

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 2015**

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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 2015

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 for a purchase consideration of S\$290 million. As at 31 December 2015, OUE H-REIT’s asset portfolio comprised the 1,077-room Mandarin Orchard Singapore; the adjoining Mandarin Gallery; and the newly acquired Crowne Plaza Changi Airport which was accorded the World’s Best Airport Hotel 2015 by Skytrax.

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 or Crowne Plaza Changi Airport 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 FOURTH QUARTER ENDED 31 DECEMBER 2015

1 (a) STATEMENTS OF TOTAL RETURN

		OUE H-REIT Group					
	Note	4Q2015	4Q2014	Increase/ (Decrease)	FY2015	FY2014	Increase/ (Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	(a)	32,981	30,361	8.6	124,588	115,890	7.5
Property tax		(2,037)	(1,849)	10.2	(7,934)	(6,823)	16.3
Insurance		(57)	(39)	46.1	(223)	(157)	42.0
Other property expenses	(b)	(2,046)	(1,514)	35.1	(7,325)	(5,744)	27.5
Net property income		28,841	26,959	7.0	109,106	103,166	5.8
REIT Manager's base management fees	(c)	(1,588)	(1,359)	16.9	(6,290)	(5,408)	16.3
REIT Manager's performance fees		(1,154)	(1,078)	7.1	(4,364)	(4,127)	5.7
REIT Trustee's fees	(d)	(99)	(86)	15.1	(392)	(304)	28.9
Other trust expenses		(155)	(182)	-14.8	(1,071)	(1,234)	-13.2
Finance income		47	275	-82.9	1,168	1,345	-13.2
Finance expenses		(6,601)	(3,707)	78.1	(23,371)	(14,721)	58.8
Net finance expenses	(e)	(6,554)	(3,432)	91.0	(22,203)	(13,376)	66.0
Net income		19,291	20,822	-7.4	74,786	78,717	-5.0
Net change in fair value of investment properties	(f)	2,924	(147)	n.m.	2,924	(147)	n.m.
Total return for the period	(g)	22,215	20,675	7.4	77,710	78,570	-1.1

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 FOURTH QUARTER ENDED 31 DECEMBER 2015

		Stapled Group						
Note	4Q2015	4Q2014	Increase/ (Decrease)	FY2015	FY2014	Increase/ (Decrease)		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%		
	Gross revenue	(a)	32,981	30,361	8.6	124,588	115,890	7.5
	Property tax		(2,037)	(1,849)	10.2	(7,934)	(6,823)	16.3
	Insurance		(57)	(39)	46.1	(223)	(157)	42.0
	Other property expenses	(b)	(2,046)	(1,514)	35.1	(7,325)	(5,744)	27.5
	Net property income		28,841	26,959	7.0	109,106	103,166	5.8
	REIT Manager's base management fees	(c)	(1,588)	(1,359)	16.9	(6,290)	(5,408)	16.3
	REIT Manager's performance fees		(1,154)	(1,078)	7.1	(4,364)	(4,127)	5.7
	REIT Trustee's fees	(d)	(99)	(86)	15.1	(392)	(304)	28.9
	Other trust expenses		(155)	(182)	-14.8	(1,074)	(1,236)	-13.1
	Finance income		47	275	-82.9	1,168	1,345	-13.2
	Finance expenses		(6,601)	(3,707)	78.1	(23,371)	(14,721)	58.8
	Net finance expenses	(e)	(6,554)	(3,432)	91.0	(22,203)	(13,376)	66.0
	Net income		19,291	20,822	-7.4	74,783	78,715	-5.0
	Net change in fair value of investment properties	(f)	2,924	(147)	n.m.	2,924	(147)	n.m.
	Total return for the period	(g)	22,215	20,675	7.4	77,707	78,568	-1.1

n.m.: not meaningful

NOTES TO THE STATEMENTS OF TOTAL RETURN

- (a) Gross revenue comprises master lease income from Mandarin Orchard Singapore hotel (“**MOS**”) and Crowne Plaza Changi Airport hotel (“**CPCA**”); and income from Mandarin Gallery (“**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. The expenses were higher mainly due to CPCA which was acquired on 30 January 2015.
- (c) The increase in REIT Manager's base management fees was mainly due to the addition of CPCA to the asset portfolio as the fee is pegged to the gross assets of OUE H-REIT in accordance with the REIT Trust Deed.
- (d) REIT Trustee's fees were also higher due to the addition of CPCA to the asset portfolio.

