby translating into higher rental income for QUE H-REIT.
- For retail segment, Mandarin Gallery had contributed to the higher than forecast revenue mainly due to higher income earned from leasing of advertising and outdoor space. The mall recorded an effective rent per square foot per month of \$23.7 for FY 2014.

# Actual vs Forecast 2014

	4Q Actual	4Q <sup>1</sup> Forecast	Variance	FY Actual	FY <sup>1</sup> Forecast	Variance
<b>Net Property Income (\$m)</b>	<b>27.0</b>	<b>27.0</b>	<b>- 0.3%</b>	<b>103.2</b>	<b>101.9</b>	<b>↑ 1.3%</b>
<b>Distributable Income (\$m)</b>	<b>23.6</b>	<b>23.3</b>	<b>↑ 1.3%</b>	<b>89.0</b>	<b>86.7</b>	<b>↑ 2.6%</b>
<b>DPS (\$ cents)</b>	<b>1.78</b>	<b>1.76</b>	<b>↑ 1.1%</b>	<b>6.74</b>	<b>6.57</b>	<b>↑ 2.6%</b>

## 4Q 2014

- Net property income recognised for 4Q 2014 was largely in line with forecast at \$27.0 million.
- Income available for distribution was \$0.3 million higher mainly due to lower professional fees incurred by the trust. The DPS achieved was 1.78 cents as compared to forecast DPS of 1.76 cents.

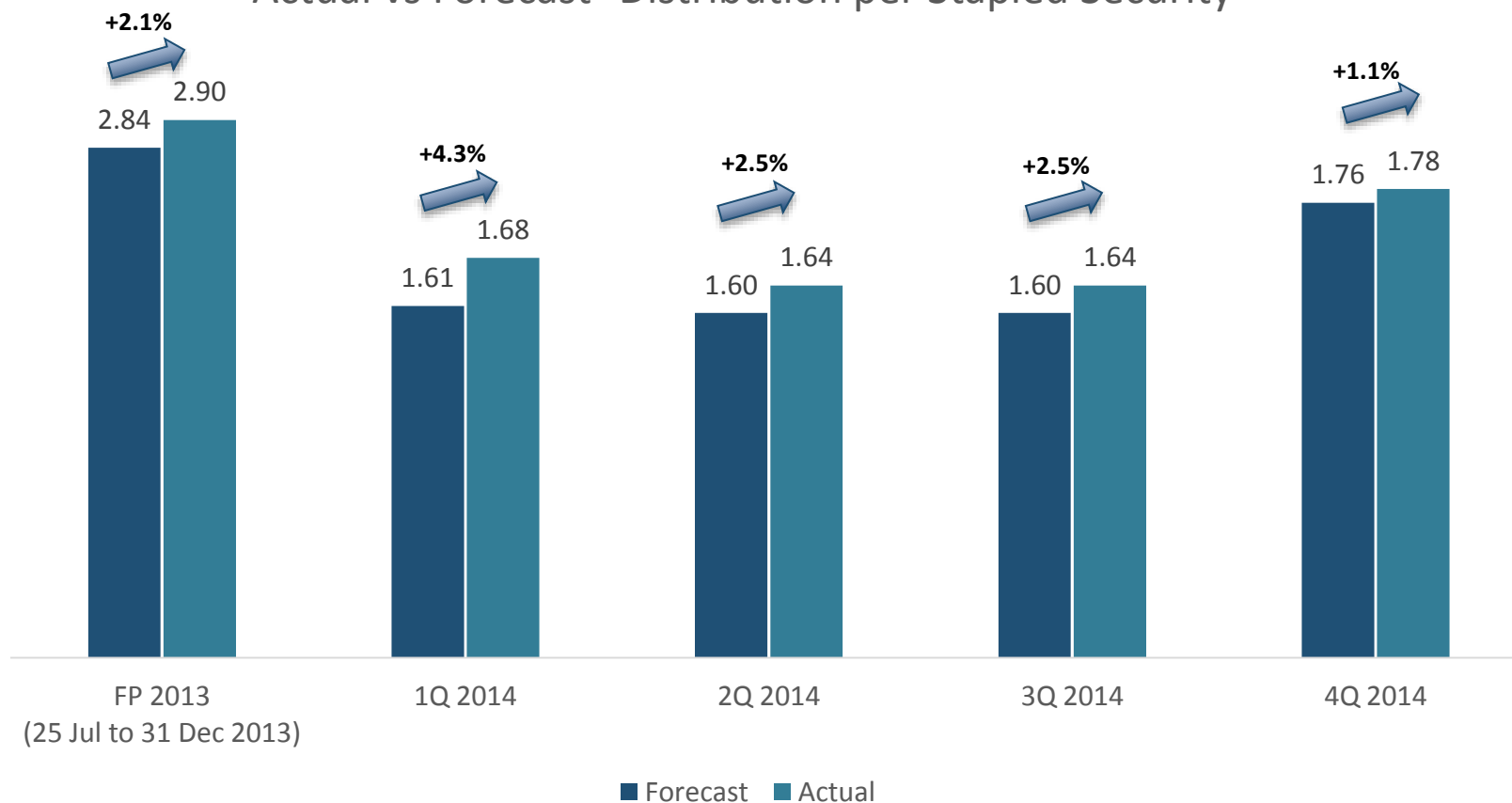
## FY 2014

- Net property income recognised was \$1.3 million or 1.3% higher for FY 2014 as property expenses were \$0.8 million or 6.1% lower mainly due to lower than forecast utilities expenses on lower consumption and tariff rates of Mandarin Gallery.
- In line with higher net property income and lower trust expenses, income available for distribution for FY 2014 was \$2.3 million higher than forecast translating into DPS of 6.74 cents versus forecast DPS of 6.57 cents.



# DPS Outperformed Forecast Since Listing

Actual vs Forecast<sup>1</sup> Distribution per Stapled Security



<sup>1</sup> The forecast figures are derived from the forecast as set out in the Prospectus and adjusted for seasonality of the Singapore hospitality sector.

