

PRESS RELEASE  
For Immediate Release

## OUE H-Trust's 1Q2015 Revenue and NPI Higher with Contribution from Newly Acquired Crowne Plaza Changi Airport

- *OUE H-Trust's 1Q2015 revenue and net property income (NPI) were respectively S\$0.6 million and S\$0.1 million higher than 1Q2014 as a result of contribution from Crowne Plaza Changi Airport and higher retail revenue from Mandarin Gallery*

**Singapore – 7 May 2015** - 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), has achieved revenue and NPI of S\$29.3 million and S\$25.7 million for the period from 1 January 2015 to 31 March 2015 (1Q2015) which were 2.1% and 0.3% higher than 1Q2014 respectively. The higher revenue and NPI are attributable to the contribution from Crowne Plaza Changi Airport (CPCA), the acquisition of which was completed on 30 January 2015, and higher retail revenue from Mandarin Gallery.

OUE H-Trust's distributable income (DI) and distribution per Stapled Security (DPS) for 1Q 2015 were S\$21.4 million and 1.61 cents respectively.

### Distribution Details

<b>Distribution Period</b>	1 January 2015 to 31 March 2015
<b>Distribution Rate</b>	1.61 cents per Stapled Security
<b>Ex-Distribution Date</b>	13 May 2015, 9.00 am
<b>Book Closure Date</b>	15 May 2015
<b>Distribution Payment Date</b>	9 June 2015

*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.*

## OUÉ HOSPITALITY REIT MANAGEMENT PTE. LTD.

Mr. Christopher Williams, Chairman of OUE Hospitality REIT Management Pte. Ltd., the manager of OUE H-REIT (the REIT Manager), said: “OUE H-Trust’s acquisition of CPCA has given the Trust an income boost and enhanced the diversification of OUE H-Trust as it reduces the reliance of OUE H-Trust’s income stream on any single property. We will continue to actively seek growth opportunities and yield accretive acquisitions that will enhance OUE H-Trust’s portfolio, from our Sponsor and third parties.”

Mr. Chong Kee Hiong, CEO of the REIT Manager, said: “We are pleased to have acquired CPCA as it increases the resilience of OUE H-Trust’s hospitality portfolio in a challenging market. CPCA, recently named the World’s Best Airport Hotel 2015 by Skytrax, is a good strategic fit for OUE H-Trust. A significant portion of CPCA’s business is from guests from North America and Europe and this complements Mandarin Orchard Singapore’s (MOS’) popularity with Asian guests. Based on CPCA’s NPI contribution for the period from 30 January 2015 to 31 March 2015, CPCA’s NPI yield, on an annualised basis, was in line with the pro forma NPI yield of 4.5% as disclosed in OUE H-Trust’s circular dated 26 December 2014.”

Mr. Chong added: “For 1Q 2015, OUE H-Trust recorded higher hospitality revenue and NPI due to the additional income from CPCA. This more than offset the lower master lease income from MOS which was affected by the absence of the biennial Singapore Airshow in February this year and lower international arrivals in the first two months of 2015.”

Mr. Chong continued: “Mandarin Gallery has performed well for 1Q2015. It enjoyed higher rental revenue, recording an effective rental per square foot per month of approximately S\$24.60 compared to S\$23.60 in 1Q2014.”

OUE H-Trust’s 1Q2015 DI and DPS were 3.1% and 4.2% lower respectively, due to the weaker operating performance of MOS.

### Outlook

Singapore Tourism Board (STB) reported a 5.5%<sup>1</sup> year-on-year decline in international visitor arrivals in the first two months of 2015. For the full year, STB has forecast tourism numbers to grow modestly, between 0% and 3%<sup>2</sup> for visitor arrivals, and between 0% and 2%<sup>2</sup> for tourism receipts.

With an uncertain global economic environment and a relatively strong Singapore dollar, the tourism industry may continue to face headwinds in 2015. Notwithstanding, the hospitality industry may benefit from upcoming events such as the 2015 Southeast Asian Games, the Grand Prix, the second WTA Finals to be held in Singapore and the slew of SG50 celebration activities towards the second half of the year.

The acquisition of CPCA has increased the income and enhanced the diversification of OUE H-Trust as it reduces the reliance of OUE H-Trust’s income stream on any single property.

The asset enhancement programme for MOS, which commenced in end-2013 will continue in 2015. The remaining 270 guest rooms out of the 430 guest rooms to be renovated will be refurbished in phases. This refurbishment is funded by the Sponsor, OUE Limited.

