

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

| TABLE OF CONTENTS |   |      |
|-------------------|---|------|
| Item              | Description   | Page |
|                   | SUMMARY OF STAPLED GROUP'S RESULTS                                  | 2    |
|                   | INTRODUCTION  | 3    |
| 1(a)              | STATEMENTS OF TOTAL RETURN  | 4    |
| 1(b)(i)           | STATEMENTS OF FINANCIAL POSITION                                    | 7    |
| 1(b)(ii)          | BORROWINGS  | 8    |
| 1(c)              | STATEMENTS OF CASH FLOWS  | 10   |
| 1(d)(i)           | STATEMENTS OF MOVEMENT IN UNITHOLDERS' FUNDS                        | 12   |
| 1(d)(ii)          | DETAILS OF ANY CHANGES IN THE STAPLED SECURITIES                    | 14   |
| 2                 | REVIEW OF RESULTS BY AUDITORS                                       | 14   |
| 3                 | AUDITORS' REPORT  | 14   |
| 4                 | ACCOUNTING POLICIES   | 14   |
| 5                 | CHANGES IN ACCOUNTING POLICIES                                      | 15   |
| 6                 | EARNINGS PER STAPLED SECURITY AND DISTRIBUTION PER STAPLED SECURITY | 15   |
| 7                 | NET ASSET VALUE   | 15   |
| 8                 | REVIEW OF PERFORMANCE   | 16   |
| 9                 | VARIANCE BETWEEN FORECAST AND ACTUAL RESULTS                        | 17   |
| 10                | OUTLOOK AND PROSPECTS   | 18   |
| 11                | DISTRIBUTIONS   | 18   |
| 12                | DISTRIBUTION STATEMENT  | 19   |
| 13                | GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS          | 19   |
| 14                | CONFIRMATION PURSUANT TO RULE 705(5) OF LISTING MANUAL              | 19   |
| 15                | CONFIRMATION PURSUANT TO RULE 720(1) OF LISTING MANUAL              | 20   |

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**Summary of Stapled Group’s Results**

|   | Stapled Group       |                   |                              |
|---|---------------------|-------------------|------------------------------|
|   | 1Q2016<br>S\$’000   | 1Q2015<br>S\$’000 | Increase/<br>(Decrease)<br>% |
| Revenue                                   | 30,148              | 29,337            | 2.8                          |
| Net Property Income                       | 26,293              | 25,715            | 2.2                          |
| Total Return                              | 16,843              | 18,468            | -8.8                         |
| Unitholders’ Distribution                 | 19,700              | 21,386            | -7.9                         |
| Distribution Per Stapled Security (cents) | 1.10 <sup>(1)</sup> | 1.61              | -31.7                        |

<sup>(1)</sup> Excluding the effects from the Rights Issue, Distribution per Stapled Security (“DPS”) for 1Q2016 would have been 1.47 cents.

On 7 March 2016, OUE H-REIT announced an underwritten renounceable Rights Issue (“Rights Issue”) of 441,901,257 at an issue price of \$0.54 for each Rights Stapled Security on the basis of 33 Rights Stapled Securities for every 100 existing Stapled Securities. On 13 April 2016, new Stapled Securities of 441,901,257 were issued pursuant to the Rights Issue. The new Stapled Securities rank *pari passu* with the existing Stapled Securities issued and issuable as at 31 March 2016, including the right to any distributions which may accrue for the financial period from 1 January 2016 to 31 March 2016.

The DPS for 1Q2016 after taking into consideration of Rights Issue is 1.10 cents. Excluding the Rights Issue Stapled Securities, DPS in 1Q2016 would have been 1.47 cents.

## **UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

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### **INTRODUCTION**

OUE Hospitality Trust (“**OUE H-Trust**”) is a stapled group (the “**Stapled Group**”) comprising OUE Hospitality Real Estate Investment Trust (“**OUE H-REIT**”), a real estate investment trust, and its subsidiary (the “**OUE H-REIT Group**”) and OUE Hospitality Business Trust (“**OUE H-BT**”), a business trust. OUE H-Trust was listed on Singapore Exchange Securities Trading Limited (“**SGX**”) on 25 July 2013 (the “**Listing Date**”).

The units in OUE H-REIT and OUE H-BT are stapled together as stapled securities in OUE H-Trust (“**Stapled Securities**”) under the terms of a stapling deed dated 10 July 2013 (the “**Stapling Deed**”) entered into between OUE Hospitality REIT Management Pte. Ltd. (in its capacity as the manager of OUE H-REIT) (the “**REIT Manager**”), RBC Investor Services Trust Singapore Limited (in its capacity as the trustee of OUE H-REIT) (the “**REIT Trustee**”) and OUE Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of OUE H-BT) (the “**Trustee-Manager**”). Each Stapled Security in OUE H-Trust comprises one unit in OUE H-REIT and one unit in OUE H-BT and cannot be traded separately.

OUE H-REIT was constituted by a trust deed dated 10 July 2013 (the “**REIT Trust Deed**”). OUE H-REIT is a Singapore-based REIT 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.

On 30 January 2015, OUE H-REIT completed the acquisition of the 320-room Crowne Plaza Changi Airport (“**CPCA**”) for a purchase consideration of S\$290 million. As at 31 March 2016, OUE H-REIT’s asset portfolio comprised the 1,077-room Mandarin Orchard Singapore (“**MOS**”); the adjoining Mandarin Gallery (“**MG**”); and the newly acquired Crowne Plaza Changi Airport which was recently named the World’s Best Airport Hotel 2016.

OUE H-BT was constituted by a trust deed dated 10 July 2013. OUE H-BT is a Singapore-based business trust which is presently dormant. OUE H-BT will, however, become active if OUE H-REIT is unable to appoint a master lessee for Mandarin Orchard Singapore at the expiry or termination of the master lease agreement or for a newly acquired hospitality asset. In such circumstances, OUE H-BT will be appointed by OUE H-REIT as a master lessee for that hospitality asset, and OUE H-BT will in turn appoint a professional hotel manager to manage the day-to-day operations and marketing of the hospitality asset. OUE H-BT exists primarily as “a master lessee of last resort”.

