

## OUE HOSPITALITY TRUST

A stapled group comprising:

**OUE HOSPITALITY REAL ESTATE INVESTMENT TRUST** (a real estate investment trust constituted on 10 July 2013 under the laws of the Republic of Singapore); and

**OUE HOSPITALITY BUSINESS TRUST** (a business trust constituted on 10 July 2013 under the laws of the Republic of Singapore)

### UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE HOSPITALITY TRUST AND OUE HOSPITALITY REAL ESTATE INVESTMENT TRUST FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013

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Credit Suisse (Singapore) Limited, Goldman Sachs (Singapore) Pte. and Standard Chartered Securities (Singapore) Pte. Limited were the joint global coordinators and issue managers for the initial public offering of OUE Hospitality Trust.

## UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013

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### INTRODUCTION

OUE Hospitality Trust (“**OUE H-Trust**”) is a stapled group comprising OUE Hospitality Real Estate Investment Trust (“**OUE H-REIT**”), a real estate investment trust, 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.

As of 31 December 2013, OUE H-REIT’s portfolio comprises the 1,077-room Mandarin Orchard Singapore and the 196,336 sq ft Mandarin Gallery.

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”.

OUE H-Trust is presenting its financial results for the period from 10 July 2013, being the date of constitution of OUE H-REIT and OUE H-BT, to 31 December 2013.

### Distribution Policy

OUE H-REIT will distribute 100.0% 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**”) for the period from 25 July 2013 to 31 December 2013 and financial year 2014. Thereafter, OUE H-REIT will distribute at least 90.0% of its Taxable Income, 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-BT may make distributions in the future when it becomes active and profitable.

OUE H-REIT distributions will be paid on a quarterly basis in arrears for the periods ending 31 March, 30 June, 30 September and 31 December each year. OUE H-Trust’s first distribution after the Listing Date is for the period from 25 July 2013 (the Listing Date) to 31 December 2013 and will be paid by OUE H-Trust on 28 March 2014.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

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

		OUE H-REIT		OUE H-Trust	
Note		1 Oct 2013 to 31 Dec 2013 S\$'000	25 Jul 2013 to 31 Dec 2013 S\$'000	1 Oct 2013 to 31 Dec 2013 S\$'000	25 Jul 2013 to 31 Dec 2013 S\$'000
		28,981	50,612	28,981	50,612
		(1,851)	(3,156)	(1,851)	(3,156)
		(41)	(72)	(41)	(72)
	(b)	(1,542)	(2,563)	(1,542)	(2,563)
		<b>25,547</b>	<b>44,821</b>	<b>25,547</b>	<b>44,821</b>
		(1,388)	(2,405)	(1,388)	(2,405)
		(1,023)	(1,793)	(1,023)	(1,793)
		(70)	(121)	(70)	(121)
		(614)	(865)	(616)	(867)
		457	11	457	11
		(3,931)	(10,107)	(3,931)	(10,107)
	(c)	<b>(3,474)</b>	<b>(10,096)</b>	<b>(3,474)</b>	<b>(10,096)</b>
		<b>18,978</b>	<b>29,541</b>	<b>18,976</b>	<b>29,539</b>
	(d)	(77)	50,923	(77)	50,923
		<b>18,901</b>	<b>80,464</b>	<b>18,899</b>	<b>80,462</b>

No comparative statement of total return has been prepared as OUE H-Trust was listed on 25 July 2013. The first financial period for OUE H-Trust is from 10 July 2013 to 31 December 2013. Although OUE H-REIT and OUE H-BT were established on 10 July 2013, the acquisition of properties by OUE H-REIT was only completed on 25 July 2013 which was the official listing date of OUE H-Trust. Consequently, the actual income derived from the properties for the current period was from 25 July 2013 to 31 December 2013. OUE H-REIT was dormant as a private trust during the period from 10 July 2013 to 24 July 2013.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

**NOTES TO THE STATEMENTS OF TOTAL RETURN**

- (a) Gross revenue comprises the following:

		<b>OUE H-Trust and OUE H-REIT</b>	
	<b>Note</b>	<b>1 Oct 2013 to 31 Dec 2013 S\$'000</b>	<b>25 Jul 2013 to 31 Dec 2013 S\$'000</b>
Hospitality		19,987	34,506
Retail	(a)(i)	8,994	16,106
<b>Gross revenue</b>		<b>28,981</b>	<b>50,612</b>

(a)(i) Lease incentives granted and step up rent are recognised as an integral part of the total rental income, on a straight line basis over the term of the lease.

