



Proposed Merger with OUE Commercial REIT (the “Proposed Merger”)

8 April 2019

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This presentation shall be read in conjunction with the joint announcement dated 8 April 2019. A scheme document (“**Scheme Document**”) will also be issued in due course in respect of the Proposed Merger and Investors are cautioned that this presentation should also be read in conjunction with the Scheme Document.

Responsibility Statement

The directors of the OUE H-Trust Managers (including those who may have delegated detailed supervision of this presentation) have taken all reasonable care to ensure that the facts stated and opinions expressed in this presentation (other than those relating to OUE Commercial Real Estate Investment Trust (“**OUE C-REIT**”) and/or their manager, Commercial REIT Management Pte. Ltd. (“**OUE C-REIT Manager**”)), are fair and accurate and that there are no other material facts not contained in this material, the omission of which would make any statement in this material misleading. Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from OUE C-REIT and/or their manager, OUE Commercial REIT Management Pte. Ltd., the sole responsibility of the directors of the OUE H-Trust Managers has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this material. The directors of the OUE H-Trust Managers jointly and severally accept responsibility accordingly.

Transaction Summary

<p>Transaction Structure</p>	<ul style="list-style-type: none"> • OUE Commercial REIT (“OUE C-REIT”) to acquire all stapled securities (“Stapled Securities”) of OUE Hospitality Trust (“OUE H-Trust”) held by OUE H-Trust stapled securityholders (“Stapled Securityholders”) via a Trust Scheme
<p>Scheme Consideration</p>	<ul style="list-style-type: none"> • Scheme Consideration shall be satisfied by: <ul style="list-style-type: none"> – S\$0.04075⁽¹⁾ in cash per Stapled Security (the “Cash Consideration”); and – 1.3583 new OUE C-REIT Units⁽²⁾ per Stapled Security (“the “Consideration Units”) • By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, a Stapled Securityholder will receive S\$40.75 in cash and 1,358 Consideration Units for every 1,000 Stapled Securities held as at the Books Closure Date
<p>Permitted Distributions</p>	<ul style="list-style-type: none"> • OUE H-Trust Managers shall be entitled to announce, declare, pay or make distributions⁽³⁾ (the “Permitted Distributions”) without any adjustment to the Scheme Consideration • Stapled Securityholders shall have the right to receive and retain the Permitted Distributions <u>in addition</u> to the Scheme Consideration
<p>Enlarged REIT Structure</p>	<ul style="list-style-type: none"> • OUE H-Trust will become a sub-trust of OUE C-REIT and will be delisted • The Enlarged REIT will continue to be managed by OUE Commercial REIT Management Pte. Ltd. (the “OUE C-REIT Manager”)
<p>Lead Merger Coordinator and Sole Financial Adviser</p>	<ul style="list-style-type: none"> • BofA Merrill Lynch

(1) The aggregate Cash Consideration to be paid to each Stapled Securityholder shall be rounded to the nearest S\$0.01.

(2) The number of Consideration Units which each Stapled Securityholder will be entitled to pursuant to the Trust Scheme will be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of the aggregate Consideration Units to be issued to any Stapled Securityholder pursuant to the Trust Scheme.

(3) Permitted Distributions include distributions that are declared, paid or made in the ordinary course of business in respect for the period from 1 January 2019 up to the day immediately before the effective date of the Trust Scheme.

The Scheme Consideration

1 Scheme Consideration shall be satisfied by:



S\$0.04075 in cash per Stapled Security; and



1.3583 new OUE C-REIT Units per Stapled Security

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, a Stapled Securityholder will receive S\$40.75 in cash and 1,358 Consideration Units for every 1,000 Stapled Securities held as at the Books Closure Date

Other Information:

- Unitholders of OUE C-REIT (“Unitholders”) and Stapled Securityholders shall be entitled to receive and retain any permitted distributions declared by the respective managers in respect of the period from 1 January 2019 up to the day immediately before the date on which Trust Scheme becomes effective
- The aggregate Cash Consideration to be paid to each Stapled Securityholder shall be rounded to the nearest S\$0.01
- The number of Consideration Units which each Stapled Securityholder will be entitled to pursuant to the Trust Scheme will be rounded down to the nearest whole number, and fractional entitlements shall be disregarded in the calculation of aggregate Consideration Units to be issued to any Stapled Securityholder pursuant to the Trust Scheme