## Distribution Details

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<b>Distribution Period</b>	1 October 2014 to 31 December 2014
<b>Distribution Rate</b>	1.78 cents per Stapled Security
<b>Ex-Distribution Date</b>	2 February 2015, 9.00 am
<b>Book Closure Date</b>	4 February 2015
<b>Distribution Payment Date</b>	27 February 2015

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# Property Valuations

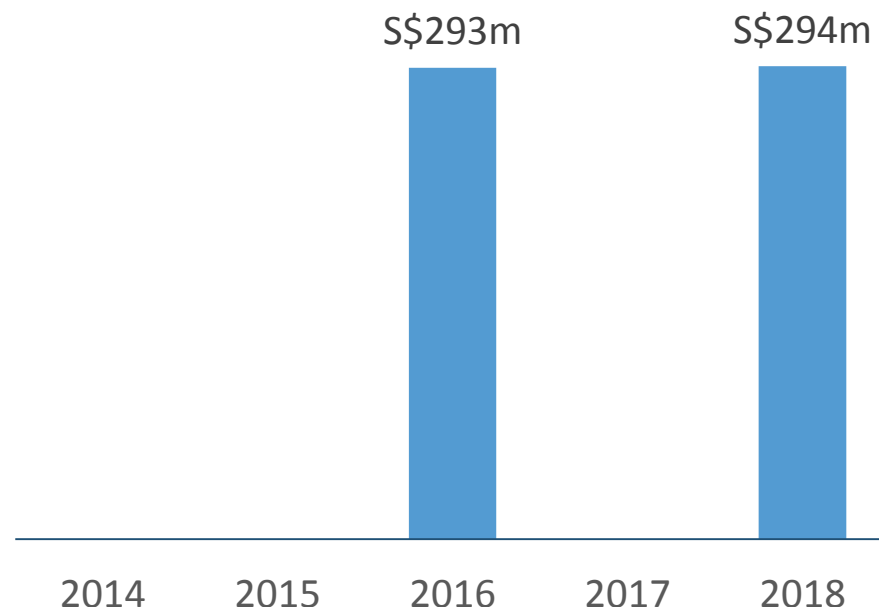
- As at 31 December 2014, independent full valuations for the properties were carried out by Cushman and Wakefield VHS Pte. Ltd. (C&W).
- Valuations were determined using the discounted cash flow analysis, comparison method and capitalisation approach, where applicable.
- There are no changes to the values of the properties from the valuation dated as at 31 December 2013.

Property	Valuation as at 31 Dec 2014 (S\$'000)
Mandarin Orchard Singapore	1,220,000
Mandarin Gallery	536,000
Total	1,756,000

# Capital Management (As at 31 Dec 2014)

<b>Gearing</b>	■ 32.7% <sup>1</sup>
<b>Average Cost of Debt</b>	■ 2.2% ■ 100% fixed via interest rate swaps with weighted average remaining tenor of 1.5 years
<b>Debt Maturity</b>	■ Weighted average remaining tenor of 2.6 years
<b>Interest Service Ratio</b>	■ 7.1 times
<b>Term</b>	■ Bullet repayment at maturity ■ Option to make prepayments without any penalty
<b>Additional Facilities</b>	■ S\$43 million Revolving Credit Facility (undrawn)

## Debt Maturity Profile



- There are no refinancing requirements until July 2016

<sup>1</sup> The acquisition of Crowne Plaza Changi Airport (CPCA) was announced on 28 November 2014 and completed on 30 January 2015. The acquisition was fully debt-funded with a five-year loan tenure. Assuming the acquisition of CPCA (and its full debt funding) was completed on 31 December 2014 and taken into consideration, gearing as at 31 December 2014 would be 42.2%.



## Balance Sheet Highlights (As at 31 Dec 2014)

	S\$ 'm
Investment Properties	1,756.0
<b>Total assets</b>	<b>1,796.6</b>
Borrowings (secured) <sup>1</sup>	583.1
<b>Total liabilities</b>	<b>598.2</b>
<b>Net assets</b>	<b>1,198.3</b>
<b>NAV per Stapled Security (S\$)</b>	<b>0.90</b>
<b>Closing price on 31 Dec 2014 (S\$)</b>	<b>0.905</b>
<i>Premium to NAV (%)</i>	<i>0.6%</i>

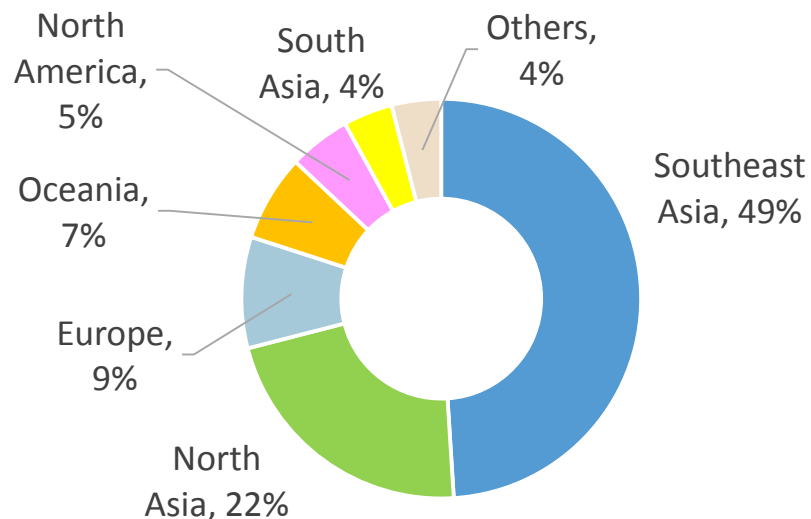
<sup>1</sup> Net of unamortised debt-related transaction costs