- (b) Other property expenses comprise mainly property maintenance expenses, utilities expenses, marketing expenses and property management fees.

- (c) Net finance expenses comprise the following:

		<b>OUE H-Trust and OUE H-REIT</b>	
	<b>Note</b>	<b>1 Oct 2013 to 31 Dec 2013 S\$'000</b>	<b>25 Jul 2013 to 31 Dec 2013 S\$'000</b>
Interest income from fixed deposits		10	11
Ineffective portion of changes in fair value of cash flow hedge	(c)(i)	447	-
<b>Finance income</b>		<b>457</b>	<b>11</b>
Amortisation of debt-related transaction costs		(420)	(731)
Ineffective portion of changes in fair value of cash flow hedge	(c)(i)	-	(3,429)
Interest expense paid/payable to banks		(3,511)	(5,947)
<b>Finance expenses</b>		<b>(3,931)</b>	<b>(10,107)</b>
<b>Net finance expenses</b>		<b>(3,474)</b>	<b>(10,096)</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 is deducted/added back for the purposes of arriving at the income available for distribution (see (e) below). This will be reversed in the statement of total return over the tenor of the interest rate swaps.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

- (d) The change in fair value of the investment properties will affect the net asset value but has no impact on the income available for distribution. The net change in fair value of investment properties for the period from 25 July 2013 to 31 December 2013 comprises \$39.9 million and \$11.0 million fair value gain from Mandarin Orchard Singapore and Mandarin Gallery respectively.

As at 31 December 2013, independent full valuations for the investment properties were carried out by Cushman and Wakefield VHS Pte. Ltd. ("C&W"). In determining the fair value of the investment properties, C&W used the discounted cash flow analysis, comparison method and capitalization approach, where applicable. The valuation method used is consistent with the 31 March 2013 valuation as disclosed in the Prospectus.

- (e) Income available for distribution

	<b>OUE H-Trust and OUE H-REIT</b>	
	<b>1 Oct 2013 to 31 Dec 2013 S\$'000</b>	<b>25 Jul 2013 to 31 Dec 2013 S\$'000</b>
Total return for the period of OUE H-REIT	18,901	80,464
Add/(Less): Non-tax (chargeable)/deductible items:		
- REIT Manager's management fees paid/payable in Stapled Securities	2,411	4,198
- REIT Trustee's fee	70	121
- Amortisation of debt-related transaction costs	420	731
- Ineffective portion of changes in fair value of cashflow hedge	(447)	3,429
- Net change in fair value of investment properties	77	(50,923)
- Other items	490	168
	3,021	(42,276)
Income available for distribution	21,922	38,188

The distribution for OUE H-Trust represents the aggregate of distributions by OUE H-REIT and OUE H-BT. The distribution of OUE H-Trust 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 FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

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

	Note	OUE H-REIT 31 Dec 2013 S\$'000	OUE H-BT 31 Dec 2013 S\$'000	OUE H-Trust 31 Dec 2013 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties		1,756,000	-	1,756,000
<b>Current assets</b>				
Trade and other receivables		17,382	-	17,382
Cash and cash equivalents		60,809	20	60,829
		78,191	20	78,211
<b>Total assets</b>		<b>1,834,191</b>	<b>20</b>	<b>1,834,211</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	(a)	581,431	-	581,431
Financial derivative liabilities	(b)	5,728	-	5,728
Rental deposits		26,238	-	26,238
		613,397	-	613,397
<b>Current liabilities</b>				
Rental deposits		1,082	-	1,082
Trade and other payables		8,104	2	8,106
		9,186	2	9,188
<b>Total liabilities</b>		<b>622,583</b>	<b>2</b>	<b>622,585</b>
<b>Net assets</b>		<b>1,211,608</b>	<b>18</b>	<b>1,211,626</b>
Represented by:				
<b>Unitholders' funds</b>				
Unitholders' funds of OUE H-REIT		1,211,608	-	1,211,608
Unitholders' funds of OUE H-BT		-	18	18
		<b>1,211,608</b>	<b>18</b>	<b>1,211,626</b>

