



Presentation at REITs Symposium 2017

27 May 2017

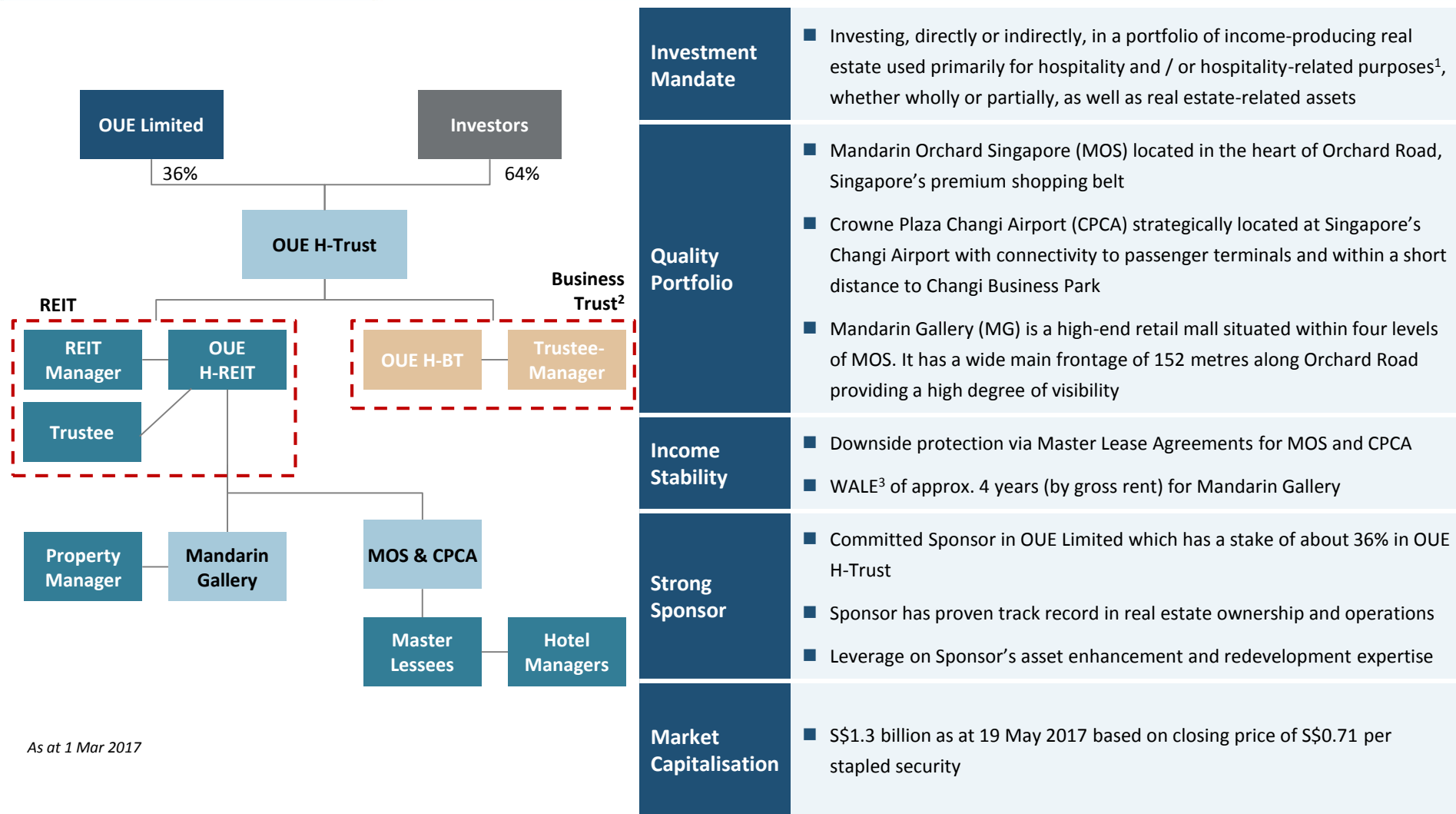
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Overview of OUE H-Trust



As at 1 Mar 2017

¹ 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 OUE H-REIT or which OUE H-REIT has committed to buy

² Dormant as at listing and is the master lessee of last resort

³ Weighted average lease expiry



OUE H-Trust's Portfolio

Premier Portfolio of High Quality Landmark Assets

Mandarin Orchard Singapore



- ✓ Located in the heart of Orchard Road
- ✓ A world class hospitality icon in Singapore since 1971
- ✓ One of the top accommodation choices in Singapore for leisure and business travellers globally
- ✓ Largest hotel on Orchard Road with 1,077 rooms and more than 30,000 sqft of meeting and function space
- ✓ Shisen Hanten by Chen Kentaro awarded two stars in the inaugural Michelin Guide Singapore 2016
- ✓ Chatterbox, home of the legendary Mandarin Chicken Rice, made it to the Hall of Fame for winning the SPBA Heritage Brand distinction five years in a row

