



1Q2019 Financial Results

2 May 2019

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Financial Highlights & Capital Management

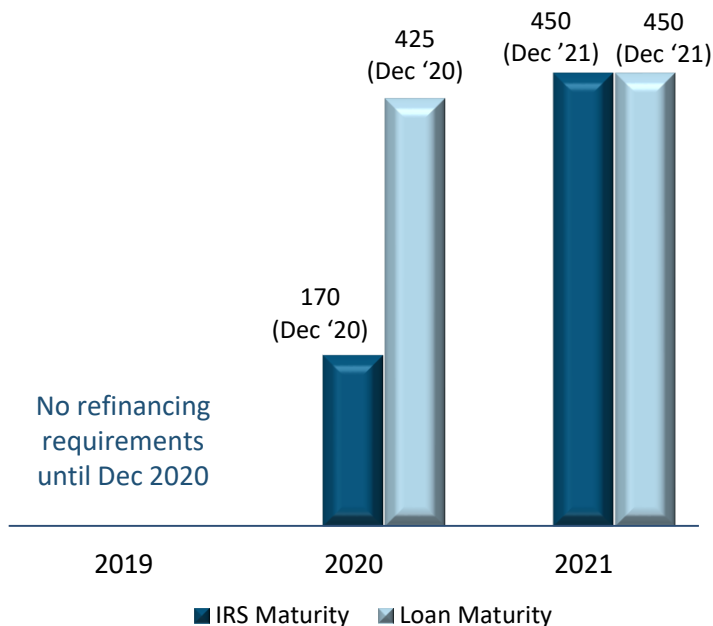
1Q2019 Financial Highlights

	1Q2019 S\$ mil	1Q2018 S\$ mil	Increase/ (Decrease) %
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 (S cents)	1.18	1.26	(6.3)

- Gross revenue was lower than 1Q2018 by S\$1.0 million due to lower revenue from the hospitality segment, partially mitigated by higher revenue from the retail segment
- NPI was lower by S\$0.6 million due to lower revenue, partially mitigated by lower property expenses
- Distributable Income was lower by S\$1.2 million due to lower income received from the hospitality segment and higher interest expense, partially mitigated by higher income received from the retail segment

Debt and Interest Maturity Profile (S\$ mil)

As at 31 Mar 2019

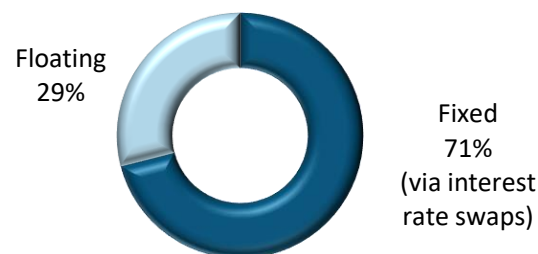


Key Financial Indicators

As at 31 Mar 2019

Gearing	38.4%
Average Cost of Debt	2.6% p.a.
Weighted Average Debt Maturity	2.2 years
Interest Cover Ratio	4.3 times
Available Revolving Credit Facility	S\$105 million ¹ (undrawn)

Interest Rate Exposure



- Limited exposure to interest rate fluctuation with 71% of debt fixed via interest rate swaps

Note:

1. This comprises a four-year uncommitted revolving credit facility of S\$50 million and a one-year committed revolving credit facility of S\$55 million. On 24 January 2019, OUEHT announced the extension of the one-year revolving credit facility for a further one-year period.

Balance Sheet Highlights

As at 31 Mar 2019

	S\$ mil
Investment Properties	2,244.0
Total Assets	2,279.6
Borrowings (secured)	875.0
Total Liabilities	909.7
Net Assets	1,369.8
Units in Issue ('000)	1,829,780
NAV per Stapled Security (S\$)	0.75

Distribution Details

Distribution Period	1 January to 31 March 2019
Distribution Rate	1.18 cents
Ex-Distribution Date	9 May 2019
Book Closure Date	10 May 2019
Distribution Payment Date	6 June 2019



Portfolio Highlights

Financial Highlights – Hospitality

1Q2019 vs 1Q2018

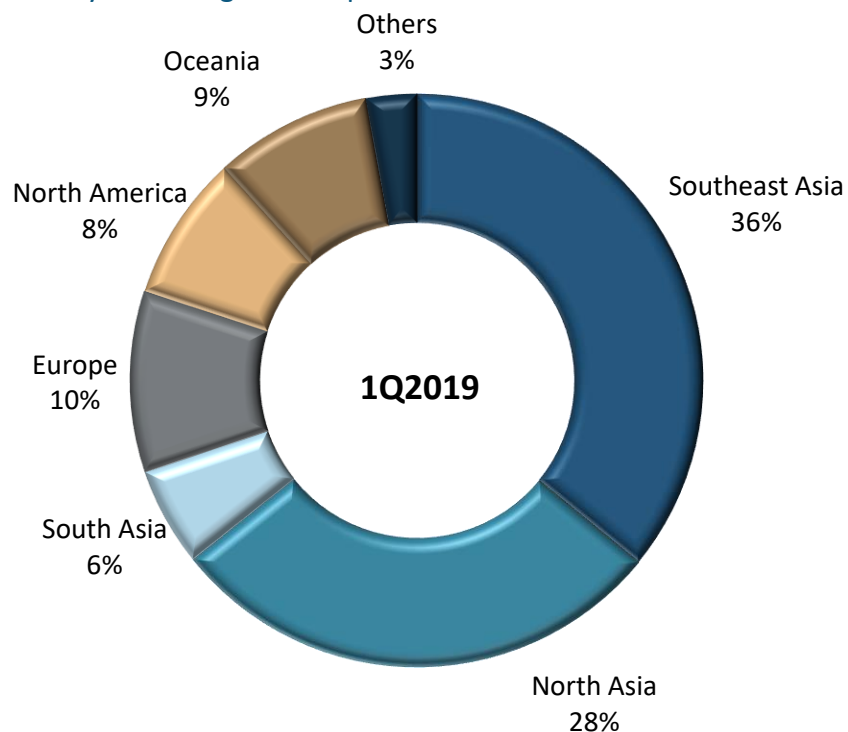
	<u>Revenue</u>			<u>Net Property Income</u>			<u>RevPAR</u>		
	1Q2019 S\$'000	1Q2018 S\$'000	Increase/ (Decrease) %	1Q2019 S\$'000	1Q2018 S\$'000	Increase/ (Decrease) %	1Q2019 S\$	1Q2018 S\$	Increase/ (Decrease) %
Mandarin Orchard Singapore (MOS)	17,568	18,634	(5.7)	16,772	17,836	(6.0)	211	232	(8.9)
Crowne Plaza Changi Airport (CPCA)	5,625	5,625	-	4,495	4,217	6.6	185	184	0.5
Hospitality segment	23,193	24,259	(4.4)	21,267	22,053	(3.6)	202	215	(6.2)