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<sup>1</sup> Singapore Tourism Board, International Visitor Arrivals Statistics, 7 April 2015

<sup>2</sup> Singapore Business Review, 7 April 2015, “Tourism headwinds to persist in 2015, warn STB”

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While the retail scene in Singapore is expected to remain challenging, Mandarin Gallery enjoys a high degree of prominence, boasting a wide frontage along Orchard Road and is a choice location for flagship stores of international brands. Mandarin Gallery is expected to continue to enjoy stable income as the mall's rental income comprises mainly fixed rent.

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

### Summary of Results

#### 1Q 2015 vs 1Q 2014

	1Q			Notes
	2015	2014	Variance	
Gross Revenue (S\$m)	29.3	28.7	+ 2.1%	1
Net Property Income (S\$m)	25.7	25.6	+ 0.3%	2
Distributable Income (S\$m)	21.4	22.1	- 3.1%	3
DPS (S cents)	1.61	1.68	- 4.2%	3

#### Note 1:

- Both hospitality and retail segments posted higher revenue in 1Q2015. Gross revenue for 1Q2015 was \$0.6 million or 2.1% higher than 1Q2014.
- Hospitality segment pertains to the master lease income from MOS and CPCA which is pegged to a percentage of operating revenue and profit of the respective hotels, subject to minimum rent.
- Hospitality revenue was \$0.6 million higher than 1Q2014. This was a result of the additional \$2.7 million of master lease income contribution from the newly acquired CPCA which more than offset the decrease of \$2.1 million income from MOS.
- Master lease income from MOS was \$2.1 million lower than 1Q2014 as MOS recorded lower RevPAR of \$223 in 1Q2015 as compared to RevPAR of \$239<sup>3</sup> in 1Q2014. The lower RevPAR was attributed to the absence of the biennial Singapore Airshow in February this year and the weaker tourism sentiments which impact the hospitality demand in 1Q2015. The Singapore Tourism Board reported a 5.5% year-on-year decline in international visitor arrivals in the first two months of 2015. Food and beverage sales were also lower as a result of lower patronage.
- CPCA contributed \$2.7 million master lease income for the period from 30 January 2015 to 31 March 2015 and the RevPAR achieved was \$246.
- Retail segment pertains to rental and other income from the Mandarin Gallery shopping mall. Retail revenue for 1Q2015 was S\$0.1 million or 0.7% higher than 1Q2014 mainly due to higher rental rates. The mall recorded an effective rent per square foot per month of \$24.6 for 1Q2015 and as compared to \$23.6 for 1Q2014.

#### Note 2:

- Net property income was S\$0.1 million or 0.3% higher mainly due to S\$2.3 million contribution from CPCA.
- Based on CPCA's NPI contribution for the period from 30 January 2015 to 31 March 2015 in 1Q2015, CPCA's NPI yield, on an annualised basis, was in line with the pro forma NPI yield of 4.5% as disclosed in OUE H-Trust's circular dated 26 December 2014.

<sup>3</sup> RevPAR was restated to be on the same basis as 1Q2015. The restatement of RevPAR has no impact to the computation of the master lease income received by OUE H-REIT.

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### **Note 3:**

- Income available for distribution was \$0.7 million or 3.1% lower than 1Q2014 mainly due to weaker operating performance of MOS. As a result, DPS for 1Q2015 was 1.61 cents as compared to 1Q2014 DPS of 1.68 cents.

### **About QUE Hospitality Trust**

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

QUE 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.

QUE H-REIT's asset portfolio comprising two hotels - the 1,077-room Mandarin Orchard Singapore and the 320-room Crowne Plaza Changi Airport, and a high-end retail mall - Mandarin Gallery, has a portfolio value of approximately S\$2.05 billion as at 31 March 2015.

QUE H-BT is dormant.

QUE H-REIT is managed by QUE Hospitality REIT Management Pte. Ltd., which is wholly-owned by QUE Limited (QUE). QUE H-BT is managed by QUE Hospitality Trust Management Pte. Ltd., which is also wholly-owned by QUE.

For more information, please visit [www.queht.com](http://www.queht.com)

### **About the Sponsor**

QUE Limited (SGX-ST: "QUE") is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and the United States. QUE 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, QUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value. QUE is the sponsor of QUE Hospitality Trust and QUE Commercial Real Estate Investment Trust.

For more information, please visit [www.que.com.sg](http://www.que.com.sg).

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The value of stapled securities in QUE Hospitality Trust ("Stapled Securities") and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, QUE Hospitality REIT Management Pte. Ltd. (as the manager of QUE Hospitality Real Estate Investment Trust), QUE Hospitality Trust

## OUE HOSPITALITY REIT MANAGEMENT PTE. LTD.

Management Pte. Ltd. (as the trustee-manager of OUE Hospitality Business Trust) (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.

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