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

Popular F&B



Awards & Accolades



Overview of Master Leases

Mandarin Orchard Singapore

Property	Mandarin Orchard Singapore
No. of Guestrooms	1077
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 \$45 million ³
Master Lessee	<ul style="list-style-type: none"> ▪ OUE Limited
Tenure	<ul style="list-style-type: none"> ▪ 15 years ▪ Option to renew for an additional 15 years on the same terms and conditions
FF&E Reserve	<ul style="list-style-type: none"> ▪ 3% of GOR

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

Premier Portfolio of High Quality Landmark Assets

Crowne Plaza Changi Airport



- ✓ Located at Singapore Changi Airport – The hotel has direct access to the passenger terminals and is within a short distance to Changi Business Park
- ✓ Designed by award-winning architectural firm WOHA
- ✓ The hotel has 563 rooms including 27 suites, four food & beverage outlets and eight meeting rooms (including a ballroom)
- ✓ Managed by InterContinental Hotels Group (IHG)

Awards & Accolades

- ✓ Best Airport Hotel – 26th Annual TTG Travel Awards
- ✓ World Best Airport Hotel - Skytrax World Airport Awards 2015, 2016 & 2017
- ✓ Travel Weekly Asia 2016 Readers Choice - Best Airport Hotel

	Crowne Plaza Changi Airport (CPCA)
Completion of Acquisition	30 January 2015 (for the operating hotel) 1 August 2016 (for the extension)
Approx. GFA (sq ft '000)	439
No. of Available Rooms	563
Purchase Consideration	\$495 million / (\$\$879 K per key)
Leasehold Tenure	Approx. 66 years remaining, expiring on 29 August 2083

Overview of the Master Leases - Crowne Plaza Changi Airport

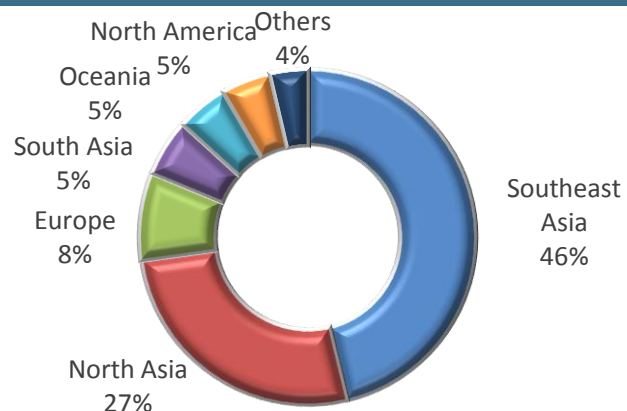
Property	CPCA and CPEX (w.e.f. 1 August 2016)
No. of Guestrooms	563
Master Lease Rental	<p>Variable Rent Comprising Sum of:</p> <ul style="list-style-type: none"> (i) 4% of Hotel F&B Revenues; (ii) 33% of Hotel Rooms and Other Revenues not related to F&B; (iii) 30% Hotel Gross Operating Profit; and (iv) 80% of Gross Rental Income from leased space; <p>subject to Minimum Rent of \$22.5 million¹</p>
Income Support	Aggregate of \$7.5 million to be drawn down over 3 years
Master Lessee	OUE Airport Hotel Pte. Ltd. (OUEAH)
Tenure	<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
Capital Replacement Contribution	<ul style="list-style-type: none"> ■ Aligned with hotel management agreement between OUEAH and IHG ■ Generally at 3% of GOR

¹ 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

Portfolio Customer Profile (By Geography)

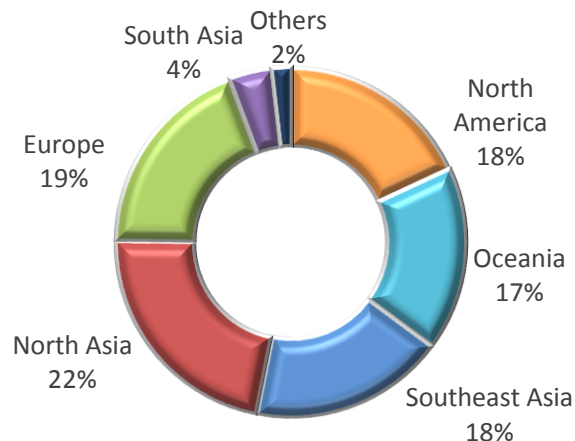
**Customer Profile for Mandarin Orchard Singapore
(By Geography Based on Room Nights Occupied)**