- The hospitality segment recorded lower revenue by S\$1.1 million in 1Q2019 as compared with 1Q2018.
- Master lease income from MOS was lower than 1Q2018 as a result of lower room revenue, due to lower average room rates due to lower demand from the corporate and wholesale segments, on the back of a soft trading environment with the absence of large-scale biennial events.
MOS also recorded lower F&B sales due to lower banquet sales following the suspension of services of the Grand Mandarin Ballroom and its attached kitchen, which was partially mitigated by compensation received, as well as lower sales from some of the F&B outlets.
- CPCA's operating performance improved marginally with a RevPAR of S\$185 in 1Q2019. Minimum rent was received for CPCA as the master lease income was below the minimum rent.

Hospitality – Customer Profile By Geography

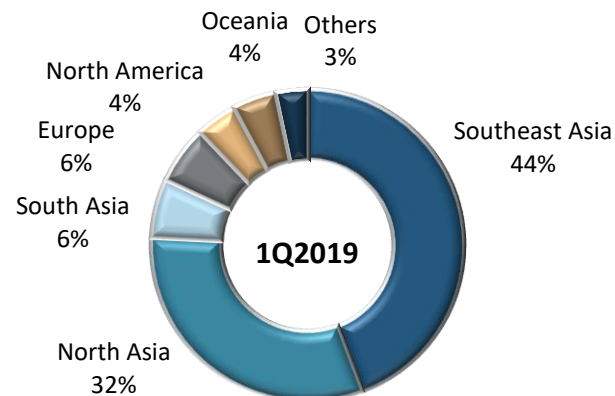
Portfolio Customer Profile

By Room Nights Occupied



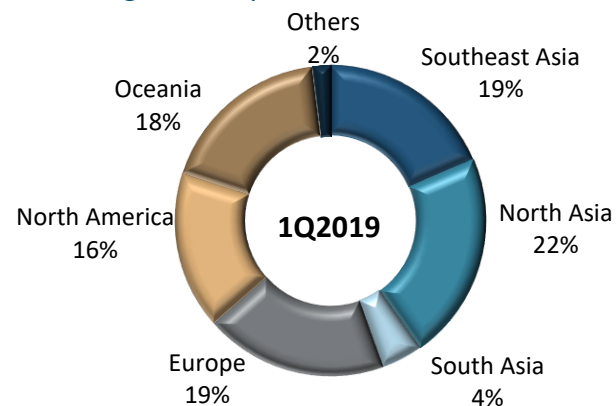
MOS Customer Profile

By Room Nights Occupied



CPCA Customer Profile

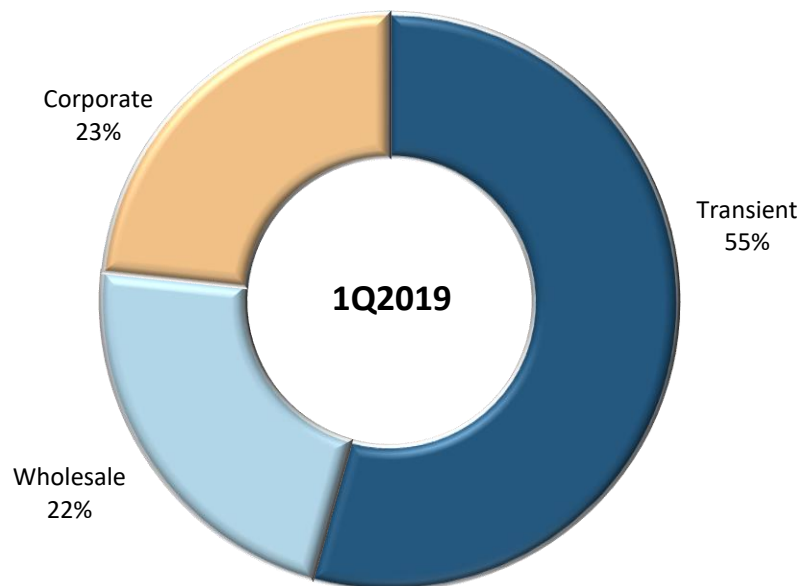
By Room Nights Occupied



Hospitality – Customer Profile By Segment

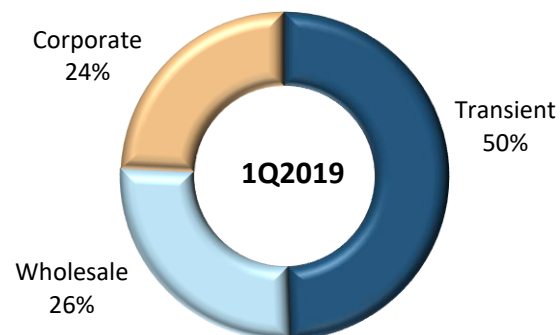
Portfolio Customer Profile

By Room Revenue



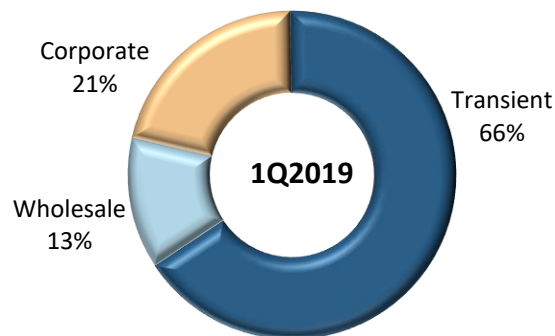
MOS Customer Profile

By Room Revenue



CPCA Customer Profile

By Room Revenue



“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.