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 2015

(e) Net finance expenses comprise the following:

		OUE H-REIT Group and Stapled Group					
Note	4Q2015	4Q2014	Increase/ (Decrease)	FY2015	FY2014	Increase/ (Decrease)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
	15	5	>100.0	59	25	>100.0	
Interest income from fixed deposits							
(e)(i)	32	270	-88.1	1,109	1,320	16.0	
Ineffective portion of changes in fair value of cash flow hedge							
	47	275	-82.9	1,168	1,345	13.2	
Finance income							
	(577)	(420)	37.4	(2,258)	(1,680)	34.4	
Amortisation of debt-related transaction costs							
(e)(ii)	(6,024)	(3,287)	83.3	(21,113)	(13,041)	58.8	
Interest expense paid/payable to banks							
	(6,601)	(3,707)	78.1	(23,371)	(14,721)	58.8	
Finance expenses							
Net finance expenses	(6,554)	(3,432)	91.0	(22,203)	(13,376)	66.0	

(e)(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 is deducted for the purpose of arriving at the income available for distribution (see (g) below).

(e)(ii) The higher interest expense was mainly due to the additional \$295 million loan that was drawn down on 30 January 2015 to fund the acquisition of CPCA and higher interest rate on fixing a portion of the floating rate loan.

(f) The net change in fair value of investment properties relates to the fair value gain on MOS, MG and CPCA based on independent full valuations of the investment properties carried out. The fair value gain in respect of CPCA arose as the valuation of \$295 million was higher than the acquisition and related costs of \$293.0 million (which include \$2,175,000 REIT Manager's acquisition fee).

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 2015

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

	4Q2015	4Q2014	Increase/ (Decrease)	FY2015	FY2014	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
OUE H-REIT	22,217	20,680	7.4	77,714	78,577	-1.1
Other OUE H-REIT Group entity	(2)	(5)	-0.6	(4)	(7)	-42.9
OUE H-REIT Group	22,215	20,675	7.4	77,710	78,570	-1.1
OUE H-BT	–	–	–	(3)	(2)	50.0
Stapled Group	22,215	20,675	7.4	77,707	78,568	-1.1

n.m.: not meaningful

(h) Income available for distribution

OUE H-REIT Group and Stapled Group						
Note	4Q2015	4Q2014	Increase/ (Decrease)	FY2015	FY2014	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period of OUE H-REIT	22,217	20,680	7.4	77,714	78,577	-1.1
Add/(Less): Non-tax deductible/ (chargeable) items:						
- REIT Manager's management fees paid/payable in Stapled Securities	2,742	2,437	12.5	10,654	9,535	11.7
- REIT Trustee's fees	99	86	15.1	392	304	28.9
- Amortisation of debt-related transaction costs	577	420	37.4	2,258	1,680	34.4
- Ineffective portion of changes in fair value of cash flow hedge	(32)	(270)	88.1	(1,109)	(1,320)	-16.0
- Net change in fair value of investment properties	(2,924)	147	n.m.	(2,924)	147	n.m.
- Other items	102	57	78.9	372	71	>100.0
	564	2,877	80.4	9,643	10,417	-7.4
Income available for distribution (h)(i)	22,781	23,557	3.3	87,357	88,994	-1.8