### **Distribution Policy**

OUE H-REIT will distribute at least 90.0% of its property-related income chargeable to tax under the Income Tax Act, Chapter 134 of Singapore after the deduction of allowable expenses and capital allowances, if any (“**Taxable Income**”), to holders of Stapled Securities (“**Stapled Securityholders**”), with the actual level of distribution to be determined at the REIT Manager board’s discretion after having considered OUE H-Trust’s funding requirements, other capital management considerations and the overall stability of distributions.

OUE H-REIT makes distributions on a quarterly basis in arrears for the periods ending 31 March, 30 June, 30 September and 31 December each year.

OUE H-BT may make distributions in the future when it becomes active and profitable.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**1 (a) STATEMENTS OF TOTAL RETURN**

|                                     | Note | OUE H-REIT Group |               |                         | Stapled Group |               |                         |
|-------------------------------------|------|------------------|---------------|-------------------------|---------------|---------------|-------------------------|
|                                     |      | 1Q2016           | 1Q2015        | Increase/<br>(Decrease) | 1Q2016        | 1Q2015        | Increase/<br>(Decrease) |
|                                     |      | S\$'000          | S\$'000       | %                       | S\$'000       | S\$'000       | %                       |
| Gross revenue                       | (a)  | 30,148           | 29,337        | 2.8                     | 30,148        | 29,337        | 2.8                     |
| Property tax                        |      | (1,999)          | (1,917)       | 4.3                     | (1,999)       | (1,917)       | 4.3                     |
| Insurance                           |      | (54)             | (53)          | 1.9                     | (54)          | (53)          | 1.9                     |
| Other property expenses             | (b)  | (1,802)          | (1,652)       | 9.1                     | (1,802)       | (1,652)       | 9.1                     |
| <b>Net property income</b>          |      | 26,293           | 25,715        | 2.2                     | 26,293        | 25,715        | 2.2                     |
| REIT Manager's base management fees |      | (1,560)          | (1,550)       | 0.6                     | (1,560)       | (1,550)       | 0.6                     |
| REIT Manager's performance fees     |      | (1,052)          | (1,029)       | 2.2                     | (1,052)       | (1,029)       | 2.2                     |
| REIT Trustee's fees                 |      | (97)             | (96)          | 1.0                     | (97)          | (96)          | 1.0                     |
| Other trust expenses                |      | (277)            | (325)         | -14.5                   | (278)         | (326)         | -14.7                   |
| Finance income                      |      | 248              | 396           | -37.4                   | 248           | 396           | -37.4                   |
| Finance expenses                    |      | (6,711)          | (4,642)       | 44.6                    | (6,711)       | (4,642)       | 44.6                    |
| <b>Net finance expenses</b>         | (c)  | (6,463)          | (4,246)       | 52.2                    | (6,463)       | (4,246)       | 52.2                    |
| <b>Total return for the period</b>  | (d)  | <b>16,844</b>    | <b>18,469</b> | <b>-8.8</b>             | <b>16,843</b> | <b>18,468</b> | <b>-8.8</b>             |

**NOTES TO THE STATEMENTS OF TOTAL RETURN**

- (a) Gross revenue comprises master lease income from MOS and CPCA, and income from MG. Please refer to section 8 for further details.
- (b) Other property expenses comprise mainly property maintenance expenses, utilities expenses, marketing expenses, land rent expenses and property management fees.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

(c) Net finance expenses comprise the following:

| <b>OUE H-REIT Group and Stapled Group</b>                       |             |                |                |                             |
|---|-------------|----------------|----------------|-----------------------------|
|   | <b>Note</b> | <b>1Q2016</b>  | <b>1Q2015</b>  | <b>Increase/ (Decrease)</b> |
|   |             | <b>S\$'000</b> | <b>S\$'000</b> | <b>%</b>                    |
| Interest income from fixed deposits                             |             | 22             | 12             | 83.3                        |
| Ineffective portion of changes in fair value of cash flow hedge | (c)(i)      | 226            | 384            | -41.1                       |
| <b>Finance income</b>   |             | <b>248</b>     | <b>396</b>     | <b>-37.4</b>                |
| Amortisation of debt-related transaction costs                  |             | (577)          | (528)          | 9.3                         |
| Interest expense paid/payable to banks                          | (c)(ii)     | (6,134)        | (4,114)        | 49.1                        |
| <b>Finance expenses</b>   |             | <b>(6,711)</b> | <b>(4,642)</b> | <b>44.6</b>                 |
| <b>Net finance expenses</b>                                     |             | <b>(6,463)</b> | <b>(4,246)</b> | <b>52.2</b>                 |

- (c)(i) This relates to the change in fair value of the interest rate swaps that were entered into to hedge OUE H-REIT's interest rate risk. It is a non-cash item and the gain/(loss) is deducted for the purpose of arriving at the income available for distribution (see (e) below).
- (c)(ii) The higher interest expenses were mainly due to (i) the additional \$295 million loan that was drawn down on 30 January 2015 to fund the acquisition of CPCA, hence a full 3 months of interest in 1Q2016 as compared to 2 months of interest in 1Q2015; and (ii) contracted higher interest rates on re-fixing of floating interest rates to fixed interest rate due to generally higher interest rate environment.

