PRESS RELEASE
For Immediate Release

OUE H-Trust Achieves 10.6% Increase in 3Q2017 DPS

- ***Year-to-date, for the first nine months of 2017, OUE H-Trust's distribution per stapled security (DPS) is 19.1% higher than the same period last year***

Singapore – 1 November 2017 - OUE Hospitality Trust (OUE H-Trust), a stapled group comprising OUE Hospitality Real Estate Investment Trust (OUE H-REIT) and OUE Hospitality Business Trust (OUE H-BT), achieved distribution income of $24.7 million for the period from 1 July 2017 to 30 September 2017 (3Q2017), 10.9% higher than 3Q2016. OUE H-Trust's DPS for 3Q2017 was 1.36 cents, 10.6% higher than 3Q2016.

Revenue and net property income (NPI) of $34.0 million and $29.5 million were respectively 5.4% and 3.8% higher than 3Q2016 due to higher contributions from the hospitality segment.

Distribution Details

Distribution Period	1 July 2017 to 30 September 2017
Distribution Rate	1.36 cents per Stapled Security
Ex-Distribution Date	7 November 2017, 9.00 am
Book Closure Date	9 November 2017
Distribution Payment Date	1 December 2017

Mr. Lee Yi Shyan, Chairman of OUE Hospitality REIT Management Pte. Ltd., the manager of OUE H-REIT (the REIT Manager), said: "OUE H-Trust has again achieved higher DPS for stapled securityholders in 3Q2017. For the first nine months of 2017, OUE H-Trust has delivered a 19.1% increase in DPS compared to the same period last year. The robust performance year-to-date is attributable to higher income from both the hospitality and retail segments."

Mr. Chong Kee Hiong, CEO of the REIT Manager, said: "Higher demand and better room rates achieved resulted in an increase of 8% in revenue per available room (RevPAR) at Mandarin Orchard Singapore (MOS). The hotel's banquet sales and food and beverage outlets also contributed higher master lease income. The enlarged Crowne Plaza Changi Airport (CPCA) also posted higher master lease income compared to the same period last year. Overall, revenue from the hospitality segment increased 7.1% in 3Q2017 compared to 3Q2016."

OUE HOSPITALITY REIT MANAGEMENT PTE. LTD.
Company Registration No. 201310245G
333 Orchard Road, #33-00, Singapore 238867
T +65 6831 6000 F +65 6880 2422 www.oueht.com

Mr. Chong added: "The occupancy of Mandarin Gallery has increased to 96.4% in 3Q2017 from 89% in 3Q2016 resulting in higher rental revenue despite a challenging retail environment. In addition, the significant increase in operating tenants has rejuvenated the tenant mix of the mall."

Outlook

Singapore Tourism Board ("STB") reported a 4.0%[1] year-on-year increase in international visitor arrivals in the first eight months of 2017. For the full year 2017, STB has forecast 0% to 2% growth in international visitor arrivals at 16.4 million to 16.7 million.[2]

Though the economic outlook has improved, there are still risks to achieving sustained recovery. Going into 2018, the return of large biennial events, such as the Singapore Airshow, are expected to increase demand for hotel accommodation but new supply continues to come on-stream in 4Q2017 and into 2018. As such, the market environment remains competitive.

In 3Q2017, CPCA has fully drawn down its income support. OUE H-REIT continues to benefit from the downside protection accorded by the minimum rent of $22.5 million per annum as part of the CPCA master lease agreement as it builds on its efforts to ramp up its operations amidst a competitive hotel market.

Challenges in Singapore's retail scene remain, therefore tenants are more cautious and are taking a longer time to renew or commit to leases. We are continuously exploring leasing opportunities with current and potential tenants, and remain committed to curating the right tenant mix to retain the mall's positioning as a destination mall.

OUE H-REIT adopts a pro-active and prudent approach to maintaining its financial strength and flexibility. To leverage on the current favourable interest rate environment, OUE H-REIT has commenced discussions with banks on the re-financing of the term loan facilities ahead of their maturity dates in 2018 and beyond.

