OUE COMMERCIAL REIT



OUE Commercial REIT

Presentation for SGX-REITAS Webinar

7 April 2020

Important Notice

This presentation should be read in conjunction with the announcements released by OUE Commercial REIT ("OUE C-REIT") on 30 January 2020 (in relation to its Financial Results for 4th Quarter 2019) and on 26 March 2020 (in relation to the Re-branding of Mandarin Orchard Singapore As Hilton Orchard Singapore).

This presentation is for information purposes only and does not constitute an invitation, offer or solicitation of any offer to acquire, purchase or subscribe for units in OUE C-REIT ("Units"). The value of Units and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, OUE Commercial REIT Management Pte. Ltd. (the "Manager"), DBS Trustee Limited (as trustee of OUE C-REIT) or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE C-REIT is not necessarily indicative of the future performance of OUE C-REIT.

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. These forward-looking statements speak only as at the date of this presentation. Past performance is not necessarily indicative of future performance. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. 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 Manager's current view of future events.

Investors should note that they will have no right to request the Manager to redeem their Units while the Units are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The information and opinions contained in this presentation are subject to change without notice.

Agenda

- Overview
- Financial Performance and Capital Management
- Commercial Segment
- Hospitality Segment
- Re-branding of Mandarin Orchard Singapore
- Appendices

Overview



Overview of OUE C-REIT

S$1.9billion(1)

Market Capitalisation

Total assets

S$6.8billion

7 High quality prime assets

6 properties in Singapore and 1 property in Shanghai



OUE Bayfront


One Raffles Place


OUE Downtown Office


Lippo Plaza


Mandarin Orchard Singapore



Crowne Plaza Changi Airport



Mandarin Gallery

Strong Sponsor **OUE Limited**

S$10.7billion

Total Assets (as at 31 December 2019)

Income Stability

S$67.5million p.a.

minimum rent under hotel master lease arrangements

Expanded Investment Mandate

✓ **Commercial**

✓ **Hospitality / Hospitality-related**

(1) Based on unit closing price of S$0.35 as at 31 March 2020

Milestones Since Listing

- Strategic growth track with two acquisitions and asset enhancement initiatives ("AEI") at two properties
- Transformative merger with OUE Hospitality Trust creates one of the largest diversified S-REITs

FY2014

S$1.6b AUM



Listed on SGX-ST with two assets – OUE Bayfront and Lippo Plaza

FY2015

S$3.4b AUM



Maiden acquisition of One Raffles Place (67.95% effective interest)

Established S$1.5 billion Multi-Currency Debt Issuance Programme

FY2016

S$3.4b AUM

Completed AEI to upgrade common areas and restrooms at Lippo Plaza office tower



Commenced AEI at One Raffles Place Tower 1 to upgrade mechanical and engineering equipment

FY2017

S$3.5b AUM

Debut issuance of S$150 million 3.03% fixed rate notes due 2020

FY2018

S$4.5b AUM



Completed acquisition of OUE Downtown Office

Commenced AEI at One Raffles Place Shopping Mall with co-working operator Spaces anchoring the AEI

FY2019

S$6.8b AUM

OUE COMMERCIAL REIT + OUE HOSPITALITY TRUST

Merger by way of a trust scheme of arrangement (effective from 4 Sep 2019)



Premium Portfolio of Assets





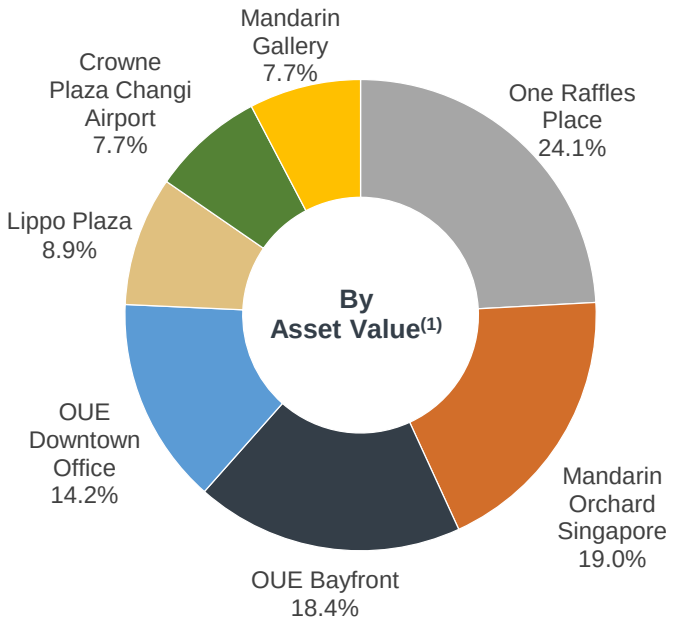


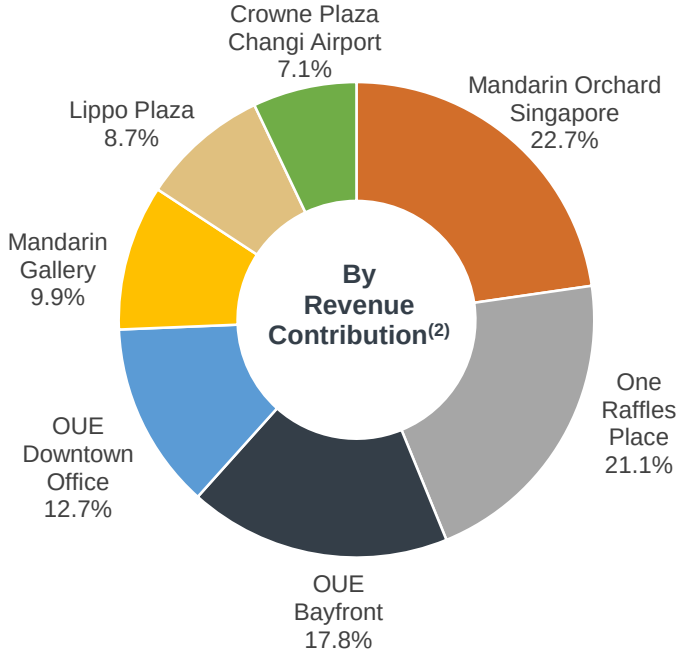


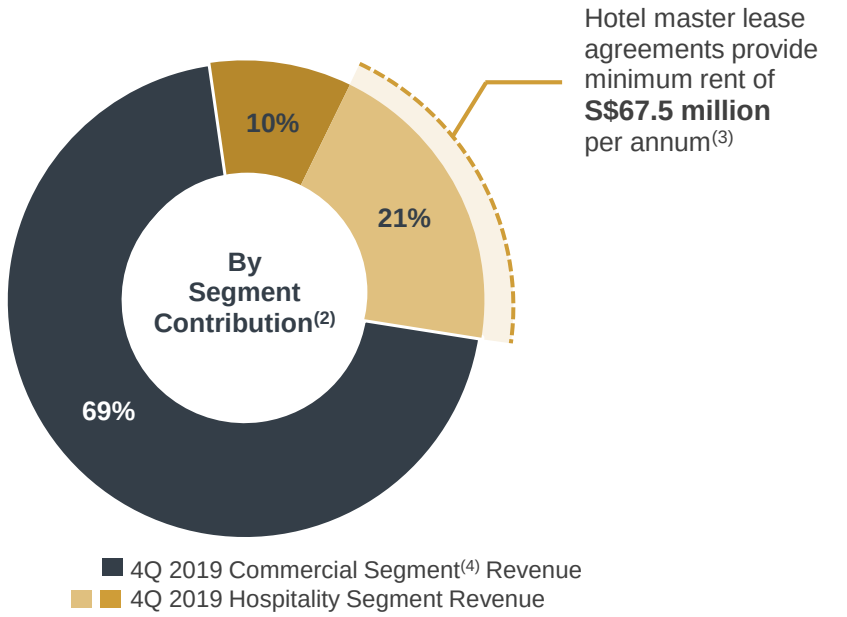

	OUE Bayfront	One Raffles Place	OUE Downtown Office	Lippo Plaza	Mandarin Gallery	Mandarin Orchard Singapore	Crowne Plaza Changi Airport	Total
Description	Premium Grade A office building located at Collyer Quay between the Marina Bay downtown and Raffles Place	Comprises two Grade A office towers and a retail mall located in Singapore's CBD at Raffles Place	Grade A office space, a mixed-used development with offices, retail and serviced residences at Shenton Way	Grade A commercial building located in Huangpu, one of Shanghai's established core CBD locations	Prime retail landmark on Orchard Road – preferred location for flagship stores of international brands	A world class hospitality icon in Singapore since 1971, MOS is the largest hotel along Orchard Road	Located at Singapore Changi Airport and close to Changi Business Park with seamless connectivity to Jewel Changi Airport	**NLA:** **Office: 1,869,003** **Retail: 307,561** **Overall: 2,176,564** **1,640 hotel rooms**
Attributable NLA (sq ft)	Office: 378,692 Retail: 21,132	Office: 598,814 Retail: 99,370	Office: 530,487	Office: 361,010 Retail: 60,776	Retail : 126,283	1,077 hotel rooms	563 hotel rooms	
Occupancy[1]	Office: 99.3% Retail: 100.0% Overall: 99.4%	Office: 95.1% Retail: 98.1% Overall: 95.6%	Office: 93.8%	Office: 89.9% Retail: 99.3% Overall: 91.3%	Retail: 98.3%	-	-	**Office: 94.6%** **Retail: 98.5%** **Overall: 95.2%**
Leasehold Tenure	OUE Bayfront & OUE Tower: 99 yrs from 12 Nov 2007 OUE Link: 15 yrs from 26 Mar 2010 Underpass: 99 yrs from 7 Jan 2002	Office Tower 1: 841 yrs from 1 Nov 1985 Office Tower 2: 99 yrs from 26 May 1983 75% of Retail mall: 99 yrs from 1 Nov 1985	99 yrs from 19 July 1967	50 yrs from 2 July 1994	99 yrs from 1 July 1957	99 yrs from 1 July 1957	74 yrs from 1 July 2009	**-**
Valuation[2]	S$1,181.0m (S$2,954 psf)	S$1,862.0m[3] (S$2,667 psf)	S$912.0m (S$1,719 psf)	RMB2,950.0m / RMB50,409 psm S$570.5m[4] (S$1,353 psf)	S$493.0m (S$3,904 psf)	S$1,228.0m (S$1.1m / key)	S$497.0m (S$0.9m / key)	**S$6,743.5m**

(1) Committed occupancy as at 31 December 2019
(2) As at 31 December 2019
(3) Based on OUB Centre Limited's 81.54% interest in One Raffles Place. OUE C-REIT has an indirect 83.33% interest in OUB Centre Limited held via its wholly-owned subsidiaries
(4) Based on SGD:CNY exchange rate of 1:5.171 as at 31 December 2019

Portfolio Composition







- 91.1% of portfolio located in Singapore
- No single asset contributes more than 22.7% to total revenue
- For 4Q 2019, approximately 68.1% of hospitality segment revenue supported by the minimum rent under the respective master lease agreements

(1) Based on independent valuations as at 31 December 2019 and OUE C-REIT's proportionate interest in One Raffles Place
(2) For 4Q 2019 based on OUE C-REIT's proportionate interest in One Raffles Place
(3) Mandarin Orchard Singapore and Crowne Plaza Changi Airport's master lease agreements are subject to a minimum rent of S$45.0 million and S$22.5 million per annum respectively, totalling S$67.5 million per annum
(4) Commercial segment comprises OUE Bayfront, One Raffles Place (67.95% effective interest), OUE Downtown Office, Lippo Plaza (91.2% strata interest) and Mandarin Gallery

Financial Performance & Capital Management



4Q 2019 Key Highlights

First full quarter results after merger with OUE Hospitality Trust ("OUE H-Trust") which completed on 4 September 2019

Financial Highlights

Net Property Income	Amount to be Distributed (after retention)	Distribution per Unit
S$70.6 million	**S$45.1** million	**0.84** cents
▲ **92.6%** YoY	▲ **109.9%** YoY	▲ **12.0%** YoY

Portfolio & Financial Management

Commercial Portfolio Committed Occupancy	Hospitality Portfolio RevPAR	Aggregate Leverage
95.2%	**S$216**	**40.3%**
4Q 2018: 94.7%	▲ **1.9%** YoY	4Q 2018: 39.3%

- Continued leasing momentum led to improved committed occupancy and positive rental reversions in the range of 9.4% to 26.5% for OUE C-REIT's Singapore office portfolio in 4Q 2019
- Higher average passing rents achieved for Singapore office in 4Q 2019
- Crowne Plaza Changi Airport surpassed its minimum rent for FY2019

Commercial portfolio comprises OUE Bayfront, One Raffles Place (67.95% effective interest), the office components of OUE Downtown, Lippo Plaza (91.2% strata interest) and Mandarin Gallery
RevPAR: Revenue per available room

4Q 2019 vs 4Q 2018

	4Q 2019 (S$m)	4Q 2018 (S$m)	Change (%)
Revenue	**86.8**	48.0	80.7
Net Property Income	**70.6**	36.6	92.6
Amount Available for Distribution	**46.6**	21.5	116.9
Amount to be Distributed (after retention)	**45.1**	21.5	109.9
DPU (cents)	**0.84**[1]	0.75[2]	12.0

- Net property income in 4Q 2019 was S$70.6 million, 92.6% higher YoY due primarily to a full quarter's contribution of the merger with OUE H-Trust which was effective from 4 September 2019, augmented by contribution from OUE Downtown Office which was acquired in November 2018.
- Higher net property income and the drawdown of OUE Downtown Office's income support, partially offset by higher interest expenses in 4Q 2019 from higher borrowings, resulted in amount available for distribution of S$46.6 million.
- Amount to be distributed after retention for working capital purposes for 4Q 2019 is S$45.1 million, translating to DPU of 0.84 cents.