(d) Total return for the period of the Stapled Group was contributed by:

|                               | <b>1Q2016</b>  | <b>1Q2015</b>  | <b>Increase/ (Decrease)</b> |
|-------------------------------|----------------|----------------|-----------------------------|
|                               | <b>S\$'000</b> | <b>S\$'000</b> | <b>%</b>                    |
| OUE H-REIT                    | 16,845         | 18,470         | -8.8                        |
| Other OUE H-REIT Group entity | (1)            | (1)            | n.m                         |
| <b>OUE H-REIT Group</b>       | <b>16,844</b>  | <b>18,469</b>  | <b>-8.8</b>                 |
| OUE H-BT                      | (1)            | (1)            | n.m                         |
| <b>Stapled Group</b>          | <b>16,843</b>  | <b>18,468</b>  | <b>-8.8</b>                 |

*n.m.: not meaningful*

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

(e) Income available for distribution

|   |        | OUE H-REIT Group and Stapled Group |         |                         |
|---|--------|------------------------------------|---------|-------------------------|
|   | Note   | 1Q2016                             | 1Q2015  | Increase/<br>(Decrease) |
|   |        | S\$'000                            | S\$'000 | %                       |
| Total return for the period of OUE H-REIT                           | (e)(i) | 16,845                             | 18,470  | -8.8                    |
| Add/(Less): Non-tax deductible/(chargeable) items:                  |        |                                    |         |                         |
| - REIT Manager's management fees paid/payable in Stapled Securities |        | 2,612                              | 2,579   | 1.3                     |
| - REIT Trustee's fees   |        | 97                                 | 96      | 1.0                     |
| - Amortisation of debt-related transaction costs                    |        | 577                                | 528     | 9.3                     |
| - Ineffective portion of changes in fair value of cash flow hedges  |        | (226)                              | (384)   | -41.1                   |
| - Other items   |        | (205)                              | 97      | >100                    |
|   |        | 2,855                              | 2,916   | -2.1                    |
| Income available for distribution                                   |        | 19,700                             | 21,386  | -7.9                    |

(e)(i) The distribution for the Stapled Group represents the aggregate of distributions by OUE H-REIT and OUE H-BT. The distribution of the Stapled Group for the financial period is contributed solely by OUE H-REIT as OUE H-BT was dormant during the financial period. Accordingly, only the income available for distribution of OUE H-REIT has been presented.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**1 (b)(i) STATEMENTS OF FINANCIAL POSITION**

| Note                                   | OUE H-REIT Group     |                       | OUE H-BT             |                       | Stapled Group        |                       |
|--|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
|  | 31/3/2016<br>S\$'000 | 31/12/2015<br>S\$'000 | 31/3/2016<br>S\$'000 | 31/12/2015<br>S\$'000 | 31/3/2016<br>S\$'000 | 31/12/2015<br>S\$'000 |
| <b>ASSETS</b>                          |                      |                       |                      |                       |                      |                       |
| <b>Non-current assets</b>              |                      |                       |                      |                       |                      |                       |
|  | 2,054,097            | 2,054,000             | –                    | –                     | 2,054,097            | 2,054,000             |
| Investment properties                  |                      |                       |                      |                       |                      |                       |
| Deposit (a)                            | 1,501                | 1,501                 | –                    | –                     | 1,501                | 1,501                 |
| Financial derivative assets (b)        | –                    | 4,752                 | –                    | –                     | –                    | 4,752                 |
|  | 2,055,598            | 2,060,253             | –                    | –                     | 2,055,598            | 2,060,253             |
| <b>Current assets</b>                  |                      |                       |                      |                       |                      |                       |
| Trade and other receivables (c)        | 10,570               | 8,882                 | –                    | –                     | 10,570               | 8,882                 |
| Financial derivative assets (b)        | –                    | 374                   | –                    | –                     | –                    | 374                   |
| Cash and cash equivalents              | 25,495               | 31,361                | 14                   | 15                    | 25,509               | 31,376                |
|  | 36,065               | 40,617                | 14                   | 15                    | 36,079               | 40,632                |
| <b>Total assets</b>                    | <b>2,091,663</b>     | <b>2,100,870</b>      | <b>14</b>            | <b>15</b>             | <b>2,091,677</b>     | <b>2,100,885</b>      |
| <b>LIABILITIES</b>                     |                      |                       |                      |                       |                      |                       |
| <b>Non-current liabilities</b>         |                      |                       |                      |                       |                      |                       |
| Borrowings                             | 585,136              | 584,821               | –                    | –                     | 585,136              | 584,821               |
| Financial derivative liabilities (b)   | 6,155                | –                     | –                    | –                     | 6,155                | –                     |
| Rental deposits                        | 3,478                | 3,249                 | –                    | –                     | 3,478                | 3,249                 |
|  | 594,769              | 588,070               | –                    | –                     | 594,769              | 588,070               |
| <b>Current liabilities</b>             |                      |                       |                      |                       |                      |                       |
| Borrowings                             | 292,670              | 292,408               | –                    | –                     | 292,670              | 292,408               |
| Rental deposits                        | 1,685                | 2,009                 | –                    | –                     | 1,685                | 2,009                 |
| Financial derivative liabilities (b)   | 77                   | –                     | –                    | –                     | 77                   | –                     |
| Trade and other payables (d)           | 10,366               | 11,394                | 2                    | 2                     | 10,368               | 11,396                |
|  | 304,798              | 305,811               | 2                    | 2                     | 304,800              | 305,813               |
| <b>Total liabilities</b>               | <b>899,567</b>       | <b>893,881</b>        | <b>2</b>             | <b>2</b>              | <b>899,569</b>       | <b>893,883</b>        |
| <b>Net assets</b>                      | <b>1,192,096</b>     | <b>1,206,989</b>      | <b>12</b>            | <b>13</b>             | <b>1,192,108</b>     | <b>1,207,002</b>      |
| Represented by:                        |                      |                       |                      |                       |                      |                       |
| <b>Unitholders' funds</b>              |                      |                       |                      |                       |                      |                       |
| Unitholders' funds of OUE H-REIT Group | 1,192,096            | 1,206,989             | –                    | –                     | 1,192,096            | 1,206,989             |
| Unitholders' funds of OUE H-BT         | –                    | –                     | 12                   | 13                    | 12                   | 13                    |
|  | 1,192,096            | 1,206,989             | 12                   | 13                    | 1,192,108            | 1,207,002             |

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**NOTES TO STATEMENTS OF FINANCIAL POSITION**

- (a) Deposit pertains to the security deposit placed to Changi Airport Group, the lessor of CPCA.
- (b) Financial derivative assets and liabilities relate to the fair value of interest rate swaps used to hedge OUE H-REIT Group’s interest rate risk.
- (c) Increase in trade and other receivables of \$1.7 million were mainly due to trade receivables from certain tenants in MG, and higher master lease income receivable from the master lessees of MOS and CPCA which was not yet due as at 31 March 2016.
- (d) Decrease in trade payables was mainly due to lower property expenses incurred in 1Q2016, as compared to higher accrued expenses for festive season advertising and promotion activities in year end 2015.