Financial Highlights – Retail (Mandarin Gallery)

	1Q2019	1Q2018	Increase/ (Decrease)
	S\$'000	S\$'000	%
Gross Revenue	8,510	8,423	1.0
Property Expenses	(2,117)	(2,188)	(3.2)
Net Property Income	6,393	6,235	2.5

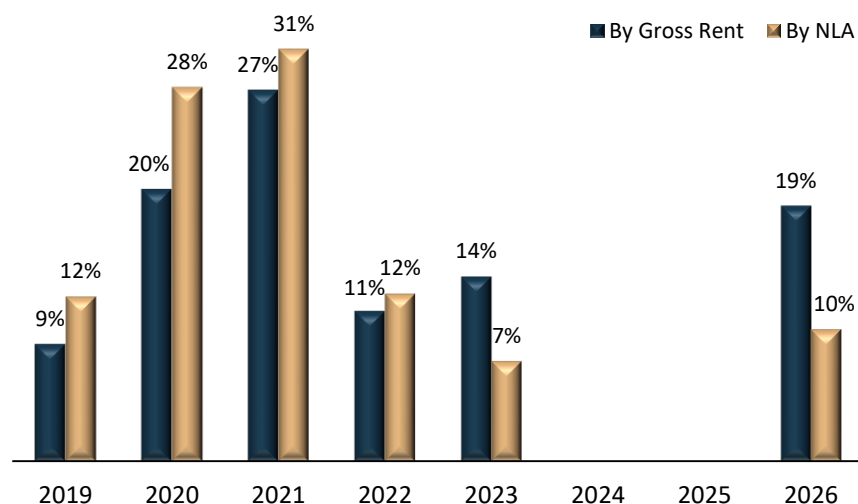
- Retail revenue was higher due to higher average occupancy of 98.4% during the quarter (1Q2018: 96.0%)
- NPI was higher by 2.5% from 1Q2018 as a result of higher revenue and lower property expenses

Retail segment pertains to rental and other income from the Mandarin Gallery shopping mall.

Mandarin Gallery Leasing Updates

Mandarin Gallery Lease Expiry Profile

As at 31 Mar 2019¹



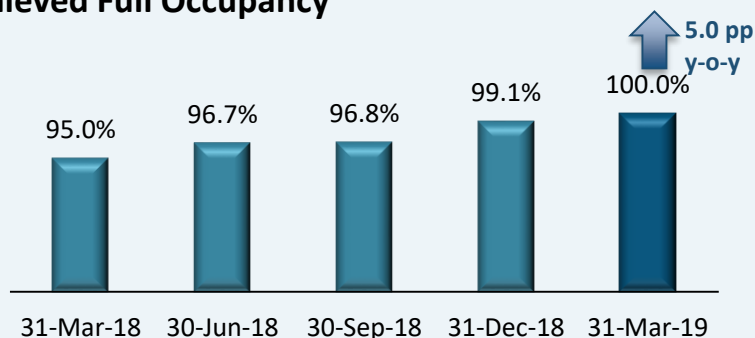
WALE² (by Gross Rent^{1,3}) : 3.3 yrs

WALE (by NLA^{1,4}) : 2.6 yrs

Notes:

1. Based on committed tenancies.
2. Weighted average lease expiry.
3. Excludes turnover rent.
4. Net lettable area.
5. Committed occupancy. Excludes pop-up stores.
6. Rental reversion is based on the variance between the average rental rates between the new leases and the preceding leases. Excludes units not leased for more than 12 months.

Achieved Full Occupancy



■ Achieved full occupancy⁵ as at 31 Mar 2019

Leasing Update

- Leases accounting for 5% of NLA were committed in 1Q2019 with positive rental reversions of 5.8%⁶
- Continue to focus on curating a differentiated mall offering

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 hotel 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.

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.

Notes:

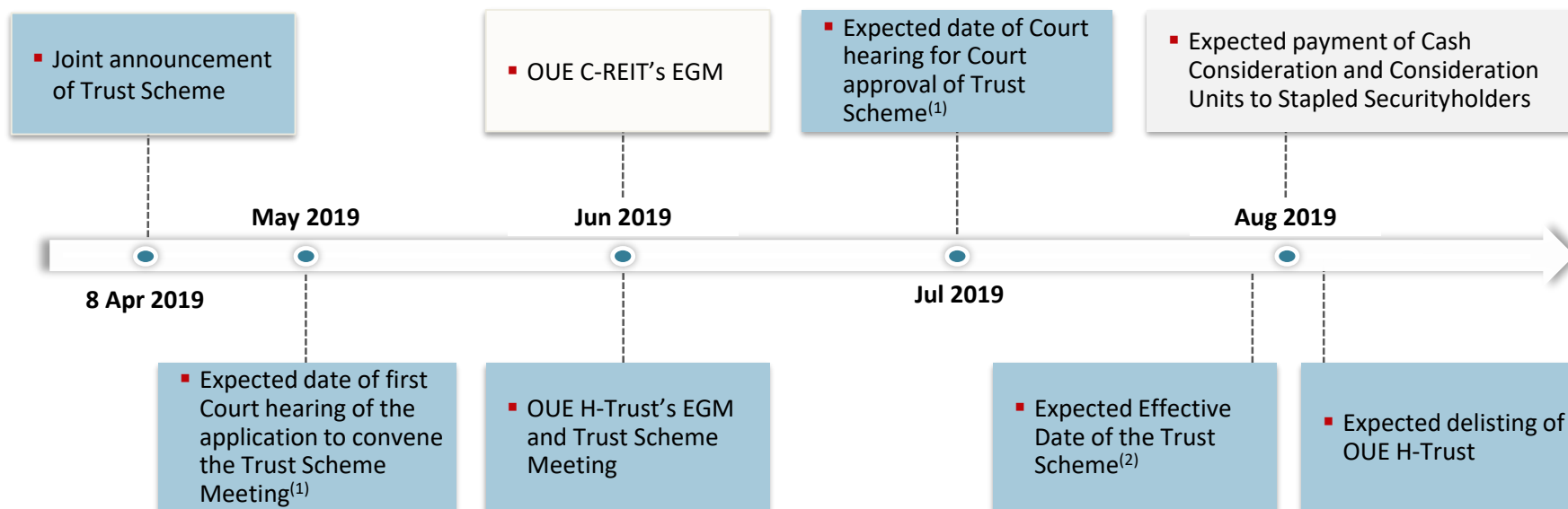
1. International Monetary Fund, World Economic Outlook Update, April 2019.
2. Ministry of Trade and Industry Singapore, Singapore’s GDP Grew by 1.3 Per Cent in the First Quarter of 2019, 12 April 2019
3. Singapore Tourism Board, International Visitor Arrivals Statistics, 1 April 2019.
4. The Business 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.
8. Jones Lang LaSalle, Property Market Monitor, April 2019.
9. CBRE Research, Singapore MarketView, Q1 2019.