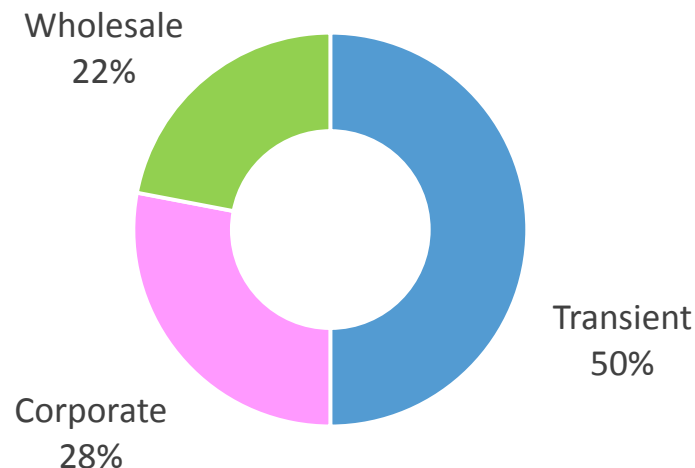
## Portfolio Highlights

# Mandarin Orchard Customer Profile

**Customer Profile for Mandarin Orchard Singapore  
(By Geography Based on Room Nights Occupied)  
FY 2014**



**Customer Profile for Mandarin Orchard Singapore  
(By Room Revenue)<sup>1</sup>  
FY 2014**



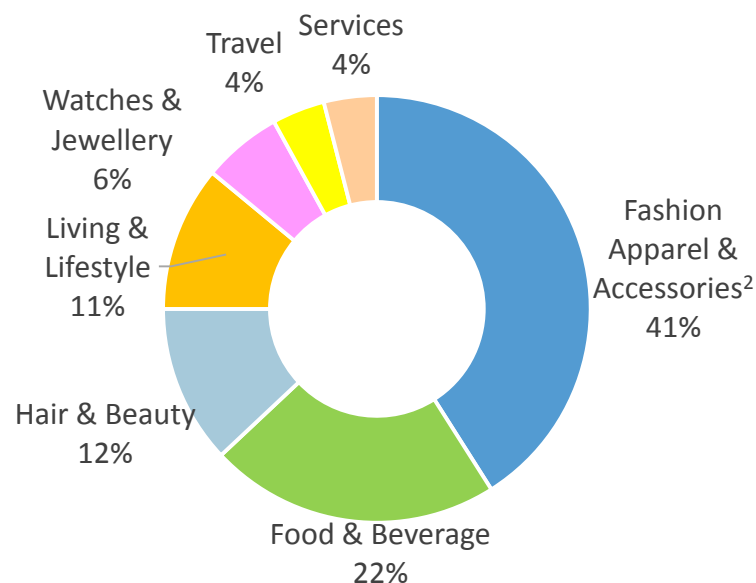
<sup>1</sup>**"Transient"** refers to revenue derived from rental of rooms and suites to individuals or groups occupying less than 10 rooms per night, who do not have a contract with the Hotel

**"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

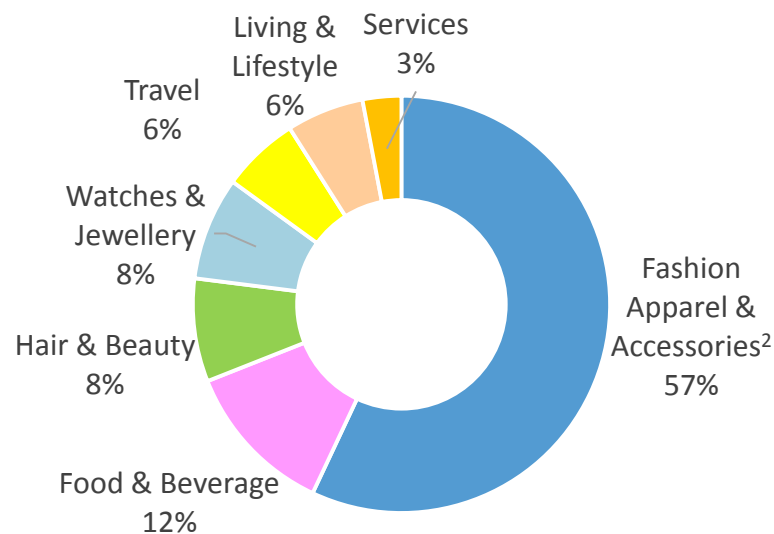
**"Wholesale"** refers to revenue derived from the rental of rooms and suites booked via a third party travel agent on a wholesale contracted rate basis

# Mandarin Gallery Tenant Mix

**NLA**  
As at 31 Dec 2014<sup>1</sup>



**Gross Rent (excludes turnover rent)**  
As at 31 Dec 2014<sup>1</sup>



<sup>1</sup>Based on committed tenancies

<sup>2</sup>The categories "Fashion Apparel" and "Shoes, Leather Goods & Accessories" will be combined as one "Fashion Apparel & Accessories" category from this quarter on.

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## Advertisement



## Social Media Campaign



## Outlook & Prospects



Singapore recorded lower than expected economic growth of 2.8 per cent<sup>1</sup> for 2014. While global recovery faces strong headwind, economists are optimistic about Singapore's growth in 2015 and forecast the economy to grow in the range of 3 per cent<sup>2</sup>.

With the continued uncertain global economic outlook and the recent unfortunate aviation incidents in the region that have affected tourism sentiments, coupled with the lack of major convention events such as the Singapore Airshow, visitor arrivals in 2015 could remain soft. In 2015, Singapore is celebrating its golden jubilee, SG50, with a slew of activities throughout the year. The SG50 celebration programme has garnered international attention and Singapore has been named the top destination in Asia for 2015 by the New York Times<sup>3</sup> and the top country to visit in 2015 by Lonely Planet<sup>4</sup>. Singapore is also hosting the 2015 Southeast Asian Games and the World Rugby Sevens. These factors would impact the performance of the hospitality industry.

The prime Orchard Road location of Mandarin Orchard Singapore allows it to enjoy resilient demand as Orchard Road is a preferred accommodation location for international visitors.

While the retail scene in Singapore is expected to remain challenging, Mandarin Gallery enjoys a high degree of prominence, boasting a wide frontage along Orchard Road and is a choice location for flagship stores of international brands. Mandarin Gallery is expected to continue to enjoy stable income as the mall's rental income comprises mainly fixed rent.