**1 (b)(ii) BORROWINGS**

|                                     | <b>OUE H-REIT Group<br/>and<br/>Stapled Group</b> |                   |
|-------------------------------------|---|-------------------|
|                                     | <b>31/03/2016</b>                                 | <b>31/12/2015</b> |
|                                     | <b>S\$'000</b>                                    | <b>S\$'000</b>    |
| <b>Repayable within one year</b>    |   |                   |
| Secured borrowings                  | 293,000   | 293,000           |
| Less: Unamortised transaction costs | (330)   | (592)             |
|                                     | 292,670   | 292,408           |
| <b>Repayable after one year</b>     |   |                   |
| Secured borrowings                  | 589,000   | 589,000           |
| Less: Unamortised transaction costs | (3,864)   | (4,179)           |
|                                     | 585,136   | 584,821           |
| <b>Total</b>                        |   |                   |
| Secured borrowings                  | 882,000   | 882,000           |
| Less: Unamortised transaction costs | (4,194)   | (4,771)           |
|                                     | 877,806   | 877,229           |



**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**Details of borrowings and collateral**

**Secured bank loans**

| Facilities              |   | OUE H-REIT<br>31/3/2016    |                       |                    |              |
|-------------------------|---|----------------------------|-----------------------|--------------------|--------------|
|                         |   | Facility amount<br>S\$'000 | Drawn down<br>S\$'000 | Undrawn<br>S\$'000 | Repayable    |
| <b>S\$630.0 million</b> | 3-year term loan                          | 293,000                    | (293,000)             | –                  | July 2016    |
|                         | 5-year term loan                          | 294,000                    | (294,000)             | –                  | July 2018    |
|                         | Revolving credit facilities (committed)   | 31,000                     | –                     | 31,000             | –            |
|                         | Revolving credit facilities (uncommitted) | 12,000                     | –                     | 12,000             | –            |
| <b>S\$295.0 million</b> | 5-year term loan                          | 295,000                    | (295,000)             | –                  | January 2020 |
|                         |   | <b>925,000</b>             | <b>(882,000)</b>      | <b>43,000</b>      |              |

OUE H-REIT has a \$293 million loan that matures in July 2016. OUE H-REIT has secured a bank refinancing package and is in process of completing the loan documentation.

As at 31 March 2016, OUE H-REIT's weighted average debt maturity was 2.2 years with a gearing of 42.2%. Upon the completion of the Rights Issue in April 2016 and taking into consideration the use of the proceeds to mainly fund the acquisition of the Crowne Plaza Changi Airport extension, OUE H-REIT's gearing would reduce to approximately 37.9%.

For 1Q2016, the average cost of debt of OUE H-REIT was 2.8% per annum, with an interest service cover of 3.8 times.

The above bank loan facilities are secured by:

- A registered first legal mortgage over Mandarin Orchard Singapore and Mandarin Gallery (collectively, the “Properties”);
- A legal assignment of all insurance taken in respect of the Properties except public liability insurance;
- An assignment of all rights, titles, benefits and interests in connection with any lease, tenancy or property management agreements, and lease or tenancy deposits/proceeds in respect of Mandarin Gallery;
- An assignment of all rights, titles, benefits and interests in connection with any master lease, entered into by OUE H-REIT and lease or tenancy deposits/proceeds in connection with such master lease in respect of Mandarin Orchard Singapore; and
- A debenture incorporating a fixed and floating charge over generally all its present and future assets in connection with the Properties.

**Unsecured medium term notes**

In April 2014, OUE H-REIT Group, through its subsidiary, established a US\$1.0 billion Guaranteed Euro Medium Term Note Programme (“**Programme**”). Under the Programme, OUE H-REIT, through its subsidiary, may from time to time issue the notes (the “**Notes**”) in series or tranches. Each series or tranche of Notes may be issued in United States dollars or any other currency, in various amounts and tenors, and may bear interest at fixed or floating rates. All sums payable in respect of the Notes will be unconditionally and irrevocably guaranteed by the REIT Trustee.

The Notes issued will constitute direct, unconditional, unsubordinated and unsecured obligations and shall at all times rank *pari passu* and without preference among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the subsidiary.

As at 31 March 2016, no Notes have been issued under this Programme.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**1 (c) STATEMENTS OF CASH FLOWS**

|   | Note | OUE H-REIT Group  |                   | Stapled Group     |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|
|   |      | 1Q2016<br>S\$'000 | 1Q2015<br>S\$'000 | 1Q2016<br>S\$'000 | 1Q2015<br>S\$'000 |
| <b>Operating activities</b>                                 |      |                   |                   |                   |                   |
| Total return for the period                                 |      | 16,844            | 18,469            | 16,843            | 18,468            |
| Adjustments for:  |      |                   |                   |                   |                   |
| REIT Manager's fees paid/payable in Stapled Securities      | (a)  | 2,612             | 2,579             | 2,612             | 2,579             |
| Finance income  |      | (248)             | (396)             | (248)             | (396)             |
| Finance expenses  |      | 6,711             | 4,642             | 6,711             | 4,642             |
| <b>Operating income before working capital changes</b>      |      | <b>25,919</b>     | <b>25,294</b>     | <b>25,918</b>     | <b>25,293</b>     |
| Changes in working capital:                                 |      |                   |                   |                   |                   |
| Deposit   |      | –                 | (1,501)           | –                 | (1,501)           |
| Trade and other receivables                                 |      | (1,698)           | (1,618)           | (1,698)           | (1,618)           |
| Trade and other payables                                    |      | (1,135)           | 257               | (1,135)           | 257               |
| Rental deposits   |      | (95)              | 6,317             | (95)              | 6,317             |
| <b>Cash generated from operating activities</b>             |      | <b>22,991</b>     | <b>28,749</b>     | <b>22,990</b>     | <b>28,748</b>     |
| <b>Investing activities</b>                                 |      |                   |                   |                   |                   |
| Interest received   |      | 33                | 2                 | 33                | 2                 |
| Capital expenditure on investment properties                |      | (97)              | (75)              | (97)              | (75)              |
| Acquisition of investment property                          | (b)  | –                 | (290,868)         | –                 | (290,868)         |
| <b>Cash (used in)/generated from investing activities</b>   |      | <b>(64)</b>       | <b>(290,941)</b>  | <b>(64)</b>       | <b>(290,941)</b>  |
| <b>Financing activities</b>                                 |      |                   |                   |                   |                   |
| Finance expenses paid                                       |      | (6,028)           | (3,359)           | (6,028)           | (3,359)           |
| Proceeds from borrowings                                    | (b)  | –                 | 295,000           | –                 | 295,000           |
| Payment of transaction costs on borrowings                  | (b)  | –                 | (3,140)           | –                 | (3,140)           |
| Distribution to Stapled Securityholders                     | (c)  | (22,765)          | (23,569)          | (22,765)          | (23,569)          |
| Issue costs paid  |      | –                 | –                 | –                 | –                 |
| <b>Cash generated from/(used in) financing activities</b>   |      | <b>(28,793)</b>   | <b>264,932</b>    | <b>(28,793)</b>   | <b>264,932</b>    |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | <b>(5,866)</b>    | <b>2,740</b>      | <b>(5,867)</b>    | <b>2,739</b>      |
| Cash and cash equivalents at beginning of the period        |      | 31,361            | 31,299            | 31,376            | 31,317            |
| <b>Cash and cash equivalents at end of the period</b>       |      | <b>25,495</b>     | <b>34,039</b>     | <b>25,509</b>     | <b>34,056</b>     |

