OUE HOSPITALITY TRUST

Annual General Meeting

20 April 2016

OUE HOSPITALITY TRUST

Important Notice

The value of stapled securities in OUE Hospitality Trust ("**Stapled Securities**") and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, OUE Hospitality REIT Management Pte. Ltd. (as the manager of OUE Hospitality Real Estate Investment Trust), OUE Hospitality Trust Management Pte. Ltd. (as the trustee-manager of OUE Hospitality Business Trust) (collectively, the "**Managers**") or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE Hospitality Trust is not necessarily indicative of the future performance of OUE Hospitality Trust.

This presentation may contain forward-looking statements that involve risks and uncertainties. All statements regarding future financial position, operating results, business strategies, plans and future prospects of OUE Hospitality Trust are forward-looking statements. 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 Singapore Exchange Securities Trading Limited (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 presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities.

OUE HOSPITALITY TRUST

Overview of FY2015

OUE HOSPITALITY TRUST

FY2015 Overview

- The hospitality sector faced a challenging year in 2015.
- Singapore welcomed an estimated 15.2 million visitors in 2015, 0.9% higher than 2014[1].
- This was however at the lower range of the 0% to 3% growth forecast by the Singapore Tourism Board.
- OUE H-Trust's hotels, Mandarin Orchard Singapore (MOS) and Crowne Plaza Changi Airport (CPCA) turned in creditable results for the year. Both hotels achieved relatively resilient performance compared to the decline in RevPAR of Singapore hotels of 5.3%.
- MOS' RevPAR of $230 for 2015 was 3.8% lower than 2014 RevPAR of $239. CPCA achieved a RevPAR of $242 which is largely on par with the performance achieved in 2014 and therefore outperformed the market.
- The retail scene in Singapore remained challenging amidst Mandarin Gallery's lease renewal cycle in 2015 as tenants adopt a more cautious view of the market.
- Despite the challenging market, OUE H-Trust delivered higher distributable income for the second half of 2015 which partially mitigated the lower performance in the first half of the year.
- Overall, OUE H-Trust delivered a distribution per Stapled Security (DPS) of 6.55 cents for 2015 which translates to a distribution yield of 8.5% based on closing price on 31 December 2015 of $0.77 per Stapled Security.

1. The STB's press release titled "Mixed tourism sector performance in 2015 in the face of global headwinds" on 29 February 2016, which is available on the website of the STB at http://www.stb.gov.sg.

OUE HOSPITALITY TRUST

Financial Highlights & Capital Management

OUE HOSPITALITY TRUST

FY2015 Financial Highlights

	FY2015 S$'mil	FY2014 S$'mil	Increase/ (Decrease) S$'mil	Increase/ (Decrease) %
Gross revenue:				
- Hospitality	87.9	78.6	9.2	11.7
- Retail	36.7	37.2	(0.5)	(1.4)
	124.6	115.9	8.7	7.5
Net property income (NPI):				
- Hospitality	81.7	74.9	6.8	9.1
- Retail	27.4	28.3	(0.9)	(3.2)
	109.1	103.2	5.9	5.8
Distribution income	**87.4**	**89.0**	(1.6)	**(1.8)**
DPS (cents)	**6.55**	**6.74**	N.M.	**(2.8)**

- **Gross revenue and NPI for FY2015 were respectively $8.7 million and $5.9 million higher than FY2014. Hospitality segment posted higher revenue and NPI which offset the lower revenue and NPI from retail segment.**
- **Distribution income was 1.8% lower than FY2014 mainly due to lower contribution from Mandarin Orchard Singapore (MOS) and Mandarin Gallery. As a result, DPS for FY2015 was 6.55 cents as compared to FY2014 DPS of 6.74 cents.**

FY2015 vs FY2014 – Hospitality Highlights

	Revenue			Net property income (NPI)			RevPAR		
	FY2015	FY2014	Increase/ (Decrease)	FY2015	FY2014	Increase/ (Decrease)	FY2015	FY2014[1]	Increase/ (Decrease)
	S$'m	S$'m	S$'m	S$'m	S$'m	S$'m	S$	S$	%
MOS	73.5	78.6	(5.1)	69.7	74.9	(5.2)	230	239	(3.8)
CPCA	14.4	–	n.m.	12.0	–	n.m.	242	–	n.m.
Hospitality segment	87.9	78.6	9.3	81.7	74.9	6.8	233	239	(2.5)

- Hospitality revenue was $9.3 million higher than FY2014. This was a result of the additional $14.4 million of master lease income contribution from the newly acquired CPCA which more than offset the decrease of $5.1 million master lease income from MOS.