<sup>1</sup> The Straits Times, 31 December 2014, "Singapore's economy grew 2.8% in 2014, incomes rose: PM"

<sup>2</sup> channelnewsasia.com, 31 December 2014, "Experts optimistic about Singapore's growth in 2015"

<sup>3</sup> The Straits Times, 12 January 2015, "The New York Times lists Singapore as top destination in Asia for 2015"

<sup>4</sup> Lonely Planet - <http://www.lonelyplanet.com/best-in-travel/countries/01-singapore>

## Outlook & Prospects (Cont'd)

In line with OUE H-Trust's strategy to acquire value-enhancing assets, OUE H-Trust had obtained Stapled Securityholders' approval at the extraordinary general meeting held on 13 January 2015 to acquire Crowne Plaza Changi Airport (CPCA) and its future extension (CPEX). The acquisition of CPCA is expected to be completed no later than end February 2015<sup>5</sup> and will be accretive to the income of OUE H-Trust following completion. The addition of CPCA will also expand OUE H-Trust's coverage of the Singapore hospitality market and enlarge and diversify its hotel clientele. CPCA will be able to leverage on the expansion plans of Changi Airport, which has commenced the development of Terminal 4 and Jewel Changi Airport, and the corporate demand from companies located at the nearby Changi Business Park.

The construction of CPEX is expected to be completed by end of 2015 (but no later than June 2016) and OUE H-Trust will complete the acquisition when CPEX has obtained its temporary occupation permit.

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

<sup>5</sup>The acquisition of CPCA has since been completed on 30 January 2015.



Thank You



## Appendices

- *Additional Information on the Acquisition of Crowne Plaza Changi Airport and its Future Extension*
- *About the Sponsor – OUE Limited*



## ***Additional Information on the Acquisition of Crowne Plaza Changi Airport and its Future Extension<sup>1</sup>***

<sup>1</sup> The acquisition of Crowne Plaza Changi Airport (CPCA) and its future extension (CPEX) was announced on 28 November 2014. The acquisition of CPCA was completed on 30 January 2015.



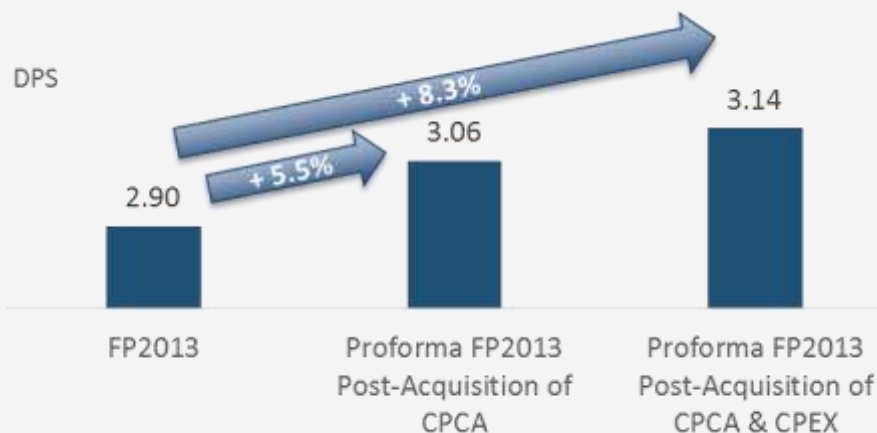
# Benefits of the Transaction

## i. Increase DPS to stapled securityholders

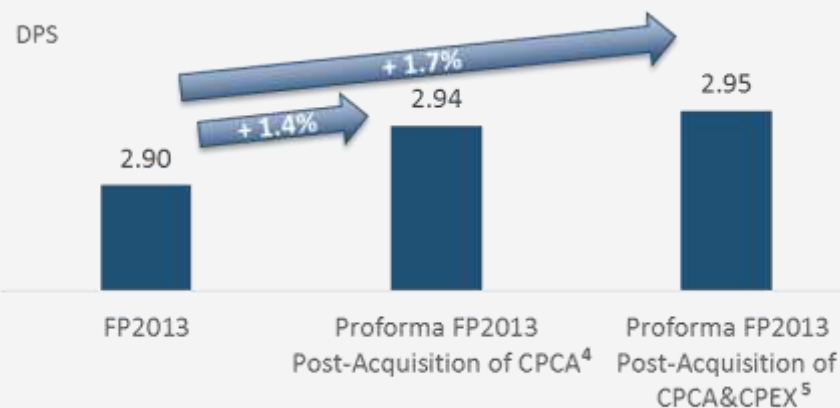
- Acquisition and Master Leases are expected to be accretive to distribution per Stapled Security (DPS), increase NPI and distributable income
- Expected annualised NPI yield for CPCA is 4.5%<sup>1</sup> and 4.6%<sup>2</sup> for the combined CPCA and CPEX
- The REIT Manager intends to finance all acquisition costs relating to the Acquisition (save for the Acquisition Fee payable in Stapled Securities to the REIT Manager) through debt and/or equity financing

*Based on pro forma Distributable Income for the financial period from 25 July 2013 to 31 December 2013*

### i. Assuming 100% debt-funding<sup>3</sup>



### ii. Assuming combination of debt-funding and equity<sup>3</sup>



<sup>1</sup> Based on the pro forma financial period from 25 July 2013 to 31 December 2013 (FP 2013)

<sup>2</sup> Based on FP 2013 and the first four quarters' target rent of the combined CPCA and CPEX

<sup>3</sup> Includes approx. 3,031,000 and 5,178,000 Stapled Securities issuable to the REIT Manager as payment for Acquisition Fee and management fee in relation to CPCA and CPCA and CPEX respectively, assumed to be issued at illustrative price of S\$0.88 per Stapled Security

<sup>4</sup> Assuming approx. 85,227,000 Stapled Securities issued for the acquisition of CPCA at illustrative price of S\$0.88 per Stapled Security

<sup>5</sup> Assuming approx. 142,045,000 Stapled Securities issued for the acquisition of CPCA and CPEX at illustrative price of S\$0.88 per Stapled Security