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND  
OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

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**NOTES TO STATEMENTS OF CASH FLOWS**

- (a) In 1Q2016, 2,356,056 Stapled Securities amounting to \$1,560,000 will be issued to the REIT Manager as satisfaction of REIT Manager’s base management fees payable in Stapled Securities. With effect from 1 January 2016, to be compliant with Monetary Authority of Singapore’s new regulations, the REIT Manager’s performance management fee will only be paid once a year, after the end of the financial year. A performance fee of \$1,052,000 has been accrued in the current quarter, which will be settled through the issuance of 1,588,193 Stapled Securities after year ending 2016.
- In 1Q2015, 2,748,694 Stapled Securities amounting to \$2,579,000 has been issued to the REIT Manager as satisfaction of both base management fees and performance management fees payable in Stapled Securities.
- (b) In 1Q2015, proceeds from borrowings were utilised to fund the purchase consideration of Crowne Plaza Changi Airport and its related acquisition cost.
- (c) Distribution to Stapled Securityholders relates to the distribution paid in respect of 4Q2015 and 4Q2014 respectively.

**Status on the Use of Proceeds from Rights Issue**

As at the date of this announcement, the Rights Issue gross proceeds of approximately \$238.6 million is placed with banks pending deployment for their intended use.

Further announcements on utilization of the gross proceeds will be made when such funds are materially utilised.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**1 (d)(i) STATEMENTS OF MOVEMENT IN UNITHOLDERS’ FUNDS**

|      |   | OUE H-REIT Group |                 |                     |          | OUE H-BT  | Stapled Group |           |
|------|---|------------------|-----------------|---------------------|----------|-----------|---------------|-----------|
| Note | Units in issue and to be issued   | Issue costs      | Hedging reserve | Accumulated profits | Total    | Total     | Total         |           |
|      | S\$'000   | S\$'000          | S\$'000         | S\$'000             | S\$'000  | S\$'000   | S\$'000       |           |
|      | <b>At 1/1/2016</b>  | 1,178,110        | (22,303)        | 6,126               | 45,056   | 1,206,989 | 13            | 1,207,002 |
|      | <b>Operations</b>   |                  |                 |                     |          |           |               |           |
|      | Increase/(Decrease) in net assets resulting from operations                         | –                | –               | –                   | 16,844   | 16,844    | (1)           | 16,843    |
|      | <b>Movement in hedging reserve</b>  |                  |                 |                     |          |           |               |           |
|      | Effective portion of changes in fair value of cash flow hedge                       | –                | –               | (11,585)            | –        | (11,585)  | –             | (11,585)  |
|      | <b>Unitholders’ transactions</b>  |                  |                 |                     |          |           |               |           |
|      | Distribution to Stapled Securityholders (a)(i)                                      | –                | –               | –                   | (22,764) | (22,764)  | –             | (22,764)  |
|      | Stapled Securities to be issued as payment of REIT Manager’s management fees (b)(i) | 2,612            | –               | –                   | –        | 2,612     | –             | 2,612     |
|      | <b>Increase/ (Decrease) in net assets resulting from unitholders’ transactions</b>  | 2,612            | –               | –                   | (22,764) | (20,152)  | –             | (20,152)  |
|      | <b>At 31/3/2016</b>   | 1,180,722        | (22,303)        | (5,459)             | 39,136   | 1,192,096 | 12            | 1,192,108 |

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

| Note   | OUE H-REIT Group                |             |                 |                     |           | OUE H-BT | Stapled Group |
|--|---------------------------------|-------------|-----------------|---------------------|-----------|----------|---------------|
|  | Units in issue and to be issued | Issue costs | Hedging reserve | Accumulated profits | Total     | Total    | Total         |
|  | S\$'000                         | S\$'000     | S\$'000         | S\$'000             | S\$'000   | S\$'000  | S\$'000       |
| <b>At 1/1/2015</b>   | 1,165,281                       | (22,303)    | (173)           | 55,532              | 1,198,337 | 16       | 1,198,353     |
| <b>Operations</b>  |                                 |             |                 |                     |           |          |               |
| Increase/(Decrease) in net assets resulting from operations                          | –                               | –           | –               | 18,469              | 18,469    | (1)      | 18,468        |
| <b>Movement in hedging reserve</b>   |                                 |             |                 |                     |           |          |               |
| Effective portion of changes in fair value of cash flow hedge                        | –                               | –           | 1,941           | –                   | 1,941     | –        | 1,941         |
| <b>Unitholders' transactions</b>   |                                 |             |                 |                     |           |          |               |
| Distribution to Stapled Securityholders (a)(ii)                                      | –                               | –           | –               | (23,569)            | (23,569)  | –        | (23,569)      |
| Stapled Securities to be issued as payment of REIT Manager's management fees (b)(ii) | 2,579                           | –           | –               | –                   | 2,579     | –        | 2,579         |
| Stapled Securities issued as payment of REIT Manager's acquisition fees (c)          | 2,175                           | –           | –               | –                   | 2,175     | –        | 2,175         |
| <b>Increase/ (Decrease) in net assets resulting from unitholders' transactions</b>   | 4,754                           | –           | –               | (23,569)            | (18,815)  | –        | (18,815)      |
| <b>At 31/3/2015</b>  | 1,170,035                       | (22,303)    | 1,768           | 50,432              | 1,199,932 | 15       | 1,199,947     |

