

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 its subsidiary; 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 AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

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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 AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

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.

OUE H-REIT’s asset portfolio comprising the 1,077-room Mandarin Orchard Singapore and the adjoining Mandarin Gallery, has a portfolio value of S\$1.76 billion as at 31 December 2014.

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 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 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-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 FOURTH QUARTER ENDED 31 DECEMBER 2014

1 (a) STATEMENTS OF TOTAL RETURN

		OUE H-REIT Group						
Note	4Q 2014	4Q 2013	Increase/ (Decrease)	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾	Increase/ (Decrease)		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%		
	Gross revenue	(a)	30,361	28,981	4.8	115,890	50,612	n.m.
	Property tax		(1,849)	(1,851)	-0.1	(6,823)	(3,156)	n.m.
	Insurance		(39)	(41)	-4.9	(157)	(72)	n.m.
	Other property expenses	(b)	(1,514)	(1,542)	-1.8	(5,744)	(2,563)	n.m.
	Net property income		26,959	25,547	5.5	103,166	44,821	n.m.
	REIT Manager's base management fees		(1,359)	(1,388)	-2.1	(5,408)	(2,405)	n.m.
	REIT Manager's performance fees		(1,078)	(1,023)	5.4	(4,127)	(1,793)	n.m.
	REIT Trustee's fees		(86)	(70)	22.9	(304)	(121)	n.m.
	Other trust expenses		(182)	(614)	-70.4	(1,234)	(865)	n.m.
	Finance income		275	457	-39.8	1,345	11	n.m.
	Finance expenses		(3,707)	(3,931)	-5.7	(14,721)	(10,107)	n.m.
	Net finance expenses	(c)	(3,432)	(3,474)	-1.2	(13,376)	(10,096)	n.m.
	Net income		20,822	18,978	9.7	78,717	29,541	n.m.
	Net change in fair value of investment properties	(d)	(147)	(77)	90.9	(147)	50,923	n.m.
	Total return for the period	(e)	20,675	18,901	9.4	78,570	80,464	n.m.

⁽¹⁾ Although OUE H-REIT and the Stapled Group were constituted on 10 July 2013, they were listed on 25 July 2013 and accordingly, the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013.

n.m.: Not meaningful to compare year-to-date financial information as the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013 only.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

		Stapled Group						
Note	4Q 2014	4Q 2013	Increase/ (Decrease)	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾	Increase/ (Decrease)		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%		
	Gross revenue	(a)	30,361	28,981	4.8	115,890	50,612	n.m.
	Property tax		(1,849)	(1,851)	-0.1	(6,823)	(3,156)	n.m.
	Insurance		(39)	(41)	-4.9	(157)	(72)	n.m.
	Other property expenses	(b)	(1,514)	(1,542)	-1.8	(5,744)	(2,563)	n.m.
	Net property income		26,959	25,547	5.5	103,166	44,821	n.m.
	REIT Manager's base management fees		(1,359)	(1,388)	-2.1	(5,408)	(2,405)	n.m.
	REIT Manager's performance fees		(1,078)	(1,023)	5.4	(4,127)	(1,793)	n.m.
	REIT Trustee's fees		(86)	(70)	22.9	(304)	(121)	n.m.
	Other trust expenses		(182)	(616)	-70.5	(1,236)	(867)	n.m.
	Finance income		275	457	-39.8	1,345	11	n.m.
	Finance expenses		(3,707)	(3,931)	-5.7	(14,721)	(10,107)	n.m.
	Net finance expenses	(c)	(3,432)	(3,474)	-1.2	(13,376)	(10,096)	n.m.
	Net income		20,822	18,976	9.7	78,715	29,539	n.m.
	Net change in fair value of investment properties	(d)	(147)	(77)	90.9	(147)	50,923	n.m.
	Total return for the period	(e)	20,675	18,899	9.4	78,568	80,462	n.m.

⁽¹⁾ Although OUE H-REIT and the Stapled Group were constituted on 10 July 2013, they were listed on 25 July 2013 and accordingly, the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013.

n.m.: Not meaningful to compare year-to-date financial information as the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013 only.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

NOTES TO THE STATEMENTS OF TOTAL RETURN

(a) Gross revenue comprises the following:

OUE H-REIT Group and Stapled Group						
	4Q 2014	4Q 2013	Increase/ (Decrease)	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Hospitality	20,878	19,987	4.5	78,647	34,506	n.m.
Retail	9,483	8,994	5.4	37,243	16,106	n.m.
	30,361	28,981	4.8	115,890	50,612	n.m.