- Master lease income from MOS was $5.1 million lower than FY2014 as a result of lower room sales and lower GOP. The lower room sales as reflected in lower RevPAR of $230 (FY2014: $239) was mainly attributed to the absence of major meetings, incentives, convention and exhibition (MICE) events that were held in 2014 (and every subsequent alternate years). The drop in international visitor arrivals in the first half of FY2015 had also negatively impacted demand for hotel rooms. The lower GOP was due to lower sales as well as higher operating expenses.

- CPCA contributed $14.4 million master lease income in FY2015 and the RevPAR achieved was $242 and largely on par with FY2014 RevPAR.

- NPI for FY2015 was $6.8 million higher than FY2014 mainly due to master lease income from CPCA.

[1] *RevPAR was restated to be on the same basis as FY2015. The restatement of RevPAR has no impact to the computation of the master lease income received by OUE H-REIT.*

RevPAR: revenue per available room

n.m.: not meaningful

FY2015 vs FY2014 – Retail Highlights

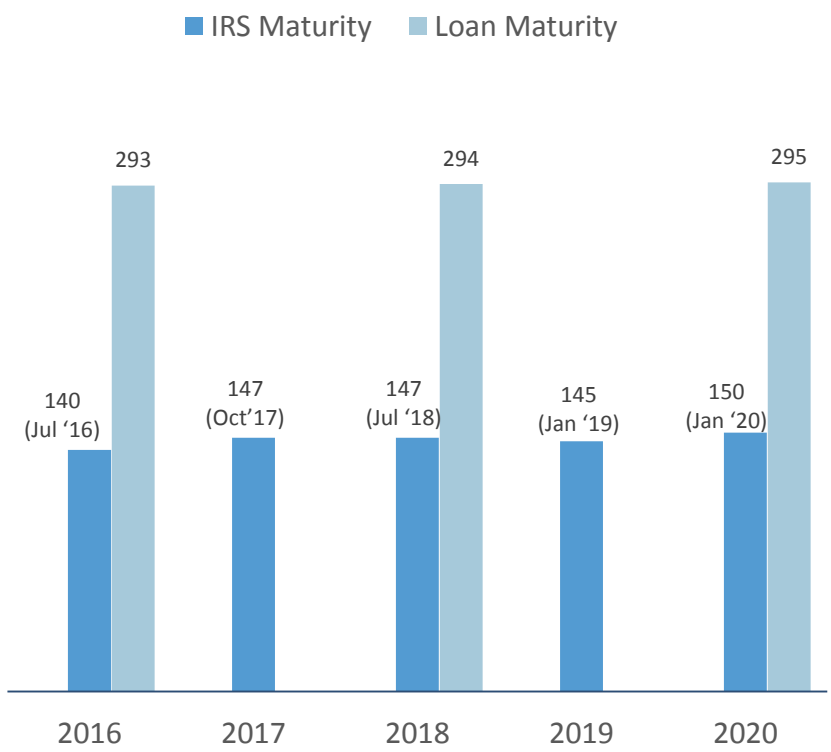
	FY2015 S$'mil	FY2014 S$'mil	Increase/ (Decrease) S$'mil	Increase/ (Decrease) %
Gross revenue:				
- Hospitality	87.9	78.6	9.2	11.7
- Retail	36.7	37.2	(0.5)	(1.4)
	124.6	115.9	8.7	7.5
Net property income (NPI):				
- Hospitality	81.7	74.9	6.8	9.1
- Retail	27.4	28.3	(0.9)	(3.2)
	109.1	103.2	5.9	5.8
Distribution income	**87.4**	**89.0**	(1.6)	**(1.8)**
DPS (cents)	**6.55**	**6.74**	N.M.	**(2.8)**

- Retail segment pertains to rental and other income from the Mandarin Gallery shopping mall.
- Retail revenue and NPI for FY2015 were $0.5 million and $0.9 million lower than FY2014 mainly due to lower occupancy and fitout periods for tenants arising from lease renewals.
- The mall recorded an effective rent per square foot per month of $24.7 for FY2015 as compared to $23.7 for FY2014.