n.m.: not meaningful

(h)(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 2015

1 (b)(i) STATEMENTS OF FINANCIAL POSITION

Note	OUE H-REIT Group		OUE H-BT		Stapled Group	
	31/12/2015 S\$'000	31/12/2014 S\$'000	31/12/2015 S\$'000	31/12/2014 S\$'000	31/12/2015 S\$'000	31/12/2014 S\$'000
ASSETS						
Non-current assets						
Investment properties	(a) 2,054,000	1,756,000	–	–	2,054,000	1,756,000
Deposit	(b) 1,501	–	–	–	1,501	–
Financial derivative assets	(c) 4,752	–	–	–	4,752	–
	2,060,253	1,756,000	–	–	2,060,253	1,756,000
Current assets						
Financial derivative assets	(c) 374	–	–	–	374	–
Trade and other receivables	8,882	9,271	–	–	8,882	9,271
Cash and cash equivalents	31,361	31,299	15	18	31,376	31,317
	40,617	40,570	15	18	40,632	40,588
Total assets	2,100,870	1,796,570	15	18	2,100,885	1,796,588
LIABILITIES						
Non-current liabilities						
Borrowings	(d) 584,821	583,111	–	–	584,821	583,111
Financial derivative liabilities	–	2,027	–	–	–	2,027
Rental deposits	3,249	3,331	–	–	3,249	3,331
	588,070	588,469	–	–	588,070	588,469
Current liabilities						
Borrowings	(d) 292,408	–	–	–	292,408	–
Financial derivative liabilities	(c) –	255	–	–	–	255
Rental deposits	2,009	2,323	–	–	2,009	2,323
Trade and other payables	(e) 11,394	7,186	2	2	11,396	7,188
	305,811	9,764	2	2	305,813	9,766
Total liabilities	893,881	598,233	2	2	893,883	598,235
Net assets	1,206,989	1,198,337	13	16	1,207,002	1,198,353
Represented by:						
Unitholders' funds						
Unitholders' funds of OUE H-REIT Group	1,206,989	1,198,337	–	–	1,206,989	1,198,337
Unitholders' funds of OUE H-BT	–	–	13	16	13	16
	1,206,989	1,198,337	13	16	1,207,002	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 2015

NOTES TO STATEMENTS OF FINANCIAL POSITION

- (a) The increase in investment properties was mainly due to the acquisition of CPCA.
- (b) Deposit pertains to the security deposit placed with Changi Airport Group, the lessor of the CPCA site.
- (c) Financial derivative assets/liabilities relate to the fair value of interest rate swaps used to hedge OUE H-REIT Group's interest rate risk.
- (d) The increase in borrowings was mainly due to a loan drawn down in January 2015 for the acquisition of CPCA.
- (e) The increase in trade and other payables was mainly due to the increase in accruals for property expenses and interest expense relating to CPCA.

1 (b)(ii) BORROWINGS

	OUE H-REIT Group and Stapled Group	
	31/12/2015 S\$'000	31/12/2014 S\$'000
Repayable within one year		
Secured borrowings	293,000	–
Less: Unamortised transaction costs	(592)	–
	292,408	–
Repayable after one year		
Secured borrowings	589,000	587,000
Less: Unamortised transaction costs	(4,179)	(3,889)
	584,821	583,111
Total		
Secured borrowings	882,000	587,000
Less: Unamortised transaction costs	(4,771)	(3,889)
	877,229	583,111

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 2015

Details of borrowings and collateral

Secured bank loans

Facilities		OUE H-REIT 31/12/2015			
		Facility amount S\$'000	Drawn down S\$'000	Undrawn S\$'000	Repayable
S\$630.0 million	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	–
S\$295.0 million	5-year term loan	295,000	(295,000)	–	January 2020
		925,000	(882,000)	43,000	

As at 31 December 2015, OUE H-REIT's weighted average debt maturity was 2.4 years with a gearing of 42.0%.

For 4Q2015, the average cost of debt of OUE H-REIT was 2.7% per annum, with an interest service cover of 4.3 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 December 2015, 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 2015**
1 (c) STATEMENTS OF CASH FLOWS

