

PRESS RELEASE
For Immediate Release

OUE REIT Unlocks S\$357.4 million through Divestment of Lippo Plaza Shanghai

- Successful execution of portfolio reconstitution strategy to divest non-core asset and enhance portfolio resilience
- Improved financial flexibility to pursue growth opportunities

20 December 2024 – OUE REIT Management Pte. Ltd., in its capacity as manager (the “Manager”) of OUE Real Estate Investment Trust (“OUE REIT”), is pleased to announce that OUE REIT, through its wholly owned subsidiary, has entered into an agreement with an unrelated third party today to divest the entire equity interest of Lippo Realty (Shanghai) Limited which owns 91.2% share of strata ownership of Lippo Plaza (the “Property”) in Shanghai for a sale consideration of RMB1,917.0 million (approximately S\$357.4 million) and an agreed property value of RMB1,680.0 million (approximately S\$313.2 million).

Based on Lippo Plaza’s net property income of RMB94.6 million (approximately S\$17.9 million) for the financial year ended 31 December 2023 (“FY 2023”) and the agreed property value of RMB1,680.0 million (approximately S\$313.2 million), the estimated net property yield is 5.7% per annum.

Mr Han Khim Siew, Chief Executive Officer of the Manager, said, “The proposed divestment aligns with the Manager’s proactive asset management strategy to optimise portfolio composition, strengthen income resilience, and bring sustainable return to OUE REIT’s Unitholders. Lippo Plaza is a non-core asset, contributing only 6.6% of OUE REIT’s total portfolio revenue as of September 2024. The Property’s shortening leasehold tenure and vintage building specifications have started to impact its valuation and competitiveness, especially with the current supply overhang in the Shanghai market. The stewardship of Lippo Plaza has now been entrusted to a committed long-term investor attracted by the Property’s very prime location.”

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“With no plans to further expand our footprint in China, this divestment offers an opportunity to monetise the asset and redeploy the proceeds towards more strategic uses, strengthening OUE REIT’s balance sheet and enhancing financial flexibility for future growth opportunities,” Mr Han concluded.

The proposed divestment is expected to be completed by the end of 2024. The net proceeds from the divestment are expected to be approximately S\$318.2 million and will provide the Manager with financial flexibility to pare down debt, undertake accretive acquisitions of higher yielding assets or asset enhancement initiatives, redeem outstanding convertible perpetual preferred units, commence a distribution per Unit accretive unit buy-back programme to enhance long-term returns to Unitholders, and to distribute as as capital distributions to Unitholders.

Upon the completion of the divestment, all of OUE REIT’s assets are located in Singapore. These comprise four commercial properties — OUE Bayfront, One Raffles Place, OUE Downtown, and Mandarin Gallery — as well as two hotels, namely Hilton Singapore Orchard and Crowne Plaza Changi Airport.

Property Details – Lippo Plaza

Lippo Plaza is a 36-storey Grade A commercial building with retail podium located at Huaihai Zhong Road, within the Huangpu business district in the Puxi area of Shanghai, China.

Location	222 Huaihai Zhong Road, Huangpu District, Shanghai, PRC 200021
Title	50 years commencing from 2 July 1994
Gross Floor Area	58,521.5 square metres (629,920 square feet)

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Net Lettable Area	Overall: 39,188.1 square metres (421,817 square feet) Office: 33,538.6 square metres (361,006 square feet) Retail: 5,649.5 square metres (60,811 square feet)
No. of Carpark Lots	168
Committed Occupancy (as of 30 September 2024)	Overall: 78.0% Office: 74.6% Retail: 97.8%
Valuation (as of 18 December 2024)	RMB1,769.0 million S\$329.8 million*
Ownership Interest	91.2% share of strata ownership

*Based on the SGD:CNY exchange rate of 1:5.3638 as of 20 December 2024

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About OUE REIT

OUE Real Estate Investment Trust ("OUE REIT"), formerly known as OUE Commercial Real Estate Investment Trust, is one of the largest diversified Singapore REITs ("S-REITs") with total assets under management of S\$6.3 billion as of 31 December 2023.

OUE REIT aims to deliver stable distributions and provide sustainable long-term growth in return to holders of units ("Unitholder") by investing in income-producing real estate used primarily for hospitality, retail and/or office purposes in financial and business hubs, as well as real estate-related assets. With six assets in Singapore and one in Shanghai, the property portfolio comprises 1,655 upper upscale hotel rooms and approximately 2.2 million square feet ("sq ft") of prime office and retail space.

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In Singapore, OUE REIT owns two hotels, Hilton Singapore Orchard and Crowne Plaza Changi Airport. Complementing Hilton Singapore Orchard is Mandarin Gallery, a choice location for international brands in the heart of Orchard Road. Meanwhile, OUE REIT's office assets – OUE Bayfront, One Raffles Place and OUE Downtown Office, are situated within the Central Business District ("CBD").

In Shanghai, OUE REIT's Grade A commercial asset Lippo Plaza is located on Huaihai Middle Road, one of Shanghai's established core CBD locations in the Huangpu district of Puxi.

Listed on the Main Board of the Singapore Exchange Securities Trading Limited since 27 January 2014, OUE REIT is managed by OUE REIT Management Pte. Ltd. (the "Manager"), a wholly-owned subsidiary of OUE Limited (the "Sponsor"). The Sponsor is a leading real estate and healthcare group, growing strategically to capitalise on growth trends across Asia. Its real estate activities include the development, investment and management of real estate assets across the commercial, hospitality, retail, residential and healthcare sectors.

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

About the Sponsor: OUE Limited

OUE Limited (SGX: LJ3) is a leading real estate and healthcare group, growing strategically to capitalise on growth trends across Asia.

OUE's real estate activities include the development, investment and management of real estate assets across the commercial, hospitality, retail, residential and healthcare sectors. OUE manages two SGX-listed REITs: OUE REIT, one of Singapore's largest diversified REITs, and First REIT (a subsidiary of OUE Healthcare), Singapore's first listed healthcare REIT. As of 31 December 2023, OUE's real estate portfolio was valued at S\$9.3 billion, with S\$7.9 billion in funds under management across OUE's two REIT platforms and managed accounts.

OUE Healthcare, an SGX Catalist-listed subsidiary of OUE, operates and owns high-quality healthcare assets in high-growth Asian markets. With a vision of creating a regional healthcare ecosystem that is anchored on Singapore's medical best practices, OUE Healthcare's portfolio of owned and operated businesses includes hospitals, medical centres, clinics and senior care facilities in Singapore, Japan, Indonesia and China.

Anchored by its "Transformational Thinking" philosophy, OUE has built a strong reputation for developing iconic projects, transforming communities, providing exceptional service to customers and delivering long-term value to stakeholders.

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

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IMPORTANT NOTICE

The value of units in OUE REIT (“Units”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE REIT is not necessarily indicative of the future performance of OUE REIT.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This press 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. 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.