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

(c) Net finance expenses comprise the following:

OUE H-REIT Group and Stapled Group						
Note	4Q 2014	4Q 2013	Increase/ (Decrease)	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from fixed deposits	5	10	-50	25	11	n.m.
Ineffective portion of changes in fair value of cash flow hedge (c)(i)	270	447	-39.6	1,320	–	n.m.
Finance income	275	457	-39.8	1,345	11	n.m.
Amortisation of debt-related transaction costs	(420)	(420)	–	(1,680)	(731)	n.m.
Interest expense paid/payable to banks	(3,287)	(3,511)	-6.4	(13,041)	(5,947)	n.m.
Ineffective portion of changes in fair value of cash flow hedge (c)(i)	–	–	–	–	(3,429)	n.m.
Finance expenses	(3,707)	(3,931)	-5.7	(14,721)	(10,107)	n.m.
Net finance expenses	(3,432)	(3,474)	-1.2	(13,376)	(10,096)	n.m.

n.m.: not meaningful

(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/added back for the purpose of arriving at the income available for distribution (see (f) below).

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

- (d) The net change in fair value of investment properties for the period from 25 July 2013 to 31 December 2013 arose as the acquisition costs were lower than the valuations. The change in fair value of the investment properties is a non-cash item. It will affect the net asset value but has no impact on the income available for distribution.

As at 31 December 2014, 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 December 2013 valuation as disclosed in the audited financial statements for the financial period ended 31 December 2013.

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

OUE H-REIT Group and Stapled Group						
	4Q 2014	4Q 2013	Increase/ (Decrease)	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
OUE H-REIT	20,680	18,901	9.4	78,577	80,464	n.m.
Other OUE H-REIT Group entity	(5)	–	n.m.	(7)	–	n.m.
OUE H-REIT Group	20,675	18,901	9.4	78,570	80,464	n.m.
OUE H-BT	–	(2)	-100	(2)	(2)	n.m.
Stapled Group	20,675	18,899	9.4	78,568	80,462	n.m.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

(f) Income available for distribution

		OUE H-REIT Group and Stapled Group				
Note	4Q 2014	4Q 2013	Increase/ (Decrease)	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period of OUE H-REIT	(f)(i) 20,680	18,901	9.4	78,577	80,464	n.m.
Add/(Less): Non-tax deductible/ (chargeable) items:						
- REIT Manager's management fees paid/payable in Stapled Securities	2,437	2,411	1.1	9,535	4,198	n.m.
- REIT Trustee's fees	86	70	22.9	304	121	n.m.
- Amortisation of debt-related transaction costs	420	420	–	1,680	731	n.m.
- Ineffective portion of changes in fair value of cash flow hedge	(270)	(447)	-39.6	(1,320)	3,429	n.m.
- Net change in fair value of investment properties	147	77	90.9	147	(50,923)	n.m.
- Other items	57	490	88.2	71	168	n.m.
	2,877	3,021	-4.8	10,417	(42,276)	n.m.
Income available for distribution	23,557	21,922	7.5	88,994	38,188	n.m.

n.m.: not meaningful

(f)(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 FOURTH QUARTER ENDED 31 DECEMBER 2014

1 (b)(i) STATEMENTS OF FINANCIAL POSITION

	Note	OUE H-REIT Group		OUE H-BT		Stapled Group	
		31/12/2014 S\$'000	31/12/2013 S\$'000	31/12/2014 S\$'000	31/12/2013 S\$'000	31/12/2014 S\$'000	31/12/2013 S\$'000
ASSETS							
Non-current assets							
Investment properties		1,756,000	1,756,000	–	–	1,756,000	1,756,000
Current assets							
Trade and other receivables	(a)	9,271	17,382	–	–	9,271	17,382
Cash and cash equivalents		31,299	60,809	18	20	31,317	60,829
		40,570	78,191	18	20	40,588	78,211
Total assets		1,796,570	1,834,191	18	20	1,796,588	1,834,211
LIABILITIES							
Non-current liabilities							
Borrowings		583,111	581,431	–	–	583,111	581,431
Financial derivative liabilities	(b)	2,027	5,728	–	–	2,027	5,728
Rental deposits	(c)	3,331	26,238	–	–	3,331	26,238
		588,469	613,397	–	–	588,469	613,397
Current liabilities							
Rental deposits	(c)	2,323	1,082	–	–	2,323	1,082
Financial derivative liabilities	(b)	255	–	–	–	255	–
Trade and other payables		7,186	8,104	2	2	7,188	8,106
		9,764	9,186	2	2	9,766	9,188
Total liabilities		598,233	622,583	2	2	598,235	622,585
Net assets		1,198,337	1,211,608	16	18	1,198,353	1,211,626
Represented by:							
Unitholders' funds							
Unitholders' funds of OUE H-REIT Group		1,198,337	1,211,608	–	–	1,198,337	1,211,608
Unitholders' funds of OUE H-BT		–	–	16	18	16	18
		1,198,337	1,211,608	16	18	1,198,353	1,211,626