(1) Based on 5,392 million Units in issue and to be issued as at 31 December 2019
(2) Based on 2,862 million Units in issue and to be issued as at 31 December 2018

FY2019 vs FY2018

	FY2019 (S$m)	FY2018 (S$m)	Change (%)
Revenue	**257.3**	176.4	45.9
Net Property Income	**205.0**	138.2	48.3
Amount Available for Distribution	**124.7**	71.3	74.9
Amount to be Distributed (after retention)	**123.2**	71.3	72.8
DPU (cents)	**3.31**[(1)]	3.48[(2)]	(4.9)

- Net property income of S$205.0 million in FY2019 was 48.3% higher YoY due primarily to contribution from the merger with OUE H-Trust which was effective from 4 September 2019, augmented by a full year's contribution from OUE Downtown Office which was acquired in November 2018.
- Higher net property income and the drawdown of OUE Downtown Office's income support, partially offset by higher interest expenses in FY2019 from higher borrowings, resulted in amount available for distribution of S$124.7 million, 74.9% higher YoY.
- Amount declared for distributed after retention for working capital purposes in FY2019 is S$123.2 million, translating to DPU of 3.31 cents.

(1) Based on 5,392 million Units in issue and to be issued as at 31 December 2019
(2) Based on 2,862 million Units in issue and to be issued as at 31 December 2018

Balance Sheet as at 31 Dec 2019

S$ million	As at 31 Dec 2019
Investment Properties	6,770.2
Total Assets	6,888.2
Borrowings	2,687.1
Total Liabilities	2,960.0
Net Assets Attributable to Unitholders	3,318.4

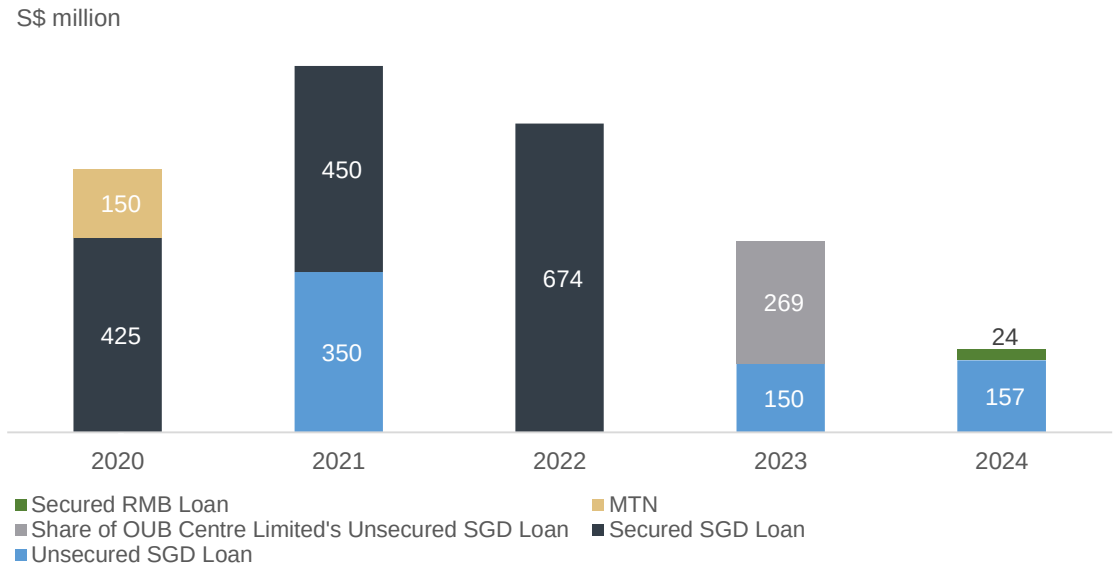
Units in issue and to be issued (’000)	5,392,459
NAV per Unit (S$)	0.62

Capital Management

- Aggregate leverage as at 31 December 2019 was 40.3%, with weighted average cost of debt of 3.4% per annum
- With 75.0% of debt on fixed rate basis, earnings are mitigated against interest rate fluctuations
- S$2.0 billion multi-currency debt issuance programme established on 20 March 2020 enables OUE C-REIT to tap on diversified sources of funding

	As at 31 Dec 2019	As at 30 Sep 2019
Aggregate Leverage	40.3%	40.5%
Total debt	S$2,648m(1)	S$2,651m(2)
Weighted average cost of debt	3.4% p.a.	3.5% p.a.
Average term of debt	2.2 years	2.4 years
% fixed rate debt	75.0%	73.4%
% unsecured debt	40.6%	40.6%
Average term of fixed rate debt	1.9 years	2.0 years
Interest cover ratio	3.3x	3.1x

Debt Maturity Profile as at 31 December 2019



(1) Based on SGD:CNY exchange rate of 1:5.171 as at 31 December 2019 and includes OUE C-REIT's share of OUB Centre Limited's loan
(2) Based on SGD:CNY exchange rate of 1:5.157 as at 30 September 2019 and includes OUE C-REIT's share of OUB Centre Limited's loan

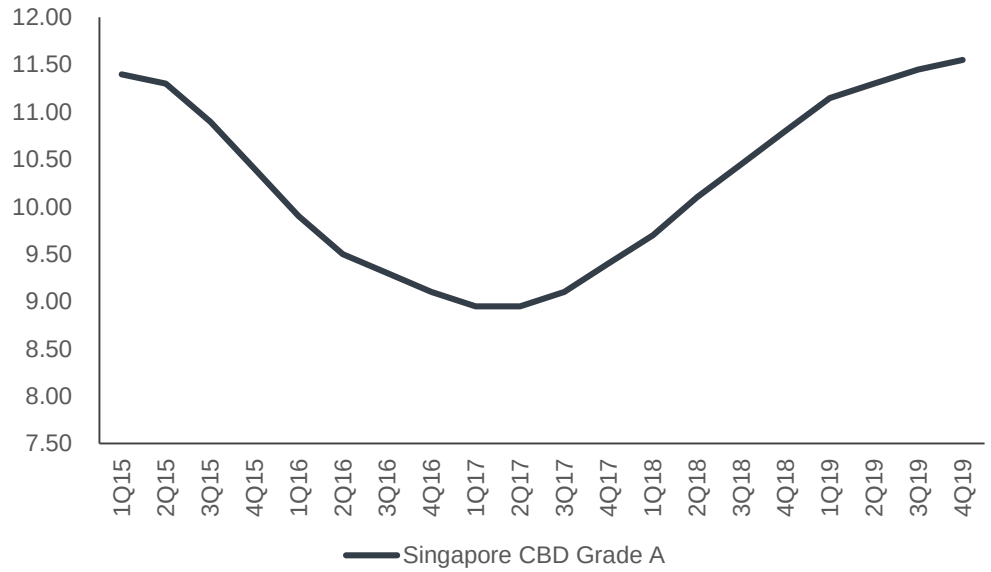


Commercial Segment

Healthy Singapore Commercial Sector Fundamentals

Office: Positive rental reversions

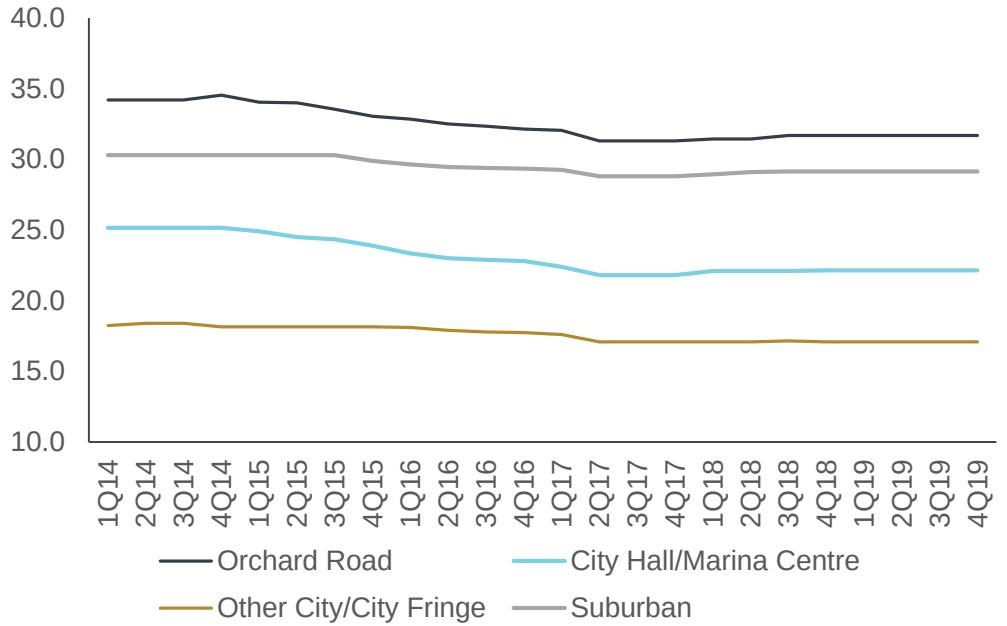
(Rents | S$ psf per month)



- While office rental growth has stabilised, near-term supply in the core CBD market is benign. Market rents are higher than expiring rents due for renewal, which supports positive rental reversions

Retail: Resilient prime Orchard Road rents

(Rents | S$ psf per month)

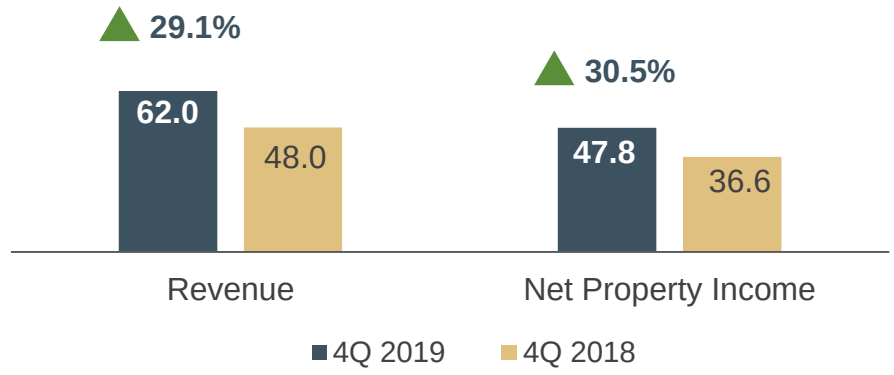


- With limited new retail supply and efforts to rejuvenate Orchard Road, prime retail rents in Orchard are expected to remain resilient over the medium to longer term

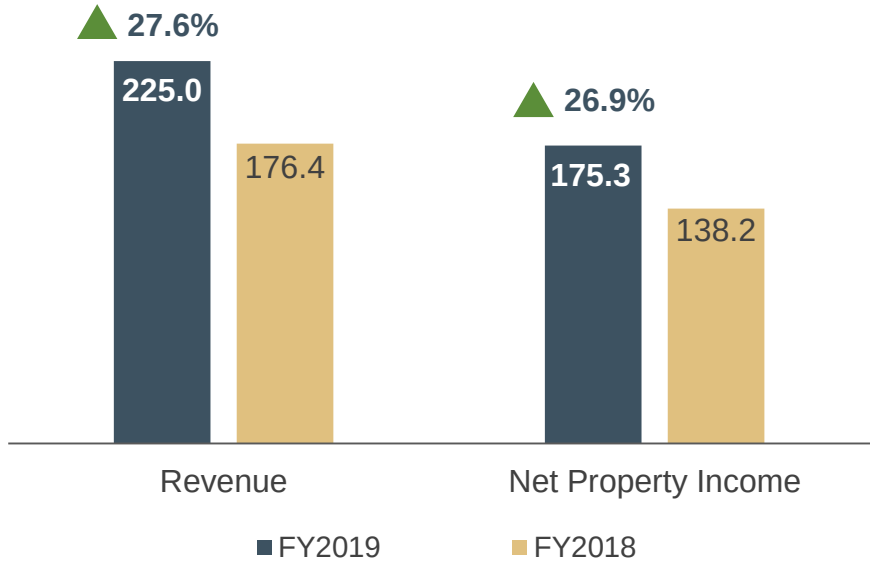
Sources: CBRE 4Q 2019, JLL Hotels, Singapore Tourism Board

Commercial Segment Performance
4Q 2019 & FY2019

(S$ million)



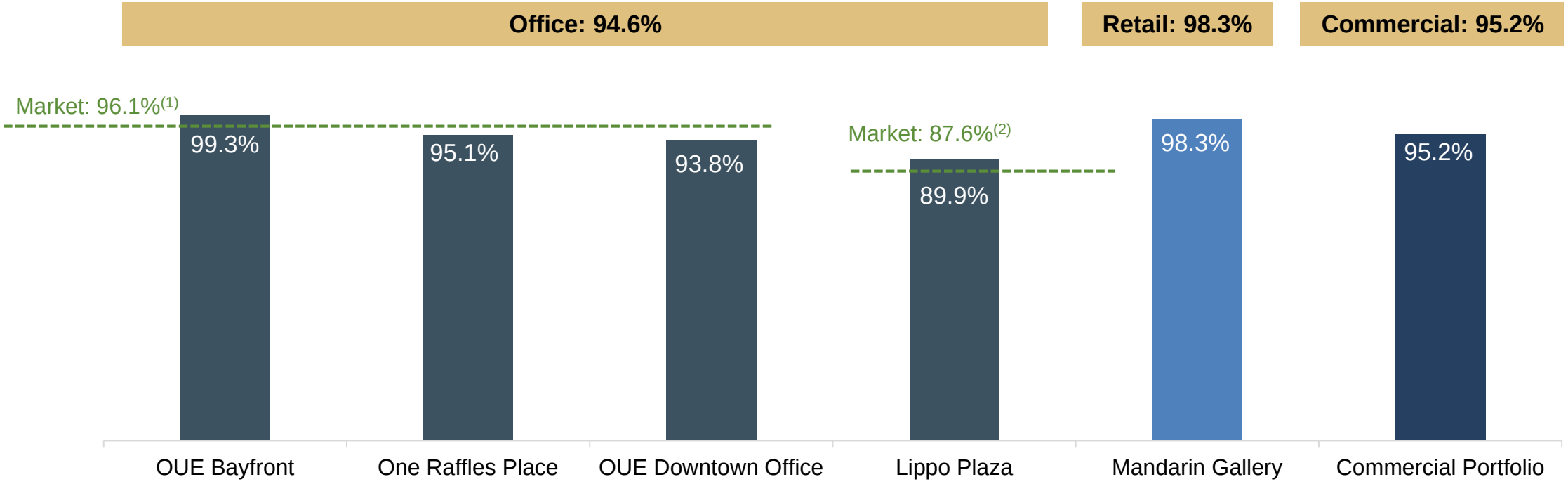
(S$ million)



- The increases in revenue and net property income for 4Q 2019 and FY2019, are mainly due to contribution from OUE Downtown Office (acquired in November 2018), and Mandarin Gallery (acquired in September 2019)
- Overall commercial portfolio committed occupancy was 95.2% as at 31 December 2019, 0.5 percentage points ("ppt") higher YoY

Healthy Commercial Segment Occupancy

- Commercial segment committed occupancy remains strong at 95.2% as at 31 December 2019
- Mandarin Gallery's committed occupancy is stable at 98.3%
- Lippo Plaza's committed office occupancy was 89.9% as at 31 December 2019, ahead of the overall Shanghai CBD Grade A office occupancy of 87.6% for the same period

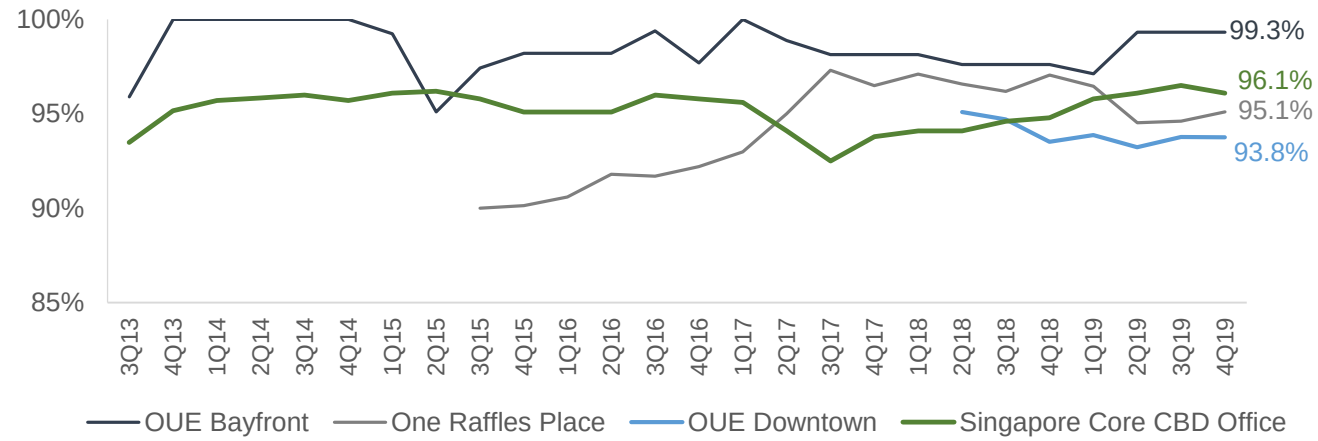


As at 31 Dec 2019

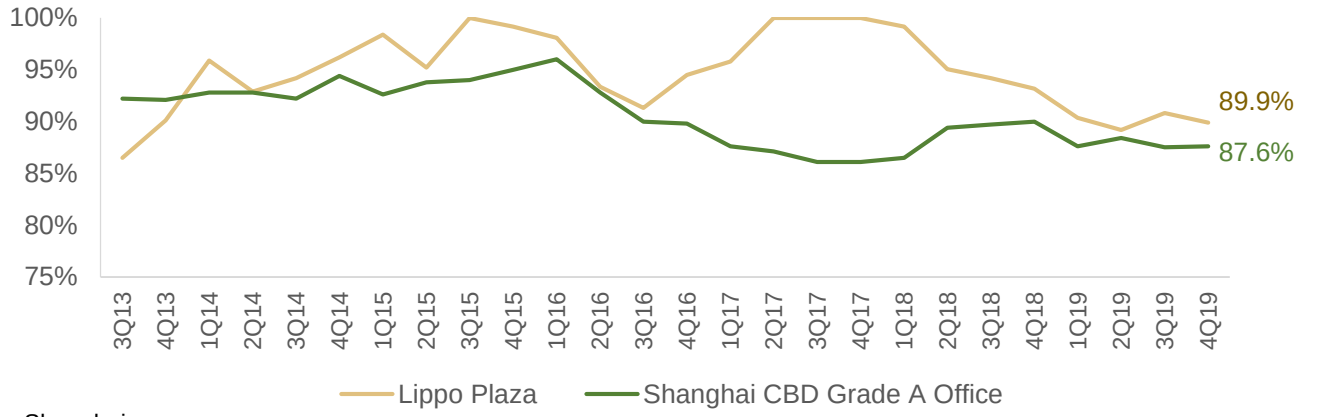
(1) Source: CBRE Singapore MarketView 4Q 2019 for Singapore Grade A office occupancy of 96.1%
(2) Source: Colliers Shanghai Office Property Market Overview 4Q 2019 for Shanghai CBD Grade A office occupancy of 87.6%

Resilient and Steady Office Occupancy

Singapore



Shanghai



Source: CBRE, Colliers Shanghai

Committed Office Rents In Line Or Above Market

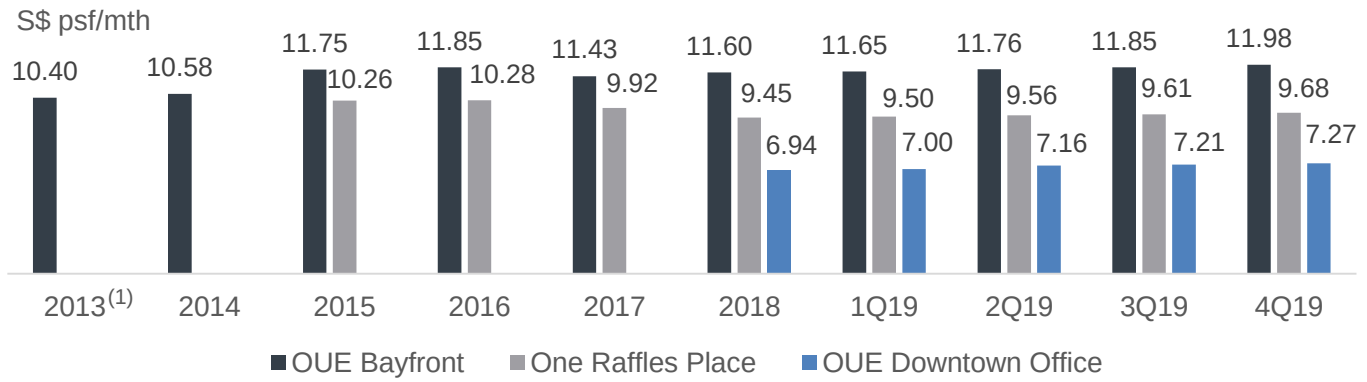
- OUE C-REIT's office properties continued to achieve committed rents which were in line with or above their respective market rents
- Positive rental reversions recorded across Singapore office properties in 4Q 2019

4Q 2019	Average Expired Rents	Committed Rents[1]	Sub-market	Comparable Sub-market Rents	
				Colliers[2]	Savills[3]
Singapore					
OUE Bayfront	S$11.88	S$13.00 – S$14.40	New Downtown/ Marina Bay	S$12.27	S$13.12
One Raffles Place	S$9.69	S$9.90 – S$12.30	Raffles Place	S$10.49	S$10.28
OUE Downtown Office	S$6.71	S$7.10 – S$8.80	Shenton Way/ Tanjong Pagar	S$10.31	S$9.04 – S$9.32
Shanghai					
Lippo Plaza	RMB10.00	RMB7.50 – RMB11.50	Puxi	RMB9.46	RMB10.26

(1) Committed rents for renewals and new leases
(2) Source: Colliers Singapore Office Quarterly 4Q 2019 for Singapore comparable sub-market rents; Colliers Shanghai Office Property Market Overview 4Q 2019 for Shanghai comparable sub-market rents
(3) Source: Savills Singapore Office Briefing 4Q 2019 for Singapore comparable sub-market rents; Savills Shanghai Grade A Office Market Update 2Q 2019 for Shanghai comparable sub-market rents
Note: For reference, CBRE Research's 4Q 2019 Grade A Singapore office rent is S$11.55 psf/mth. Sub-market rents are not published

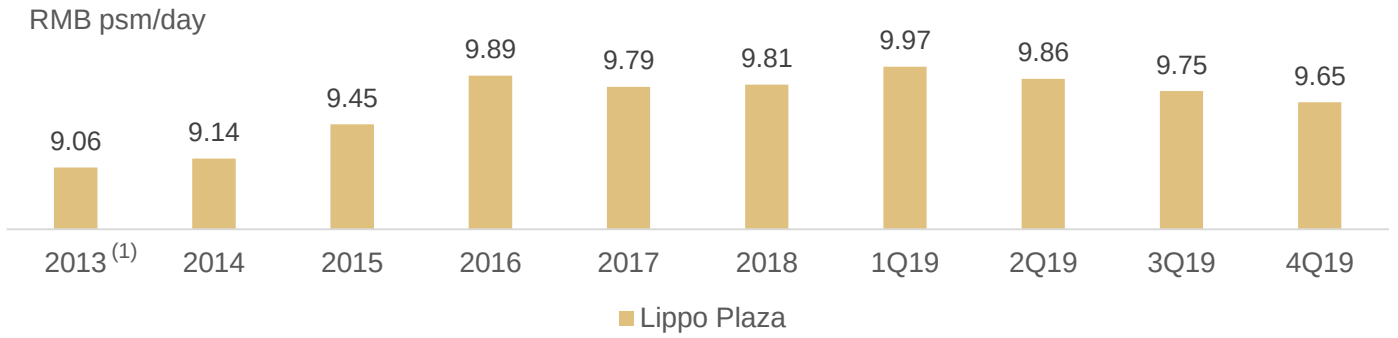
Average Passing Rents

Singapore (Office)



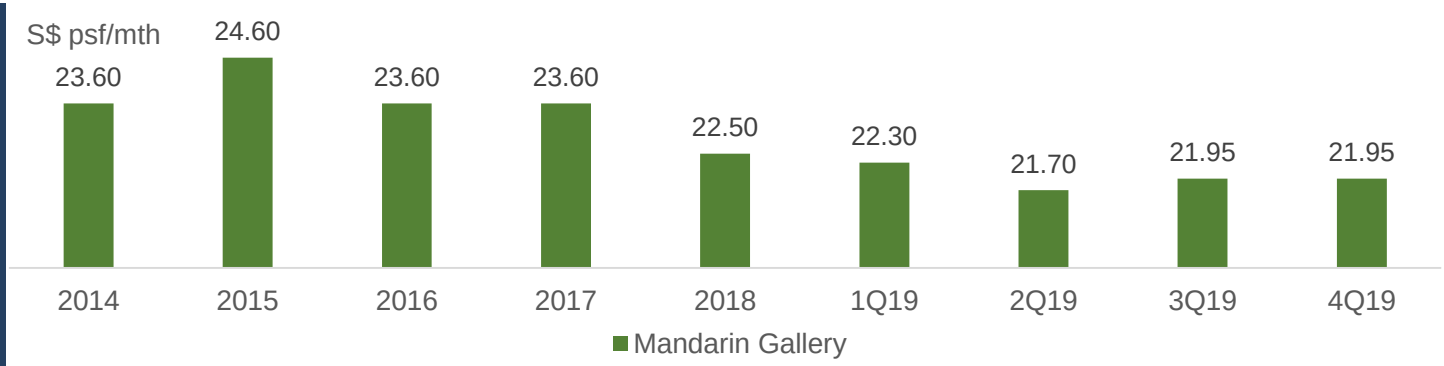
- Average passing office rent for all three Singapore office properties improved as at 4Q 2019 due to consecutive quarters of positive rental reversions

Shanghai (Office)



- Lippo Plaza's average passing office rent was RMB9.65 psm/day as of December 2019