		OUE H-REIT Group			
Note		4Q2015	4Q2014	FY2015	FY2014
		S\$'000	S\$'000	S\$'000	S\$'000
Operating activities					
	Total return for the period	22,215	20,675	77,710	78,570
	Adjustments for:				
	REIT Manager's fees paid/payable in Stapled Securities (a)	2,742	2,437	10,654	9,535
	Finance income	(47)	(275)	(1,168)	(1,345)
	Finance expenses	6,601	3,707	23,371	14,721
	Net change in fair value of investment properties	(2,924)	147	(2,924)	147
	Operating income before working capital changes	28,587	26,691	107,643	101,628
	Changes in working capital:				
	Deposits	–	–	(1,501)	–
	Trade and other receivables	318	(1,225)	408	8,111
	Trade and other payables	1,321	(1,302)	2,251	(201)
	Rental deposits	(727)	90	(396)	(21,666)
	Cash generated from operating activities	29,499	24,254	108,405	87,872
Investing activities					
	Interest received	4	5	40	25
	Capital expenditure on investment properties	(1,196)	(129)	(2,033)	(147)
	Acquisition of investment property (b)	–	–	(290,868)	–
	Cash used in investing activities	(1,192)	(124)	(292,861)	(122)
Financing activities					
	Finance expenses paid	(5,570)	(3,287)	(19,156)	(13,041)
	Proceeds from borrowings (b)	–	–	295,000	–
	Payment of transaction costs on borrowings	–	–	(3,140)	–
	Distribution to Stapled Securityholders (c)	(22,969)	(21,672)	(88,186)	(103,502)
	Issue costs paid	–	–	–	(717)
	Cash (used in)/generated from financing activities	(28,539)	(24,959)	184,518	(117,260)
	Net (decrease)/increase in cash and cash equivalents	(232)	(829)	62	(29,510)
	Cash and cash equivalents at beginning of the period	31,593	32,128	31,299	60,809
	Cash and cash equivalents at end of the period	31,361	31,299	31,361	31,299

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 2015

		Stapled Group			
Note	4Q2015 S\$'000	4Q2014 S\$'000	FY2015 S\$'000	FY2014 S\$'000	
Operating activities					
	22,215	20,675	77,707	78,568	
	Adjustments for:				
(a)	2,742	2,437	10,654	9,535	
	(47)	(275)	(1,168)	(1,345)	
	6,601	3,707	23,371	14,721	
	(2,924)	147	(2,924)	147	
	28,587	26,691	107,640	101,626	
	Changes in working capital:				
	–	–	(1,501)	–	
	318	(1,225)	408	8,111	
	1,321	(1,302)	2,251	(201)	
	(727)	90	(396)	(21,666)	
	29,499	24,254	108,402	87,870	
Investing activities					
	4	5	40	25	
	(1,196)	(129)	(2,033)	(147)	
(b)	–	–	(290,868)	–	
	(1,192)	(124)	(292,861)	(122)	
Financing activities					
	(5,570)	(3,287)	(19,156)	(13,041)	
(b)	–	–	295,000	–	
	–	–	(3,140)	–	
(c)	(22,969)	(21,672)	(88,186)	(103,502)	
	–	–	–	(717)	
	(28,539)	(24,959)	184,518	(117,260)	
	(232)	(829)	59	(29,512)	
	31,608	32,146	31,317	60,829	
	31,376	31,317	31,376	31,317	

**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 2015**

NOTES TO STATEMENTS OF CASH FLOWS

- (a) **4Q2015**
3,673,503 (4Q2014: 2,706,126) Stapled Securities amounting to \$2,742,000 (4Q2014: \$2,437,000) will be issued to the REIT Manager as satisfaction of management fees payable in units in respect of the quarter.

FY2015
12,602,702 (FY2014: 10,784,271) Stapled Securities amounting to \$10,654,000 (FY2014: \$9,535,000) were/will be issued to the REIT Manager as satisfaction of management fees payable in units in respect of FY2015.

- (b) During the year, proceeds from borrowings were utilised to fund the purchase of CPCA and its related acquisition cost.

- (c) **4Q2015**
Distribution to Stapled Securityholders relates to the distribution paid in respect of 3Q2015. For 4Q2014, the distribution paid was in respect of 3Q2014.

FY2015
Distribution to Stapled Securityholders relates to the distribution paid in respect of the financial period from 1 October 2014 to 30 September 2015. In the previous corresponding period, the distribution paid was in respect of the financial period from 25 July 2013 (date of listing) to 30 September 2014.