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.



Note: The timeline above is indicative only and subject to change. Please refer to future SGXNET announcement(s) by the OUE C-REIT Manager and / or the OUE H-Trust Managers for the exact dates of these events.

(1) The dates of the Court hearings of the application to (a) convene the Trust Scheme Meeting and (b) approve the Trust Scheme will depend on the dates that are allocated by the Court.

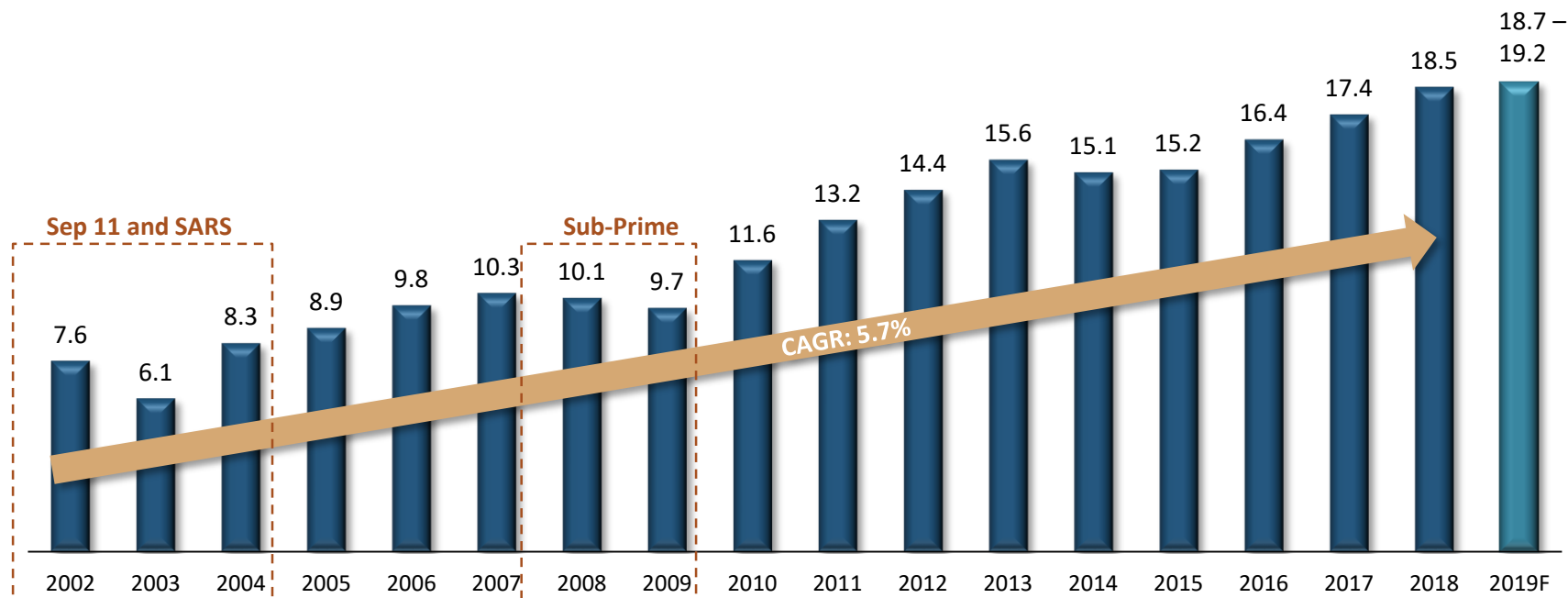
(2) The Trust Scheme will become effective upon the lodgement of the order of the Trust Scheme Court Order with the MAS or the notification to the MAS of the grant of the Trust Scheme Court Order, as the case may be, which shall be effected by the C-REIT Trustee within 10 Business Days from the date the last Scheme Condition as set out in paragraphs (a), (b), (c), (d), (e) and (f) of Schedule 2 to the joint announcement of the Proposed Merger dated 8 April 2019 has been satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement.



Thank You

Singapore Tourism Board Forecasts Up to 4% Growth in Visitor Arrivals For 2019

Historical And Forecast Visitor Arrivals In Singapore (million)¹



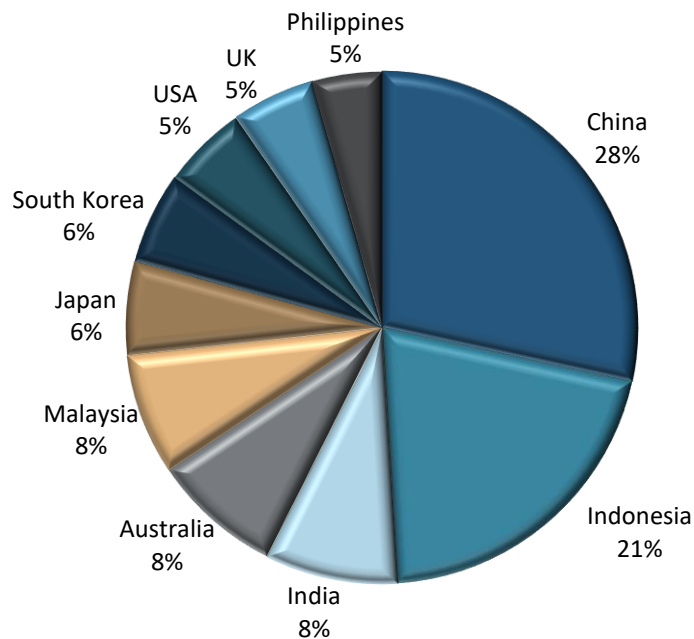
- Visitor arrivals grew 6.2% to 18.5 million in 2018 mainly due to robust travel demand and increased flight connectivity from China and India² with double-digit growth from USA and Vietnam
- For 2019, visitor arrivals are forecast to grow by up to 4% to 19.2 million³

Notes:

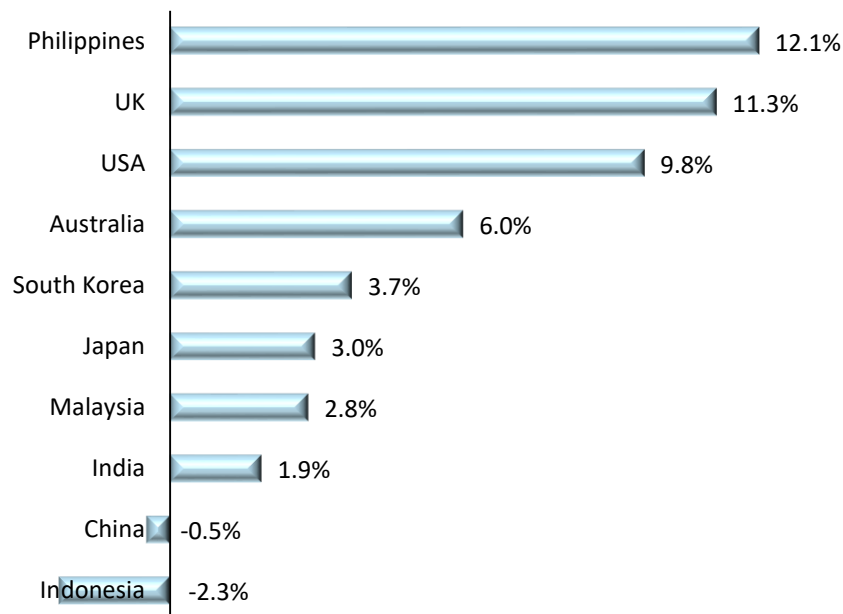
1. IPO Prospectus dated 18 July 2013 (2002 to 2012 visitor arrivals) and Singapore Tourism Board, International Visitor Arrivals.
2. Singapore Tourism Board, Third Consecutive Year of Growth for Singapore Tourism Sector in 2018, 13 February 2019.
3. Singapore Tourism Board, International Visitor Arrivals Statistics, 13 February 2019.

International Visitor Arrivals In Singapore (Top 10 Markets)

Visitor Arrivals (By Country)
YTD Feb 2019



Inbound Markets Growth Rate (Year-on-Year)
YTD Feb 2019

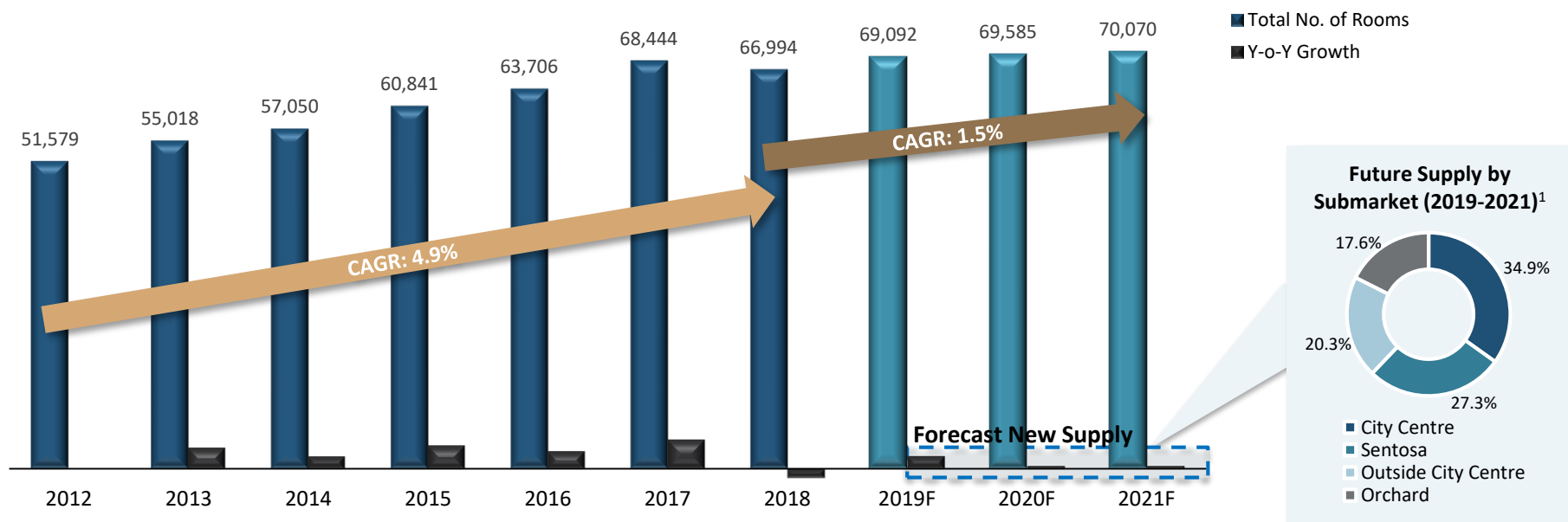


- **Continued growth seen in most top visitor markets with new highs from 3 out of top 10 markets: India, USA and Vietnam**

Source: Singapore Tourism Board, International Visitor Arrivals Statistics, 27 March 2019.

Hotel Room Supply To Remain Limited

Current And Forecasted Hotel Room Supply In Singapore (million)¹



- Hotel room supply growth is expected to ease to a CAGR of 1.5% from end-2018 to 2021
- New supply in 2019 is expected to be largely concentrated in Sentosa and City Centre, with limited supply in prime Orchard and Changi submarkets

Source: Singapore Tourism Board and Cushman & Wakefield research.