The statement of financial position of OUE H-Trust comprises the statement of financial position of OUE H-REIT and OUE H-BT. No comparative balance sheet of OUE H-Trust as at preceding financial year end i.e. 31 December 2012 is prepared as it was only established on 10 July 2013. The first financial period for OUE H-Trust is from 10 July 2013 to 31 December 2013.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

**NOTES TO STATEMENTS OF FINANCIAL POSITION**

- (a) Borrowings are measured at amortised cost and comprise S\$587.0 million term loan facilities, as explained under section 1(b)(ii).
- (b) Financial derivative liabilities relate to the fair value of interest rate swaps used to hedge OUE H-REIT's interest rate risk.

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

	<b>OUE H-Trust and OUE H-REIT</b>
	<b>31 Dec 2013</b>
	<b>S\$'000</b>
<b>Repayable after one year</b>	
Secured borrowings	587,000
Less: Unamortised transaction costs	(5,569)
	<b>581,431</b>

**Details of borrowings and collateral**

OUE H-REIT has in place S\$630.0 million bank facilities comprising term loan facilities of S\$587.0 million and revolving credit facilities of S\$43.0 million. As at 31 December 2013, OUE H-Trust's gearing was 32.0 percent. The average cost of debt was 2.2 percent per annum, with an interest service cover of 6.7 times. 100 percent of the OUE H-REIT's borrowings are on fixed interest rates via interest rate swaps with a weighted average remaining tenor of 2.5 years. OUE H-REIT has no refinancing requirements until July 2016.

These facilities are secured by:

- A registered first legal mortgage over Mandarin Orchard Singapore and Mandarin Gallery (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.

The revolving credit facilities of S\$43.0 million consist of S\$31.0 million of committed revolving credit facilities and S\$12.0 million of uncommitted revolving credit facilities.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

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

	Note	OUE H-REIT		OUE H-Trust	
		1 Oct 2013 to 31 Dec 2013	25 Jul 2013 to 31 Dec 2013	1 Oct 2013 to 31 Dec 2013	25 Jul 2013 to 31 Dec 2013
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>					
Total return for the period		18,901	80,464	18,899	80,462
Adjustments for:					
REIT Manager's fee paid/payable in Stapled Securities	(a)	2,411	4,198	2,411	4,198
Net change in fair value of investment properties		77	(50,923)	77	(50,923)
Finance income		(10)	(11)	(10)	(11)
Finance expenses		3,484	10,107	3,484	10,107
<b>Operating income before working capital changes</b>		<b>24,863</b>	<b>43,835</b>	<b>24,861</b>	<b>43,833</b>
Changes in working capital:					
Trade and other receivables		1,550	(17,382)	1,550	(17,382)
Trade and other payables		267	4,202	269	4,204
Rental deposits		192	22,568	192	22,568
<b>Cash generated from operating activities</b>		<b>26,872</b>	<b>53,223</b>	<b>26,872</b>	<b>53,223</b>
<b>Investing activities</b>					
Acquisition of investment properties, net of cash acquired		-	(1,148,537)	-	(1,148,537)
Interest received		11	11	11	11
<b>Cash used in investing activities</b>		<b>11</b>	<b>(1,148,526)</b>	<b>11</b>	<b>(1,148,526)</b>
<b>Financing activities</b>					
Finance expenses paid		(2,982)	(2,982)	(2,982)	(2,982)
Proceeds from borrowings		-	587,000	-	587,000
Payment of transaction costs on borrowings		-	(6,300)	-	(6,300)
Net proceeds from issue of units/Stapled Securities	(b)	-	599,980	-	600,000
Issue costs paid		(20,963)	(21,586)	(20,963)	(21,586)
<b>Cash (used in)/generated from financing activities</b>		<b>(23,945)</b>	<b>1,156,112</b>	<b>(23,945)</b>	<b>1,156,132</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,938</b>	<b>60,809</b>	<b>2,938</b>	<b>60,829</b>
Cash and cash equivalents at beginning of the period		57,871	-	57,891	-
<b>Cash and cash equivalents at end of the period</b>		<b>60,809</b>	<b>60,809</b>	<b>60,829</b>	<b>60,829</b>