1Q2017



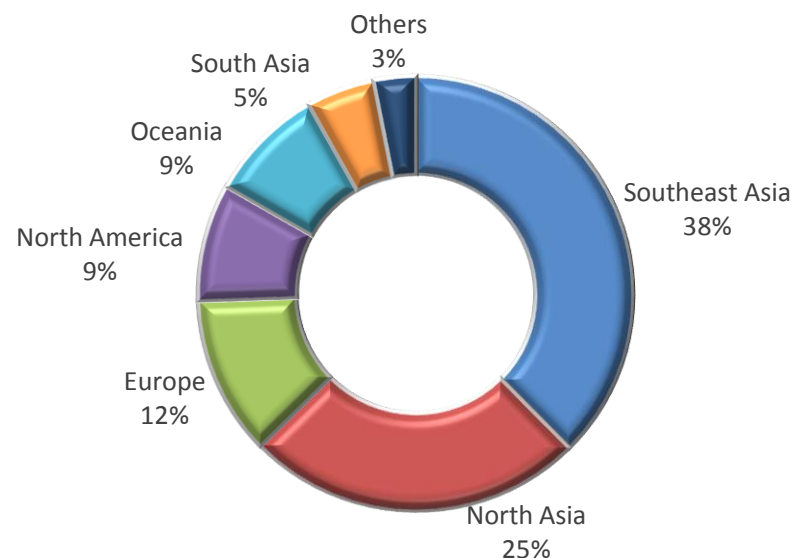
**Customer Profile for Crowne Plaza Changi Airport
(By Geography Based on Room Nights Occupied)**

1Q2017



**Portfolio Customer Profile
(By Geography Based on Room Nights Occupied)**

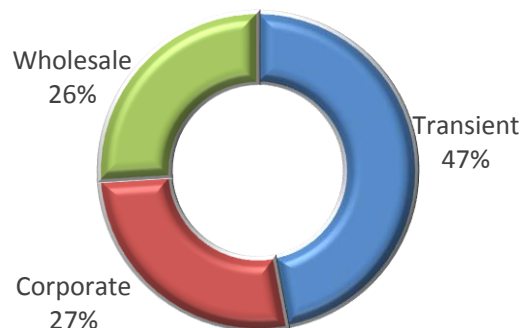
1Q2017



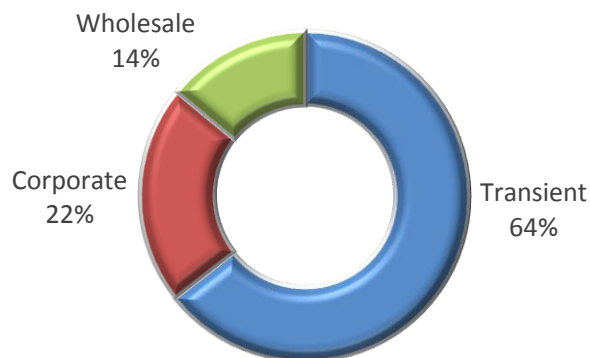
Note: Excludes aircrew.

Portfolio Customer Profile (By Segment Based on Room Revenue)

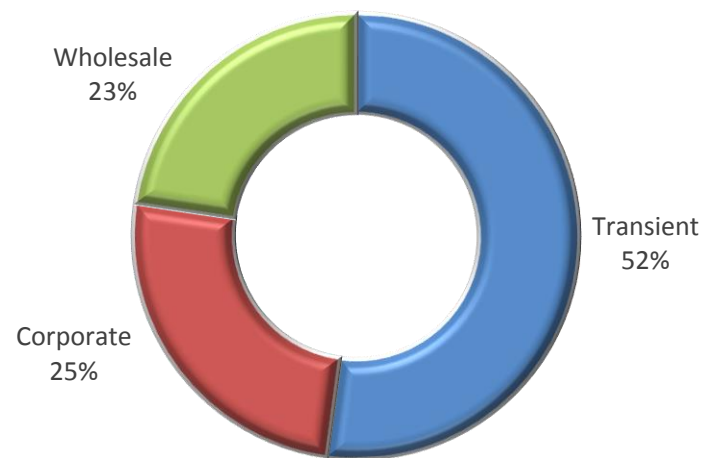
**Customer Profile for Mandarin Orchard Singapore
(By Segment Based on Room Revenue)¹
1Q2017**



**Customer Profile for Crowne Plaza Changi Airport
(By Segment Based on Room Revenue)¹
1Q2017**



**Portfolio Customer Profile
(By Segment Based on Room Revenue)¹
1Q2017**



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
Note: Excludes aircrew.