2 Illustrative Value of Scheme Consideration:

Illustrative Value of Scheme Consideration⁽¹⁾

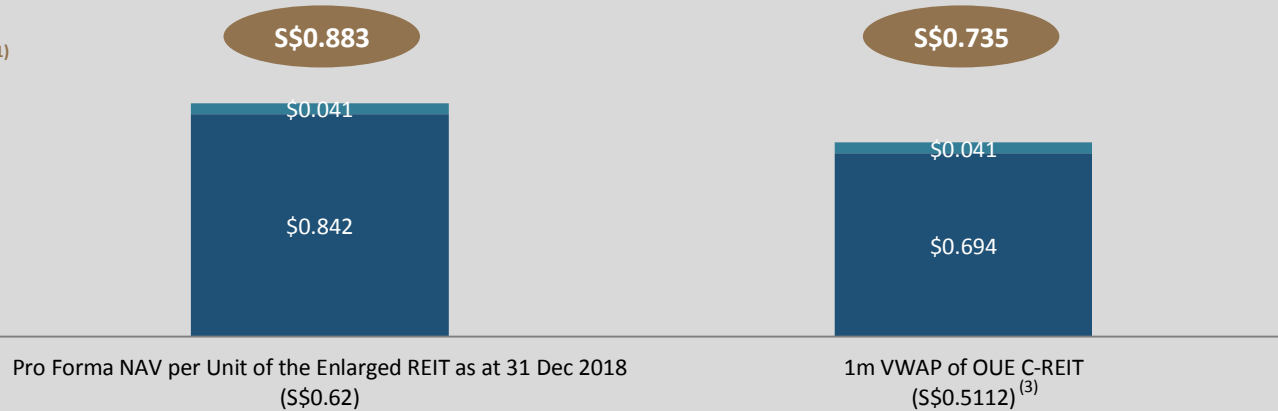
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Cash Consideration

+

Illustrative Value of Consideration Units⁽²⁾

Illustrative Value of One OUE C-REIT Unit



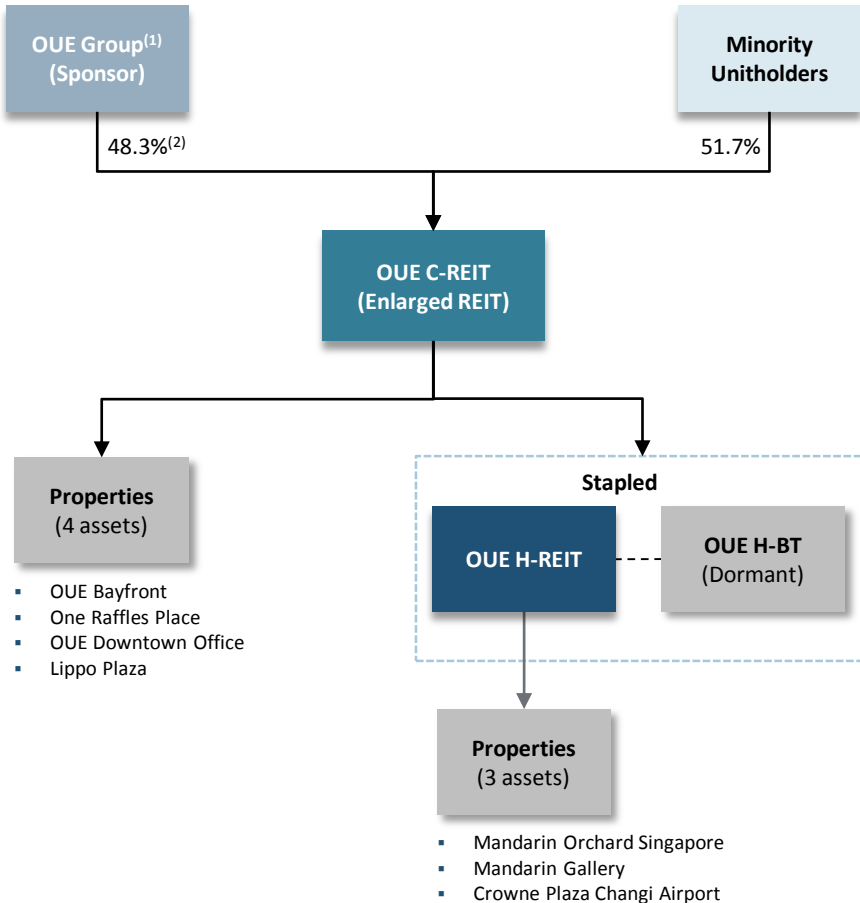
(1) Computed by adding Cash Consideration and the Illustrative Value of Consideration Units.

(2) Computed by multiplying the illustrative value of one OUE C-REIT Unit by 1.3583.

(3) Source: Bloomberg as at 5 April 2019.