**NOTES TO STATEMENTS OF MOVEMENT IN UNITHOLDERS' FUNDS**

- (a)(i) Distribution to Stapled Securityholders relates to the distribution made in respect of 4Q2015.
- (a)(ii) Distribution to Stapled Securityholders relates to the distribution made in respect of 4Q2014.
- (b)(i) This represents Stapled Securities to be issued as satisfaction of the REIT Manager's base and performance management fee in respect of the current quarter.
- (b)(ii) This represents Stapled Securities to be issued as satisfaction of the REIT Manager's base and performance management fee in respect of 1Q2015.
- (c) This represents Stapled Securities issued as satisfaction of the REIT Manager's acquisition fee in connection with OUE H-REIT's acquisition of CPCA.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**1(d)(ii) DETAILS OF ANY CHANGES IN THE STAPLED SECURITIES**

|  | Note | Stapled Group  |                |
|--|------|----------------|----------------|
|  |      | 1Q2016<br>'000 | 1Q2015<br>'000 |
| <b>Issued Stapled Securities at beginning of the period</b>              |      | 1,335,421      | 1,321,441      |
| Issue of new Stapled Securities:   |      |                |                |
| - as payment of REIT Manager's management fees                           |      | 3,674          | 2,706          |
| <b>Issued Stapled Securities at the end of the period</b>                |      | 1,339,095      | 1,326,492      |
| Stapled Securities to be issued:   |      |                |                |
| - as payment of REIT Manager's management fees                           | (a)  | 3,944          | 2,749          |
| <b>Total issued and issuable Stapled Securities at end of the period</b> |      | 1,343,039      | 1,329,241      |

**NOTES**

- (a) This represents Stapled Securities to be issued as satisfaction of the REIT Manager's management fee incurred for the respective quarters. This is calculated based on the volume weighted average traded price of a Stapled Security for the last 10 business days of the relevant period in which the management fee accrues, as provided for in the REIT Trust Deed and the Stapling Deed.

In respect of 1Q2016, it comprises base management fee and performance management fees payable in Stapled Securities of 2,356,056 and 1,588,193 respectively. 2,356,056 Stapled Securities will be issued in 2Q2016, while 1,588,193 Stapled Securities will only be issued after year ending 31 December 2016.

In respect of 1Q2015, it comprises both the base management fee and performance management fees payable in Stapled Securities of 2,748,694 and these were issued in 2Q2015.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited nor reviewed by our auditors.

**3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting principles and methods of computation as in the issuer's most recent audited financial statements have been applied**

The accounting principles and methods of computation adopted are consistent with those applied in the audited financial statements for the financial year ended 31 December 2015.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There has been no change in the accounting policies and methods of computation adopted by Stapled Group.

**6. EARNINGS PER STAPLED SECURITY AND DISTRIBUTION PER STAPLED SECURITY**

**Earnings per Stapled Security (“EPS”)**

Weighted average number of Stapled Securities ('000)  
Basic and diluted EPS<sup>(1)</sup> (cents)

| Stapled Group |           |
|---------------|-----------|
| 1Q2016        | 1Q2015    |
| 1,339,138     | 1,325,767 |
| 1.26          | 1.39      |

- (1) The basic EPS has been calculated based on the total return for the period and the weighted average number of issued and issuable Stapled Securities during the period. The basic EPS and diluted EPS are the same as there are no dilutive instruments in issue during the period.

**Distribution per Stapled Security (“DPS”)**

Number of Stapled Securities entitled to distribution ('000)  
DPS (cents)

| Stapled Group            |                                      |                                  |
|--------------------------|--------------------------------------|----------------------------------|
| 1Q2016                   | 1Q2015<br>As restated <sup>(3)</sup> | 1Q2015<br>As previously reported |
| 1,783,352 <sup>(1)</sup> | 1,434,251                            | 1,329,241                        |
| 1.10 <sup>(2)</sup>      | 1.49                                 | 1.61                             |

- (1) Includes 441,901,257 Stapled Securities which were issued under the Rights Issue and 2,356,056 Stapled Securities to be issued as satisfaction of REIT Manager's base management fee payable for 1Q2016. The new Stapled Securities of 441,901,257 were issued on 13 April 2016, and rank *pari passu* with the existing Stapled Securities issued and issuable as at 31 March 2016, including the right to any distributions which may accrue for the financial period from 1 January 2016 to 31 March 2016.
- (2) The DPS for 1Q2016 after taking into consideration of Rights Issue is 1.10 cents. Excluding the Rights Issue Stapled Securities, DPS in 1Q2016 would have been 1.47 cents.
- (3) The number of Stapled Securities entitled for distribution and DPS have been restated to reflect the effect of bonus element in the Rights Issue.