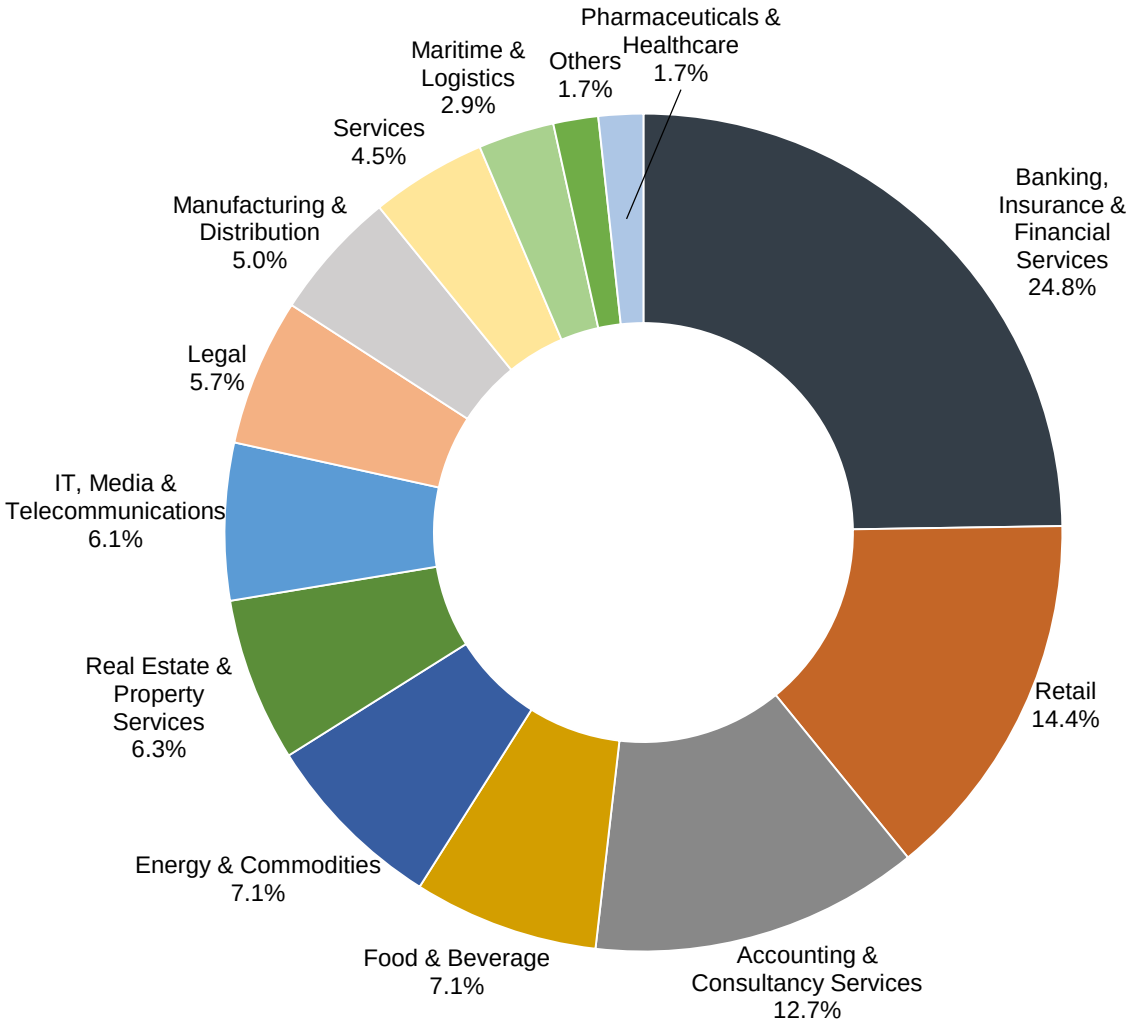
Mandarin Gallery



- Average retail rent at Mandarin Gallery remained stable in 4Q 2019

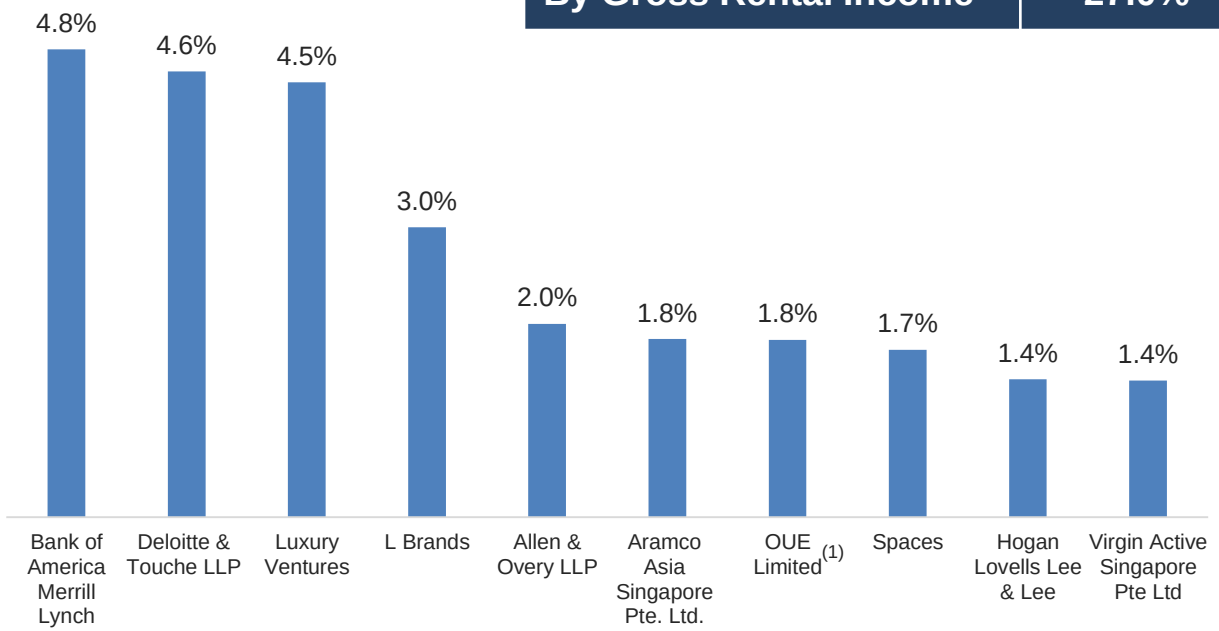
(1) Proforma average passing rents as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

Well-Diversified Commercial Segment Tenant Base



Top 10 Tenants

By Gross Rental Income	27.0%

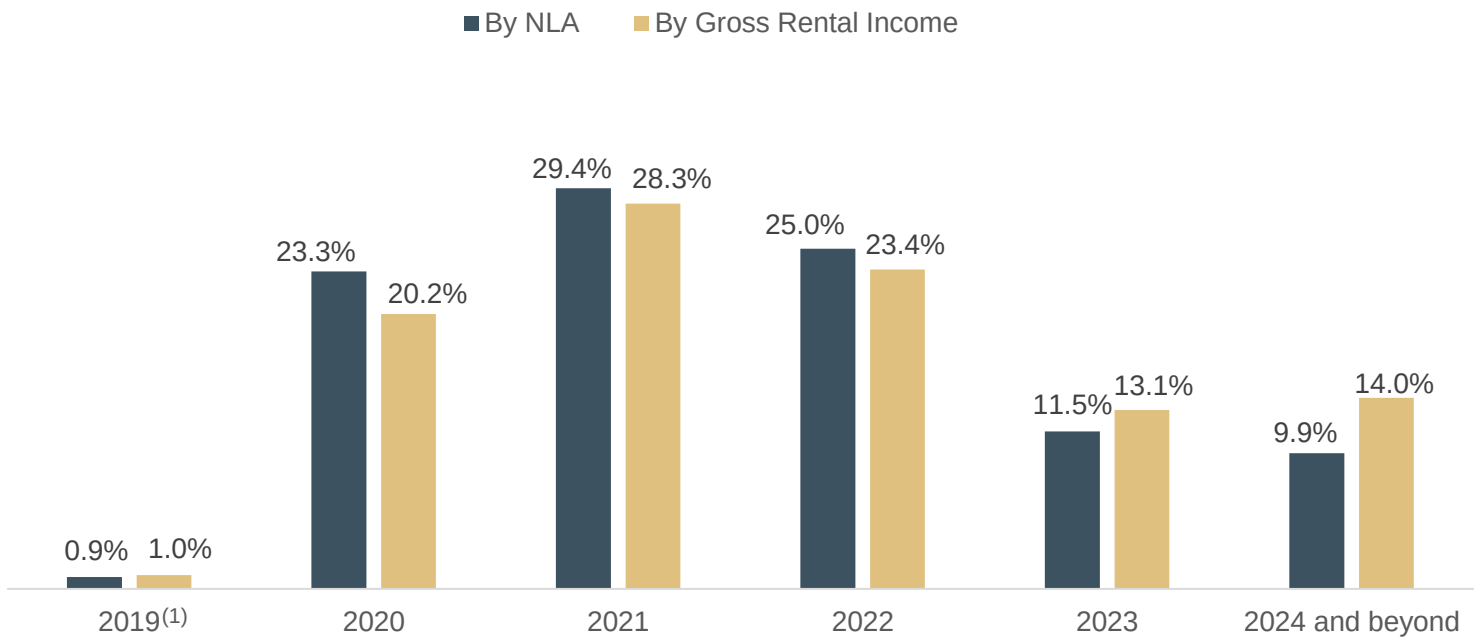


(1) Including the hotel master lease arrangements for Mandarin Orchard Singapore and Crowne Plaza Changi Airport, where OUE Limited is the master lessee, OUE Limited's contribution to the portfolio by gross rental income is 31.2%

As at Dec 2019

Lease Expiry Profile - Commercial Segment

20.2% of OUE C-REIT's commercial portfolio gross rental income is due for renewal in 2020, with a further 28.3% due in 2021



WALE of 2.1 years by NLA(2) and 2.3 years by Gross Rental Income

As at 31 Dec 2019

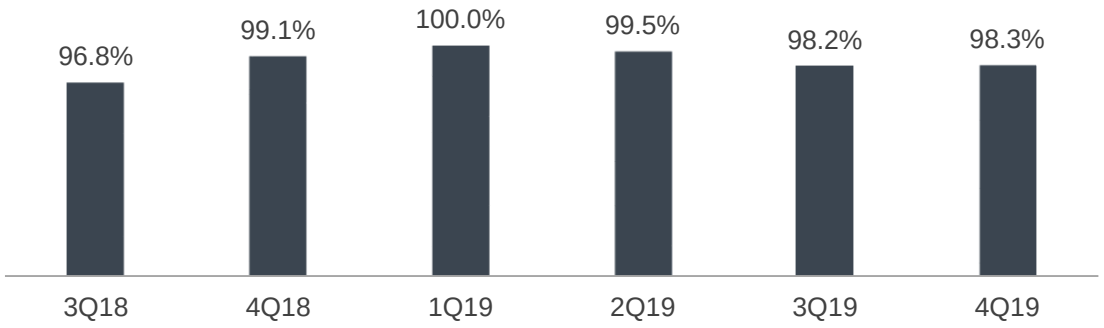
Based on committed tenancies and excludes turnover rent

(1) As at 31 December 2019, leases expiring on 31 December 2019 contributing 0.9% of commercial portfolio lettable area and 1.0% of commercial portfolio gross rental income had not been renewed

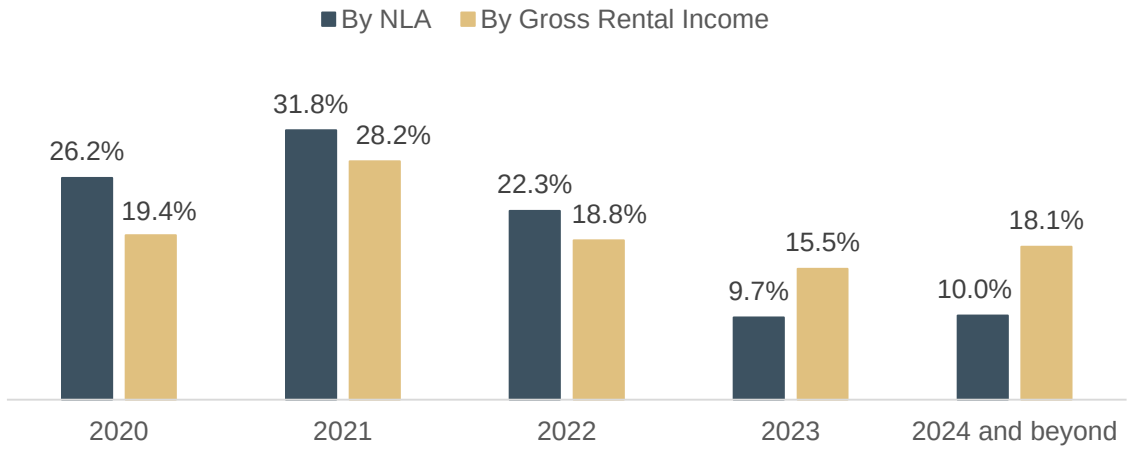
(2) "NLA" refers to net lettable area

Mandarin Gallery – Stable Performance

Committed Occupancy[1]

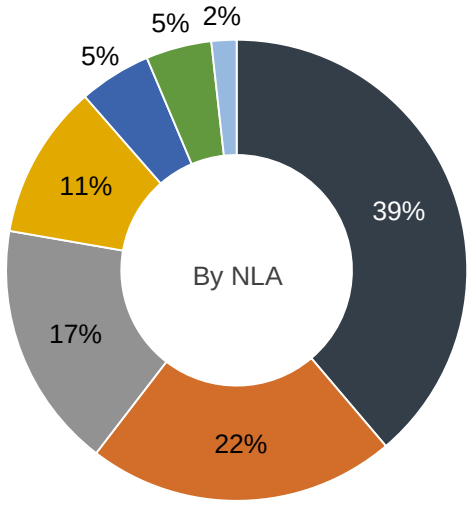


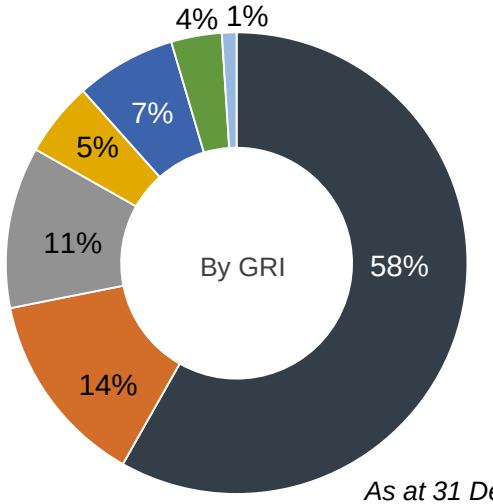
WALE: 2.2 years (NLA); 2.8 Years (GRI[2])