OUE H-Trust will Become a Wholly-owned Sub-trust of OUE C-REIT which will have a Broadened Investment Mandate

Enlarged REIT Structure



Broadened Investment Mandate



*Commercial
(office / retail)*



Hospitality



*Integrated
Developments⁽³⁾*

(1) Refers to OUE Limited and its related corporations.

(2) Illustrative pro forma unitholding structure (inclusive of the interests held by OUE Limited, OUE Realty Pte. Ltd. and Golden Concord Asia Limited) based on latest available information as at 8 Apr 2019. Based on the Scheme Consideration of S\$0.04075 in cash per Stapled Security and 1,3583 Consideration Units to be allotted and issued per Stapled Security. Under the OUE C-REIT Trust Deed, the OUE C-REIT Manager is entitled to receive an acquisition fee of 0.75% of the underlying value of the assets of OUE H-Trust. The OUE C-REIT Manager has voluntarily waived 50% of its acquisition fee entitlement.

(3) Integrated developments including a combination of the office, retail and/or hospitality asset classes.



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Key Benefits of the Proposed Merger

Key Benefits of the Proposed Merger



1

Value Accretive to Stapled Securityholders



2

Creation of One of the Largest Diversified S-REITs



3

Enhanced Scale, Diversification and Resilience



4

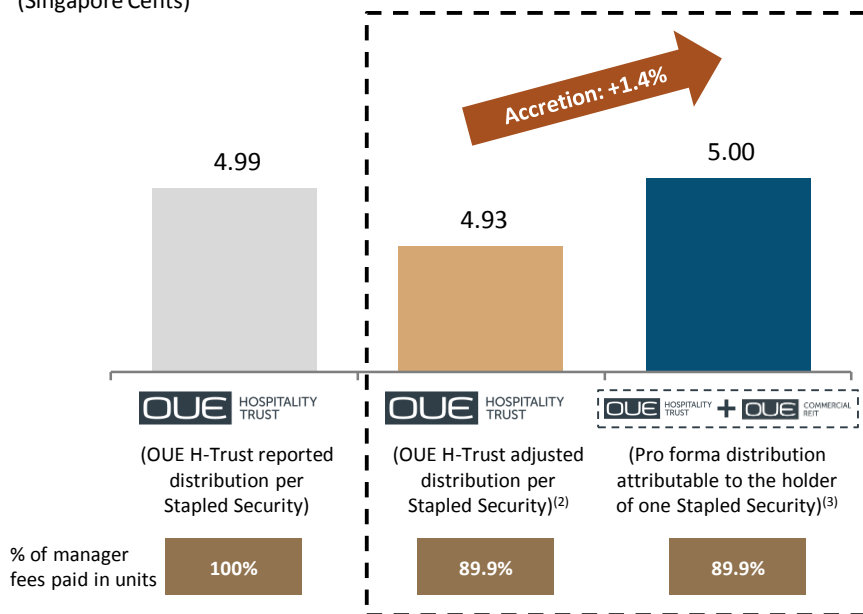
Increased Flexibility and Ability to Drive Growth

- ✓ 1.4% Distribution per Stapled Security accretive
- ✓ 18.7% NAV per Stapled Security accretive

For Illustrative Purposes Only – Not A Forward Looking Projection

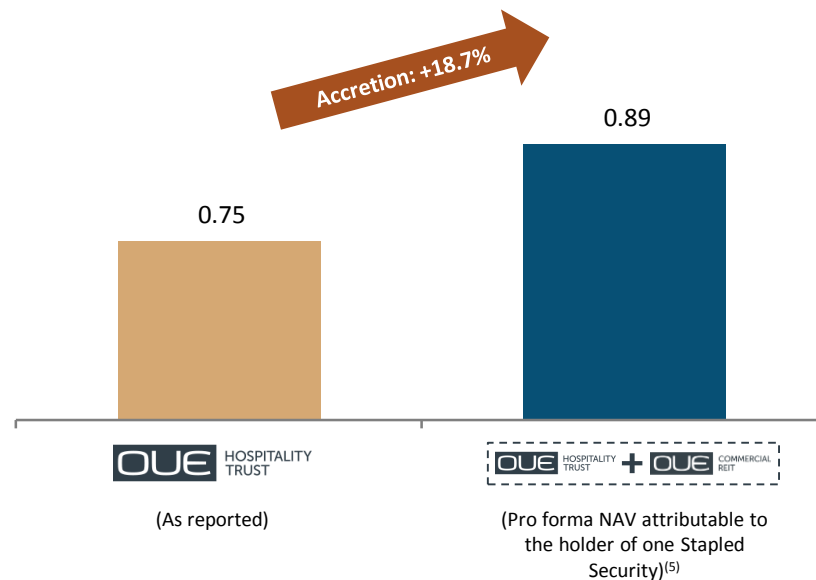
Pro Forma FY2018 Distribution Attributable to the Holder of One Stapled Security⁽¹⁾

(Singapore Cents)



NAV Attributable to the Holder of One Stapled Security⁽⁴⁾

(\$)



(1) Assumes the Proposed Merger had been completed on 1 January 2018.