# Benefits of the Transaction

## ii. Opportunity to acquire a quality asset in a strategic location

- Rare opportunity to own global brand name hotel asset with direct connection to Changi Airport passenger terminals
- Changi Airport is world's sixth busiest airport for international traffic
  - It served a record 53.7 million passengers from around the globe in 2013<sup>1</sup>
- Hotel is close to Changi Business Park and Singapore Expo
  - Companies located at Changi Business Park include IBM, Invensys, Honeywell, and financial institutions such as DBS Bank, Citibank, Credit Suisse and Standard Chartered Bank<sup>2</sup>



**Crowne Plaza Changi Airport Guestroom (Suite)**



**Crowne Plaza Changi Airport Guest Bathroom**

<sup>1</sup> Source: <http://www.changiairport.com/our-business/about-changi-airport>

<sup>2</sup> Source: <http://www.jtc.gov.sg/RealEstateSolutions/Business-Park-Land/Pages/Changi-Business-Park.aspx>

# Benefits of the Transaction

## iii. Attractive growth potential in revenue per available room

- CPCA enjoys high occupancy of above 85% and has seen revenue per available room (RevPAR) increasing from \$231 in 2011 to \$235 in 2013
- As at YTD Sep 2014<sup>1</sup>, CPCA achieved RevPAR of S\$241
- CPCA will be able to leverage on the expansion plans of Changi Airport
  - *Jewel Changi Airport* (Project Jewel)<sup>2,3</sup> is envisaged to be not just a gateway for flights, but as a tourism destination on its own
    - Project Jewel first in Singapore to seamlessly integrate a refreshing environment of lush greenery amid other attractions and facilities within the same building
    - Net lettable retail area of 53,000 sqm and 21,700 sqm of indoor gardens and attractions
    - Houses an integrated multi-modal transport lounge offering dedicated services for fly-cruise and fly-coach passengers
  - Commenced development of Terminal 4

### CPCA Historical Performance

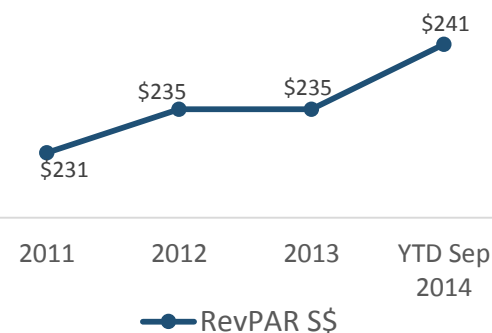
Occupancy

90%

87%

88%

92%



<sup>1</sup> Based on management accounts of CPCA.

<sup>2</sup> Project Jewel is an upcoming mixed-use complex envisaged to be a world-class, signature lifestyle destination that will enable Changi Airport to capture tourism mindshare, and strongly boost Singapore's appeal as a stopover point for global travellers. The complex will offer aviation and travel-related facilities, a wide range of retail offerings, as well as unique leisure attractions. Project Jewel is targeted to open in end 2018 (<http://www.capitamallsasia.com/en/corporate/media-centre/press-releases/2013/changi-airport-group-and-capitamalls-asia-to-jointly-develop-project-jewel-at-changi-airport>) and Terminal 4 is expected to be operational in 2017 (<http://www.changiairport.com/at-changi/our-terminals/terminal-4>).

<sup>3</sup> Press release 'Singapore Changi Airport breaks new ground with Jewel' ([http://www.changiairportgroup.com/export/sites/caas/assets/media\\_release\\_2014/WEB-Media-Release-Singapore-Changi-Airport-breaks-new-ground-with-Jewel.pdf](http://www.changiairportgroup.com/export/sites/caas/assets/media_release_2014/WEB-Media-Release-Singapore-Changi-Airport-breaks-new-ground-with-Jewel.pdf))

# Benefits of the Transaction

- iv. Master Lease provides income stability with downside protection and upside potential
- OUEAH will be master lessee for CPCA, and CPEX when it is operational
  - Minimum rent provides OUE H-Trust with downside protection
  - Variable rent, pegged to percentage of revenue and profit of the hotel, allows OUE H-Trust to enjoy operational upside when the hotel performs well