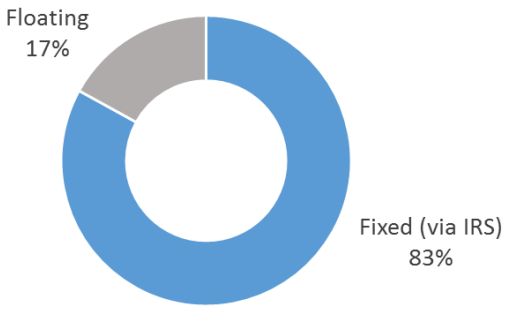
OUE HOSPITALITY TRUST

Capital Management (As at 31 Dec 2015)

Debt and Interest Maturity Profile ($ 'm)



Interest Rate Profile



Gearing	■ 42.0%
Average Cost of Debt	■ 2.7% (4Q2015)
Debt Maturity	■ Weighted average remaining tenor of 2.4 years
Interest Service Ratio	■ 4.3 times (4Q 2015)
Additional Facilities	■ $43 million Revolving Credit Facilities (undrawn)

OUE HOSPITALITY TRUST

Property Valuations

- As at 31 December 2015, independent full valuations for the properties were carried out by independent valuer HVS.
- Valuations were determined using the discounted cash flow analysis and sales comparison method.

Property	Valuation as at 31 Dec 2015 (S$'000)	Valuation as at 31 Dec 2014 (S$'000)
Mandarin Orchard Singapore	1,221,000	1,220,000
Mandarin Gallery	538,000	536,000
Crowne Plaza Changi Airport	295,000	N.A.
Total	2,054,000	1,756,000

OUE HOSPITALITY TRUST

Balance Sheet Highlights (As at 31 Dec 2015)

	S$ 'm
Investment Properties	2,054.0
Total assets	**2,100.9**
Borrowings (secured)[1]	877.2
Total liabilities	**893.9**
Net assets	**1,207.0**
NAV per Stapled Security (S$)	**0.90**
Closing price on 31 Dec 2015 (S$)	**0.77**
Discount to NAV (%)	*(14.4)%*

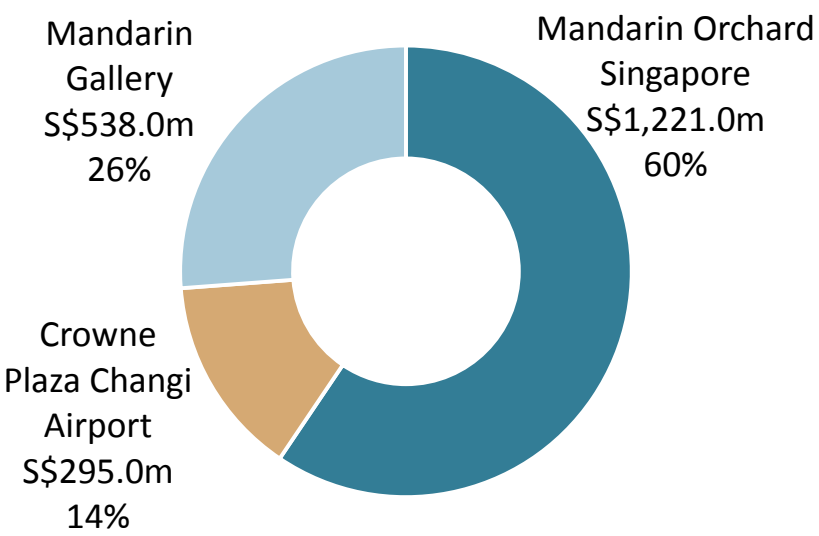
[1] Net of unamortised debt-related transaction costs

OUE HOSPITALITY TRUST

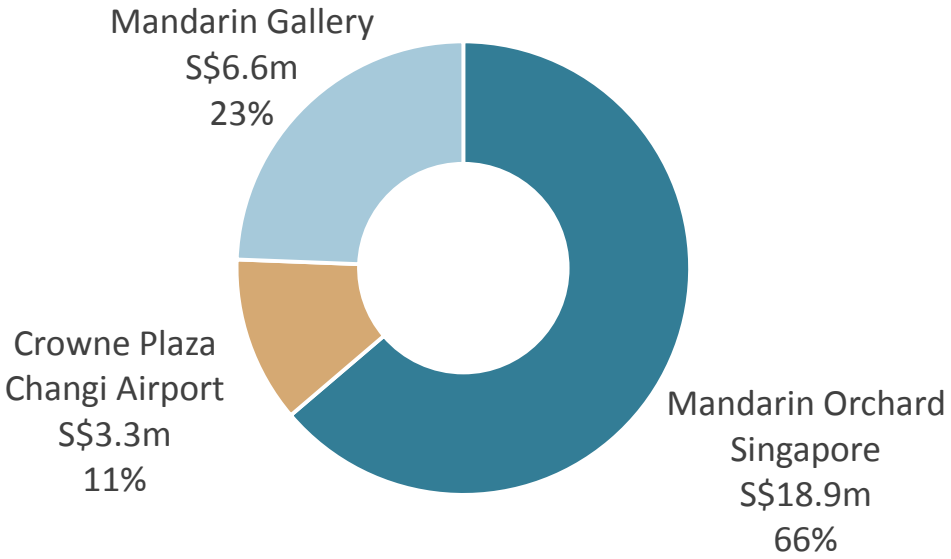
Portfolio Highlights

Asset Value and NPI Contribution

Breakdown by Asset Value[1]



