PRESS RELEASE
For Immediate Release

OUE H-Trust Achieves Higher Net Property Income of $28.8 million for 4Q2015

- ***Gross revenue of $33.0 million for 4Q2015 is 8.6% higher than 4Q2014***
- ***Net Property Income (NPI) of $28.8 million for 4Q2015 is 7.0% higher than 4Q2014***
- ***Both gross revenue and NPI are higher due to contribution from Crowne Plaza Changi Airport (CPCA) which was acquired in January 2015***

Singapore – 25 January 2016 - 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 net property income (NPI) of $33.0 million and $28.8 million respectively for the period from 1 October 2015 to 31 December 2015 (4Q2015) which were 8.6% and 7.0% higher than 4Q2014. The higher revenue and NPI are attributable to the contribution from Crowne Plaza Changi Airport (CPCA) which was acquired on 30 January 2015.

OUE H-Trust's distribution income (DI) and distribution per stapled security (DPS) for 4Q2015 were $22.8 million and 1.70 cents respectively.

For FY2015, DI and DPS were $87.4 million and 6.55 cents respectively. The DPS of 6.55 cents achieved translates into a distribution yield of 8.9% based on OUE H-Trust's last closing price of 0.735 cents on 22 February 2016.

Distribution Details

Distribution Period	1 October 2015 to 31 December 2015
Distribution Rate	1.70 cents per Stapled Security
Ex-Distribution Date	29 January 2016, 9.00 am
Book Closure Date	2 February 2016
Distribution Payment Date	26 February 2016

Mr. Christopher Williams, Chairman of OUE Hospitality REIT Management Pte. Ltd., the manager of OUE H-REIT (the REIT Manager), said: "In 2015, the Singapore hospitality industry faced the challenge of lower visitor arrivals amidst increased hotel room supply. The retail segment was also affected by the lower visitor arrivals coupled with an uncertain global economy. Despite the challenging landscape, OUE H-Trust delivered a relatively stable distribution to stapled security holders. This was due mainly to the contribution from the strategic acquisition of CPCA and the active management of the performance of Mandarin Orchard Singapore and Mandarin Gallery."

Mr. Chong Kee Hiong, CEO of the REIT Manager, said: "OUE H-Trust's hospitality revenue for 4Q2015 was higher than 4Q2014 as the contribution from CPCA more than offset the lower contribution from MOS. MOS' weaker performance was due to lower revenue per available room (RevPAR) as the hotel experienced less demand from the transient segment. MOS' food and beverage sales (F&B) performed well with higher banquet sales and higher patronage at its F&B outlets which helped to partially mitigate the lower room sales. For CPCA, performance was resilient as it remained the only international brand name hotel in the vicinity of Changi Airport and the Changi Business Park."

Mr. Chong continued: "As Mandarin Gallery's major lease renewal cycle was underway in 4Q2015, the mall was 94% committed as at 31 December 2015. It recorded an effective rental per square foot per month of approximately $24.6 in 4Q2015 compared to $23.6 in 4Q2014."

Outlook

Singapore Tourism Board ("STB") reported a 0.4%[1] year-on-year increase in international visitor arrivals in the first eleven months of 2015.

In 2016, Singapore will again host major biennial events such as The Singapore Airshow and Food & Hotel Asia in the first half of the year. It will also be the first year that the country will host the World Rugby Sevens Series in April 2016. These events are expected to increase hospitality demand.

However, the global economic environment remains uncertain. The World Bank recently lowered its forecast for global growth in 2016 from 3.3% made previously to 2.9%. According to Singapore's Ministry of Trade and Industry, the estimated growth for Singapore is expected to be in the range of 1% to 3% for 2016[2] after achieving an estimated growth rate of 2.1% for 2015[3]. Against the backdrop of a subdued global and local economy, the tourism industry continues to face headwinds in the near term as consumers and corporates are likely to be conservative in their travel expenditures. In addition, the hospitality sector will remain competitive with the expected supply of new hotel rooms.

The acquisition of Crowne Plaza Changi Airport has increased the income and enhanced the diversification of OUE H-Trust. OUE H-Trust expects to acquire the Crowne Plaza Changi Airport extension of 243-rooms by the second half of 2016 following the completion of the construction of the extension and upon receipt of the temporary occupation permit.

The asset enhancement programme for Mandarin Orchard Singapore will continue into 2016. 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.

The retail scene in Singapore is expected to remain challenging amidst Mandarin Gallery's lease renewal cycle in FY2016 as tenants adopt a more cautious view of the market. In addition, during tenancy changes as part of the lease renewal cycle, more fit-

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[1] Singapore Tourism Board, International Visitor Arrivals Statistics, 19 January 2016
[2] MTI Press Release: 25 November 2015 – MTI Forecasts GDP to Grow by "Close to 2.0%" in 2015 and "1.0% to 3.0%" in 2016.
[3] MTI Press Release: 04 January 2016 - Singapore's GDP Grew by 2.0 Per Cent in the Fourth Quarter of 2015.

out periods is expected. As a result of the impact of slower lease renewals and more fit-out periods both by the landlord in between lease periods and by the tenants, Mandarin Gallery is expected to record lower occupancy in the first half of FY2016.