Upcoming Attractions & Developments



New theme attractions at Gardens by the Bay (2019)



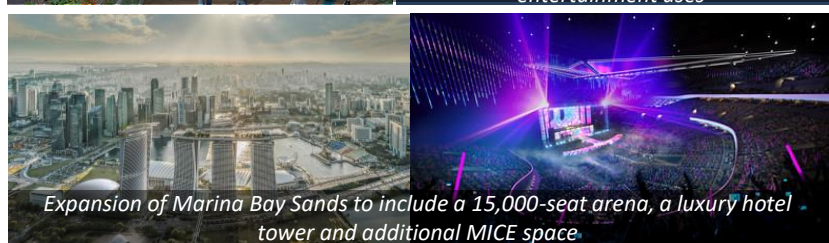
Rejuvenation and Expansion of Mandai Precinct (~2020)



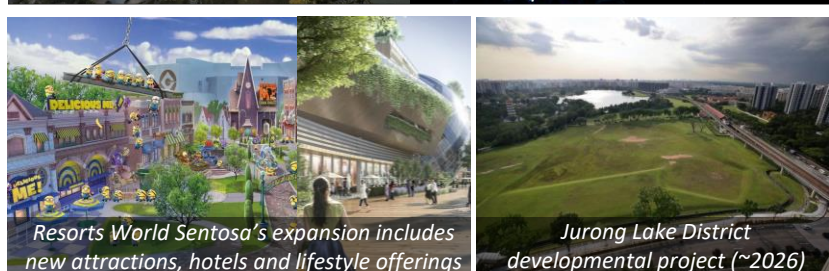
Sentosa Redevelopment (~2030)
Merlion Gateway (2021)



Greater Southern Waterfront (~2027):
housing, commercial and
entertainment uses



Expansion of Marina Bay Sands to include a 15,000-seat arena, a luxury hotel tower and additional MICE space



Resorts World Sentosa's expansion includes
new attractions, hotels and lifestyle offerings



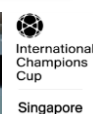
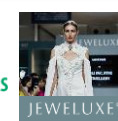
Jurong Lake District
developmental project (~2026)

Tourism Investment

- ✓ **Greater Flight Connectivity**
New and increased flights to key markets of China, India, Japan and USA
- ✓ **Strong Growth in Cruise Industry**
35% increase in total passenger output in 2018; Three-year tripartite partnerships with Costa Cruises and Cruise Lines International Association
- ✓ **Singapore is Qantas' largest hub outside Australia**, following a S\$5 million partnership between **Qantas, STB and Changi Airport**; and the opening of Qantas new First Lounge at Changi Airport end-2019

Source: Singapore Tourism Board and Singapore Airlines Media Releases

Strong Leisure & Entertainment Events Calendar



Enhanced Aviation Facilities At Changi Airport

- ✓ **Integration of Terminal 1's expansion with Jewel** will see increased capacity at Changi Airport
- ✓ **Passenger traffic** at Changi Airport grew 5.5% y-o-y to 65.6 million in 2018¹
- ✓ **Terminal 2 to commence expansion and upgrading of facilities²**
- ✓ **Opening of Terminal 5 by ~2030** will increase capacity to 150 million passengers per annum³



Notes:

1. Changi Airport Group, Changi Airport Crosses 65 Million Passenger Mark In 2018, 29 January 2019.
2. Channel News Asia, Jewel Changi Airport to open on Apr 17; Terminal 2 to be expanded, 7 March 2019.
3. Changi Airport Group, Annual Report 2017/18.

Connectivity To Jewel Changi Airport



- **Jewel Changi Airport is estimated to see about 40 million to 50 million domestic and international visitors a year, of which 40% will be overseas visitors¹**
- **Seamless connectivity (~5-minute walk) from CPCA to Jewel via a pedestrian bridge at Terminal 3**

Note:

1. The Business Times, Outstanding Chief Executive of the Year – Keeping Changi Airport's Flag Flying High, 26 April 2018.

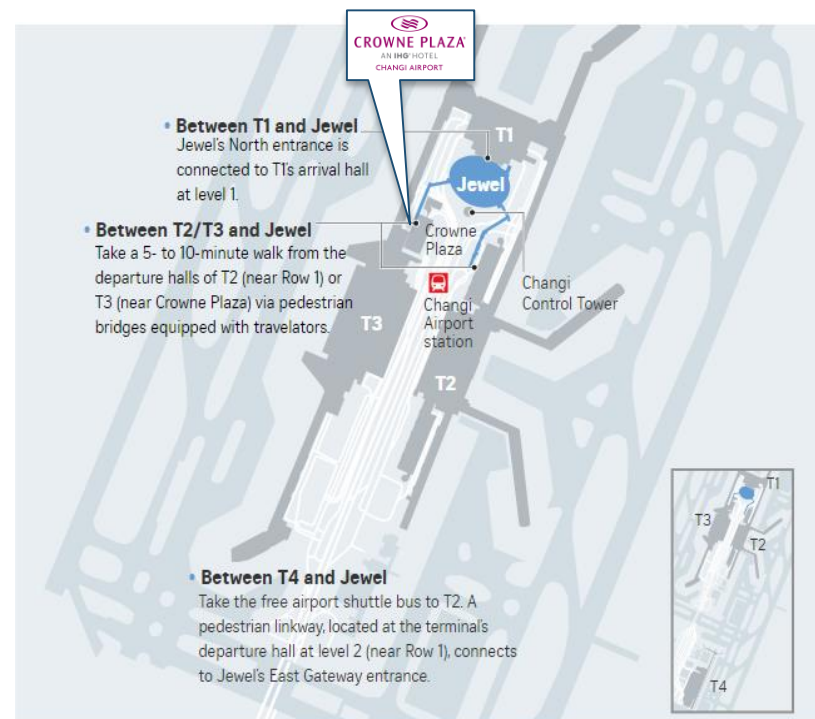


Illustration Source: The Straits Times, The crown Jewel of Changi Airport, 11 April 2019.

