PRESS RELEASE
For Immediate Release

OUE REIT Delivers Resilient Performance
2H 2024 DPU Rises 8.7% YoY to 1.13 Singapore cents

- Revenue increased by 1.7% YoY to S$148.8 million in 2H 2024, underpinned by the stable operational performance of the Singapore office portfolio and the successful asset enhancement of Crowne Plaza Changi Airport.
- Committed occupancy of Singapore office properties remained healthy at 94.6% as of 31 December 2024 with full year positive rent revision of 10.7%.
- Overall hospitality revenue for 2H 2024 grew by 5.4% YoY, led by Crowne Plaza Changi Airport's RevPAR 25.5% growth YoY in 2H 2024.
- Leveraging on strong institutional demand, OUE REIT undertook a bond re-tap issuance of S$120 million in November in addition to its existing 7-year investment grade Green Notes at 100.714% tap re-offer price, representing a tighter tap re-offer yield of 3.78% – the lowest ever bond issuance yield achieved by OUE REIT. Full allocation towards institutional investors.
- Enhanced portfolio resilience and improved financial flexibility with the divestment of Lippo Plaza in Shanghai for a sale consideration of RMB1,917.0 million (approximately S$357.4 million)[1] and an agreed property value of RMB1,680.0 million (approximately S$313.2 million) on 27 December 2024.

23 January 2025 – OUE REIT Management Pte. Ltd., in its capacity as manager (the "Manager") of OUE Real Estate Investment Trust ("OUE REIT"), is pleased to announce resilient results for the financial period 1 July 2024 to 31 December 2024 ("2H 2024").

For 2H 2024, revenue increased by 1.7% year-on-year ("YoY") to S$148.8 million. The increase was mainly attributable to the stable operational performance of OUE REIT's Singapore office portfolio as well as the successful asset enhancement of Crowne Plaza Changi Airport which was completed in December 2023. Due to the upward revision of prior years' property tax for Hilton Singapore Orchard and Crowne Plaza Changi Airport, net property income ("NPI") decreased by 2.3% YoY to

[1] Subject to post-completion adjustments

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S$116.9 million in 2H 2024. Adjusting for the upward revision of prior years' property tax for the two hotels, NPI would have increased by 0.3% YoY in 2H 2024. The share of joint venture results from OUE Bayfront doubled in 2H 2024 to S$26.0 million mainly due to fair value gains.

The amount available for distribution for 2H 2024 grew by 3.7% YoY to S$59.9 million. This was achieved despite higher finance cost, which were offset by the payment of 50% base management fee in units in the fourth quarter of FY 2024 ("4Q 2024") and the removal of working capital retention. Including the release of the remaining S$2.5 million capital distribution from the 50% divestment of OUE Bayfront, 2H 2024 amount to be distributed was S$62.4 million, translating into an 8.7% YoY increase in distribution per unit ("DPU") to 1.13 Singapore cents.

For the financial year ended 31 December 2024 ("FY 2024"), the amount to be distributed was S$113.7 million with DPU of 2.06 Singapore cents. Based on OUE REIT's unit closing price of S$0.285 as of the last trading day in 2024, the FY 2024 distribution yield was 7.2%, compared to 7.3% in FY 2023.

OUE REIT's distribution policy is to distribute at least 90% of its taxable income to its Unitholders on a semi-annual basis, with the actual level of distribution to be determined at the Manager's discretion.

Summary of OUE REIT's Group Financial Performance

(S$'000)	2H 2024	2H 2023	*Change (%)*	FY 2024	FY 2023	*Change (%)*
Revenue	**148,792**	**146,253**	***1.7***	**295,521**	**285,055**	***3.7***
Net Property Income	**116,892**	**119,702**	***(2.3)***	**234,035**	**234,967**	***(0.4)***
Finance Costs	51,804(1)	48,908(1)	*5.9*	106,546(2)	93,538(2)	*13.9*
Share of Joint Venture Results	26,004	12,635	*105.8*	30,484	16,886	*80.5*
Retention for working capital	-	5,000	*NM*	5,000	8,000	*(37.5)*
Amount to be Distributed	**62,361(3)**	**57,723**	***8.0***	**113,660(4)**	**115,307**	***(1.4)***
DPU (cents)	**1.13**	**1.04**	***8.7***	**2.06**	**2.09**	***(1.4)***

NM: Not meaningful

(1) Excluding non-cash items of S10.2 million and S$9.2 million in 2H 2024 and 2H 2023 respectively. The non-cash items relate to net change in fair value of derivatives and foreign exchange movements.

(2) Excluding non-cash items of S$10.2 million and S$21.3 million in FY 2024 and FY 2023 respectively. The non-cash items relate to net change in fair value of derivatives and foreign exchange movements.

(3) Including the remaining S$2.5 million capital distribution from the 50% divestment of OUE Bayfront

(4) Including the S$5.0 million capital distribution from the 50% divestment of OUE Bayfront

As of 31 December 2024, the valuation of OUE REIT's properties increased by 0.2% YoY to S$5,839.8 million on a like-for-like basis. Consequently, net asset value per Unit stood at S$0.58 as of 31 December 2024.