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

NOTES TO STATEMENTS OF FINANCIAL POSITION

- (a) Decrease in trade and other receivables of \$8.1 million was mainly due to the receipt of the November master lease income in 1Q 2014.
- (b) Financial derivative liabilities relate to the fair value of interest rate swaps used to hedge OUE H-REIT Group’s interest rate risk.
- (c) Decrease in total rental deposits was mainly due to the return of the security deposit of the master lessee which was replaced a bank guarantee.

1 (b)(ii) BORROWINGS

Repayable after one year

Secured borrowings

Less: Unamortised transaction costs

OUE H-REIT Group and Stapled Group	
31/12/2014	31/12/2013
S\$’000	S\$’000
587,000	587,000
(3,889)	(5,569)
583,111	581,431

Details of borrowings and collateral

OUE H-REIT Group 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. The term loan facilities were drawn down in July 2013, of which, S\$293.0 million is repayable in July 2016 and S\$294.0 million is repayable in July 2018. OUE H-REIT Group has no refinancing requirements until July 2016.

As at 31 December 2014, OUE H-REIT Group’s weighted average debt maturity was 2.6 years and the gearing was 32.7%. The average cost of debt was 2.2% per annum, with an interest service cover of 7.1 times. 100 percent of OUE H-REIT Group’s borrowings are on fixed interest rates via interest rate swaps with a weighted average remaining tenor of 1.5 years.

These 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.

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. As at 31 December 2014, these facilities are undrawn.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND
OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

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 December 2014, 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 FOURTH QUARTER ENDED 31 DECEMBER 2014

1 (c) STATEMENTS OF CASH FLOWS

		OUE H-REIT Group			
Note	4Q 2014	4Q 2013	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾	
	S\$'000	S\$'000	S\$'000	S\$'000	
Operating activities					
	20,675	18,901	78,570	80,464	
	Adjustments for:				
(a)	2,437	2,411	9,535	4,198	
	147	77	147	(50,923)	
	(275)	(457)	(1,345)	(11)	
	3,707	3,931	14,721	10,107	
	26,691	24,863	101,628	43,835	
Operating income before working capital changes					
Changes in working capital:					
	(1,225)	1,550	8,111	(17,382)	
	(1,302)	267	(201)	4,202	
	90	192	(21,666)	22,568	
	24,254	26,872	87,872	53,223	
Cash generated from operating activities					
Investing activities					
	5	11	25	11	
	(129)	–	(147)	–	
(b)	–	–	–	(1,148,537)	
	(124)	11	(122)	(1,148,526)	
Cash (used in)/generated from investing activities					
Financing activities					
	(3,287)	(2,982)	(13,041)	(2,982)	
	–	–	–	587,000	
	–	–	–	(6,300)	
	(21,672)	–	(103,502)	–	
	–	(20,963)	(717)	(21,586)	
(b)	–	–	–	599,980	
	(24,959)	(23,945)	(117,260)	1,156,112	
Cash (used in)/generated from financing activities					
	(829)	2,938	(29,510)	60,809	
Net (decrease)/increase in cash and cash equivalents					
	32,128	57,871	60,809	–	
Cash and cash equivalents at beginning of the period					
	31,299	60,809	31,299	60,809	
Cash and cash equivalents at end of the period					