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 2015

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

	OUE H-REIT Group				OUE H-BT	Stapled Group	
	Units in issue and to be issued	Issue costs	Hedging reserve	Accumulated profits	Total	Total	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1/10/2015	1,175,368	(22,303)	3,408	45,810	1,202,283	13	1,202,296
Operations							
Increase/(Decrease) in net assets resulting from operations	–	–	–	22,215	22,215	–	22,215
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	–	–	2,718	–	2,718	–	2,718
Unitholders’ transactions							
Distribution to Stapled Securityholders	–	–	–	(22,969)	(22,969)	–	(22,969)
Stapled Securities to be issued as payment of REIT Manager’s management fees	2,742	–	–	–	2,742	–	2,742
Increase/ (Decrease) in net assets resulting from unitholders’ transactions	2,742	–	–	(22,969)	(20,227)	–	(20,227)
At 31/12/2015	1,178,110	(22,303)	6,126	45,056	1,206,989	13	1,207,002

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 2015

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 1/1/2015	1,165,281	(22,303)	(173)	55,532	1,198,337	16	1,198,353
Operations							
Increase/(Decrease) in net assets resulting from operations	–	–	–	77,710	77,710	(3)	77,707
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	–	–	6,299	–	6,299	–	6,299
Unitholders' transactions							
Distribution to Stapled Securityholders	–	–	–	(88,186)	(88,186)	–	(88,186)
Stapled Securities issued/ to be issued as payment of REIT Manager's management fees	10,654	–	–	–	10,654	–	10,654
Stapled Securities issued as payment of REIT Manager's acquisition fees	2,175	–	–	–	2,175	–	2,175
Increase/ (Decrease) in net assets resulting from unitholders' transactions	12,829	–	–	(88,186)	(75,357)	–	(75,357)
At 31/12/2015	1,178,110	(22,303)	6,126	45,056	1,206,989	13	1,207,002

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 2015

	OUE H-REIT Group				OUE H-BT	Stapled Group	
	Units in issue and to be issued	Issue costs	Hedging reserve	Accumulated profits	Total	Total	
	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	–	–	–	(21,672)	(21,672)	–	(21,672)
Stapled Securities to be issued as payment of REIT Manager's management fees	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 2015

	OUE H-REIT Group				OUE H-BT	Stapled Group	
	Units in issue and to be issued	Issue costs	Hedging reserve	Accumulated profits	Total	Total	
	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	–	–	–	(103,502)	(103,502)	–	(103,502)
Stapled Securities issued/to be issued as payment of REIT Manager's management fees	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

NOTES TO STATEMENTS OF MOVEMENT IN UNITHOLDERS' FUNDS

- (a) This relates to 2,344,507 Stapled Securities amounting to \$2,175,000 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 FOURTH QUARTER ENDED 31 DECEMBER 2015

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

Note	Stapled Group			
	4Q2015	4Q2014	FY2015	FY2014
	'000	'000	'000	'000
Issued Stapled Securities at beginning of the period	1,332,010	1,318,844	1,321,441	1,310,627
Issue of new Stapled Securities:				
- as payment of REIT Manager's management fees	3,411	2,597	11,635	10,814
- as payment of REIT Manager's acquisition fee (a)	–	–	2,345	–
Issued Stapled Securities at the end of the period	1,335,421	1,321,441	1,335,421	1,321,441
Stapled Securities to be issued:				
- as payment of REIT Manager's management fees (b)	3,674	2,706	3,674	2,706
Total issued and issuable Stapled Securities at end of the period	1,339,095	1,324,147	1,339,095	1,324,147

NOTES

- (a) This relates to the Stapled Securities that were issued as satisfaction of the REIT Manager's acquisition fee amounting to \$2,175,000 in connection with OUE H-REIT's acquisition of CPCA.
- (b) This relates to the 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 year ended 31 December 2014.

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 2015

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			
	4Q2015	4Q2014	FY2015	FY2014
Weighted average number of Stapled Securities ('000):				
- in issue	1,335,421	1,321,441	1,330,657	1,317,507
- issuable	40	29	10	7
	1,335,461	1,321,470	1,330,667	1,317,514
Basic and diluted EPS ⁽¹⁾ (cents)	1.66	1.56	5.84	5.96
Number of Stapled Securities entitled to distribution ('000):				
- in issue	1,335,421	1,321,441	1,335,421	1,321,441
- issuable	3,674	2,706	3,674	2,706
	1,339,095	1,324,147	1,339,095	1,324,147
DPS (cents)	1.70	1.78	6.55	6.74

⁽¹⁾ Diluted EPS is the same as basic EPS as there are no dilutive instruments in issue during the period.

