

MEDIA RELEASE

OUE Commercial REIT and OUE Hospitality Trust Merger Becomes Effective

- *Trust scheme of arrangement in relation to the merger has become effective and binding in accordance with its terms*
- *Transformative merger will create one of the largest diversified Singapore-listed real estate investment trusts (“**S-REITs**”) with a combined asset size of approximately S\$6.9 billion¹*
- *Broader investment mandate and larger capital base will provide greater resilience and flexibility for long-term growth*

Singapore, 4 September 2019 – The respective managers of OUE Commercial REIT (“**C-REIT**”) and OUE Hospitality Trust (“**H-Trust**”) today announced that the trust scheme of arrangement (the “**Trust Scheme**”) in relation to the proposed merger (the “**Merger**”) of C-REIT and H-Trust has become effective and binding in accordance with its terms. This follows the approval from unitholders of C-REIT (“**Unitholders**”) and stapled securityholders of H-Trust (“**Stapled Securityholders**”) at their respective meetings on 14 August 2019, as well as the sanction of the Trust Scheme by the High Court of the Republic of Singapore on 26 August 2019.

The transformative Merger of C-REIT and H-Trust will create one of the largest diversified S-REITs with total assets of approximately S\$6.9 billion¹ comprising a portfolio of high-quality properties. Post-Merger, the portfolio of the enlarged entity (the “**Enlarged REIT**”) will be more diversified, with seven properties across the office, retail and hospitality sectors. With reduced concentration risk associated with exposure to any single real estate asset class, the Enlarged REIT will also be more resilient.

¹ Based on information disclosed in the C-REIT circular dated 10 July 2019 (the “**Circular**”).

Following the completion of the Merger, the market capitalisation and free float of the Enlarged REIT will increase significantly to approximately S\$2.9 billion² and S\$1.1 billion, respectively. This makes the Enlarged REIT one of the largest S-REITs and is expected to drive higher trading liquidity, which could potentially lead to a positive re-rating and a wider investor base.

The Enlarged REIT's investment mandate has also been broadened to span commercial (office and/or retail), hospitality and integrated developments. This will give the manager greater flexibility to grow the Enlarged REIT's portfolio.

Additionally, the Enlarged REIT's larger capital base and greater debt headroom will increase its funding capacity to approximately S\$1.0 billion³, allowing it to undertake larger transactions and asset enhancement initiatives with greater ease and speed.

Ms Tan Shu Lin, Chief Executive Officer of C-REIT's manager, said, "We are grateful for the strong support we have received from Unitholders, which shows that they likewise recognise the importance of scale. With the completion of the Merger, we look forward to having a larger platform that will not only be more relevant and resilient, but also able to better access competitive sources of capital. We are very excited about the next stage of growth and will continue to actively manage the REIT to create greater value for Unitholders."

Mr Chen Yi-Chung Isaac, Acting Chief Executive Officer of H-Trust's managers, added, "We would like to thank Stapled Securityholders for their support and confidence in H-Trust over the years. As we enter the next phase of our journey, we remain steadfast in our commitment to delivering long-term value for investors. Moving forward, we will further optimise operational performance and pursue opportunities to deliver sustainable growth."

² Illustrative market capitalisation of the Enlarged REIT calculated as the sum of (i) the market capitalisation of C-REIT of S\$1.4 billion as at 25 June 2019, being the Latest Practicable Date; (ii) the portion of the Scheme Consideration to be satisfied in units in C-REIT (the "**C-REIT Units**"); and (iii) the value of the acquisition fee to be issued in C-REIT Units, as described in the Circular.

³ For illustration only – assuming that (a) the general unit issue mandate is approved by unitholders of the Enlarged REIT at an annual general meeting of the Enlarged REIT following the Merger, based on an enlarged number of C-REIT Units in issue of approximately 5,370 million following the Merger and the issue price of S\$0.57 per C-REIT Unit; and (b) the Enlarged REIT raises S\$414 million of new debt while maintaining a pro forma aggregate leverage of approximately 40.3% per paragraph 8.1.4 of the Circular, following the S\$612 million equity fundraising as described in (a).

As the Trust Scheme has become effective and binding in accordance with its terms, the scheme consideration of S\$0.04075 in cash (the “**Cash Consideration**”) and 1.3583 new C-REIT Units (the “**Consideration Units**”) per H-Trust stapled security⁴ is expected to be paid on 9 September 2019. The Consideration Units are also expected to commence trading on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on the same day. Following that, the H-Trust stapled securities are expected to be delisted on 17 September 2019.

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⁴ 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, based on the Stapled Securities held by such Stapled Securityholder as at the books closure date of 3 September 2019 at 5.00 p.m., 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.