Premier Portfolio of High Quality Landmark Assets

Mandarin Gallery



- ✓ Prime retail landmark on Orchard Road featuring six duplexes and six street front shop units
- ✓ Completed in 2009 with a high degree of prominence given 152-metre wide frontage along Orchard Road
- ✓ Preferred location for flagship stores of international brands
- ✓ Minimal brand duplication versus neighbouring malls
- ✓ Tailored destination for its specific target audience

GFA (sq ft '000)	196
Retail NLA (sq ft '000)	126
Purchase Consideration	\$525 million (\$\$2,674psf ¹)
Leasehold Tenure	99-yr lease commencing from 1 July 1957

High Quality and Diverse Tenant Base

Retail

VICTORIA'S SECRET
MICHAEL KORS
MaxMara RIMOWA Germany since 1898
BIMBA Y LOLA Y-3

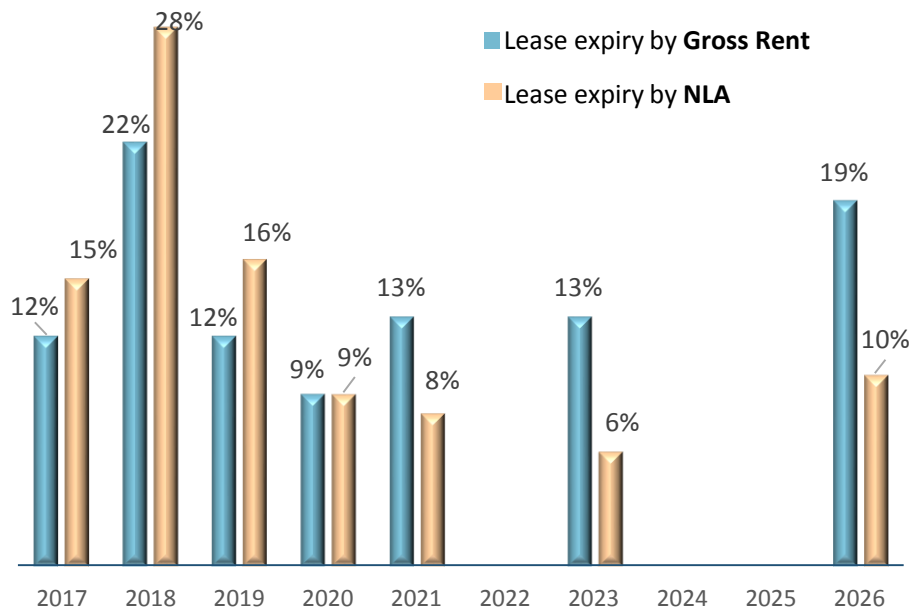
F&B



¹ Based on Mandarin Gallery's GFA.

Mandarin Gallery – Lease Profile

Mandarin Gallery Lease Expiry Profile as at 31 March 2017¹



As at 31 Mar 2017:

- Mandarin Gallery was approx. 92% committed⁵.
- Average occupancy⁶ of about 94.7% for 1Q2017.

Leasing Update

- Rental reversion for base rent was about -19% for 1Q2017, for approx. 4.5% of the NLA.