Crowne Plaza Changi Airport Lobby

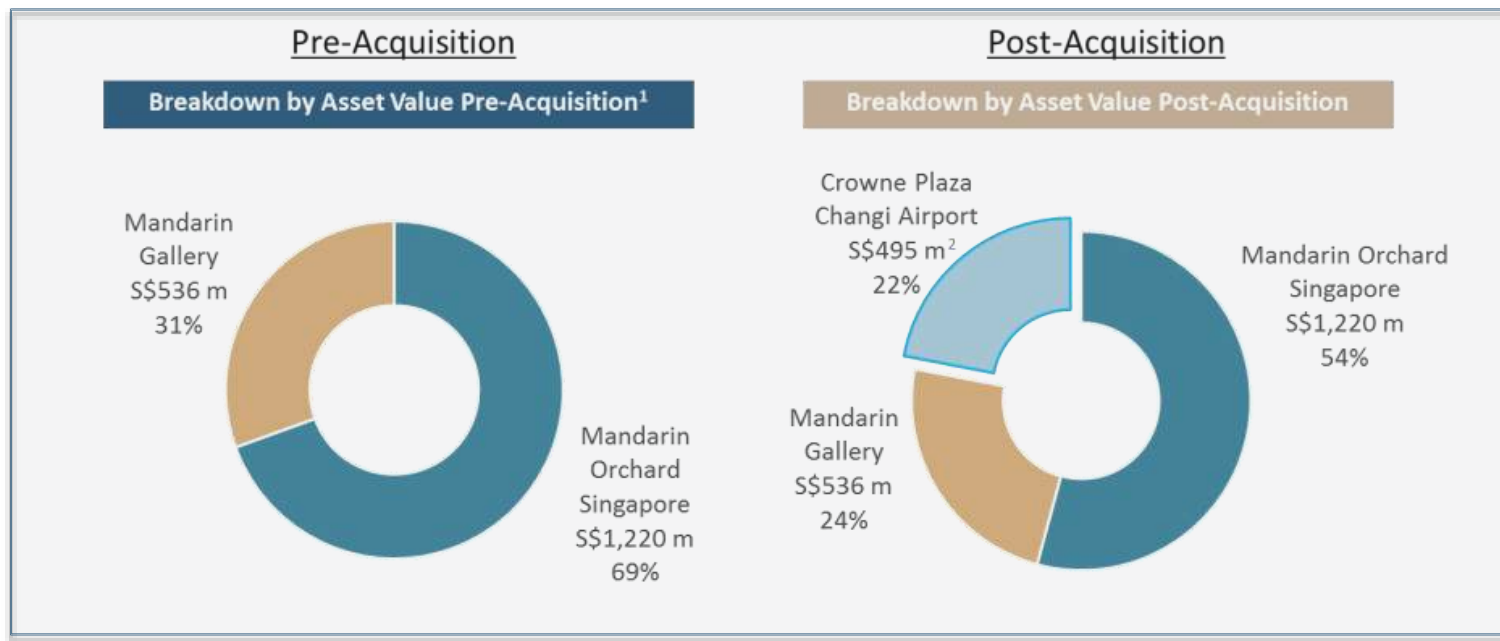


Crowne Plaza Changi Airport Swimming Pool

# Benefits of the Transaction

## v. Reduced concentration risk

- OUE H-Trust's portfolio comprises Mandarin Orchard Singapore and Mandarin Gallery, which coexist in the same location in the Orchard Road shopping precinct
- Acquisition of CPCA and CPEX would:
  - Reduce OUE H-Trust's concentration risk

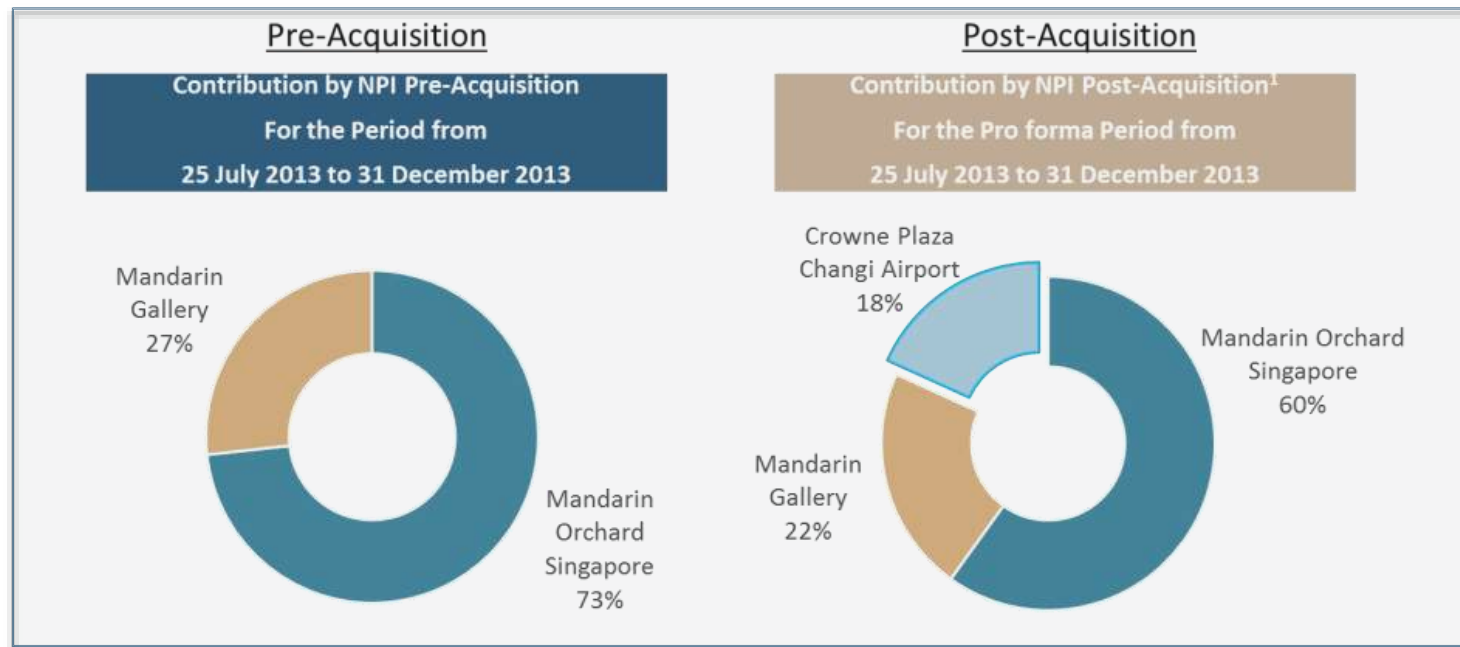


<sup>1</sup> Based on independent valuations as at 31 Dec 2013

<sup>2</sup> Based on acquisition price of CPCA and CPEX

## v. Reduced concentration risk (cont'd)

- Acquisition of CPCA and CPEX would:
  - Further enhance the income diversification of OUE H-Trust and reduce the reliance of OUE H-Trust's income stream on any single property