As at 31 Dec 2019

Differentiated Tenant Mix





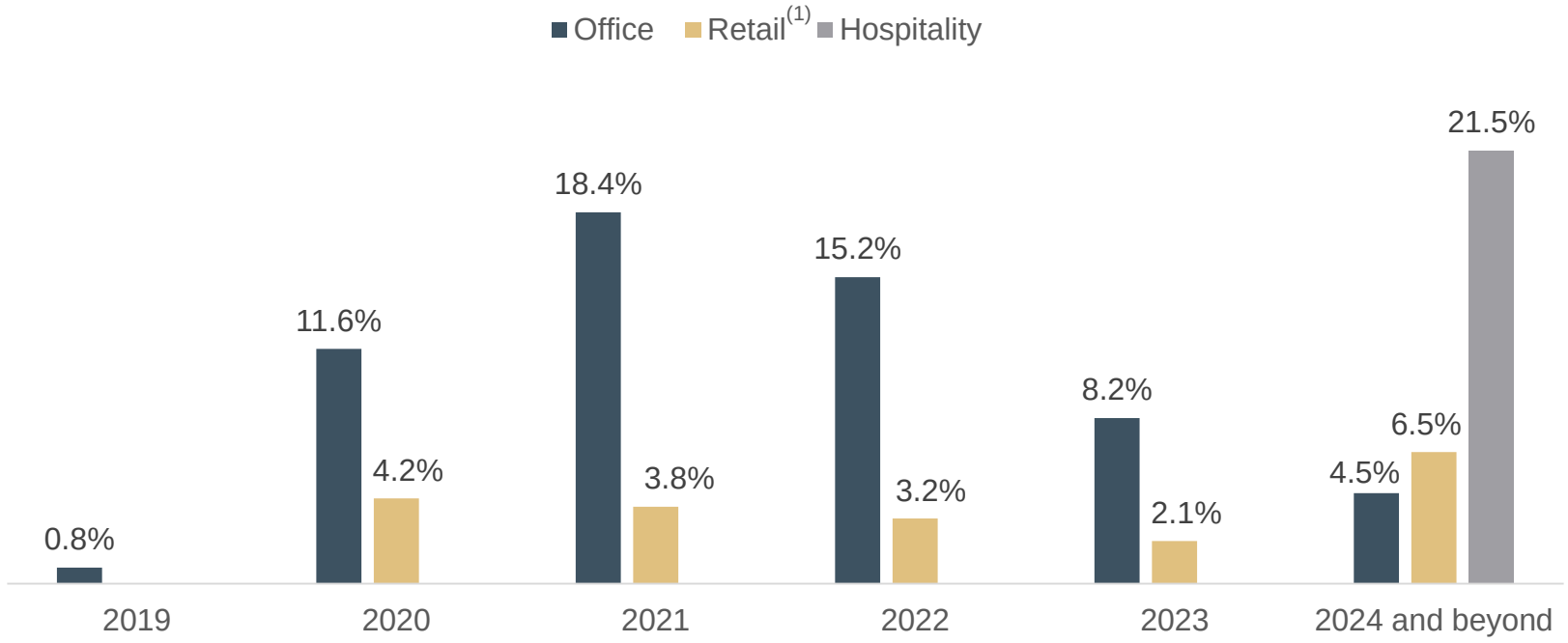
As at 31 Dec 2019

- Fashion & Accessories
- Food & Beverage
- Hair & Beauty
- Living & Lifestyle
- Travel
- Watches & Jewellery
- Services

VICTORIA'S SECRET · BOSS HUGO BOSS · BIMBA Y LOLA · béni · Y-3 · MaxMara · RIMOWA · THE PROVIDORE · LAWRY'S THE PRIME RIB Singapore · MICHAEL KORS

(1) Excludes pop-up stores
(2) Based on committed tenancies and excludes turnover rent/ GRI refers to gross rental income

Lease Expiry Profile - All Segments



WALE(2) of 3.6 years by Gross Rental Income

As at 31 Dec 2019

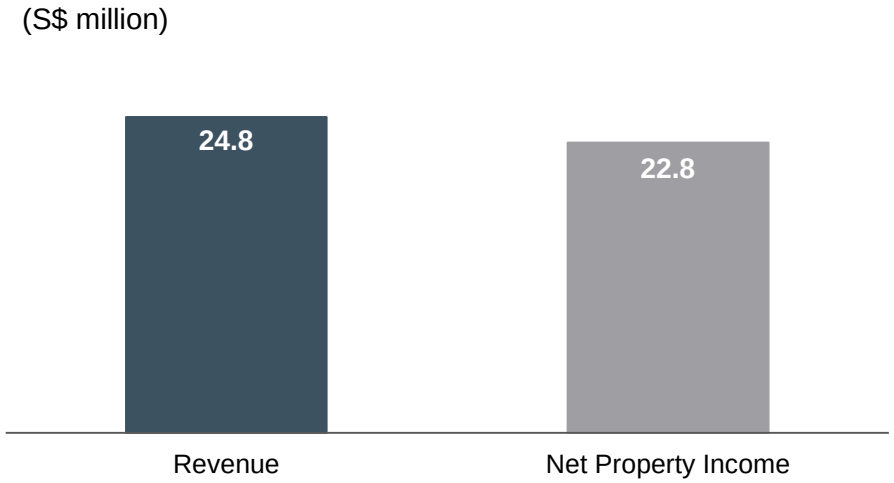
Based on committed tenancies and excludes turnover rent
(1) Retail refers to Mandarin Gallery and all other retail components within the portfolio
(2) "WALE" refers to the weighted average lease term to expiry



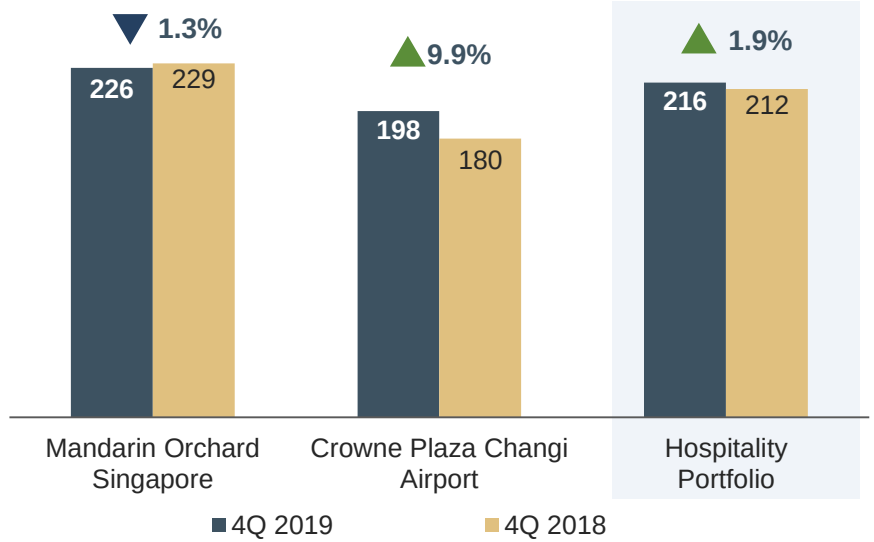
Hospitality Segment

Hospitality Segment Performance
4Q 2019

4Q 2019



4Q 2019 RevPAR (S$)

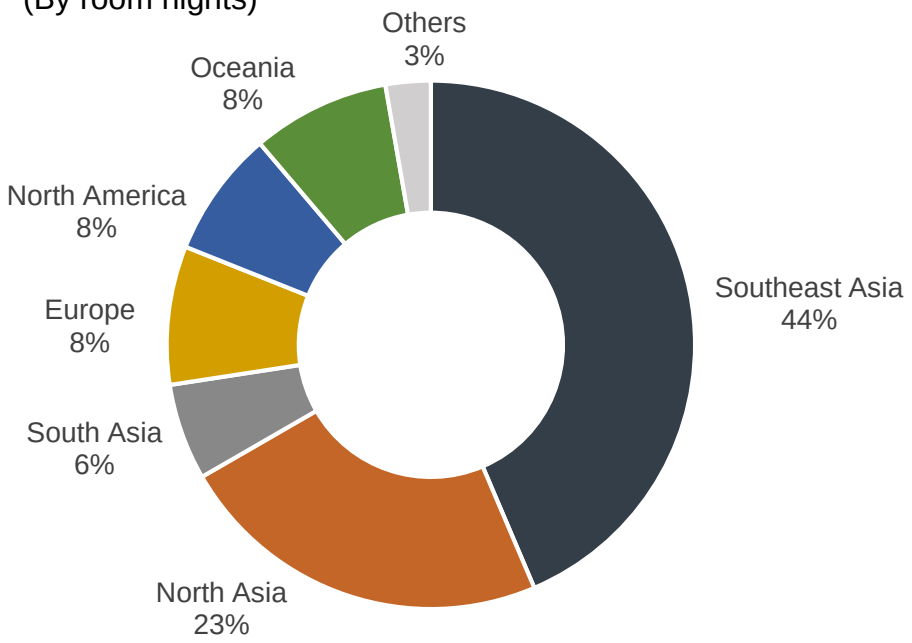


- Hospitality Portfolio RevPAR improved by 1.9% to S$216 on the back of higher room rates and stronger demand at Crowne Plaza Changi Airport. This was supported by increased tourist arrivals and strong line-up of major events during the quarter on the back of a benign supply environment
- Crowne Plaza Changi Airport continued to improve its operating performance and achieved a 9.9% increase in RevPAR of S$198 for 4Q 2019, on the back of higher room rates and increased demand from the corporate and wholesale segments
- Mandarin Orchard Singapore maintained a relatively stable operating performance on the stronger demand amidst a competitive trading environment and achieved a RevPAR of S$226 for 4Q 2019

Hospitality Segment Customer Profile

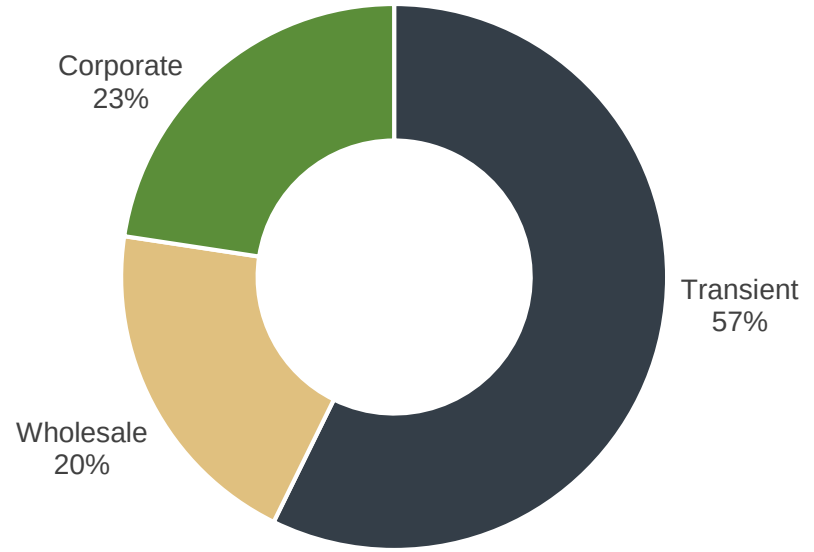
Customer Profile – By Geography

4Q 2019
(By room nights)



Customer Profile – By Segment

4Q 2019
(By room revenue)



Notes:
Excludes aircrew and delays
"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

Re-branding of Mandarin Orchard Singapore



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Re-branding of Mandarin Orchard Singapore to Hilton Singapore Orchard

- ☑ **Transformational re-branding with addition of new income-generating spaces to drive growth in sustainable returns and value**
- ☑ **Rebranding will allow the hotel to leverage on Hilton's strong brand recognition and global sales & distribution network**
- ☑ **Re-branded hotel set to become Hilton's flagship in Singapore and the largest Hilton hotel in Asia-Pacific**
- ☑ **Major refurbishments to take place from 2Q 2020 onwards to capitalise on weak operating environment due to COVID-19**
- ☑ **Expected re-launch of hotel in 2022**

Income assurance for Unitholders

Downside protection from master lease throughout phased renovation and ramping-up period

Approximately 10% expected return on investment on a stabilised basis

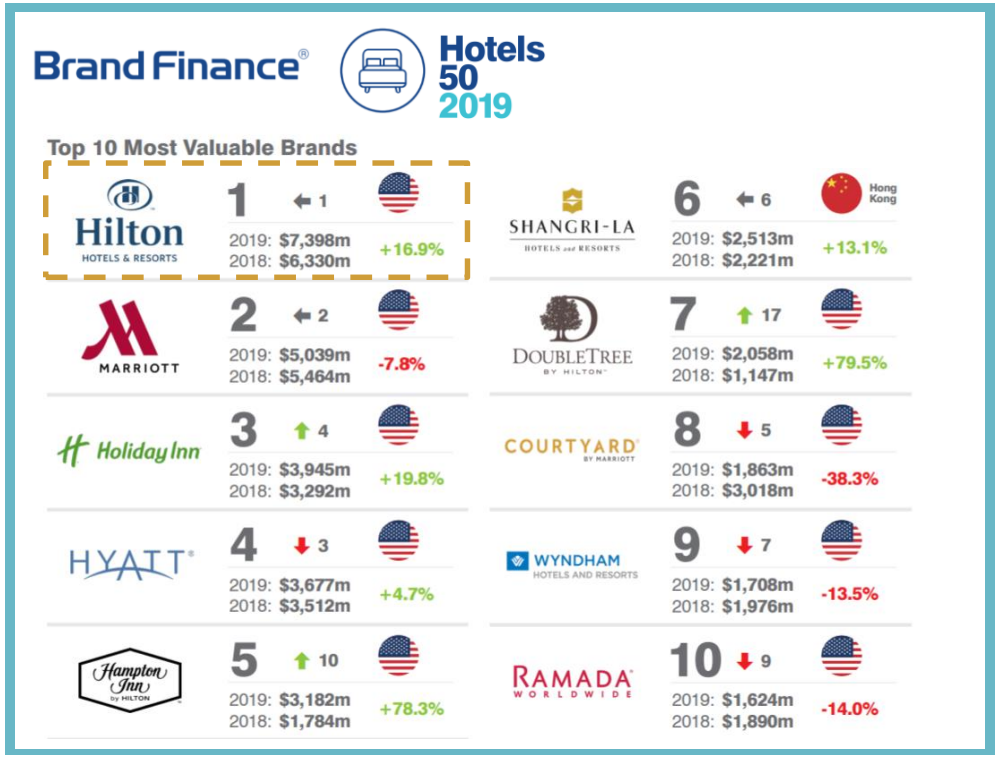
Rationale for Re-branding of Mandarin Orchard Singapore