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

	Note	Stapled Group			
		4Q 2014	4Q 2013	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾
		S\$'000	S\$'000	S\$'000	S\$'000
Operating activities					
Total return for the period		20,675	18,899	78,568	80,462
Adjustments for:					
REIT Manager's fees paid/payable in Stapled Securities	(a)	2,437	2,411	9,535	4,198
Net change in fair value of investment properties		147	77	147	(50,923)
Finance income		(275)	(457)	(1,345)	(11)
Finance expenses		3,707	3,931	14,721	10,107
Operating income before working capital changes		26,691	24,861	101,626	43,833
Changes in working capital:					
Trade and other receivables		(1,225)	1,550	8,111	(17,382)
Trade and other payables		(1,302)	269	(201)	4,204
Rental deposits		90	192	(21,666)	22,568
Cash generated from operating activities		24,254	26,872	87,870	53,223
Investing activities					
Interest received		5	11	25	11
Capital expenditure on investment properties		(129)	–	(147)	–
Acquisition of investment properties	(b)	–	–	–	(1,148,537)
Cash (used in)/generated from investing activities		(124)	11	(122)	(1,148,526)
Financing activities					
Finance expenses paid		(3,287)	(2,982)	(13,041)	(2,982)
Proceeds from borrowings		–	–	–	587,000
Payment of transaction costs on borrowings		–	–	–	(6,300)
Distribution to Stapled Securityholders		(21,672)	–	(103,502)	–
Issue costs paid		–	(20,963)	(717)	(21,586)
Net proceeds from issuance of Stapled Securities	(b)	–	–	–	600,000
Cash (used in)/generated from financing activities		(24,959)	(23,945)	(117,260)	1,156,132
Net (decrease)/increase in cash and cash equivalents		(829)	2,938	(29,512)	60,829
Cash and cash equivalents at beginning of the period		32,146	57,891	60,829	–
Cash and cash equivalents at end of the period		31,317	60,829	31,317	60,829

⁽¹⁾ Although OUE H-REIT and the Stapled Group were constituted on 10 July 2013, they were listed on 25 July 2013 and accordingly, the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

NOTES TO STATEMENTS OF CASH FLOWS

(a) 4Q 2014

2,706,126 (4Q 2013: 2,735,837) Stapled Securities amounting to \$2,437,000 (4Q 2013: \$2,411,000) will be issued to the REIT Manager as satisfaction of management fees payable in units in respect of the quarter.

FY 2014

10,784,271 (25/7/2013 to 31/12/2013: 4,763,241) Stapled Securities amounting to \$9,535,000 (25/7/2013 to 31/12/2013: \$4,198,000) were/will be issued to the REIT Manager as satisfaction of management fees payable in units in respect of the relevant period.

- (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 25 July 2013 (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 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
At 1/10/2014	1,162,844	(22,303)	(2,105)	56,529	1,194,965	16	1,194,981
Operations							
Increase/(Decrease) in net assets resulting from operations	–	–	–	20,675	20,675	–	20,675
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	–	–	1,932	–	1,932	–	1,932
Unitholders’ transactions							
Distribution to Stapled Securityholders (a)	–	–	–	(21,672)	(21,672)	–	(21,672)
Stapled Securities to be issued as payment of REIT Manager’s management fees (b)	2,437	–	–	–	2,437	–	2,437
Increase/ (Decrease) in net assets resulting from unitholders’ transactions	2,437	–	–	(21,672)	(19,235)	–	(19,235)
At 31/12/2014	1,165,281	(22,303)	(173)	55,532	1,198,337	16	1,198,353

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

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
At 1/1/2014	1,155,746	(22,303)	(2,299)	80,464	1,211,608	18	1,211,626
Operations							
Increase/(Decrease) in net assets resulting from operations	–	–	–	78,570	78,570	(2)	78,568
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	–	–	2,126	–	2,126	–	2,126
Unitholders' transactions							
Distribution to Stapled Securityholders (c)	–	–	–	(103,502)	(103,502)	–	(103,502)
Stapled Securities issued/to be issued as payment of REIT Manager's management fees (b)	9,535	–	–	–	9,535	–	9,535
Increase/ (Decrease) in net assets resulting from unitholders' transactions	9,535	–	–	(103,502)	(93,967)	–	(93,967)
At 31/12/2014	1,165,281	(22,303)	(173)	55,532	1,198,337	16	1,198,353

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

		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	
At 1/10/2013	1,153,335	(22,836)	(2,437)	61,563	1,189,625	20	1,189,645	
Operations								
Increase/(Decrease) in net assets resulting from operations	–	–	–	18,901	18,901	(2)	18,899	
Movement in hedging reserve								
Effective portion of changes in fair value of cash flow hedge	–	–	138	–	138	–	138	
Unitholders' transactions								
Issue costs	–	533	–	–	533	–	533	
Stapled Securities to be issued as payment of REIT Manager's management fees	2,411	–	–	–	2,411	–	2,411	
Increase in net assets resulting from unitholders' transactions	2,411	533	–	–	2,944	–	2,944	
At 31/12/2013	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 AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