(2) After aligning the proportion of the OUE H-Trust Managers' fees paid in units to be on a like-for-like basis as compared to the Enlarged REIT.

(3) Based on the Enlarged REIT's FY2018 pro forma DPU multiplied by the exchange ratio of 1.3583 and assuming that the Cash Consideration is reinvested at OUE C-REIT's 1m VWAP of S\$0.5112 as at 5 April 2019.

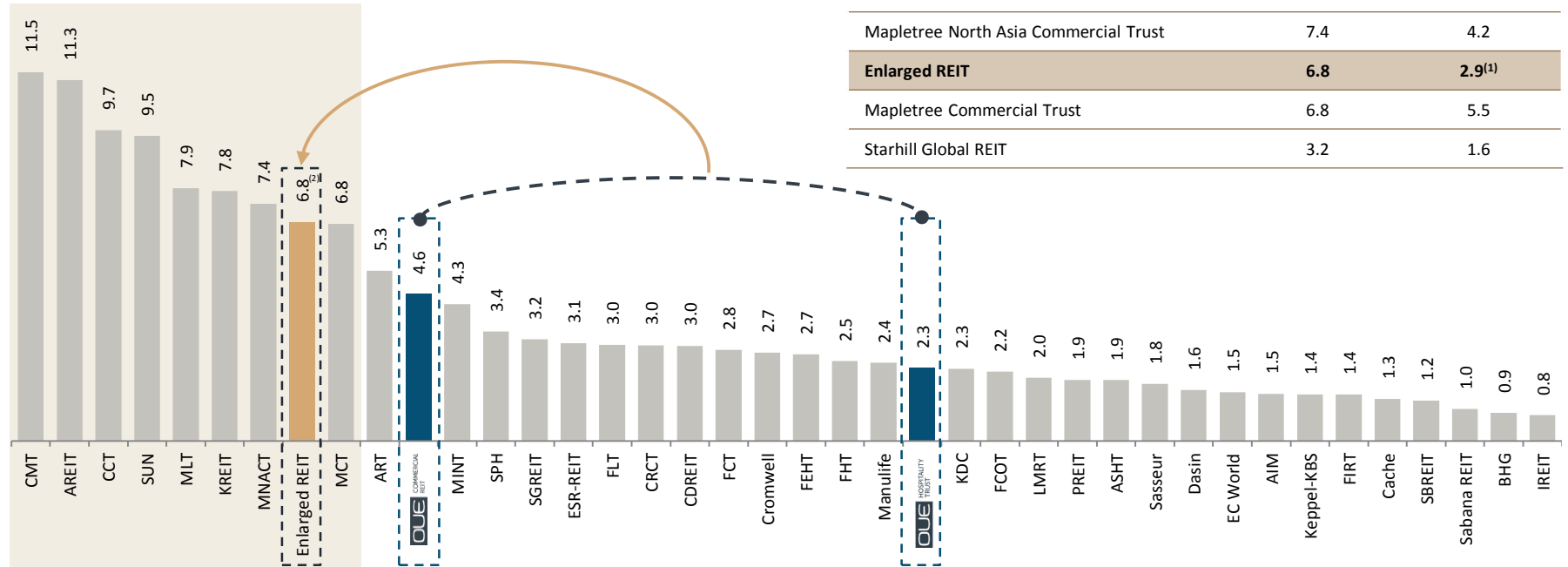
(4) Assumes the Proposed Merger had been completed on 31 December 2018

(5) Based on the Enlarged REIT's FY2018 pro forma NAV multiplied by the exchange ratio of 1.3583 and assuming that the Cash Consideration is reinvested at OUE C-REIT's 1m VWAP of S\$0.5112 as at 5 April 2019.

- ✓ Enlarged REIT will become one of the largest diversified S-REITs, with a combined asset size of approximately S\$6.8bn⁽¹⁾
- ✓ More competitive in accessing various sources of capital
- ✓ Greater funding flexibility

Total Assets (S\$bn)

← Total Assets >S\$6bn →



Source: Company filings, Bloomberg as at 5 April 2019.