**7. NET ASSET VALUE (“NAV”) / NET TANGIBLE ASSET (“NTA”)**

Number of Stapled Securities ('000):  
- in issue  
- issuable

NAV and NTA per Stapled Security

| OUE H-REIT Group and Stapled Group |            |
|------------------------------------|------------|
| 31/3/2016                          | 31/12/2015 |
| 1,339,095                          | 1,335,421  |
| 3,944                              | 3,674      |
| 1,343,039                          | 1,339,095  |
| \$0.89                             | \$0.90     |

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**8. REVIEW OF PERFORMANCE**

|  |      | Stapled Group             |               |                         |
|--|------|---------------------------|---------------|-------------------------|
|  | Note | 1Q2016                    | 1Q2015        | Increase/<br>(Decrease) |
|  |      | S\$'000                   | S\$'000       | %                       |
| <b>Gross revenue:</b>                    |      |                           |               |                         |
| - Hospitality                            |      | 22,395                    | 20,077        | 11.5                    |
| - Retail                                 |      | 7,753                     | 9,260         | -16.3                   |
|  | (a)  | 30,148                    | 29,337        | 2.8                     |
| <b>Property expenses:</b>                |      |                           |               |                         |
| - Hospitality                            |      | (1,573)                   | (1,389)       | 13.2                    |
| - Retail                                 |      | (2,282)                   | (2,233)       | 2.2                     |
|  | (b)  | (3,855)                   | (3,622)       | 6.4                     |
| <b>Net property income:</b>              |      |                           |               |                         |
| - Hospitality                            |      | 20,822                    | 18,688        | 11.4                    |
| - Retail                                 |      | 5,471                     | 7,027         | -22.1                   |
|  | (c)  | 26,293                    | 25,715        | 2.2                     |
| REIT Manager's fees                      |      | (2,612)                   | (2,579)       | 1.3                     |
| REIT Trustee's fees                      |      | (97)                      | (96)          | 1                       |
| Other trust expenses                     |      | (278)                     | (326)         | -14.7                   |
| Net finance expenses                     | (d)  | (6,463)                   | (4,246)       | 52.2                    |
| <b>Total return for the period</b>       |      | <b>16,843</b>             | <b>18,468</b> | <b>-8.8</b>             |
| <b>Income available for distribution</b> | (e)  | <b>19,700</b>             | <b>21,386</b> | <b>-7.9</b>             |
| <b>DPS (cents)</b>                       | (e)  | <b>1.10<sup>(1)</sup></b> | <b>1.61</b>   | <b>-31.7</b>            |

<sup>(1)</sup> The DPS for 1Q2016 after taking into consideration of Rights Issue is 1.10 cents. Excluding the Rights Issue Stapled Securities, DPS in 1Q2016 would have been 1.47 cents.

**1Q2016 vs 1Q2015**

- (a) Gross revenue for 1Q2016 was \$0.8 million higher than 1Q2015. Hospitality segment posted higher revenue which offset the lower revenue from retail segment.

Hospitality segment pertains to the master lease income from the Mandarin Orchard Singapore hotel (“**MOS**”) and Crowne Plaza Changi Airport hotel (“**CPCA**”) which is pegged to a percentage of the operating revenue and profit of the respective hotels, subject to minimum rent.

Retail segment pertains to rental and other income from the Mandarin Gallery (“**MG**”) shopping mall.



**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

|                       | Revenue |                  |                         | Net property income |                  |                         | RevPAR |        |                         |
|-----------------------|---------|------------------|-------------------------|---------------------|------------------|-------------------------|--------|--------|-------------------------|
|                       | 1Q2016  | 1Q2015           | Increase/<br>(Decrease) | 1Q2016              | 1Q2015           | Increase/<br>(Decrease) | 1Q2016 | 1Q2015 | Increase/<br>(Decrease) |
|                       | S\$m    | S\$m             | %                       | S\$m                | S\$m             | %                       | S\$    | S\$    | %                       |
| MOS                   | 18.4    | 17.4             | 5.7                     | 17.5                | 16.4             | 6.7                     | 222    | 223    | -0.4                    |
| CPCA                  | 4.0     | 2.7 <sup>1</sup> | 48.1                    | 3.4                 | 2.3 <sup>1</sup> | 47.81.1                 | 252    | 246    | 2.4                     |
| Hospitality portfolio | 22.4    | 20.1             | 11.5                    | 20.9                | 18.7             | 11.4                    | 229    | 227    | 0.9                     |

<sup>1</sup> The figures relating to CPCA were for the period from 30 January 2015 (date of acquisition) to 31 March 2015.

*RevPAR: revenue per available room*

Hospitality revenue was \$2.3 million higher than 1Q2015. This was due to (i) higher master lease income from MOS; and (ii) higher master lease income from CPCA due to better operating performance and the contribution of master lease income for 3 months in 1Q2016 as compared to 2 months in 1Q2015 as CPCA was acquired on 30 January 2015.

Master lease income from MOS was \$1.0 million higher than 1Q2015, mainly due to higher food and beverage revenue from better banquet sales and higher patronage at F&B outlets. While meetings, incentives, convention and exhibition (MICE) events such as the Singapore Airshow lifted MOS' room sales, hotel demand from corporate segment remained muted during the quarter, resulting in RevPar that was relatively flat at \$222.

CPCA contributed \$4.0 million master lease income in 1Q2016. Master lease income was \$1.3 million higher due to contribution for full 3 months in 1Q2016 as compared to 2 months in 1Q2015 and higher room sales though F&B sales was lower. CPCA achieved a higher RevPar of \$252 (1Q2015: \$246), mainly due to increased demand from the transient segment which more than offset the lower demand from the corporate segment.

Retail revenue for 1Q2016 was \$1.5 million lower than 1Q2015 mainly due to landlord fit out periods for incoming tenants and lower average occupancy rate. As at 31 March 2016, approximately 13% of the net lettable area is under landlord fit out period. The mall recorded an effective rent per square foot per month of \$24.4 for 1Q2016 as compared to \$24.6 for 1Q2015.

- (b) Property expenses were \$0.2 million or 6.4% higher than 1Q2015 mainly due to expenses related to CPCA for 3 months in 1Q2016 as compared to 2 months in 1Q2015.
- (c) Net property income (“NPI”) for 1Q2016 was \$0.6 million or 2.2% higher than 1Q2015 mainly due to higher contribution from the hospitality segment offset by the lower revenue from retail segment.
- (d) Net finance expenses were \$2.2 million or 52.2% higher than 1Q2015 mainly due to the interest expense on the \$295 million borrowings drawn down to fund the acquisition of CPCA on 30 January 2015, hence a full 3 months of interest in 1Q2016 as compared to 2 months of interest in 1Q2015; and (ii) contracted higher interest rates on re-fixing of floating interest rates to fixed interest rate due to generally higher interest rate environment.
- (e) Income available for distribution was \$1.7 million or 7.9% lower than 1Q2015 mainly due to lower retail revenue and higher finance expenses. The DPS for 1Q2016 computed based on existing Stapled Securities as at 31 March 2016 is 1.47 cents. As the new Stapled Securities of 441,901,527 from the Rights Issue is also entitled to 1Q2016 distribution, the DPS for 1Q2016 based on the enlarged number of Stapled Securities is 1.10 cents.