No comparative statement of cash flows for the corresponding period of the immediately preceding financial year is prepared as OUE H-Trust was listed on 25 July 2013. The first financial period for OUE H-Trust is from 10 July 2013 to 31 December 2013. Although OUE H-REIT and OUE H-BT were established on 10 July 2013, the acquisition of properties by OUE H-REIT was only completed on 25 July 2013 which was the official listing date of OUE H-Trust. OUE H-REIT was dormant as a private trust during the period from 10 July 2013 to 24 July 2013.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

**NOTES TO STATEMENTS OF CASH FLOWS**

(a) Quarter ended 31 December 2013

2,735,837 Stapled Securities amounting to \$2,411,000 will be issued to the REIT Manager as satisfaction of management fees payable in units in respect of the quarter ended 31 December 2013.

Period from 25 July 2013 to 31 December 2013

4,763,241 Stapled Securities amounting to \$4,198,000 were issued or will be issued to the REIT Manager as satisfaction of management fees payable in units in respect of the period from 25 July 2013 to 31 December 2013.

- (b) An aggregate of 1,308,599,999 Stapled Securities at \$0.88 per Stapled Security amounting to \$1,151,568,000 were issued on the listing date, of which, 626,781,999 Stapled Securities, amounting to \$551,568,000 were issued as partial satisfaction of the purchase consideration for the investment properties.

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

Note	OUE H-REIT					OUE	OUE
	Units in issue and to be issued S\$'000	Issue costs S\$'000	Hedging reserve S\$'000	Accumulated profits S\$'000	Total S\$'000	H-BT	H-Trust
						Total S\$'000	Total S\$'000
<b>At 1 Oct 2013</b>	1,153,335	(22,836)	(2,437)	61,563	1,189,625	20	1,189,645
<b>Operations</b>							
Increase in net assets resulting from operations	–	–	–	18,901	18,901	(2)	18,899
<b>Movement in hedging reserves</b>							
Effective portion of changes in fair value of cash flow hedge	–	–	138	–	138	–	138
<b>Unitholders' transactions</b>							
Issue costs (a)	–	533	–	–	533	–	533
Stapled Securities to be issued as payment of REIT Manager's management fees (b)	2,411	–	–	–	2,411	–	2,411
<b>Increase in net assets resulting from unitholders' transactions</b>	2,411	533	–	–	2,944	–	2,944
<b>At 31 Dec 2013</b>	1,155,746	(22,303)	(2,299)	80,464	1,211,608	18	1,211,626

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

Note	OUE H-REIT					OUE H-BT	OUE H-Trust
	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 10 Jul 2013</b>	–	–	–	–	–	–	–
<b>Operations</b>							
Increase in net assets resulting from operations	–	–	–	80,464	80,464	(2)	80,462
<b>Movement in hedging reserves</b>							
Effective portion of changes in fair value of cash flow hedge	–	–	(2,299)	–	(2,299)	–	(2,299)
<b>Unitholders' transactions</b>							
Issue of Stapled Securities (c)	1,151,548	–	–	–	1,151,548	20	1,151,568
Issue costs (a)	–	(22,303)	–	–	(22,303)	–	(22,303)
Stapled Securities issued/to be issued as payment of REIT Manager's management fees (b)	4,198	–	–	–	4,198	–	4,198
<b>Increase in net assets resulting from unitholders' transactions</b>	1,155,746	(22,303)	–	–	1,133,443	20	1,133,463
<b>At 31 Dec 2013</b>	1,155,746	(22,303)	(2,299)	80,464	1,211,608	18	1,211,626

No comparative statements of movement in unitholders' funds for the corresponding period of the immediately preceding financial year is presented as OUE H-Trust and OUE H-REIT were constituted on 10 July 2013. The first financial period of OUE H-Trust is from 10 July 2013 to 31 December 2013.

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

- (a) Issue costs comprise professional and other fees, underwriting and selling commission and miscellaneous issue expenses.
- (b) This represents Stapled Securities issued and to be issued as satisfaction of the REIT Manager's management fee incurred in the respective period from 25 July 2013 to 31 December 2013.
- (c) This represents the Stapled Securities issued by OUE H-Trust during the initial public offering.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

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

		OUE H-Trust	
		1 Oct 2013 to 31 Dec 2013	25 Jul 2013 to 31 Dec 2013
		No. of Stapled Securities '000	No. of Stapled Securities '000
	<b>Issued Stapled Securities at the beginning of the period</b>	1,308,600	-*
	Issue of new Stapled Securities:		
	- initial public offering	-	1,308,600
	- as payment of REIT Manager's management fees	2,027	2,027
(a)			
	<b>Issued Stapled Securities at the end of the period</b>	1,310,627	1,310,627
	Stapled Securities to be issued:		
	- as payment of REIT Manager's management fees	2,736	2,736
(a)			
	<b>Total issued and issuable Stapled Securities at the end of the period</b>	1,313,363	1,313,363

\* This relates to one Stapled Security issued on establishment of OUE H-Trust.

**NOTE**

(a) This represents Stapled Securities issued and to be issued as satisfaction of the REIT Manager's management fee incurred for the respective period/quarter from 25 July 2013 to 31 December 2013. This is calculated based on the volume weighted average traded price 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.

**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**

OUE H-Trust has adopted the same accounting principles and methods of computation in the preparation of the financial statements for the current reporting period as disclosed in its prospectus dated 18 July 2013 (the "Prospectus").

**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 OUE H-Trust.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

**6. EARNINGS PER STAPLED SECURITY (“EPS”) AND DISTRIBUTION PER STAPLED SECURITY (“DPS”)**

	OUE H-Trust	
	1 Oct 2013 to 31 Dec 2013	25 Jul 2013 to 31 Dec 2013
Weighted average number of Stapled Securities ('000):		
- in issue	1,310,627	1,309,778
- issuable	30	17
	1,310,657	1,309,795
Basic and diluted EPS <sup>(a)</sup> (cents)	1.44	6.14
Number of Stapled Securities entitled to distribution ('000):		
- in issue	1,310,627	1,310,627
- issuable	2,736	2,736
	1,313,363	1,313,363
DPS (cents)	1.67	2.90

- (a) Diluted EPS is the same as basic EPS as there are no dilutive instruments in issue during the period. Excluding the \$50,923,000 fair value gain on investment properties, the basic and diluted EPS for the financial period from 25 July 2013 to 31 December 2013 would be 2.26 cents.

**7. NET ASSET VALUE (“NAV”)**

	OUE H-REIT	OUE H-Trust
	31 Dec 2013 <sup>(a)</sup>	31 Dec 2013 <sup>(a)</sup>
	S\$	S\$
NAV per OUE H-REIT unit/Stapled Security	0.92	0.92

- (a) The NAV per OUE H-REIT unit/Stapled Security is computed based on:
- The number of Stapled Securities in issue as at 31 December 2013 of 1,310,627,404; and
  - The Stapled Securities to be issued to the REIT Manager as satisfaction of management fee payable in units for the quarter ended 31 December 2013 of 2,735,837.

**8. REVIEW OF PERFORMANCE**

Please refer to Section 9 on the review of actual performance against the forecast as set out in the Prospectus.

## UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013

### 9. VARIANCE BETWEEN ACTUAL AND FORECAST RESULTS

Set out below is the selected financial information of OUE H-Trust:

	Note	Actual	Forecast	Better/ (Worse)	Actual	Forecast	Better/ (Worse)
		1 Oct 2013 to 31 Dec 2013 <sup>(i)</sup>	1 Oct 2013 to 31 Dec 2013 <sup>(ii)</sup>		25 Jul 2013 to 31 Dec 2013 <sup>(i)</sup>	25 Jul 2013 to 31 Dec 2013 <sup>(ii)</sup>	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(a)	28,981	28,716	0.9%	50,612	49,941	1.3%
Property expenses	(b)	(3,434)	(3,309)	-3.8%	(5,791)	(5,755)	-0.6%
Net property income	(c)	25,547	25,407	0.6%	44,821	44,186	1.4%
Income available for distribution	(d)	21,922	21,438	2.3%	38,188	37,283	2.4%
DPS (cents)		1.67	1.63	2.5%	2.90	2.84	2.1%

(i) Although OUE H-REIT and OUE H-BT were established on 10 July 2013, the acquisition of properties by OUE H-REIT was only completed on 25 July 2013 which was the official listing date of OUE H-Trust. Consequently, the actual income derived from the properties for the current period was from 25 July 2013 to 31 December 2013. OUE H-REIT was dormant as a private trust during the period from 10 July 2013 to 24 July 2013.

(ii) The forecast figures are derived by pro-rating the forecast figures for the 9-month period ended 31 December 2013 as disclosed in the Prospectus. The Prospectus had disclosed a 9-month profit forecast for the period from 1 April 2013 to 31 December 2013 with an annualised distribution yield of 7.15%. The Prospectus had also disclosed an illustrative annualised distribution yield of 7.36% for the period from 1 July 2013 to 31 December 2013. The difference in the annualised distribution yields is due to the seasonality of the Singapore hospitality sector. As explained in the Prospectus, the Singapore hospitality sector generally experiences higher activity levels and better performance in the second half of the year as compared to the first half of the year.

### NOTES

(a) Gross revenue recorded for the quarter ended 31 December 2013 was 0.9% higher than the forecast due to better performance from Mandarin Orchard Singapore. This was a result of higher Food & Beverage revenue mainly due to higher income from banquet sales and corporate meetings which more than compensated for slightly lower room revenue compared to forecast. RevPAR achieved was \$249 compared to forecast RevPAR of \$252.

For the period from 25 July 2013 to 31 December 2013, gross revenue recorded was 1.3% higher than forecast mainly due to better performance recorded by Mandarin Orchard Singapore. The RevPAR of \$254 achieved had outperformed the forecast RevPAR of \$252. This translated into higher than forecast lease revenue recognised by OUE H-REIT as the rental income is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of Mandarin Orchard Singapore. Higher revenue was also recorded by Mandarin Gallery from casual leasing of advertising panels and short-term leasing of outdoor space.

(b) Property expenses for the quarter ended 31 December 2013 and for the period from 25 July 2013 to 31 December 2013 were 3.8% and 0.6% higher respectively mainly due to higher property tax expenses as a result of higher annual value of the two properties assessed by the Comptroller of property tax in the fourth quarter.

(c) Despite higher than forecast property expenses, net property income recorded for the quarter ended 31 December 2013 and for the period from 25 July 2013 to 31 December 2013 was 0.6% and 1.4% higher than forecast due to higher revenue recorded.

(d) Income available for distribution for the quarter ended 31 December 2013 and for the period from 25 July 2013 to 31 December 2013 were 2.3% and 2.4% higher respectively as a result of higher net property income coupled with lower trust expenses. This translated into higher DPS of 1.67 cents and 2.90 cents for the respective periods.

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**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 reported 5.2%<sup>1</sup> year-on-year (“y-o-y”) increase in hotel room nights for 2013. The increase in rooms supply in 2013 had heightened the competition in the hotel industry which saw RevPAR dip 1.6%<sup>1</sup> y-o-y to \$223<sup>1</sup>. The declining RevPAR was experienced by hotels across most segments, and hotels in the Upscale segment suffered the largest decline with a 12.7%<sup>1</sup> drop compared to 2012. However, Mandarin Orchard Singapore outperformed the segment as it posted a RevPAR increase of 4.5% for the financial period 25 July 2013 to 31 December 2013 as compared to 2012<sup>2</sup>.

The outlook for 2014 points to a modest recovery of the global economy supported by improving economic indicators from the US and Eurozone. In Singapore, Ministry of Trade and Industry Singapore has forecast 2.0% to 4.0%<sup>3</sup> growth for 2014. An improving global economy would likely bolster corporate travel and accommodation budgets and hence would be positive for the hotel industry as Singapore is a key international business and financial hub. Singapore is also expected to benefit from a bumper MICE schedule in 2014, as it hosts major events such as the Singapore Air Show and a burgeoning outbound Chinese tourist market. New infrastructure such as the Singapore Sports Hub which will open in 2014 will also add to Singapore’s ability to increase its sources of visitor origination. The Sports Hub will be the venue for the Women’s Tennis Association’s (WTA) annual end of season tour championship for the next five years, commencing from 2014.

OUE Hospitality Trust remains positive on the corporate travel, tourism and retail segments in Singapore for 2014. We will continue to seek growth opportunities through active asset management and yield accretive acquisitions from our Sponsor and third parties.

<sup>1</sup> Singapore Tourism Board, Hotel Statistics (Preliminary), 27 January 2014

<sup>2</sup> Derived from the disclosures in the Prospectus dated 18 July 2013

<sup>3</sup> Ministry of Trade and Industry Singapore, Press Release, 20 February 2014

**11. Distributions**

**(a) Current financial period**

Any distribution declared for the current financial period?	Yes
Name of distribution	Distribution for the financial period from 25 July 2013 to 31 December 2013
Distribution type	Taxable income
Distribution rate per stapled security	2.90 cents
Tax rate	<u>Taxable income distribution</u> 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%.
Book closure date	5 March 2014
Date payable	28 March 2014

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

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

Any distribution declared for the corresponding period of the immediately preceding financial year?

No.

**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. Segment information**

	<b>OUE H-Trust</b>		
	<b>25 Jul 2013 to 31 Dec 2013</b>		
	<b>Hospitality S\$'000</b>	<b>Retail S\$'000</b>	<b>Total S\$'000</b>
Gross revenue	34,506	16,106	50,612
Property expenses	(1,651)	(4,140)	(5,791)
Segment net property income	32,855	11,966	44,821
REIT Manager's base management fees			(2,405)
REIT Manager's performance fees			(1,793)
REIT Trustee's fees			(121)
Other trust expenses			(867)
Finance income			11
Finance expenses			(10,107)
Net income			29,539
Net change in fair value of investment properties	39,947	10,976	50,923
Total return for the period			80,462

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Section 9 on the review of actual performance against the forecast as set out in the Prospectus.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

**16. Breakdown of sales**

	<b>OUE H-Trust</b>
	<b>25 Jul 2013 to 31 Dec 2013</b>
	<b>S\$'000</b>
Gross revenue reported for first half year	-
Total return for first half year	-
Gross revenue reported for second half year	50,612
Total return for second half year	80,462

No comparative breakdown of sales is presented as OUE H-Trust was listed on 25 July 2013.

**17. CONFIRMATION PURSUANT TO RULE 704(13) OF THE LISTING MANUAL**

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, the REIT Manager and the Trustee-Manager confirm that there is no person occupying a managerial position in the REIT Manager or the Trustee-Manager, who are related to a director or the chief executive officer or a substantial shareholder of the REIT Manager or of the Trustee-Manager respectively or a substantial stapled security holder of OUE H-Trust.

On behalf of the Board of Directors

Christopher Williams  
Chairman

Chong Kee Hiong  
Chief Executive Officer and  
Executive Director

25 February 2014

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT  
FOR THE PERIOD FROM 10 JULY 2013 (DATE OF CONSTITUTION) TO 31 DECEMBER 2013**

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**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. Representative 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) 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. 20130245G)  
As REIT 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

25 February 2014