Planned Rejuvenation of Orchard Road

New Vantage Point

Elevated link-bridges at the junction of Orchard and Paterson Roads



New Lifestyle Experience

Covered canal behind Tudor Court can be turned into an courtyard space with public art and outdoor dining



New Mixed-use Developments

Above the upcoming Thomson-East Coast Line – Orchard Interchange MRT



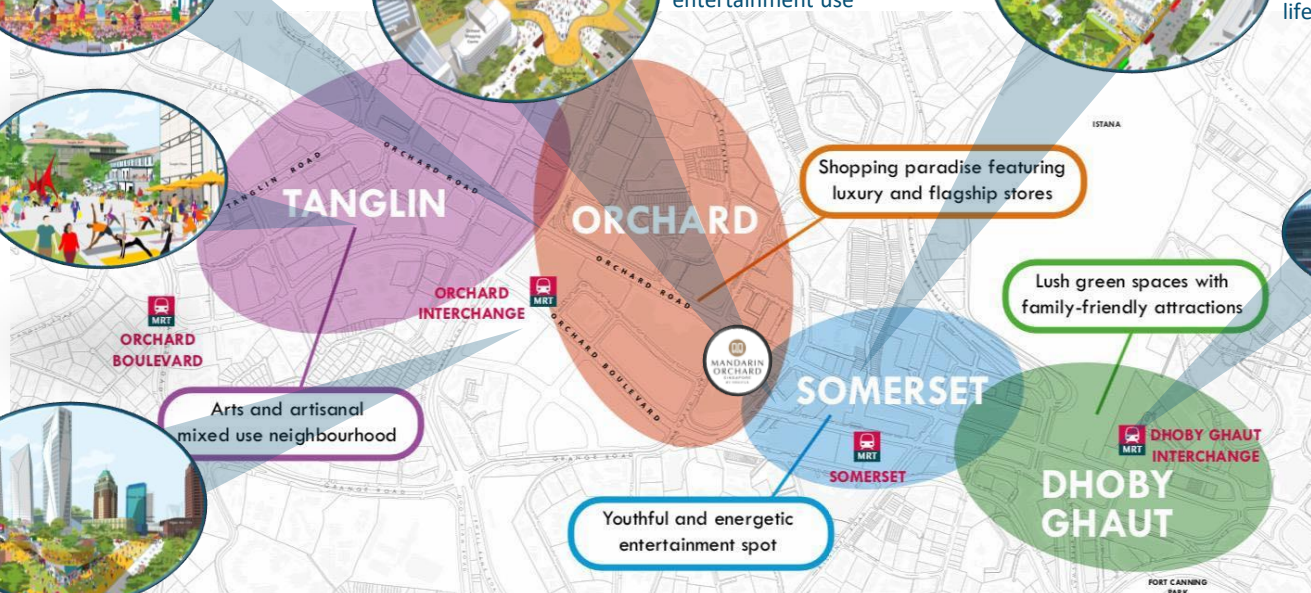
New Event Space

Transform carpark into a dedicated events space with dining and entertainment use



New Lifestyle Uses

Enhance connectivity across buildings and introduce more lifestyle uses

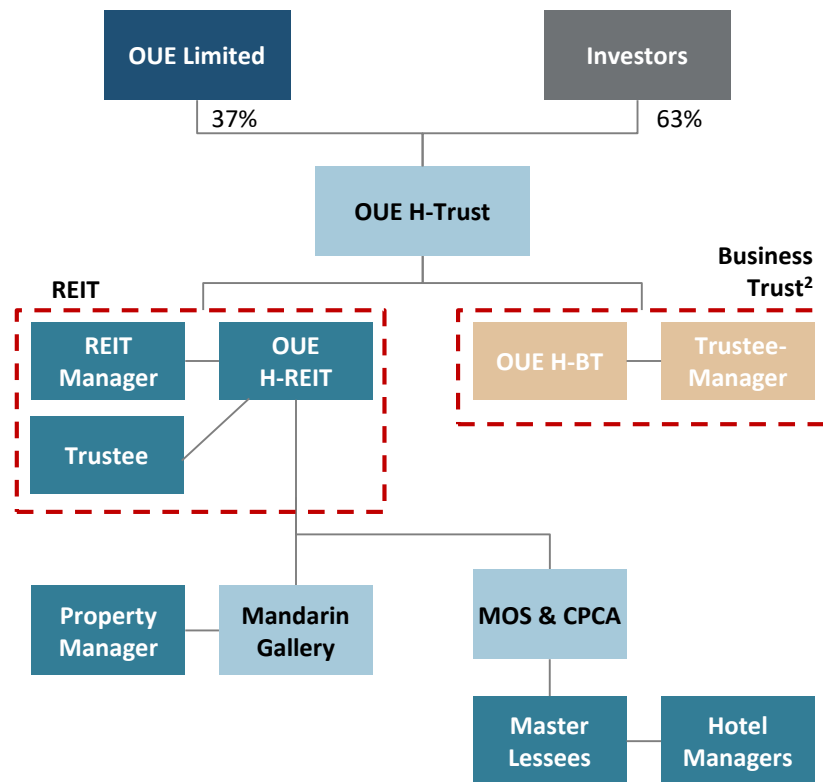


Green Oasis

Introduce new family-friendly features and play areas for children

- **New retail concepts, attractions, entertainment and events will be introduced to strengthen Orchard Road's position as a lifestyle destination, with the heart of Orchard Road to remain as the retail core**
- **Enlivening Orchard Road**
New monthly night-time event “Night at Orchard” organised by the Orchard Road Business Association, featuring arts, fashion, food and musical performances, will commence in May 2019

Overview of QUE H-Trust



Investment Mandate

- Investing, directly or indirectly, in a portfolio of income-producing real estate used primarily for hospitality and / or hospitality-related purposes¹, whether wholly or partially, as well as real estate-related assets

Quality Portfolio

- Total asset value of S\$2.3 billion

Income Stability

- Downside protection via Master Lease Agreements for MOS and CPCA
- WALE³ of approx. 3.3 years (by gross rent) for Mandarin Gallery

Strong Sponsor

- Committed Sponsor in QUE Limited which has proven track record in real estate ownership and operations
- Leverage on Sponsor's expertise in asset enhancement and redevelopment

Market Capitalisation

- S\$1.3 billion as at 31 March 2019 based on closing price of S\$0.725 per stapled security

Notes:

- 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.
- Dormant as at listing and is the master lessee of last resort.
- Weighted average lease expiry as at 31 March 2019.

