

PRESS RELEASE
For Immediate Release

OUE Hospitality Trust's First Distribution Exceeds Forecast

Singapore - 25 February 2014 - 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) listed on 25 July 2013 on the Mainboard of Singapore Exchange Securities Trading Limited, has achieved S\$38.2 million Distributable Income (DI) and Distribution per Stapled Security (DPS) of 2.90 cents for the financial period from 25 July to 31 December 2013. Both DI and DPS are 2.4% and 2.1% respectively higher than the forecast¹ for the same period. This translates into an annualised yield of 7.52% based on the listing price of S\$0.88.

Distribution Details

Distribution Period	25 July 2013 to 31 December 2013
Distribution Rate	2.90 cents per stapled security
Last Day of Trading on "cum" Basis	28 February 2014, 5 pm
Ex-Date	3 March 2014, 9 am
Book Closure Date	5 March 2014
Distribution Payment Date	28 March 2014

Mr. Christopher Williams, Chairman of OUE Hospitality REIT Management Pte. Ltd., manager of OUE H-REIT, said: "We are pleased to announce that OUE H-Trust's first distribution to stapled securityholders is higher than forecast. The strong underlying performance of Mandarin Orchard Singapore hotel and the stable rentals from Mandarin Gallery mall have enabled us to deliver a performance that exceeded the forecast. Both DI and DPS are higher than the forecast by 2.4% and 2.1% respectively for the financial period from 25 July to 31 December 2013. Going forward, we will continue with our asset enhancement initiatives to achieve organic growth for Mandarin Orchard hotel and actively manage leasing opportunities at Mandarin Gallery to enhance its position as a high-end destination mall. We will also seek yield accretive acquisitions from our Sponsor and third parties to grow OUE H-Trust."

Credit Suisse (Singapore) Limited, Goldman Sachs (Singapore) Pte. and Standard Chartered Securities (Singapore) Pte. Limited were the joint global coordinators and issue managers for the initial public offering of OUE Hospitality Trust.

¹ As disclosed in the prospectus dated 18 July 2013 (the Prospectus)

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Mr. Chong Kee Hiong, CEO of OUE Hospitality REIT Management Pte. Ltd., said: “OUE H-Trust has performed better than the forecast for the period from 25 July to 31 December 2013. This is mainly attributable to Mandarin Orchard hotel as it achieved a Revenue per Available Room (RevPAR) of S\$254, compared to the forecast RevPAR of S\$252. Despite the heightened competition due to increased hotel room supply, Mandarin Orchard hotel achieved a RevPAR growth of 4.5% against the same period last year². This is a very commendable performance as upscale hotels in Singapore experienced a 12.7%³ decline in RevPAR in 2013.”

Mr. Chong added: “As at end 2013, the hotel has completed the conversion of 26 guest rooms, increasing the number of guest rooms to 1,077. In addition, 32 guest rooms have been refurbished and these rooms have achieved room rates which are about 15% higher than the non-refurbished rooms.”

The asset enhancement programme to renovate 430 guest rooms at Mandarin Orchard is funded by the Sponsor, and is expected to be completed in phases in 2014 and 2015. The refurbishment schedule will be tailored to minimise disruption to the normal service of the hotel so that the occupancy of the hotel will continue to be optimised.

Mr Chong continued: “Mandarin Gallery accounted for 27% of OUE H-Trust’s Net Property Income (NPI) for the financial period. The mall’s NPI of S\$12.0 million exceeded the forecast of S\$11.7² million. This was also about 16.5% higher than the proforma 2012 NPI² of S\$10.3 million for the period.”

2014 Outlook

The outlook for 2014 points to a modest recovery of the global economy supported by improving economic indicators from the US and Eurozone. In Singapore, the Ministry of Trade and Industry has forecast 2.0% to 4.0%⁴ growth for 2014. An improving global economy would likely bolster corporate travel and accommodation budgets and hence would be positive for the hotel industry as Singapore is a key international business and financial hub. Singapore is also expected to benefit from a bumper MICE schedule in 2014, as it hosts major events such as the Singapore Air Show, and a burgeoning outbound Chinese tourist market. New infrastructure such as the Singapore Sports Hub which will open in 2014 will also add to Singapore’s ability to increase its sources of visitor origination. The Sports Hub will be the venue for the Women’s Tennis Association’s (WTA) annual end of season tour championship for the next five years, commencing from 2014.

