PRESS RELEASE
For Immediate Release

OUE REIT Delivers Stable Operational Performance in 3Q 2024

- Singapore office portfolio recorded positive rental reversion of 10.8% while committed occupancy remained high at 95.4% in 3Q 2024
- Crowne Plaza Changi Airport's RevPAR achieved a robust 30.3% YoY growth
- Completed first 7-year investment grade green notes issuance at 3.90%
- Well-spread debt maturity profile with only 6.7% of the total debt due in 2025

23 October 2024 – OUE REIT Management Pte. Ltd., in its capacity as manager (the "Manager") of OUE Real Estate Investment Trust ("OUE REIT"), announced revenue of S$74.8 million for the financial period 1 July 2024 to 30 September 2024 ("3Q 2024"), 1.3% lower year-on-year ("YoY"). The slight decline was primarily attributed to the lower contribution from the hospitality segment. Net property income ("NPI") was 3.7% YoY lower at S$60.3 million, due to upward revision of prior years' property tax for Hilton Singapore Orchard and Crowne Plaza Changi Airport. On a like-for-like basis excluding the tax revision, NPI would have decreased by 1.2% YoY.

Mr Han Khim Siew, Chief Executive Officer of the Manager, said, "OUE REIT's strategy of having a balanced portfolio continued to deliver resilient performance in 3Q 2024. In the commercial segment, our Singapore offices secured high occupancy and strong rental reversion despite a softening of the near-term leasing market. In the hospitality segment, we are pleased to report that Crowne Plaza Changi Airport enjoyed robust performance following its successful asset enhancement program last year."

"To further diversify our debt maturity profile, the Manager issued our first 7-year investment-grade green notes at 3.90% — our lowest coupon rate and longest tenor ever for our bond. The issuance is well-supported by strong demand from institutional investors in September. On 18 October 2024, we established a S$2.0 billion Euro Medium-Term Note ("EMTN") Programme, enhancing OUE REIT's ability to tap into diversified sources of funding and further optimise its debt maturity profile. Looking ahead, we remain committed to optimising asset performance and strengthening our capital

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structure, while closely monitoring portfolio reconstitution opportunities to unlock value amidst improved investor sentiment and appetite following the US Fed's September rate cut" Han added.

Commercial Segment

For 3Q 2024, the commercial (office and retail) segment recorded revenue of S$$47.0 million, 1.1% lower YoY due mainly to lower contribution from Lippo Plaza. NPI grew by 0.3% YoY to S$35.7 million, underpinned by disciplined cost management.

As of 30 September 2024, OUE REIT's Singapore office performance remained strong with committed occupancy increased by 0.2 percentage points ("ppt") quarter-on-quarter ("QoQ") to 95.4%. In 3Q 2024, the Manager continued to record positive rental reversion of 10.8% for office lease renewals, while the average passing rent increased by 0.4% QoQ to S$10.61 per square foot ("psf") per month in September 2024.

In 3Q 2024, Singapore's retail leasing sentiment remains stable, with Mandarin Gallery achieving a positive rental reversion of 16.0%, despite shifts in consumer behaviour. Committed occupancy remained healthy at 95.3%, while the average passing rent increased by 3.5% QoQ to S$21.84 psf per month.

Benefitting from its prime location in Shanghai, Lippo Plaza's committed retail occupancy increased by 3.3 ppt QoQ to 97.8% while committed office occupancy stood at 74.6% as of 30 September 2024. Against the backdrop of muted demand and intense leasing competition, the Manager will continue to prioritise occupancy and maintain flexibility in lease management and renewals.

Hospitality Segment

Hospitality segment revenue and NPI for 3Q 2024 were S$27.8 million and S$24.6 million, 1.7% and 8.9% lower YoY respectively. The decline was mainly attributable to this year's normalisation of tourist spending on accommodation compared to the same period in FY 2023. Excluding the upward revision of property tax for FY 2022 and FY 2023 for Hilton Singapore Orchard and Crowne Plaza Changi Airport, NPI for the hospitality sector would have decreased by 3.2% YoY in 3Q 2024.