Mr Han Khim Siew, Chief Executive Officer of the Manager, said, "The year 2024 was marked by ongoing macroeconomic challenges, continued geopolitical tensions, protracted inflationary pressures, a prolonged high-interest rate environment, and muted China economic recovery. Despite these market headwinds, we delivered another year of resilient results, underpinned by our prime-located commercial and hospitality assets in Singapore."

"In light of the uncertain interest rate outlook, the management has been proactive in monitoring capital markets and captured favourable opportunities to strengthen our balance sheet. Leveraging on the successful issuance of S$180 million 7-year investment grade Green Notes in September, we completed a bond re-tap issuance of S$120 million in November. This was issued at 100.714% tap re-offer price, representing a tighter tap re-offer yield of 3.78% – the lowest bond issuance yield achieved by OUE REIT to date. The re-tap issuance was oversubscribed by institutional investors, demonstrating strong market confidence in OUE REIT and sets a healthy precedent for future bond issuances."

"In December 2024, we successfully realigned our portfolio through the divestment of Lippo Plaza, a non-core asset located in Shanghai. This divestment presents an opportunity to reinvest the proceeds into more strategic initiatives, thereby strengthening OUE REIT's balance sheet and enhancing financial flexibility. As we move into 2025, the macroeconomic environment remains uncertain. OUE REIT will stay agile in addressing challenges, focusing on optimising asset performance and the balance sheet while seizing value-creation opportunities to deliver sustainable returns to our Unitholders," Mr. Han concluded.

Commercial Segment

For 2H 2024, the commercial (office and retail) segment's revenue and NPI declined by 0.2% and 1.6% YoY to S$94.6 million and S$70.0 million respectively. The weaker performance was attributable to the lower contribution from Lippo Plaza Shanghai.

For FY 2024, revenue was 1.0% higher YoY at S$189.6 million, underpinned by the resilient performance of Singapore's office portfolio. FY 2024 NPI slightly decreased by 1.2% YoY to S$141.6 million mainly due to higher operating expenses.

Committed occupancy in OUE REIT's Singapore office portfolio remained healthy at 94.6% as of 31 December 2024, with average passing rent increasing by 1.0% quarter-on-quarter ("QoQ") to reach S$10.72 per square foot ("psf") per month as of 31 December 2024 and recorded positive rental reversion of 10.7% for FY 2024 portfolio.

Mandarin Gallery's operating metrics continued to improve, with committed occupancy reaching 98.2% as of 31 December 2024, 2.9 percentage points ("ppt") higher QoQ. Average passing rent remained healthy at S$21.68 psf per month as of 31 December 2024. For FY 2024, Mandarin Gallery achieved high positive rental reversion of 19.8%.

Hospitality Segment

Hospitality segment revenue for 2H 2024 rose by 5.4% YoY to S$54.2 million. For FY 2024, the hospitality segment revenue surged by 8.9% YoY to S$105.9 million, fuelled by the robust concert and MICE pipeline in the first half of 2024, as well as continued improvement in visitor arrivals throughout the year.

For 2H 2024, overall hospitality revenue per available room ("RevPAR") increased by 3.4% YoY to S$277. Crowne Plaza Changi Airport's RevPAR rose by 25.5% YoY to S$256 following the successful asset enhancement initiative completed in December 2023. Meanwhile, Hilton Singapore Orchard's RevPAR stood at S$288, 4.3% lower YoY due primarily to the normalisation of tourist spending on accommodation compared to the same period in FY 2023.

For FY 2024, overall hospitality RevPAR increased by 9.2% YoY to S$273. Crowne Plaza Changi Airport's RevPAR was 18.0% higher YoY at S$242. Hilton Singapore Orchard's RevPAR improved by 5.8% YoY to S$290.

Divestment of Lippo Plaza Shanghai

In December 2024, OUE REIT divested Lippo Plaza Shanghai for a sale consideration of RMB1,917.0 million (approximately S$357.4 million) and at an agreed property value of RMB1,680.0 million (approximately S$313.2 million). Lippo Plaza Shanghai is a non-core asset which contributed only 6.6% of OUE REIT's total portfolio revenue as of 30 September 2024. With no plans to further expand OUE REIT's footprint in China, this divestment provides OUE REIT an opportunity to reconstitute its portfolio and enhance greater financial flexibility. Following the completion of the divestment, all OUE REIT's assets are now located in Singapore.

Proactive Capital Management

OUE REIT adopts a proactive and prudent capital management strategy to enhance its capital structure and improve financial flexibility.

OUE REIT maintained a well-staggered debt maturity profile with average term of debt at 3.0 years. As of 31 December 2024, OUE REIT's weighted average cost of debt decreased to 4.7% per annum while aggregate leverage was at 39.9%.