1. Enhance the hotel's competitive positioning
2. Leverage on Hilton's strong global distribution network and established partnerships
3. Opportunity to drive more direct booking business on the back of established guest loyalty program
4. Positions the hotel to better tap on long term growth drivers in the Singapore hospitality sector

1 Enhance hotel's competitive positioning

Tap on Hilton's strong brand recognition and marketing

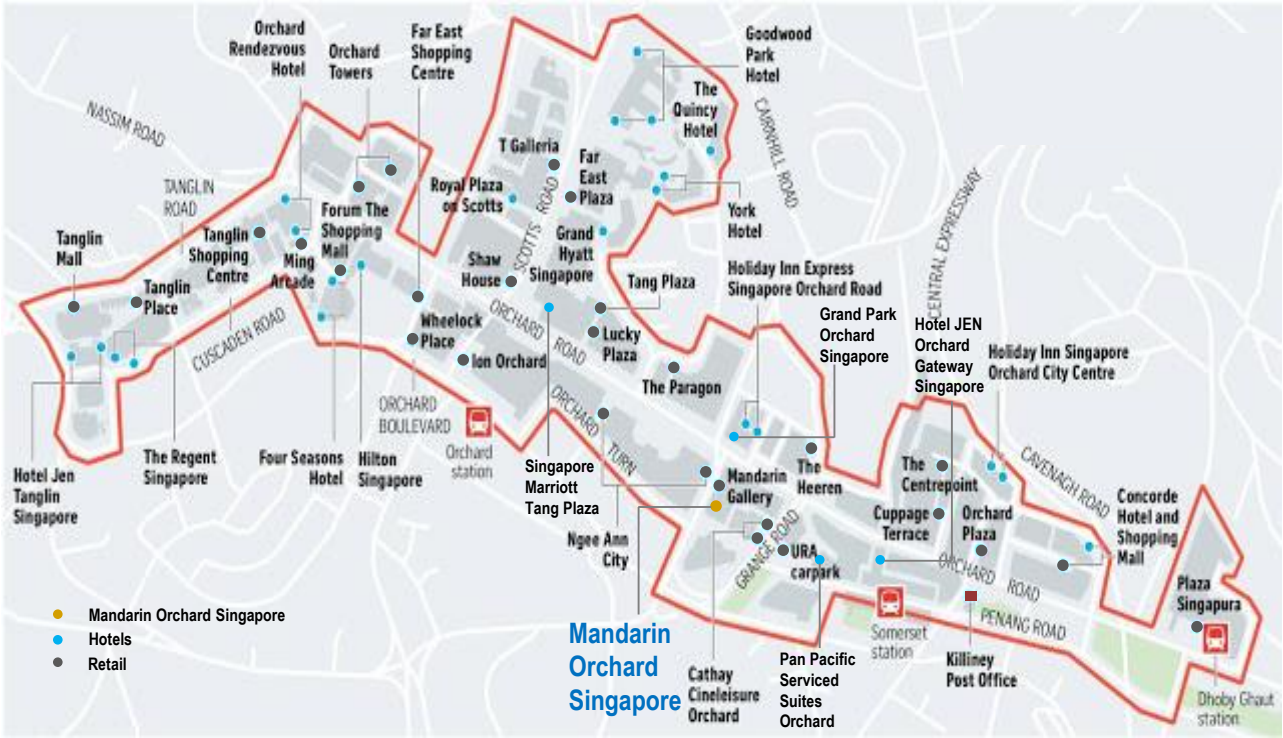
- Hilton named as the world's most valuable hotel brand within Brand Finance Hotels 50 2019 ranking
- The flagship Hilton brand named the most valuable single hotel brand



Source: Brand Finance Hotels 50 2019

Enhance competitive positioning alongside other upper upscale hotels along Orchard Road

- Strengthen the property's position as one of the premier hotels in the prime Orchard Road segment
- The property will be Hilton's largest flagship hotel in Asia when completed



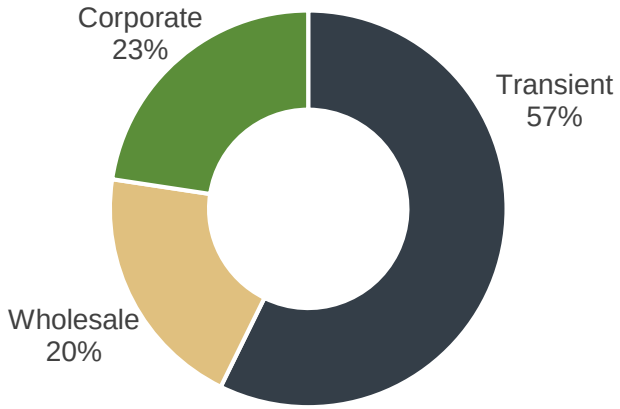
2 Leverage on Hilton's strong global distribution network and established partnerships

Diversification of business mix and enhances revenue, distribution and marketing strategies

- Target higher-yielding luxury market for corporate segment with Hilton's pipeline of global key accounts
- Increase exposure to higher-yielding transient segment with Hilton's established partnerships with global travel companies
- Diversify geographic source market coverage to complement the hotel's current strength in serving regional guests

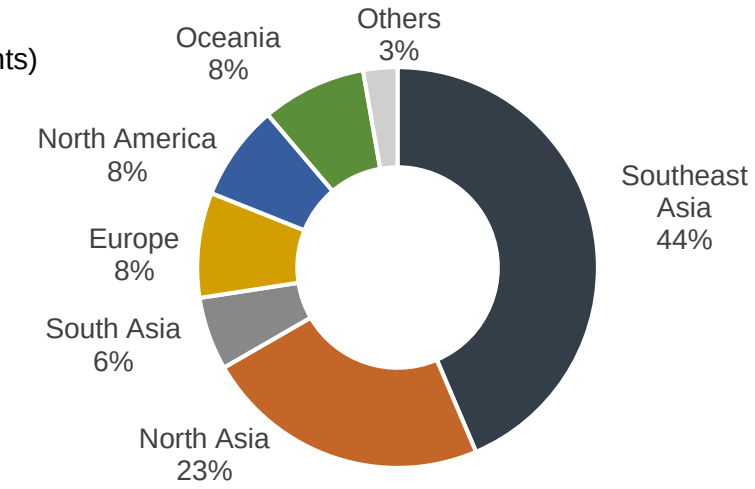
Mandarin Orchard Singapore - Customer Profile by Segment

4Q 2019
(By room revenue)



Mandarin Orchard Singapore - Customer Profile by Geography

4Q 2019
(By room nights)



Notes:
Excludes aircrew and delays
"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

3 Opportunity to drive direct booking business through Hilton's guest loyalty program

Leverage on strength of Hilton's loyalty program to drive direct bookings business

- Award-winning guest loyalty program for Hilton's 17 world-class brands comprising nearly 6,000 properties in 117 countries and territories
- Expand reach to more than 100 million Hilton Honors members worldwide

17 Brands

117 Countries & Territories

~6,000 Properties

Hilton HONORS

Hilton HOTELS & RESORTS · WALDORF ASTORIA HOTELS & RESORTS · CONRAD HOTELS & RESORTS · canopy by Hilton

CURIO COLLECTION by Hilton · DOUBLETREE by Hilton · EMBASSY SUITES by Hilton · Hilton Garden Inn · Hampton by Hilton

MOTTO by Hilton · Signia Hilton · LXR HOTELS & RESORTS · TAPESTRY COLLECTION by Hilton

tru by Hilton · HOMEWOOD SUITES BY HILTON · HOME2 SUITES BY HILTON · Hilton Grand Vacations

In Asia Pacific, Hilton Honors members spend 3.2X more than non Honors members and members stay 2.6X more than non Honors members.

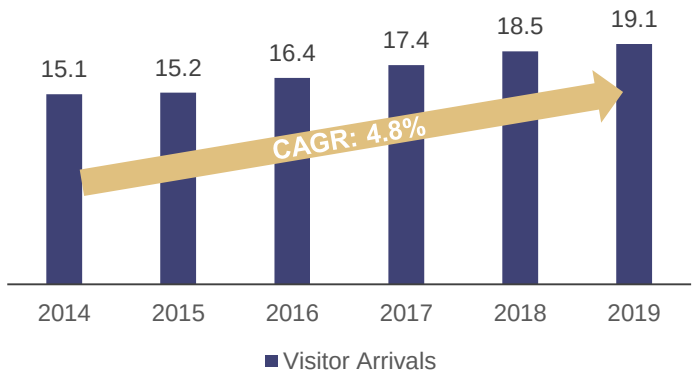
Source: Hilton Honors

4 Positions hotel to tap on longer term growth drivers in Singapore's hospitality industry

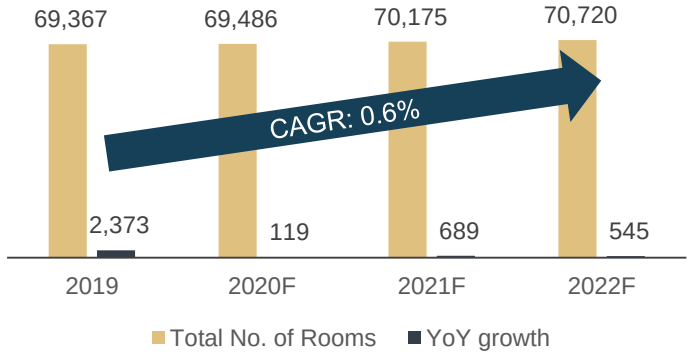
Positions hotel to tap on longer term growth drivers

- Addition of new income-generating meeting spaces positions property well to cater to growing demand in meetings, incentives, conferences and exhibitions ("MICE")
- While the COVID-19 situation is expected to impact tourist growth momentum in 2020, upcoming Singapore tourism developments and initiatives are expected to drive growth in arrivals in the medium to longer term
- Supply growth going forward is benign at 0.6% CAGR for 2019 - 2022, lower than the 3.9% CAGR from 2014 - 2019

Growth in visitor arrivals driven by continued tourism investment



Benign hotel room supply until 2022



Investment in tourism

- ✓ **Greater flight connectivity**
  New and increased flights to key source markets
- ✓ **STB Partnerships with Alibaba and Traveloka** to drive visitor arrivals and spending
- ✓ **Strong lineup of events** for leisure and MICE segments

Enhanced Aviation Facilities

- ✓ Integration of Terminal 1's expansion with Jewel will see increased capacity at Changi Airport
- ✓ Terminal 2 expansion and upgrading
- ✓ Opening of Terminal 5 by ~2030 will increase capacity to up to 150 million passengers per year

Upcoming Tourism Attractions

- Expansion of Integrated Resorts (~2022)
- Mandai Eco-Tourism (~2023)
- Sentosa Redevelopment (2030)
- Greater Southern Waterfront redevelopment (~2027)
- Jurong Lake District redevelopment (~2026)

Sources: Singapore Tourism Board, JLL Hotels, Changi Airport Group

Schedule of Asset Enhancement Works

- Asset enhancement works are scheduled to commence in 2Q 2020 and expected to be completed by end-2021
- During the refurbishment period, MOS will continue to operate under the management of Meritus Hotel & Resorts, the hotel management company under the hospitality division of OUE Limited

Indicative Commencement Date	Scope of Work
2Q 2020	▪ Phased renovation of Main Tower guestrooms ▪ Refurbishment of Main Tower Level 1 lobby area ▪ Creation of club lounge and gym on Orchard Wing Level 6 ▪ Creation of new spaces for MICE, food & beverage and lobby facilities on Level 5
4Q 2020	▪ Phased renovation of Orchard Wing guestrooms

Value Creation of Mandarin Orchard Singapore Re-branding

- Expected capital expenditure for the re-branding exercise is approximately S$90.0 million
- The Manager intends to draw down on existing loan facilities to fully fund the capital expenditure progressively over the renovation period
- Based on the projected incremental net property income on a stabilised basis, the expected return is approximately 10.0%

Start Date	▪ 2Q 2020
Expected Completion	▪ End 2021
Contribution to capital expenditure	▪ Approximately S$90.0 million
Expected Return	▪ Approximately 10%

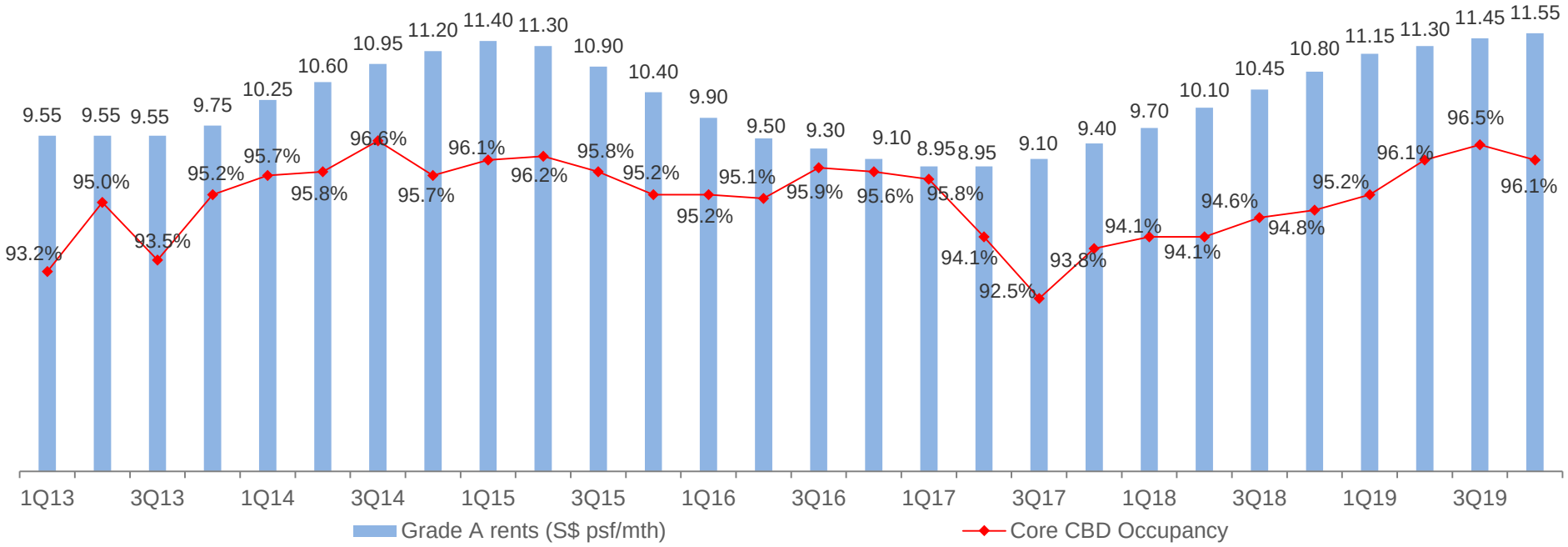


Appendices

- Singapore Office Market
- Shanghai Office Market
- Singapore Hospitality Market
- Singapore Hotel Master Lease Arrangements