RESPONSIBILITY STATEMENTS

C-REIT Manager. The directors of the manager of C-REIT (the “**C-REIT Manager**”) (including those who may have delegated detailed supervision of this Media Release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Media Release which relate to C-REIT and/or the C-REIT Manager (excluding information relating to H-Trust and/or the managers of H-Trust (the “**H-Trust Managers**”)) are fair and accurate and that there are no other material facts not contained in this Media Release, the omission of which would make any statement in this Media Release misleading. The directors of the C-REIT Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from H-Trust and/or the H-Trust Managers, the sole responsibility of the directors of the C-REIT Manager 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 Media Release. The directors of the C-REIT Manager do not accept any responsibility for any information relating to H-Trust and/or the H-Trust Managers or any opinion expressed by H-Trust and/or the H-Trust Managers.

H-Trust Managers. The directors of the H-Trust Managers (including those who may have delegated detailed supervision of this Media Release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Media Release which relate to H-Trust and/or the H-Trust Managers (excluding information relating to C-REIT and/or the C-REIT Manager) are fair and accurate and that there are no other material facts not contained in this Media Release, the omission of which would make any statement in this Media Release misleading. The directors of the H-Trust Managers jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from C-REIT and/or the C-REIT Manager, the sole responsibility of the directors of the 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 Media Release. The directors of the H-Trust Managers do not accept any responsibility for any information relating to C-REIT and/or the C-REIT Manager or any opinion expressed by C-REIT and/or the C-REIT Manager.

ABOUT OUE COMMERCIAL REIT

C-REIT is a Singapore real estate investment trust listed on the Main Board of the SGX-ST. It 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 commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs within and outside of Singapore, as well as real estate-related assets.

C-REIT's portfolio comprises OUE Bayfront, One Raffles Place and OUE Downtown Office in Singapore, as well as Lippo Plaza in Shanghai, with a total assets under management of approximately S\$4.5 billion as at 31 December 2018.

C-REIT is managed by OUE Commercial REIT Management Pte. Ltd., which is a wholly-owned subsidiary of OUE Limited.

For more information, please visit www.ouect.com.

ABOUT OUE HOSPITALITY TRUST

H-Trust is a stapled group comprising OUE Hospitality Real Estate Investment Trust ("**H-REIT**") and OUE Hospitality Business Trust ("**H-BT**") and was listed on the Main Board of the SGX-ST. 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.

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 2018.

H-BT is dormant.

H-REIT is managed by OUE Hospitality REIT Management Pte. Ltd., which is wholly-owned by OUE Limited ("**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

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 the 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 and residential sectors. In March 2017, OUE expanded its portfolio into the healthcare sector with the acquisition of OUE Lippo Healthcare Limited, a listed integrated healthcare services and facilities provider. This was followed by the acquisition of Bowsprit Capital Corporation Limited, the manager of First REIT, Singapore's first healthcare real estate investment trust, in October 2018. 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.

For the latest news from OUE, visit www.oue.com.sg

IMPORTANT NOTICE

This Media Release is for information purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information in this Media Release is not to be construed as investment or financial advice and does not constitute an invitation, offer or solicitation of any offer to acquire, purchase or subscribe for units in C-REIT ("**Units**") and/or the Stapled Securities (as the case may be). The value of Units and the Stapled Securities (as the case may be) and the income derived from each of them, if any and as the case may be, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, the C-REIT Manager, DBS Trustee Limited (as trustee of C-REIT) (the "**C-REIT Trustee**") or any of their respective related corporations or affiliates. The Stapled Securities are not obligations of, deposits in, or guaranteed by, the H-Trust Managers, RBC Investor Services Trust Singapore Limited (as trustee of H-REIT) (the "**H-REIT Trustee**") or any of their affiliates. An investment in the Units as well as an investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

The past performance of C-REIT is not necessarily indicative of the future performance of C-REIT. The past performance of H-Trust is not necessarily indicative of the future performance of H-Trust.

This Media Release 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 Media Release. 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 C-REIT Manager's and the H-Trust Managers' current view of future events. None of C-REIT, the C-REIT Trustee, the C-REIT Manager, H-Trust, the H-Trust Managers, the H-REIT Trustee and the financial advisers of each of the C-REIT Manager and the H-Trust Managers, undertakes any obligation to update publicly or revise any forward-looking statements.

Investors have no right to request the C-REIT Manager or the H-Trust Managers (as the case may be) to redeem or purchase their Units or their Stapled Securities (as the case may be) for so long as each of the Units and the Stapled Securities (as the case may be) are listed on the SGX-ST. It is intended that holders of Units and/or of Stapled Securities (as the case may be) may only deal in their Units and/or Stapled Securities (as the case may be) through trading on the SGX-ST. Listing of the Units or the Stapled Securities (as the case may be) on the SGX-ST does not guarantee a liquid market for the Units or the Stapled Securities (as the case may be).

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