In September, OUE REIT completed the issuance of its first 7-year investment grade Green Notes. With an initial price guidance of 4.15%, the offer secured a peak orderbook of S$320 million, representing 3.2 times oversubscription based on OUE REIT's initial target size of S$100 million. The final offer was subsequently upsized to S$180 million with pricing tightened to 3.90%.

Leveraging on strong institutional demand, OUE REIT subsequently completed a bond re-tap issuance of S$120 million in November in addition to its existing 7-year investment grade Green Notes at 100.714% tap re-offer price, representing a tighter tap reoffer yield of 3.78% - the lowest achieved by the REIT for a bond issuance. Full allocation towards institutional investors. With the re-tap, the total issuance size of the 7-year investment grade Green Notes increased to S$300 million, enabling it to be included in the Markit iBoxx SGD Overall Bond Index and further enhancing investment appetite.

On 18 October 2024, OUE REIT established a S$2.0 billion Euro Medium-Term Note programme, enabling the REIT to tap into diversified sources of funding and further optimise its debt maturity profile.

For 4Q 2024, the Manager has elected to receive 50% of its base management fees in cash with the balance in Units of OUE REIT.

Outlook

According to CBRE, high fit-out costs, workplace transformation, the potential delay of interest rate cuts, and continued work-from-home arrangements have weighed on the performance of Singapore's office market. In 4Q 2024, Core Central Business District ("CBD") Grade A occupancy improved to 95.1%, up from 92.2% in the previous quarter, with net absorption reaching 0.57 million sq. ft. This was driven by steady take-up in the new supply. Core CBD (Grade A) rents remained unchanged at S$11.95 psf per month. For the full year, Core CBD (Grade A) rents grew by 0.4% YoY, a slower pace compared to the 1.7% rental growth recorded in 2023.

Looking ahead to 2025, occupier sentiment is expected to remain weak due to global economic uncertainties, high fit-out costs, and elevated interest rates. However, below-historical-average office supply in the Core CBD (Grade A) over the next four years, combined with anticipated interest rate cuts, is likely to bolster corporate confidence in expansion in 2025. CBRE forecasts that Core CBD (Grade A) rents will grow by 2.0% for the full year 2025, compared to the modest 0.4% growth in 2024, supported by the ongoing flight-to-quality trend.

From January to November 2024, international visitor arrivals reached 15.1 million and have already achieved the Singapore Tourism Board's full-year forecast of 15 to 16 million arrival. Singapore's tourism recovery is expected to maintain its upward trajectory, bolstered by improved continued tourism recovery and the launch of new tourism offerings. However, the outlook for FY 2025 remains cautious, with challenges posed by competition from more affordable regional destinations, and the absence of high-profile concerts and MICE events.

Singapore's retail leasing demand remained robust in 4Q 2024, driven by active expansion from F&B operators. According to CBRE, Orchard Road retail rents outperformed other submarkets, rising by 0.8% QoQ to S$37.75 psf foot per month. This growth was underpinned by retailers' confidence in the ongoing recovery of the tourism sector.

In the near term, challenges such as manpower shortages, competition from e-commerce, and higher operating costs are expected to persist. Nevertheless, overall rents are projected to recover to pre-pandemic levels by 2025, supported by below-historical-average new supply.

Despite global macroeconomic uncertainties, Singapore's strong economic fundamentals and status as a global business hub reinforce the advantages of a Singapore-focused portfolio, allowing OUE REIT to deliver long-term stable performance while maintaining growth potential.

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About OUE REIT

OUE Real Estate Investment Trust ("OUE REIT"), formerly known as OUE Commercial Real Estate Investment Trust, is one of the largest diversified Singapore REITs ("S-REITs") with total assets under management of S$5.8 billion as of 31 December 2024.

OUE REIT aims to deliver stable distributions and provide sustainable long-term growth in return to holders of units ("Unitholders") 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.

OUE REIT's portfolio comprises six high-quality office, hospitality and retail assets located in Singapore. Its three office assets - OUE Bayfront, One Raffles Place and OUE Downtown Office - are situated within the Central Business District, with a total Net Lettable Area ("NLA") of approximately 1.6 million square feet ("sq ft").

OUE REIT's two hotels, Hilton Singapore Orchard and Crowne Plaza Changi Airport, are strategically located along the prime Orchard Road belt and within the Changi Airport vicinity, offering a total of 1,655 upper upscale hotel rooms. Complementing Hilton Singapore Orchard is Mandarin Gallery, a 126,294 sq ft high-end retail mall that has been a preferred destination for international brands in the heart of Orchard Road.

Listed on the Main Board of the Singapore Exchange Securities Trading Limited since 27 January 2014, OUE REIT is managed by OUE REIT Management Pte. Ltd. (the "Manager"), a wholly-owned subsidiary of OUE 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.

About the Sponsor: OUE Limited

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

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

OUE Healthcare, an SGX Catalist-listed subsidiary of OUE, 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, OUE Healthcare's portfolio of 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.

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.