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

[1] Singapore Tourism Board, International Visitor Arrivals Statistics, 19 October 2017
[2] Singapore Tourism Board, Year-in-Review 2016, 14 February 2017

Summary of Results (3Q2017 vs 3Q2016)

	3Q			*Notes*
(S$m)	**2017**	**2016**	**Variance %**	
Gross Revenue	34.0	32.3	5.4	*1*
Net Property Income	29.5	28.4	3.8	*2*
Other Income	1.6	1.1	48.3	*3*
Distributable Income	**24.7**	**22.3**	**10.9**	*4*
DPS (S cents)	**1.36**	**1.23**	**10.6**	*4*

Note 1:

- Gross revenue for 3Q2017 was $1.8 million higher than 3Q2016. Both hospitality and retail segments posted higher revenue in 3Q2017 as compared to 3Q2016.
- Hospitality revenue was $1.7 million higher than 3Q2016 due to higher master lease income from both MOS and CPCA.
- Master lease income from MOS was $1.2 million higher than 3Q2016. MOS recorded a higher RevPAR of $242 as compared to RevPAR of $224 in 3Q2016 as MOS achieved higher room rates and occupancy. Banquet sales and food and beverage outlets also contributed higher master lease income.
- Master lease income from the enlarged CPCA was $0.4 million higher than 3Q2016 due to enlarged room inventory in CPCA with the addition of CPEX's 243 rooms which opened for business on 1 August 2016. The enlarged CPCA continues to ramp up its operations, with occupancy increasing from the 60% range when CPEX first opened to the 80% range in 3Q2017. The RevPAR for the enlarged CPCA for August and September 2017 was $180 (August and September 2016: $147). In addition to the master lease income, OUE H-REIT also receives income support provided by OUEAH. (refer to *Note 3* for more details).
- Retail revenue for 3Q2017 was $0.1 million higher than 3Q2016 retail revenue which included the non-cash straight-line lease incentives of $1.8 million. The increase in revenue is attributable to higher average occupancy rate in 3Q2017 at 96.4% (3Q2016: 89.0%) as the mall recorded an effective rent per square foot per month of $22.9 for 3Q2017 (3Q2016: $24.6) due to the impact from negative rental reversion in the preceding quarters.

Note 2:

- NPI for 3Q2017 was $1.1 million higher than 3Q2016 due to higher NPI from the hospitality segment.

Note 3:

- Other income relates to income support provided by OUEAH pursuant to the Deed of Income Support. With the addition of the newly acquired CPEX which forms an integral part of CPCA (collectively, the "enlarged CPCA"), the Deed of Income Support comes into effect. In 3Q2017, OUE H-REIT has fully drawn down the full income support of $7.5 million with a final claim of the remaining $1.6 million.

Note 4:

- Income available for distribution was $2.4 million higher than 3Q2016 mainly due to higher income received from hospitality segment, higher retail rental as 3Q2016 included the non-cash straight-line lease incentives, and income support received for CPCA, partially offset by higher interest expense.
- The DPS for 3Q2017 was 1.36 cents, 10.6% higher as compared to 1.23 cents for 3Q2016.

About OUE Hospitality Trust

OUE Hospitality Trust is a stapled group comprising OUE Hospitality Real Estate Investment Trust (OUE H-REIT) and OUE Hospitality Business Trust (OUE H-BT), listed on the Mainboard of Singapore Exchange Securities Trading Limited.

OUE H-REIT was established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets.

OUE H-REIT's asset portfolio comprising two hotels - the 1,077-room Mandarin Orchard Singapore and the 563-room Crowne Plaza Changi Airport, and a high-end retail mall - Mandarin Gallery, has a portfolio value of approximately S$2.2 billion as at 31 December 2016.

OUE H-BT is dormant.

OUE H-REIT is managed by OUE Hospitality REIT Management Pte. Ltd., which is wholly-owned by OUE Limited (OUE). OUE H-BT is managed by OUE Hospitality Trust Management Pte. Ltd., which is also wholly-owned by OUE.

For more information, please visit www.oueht.com

About the Sponsor

OUE Limited (SGX-ST: OUE) is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and United States. OUE consistently grows its business by leveraging its brands and proven expertise in developing and managing landmark assets across the commercial, hospitality, retail, residential and healthcare sectors. With its core strategy of investing in and enhancing a stable of distinctive properties, OUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value. OUE is the sponsor of OUE Hospitality Trust and OUE Commercial Real Estate Investment Trust. In March 2017, OUE acquired OUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Limited), a listed integrated healthcare services and facilities provider.

For more information, please visit www.oue.com.sg.

For further information, please contact:
Goh Lilian
Senior Vice President, Investor Relations
Tel: +65 6831 6345
Email: lilian.goh@oueht.com

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