OUE Hospitality Trust remains positive on the corporate travel, tourism and retail segments in Singapore for 2014. We will continue to seek growth opportunities through active asset management and yield accretive acquisitions.

² Derived from disclosures in the Prospectus dated 18 July 2013

³ Singapore Tourism Board, Hotel Statistics by Tier (Preliminary), 27 January 2014

⁴ Ministry of Trade and Industry Singapore, Press Release, 20 February 2014

Summary of Results

Financial Period – 25 July to 31 December 2013

	Actual 2013 25 Jul to 31 Dec⁵	Forecast 2013 25 Jul to 31 Dec⁶	Variance %
Gross Revenue (S\$m)	50.6	49.9	+1.3%
Net Property Income (S\$m)	44.8	44.2	+1.4%
Distributable Income (S\$m)	38.2	37.3	+2.4%
DPS (S cents)	2.90	2.84	+2.1%

- Gross revenue recorded was 1.3% higher than forecast mainly due to better performance recorded by Mandarin Orchard hotel. The achieved RevPAR of \$254 had outperformed the forecast RevPAR of \$252. This translated into higher than forecast lease revenue recognised by OUE H-REIT as the rental income is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of Mandarin Orchard hotel.
- Higher revenue was also recorded by Mandarin Gallery from leasing of advertising panels and short term leasing of outdoor space.
- Net property income recorded was higher than the forecast due to higher revenue.
- Income available for distribution for the period from 25 July 2013 to 31 December 2013 was 2.4% higher and DPS was 2.90 cents as a result of higher net property income coupled with lower trust expenses incurred.

Actual 4Q 2013 vs Forecast 4Q 2013

	Actual 2013 01 Oct to 31 Dec	Forecast 2013 01 Oct to 31 Dec⁶	Variance %
Gross Revenue (S\$m)	29.0	28.7	+0.9%
Net Property Income (S\$m)	25.5	25.4	+0.6%
Distributable Income (S\$m)	21.9	21.4	+2.3%
DPS (S cents)	1.67	1.63	+2.5%

- Gross revenue recorded for the quarter ended 31 December 2013 was 0.9% higher than the forecast due to better performance from Mandarin Orchard hotel. This was a result of higher Food & Beverage revenue mainly due to higher income from banquet sales and corporate meetings which more than compensated for slightly lower room revenue compared to forecast. RevPAR achieved was S\$249 compared to forecast RevPAR of S\$252.
- Net property income recorded was higher than the forecast due to higher revenue.
- Income available for distribution for the quarter ended 31 December 2013 was 2.3% higher as a result of higher net property income coupled with lower trust expenses incurred.

⁵ Although OUE H-REIT and OUE H-BT were established on 10 July 2013, the acquisition of properties by OUE H-REIT was only completed on 25 July 2013 which was the official listing date of OUE H-Trust. Consequently, the actual income derived from the properties for the current period was from 25 July 2013 to 31 December 2013. OUE H-REIT was dormant as a private trust during the period from 10 July 2013 to 24 July 2013.

⁶ Please refer to page 13, paragraph 9(ii) of the results announcement for information on the derivation of the forecast figures.

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About OUE Hospitality Trust

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

OUÉ 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.

OUÉ H-REIT's initial asset portfolio comprising the 1,077-room Mandarin Orchard Singapore and the adjoining Mandarin Gallery, has a portfolio value of S\$1.76 billion as at 31 December 2013. 26 new guest rooms were added to Mandarin Orchard Singapore after the listing of OUE Hospitality Trust, thereby increasing the number of rooms from 1,051 to 1,077.

OUÉ H-BT is dormant.

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

For more information, please visit www.oueht.com

About the Sponsor

OUÉ Limited (SGX-ST: "OUÉ") is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and the U.S.. OUÉ 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 primarily in Singapore. With its core strategy of investing in and enhancing a stable of distinctive properties, OUÉ is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value.

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

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IMPORTANT NOTICE

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(collectively, the “Managers”) or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE Hospitality Trust is not necessarily indicative of the future performance of OUE Hospitality Trust.

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 Managers’ current view of future events.

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

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities