

PRESS RELEASE  
For Immediate Release

## **OUE REIT Announces its First Interest Rate Swap with Carbon Credits**

**27 May 2024** – OUE REIT Management Pte. Ltd., in its capacity as manager (the “Manager”) of OUE Real Estate Investment Trust (“OUE REIT”, formerly known as “OUE Commercial REIT”), is pleased to announce that OUE REIT has successfully completed a transaction with OCBC that comprises an interest rate swap with a set of voluntary carbon credits (“the transaction”). This transaction is the first of its kind for OUE REIT.

The S\$75 million structured derivative transaction enables OUE REIT to hedge against interest rate risk. As part of the transaction, OUE REIT also received a fixed amount of high-integrity voluntary carbon credits (“VCC”) sourced by OCBC’s Emissions Trading Desk. These VCC will contribute towards investing in a carbon reduction nature-based project in the Southeast Asia region which is certified by Verified Carbon Standard Programme, the world’s leading and most widely-used greenhouse gas (“GHG”) crediting programme administered by Verra. Verra is an international nonprofit organization that develops and manages standards for sustainable development, climate action, and responsible business practices.

This interest rate swap with the VCC feature demonstrates OUE REIT’s ongoing efforts to reduce its GHG emissions. On 29 February 2024, OUE REIT announced its ESG Vision 2030 and replaced its previous target based on energy intensity with a more ambitious goal of achieving a 40% reduction in absolute GHG emissions for its commercial properties, using FY 2023 as the base year. The carbon credits received in this transaction will be used to offset OUE REIT’s residual emissions.

Mr Han Khim Siew, Chief Executive Officer of the Manager, said, “OUE REIT has over 92.5% of its assets located in Singapore where renewable energy capacity is limited. It is thus challenging to eliminate our GHG emissions in the short term. The interest rate swap with VCC feature offered by OCBC allows us to leverage on high-integrity carbon credits that adhere to the United Nations and industry leading standards during our decarbonisation journey. Going forward, we will work closely

## OUÉ REIT MANAGEMENT PTE. LTD.

with our banking partners and investors to explore innovative ways to align our financing requirements with sustainability efforts.”

Mr Kenneth Lai, OCBC’s Head of Global Markets, said, “Carbon credits can help companies in their progress towards climate action. OCBC provides an end-to-end service to our customers for carbon credits ranging from the selection of the credits to solutions for offsetting their carbon footprint. We are pleased to support OUE REIT on this interest rate swap structured with carbon credits. We are seeing demand from our corporate customers for sustainability-themed products; and our goal is to help them achieve their sustainability targets with innovative bespoke solutions.”

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For further information and enquiries, please contact:

Mary Ng

OUE REIT Management Pte. Ltd.

Tel: +65 6809 8704

Email: [mary.ng@ouereit.com](mailto:mary.ng@ouereit.com)

### **About Verra and Verified Carbon Standard Programme**

Verra is a nonprofit organization that operates standards in environmental and social markets, including the world’s leading carbon crediting program, the Verified Carbon Standard (VCS) Programme.

The Verified Carbon Standard (VCS) Programme is the world’s most widely used greenhouse gas (GHG) crediting programme and has been endorsed by the International Carbon Reduction and Offset Alliance (ICROA) and meets the ICROA Code of Best Practice (external). It is a critical and evolving component in the ongoing effort to protect the shared environment. All VCS projects and programmes must complete a rigorous development and assessment process before registering with the VCS Programme. VCS projects have reduced or removed more than one billion tons of carbon and other GHG emissions from the atmosphere.

For more information, please visit: <https://verra.org/>

## QUE REIT MANAGEMENT PTE. LTD.

### About QUE REIT

QUE Real Estate Investment Trust (“QUE REIT”), formerly known as QUE Commercial Real Estate Investment Trust, is one of the largest diversified Singapore REITs (“S-REITs”) with total assets under management of S\$6.3 billion as of 31 December 2023.

QUE REIT aims to deliver stable distributions and provide sustainable long-term growth in return to holders of units (“Unitholder”) by investing in income-producing real estate used primarily for hospitality, retail and/or office purposes in financial and business hubs, as well as real estate-related assets. With six assets in Singapore and one in Shanghai, the property portfolio comprises 1,655 upper upscale hotel rooms and approximately 2.2 million square feet (“sq ft”) of prime office and retail space.

In Singapore, QUE REIT owns two hotels, Hilton Singapore Orchard and Crowne Plaza Changi Airport. Complementing Hilton Singapore Orchard is Mandarin Gallery, a choice location for international brands in the heart of Orchard Road. Meanwhile, QUE REIT’s office assets – QUE Bayfront, One Raffles Place and QUE Downtown Office, are situated within the Central Business District (“CBD”).

In Shanghai, QUE REIT’s Grade A commercial asset Lippo Plaza is located on Huaihai Middle Road, one of Shanghai’s established core CBD locations in the Huangpu district of Puxi.

Listed on the Main Board of the Singapore Exchange Securities Trading Limited since 27 January 2014, QUE REIT is managed by QUE REIT Management Pte. Ltd. (the “Manager”), a wholly-owned subsidiary of QUE Limited (the “Sponsor”). The Sponsor is a leading real estate and healthcare group, growing strategically to capitalise on growth trends across Asia. Its real estate activities include the development, investment and management of real estate assets across the commercial, hospitality, retail, residential and healthcare sectors.

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

### About the Sponsor: QUE Limited

QUE Limited (SGX: LJ3) is a leading real estate and healthcare group, growing strategically to capitalise on growth trends across Asia.

QUE’s real estate activities include the development, investment and management of real estate assets across the commercial, hospitality, retail, residential and healthcare sectors. QUE manages two SGX-listed REITs: QUE REIT, one of Singapore’s largest diversified REITs, and First REIT (a subsidiary of QUE Healthcare), Singapore’s first listed healthcare REIT. As at 31 December 2023, QUE’s real estate portfolio was valued at S\$9.3 billion, with S\$7.9 billion in funds under management across QUE’s two REIT platforms and managed accounts.

QUE Healthcare, an SGX Catalist-listed subsidiary of QUE, operates and owns high-quality healthcare assets in high-growth Asian markets. With a vision of creating a regional healthcare ecosystem that is anchored on Singapore’s medical best practices, QUE Healthcare’s portfolio of

## OUE REIT MANAGEMENT PTE. LTD.

owned and operated businesses includes hospitals, medical centres, clinics and senior care facilities in Singapore, Japan, Indonesia and China.

Anchored by its “Transformational Thinking” philosophy, OUE has built a strong reputation for developing iconic projects, transforming communities, providing exceptional service to customers and delivering long-term value to stakeholders.

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

### **IMPORTANT NOTICE**

The value of units in OUE REIT (“Units”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE REIT is not necessarily indicative of the future performance of OUE REIT.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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 Manager’s current view of future events.