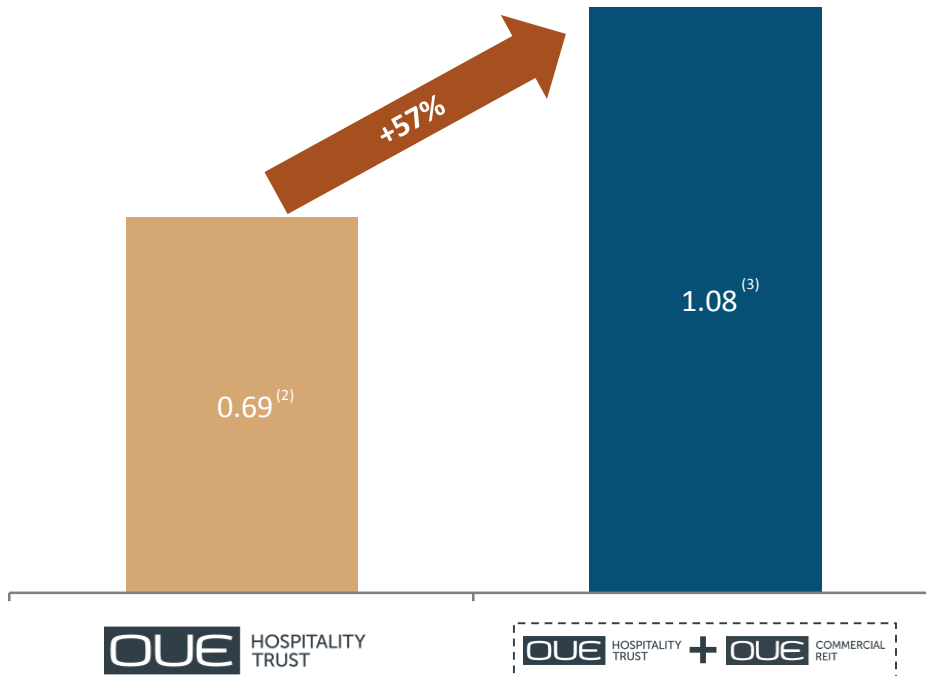
Note: Chart above only include REITs with primary listing on the SGX-ST and total assets size of at least S\$0.8 billion as at 31 Dec 2018.

(1) Illustrative market capitalisation of Enlarged REIT calculated as the sum of (a) the market capitalisation of QUE C-REIT of S\$1.5 billion as at 5 April 2019; (b) the portion of the Scheme Consideration to be satisfied in Units; and (c) the value of the acquisition fee to be issued in Units, as described in QUE C-REIT Manager Announcement made on the date of the joint announcement.

(2) Due to rounding, numbers do not add up precisely to the total indicated.

Creation of One of the Largest Diversified S-REITs (Cont'd)

Free Float⁽¹⁾ (\$\$bn)



Higher Liquidity and Free Float

Larger Investor Base

Potential Index Inclusion



Potential positive re-rating of Enlarged REIT's unit price which will benefit all unitholders

Source: Company filings, Bloomberg as at 5 April 2019.

- (1) Excludes the stakes held by OUE Group, OUE H-Trust Managers, OUE C-REIT Manager, directors and chief executive officers of the OUE H-Trust Managers and OUE C-REIT Manager and their respective associates, and substantial Unitholders and substantial Stapled Securityholders.
- (2) Based on approximately 937.9 million Stapled Securities and the Last Price of of S\$0.735 per Stapled Security as at 5 April 2019.
- (3) Based on pro forma free float percentage multiplied by Illustrative market capitalisation of Enlarged REIT. Illustrative market capitalisation of Enlarged REIT calculated as the sum of (a) the market capitalisation of OUE C-REIT of S\$1.5 billion as at 5 April 2019; (b) the portion of the Scheme Consideration to be satisfied in Units; and (c) the value of the acquisition fee to be issued in Units, as described in OUE C-REIT Manager Announcement made on the date of the joint announcement. Due to rounding, numbers do not add up precisely to the total indicated.



Truly Diversified S-REIT Underpinned by a Portfolio of Marquee Assets



Notes: CBD refers to Central Business District.
 (1) As at 31 December 2018.
 (2) Based on reported FY2018 financials.
 (3) Based on attributable net lettable area.