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

	OUE H-REIT Group and Stapled Group	
	31/12/2015	31/12/2014
Number of Stapled Securities ('000):		
- in issue	1,335,421	1,321,441
- issuable	3,674	2,706
	1,339,095	1,324,147
NAV and NTA per OUE H-REIT unit/Stapled Security	\$0.90	\$0.90

**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 2015**
8. REVIEW OF PERFORMANCE

		Stapled Group					
Note	4Q2015	4Q2014	Increase/ (Decrease)	FY2015	FY2014	Increase/ (Decrease)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Gross revenue:							
	- Hospitality	23,797	20,878	14.0	87,874	78,647	11.7
	- Retail	9,184	9,483	-3.2	36,714	37,243	-1.4
(a)		32,981	30,361	8.6	124,588	115,890	7.5
Property expenses:							
	- Hospitality	(1,569)	(1,050)	49.4	(6,127)	(3,742)	63.7
	- Retail	(2,571)	(2,352)	9.3	(9,355)	(8,982)	4.2
(b)		(4,140)	(3,402)	21.7	(15,482)	(12,724)	21.7
Net property income:							
	- Hospitality	22,228	19,828	12.1	81,747	74,905	9.1
	- Retail	6,613	7,131	-7.3	27,359	28,261	-3.2
(c)		28,841	26,959	7.0	109,106	103,166	5.8
	REIT Manager's fees	(2,742)	(2,437)	12.5	(10,654)	(9,535)	11.7
	REIT Trustee's fees	(99)	(86)	15.1	(392)	(304)	28.9
	Other trust expenses	(155)	(182)	-14.8	(1,074)	(1,236)	-13.1
(d)	Net finance expenses	(6,554)	(3,432)	91.0	(22,203)	(13,376)	66.0
	Net income	19,291	20,822	-7.4	74,783	78,715	-5.0
Net change in fair value of investment properties:							
	- Hospitality	2,646	(17)	n.m.	2,646	(17)	n.m.
	- Retail	278	(130)	n.m.	278	(130)	n.m.
		2,924	(147)	n.m.	2,924	(147)	n.m.
	Total return for the period	22,215	20,675	7.4	77,707	78,568	-1.1
(e)	Income available for distribution	22,781	23,557	-3.3	87,357	88,994	-1.8
(e)	DPS (cents)	1.70	1.78	-4.5	6.55	6.74	-2.8

4Q2015 vs 4Q2014

- (a) Gross revenue for 4Q2015 was \$2.6 million higher than 4Q2014. 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.

**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 2015**

	Revenue			Net property income			RevPAR		
	4Q2015	4Q2014	Increase/ (Decrease)	4Q2015	4Q2014	Increase/ (Decrease)	4Q2015	4Q2014	Increase/ (Decrease)
	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m	S\$	S\$	%
MOS ¹	19.8	20.9	(1.1)	18.9	19.8	(0.9)	236	245	-3.7
CPCA	4.0	–	n.m.	3.3	–	n.m.	242	–	n.m.
Hospitality portfolio	23.8	20.9	2.9	22.2	19.8	2.4	238	245	-2.9

¹ RevPAR for 4Q2014 was restated to be on the same basis as 4Q2015. The restatement of RevPAR has no impact to the computation of the master lease income received by OUE H-REIT.

*RevPAR: revenue per available room
n.m.: not meaningful*

Hospitality revenue was \$2.9 million higher than 4Q2014. This was a result of the additional \$4.0 million of master lease income contribution from the newly acquired CPCA which more than offset the decrease of \$1.1 million master lease income from MOS.

Master lease income from MOS was \$1.1 million lower than 4Q2014 mainly as a result of lower room sales and lower Gross Operating Profit (“GOP”). The lower room sales as reflected in lower RevPAR of \$236 (4Q2014: \$245) was mainly attributed to a decline in transient business. Better food and beverage sales from higher banquet sales and higher patronage at the F&B outlets had partially mitigated the lower room sales. The lower GOP was due to lower sales as well as higher operating expenses.

CPCA contributed \$4.0 million master lease income in 4Q2015 and the RevPAR achieved was \$242.

Retail segment pertains to rental and other income from the Mandarin Gallery (“MG”) shopping mall. Retail revenue was \$0.3 million lower than 4Q2014 mainly due to lower occupancy and fit-out periods for tenants arising from lease renewals. The mall recorded an effective rent per square foot per month of \$24.6 for 4Q2015 as compared to \$23.6 for 4Q2014.