WALE² (by Gross Rent^{1,3}) : 4.0 yrs

WALE (by NLA^{1,4}) : 2.7 yrs

¹Based on committed tenancies

²Weighted average lease expiry

³Excludes turnover rent

⁴Net lettable area

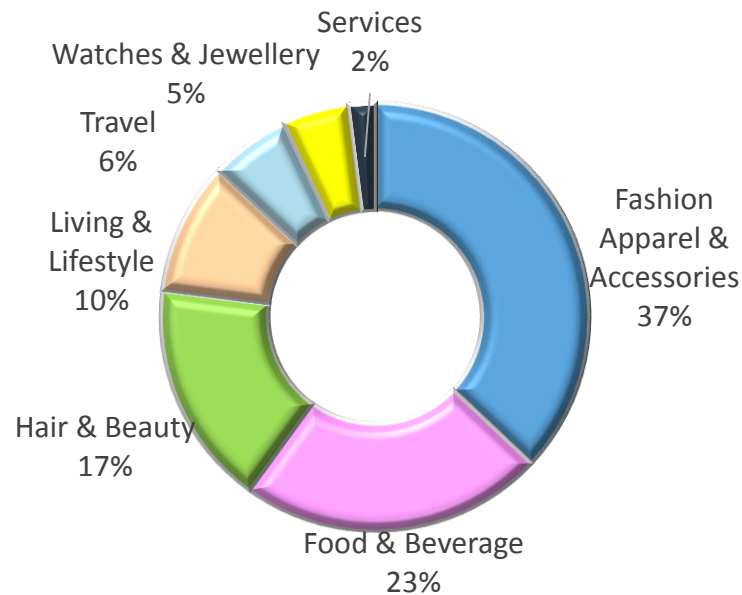
⁵Excludes pop-up stores

⁶Includes pop-up stores

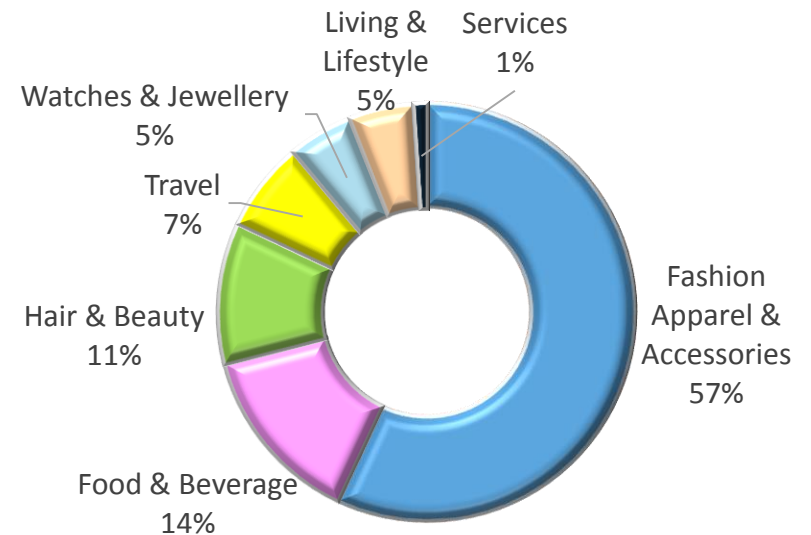
Note: Rental reversion is based on the variance between the average rental rates between the new leases and the preceding leases. Reconfigured space is excluded.