		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
At 10/7/2013	–	–	–	–	–	–	–
Operations							
Increase/(Decrease) in net assets resulting from operations	–	–	–	80,464	80,464	(2)	80,462
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	–	–	(2,299)	–	(2,299)	–	(2,299)
Unitholders' transactions							
Issue of Stapled Securities	1,151,548	–	–	–	1,151,548	20	1,151,568
Issue costs	–	(22,303)	–	–	(22,303)	–	(22,303)
Stapled Securities to be issued as payment of REIT Manager's management fees	4,198	–	–	–	4,198	–	4,198
Increase/ (Decrease) in net assets resulting from unitholders' transactions	1,155,746	(22,303)	–	–	1,133,443	20	1,133,463
At 31/12/2013	1,155,746	(22,303)	(2,299)	80,464	1,211,608	18	1,211,626

NOTES TO STATEMENTS OF MOVEMENT IN UNITHOLDERS' FUNDS

- (a) Distribution to Stapled Securityholders relates to the distribution made in respect of 3Q 2014.
- (b) This represents Stapled Securities issued/to be issued as satisfaction of the REIT Manager's management fee incurred in the respective periods.
- (c) Distribution to Stapled Securityholders relates to the distributions made in respect of the period from 25 July 2013 to 31 December 2013, 1Q 2014, 2Q 2014 and 3Q 2014.
- (d) 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 the Stapled Group. OUE H-REIT was dormant as a private trust during the period from 10 July 2013 to 24 July 2013.
- (e) 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 AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

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

Note	Stapled Group			
	4Q 2014	4Q 2013	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾
	'000	'000	'000	'000
Issued Stapled Securities at beginning of the period	1,318,844	1,308,600	1,310,627	—*
Issue of new Stapled Securities:				
- initial public offering	—	—	—	1,308,600
- as payment of REIT Manager's management fees	2,597	2,027	10,814	2,027
Issued Stapled Securities at the end of the period	1,321,441	1,310,627	1,321,441	1,310,627
Stapled Securities to be issued:				
- as payment of REIT Manager's management fees (a)	2,706	2,736	2,706	2,736
Total issued and issuable Stapled Securities at end of the period	1,324,147	1,313,363	1,324,147	1,313,363

⁽¹⁾ Although OUE H-REIT and the Stapled Group were constituted on 10 July 2013, they were listed on 25 July 2013 and accordingly, the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013.

* This relates to one Stapled Security issued on establishment of the Stapled Group.

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.

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 period ended 31 December 2013.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

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 (“EPS”) AND DISTRIBUTION PER STAPLED SECURITY (“DPS”)

	Stapled Group			
	4Q 2014	4Q 2013	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾
Weighted average number of Stapled Securities ('000):				
- in issue	1,321,441	1,310,627	1,317,507	1,309,778
- issuable	29	30	7	17
	1,321,470	1,310,657	1,317,514	1,309,795
Basic and diluted EPS ⁽²⁾ (cents)	1.56	1.44	5.96	6.14 ⁽³⁾
Number of Stapled Securities entitled to distribution ('000):				
- in issue	1,321,441	1,310,627	1,321,441	1,310,627
- issuable	2,706	2,736	2,706	2,736
	1,324,147	1,313,363	1,324,147	1,313,363
DPS (cents)	1.78	1.67	6.74	2.90

⁽¹⁾ Although OUE H-REIT and the Stapled Group were constituted on 10 July 2013, they were listed on 25 July 2013 and accordingly, the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013.

⁽²⁾ Diluted EPS is the same as basic EPS as there are no dilutive instruments in issue during the period.

⁽³⁾ 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 Group and Stapled Group	
	31/12/2014	31/12/2013
Number of Stapled Securities ('000):		
- in issue	1,321,441	1,310,627
- issuable	2,706	2,736
	1,324,147	1,313,363
NAV per OUE H-REIT unit/Stapled Security	\$0.90	\$0.92