4Q2015 Breakdown by NPI Contribution

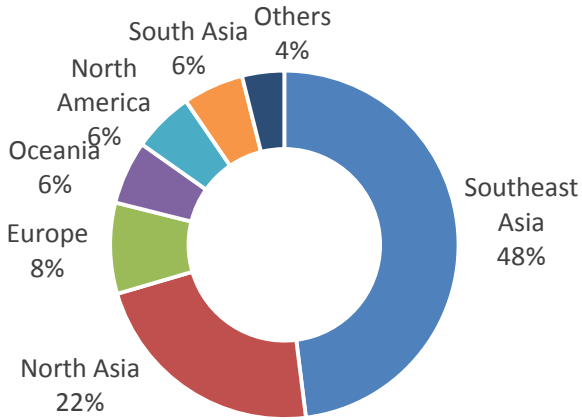


[1] Based on independent valuations as at 31 December 2015. Does not include Crowne Plaza Changi Airport extension which is currently under construction and completion of the acquisition will take place when it is completed and temporary occupation permit is obtained.

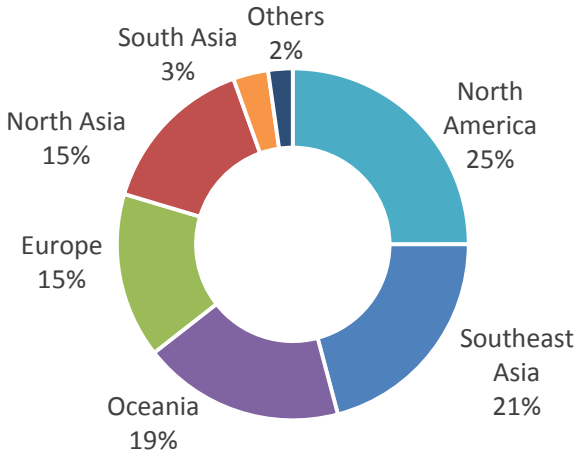
OUE HOSPITALITY TRUST

Portfolio Customer Profile (By Geography)

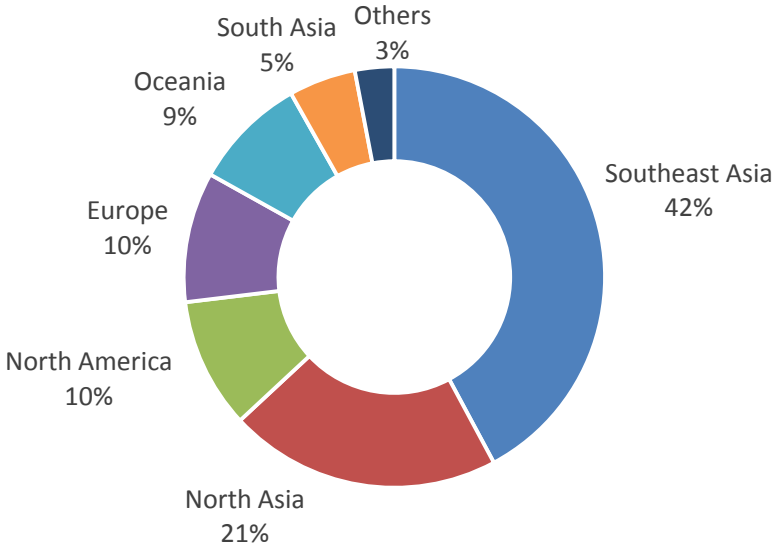
Customer Profile for Mandarin Orchard Singapore (By Geography Based on Room Nights Occupied) FY2015



Customer Profile for Crowne Plaza Changi Airport (By Geography Based on Room Nights Occupied) FY2015[1]



Portfolio Customer Profile (By Geography Based on Room Nights Occupied) FY2015[1]

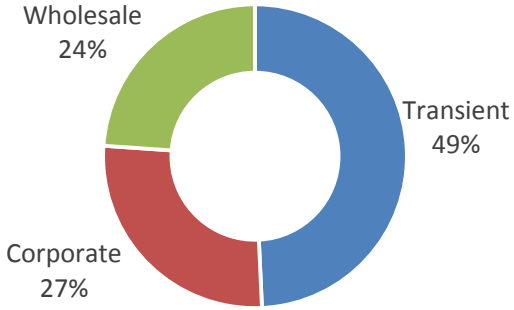


[1] Acquisition of Crowne Plaza Changi Airport (CPCA) was completed on 30 January 2015. Portfolio Customer Profile comprises MOS' customer profile for FY2015 and CPCA's customer profile for February to December 2015.

