

PRESS RELEASE
For Immediate Release

OUE Hospitality Trust's Distribution 4.3% Above Forecast

Singapore - 5 May 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), has achieved Distributable Income (DI) of S\$22.1 million and Distribution per Stapled Security (DPS) of 1.68 cents for the period 1 January to 31 March 2014 (1Q 2014). Both DI and DPS are 4.3% higher than the forecast¹.

Distribution Details

Distribution Period	1 January to 31 March 2014
Distribution Rate	1.68 cents per Stapled Security
Ex-Date	9 May 2014, 9 am
Book Closure Date	14 May 2014
Distribution Payment Date	6 June 2014

Mr. Christopher Williams, Chairman of OUE Hospitality REIT Management Pte. Ltd., the manager of OUE H-REIT, said: "OUE H-Trust continues to deliver above forecast performance since listing. Both DI and DPS for 1Q 2014 are higher than the forecast by 4.3%. On 2 April 2014, we announced the establishment of a US\$1 billion Euro Medium Term Note (EMTN) programme. This will provide us with more options for refinancing and acquisition funding when the trust grows its portfolio. Going forward, we will continue to optimise the yield of our current properties and 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 The forecast figures are derived from the forecast as set out in the Prospectus dated 18 July 2013 and adjusted for seasonality of the Singapore hospitality sector.

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Mr. Chong Kee Hiong, CEO of OUE Hospitality REIT Management Pte. Ltd., said: “For 1Q 2014, OUE H-Trust has performed better than the forecast due to higher master lease rental for Mandarin Orchard Singapore and higher Net Property Income (NPI) achieved by Mandarin Gallery. Mandarin Orchard’s better than forecast operating performance is mainly attributable to higher food and beverage (F&B) revenue. The hotel’s move to increase room revenue from the corporate guests segment has increased the number of corporate meetings held in the hotel contributing to higher F&B sales. F&B revenue was also higher from increased banquet sales.”

Mr. Chong added: “RevPAR achieved was \$248 as the hotel enjoyed strong occupancy and room rates in the month of February due to the Singapore Airshow 2014. 1Q2014 RevPAR was lower than the forecast of \$257 mainly due to lower revenue contribution from the transient guests segment as the hotel had a lower number of Indonesian guests close to the April Parliamentary election period in Indonesia. This was mitigated by higher demand from the corporate and wholesale segments but at lower average rates. Overall, the hotel’s revenue was above forecast as the higher F&B revenue more than compensated for the lower room revenue.”

As at April 2014, 64 guest rooms, as part of the Sponsor-funded asset enhancement programme to renovate 430 guest rooms, have been completed. The asset enhancement programme is expected to be completed in phases in 2014 and 2015.

Mr Chong continued: “Mandarin Gallery continues to contribute significantly to the portfolio. The mall accounted for 27% of OUE H-Trust’s NPI for the period and achieved an effective rent of \$23.6 per square foot (psf) per month.”

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

Summary of Results

Actual 1Q 2014 vs Forecast 1Q 2014

	Actual 2014 1Q	Forecast 2014 1Q ¹	Variance %
Gross Revenue (\$m)	28.7	28.3	+ 1.4%
Net Property Income (\$m)	25.6	25.0	+ 2.7%
Distributable Income (\$m)	22.1	21.2	+ 4.3%
DPS (S cents)	1.68	1.61	+ 4.3%

- Gross revenue for 1Q2014 of \$28.7 million was \$0.4 million or 1.4% higher than the forecast for the same period. The increase was mainly due to higher master lease revenue from Mandarin Orchard Singapore resulting from better hotel operating performance as the rental income of OUE H-REIT is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of the hotel.
- The hotel’s move to increase room revenue from the corporate guests segment has increased the number of corporate meetings held in the hotel contributing to higher F&B sales. F&B revenue was also higher from increased banquet sales.
- RevPAR achieved was \$248 as the hotel enjoyed strong occupancy and room rates in the month of February due to the Singapore Airshow 2014. 1Q2014 RevPAR was lower than the forecast of \$257 mainly due to lower revenue contribution from the transient guests segment as the hotel had a lower number of Indonesia guests close to the April Parliamentary election period. This was mitigated by higher demand from the corporate and wholesale segments but at lower average rates.

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- Overall, hotel revenue increased as higher F&B revenue more than compensated for the lower room revenue.
- Mandarin Gallery's contribution to gross revenue was in line with the forecast, recording an effective rent psf/mth of \$23.6.
- As a result of higher revenue and lower property expenses, higher net property income was recognised from both the hotel and Mandarin Gallery. Net property income for 1Q2014 was \$25.6 million which was \$0.7 million or 2.7% higher than the forecast.
- In line with higher net property income and lower trust expenses, income available for distribution for 1Q2014 of \$22.1 million was \$0.9 million or 4.3% higher than forecast. This translated into 4.3% higher DPS of 1.68 cents as compared to forecast DPS of 1.61 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 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 QUE Hospitality Trust, thereby increasing the number of rooms from 1,051 to 1,077.

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.oueht.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 U.S.. 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.

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

OUE HOSPITALITY REIT MANAGEMENT PTE. LTD.

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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