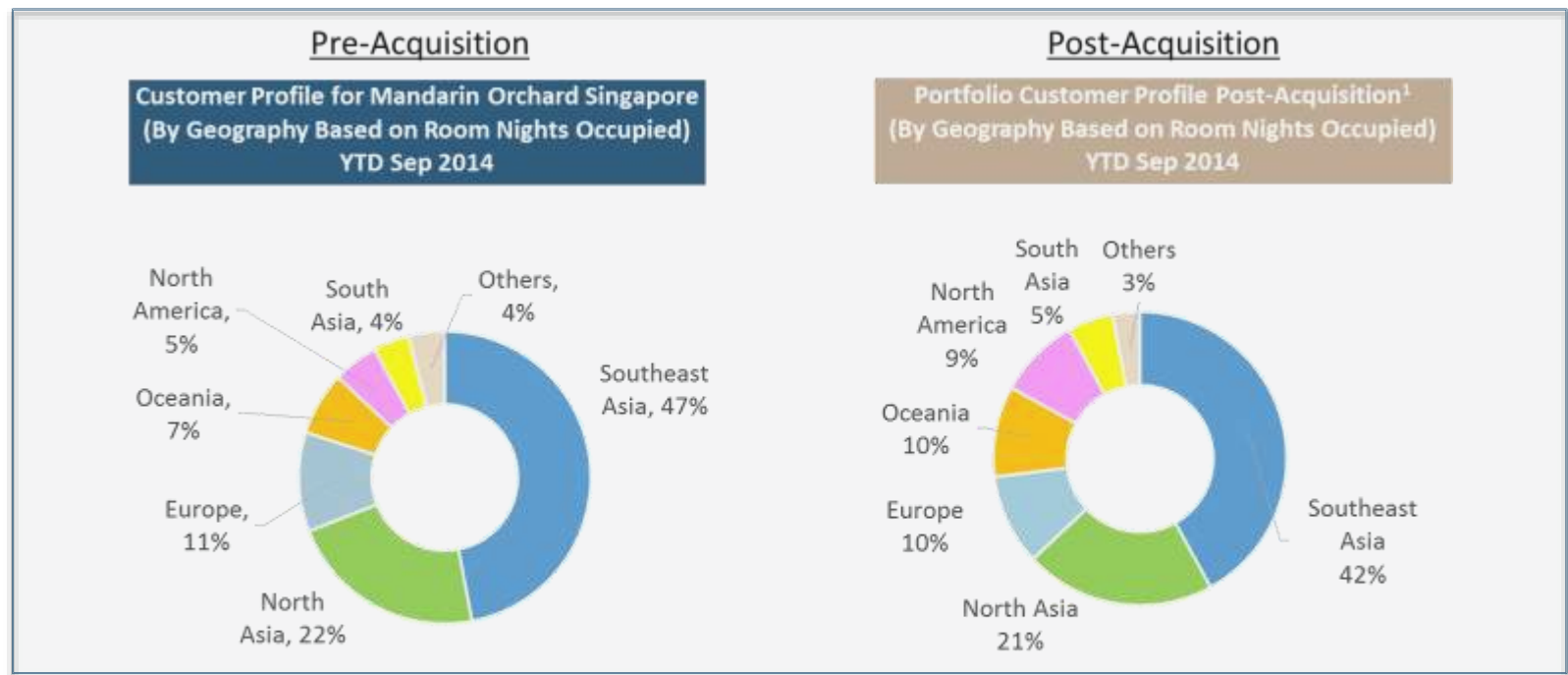


<sup>1</sup> Post-Acquisition of CPCA and CPEX, based on the expected acquisition yield (annualised) of 4.6% for the combined CPCA and CPEX asset.

# Benefits of the Transaction

## v. Reduced concentration risk (cont'd)

- Acquisition of CPCA and CPEX would:
  - Expand OUE H-Trust's coverage of the hospitality market in Singapore and enlarge and diversify its hotel clientele



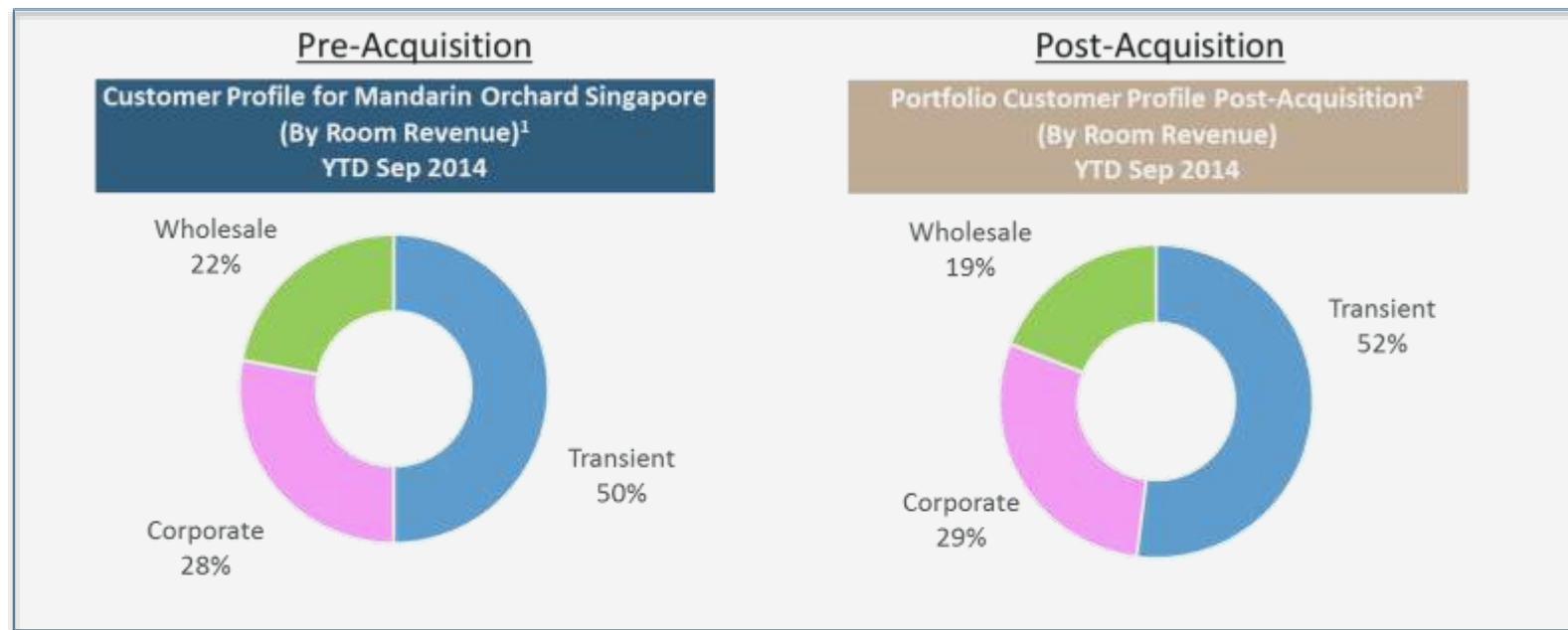
<sup>1</sup> Based on Mandarin Orchard Singapore and CPCA (excludes Aircrew)