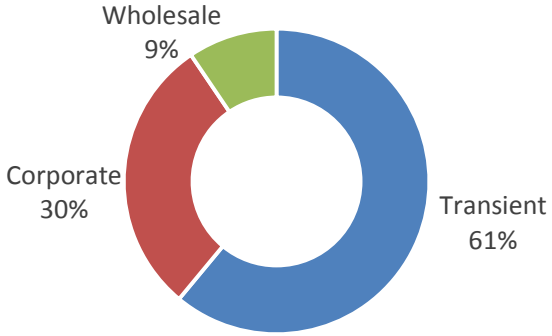
Note: *Excludes aircrew.*

Portfolio Customer Profile (By Segment Based on Room Revenue)

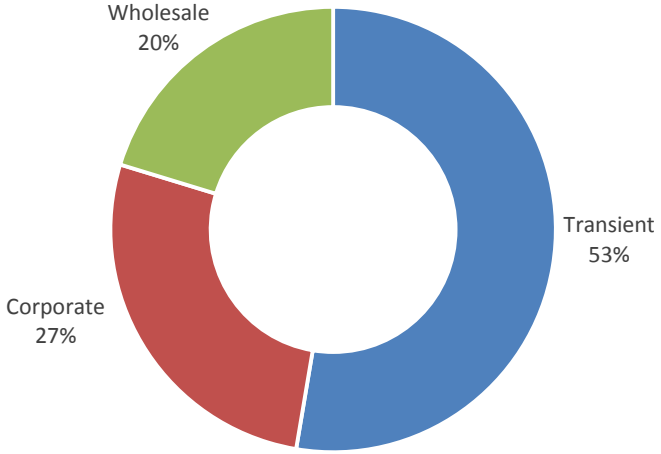
Customer Profile for Mandarin Orchard Singapore (By Segment Based on Room Revenue)[1] FY2015



Customer Profile for Crowne Plaza Changi Airport (By Segment Based on Room Revenue)[1,2] FY2015



Portfolio Customer Profile (By Segment Based on Room Revenue)[1, 2] FY2015



[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*

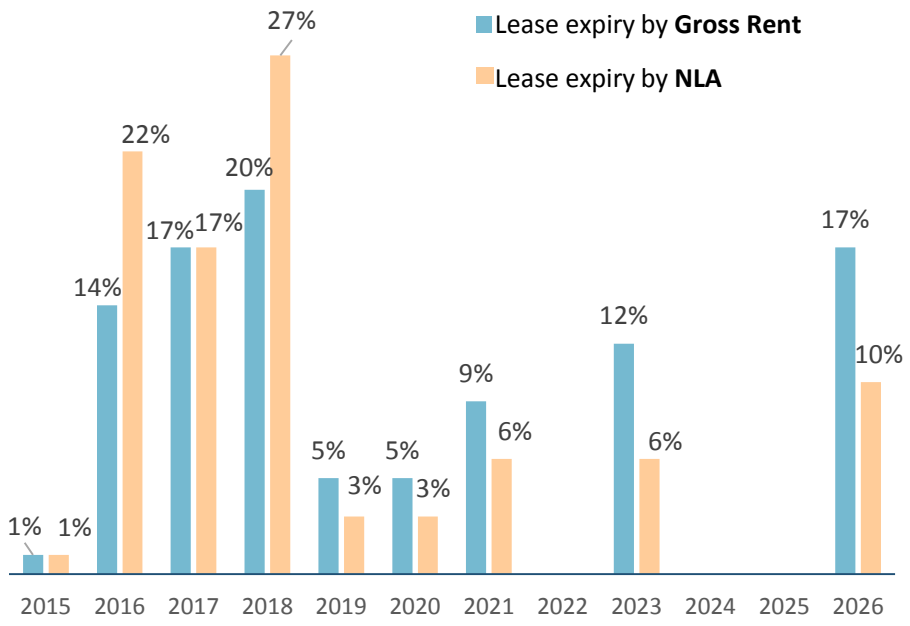
[2] Acquisition of Crowne Plaza Changi Airport (CPCA) was completed on 30 January 2015. Portfolio Customer Profile comprises MOS' customer profile for FY015 and CPCA's customer profile for February to December 2015.

***Note:** Excludes aircrew.*

Mandarin Gallery – Lease Profile

Mandarin Gallery Lease Expiry Profile

as at 31 December 2015[1]



As at 31 December 2015:

- Mandarin Gallery is approx. 94% committed
- Leases, accounting for approx. 50% of NLA, were committed in FY2015 with weighted average rental reversion of about 8.6%.

