

PRESS RELEASE
For Immediate Release

OUE Hospitality Trust's 2Q Distribution Exceeds Forecast

Singapore – 31 July 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\$21.6 million and distribution per Stapled Security (DPS) of 1.64 cents for the period 1 April 2014 to 30 June 2014 (2Q 2014). Both DI and DPS are respectively 2.3% and 2.5% higher than the forecast¹.

Distribution Details

Distribution Period	1 April 2014 to 30 June 2014
Distribution Rate	1.64 cents per Stapled Security
Ex-Distribution Date	6 August 2014, 9 am
Book Closure Date	8 August 2014
Distribution Payment Date	2 September 2014

Mr. Christopher Williams, Chairman of OUE Hospitality REIT Management Pte. Ltd., the manager of OUE H-REIT (the REIT Manager), said: "It has been a year since the listing of OUE Hospitality Trust and we have declared total distributions of 6.22 cents since inception. Based on a unit price of \$0.895 as at 24 July 2014, we are proud to have delivered an annualised yield of 7.6%² and a total return of 9.3%³ to investors who invested at the IPO price of \$0.88 per stapled security. We will continue to actively manage existing assets to optimise returns and seek to expand the portfolio by acquiring more quality assets in prime locations."

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.

² Annualised yield based on declared distributions of 6.22 cents for the period from 25 July 2013 to 30 June 2014 and IPO price of \$0.88 per stapled security.

³ Total return based on capital gain of \$0.015 on IPO price of \$0.88 and annualised yield of 7.6%.

OUE HOSPITALITY REIT MANAGEMENT PTE. LTD.

Mr. Chong Kee Hiong, CEO of the REIT Manager, said: “For 2Q 2014, OUE H-Trust has once again achieved higher DI and DPS than the forecast. This is mainly attributable to higher net property income recorded by the properties and lower trust expenses.”

Mr. Chong added: “The on-going renovation of 430 guest rooms at Mandarin Orchard Singapore was accelerated in the second quarter so as to enable the hotel to optimise business in the second half of the year, which typically enjoys seasonally higher hospitality demand. Notwithstanding the impact of renovation on room rates, the hotel achieved RevPAR of \$242, though lower as compared to forecast RevPAR of \$258. Adjusting for the lower available room inventory due to renovation, RevPAR for 2Q 2014 would have been \$254. The hotel’s food & beverage (F&B) sales continued to perform better than forecast with higher patronage at the restaurants and higher banquet sales, mitigating the impact of lower room revenue in 2Q 2014.”

As at July 2014, 160 guest rooms, as part of the Sponsor-funded asset enhancement programme to renovate 430 guest rooms, have been completed.

Mr Chong continued: “Mandarin Gallery continued to enjoy stable income and accounted for 28.0% of OUE H-Trust’s NPI for 2Q 2014 and achieved an effective rent of \$23.7 per square foot (psf) per month.”

Outlook

Singapore Tourism Board⁴ reported that in 1Q 2014, tourism receipts grew 5% year-on year to \$6 billion while international visitor arrivals held steady at 3.9 million. The growth in tourism receipts in 1Q2014 was driven by sightseeing, entertainment, gaming and accommodation, but was offset to some extent by declines in shopping and F&B.

Mandarin Orchard Singapore is well-positioned to leverage on its newly renovated rooms to attract customers seeking premium accommodation in a prime location.

While the retail segment is experiencing some headwinds, Mandarin Gallery is expected to continue to enjoy stable income as more than 98% of the mall’s rental income comprises of fixed rent.

OUE H-Trust will continue to seek growth opportunities through active asset management and yield accretive acquisitions from the Sponsor and third parties.

Summary of Results

	2Q 2014			1H 2014			Notes
	Actual	Forecast ¹	Variance	Actual	Forecast ¹	Variance	
Gross Revenue (\$m)	28.3	28.3	- 0.1%	57.0	56.6	+ 0.7%	¹
Net Property Income (\$m)	25.2	24.9	+ 1.2%	50.9	49.9	+ 2.0%	²
Distributable Income (\$m)	21.6	21.1	+ 2.3%	43.7	42.3	+ 3.3%	³
DPS (S cents)	1.64	1.60	+ 2.5%	3.32	3.21	+ 3.4%	³

⁴ Singapore Tourism Board, Tourism Sector Performance Q1 2014 Report

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Note 1:

- Gross revenue was at \$28.3 million for 2Q 2014, in line with the forecast. For 1H 2014, gross revenue of \$57.0 million was \$0.4 million or 0.7% higher than forecast.
- Under the master lease arrangement for Mandarin Orchard Singapore, rental income of OUE H-REIT is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of the hotel.
- The hospitality demand in Singapore is seasonally higher in the second half of the year. To optimise business in the second half of the year, the renovation schedule was accelerated in current quarter. Notwithstanding the impact of renovation on room rates, the hotel achieved RevPAR of \$242, though it was lower as compared to forecast RevPAR of \$258. Adjusting for the lower available room inventory due to renovation, RevPAR for 2Q 2014 would have been \$254. The hotel's Food & Beverage ("F&B") sales continued to perform better than forecast with higher patronage at the restaurants and higher banquet sales, mitigating the impact of lower room revenue in 2Q 2014.
- For 1H 2014, RevPAR achieved was \$245 due to higher RevPAR recorded in 1Q 2014 resulting from the Singapore Airshow 2014. Strong performance in F&B sales also contributed to better operating results of the hotel thereby translating into higher rental income for OUE H-REIT.
- For 2Q 2014 and 1H 2014, Mandarin Gallery's contribution to gross revenue was in line with the forecast, recording an effective rent per square foot per month of \$23.7.

Note 2:

- As a result of lower property expenses, higher net property income was recognised in 2Q 2014 and 1H 2014.

Note 3:

- In line with higher net property income and lower trust expenses, income available for distribution for 2Q 2014 and 1H 2014 was \$0.5 million and \$1.4 million higher than forecast respectively. This translated into higher DPS of 1.64 cents and 3.32 cents in the respective periods.

About OUE Hospitality Trust

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

OUE 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.

OUE 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.

OUE H-BT is dormant.

OUE 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

OUE HOSPITALITY REIT MANAGEMENT PTE. LTD.

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

OUE Limited (SGX-ST: "OUE") is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and the U.S.. OUE 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, OUE 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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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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