Singapore Office Market

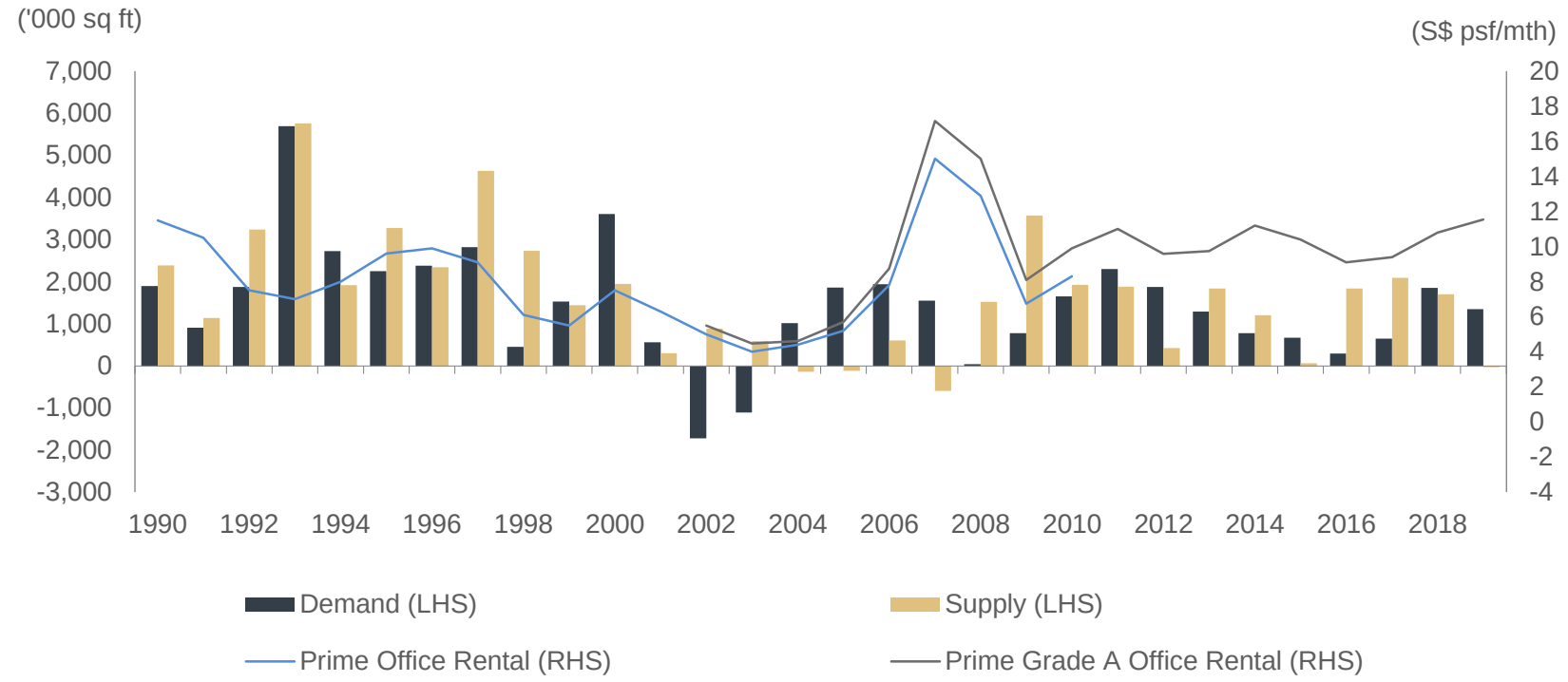
- Core CBD Grade A occupancy edged down 0.4 percentage points ("ppt") QoQ to 96.1% in 4Q 2019, while core CBD Grade A office rents edged up 0.9% QoQ to S$11.55 psf/mth, marking the tenth consecutive quarter of growth since the trough in 2Q 2017 and a cumulative increase of 29.1%
- Demand was driven mainly by flexible workspace operators and the technology sector, with growth expected to continue to ease. With limited new Grade A office supply in the medium-term, CBD Grade A office rents are expected to remain stable



Source: CBRE

Singapore Office
Demand and Supply vs Office Rental

Island-wide Office Demand, Supply and Office Rents

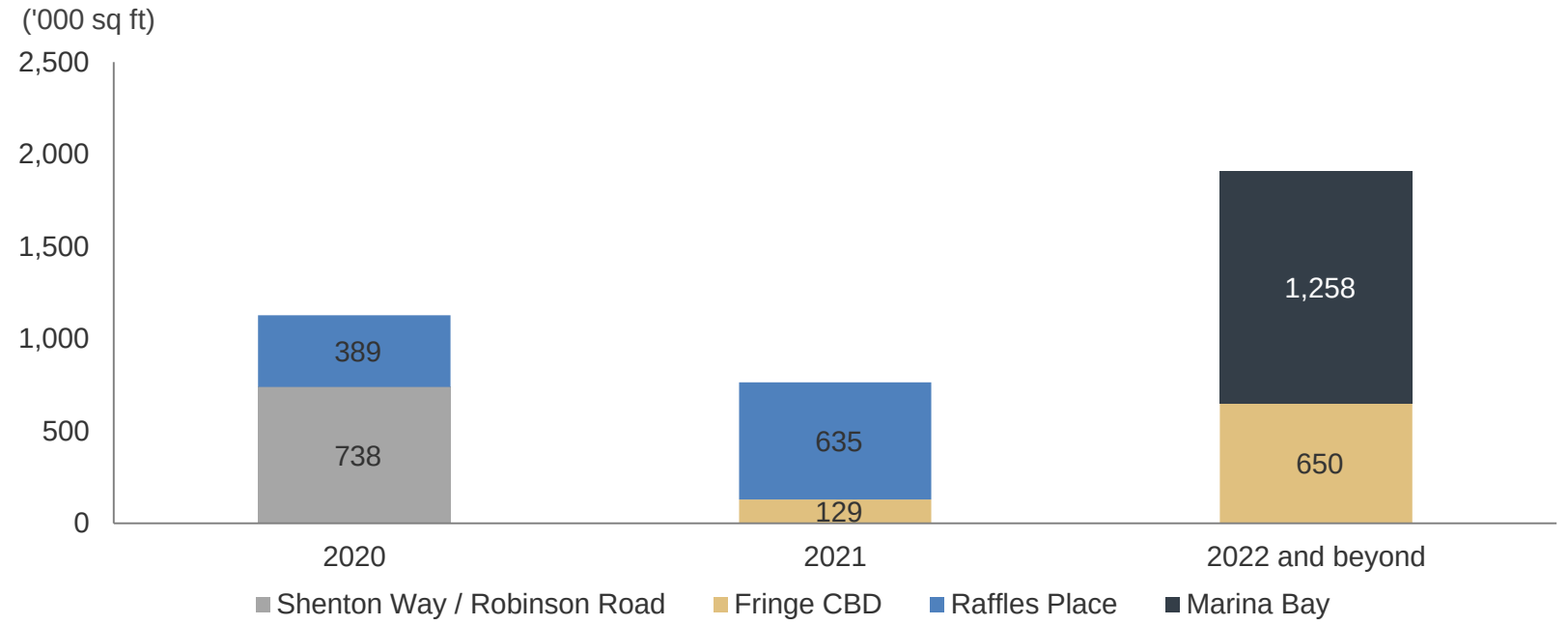


Source: URA statistics, CBRE Research
2Q 2011 was the last period where CBRE provided Prime Office Rental data. Prime Grade A office rental data not available prior to 1Q 2002

Singapore Office
Known Supply Pipeline

Benign office supply outlook for the Singapore core CBD over next 2 years

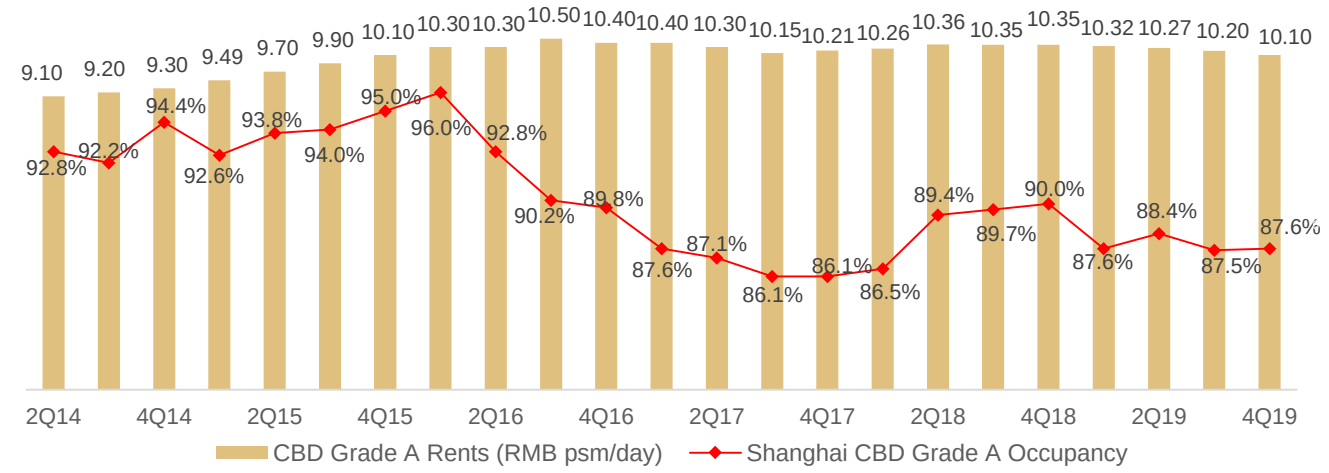
Office Supply Pipeline in Singapore (CBD and Fringe of CBD)



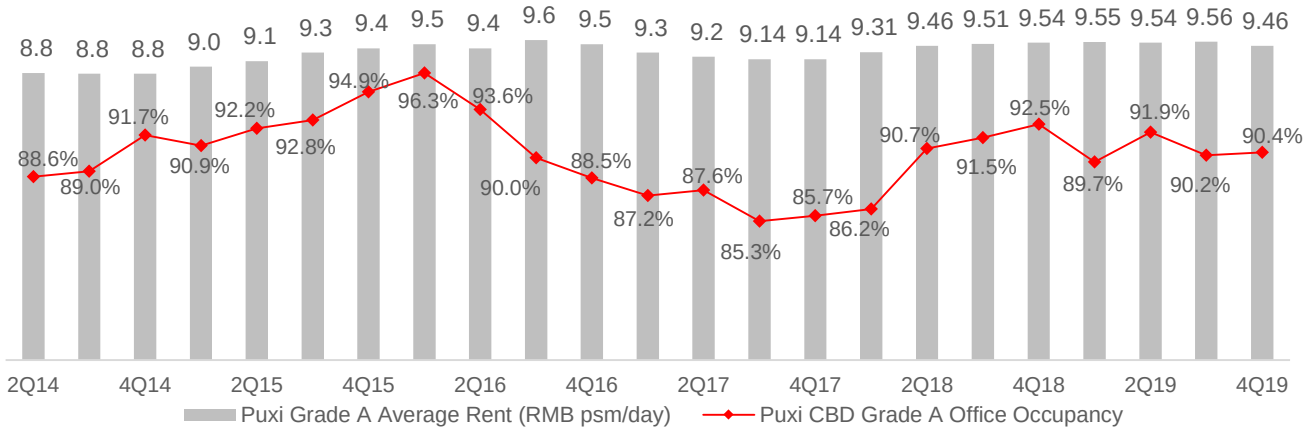
Note: Excluding strata-titled office
Source: CBRE Research

Shanghai Office Market

Shanghai



Puxi

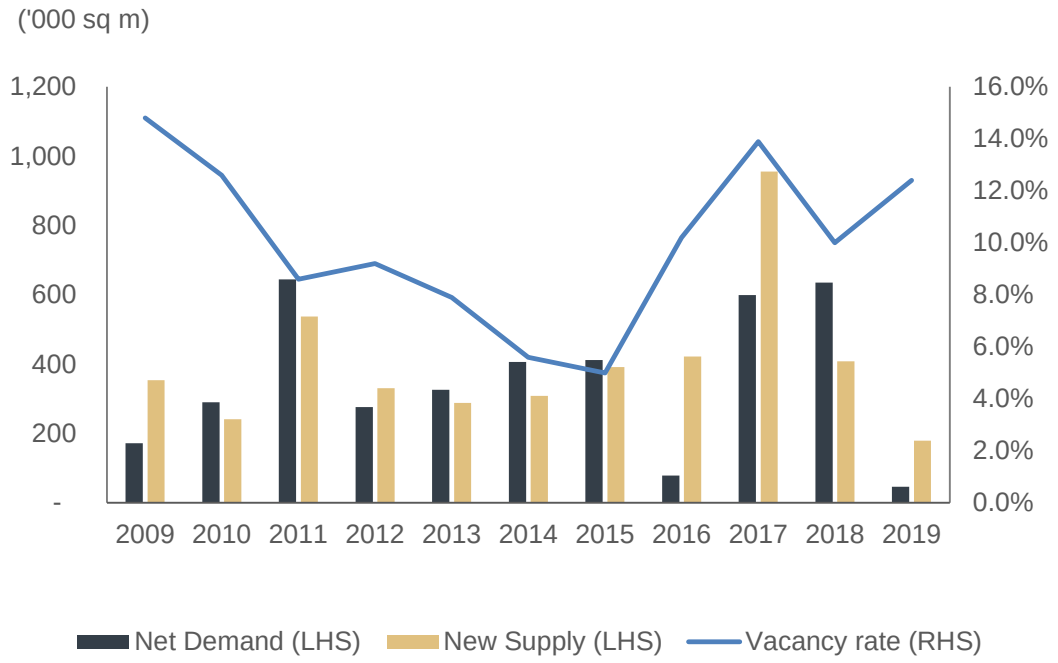


- Shanghai CBD Grade A office occupancy was 87.6% as at 4Q 2019, similar to the 87.5% recorded in the previous quarter, while rents moderated 1.2% QoQ to RMB10.10 psm/day. Puxi Grade A office occupancy rose 0.2 ppt QoQ to 90.4% as at 4Q 2019, while rents softened 1.0% QoQ to RMB9.46 psm/day
- Leasing demand is expected to continue to intensify with the peaking of office supply in 2020. Compounded by competition from decentralised markets, rental outlook is expected to be subdued in the near-term. As supply eases after 2021, stable demand is expected to underpin steady rental growth