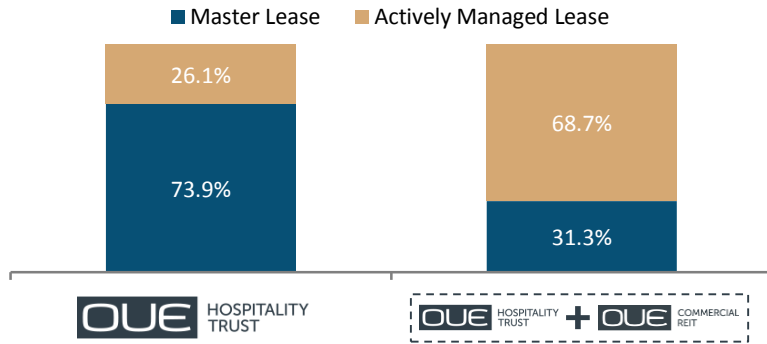
Enhanced Scale, Diversification and Resilience (Cont'd)



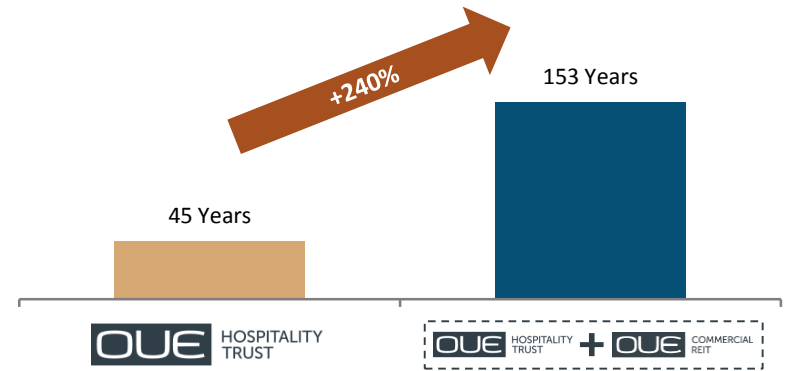
Stapled Securityholders will benefit from enhanced defensive attributes of the Enlarged REIT

Increased Tenant Diversification

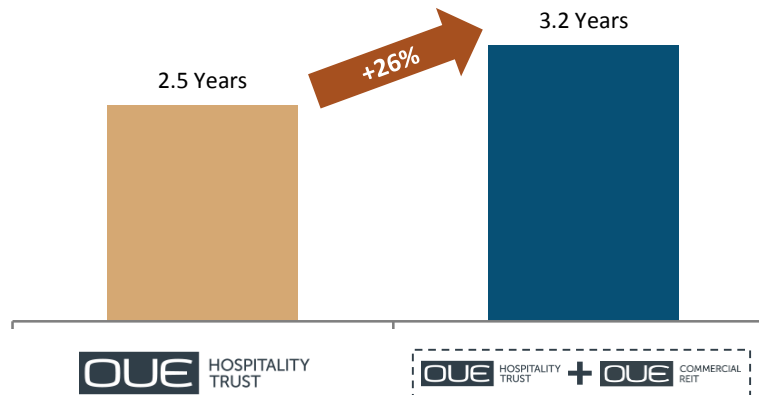
(% of Gross Revenue)