## 9. VARIANCE BETWEEN ACTUAL AND FORECAST RESULTS

No forecast has been disclosed.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Singapore Tourism Board (“STB”) reported a 12.3%<sup>1</sup> year-on-year increase in international visitor arrivals in the first two months of 2016. For the full year 2016, STB has forecasted a growth of 0% to 3% for visitor arrivals and 0% to 2% for tourism receipts<sup>2</sup>.

In 2016, Singapore will again host major biennial events which are expected to increase hospitality demand. However, the global economic environment remains uncertain. According to Singapore’s Ministry of Trade and Industry (the “MTI”), the estimated growth for Singapore is expected to be in the range of 1% to 3% for 2016 after achieving a growth rate of 2.0% for 2015<sup>3</sup>. 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. To support the tourism industry and in an effort to boost tourism in the short term and long term, the Singapore government has set aside \$700 million<sup>4</sup> in a Tourism Development Fund to be invested from 2016 to 2020.

The asset enhancement programme for Mandarin Orchard Singapore will continue in 2016. More than 250 out of the 430 guest rooms to be renovated have been completed. This refurbishment is funded by the Sponsor, OUE Limited.

In April 2016, OUE H-Trust completed the Rights Issue that raised \$238.6 million mainly to fund the acquisition of Crowne Plaza Changi Airport extension (“CPEX”) and to reduce its gearing so as to increase its financial flexibility. OUE H-Trust expects to acquire the 243-room CPEX in 2H2016 following the completion of the construction of the extension and upon receipt of the temporary occupation permit.

The retail scene in Singapore remains challenging. 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 average occupancy in FY2016. Michael Kors and Victoria’s Secret are expected to open in 3Q2016 and 4Q2016 respectively, and both tenants account for approximately 15% of the mall’s net lettable area. Although OUE H-Trust’s retail segment income is impacted in 2016 by the lower rental contributions due to longer fit-out periods by the landlord and tenants, the strategy to sign strong tenants for longer lease periods (seven years for Michael Kors and 10 years for Victoria’s Secret) will benefit OUE H-Trust through enhanced income stability in the long run.

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

<sup>1</sup> Singapore Tourism Board, International Visitor Arrivals Statistics, 8 April 2016

<sup>2</sup> Singapore Tourism Board, Speech by Mr Lionel Yeo, Chief Executive, STB at the Tourism Industry Conference 2016

<sup>3</sup> MTI Press Release: 24 February 2016 – MTI Maintains 2016 GDP Growth Forecast at 1.0 to 3.0 Per Cent

<sup>4</sup> MTI News Room, Speech by Minister S Iswaran at the Tourism Industry Conference 2016

**11. Distributions**

**(a) Current financial period**

|   |  |
|---|--|
| Any distribution declared for the current financial period? | Yes  |
| Name of distribution  | Distribution for the period from 1 January 2016 to 31 March 2016 |
| Distribution type   | Taxable income   |
| Distribution rate per stapled security                      | 1.10 cents   |
| Book closure date   | 16 May 2016  |
| Date payable  | 7 June 2016  |

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**(b) Corresponding period of the immediately preceding financial year**

|  |  |
|--|--|
| Any distribution declared for the previous corresponding period? | Yes  |
| Name of distribution   | Distribution for the period from 1 January 2015 to 31 March 2015 |
| Distribution type  | Taxable income   |
| Distribution rate per stapled security                           | 1.61 cents   |

**(c) Tax rate**

Taxable income distribution

Qualifying investors and individuals (other than those who held their stapled securities through a partnership) will receive pre-tax distributions. These distributions are exempted from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

**12. If no distribution has been declared/recommended, a statement to that effect**

Not applicable.

**13. General mandate relating to Interested Person Transactions**

OUE H-Trust has not obtained a general mandate from Stapled Securityholders for Interested Person Transactions.

**14. CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

Pursuant to Rule 705(5) of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), we, on behalf of the directors of the REIT Manager and the Trustee-Manager confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of the REIT Manager and the Trustee-Manager which may render the unaudited financial results of Stapled Group for the quarter ended 31 March 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Christopher Williams  
Chairman

Chong Kee Hiong  
Chief Executive Officer and  
Executive Director

6 May 2016

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND  
OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

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**15. CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

Pursuant to Rule 720(1) of the Listing Manual of SGX-ST, we, on behalf of the directors and executive officers of the REIT Manager and the Trustee-Manager confirm that we have submitted the undertakings to the Exchange.

On behalf of the Board of Directors and Executive Officers

Christopher Williams  
Chairman

Chong Kee Hiong  
Chief Executive Officer and  
Executive Director

6 May 2016

***Disclaimer***

*This 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. Representatives examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.*

*The value of the Stapled Securities and the income derived from them may fall or rise. The Stapled Securities are not obligations, or deposits in, or guaranteed by the REIT Manager, the Trustee-Manager (together with the REIT Manager, the “Managers”) or RBC Investor Services Trust Singapore Limited (as trustee of OUE H-REIT Group) or any of their affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE Hospitality Trust is not necessarily indicative of the future performance of OUE Hospitality Trust.*

*Stapled Securityholders have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.*

By Order of the Board

Ng Ngai  
Company Secretary  
OUE Hospitality REIT Management Pte. Ltd.  
(Company Registration No. 201310245G)  
As manager of OUE Hospitality Real Estate Investment Trust

By Order of the Board

Ng Ngai  
Company Secretary  
OUE Hospitality Trust Management Pte. Ltd.  
(Company Registration No. 201310246W)  
As trustee-manager of OUE Hospitality Business Trust

6 May 2016