For 3Q 2024, the hospitality segment's revenue per available room ("RevPAR") increased by 0.3% YoY to S$296. In particular, Crowne Plaza Changi Airport's RevPAR grew by 30.3% YoY to S$259 following the successful asset enhancement completed in December 2023, which had impacted performance in 3Q 2023. Meanwhile, Hilton Singapore Orchard's RevPAR stood at S$315.

Proactive Capital Management

In September 2024, OUE REIT successfully issued its first 7-year investment grade green notes rated "BBB-" by S&P Global Ratings. With an initial price guidance of 4.15%, OUE REIT's offering was 3.2 times oversubscribed with a peak S$320 million orderbook on initial S$100 million target size. The final offer was subsequently upsized to S$180 million and pricing tightened to 3.90%. The issuance attracted a final orderbook of S$300 million (good at reoffer), equating to 1.7 times oversubscription of the final upsized offer. Approximately 70% of the final allocation went towards institutional investors.

Consequently, OUE REIT has only 6.7% of total debt due in 2025, with weighted average debt maturity extended to 2.9 years as of 30 September 2024. OUE REIT's aggregate leverage remained stable at 39.3% as of 30 September 2024. With 70.5% of the total debt hedged, the Manager is able to preserve financial flexibility in the current interest rate environment. The interest coverage ratio ("ICR") and adjusted ICR, calculated according to MAS' guidelines, remained stable at 2.2x, respectively.

For 3Q 2024, 100% of base management fees will continue to be paid in cash. From 4Q 2024, 50% of base management fees will be paid in cash with the balance in Units.

Outlook

According to CBRE, Singapore's Core Central Business District ("CBD") (Grade A) office rents stood at S$11.95 psf per month for a third consecutive quarter in 3Q 2024, underpinned by the continued flight-to-quality trend. Occupancy slightly decreased by 1.7 ppt to 92.2% primarily due to the completion of IOI Central Boulevard Towers. Excluding this development, Core CBD (Grade A) occupancy would have remained high at 96-97%, with demand driven by legal firms, emerging tech companies and professional services.

Although global economic uncertainties might impact leasing sentiment in the near term, delayed office completions and a more favourable interest rate environment are expected to support the office demand. OUE REIT's green-certified core Grade A office assets in the prime CBD area are well-positioned to maintain stable performance in the longer term.

According to Colliers, Shanghai's CBD Grade A office market showed signs of improvement with occupancy slightly increased by 0.6 ppt QoQ to 85.9% 3Q 2024, while CBD Grade A office rents declined to RMB 8.00 psm per day. By the end of 2024, 19,000 square meters of new CBD Grade A office space is expected to enter the market. The majority of these completions will be in the Xintiandi submarket, further intensifying competition. Coupled with a lower-than-expected macroeconomic recovery and weak leasing demand, Shanghai's office market is expected to continue its downward trend. The Manager is focused on proactive and flexible asset management to retain tenants and sustain occupancy at Lippo Plaza.

Singapore's visitor arrivals for January to September 2024 grew by 24.1% YoY to reach 12.6 million, on track of achieving Singapore Tourism Board's target of 15 to 16 million in 2024. The tourism recovery is expected to continue its growth trajectory with improved global flight connectivity, the implementation of visa-free travel between China and Singapore and new tourism offerings. However, cheaper tourist regional destinations, the absence of star-studded concerts, as well as weaker MICE pipeline will weigh on tourism performance.

According to CBRE, Singapore's retail leasing activity remained robust in 3Q 2024, driven by retailers with niche followings, such as those in games and collectibles, along with F&B operators as well as beauty and health brands. With increased retailer confidence in tourism recovery, prime Orchard Road retail rents continued to outperform other submarkets, rising 0.8% QoQ to S$37.45 psf per month. However, consumer sentiments have turned more cautious as reflected in the decline in retail sales index (excluding motor vehicles) of 2.8% and 2.7% YoY in July and August 2024 respectively.

As new retail supply is expected to remain below the historical average in the coming years, CBRE anticipates that overall prime retail rents will sustain their recovery through the rest of 2024.

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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$6.3 billion as of 31 December 2023.

OUE 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, OUE 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, OUE REIT's office assets – OUE Bayfront, One Raffles Place and OUE Downtown Office, are situated within the Central Business District ("CBD").

In Shanghai, OUE 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, 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.