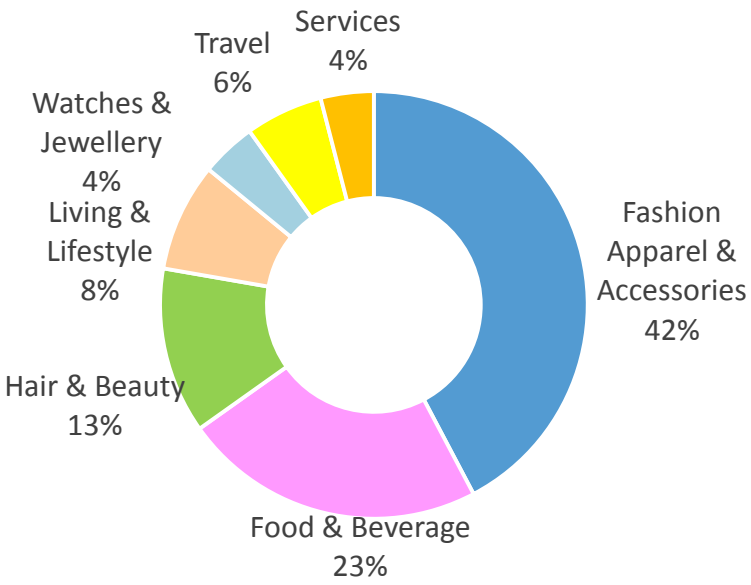
WALE[2] (by Gross Rent[1,3]) : 4.5 yrs

WALE (by NLA[1,4]) : 3.0 yrs

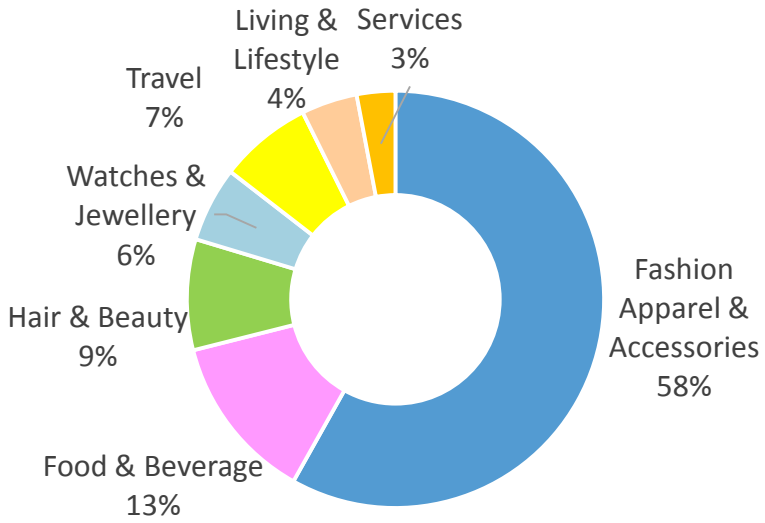
[1]Based on committed tenancies
[2]Weighted average lease expiry
[3]Excludes turnover rent
[4]Net lettable area

Mandarin Gallery - Tenant Mix

NLA
As at 31 Dec 2015[1]



Gross Rent (excludes turnover rent)
As at 31 Dec 2015[1]



[1]*Based on committed tenancies*

OUE HOSPITALITY TRUST

Outlook

OUE HOSPITALITY TRUST

Outlook

The STB reported a 0.9%[1] year-on-year increase in international visitor arrivals in 2015 and forecasts growth in visitor arrivals by up to 3% for 2016.

In 2016, Singapore will again host major biennial events which are expected to increase hospitality demand. Singapore has just hosted The Singapore Airshow and Food & Hotel Asia, and the World Rugby Sevens Series.

However, the global economic environment remains uncertain. According to Singapore's Ministry of Trade and Industry (the "MTI"), the estimated growth for Singapore is expected to be in the range of 1% to 3% for 2016 after achieving a growth rate of 2. 0% for 2015[2]. Against the backdrop of a subdued global and local economy, the tourism industry continues to face headwinds in the near term as consumers and corporates are likely to be conservative in their travel expenditures. In addition, the hospitality sector will remain competitive with the expected supply of new hotel rooms.

The acquisition of CPCA has increased the income and enhanced the diversification of OUE H-Trust. OUE H-Trust expects to acquire CPEX by the second half of 2016 following the completion of the construction of CPEX and upon receipt of its TOP.