- (b) Property expenses were \$0.7 million higher than 4Q2014 mainly due to additional property expenses from the newly acquired CPCA which include the land rent payable to Changi Airport Group.
- (c) Net property income for 4Q2015 was \$1.9 million higher than 4Q2014 mainly due to master lease income from CPCA.
- (d) Net finance expenses were \$3.1 million higher than 4Q2014 mainly due to the interest expense on the borrowings drawn down to fund the acquisition of CPCA and higher interest rate on fixing a portion of the floating rate loan.
- (e) Income available for distribution was \$0.8 million lower than 4Q2014 mainly due to lower contribution from MOS and MG. As a result, DPS for 4Q2015 was 1.70 cents as compared to 4Q2014 DPS of 1.78 cents.

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 2015

FY2015 vs FY2014

- (a) Gross revenue for FY2015 was \$8.7 million higher than FY2014. Hospitality segment posted higher revenue which offset the lower revenue from retail segment.

	Revenue			Net property income			RevPAR		
	FY2015	FY2014	Increase/ (Decrease)	FY2015	FY2014	Increase/ (Decrease)	FY2015	FY2014	Increase/ (Decrease)
	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m	S\$	S\$	%
MOS ¹	73.5	78.6	(5.1)	69.7	74.9	(5.2)	230	239	-3.8
CPCA ²	14.4	–	n.m.	12.0	–	n.m.	242	–	n.m.
Hospitality portfolio	87.9	78.6	9.3	81.7	74.9	6.8	233	239	-2.5

¹ RevPAR for FY2014 was restated to be on the same basis as FY2015. The restatement of RevPAR has no impact to the computation of the master lease income received by OUE H-REIT.

² The figures relating to CPCA were for the period from 30 January 2015 (date of acquisition) to 31 December 2015.

RevPAR: revenue per available room
n.m.: not meaningful

Hospitality revenue was \$9.3 million higher than FY2014. This was a result of the additional \$14.4 million of master lease income contribution from the newly acquired CPCA which more than offset the decrease of \$5.1 million master lease income from MOS.

Master lease income from MOS was \$5.1 million lower than FY2014 as a result of lower room sales and lower GOP. The lower room sales as reflected in lower RevPAR of \$230 (FY2014: \$239) was mainly attributed to the absence of major meetings, incentives, convention and exhibition (MICE) events that were held in 2014 (and every subsequent alternate years). The drop in international visitor arrivals in the first half of FY2015 had also negatively impacted demand for hotel rooms. The lower GOP was due to lower sales as well as higher operating expenses.

CPCA contributed \$14.4 million master lease income in FY2015 and the RevPAR achieved was \$242.

Retail revenue for FY2015 was \$0.5 million lower than FY2014 mainly due to lower occupancy and fit-out periods for tenants arising from lease renewals. The mall recorded an effective rent per square foot per month of \$24.7 for FY2015 as compared to \$23.7 for FY2014.

- (b) Property expenses were \$2.8 million higher than FY2014 mainly due to additional property expenses from the newly acquired CPCA which include the land rent payable to Changi Airport Group.
- (c) Net property income for FY2015 was \$5.9 million higher than FY2014 mainly due to master lease income from CPCA.
- (d) Net finance expenses were \$8.8 million higher than FY2014 mainly due to the interest expense on the borrowings drawn down to fund the acquisition of CPCA and higher interest rate on fixing a portion of the floating rate loan.
- (e) Income available for distribution was \$1.6 million lower than FY2014 mainly due to lower contribution from MOS. As a result, DPS for FY2015 was 6.55 cents as compared to FY2014 DPS of 6.74 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 FOURTH QUARTER ENDED 31 DECEMBER 2015

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 0.4%¹ year-on-year increase in international visitor arrivals in the first eleven months of 2015.

In 2016, Singapore will again host major biennial events such as The Singapore Airshow and Food & Hotel Asia in the first half of the year. It will also be the first year that the country will host the World Rugby Sevens Series in April 2016. These events are expected to increase hospitality demand.