Lengthened Land Lease Expiry⁽¹⁾



Lengthened Debt Tenor

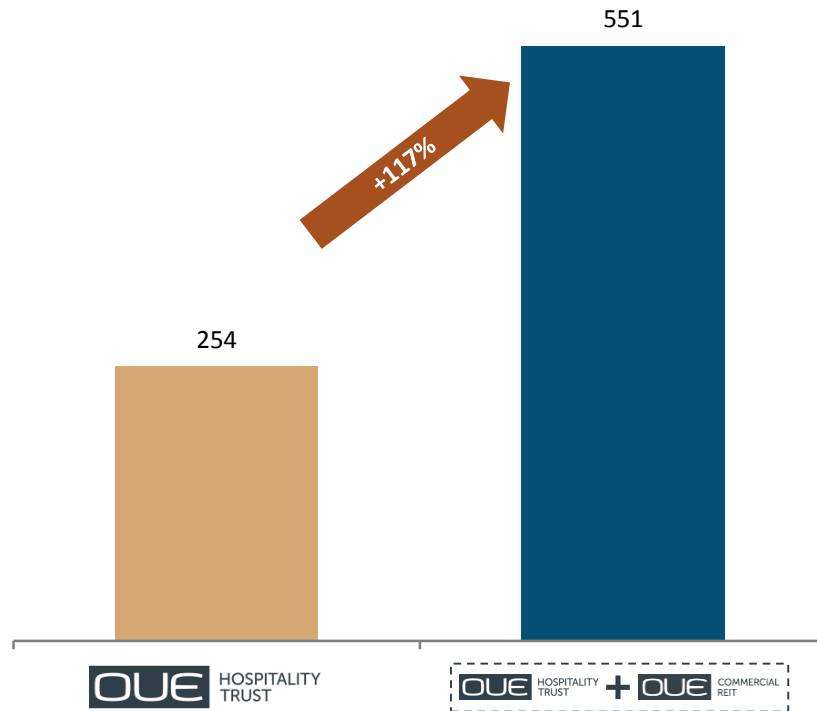


(1) Based on gross floor area as at 31 December 2018 (calculated on a weighted average basis as at 31 December 2018, where appropriate); gross floor area for each of One Raffles Place's Office Tower 1, Office Tower 2 and retail portion is estimated based on the percentage split of the net lettable area for One Raffles Place's Office Tower 1, Office Tower 2 and retail portion as disclosed in the circular to Unitholders dated 1 July 2015 in relation to (i) the proposed acquisition of an indirect interest in One Raffles Place and the proposed CPPU issue; and (ii) the proposed trust deed supplement for the issue of preferred units.

4 Increased Flexibility and Ability to Drive Growth

Debt Headroom⁽¹⁾

(S\$m)



Expanded Investment Universe and Investment Opportunities

Enlarged Capital Base to Absorb Larger Transactions

Enhanced Ability to Seize Potential Investment Opportunities (*Greater Speed and Flexibility*)

Increased Capacity to Undertake Asset Enhancement Initiative ("AEI")



Enhanced Flexibility and Ability for Enlarged REIT to Drive Long Term Growth for All Unitholders

(1) Based on the aggregate leverage limit of 45% under the Property Funds Appendix.



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Approvals Required

Approvals Required for OUE H-Trust

Approvals Required	Requirements
<p>Amendment of the OUE H-Trust Trust Deeds <i>("Trust Deeds Amendments Resolution")</i></p>	<ul style="list-style-type: none"> • Not less than 75% of total votes cast⁽¹⁾
<p>Approval for the Trust Scheme <i>("Trust Scheme Resolution")</i></p>	<ul style="list-style-type: none"> • More than 50% in number of the Stapled Securityholders, representing at least 75% in value of the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy • The OUE C-REIT Trustee (acting in the capacity as trustee of OUE C-REIT), the OUE C-REIT Manager and its concert parties, as well as common substantial Unitholders / Stapled Securityholders will abstain from voting on the Trust Scheme
<p>Court Approval</p>	<ul style="list-style-type: none"> • The Trust Scheme will require the order of Court for (1) the convening of the Trust Scheme Meeting and (2) the sanction/approval of the Trust Scheme (if approved at the Trust Scheme Meeting)

Trust Deeds Amendments Resolution is not conditional on the Trust Scheme Resolution being passed but the Trust Scheme Resolution is contingent upon approval of the Trust Deeds Amendments Resolution

(1) Based on the Stapled Securities held by the Stapled Securityholders present and voting either in person or by proxy cast for and against the resolution at the extraordinary general meeting of the Stapled Securityholders to be convened immediately prior to the Trust Scheme Meeting.

Approvals Required

Requirements

Proposed Merger *(Ordinary Resolution)*

- More than 50% of the total number of votes cast⁽¹⁾
- OUE Limited and its associates will abstain from voting

Proposed Issuance of the Consideration Units *(Ordinary Resolution)*

- More than 50% of the total number of votes cast⁽¹⁾
- OUE Limited and its associates will abstain from voting

The above two ordinary resolutions are inter-conditional and are also conditional upon the Trust Scheme becoming effective