The asset enhancement programme to renovate 430 guest rooms in Mandarin Orchard Singapore, which commenced in late-2013, will continue into 2016. The remaining guest rooms to be renovated will be refurbished in phases. This refurbishment is funded by the Sponsor, OUE Limited.

1. The STB's press release titled "Mixed tourism sector performance in 2015 in the face of global headwinds" on 29 February 2016, which is available on the website of the STB at http://www.stb.gov.sg.

2. The MTI's press release titled "MTI maintains 2016 GDP Growth Forecast of 1.0 to 3.0 Per Cent" on 24 February 2016, which is available on the website of the MTI at http://www.mti.gov.sg.

OUE HOSPITALITY TRUST

Outlook (cont'd)

The retail scene in Singapore is expected to remain challenging amidst Mandarin Gallery's lease renewal cycle in FY2016 as tenants adopt a more cautious view of the market. In addition, during tenancy changes as part of the lease renewal cycle, more fit-out periods is expected. As a result of the impact of slower lease renewals and more fit-out periods both by the landlord in between lease periods and by the tenants, Mandarin Gallery is expected to record lower occupancy in first half of FY2016.

Amongst the new leases signed are two with Michael Kors and Victoria's Secret which will launch their respective new flagship stores in FY2016. These two international brands will be calling Mandarin Gallery home for seven years and 10 years respectively. The longer terms of these leases will help anchor the mall's income stability in this challenging market. The addition of these two international brands will also enhance Mandarin Gallery's street front facade.

Mandarin Gallery will continue to focus on leveraging on its position as a high-end fashion mall and lifestyle destination to attract quality tenants and delight shoppers.

The Managers will continue to actively seek growth opportunities and yield accretive acquisitions from the Sponsor and third parties.

OUE HOSPITALITY TRUST

Post FY2015 Update

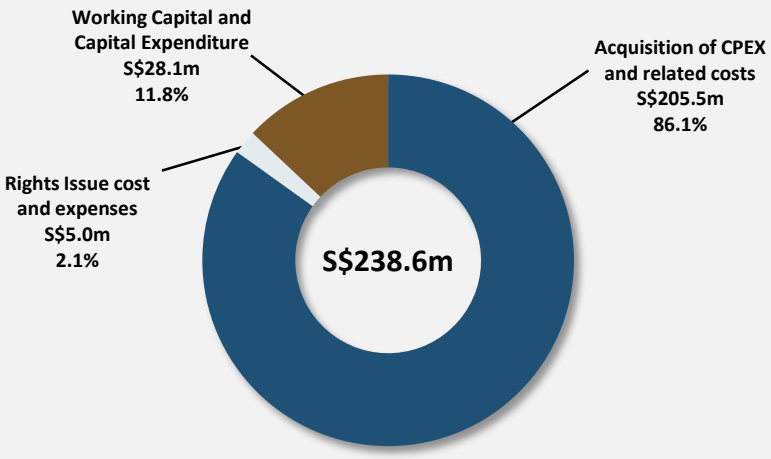
- Rights Issue Announced on 7 March 2016

OUE HOSPITALITY TRUST

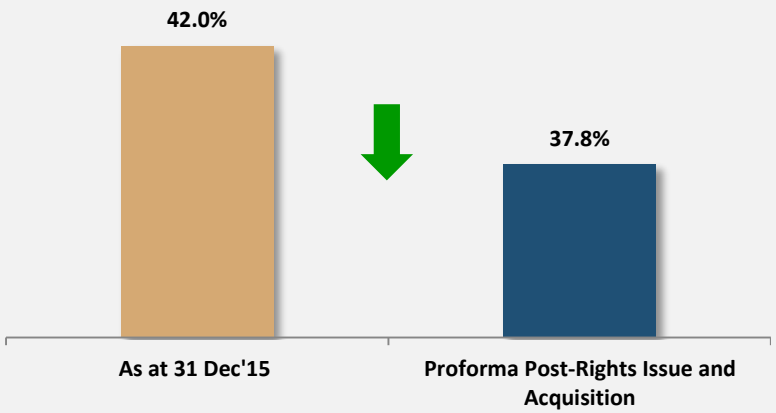
Highlights of the Rights Issue

- Rights Ratio of 33-for-100 to raise gross proceeds of S$238.6 million and net proceeds of S$233.6 million[1] was announced on 7 March 2016
- The Rights Issue closed on 4 April 2016 with a subscription rate of 139.9%
- The proceeds from the Rights Issue will be mainly used to fund the acquisition of Crowne Plaza Changi Airport extension (CPEX)[2]
- Post-Rights Issue and acquisition of CPEX, OUE H-Trust's financial flexibility is expected to be enhanced with reduced gearing from 42.0% to 37.8%[3], thus increasing the debt headroom to approximately S$306.0 million[4]