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

8. REVIEW OF PERFORMANCE

		Stapled Group					
Note	4Q 2014	4Q 2013	Increase/ (Decrease)	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾	Increase/ (Decrease)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Gross revenue:							
- Hospitality	(a)	20,878	19,987	4.5	78,647	34,506	n.m.
- Retail	(a)	9,483	8,994	5.4	37,243	16,106	n.m.
		30,361	28,981	4.8	115,890	50,612	n.m.
Property expenses:							
- Hospitality		(1,050)	(964)	8.9	(3,742)	(1,651)	n.m.
- Retail		(2,352)	(2,470)	-4.8	(8,982)	(4,140)	n.m.
		(3,402)	(3,434)	-0.9	(12,724)	(5,791)	n.m.
Net property income:							
- Hospitality	(b)	19,828	19,023	4.2	74,905	32,855	n.m.
- Retail	(b)	7,131	6,524	9.3	28,261	11,966	n.m.
		26,959	25,547	5.5	103,166	44,821	n.m.
REIT Manager's fees		(2,437)	(2,411)	1.1	(9,535)	(4,198)	n.m.
REIT Trustee's fees		(86)	(70)	22.9	(304)	(121)	n.m.
Other trust expenses	(c)	(182)	(616)	-70.5	(1,236)	(867)	n.m.
Net finance expenses		(3,432)	(3,474)	-1.2	(13,376)	(10,096)	n.m.
Net income		20,822	18,976	9.7	78,715	29,539	n.m.
Net change in fair value of investment properties:							
- Hospitality		(17)	(53)	-67.9	(17)	39,947	n.m.
- Retail		(130)	(24)	>100	(130)	10,976	n.m.
		(147)	(77)	90.9	(147)	50,923	n.m.
Total return for the period		20,675	18,899	9.4	78,568	80,462	n.m.
Income available for distribution	(d)	23,557	21,922	7.5	88,994	38,188	n.m.
DPS (cents)		1.78	1.67	6.6	6.74	2.90	n.m.

⁽¹⁾ Although OUE H-REIT and the Stapled Group were constituted on 10 July 2013, they were listed on 25 July 2013 and accordingly, the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013.

n.m.: Not meaningful to compare year-to-date financial information as the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013 only.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

4Q 2014 vs 4Q 2013

- (a) Both hospitality and retail segments posted higher revenue in 4Q 2014. Gross revenue for 4Q 2014 was \$30.4 million, an increase of \$1.4 million or 4.8% over 4Q 2013.

Hospitality segment pertains to the master lease income earned from the Mandarin Orchard Singapore hotel which is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of the hotel. Hospitality revenue was \$0.9 million or 4.5% higher due to higher master lease income as the hotel recorded higher revenue per available room (“RevPAR”) of \$255 in 4Q 2014 as compared to RevPAR of \$249 in 4Q 2013. The higher RevPAR was attributed to both higher occupancy and room rates. The hotel also recorded better food and beverage (“F&B”) sales from higher patronage.

Retail segment pertains to rental and other income earned from the Mandarin Gallery shopping mall. Retail revenue for 4Q 2014 was \$0.5 million or 5.4% higher than 4Q 2013 mainly due to higher rental rates and income earned from leasing of advertising and outdoor space. The mall recorded an effective rent per square foot per month of \$23.6 for 4Q 2014 and \$23.1 for 4Q 2013.

- (b) Net property income for 4Q 2014 was \$27.0 million, an increase of \$1.4 million or 5.5% over 4Q 2013 which was mainly contributed by higher revenue recorded by both segments.
- (c) Other trust expenses decreased \$0.4 million, or 70.5% mainly due to lower professional fees incurred in 4Q 2014.
- (d) Income available for distribution was higher by \$1.6 million or 7.5% as a result of higher net property income coupled with lower trust expenses. The DPS achieved was 1.78 cents as compared to 4Q 2013 DPS of 1.67 cents.

9. VARIANCE BETWEEN ACTUAL AND FORECAST RESULTS

Set out below is the selected financial information of Stapled Group:

		Stapled Group					
		4Q 2014			FY 2014		
Note		Actual S\$'000	Forecast ⁽ⁱ⁾ S\$'000	Increase/ (Decrease) %	Actual S\$'000	Forecast S\$'000	Increase/ (Decrease) %
	Gross revenue	(a) 30,361	30,454	-0.3	115,890	115,419	0.4
	Property expenses	(b) (3,402)	(3,409)	-0.2	(12,724)	(13,552)	-6.1
	Net property income	(c) 26,959	27,045	-0.3	103,166	101,867	1.3
	Income available for distribution	(d) 23,557	23,255	1.3	88,994	86,706	2.6
	DPS (cents)	1.78	1.76	1.1	6.74	6.57	2.6

- (i) The forecast figures are derived from the forecast as set out in the Prospectus and adjusted for seasonality of the Singapore hospitality sector.