Hospitality



Retail



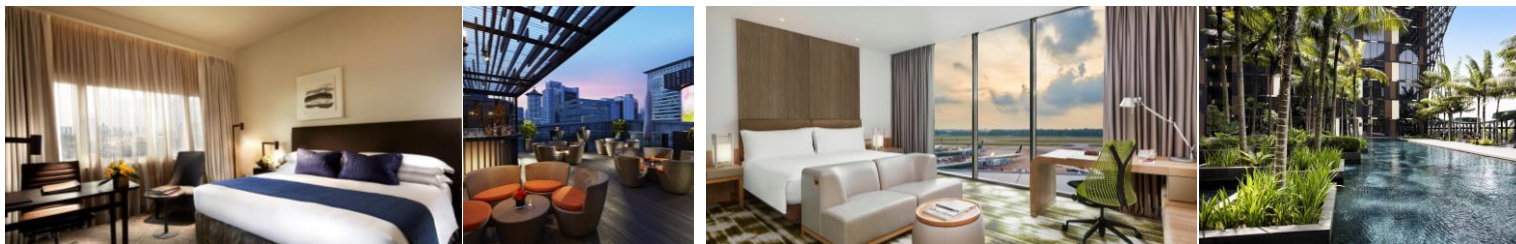
	Mandarin Orchard Singapore (MOS)	Crowne Plaza Changi Airport (CPCA)	Mandarin Gallery	Total
Description	A world class hospitality icon in Singapore since 1971, MOS is the largest hotel along Orchard Road with popular dining options including Chatterbox and the two-Michelin-starred Shisen Hanten by Chen Kentaro.	Located at Singapore Changi Airport and close to Changi Business Park, CPCA enjoys direct access to the airport's passenger terminals and is managed by InterContinental Hotels Group (IHG).	Prime retail landmark on Orchard Road with 152-metre wide frontage along Orchard Road – a preferred location for flagship stores of international brands. Tailored destination for its specific target audience.	
No. of Rooms	1,077	563	-	1,640
GFA (sq ft '000)	990	439	196 (NLA: 126)	1,625
Date of Purchase	25 July 2013	30 January 2015 (for the operating hotel) 1 August 2016 (for the extension)	25 July 2013	
Leasehold Tenure	99-yr lease commencing from 1 July 1957	74-yr lease commencing from 1 July 2009	99-yr lease commencing from 1 July 1957	
Valuation¹ (\$\$ mil)	1,227	497	494	2,218

Note:

1. As at 31 December 2018.

Downside Protection With Upside Potential

Hotel Master Lease Arrangements



Property	Mandarin Orchard Singapore	Crowne Plaza Changi Airport
No. of Guestrooms	1,077	563
Master Lease Rental	Variable Rent Comprising Sum of: (i) 33.0% of MOS GOR ¹ ; and (ii) 27.5% of MOS GOP ² ; subject to Minimum Rent of S\$45 million ³	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 GOP; and (iv) 80% of Gross Rental Income from leased space; subject to Minimum Rent of S\$22.5 million ³
Master Lessee	<ul style="list-style-type: none"> OUE Limited 	<ul style="list-style-type: none"> OUE Airport Hotel Pte. Ltd. (OUEAH)
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 	<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
	FF&E Reserve	Capital Replacement Contribution
	<ul style="list-style-type: none"> 3% of GOR 	<ul style="list-style-type: none"> Aligned with hotel management agreement between OUEAH and IHG Generally at 3% of GOR

Notes:

1. Gross operating revenue.

2. Gross operating profit.

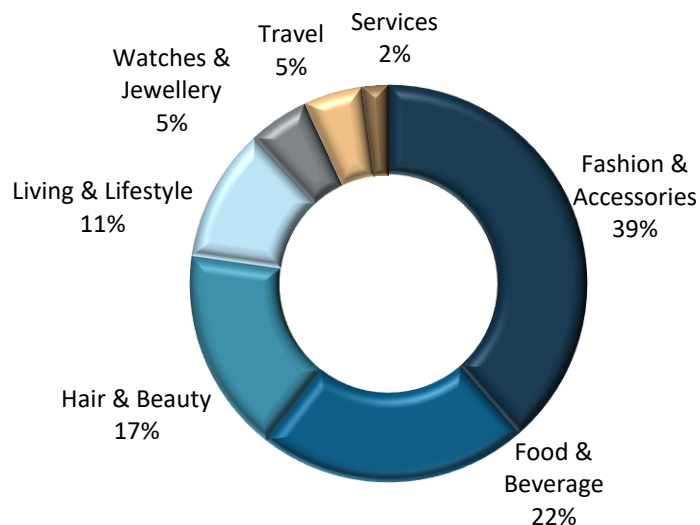
3. The rental under the Master Lease will be the minimum rent if the amount of variable rent for that operating year is less than the amount of minimum rent.

Mandarin Gallery - Tenant Mix

Quality and Differentiated Tenant Base

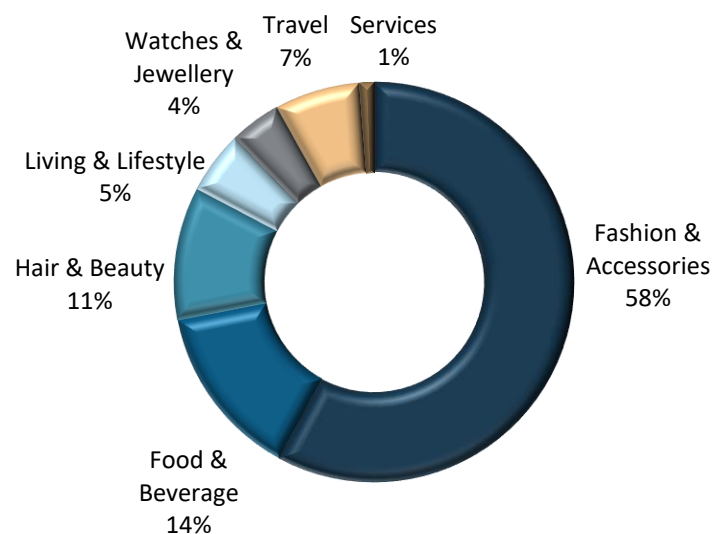
By NLA

As at 31 Mar 2019¹



By Gross Rent²

As at 31 Mar 2019¹



Retail



F&B



Notes:

1. Based on committed tenancies.
2. Excludes turnover rent.