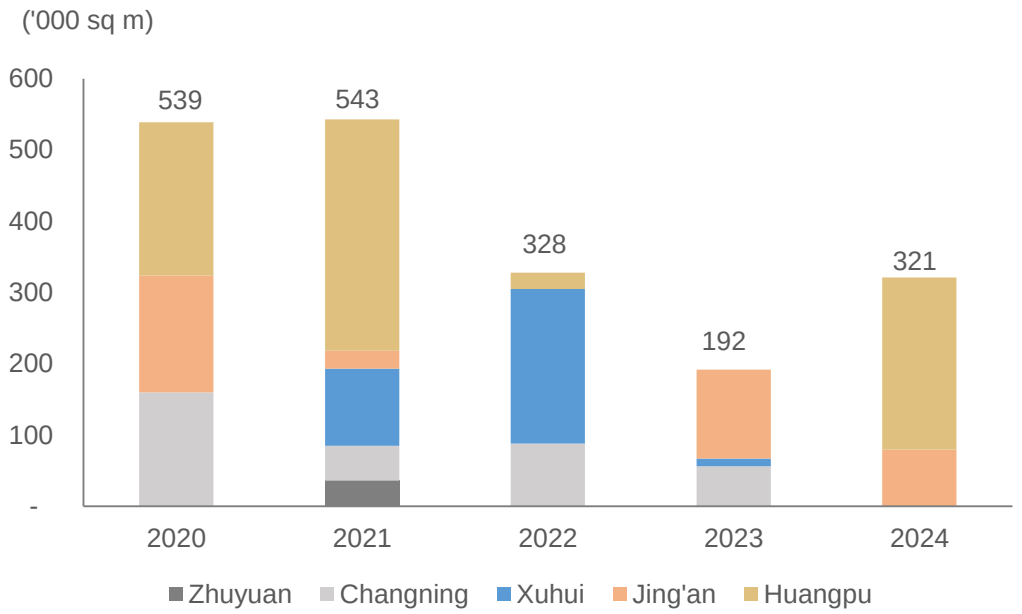
Source: Colliers International

Shanghai CBD
Demand, Supply and Vacancy

Grade A Net Absorption, New Supply and Vacancy Rate



Office Supply Pipeline in Shanghai CBD

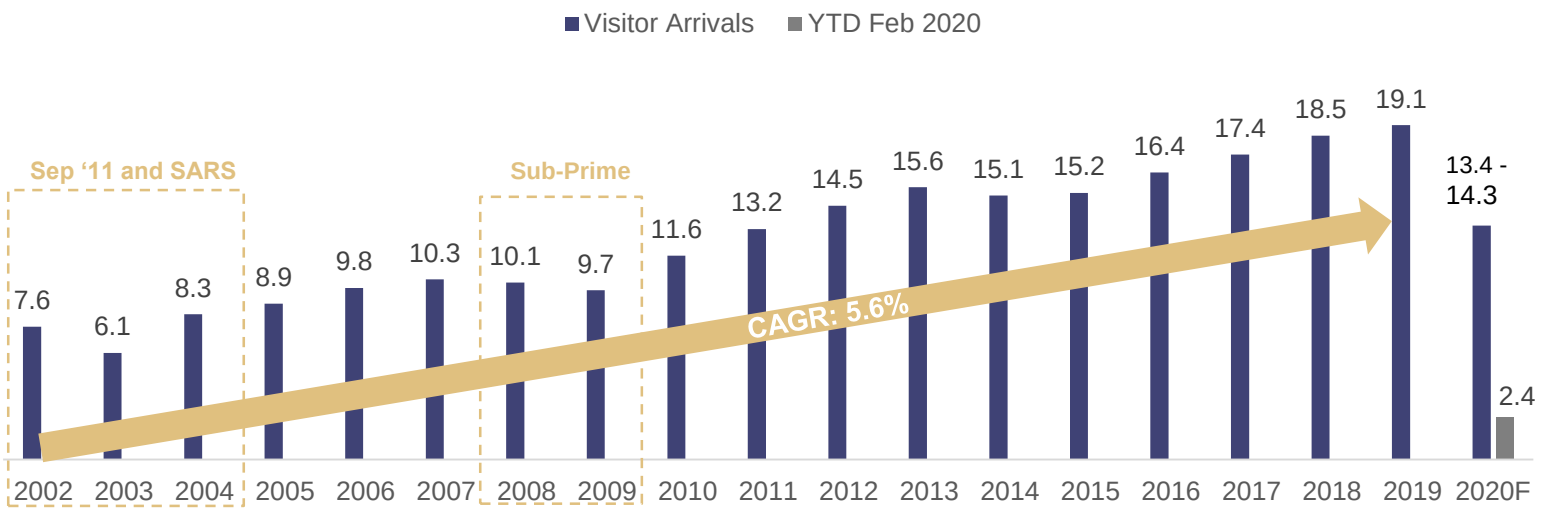


- Shanghai CBD Grade A office supply expected to abate after 2021

Source: Colliers International

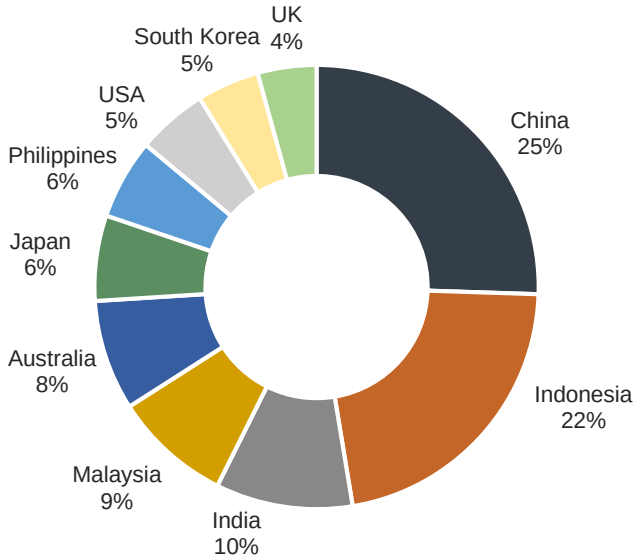
Singapore - Visitor Arrivals

Visitor Arrivals in Singapore (million)[1]

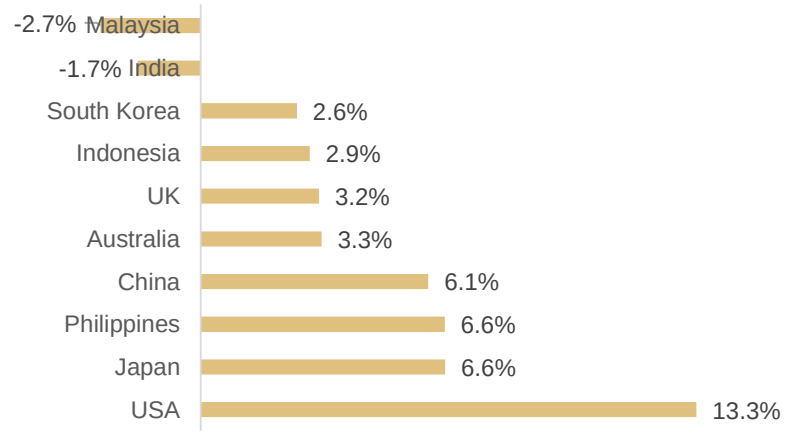


- Visitor arrivals grew 3.3% YoY to 19.1 million in 2019[3], with growth in eight out of the top ten source markets
- For February 2020, visitor arrivals fell 51.2% YoY to 732,127. Top source markets saw major declines led by China (-98.2% YoY), Indonesia (-46.2% YoY), Malaysia (-54.3% YoY), South Korea (-74.0%) and India (-40.5% YoY)
- For 2020, as a result of lower travel confidence globally due to the COVID-19 outbreak, visitor arrivals are expected to fall by 25% to 30%[2]

Top 10 Visitor Arrivals By Country (2019)



Top 10 Inbound Markets YoY Change (2019)



Source: Singapore Tourism Board

(1) Singapore Tourism Board, International Visitor Arrivals Statistics, 18 March 2020
(2) Singapore Tourism Board, STB Rallies Tourism Sector To Face Biggest Challenge Since SARS, 11 February 2020
(3) Singapore Tourism Board, International Visitor Arrivals Statistics, 5 February 2020

Singapore – Investment in Tourism

Upcoming Attractions and Developments

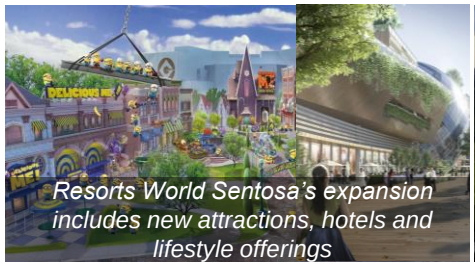

Rejuvenation of Orchard Road


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

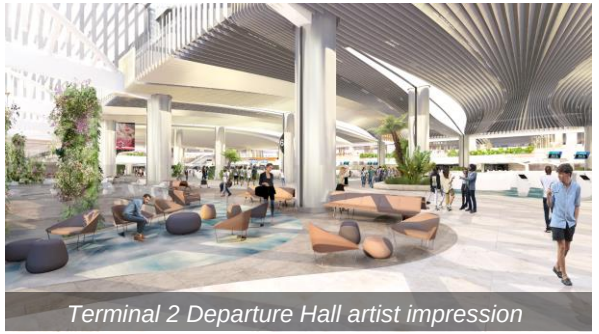
- ✓ **Greater Flight Connectivity**
  New and increased flights to key markets of China, India, Japan and USA
- ✓ **Partnerships to drive visitor arrivals**
  STB, CAG and Royal Caribbean collaborated on a new multimillion-dollar five-year tripartite marketing partnership to promote fly-cruises. The collaboration is expected to bring some 623,000 international fly-cruise visitors to Singapore and generate over S$430 million in tourism receipts between end-2019 and 2024
- ✓ **Singapore is Qantas' largest hub outside Australia,** with the opening of Qantas first ever First Lounge in Asia at Changi Airport Terminal 1 in November 2019

Source: Singapore Tourism Board, Changi Airport Group and Singapore Airlines Media Releases

Strong Leisure and Events Calendar

Enhanced Aviation Facilities at Changi Airport

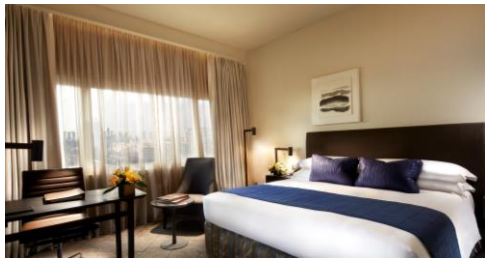
- ✓ **Terminal 2 commenced four-year expansion and upgrading of facilities in Jan 2020,** adding 15,500 sq m to the terminal building and increasing Changi Airport's capacity by 5 million passengers per annum when completed(1)
- ✓ **Passenger traffic** at Changi Airport **grew 4.0**% YoY to 68.3 million in 2018(2) and recorded **5.2% YoY increase** for Jan 2020 of 5.95 million passenger movements(3)
- ✓ **Opening of Terminal 5 by ~2030** will increase capacity to up to 150 million passengers per annum(4)


Terminal 2 Departure Hall artist impression

(1) Changi Airport Group, Changi Airport begins Terminal 2 expansion works to increase capacity and enhance passenger experience, 16 January 2020
(2) Changi Airport Group, Changi Airport handled 68.3 million passengers in 2019, 31 January 2020
(3) Changi Airport Group, Operating Indicators for January 2020, 25 February 2020
(4) Changi Airport Group Annual Report FY2017/18

Information & Image Sources: Websites of Changi Airport Group, Mandai Project, Sentosa Development Corporation, Singapore Tourism Board, Women's Tennis Association, International Rugby Board, F1, International Champions Cup Singapore, Las Vegas Sands, Resorts World Sentosa, Singapore Art Week, Singapore Food Festival, Ultra Singapore and The World's 50 Best Restaurants.

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$45.0 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	▪ OUE Limited	▪ OUE Airport Hotel Pte. Ltd. (OUEAH)
Tenure	▪ First term of 15 years to expire in July 2028 ▪ Option to renew for an additional 15 years on the same terms and conditions	▪ First term of Master Lease to expire in May 2028 ▪ Option to renew for an additional two consecutive 5-year terms
	FF&E Reserve	**Capital Replacement Contribution**
	▪ 3% of GOR	▪ Aligned with hotel management agreement between OUEAH and IHG ▪ Generally at 3% of GOR

(1) GOR: Gross operating revenue
(2) GOP: 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

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Thank You