Use of Gross Proceeds of Rights Issue



Reduction in Gearing



The completion of acquisition of CPEX will take place after the construction of CPEX is completed (expected to be around mid-2016) and CPEX has obtained its Temporary Occupancy Permit

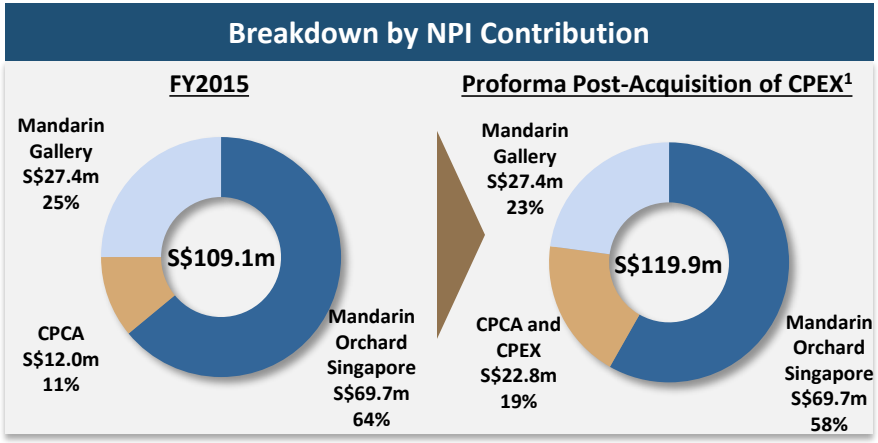
[1] Gross proceeds less costs and expenses relating to the rights issue
[2] As the completion of the Acquisition will only take place after the construction of CPEX is completed and CPEX has obtained its Temporary Occupancy Permit, the Managers may use the Rights Issue proceeds to repay outstanding borrowings in the interim
[3] As disclosed in the OIS dated 15 March 2016. Assuming the Acquisition is fully funded by the Rights Issue.
[4] As disclosed in the OIS dated 15 March 2016. Assuming an aggregate leverage, defined as the ratio of the value of borrowings and deferred payments (if any) to the value of the Deposited Property of OUE H-Trust, limit of 45.0%

OUE HOSPITALITY TRUST

Portfolio Mix Post-Acquisition of CPEX

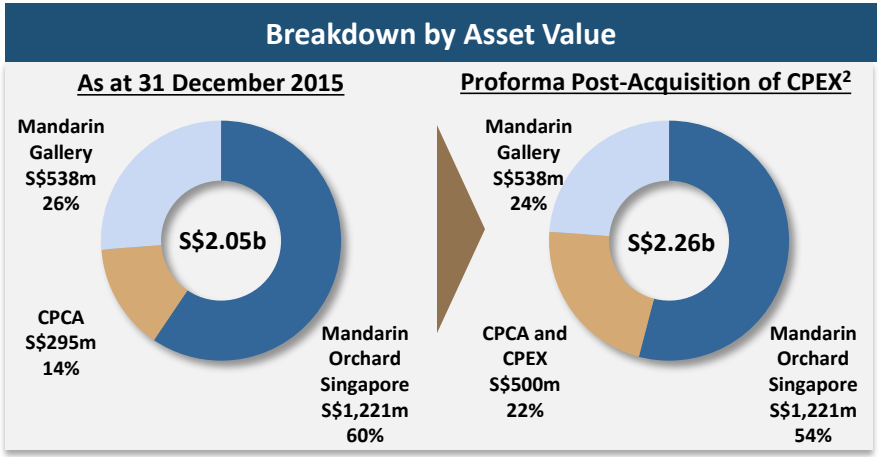
Enhanced diversification of OUE H-Trust

- OUE H-Trust's existing portfolio comprises Mandarin Orchard Singapore, CPCA and Mandarin Gallery
- The acquisition of CPEX would further reduce OUE H-Trust's single location concentration risk and reliance on the income stream from any single property



Increased portfolio size provides a stronger platform

- OUE H-Trust's asset portfolio will increase by 10.2% from S$2.05 billion to approximately S$2.26 billion[2] following the acquisition of CPEX



[1] As disclosed in the OIS dated 15 March 2016. Based on 2015 NPI of MOS and Mandarin Gallery and the expected annualised yield of 4.6% for the combined CPCA and CPEX for the pro forma FY2015

[2] As disclosed in the OIS dated 15 March 2016. Based on independent valuation as at 31 December 2015 for Mandarin Orchard Singapore, CPCA and Mandarin Gallery, and the agreed purchase price of CPEX

OUE HOSPITALITY TRUST

Thank You