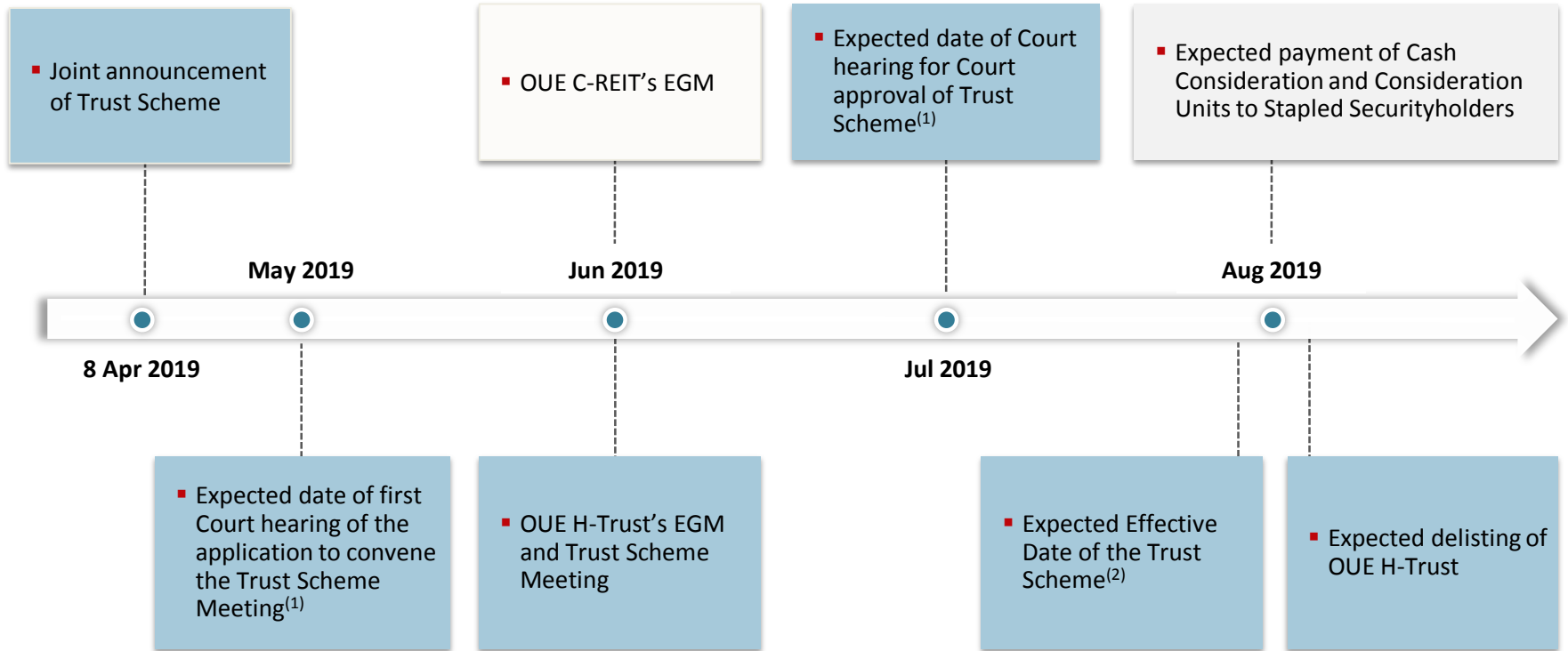
(1) Based on Units held by Unitholders present and voting in either in person or by proxy at the EGM of OUE C-REIT.



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Indicative Timeline

Indicative Merger Timeline



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

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

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



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Conclusion

	OUE HOSPITALITY TRUST	OUE COMMERCIAL REIT	Enlarged REIT
Total Assets	S\$2,255m	S\$4,571m	S\$6,812m
Portfolio Breakdown (by Valuation)⁽¹⁾	<p>Hospitality 78% Retail 22%</p>	<p>Commercial (Office & Retail) 100%⁽²⁾</p>	<p>Hospitality 26% Commercial (Office & Retail) 74%⁽²⁾</p>
No. of Properties	3	4	7
Land Lease Expiry⁽³⁾ (by GFA)	45 Years	208 Years	153 Years
Gearing	38.8%	39.3%	40.3%
Debt Headroom⁽⁴⁾	S\$254m	S\$446m	S\$551m
Weighted Average Debt Tenor	2.5 Years	3.5 Years	3.2 Years

(1) Based on valuation as at 31 December 2018.

(2) Includes office and retail assets.

(3) Based on gross floor area as at 31 December 2018 (calculated on a weighted average basis as at 31 December 2018, where appropriate); gross floor area for each of One Raffles Place's Office Tower 1, Office Tower 2 and retail portion is estimated based on the percentage split of the net lettable area for One Raffles Place's Office Tower 1, Office Tower 2 and retail portion as disclosed in the circular to Unitholders dated 1 July 2015 in relation to (i) the proposed acquisition of an indirect interest in One Raffles Place and the proposed CPPU issue; and (ii) the proposed trust deed supplement for the issue of preferred units.

(4) Based on the aggregate leverage limit of 45% under the Property Funds Appendix.



Value Accretive to Stapled Securityholders



Creation of One of the Largest Diversified S-REITs



Enhanced Scale, Diversification and Resilience



Increased Flexibility and Ability to Drive Growth

**Lead Merger Coordinator
and Sole Financial Adviser**

**Bank of America
Merrill Lynch** 

Legal Adviser

Rajah & Tann Singapore LLP

**Independent Financial
Adviser**

Australia and New Zealand Banking Group Limited

Public Relations Adviser

Newgate Communications

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