NOTES

Actual vs forecast – 4Q 2014

- (a) Gross revenue was largely in line with forecast at \$30.4 million for 4Q 2014. Hospitality segment recorded \$0.3 million lower revenue which was offset by higher retail segment revenue of \$0.2 million.

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Hospitality segment pertains to the master lease income earned from the Mandarin Orchard Singapore hotel which is pegged to a percentage of Gross Operating Revenue and Gross Operating Profit of the hotel. Revenue from hospitality segment was lower due to lower master lease income as the hotel recorded RevPAR of \$255 as compared to the forecast RevPAR of \$263 due to weaker than forecast market demand. The hotel's F&B sales continued to perform better than forecast due to more banquet events and functions held which mitigated the impact of lower room sales in 4Q 2014.

For the retail segment, Mandarin Gallery recorded higher revenue than forecast mainly due to higher income earned from leasing of advertising and outdoor space.

- (b) Property expenses for 4Q 2014 were largely in line with forecast at \$3.4 million.
- (c) As a result of the above, net property income recognised for 4Q 2014 was largely in line with forecast at \$27.0 million.
- (d) Income available for distribution was \$0.3 million higher mainly due to lower professional fees incurred by the trust. The DPS achieved was 1.78 cents as compared to forecast DPS of 1.76 cents.

Actual vs forecast – FY 2014

- (a) Both hospitality and retail segments posted higher than forecast revenue for FY 2014. Gross revenue was \$115.9 million, \$0.5 million higher than forecast revenue of \$115.4 million.

Revenue from hospitality segment was \$0.1 million higher due to higher master lease income earned from the Mandarin Orchard Singapore hotel. The hotel recorded lower room sales as the RevPAR recorded was \$249 as compared to forecast RevPAR of \$257 mainly due to the impact of the renovation on room rates in 1H 2014 and the lower RevPAR achieved in 4Q 2014. F&B sales performed better than forecast due to higher banquet sales thereby translating into higher rental income for OUE H-REIT.

For retail segment, Mandarin Gallery had contributed to the higher than forecast revenue mainly due to higher income earned from leasing of advertising and outdoor space. The mall recorded an effective rent per square foot per month of \$23.7 for FY 2014.

- (b) For FY 2014, property expenses were \$0.8 million or 6.1% lower mainly due to lower than forecast utilities expenses on lower consumption and tariff rates of Mandarin Gallery.
- (c) As a result of the above, net property income recognised was \$1.3 million or 1.3% higher for FY 2014.
- (d) In line with higher net property income and lower trust expenses, income available for distribution for FY 2014 was \$2.3 million higher than forecast translating into DPS of 6.74 cents versus forecast DPS of 6.57 cents.

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 recorded lower than expected economic growth of 2.8 per cent¹ for 2014. While global recovery faces strong headwind, economists are optimistic about Singapore's growth in 2015 and forecast the economy to grow in the range of 3 per cent².

With the continued uncertain global economic outlook and the recent unfortunate aviation incidents in the region that have affected tourism sentiments, coupled with the lack of major convention events such as the Singapore Airshow, visitor arrivals in 2015 could remain soft. In 2015, Singapore is celebrating its golden jubilee, SG50, with a slew of activities throughout the year. The SG50 celebration programme has garnered international attention and Singapore has been named the top destination in Asia for 2015 by the New York Times³ and the top country to visit in 2015 by Lonely Planet⁴. Singapore is also hosting the 2015 Southeast Asian Games and the World Rugby Sevens. These factors would impact the performance of the hospitality industry.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

The prime Orchard Road location of Mandarin Orchard Singapore allows it to enjoy resilient demand as Orchard Road is a preferred accommodation location for international visitors.

While the retail scene in Singapore is expected to remain challenging, Mandarin Gallery enjoys a high degree of prominence, boasting a wide frontage along Orchard Road and is a choice location for flagship stores of international brands. Mandarin Gallery is expected to continue to enjoy stable income as the mall’s rental income comprises mainly fixed rent.

In line with OUE H-Trust’s strategy to acquire value-enhancing assets, OUE H-Trust had obtained Stapled Securityholders’ approval at the extraordinary general meeting held on 13 January 2015 to acquire Crowne Plaza Changi Airport (“CPCA”) and its future extension (“CPEX”). The acquisition of CPCA is expected to be completed no later than end February 2015 and will be accretive to the income of OUE H-Trust following completion. The addition of CPCA will also expand OUE H-Trust’s coverage of the Singapore hospitality market and enlarge and diversify its hotel clientele. CPCA will be able to leverage on the expansion plans of Changi Airport, which has commenced the development of Terminal 4 and Jewel Changi Airport, and the corporate demand from companies located at the nearby Changi Business Park.