Mandarin Gallery - Tenant Mix

NLA
As at 31 Mar 2017¹



Gross Rent (excludes turnover rent)
As at 31 Mar 2017¹



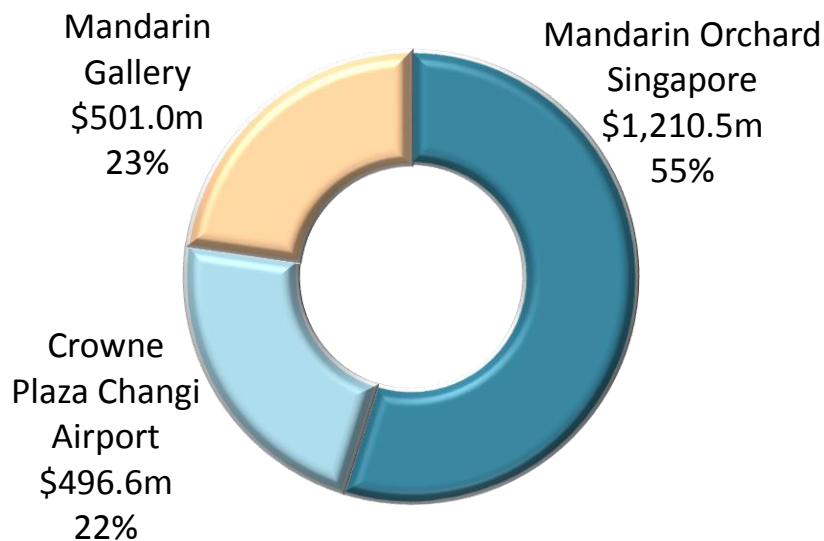
¹Based on committed tenancies



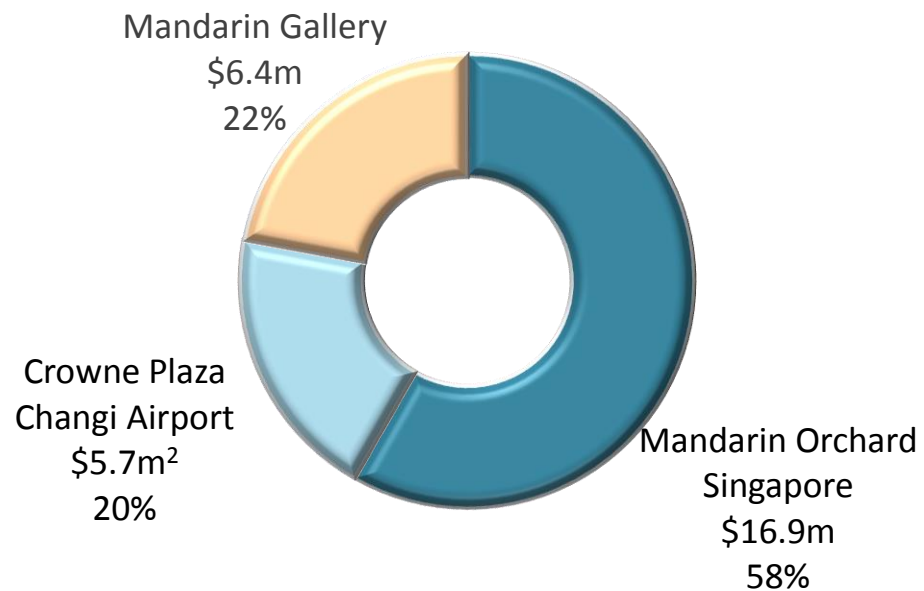
1Q2017 Financial Highlights

Asset Value and NPI Contribution

Breakdown by Asset Value¹



1Q2017 Breakdown by NPI Contribution

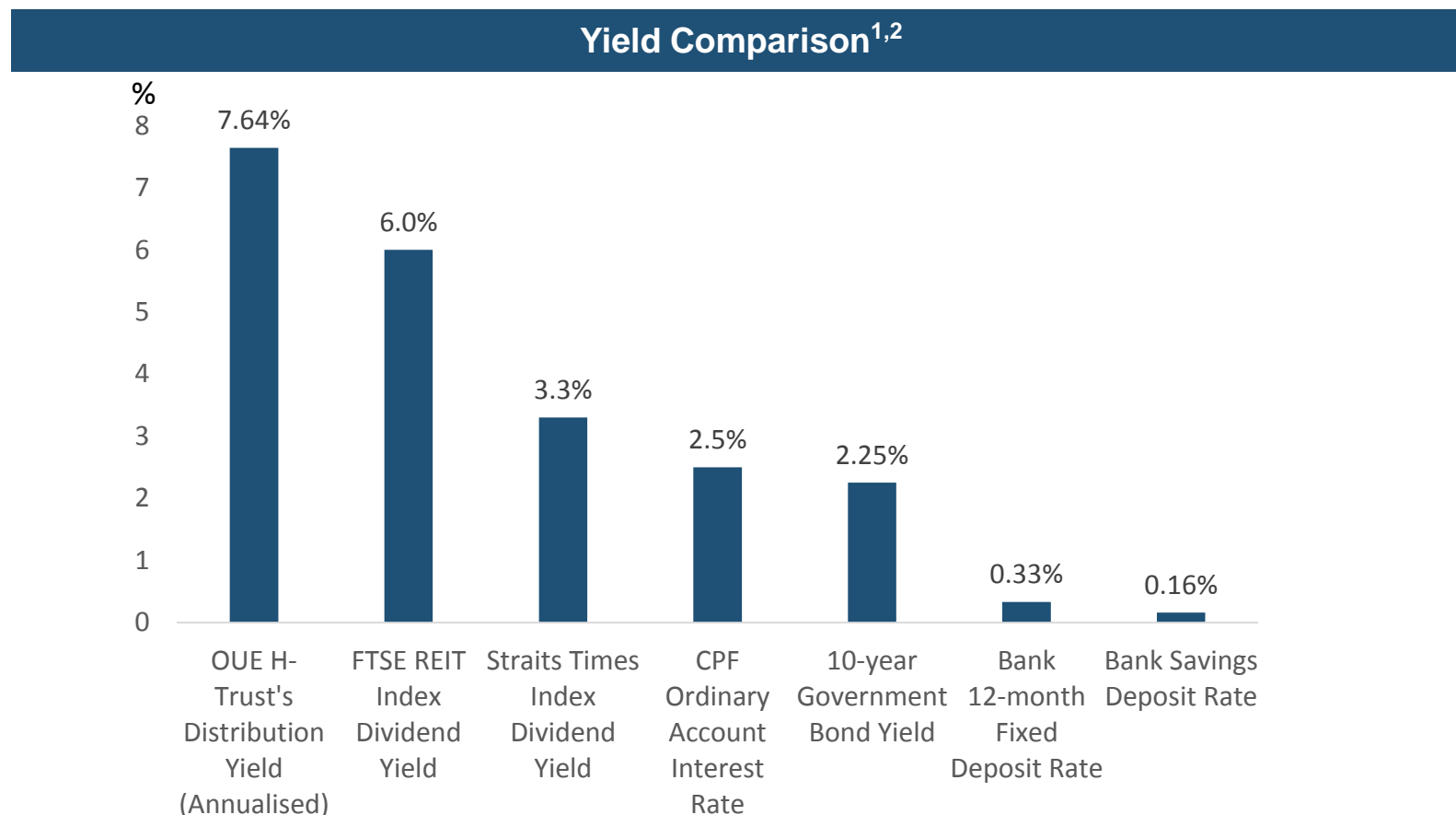


¹ Based on independent valuations as at 31 December 2016. For CPCA, value presented is the valuation without income support.

² Includes income support of \$1.6 million.

Attractive Distribution Yield

- 7.64% (annualised) distribution yield based on 1Q2017 Distribution per Stapled Security (DPS) of 1.30 cents.



Source: Bloomberg, Monetary Authority of Singapore, Central Provident Fund (CPF) Board, Singapore Government Securities

(1) QUE H-Trust's annualised distribution yield based on 1Q2017 DPS of 1.30 cents and unit closing price of S\$0.69 as at 31 March 2017

(2) All information as at 31 March 2017 except for FTSE Index and Straits Times Index which are as at 19 May 2017, and CPF Ordinary Account based on news release by the CPF Board on 12 May 2017

1Q2017 Financial Highlights

	1Q2017 S\$'000	1Q2016 S\$'000	Increase/ (Decrease) %
Gross revenue:			
- Hospitality	23,380	22,395	4.4
- Retail	8,706	7,753	12.3
	32,086	30,148	6.4
Net property income:			
- Hospitality	20,999	20,822	0.9
- Retail	6,434	5,471	17.6
	27,433	26,293	4.3
Other income¹:	1,625	-	n.m.
Distributable income	23,458	19,700	19.1
DPS (cents)	1.30	1.10	18.2