However, the global economic environment remains uncertain. The World Bank recently lowered its forecast for global growth in 2016 from 3.3% made previously to 2.9%. According to Singapore’s Ministry of Trade and Industry, the estimated growth for Singapore is expected to be in the range of 1% to 3% for 2016² after achieving an estimated growth rate of 2.1% for 2015³. 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.

The acquisition of Crowne Plaza Changi Airport has increased the income and enhanced the diversification of OUE H-Trust. OUE H-Trust expects to acquire the Crowne Plaza Changi Airport extension of 243-rooms by the second half of 2016 following the completion of the construction of the extension and upon receipt of the temporary occupation permit.

The asset enhancement programme for Mandarin Orchard Singapore will continue into 2016. The remaining 270 guest rooms out of the 430 guest rooms to be renovated will be refurbished in phases. This refurbishment is funded by the Sponsor, OUE Limited.

The retail scene in Singapore is expected to remain challenging amidst Mandarin Gallery’s lease renewal cycle in FY2016 as tenants adopt a more cautious view of the market. In addition, during tenancy changes as part of the lease renewal cycle, more fit-out periods is expected. 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 occupancy in first half of FY2016.

Amongst the new leases signed are two with Michael Kors and Victoria’s Secret which will launch their new flagship stores in FY2016. These two international brands will be calling Mandarin Gallery home for seven years and 10 years respectively. The longer terms of these leases will help anchor the mall’s income stability in this challenging market. The addition of these two international brands will also rejuvenate Mandarin Gallery’s street front façade.

Mandarin Gallery will continue to focus on leveraging on its position as a high-end fashion mall and lifestyle destination to attract quality tenants and delight shoppers.

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

¹ Singapore Tourism Board, International Visitor Arrivals Statistics, 19 January 2016

² MTI Press Release: 25 November 2015 – MTI Forecasts GDP to Grow by “Close to 2.0%” in 2015 and “1.0% to 3.0%” in 2016.

³ MTI Press Release: 04 January 2016 - Singapore’s GDP Grew by 2.0 Per Cent in the Fourth Quarter of 2015.

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 2015

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 2015 to 31 December 2015
Distribution type	Taxable income
Distribution rate per stapled security	1.70 cents
Book closure date	2 February 2016
Date payable	26 February 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 October 2014 to 31 December 2014
Distribution type	Taxable income
Distribution rate per stapled security	1.78 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.

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 2015

14. SEGMENT INFORMATION

	Stapled Group					
	FY2015			FY2014		
	Hospitality S\$'000	Retail S\$'000	Total S\$'000	Hospitality S\$'000	Retail S\$'000	Total S\$'000
Gross revenue	87,874	36,714	124,588	78,647	37,243	115,890
Property expenses	(6,127)	(9,355)	(15,482)	(3,742)	(8,982)	(12,724)
Reportable segment net property income	81,747	27,359	109,106	74,905	28,261	103,166
Unallocated items:						
- REIT Manager's fees			(10,654)			(9,535)
- REIT Trustee's fees			(392)			(304)
- Other trust expenses			(1,074)			(1,236)
- Finance income			1,168			1,345
- Finance expenses			(23,371)			(14,721)
Net income			74,783			78,715
Net change in fair value of investment properties	2,646	278	2,924	(17)	(130)	(147)
Total return for the year			77,707			78,568

15. Factors leading to any material changes in contributions to turnover and earnings

Please refer to Section 8 on the review of actual performance.

16. BREAKDOWN OF SALES

	Stapled Group		
	FY2015	FY2014	Increase/ (Decrease)
	S\$'000	S\$'000	%
Gross revenue reported for first half year	58,938	57,022	3.4
Total return for first half year	35,557	38,766	-8.3
Gross revenue reported for second half year	65,650	58,868	11.5
Total return for second half year	42,150	39,802	5.9

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 2015

17. BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION

For the financial period:

1 January to 31 March – paid

1 April to 30 June – paid

1 July to 30 September – paid

1 October to 31 December – paid

Stapled Group	
2015	2014
S\$'000	S\$'000
21,401	22,112
20,247	21,630
22,969	21,672
— ⁽¹⁾	23,569

⁽¹⁾ Please refer to section 11.

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.

On behalf of the Board of Directors

Christopher Williams
Chairman

Chong Kee Hiong
Chief Executive Officer and
Executive Director

25 January 2016

**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 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 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 January 2016