The construction of CPEX is expected to be completed by end of 2015 (but no later than June 2016) and OUE H-Trust will complete the acquisition when CPEX has obtained its temporary occupation permit.

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

¹ The Straits Times, 31 December 2014, “Singapore’s economy grew 2.8% in 2014, incomes rose: PM”

² channelnewsasia.com, 31 December 2014, “Experts optimistic about Singapore’s growth in 2015”

³ The Straits Times, 12 January 2015, “The New York Times lists Singapore as top destination in Asia for 2015”

⁴ Lonely Planet - <http://www.lonelyplanet.com/best-in-travel/countries/01-singapore>

11. Distributions

(a) Current financial period

Any distribution declared for the current financial period?	Yes
Name of distribution	Distribution for the period from 1 October 2014 to 31 December 2014
Distribution type	Taxable income
Distribution rate per stapled security	1.78 cents
Book closure date	4 February 2015
Date payable	27 February 2015

(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 25 July 2013 to 31 December 2013 ⁽¹⁾
Distribution type	Taxable income
Distribution rate per stapled security	2.90 cents ⁽¹⁾

⁽¹⁾ As the Stapled Group was listed on 25 July 2013, the distribution of 2.90 cents per stapled security was the first distribution made for the period from 25 July 2013 (the Listing Date) to 31 December 2013.

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(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. SEGMENT INFORMATION

	Stapled Group					
	FY 2014			25/7/2013 to 31/12/2013 ⁽¹⁾		
	Hospitality S\$'000	Retail S\$'000	Total S\$'000	Hospitality S\$'000	Retail S\$'000	Total S\$'000
Gross revenue	78,647	37,243	115,890	34,506	16,106	50,612
Property expenses	(3,742)	(8,982)	(12,724)	(1,651)	(4,140)	(5,791)
Reportable segment net property income	74,905	28,261	103,166	32,855	11,966	44,821
Unallocated items:						
- REIT Manager's fees			(9,535)			(4,198)
- REIT Trustee's fees			(304)			(121)
- Other trust expenses			(1,236)			(867)
- Finance income			1,345			11
- Finance expenses			(14,721)			(10,107)
Net income			78,715			29,539
Net change in fair value of investment properties	(17)	(130)	(147)	39,947	10,976	50,923
Total return for the year/period			78,568			80,462

⁽¹⁾ Although OUE H-REIT and the Stapled Group were constituted on 10 July 2013, they were listed on 25 July 2013 and accordingly, the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

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 8 on the review of actual performance.

16. BREAKDOWN OF SALES

	Stapled Group		
	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾	Increase/ (Decrease)
	S\$'000	S\$'000	%
Gross revenue reported for first half year	57,022	–	n.m.
Total return for first half year	38,766	–	n.m.
Gross revenue reported for second half year	58,868	50,612	n.m.
Total return for second half year	39,802	80,462 ⁽²⁾	n.m.

⁽¹⁾ Although OUE H-REIT and the Stapled Group were constituted on 10 July 2013, they were listed on 25 July 2013 and accordingly, the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013.

⁽²⁾ Included in the total return for the financial period from 25 July 2013 to 31 December 2013 was an amount \$50,923,000 relating to the fair value gain on investment properties which arose as the acquisition costs were lower than the valuations.

n.m.: Not meaningful to compare the financial information as the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013 only.

17. BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION

	Stapled Group	
	FY 2014	25/7/2013 to 31/12/2013 ⁽¹⁾
	S\$'000	S\$'000
25 July 2013 to 31 December 2013 – paid	38,088	–
1 January 2014 to 31 March 2014 – paid	22,112	–
1 April 2014 to 30 June 2014 – paid	21,630	–
1 July 2014 to 30 September 2014 – paid	21,672	–

⁽¹⁾ Although OUE H-REIT and the Stapled Group were constituted on 10 July 2013, they were listed on 25 July 2013 and accordingly, the comparative information presented relates to the financial period from 25 July 2013 to 31 December 2013.

18. 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.

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND
OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

On behalf of the Board of Directors

Christopher Williams
Chairman

Chong Kee Hiong
Chief Executive Officer and
Executive Director

27 January 2015

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 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 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

27 January 2015