- Gross revenue for 1Q2017 was \$1.9 million higher than 1Q2016. Both hospitality and retail segments posted higher revenue in 1Q2017 as compared to 1Q2016.
- NPI for 1Q2017 was \$1.1 million or 4.3% higher than 1Q2016 due to higher gross revenue from both hospitality and retail segments, partially offset by higher property expenses for Crowne Plaza Changi Airport (CPCA).
- Income available for distribution was \$3.8 million or 19.1% higher than 1Q2016 due to higher income from both hospitality and retail segments, income support received for CPCA and lower interest expense.
- The DPS for 1Q2017 was 1.30 cents as compared to 1.10 cents for 1Q2016.

¹Other 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. Subject to the enlarged CPCA not achieving agreed Target Quarterly Rent over the first twelve (12) quarters from the date of acquisition of CPEX, OUE H-REIT could drawdown the income support over (i) three years from the date of OUE H-REIT's acquisition of CPEX; or (ii) until the income support of S\$7.5 million had been fully drawn down by OUE H-REIT, whichever is earlier.

1Q2017 vs 1Q2016 – Hospitality Highlights

	Revenue			Net property income		
	1Q2017 S\$m	1Q2016 S\$m	Increase/ (Decrease) %	1Q2017 S\$m	1Q2016 S\$m	Increase/ (Decrease) %
MOS	17.8	18.4	(3.3)	16.9	17.5	(3.4)
CPCA	5.6 ¹	4.0	40.0	4.1 ¹	3.4	20.6
Hospitality segment	23.4	22.4	4.4	21.0	20.9	0.9

- Hospitality revenue was \$1.0 million higher than 1Q2016. This was a result of \$1.6 million higher master lease income from CPCA which more than offset the \$0.6 million decrease in master lease income from Mandarin Orchard Singapore (MOS).
- Master lease income from MOS was \$0.6 million lower than 1Q2016 as MOS recorded a lower RevPAR of \$217 as compared to RevPAR of \$222 in 1Q2016. Although occupancy improved in 1Q2017, RevPAR was lower due to lower average room rates achieved in the absence of biennial meetings, incentives, convention and exhibition (MICE) events such as the Singapore Airshow and a competitive market. The lower room sales were partially mitigated by higher sales from the hotel's food and beverage outlets and banquet.
- Master lease income from the enlarged CPCA was \$1.6 million higher than 1Q2016 due to enlarged room inventory in CPCA with the addition of Crowne Plaza Changi Airport Extension's (CPEX's) 243 rooms which opened for business on 1 August 2016. As such, it is not meaningful to compare the RevPAR for the enlarged 563-room CPCA with the RevPAR for the 320-room CPCA for 1Q2016. In addition to master lease income, OUE H-REIT also receives income support provided by OUEAH.²

RevPAR: revenue per available room

¹Inclusive of CPEX (243 rooms) that was acquired and commenced operations on 1 August 2016. The enlarged CPCA has 563 rooms.

²With 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. Subject to the enlarged CPCA not achieving agreed Target Quarterly Rent over the first twelve (12) quarters from the date of acquisition of CPEX, OUE H-REIT could drawdown the income support over (i) three years from the date of OUE H-REIT's acquisition of CPEX; or (ii) until the income support of S\$7.5 million had been fully drawn down by OUE H-REIT, whichever is earlier.