# Benefits of the Transaction

## v. Reduced concentration risk (cont'd)

- Acquisition of CPCA and CPEX would:
  - Expand OUE H-Trust's coverage of the hospitality market in Singapore and enlarge and diversify its hotel clientele (cont'd)



<sup>1</sup>“Transient” refers to revenue derived from rental of rooms and suites to individuals or groups occupying less than 10 rooms per night, 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

<sup>2</sup> Based on Mandarin Orchard Singapore and CPCA

## Benefits of the Transaction

vi. Increased portfolio size creates stronger platform for further acquisition growth

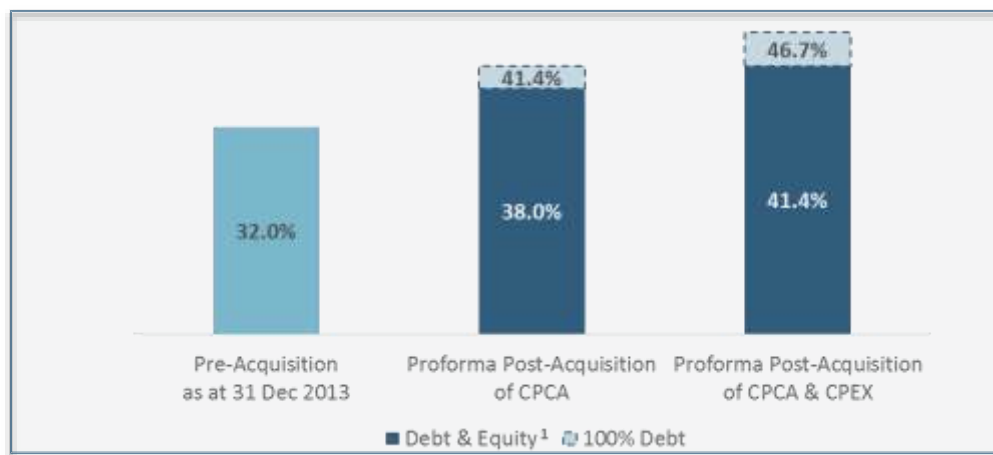
- OUE H-Trust's asset portfolio will increase from S\$1.76 billion to approximately S\$2.25 billion
- The enlarged quality portfolio could attract more investor interest in OUE H-Trust
- The increased portfolio size will create a stronger platform for further acquisition growth due primarily to potentially better access to equity and debt capital markets



Crowne Plaza Changi Airport and its future extension (artist's impression)

# Financing/ Balance Sheet

- The REIT Manager intends to finance all acquisition costs relating to the Acquisition (save for the Acquisition Fee payable in Stapled Securities to the REIT Manager) through debt and/or equity financing
- Balance Sheet Remains Healthy
  - *NAV*
    - No material impact on NAV per Stapled Security of S\$0.92 as at 31 December 2013 based on pro forma financial effects
  - *Gearing*
    - OUE H-Trust's gearing will be well within 60% gearing limit under the Property Funds Appendix, even if Acquisition is 100% debt-funded
    - OUE H-REIT has been assigned a Ba1 rating from Moody's



<sup>1</sup> Assuming S\$75 million of Stapled Securities issued for the acquisition of CPCA at illustrative price of S\$0.88 per Stapled Security and assuming S\$125 million of Stapled Securities issued for the acquisition of CPCA and CPEX at illustrative price of S\$0.88 per Stapled Security

# Conclusion

<b>Acquisition is Accretive</b>	<ul style="list-style-type: none"> <li>• Acquisition is expected to enhance DPS</li> <li>• Based on pro forma FP2013, DPS expected to increase 5.5% post-acquisition of CPCA and 8.3% post-acquisition of combined CPCA and CPEX assuming acquisition is fully debt funded</li> </ul>
<b>Opportunity to Acquire Quality Asset</b>	<ul style="list-style-type: none"> <li>• Rare opportunity to own global brand name hotel asset with direct connection to the Changi Airport passenger terminals</li> <li>• Leverage on the expansion plans of Changi Airport, which has announced plans for Project Jewel and has commenced development of Terminal 4</li> </ul>
<b>Income Stability</b>	<ul style="list-style-type: none"> <li>• Master Lease provides income stability with downside protection and upside potential</li> </ul>
<b>Enhances Diversification of OUE H-Trust</b>	<ul style="list-style-type: none"> <li>• Acquisition of CPCA and CPEX would reduce OUE H-Trust's concentration risk</li> <li>• Enhance the income diversification of OUE H-Trust and reduce the reliance of OUE H-Trust's income stream on any single property</li> <li>• Expand OUE H-Trust's coverage of the hospitality market in Singapore and enlarge and diversify its hotel clientele</li> </ul>
<b>Establishes Stronger Platform for Future Growth</b>	<ul style="list-style-type: none"> <li>• The enlarged quality portfolio could attract more investor interest in OUE H-Trust</li> <li>• Increased portfolio size will create a stronger platform for further acquisition growth due primarily to potentially better access to both capital and debt markets</li> </ul>



*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 US, across hospitality, retail, commercial and residential property segments**

### Hospitality



**Mandarin Orchard  
Singapore**  
OUE Hospitality Trust



**Crowne Plaza Changi  
Airport**  
OUE Hospitality Trust



**Marina Mandarin**  
(30% stake)

### Commercial



**OUE Bayfront**  
OUE Commercial REIT



**Lippo Plaza, Shanghai**  
OUE Commercial REIT



**OUE Downtown  
Towers 1 and 2**  
(100% stake)



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



**One Raffles Place  
Towers 1 and 2**  
(41% stake)

### Retail



**Mandarin Gallery**  
OUE Hospitality Trust



**One Raffles Place  
Retail Podium**  
(41% stake)

### Residential



**Twin Peaks**  
(100% stake)



# 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

## One Raffles Place Tower 2

Before redevelopment:



After redevelopment:



- Redevelopment of the low block podium into a 350,000 sq ft 38-storey Grade A office building with column free floor plates of approximately 11,000 sq ft
- TOP obtained in August 2012

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



Thank you