

PRESS RELEASE  
For Immediate Release

## **OUE Hospitality Trust achieves higher Distributable Income and Distribution per Stapled Security than forecast**

**Singapore - 5 November 2013** - 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\$16.3 million distributable income for the period from 25 July to 30 September 2013. This is 2.7% higher than the forecast<sup>1</sup> for the same period. Distribution per Stapled Security (DPS) for the period is 1.24 cents, 2.5% higher than the forecast of 1.21 cents.

There is no distribution declared for the period as OUE H-Trust's first distribution after listing will be for the period from 25 July to 31 December 2013 and will be paid on or before 31 March 2014, as disclosed in the Prospectus.

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 has delivered a solid first set of results, beating forecast. Mandarin Orchard Singapore (Mandarin Orchard) and Mandarin Gallery are well-positioned to benefit from the growing Singapore economy and continued increase in visitor arrivals and tourism receipts. The fixed minimum income component of the master lease agreement for Mandarin Orchard and the resilient retail rental income from Mandarin Gallery will provide stability while the variable rent component for Mandarin Orchard provides upside potential. Going forward, we will look for opportunities in Singapore and other key international cities for accretive acquisitions of quality assets."

*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 (the "Issue Managers").*

*The Issue Managers assume no responsibility for the contents of this press release.*

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<sup>1</sup> As disclosed in the prospectus dated 18 July 2013 (the Prospectus)

## OUH HOSPITALITY REIT MANAGEMENT PTE. LTD.

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 30 September 2013. Mandarin Orchard achieved a Revenue per Available Room (RevPAR) of S\$261, outperforming the forecast RevPAR of S\$253. This translated into higher lease revenue from the hotel. For Mandarin Gallery, the leasing of advertising space and short term leasing of outdoor areas contributed to higher rental income. Distributable income was 2.7% higher than forecast as a result of lower trust expenses."

Mr. Chong added: "Top of the M, the new Meritus Club Lounge at Mandarin Orchard has been completed and is now available for use by Club Floor guests. The hotel has completed the conversion of 14 guest rooms in September 2013, and expects another 12 rooms to be converted by end 2013, increasing the number of guest rooms to 1,077. In addition, as part of the asset enhancement initiatives committed by our Sponsor, OUE Limited, the renovation programme to refurbish 430 guest rooms at Mandarin Orchard has commenced. The renovation is expected to be completed in phases in 2014 and 2015. These initiatives will enable Mandarin Orchard to continue to position itself as a premier hotel at the heart of Orchard Road. At Mandarin Gallery, we will continue to actively manage leasing opportunities to maintain its position as a high-end fashion mall and a tailored destination for its specific target audience."

As disclosed in the Prospectus, operating performance for the period ending 31 December 2013 is expected to be profitable and OUE H-Trust expects to meet the forecast distribution for FY2013.

### Summary of Results

	<b>Actual 2013 25 Jul to 30 Sep<sup>2</sup></b>	<b>Forecast 2013 25 Jul to 30 Sep<sup>3</sup></b>	<b>Variance %</b>
<b>Gross Revenue (S\$m)</b>	21.6	21.2	+1.9%
<b>Net Property Income (S\$m)</b>	19.3	18.8	+2.6%
<b>Distributable Income (S\$m)</b>	16.3	15.7	+2.7%
<b>DPS (S cents)</b>	1.24	1.21	+2.5%

- Gross revenue recorded was 1.9% higher than the forecast. This was due to higher revenue recognised from Mandarin Orchard and Mandarin Gallery.
- Strong performance of the hotel has contributed to higher gross revenue recorded by Mandarin Orchard as the achieved RevPAR of S\$261 had outperformed the forecast RevPAR of S\$253. This translated into higher lease revenue recognised as the rental income is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of Mandarin Orchard.
- For Mandarin Gallery, higher revenue was recognised from the leasing of advertising panels and short term leasing of outdoor space. This also includes S\$0.37 million from straight-lining of rental income.
- Net property income recorded was 2.6% higher than the forecast. This was due to higher revenue recorded and higher net property income margin as a result of lower marketing and utility expenses from Mandarin Gallery.

<sup>2</sup> 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 30 September 2013. OUE H-REIT was dormant as a private trust during the period from 10 July 2013 to 24 July 2013.

<sup>3</sup> Please refer to page 12, paragraph 9(ii) of the results announcement for information on the derivation of the forecast figures from 25 July to 30 September 2013.

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- Income available for distribution was derived after reversing out the S\$0.37 million attributed to straight-lining of rental income. Despite that, it was 2.7% higher than the forecast as a result of lower trust expenses.

### **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 initial asset portfolio comprising the 1,065-room Mandarin Orchard Singapore and the adjoining Mandarin Gallery, has a total asset value of S\$1.76 billion. 14 new guest rooms were added to Mandarin Orchard Singapore after the listing of QUE Hospitality Trust, thereby increasing the number of rooms from 1,051 to 1,065.

QUE H-BT is dormant.

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

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

### **ABOUT THE SPONSOR**

QUE is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Singapore, and hotels in Singapore, Malaysia, Indonesia and the PRC. The QUE Group focuses its business across the hospitality, retail, commercial and residential property segments. It operates its hospitality business under the brands "Meritus", "Mandarin" and "Meritus Mandarin". It develops and holds commercial and retail properties for investment and rental income purposes and it develops residential properties for sale.

QUE is one of the largest publicly-listed property companies in Singapore with a market capitalisation of S\$2.33 billion as at 30 September 2013. QUE has an experienced management team and an established track record of operations dating back to 1964.

For more information, please visit <http://www.que.com.sg>.

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## OUE HOSPITALITY REIT MANAGEMENT PTE. LTD.

### **IMPORTANT NOTICE**

The value of stapled securities in OUE 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, OUE Hospitality REIT Management Pte. Ltd. (as the manager of OUE Hospitality Real Estate Investment Trust), OUE Hospitality Trust 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.

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