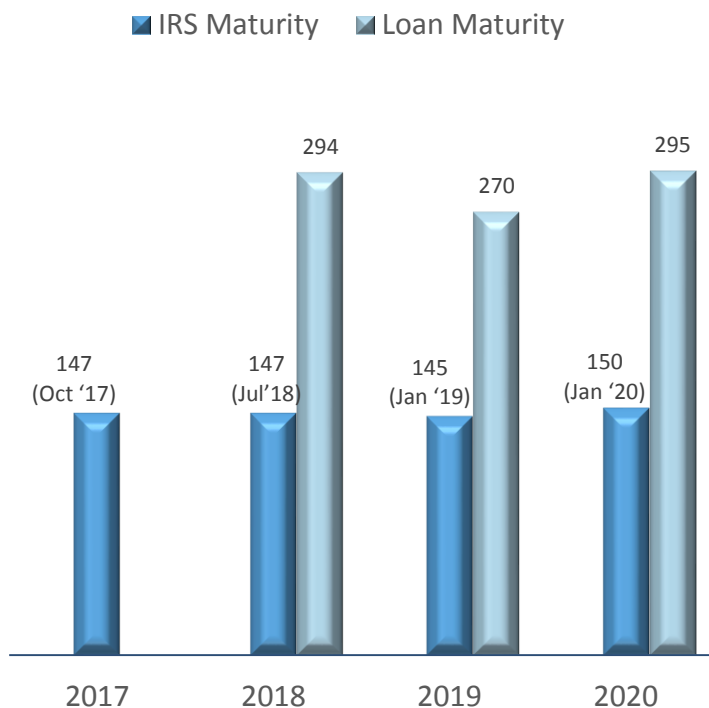
1Q2017 vs 1Q2016 – Retail Highlights

	1Q2017 S\$'000	1Q2016 S\$'000	Increase/ (Decrease) %
Gross revenue:			
- Hospitality	23,380	22,395	4.4
- Retail	8,706	7,753	12.3
	32,086	30,148	6.4
Net property income (NPI):			
- Hospitality	20,999	20,822	0.9
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	27,433	26,293	4.3
Distributable income	23,458	19,700	19.1

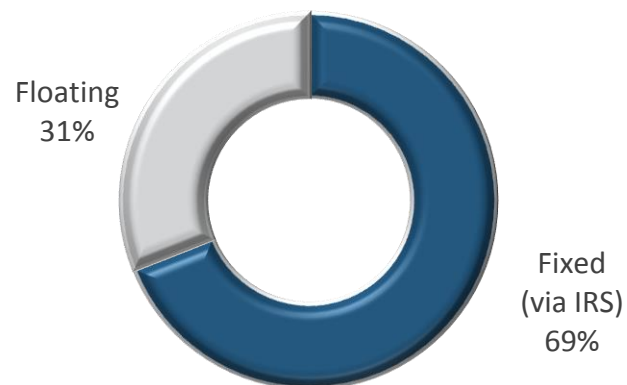
- Retail segment pertains to rental and other income from the Mandarin Gallery shopping mall.
- Retail revenue for 1Q2017 was \$1.0 million higher than 1Q2016 mainly due to higher average occupancy rate at 94.7% (1Q2016: 82.9%).
- The mall recorded an effective rent per square foot per month of \$23.7 for 1Q2017 (1Q2016: \$24.4).

Capital Management (As at 31 Mar 2017)

Debt and Interest Maturity Profile (\$\$ 'm)



Interest Rate Profile



Gearing	■ 38.1%
Average Cost of Debt	■ 2.5% (1Q2017)
Debt Maturity	■ Weighted average remaining tenor of 2.1 years
Interest Cover Ratio	■ 4.8 times (1Q2017)

- Effective 6 April 2017, OUE H-REIT's floating rate loans are 100% hedged using IRS.
- OUE H-REIT has no loan due until July 2018.

Balance Sheet Highlights (As at 31 Mar 2017)

	S\$ 'm
Investment Properties	2,209.2
Total assets	2,253.5
Borrowings (secured)	859.0
Total liabilities	877.1
Net assets	1,376.4
NAV per Stapled Security (S\$)	0.76
Closing price on 31 Mar 2017 (S\$)	0.69
Discount to NAV (%)	9%



Outlook

Singapore Tourism Board (“STB”) reported a 3.4%¹ year-on-year increase in international visitor arrivals in the first two 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. As such, the tourism industry continues to face headwinds in the near term as consumers and corporates are likely to be conservative in their travel expenditures. The increased rooms supply in Singapore had created a highly competitive market environment and this would likely persist as more supply is expected in 2017 before tapering in 2018. To support the tourism industry and in an effort to boost tourism, the Singapore government has set aside \$700 million³ in a Tourism Development Fund to be invested from 2016 to 2020. In addition, Changi Airport Group, Singapore Airlines and STB have announced that they will jointly invest \$34 million to promote Singapore as an attractive stopover and twinning destination to travellers globally.⁴ Changi Airport’s Terminal 4 is expected to be operational in the second half of 2017.⁵ Higher air passenger traffic through Changi Airport could potentially benefit Singapore’s hospitality sector.

The asset enhancement programme on 430 rooms of Mandarin Orchard Singapore (“MOS”) and a programme to renovate and increase the meeting facilities in MOS have been completed. The enhancement of MOS’ meeting facilities will allow it to attract and cater to a wider range of banquet and conference demand. For the enlarged CPCA, the ramping up of operations continues in a challenging market.

The retail scene in Singapore remains challenging. To partner tenants towards success, structure of leases for some tenants feature lower base rent and higher turnover rent compared to previous leases for the same units.

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

¹Singapore Tourism Board, *International Visitor Arrivals Statistics*, 13 April 2017

²Singapore Tourism Board, *Year-in-Review 2016*, 14 February 2017

³MTI News Room, *Speech by Minister S Iswaran at the Tourism Industry Conference 2016*

⁴Changi Airport Group, *Press Release ‘CAG, SIA and STB sign new joint partnership’*, 17 April 2017

⁵Changi Airport Group, *Press Release ‘Construction of Changi Airport Terminal 4 Completed’*, 16 December 2016



Thank You