Amongst the new leases signed are two with Michael Kors and Victoria's Secret which will launch their new flagship stores in FY2016. These two international brands will be calling Mandarin Gallery home for seven years and 10 years respectively. The longer terms of these leases will help anchor the mall's income stability in this challenging market. The addition of these two international brands will also rejuvenate Mandarin Gallery's street front façade.

Mandarin Gallery will continue to focus on leveraging on its position as a high-end fashion mall and lifestyle destination to attract quality tenants and delight shoppers.

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

Summary of Results

4Q2015 vs 4Q2014

	4Q			***Notes***
(S$m)	**2015**	**2014**	**Variance**	
Gross Revenue	33.0	30.4	+ 8.6%	*1*
Net Property Income	28.8	27.0	+ 7.0%	*2*
Distribution Income	22.8	23.6	- 3.3%	*3*
DPS (S cents)	1.70	1.78	- 4.5%	*3*

FY2015 vs FY2014

	FY			***Notes***
(S$m)	**2015**	**2014**	**Variance**	
Gross Revenue	124.6	115.9	+ 7.5%	*4*
Net Property Income	109.1	103.2	+ 5.8%	*5*
Distribution Income	87.4	89.0	- 1.8%	*6*
DPS (S cents)	6.55	6.74	- 2.8%	*6*

Note 1:

- Gross revenue for 4Q2015 was $2.6 million higher than 4Q2014. Hospitality segment posted higher revenue which offset the lower revenue from retail segment.
- Hospitality segment pertains to the master lease income from MOS and CPCA which is pegged to a percentage of the operating revenue and profit of the respective hotels, subject to minimum rent.
- Hospitality revenue was $2.9 million higher than 4Q2014. This was a result of the additional $4.0 million of master lease income contribution from the newly acquired CPCA which more than offset the decrease of $1.1 million master lease income from MOS.
- Master lease income from MOS was $1.1 million lower than 4Q2014 mainly as a result of lower room sales and lower Gross Operating Profit ("GOP"). The lower room sales as reflected in lower RevPAR of $236 (4Q2014: $245) was mainly attributed to a decline in transient business. Better food and beverage sales from higher banquet sales and higher patronage at the F&B outlets had partially

mitigated the lower room sales. The lower GOP was due to lower sales as well as higher operating expenses.
- CPCA contributed $4.0 million master lease income in 4Q2015 and the RevPAR achieved was $242.
- Retail segment pertains to rental and other income from the Mandarin Gallery shopping mall. Retail revenue was $0.3 million lower than 4Q2014 mainly due to lower occupancy and fit-out periods for tenants arising from lease renewals. The mall recorded an effective rent per square foot per month of $24.6 for 4Q2015 as compared to $23.6 for 4Q2014.

Note 2:
- Net property income for 4Q2015 was $1.9 million higher than 4Q2014 mainly due to master lease income from CPCA.

Note 3:
- Income available for distribution was $0.8 million lower than 4Q2014 mainly due to lower contribution from MOS and Mandarin Gallery. As a result, DPS for 4Q2015 was 1.70 cents as compared to 4Q2014 DPS of 1.78 cents.

Note 4:
- Gross revenue for FY2015 was $8.7 million higher than FY2014. Hospitality segment posted higher revenue which offset the lower revenue from retail segment.
- Hospitality revenue was $9.3 million higher than FY2014. This was a result of the additional $14.4 million of master lease income contribution from the newly acquired CPCA which more than offset the decrease of $5.1 million master lease income from MOS.
- Master lease income from MOS was $5.1 million lower than FY2014 as a result of lower room sales and lower GOP. The lower room sales as reflected in lower RevPAR of $230 (FY2014: $239) was mainly attributed to the absence of major meetings, incentives, convention and exhibition (MICE) events that were held in 2014 (and every subsequent alternate years). The drop in international visitor arrivals in the first half of FY2015 had also negatively impacted demand for hotel rooms. The lower GOP was due to lower sales as well as higher operating expenses.
- CPCA contributed $14.4 million master lease income in FY2015 and the RevPAR achieved was $242.
- Retail revenue for FY2015 was $0.5 million lower than FY2014 mainly due to lower occupancy and fit-out periods for tenants arising from lease renewals. The mall recorded an effective rent per square foot per month of $24.7 for FY2015 as compared to $23.7 for FY2014.

Note 5:
- Net property income for FY2015 was $5.9 million higher than FY2014 mainly due to master lease income from CPCA.

Note 6:
- Income available for distribution was $1.6 million lower than FY2014 mainly due to lower contribution from MOS. As a result, DPS for FY2015 was 6.55 cents as compared to FY2014 DPS of 6.74 cents.

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 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 December 2015.

OUE H-BT is dormant.

OUE H-REIT is managed by OUE Hospitality REIT Management Pte. Ltd., which is wholly-owned by OUE Limited (OUE). OUE H-BT is managed by OUE Hospitality Trust Management Pte. Ltd., which is also wholly-owned by 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 United States. 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. OUE is the sponsor of OUE Hospitality Trust and OUE Commercial Real Estate Investment Trust.

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