

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND
OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”)
FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

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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 SECOND QUARTER ENDED 30 JUNE 2018

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.

As at 30 June 2018, OUE H-REIT’s asset portfolio comprised the 1,077-room Mandarin Orchard Singapore (“**MOS**”); the adjoining Mandarin Gallery (“**MG**”); and the 563-room Crowne Plaza Changi Airport (“**CPCA**”) which was named the World’s Best Airport Hotel for four consecutive years since 2015.

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 its hospitality assets 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 SECOND QUARTER ENDED 30 JUNE 2018

1 (a) STATEMENTS OF TOTAL RETURN

OUE H-REIT Group						
Note	2Q2018	2Q2017	Increase/ (Decrease)	1H2018	1H2017	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Gross revenue	30,733	31,160	(1.4)	63,415	63,246	0.3
Property tax	(1,878)	(2,363)	(20.5)	(3,757)	(4,682)	(19.8)
Insurance	(53)	(56)	(5.4)	(107)	(112)	(4.5)
Other property expenses	(2,312)	(2,118)	9.2	(4,773)	(4,396)	8.6
Net property income	26,490	26,623	(0.5)	54,778	54,056	1.3
Other income	-	1,625	n.m.	-	3,250	n.m.
Amortisation of intangible asset	-	(1,636)	n.m.	-	(3,272)	n.m.
REIT Manager's base management fees	(1,691)	(1,682)	0.5	(3,364)	(3,349)	0.4
REIT Manager's performance fees	(1,059)	(1,065)	(0.6)	(2,191)	(2,162)	1.3
REIT Trustee's fees	(104)	(104)	-	(207)	(206)	0.5
Other trust expenses	(570)	(313)	82.1	(895)	(569)	57.3
Finance income	17	347	(95.1)	34	637	(94.7)
Finance expenses	(5,815)	(6,617)	(12.1)	(11,557)	(12,492)	(7.5)
Net finance expenses	(5,798)	(6,270)	(7.5)	(11,523)	(11,855)	(2.8)
Total return for the period	17,268	17,178	0.5	36,598	35,893	2.0

Stapled Group						
Note	2Q2018	2Q2017	Increase/ (Decrease)	1H2018	1H2017	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Gross revenue	30,733	31,160	(1.4)	63,415	63,246	0.3
Property tax	(1,878)	(2,363)	(20.5)	(3,757)	(4,682)	(19.8)
Insurance	(53)	(56)	(5.4)	(107)	(112)	(4.5)
Other property expenses	(2,312)	(2,118)	9.2	(4,773)	(4,396)	8.6
Net property income	26,490	26,623	(0.5)	54,778	54,056	1.3
Other income	-	1,625	n.m.	-	3,250	n.m.
Amortisation of intangible asset	-	(1,636)	n.m.	-	(3,272)	n.m.
REIT Manager's base management fees	(1,691)	(1,682)	0.5	(3,364)	(3,349)	0.4
REIT Manager's performance fees	(1,059)	(1,065)	(0.6)	(2,191)	(2,162)	1.3
REIT Trustee's fees	(104)	(104)	-	(207)	(206)	0.5
Other trust expenses	(571)	(313)	82.4	(897)	(570)	57.4
Finance income	17	347	(95.1)	34	637	(94.7)
Finance expenses	(5,815)	(6,617)	(12.1)	(11,557)	(12,492)	(7.5)
Net finance expenses	(5,798)	(6,270)	(7.5)	(11,523)	(11,855)	(2.8)
Total return for the period	17,267	17,178	0.5	36,596	35,892	2.0

n.m.: not meaningful

NOTES TO THE STATEMENTS OF TOTAL RETURN

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

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE SECOND QUARTER ENDED 30 JUNE 2018

1 (a) STATEMENTS OF TOTAL RETURN (cont’d)

NOTES TO THE STATEMENTS OF TOTAL RETURN (cont’d)

- (c) Other income relates to income support provided by OUE Airport Hotel Pte. Ltd. (“**OUEAH**”) pursuant to a Deed of Income Support which OUE H-REIT entered into with OUEAH upon its completion of the acquisition of the extension of CPCA (“**CPEX**”) on 1 August 2016 (the “**Deed of Income Support**”). The total income support of \$7.5 million has been fully drawn down as at 3Q2017.
- (d) Amortisation of intangible asset relates to amortisation of income support provided by OUEAH pursuant to the Deed of Income Support. In 3Q2017, OUE H-REIT has amortised in full the income support in line with the full claim made on the income support. The amortisation is non-cash in nature and has no impact on income available for distribution.
- (e) Net finance expenses comprise the following:

OUE H-REIT Group and Stapled Group							
Note	2Q2018	2Q2017	Increase/ (Decrease)	1H2018	1H2017	Increase/ (Decrease)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Interest income from fixed deposits	17	17	-	34	34	-	
Ineffective portion of changes in fair value of cash flow hedge	(e)(i)	-	330	n.m.	-	603	n.m.
Finance income	17	347	(95.1)	34	637	(94.7)	
Amortisation of debt-related transaction costs	(731)	(561)	30.3	(1,462)	(1,083)	35.0	
Interest expense paid/payable to banks	(e)(ii)	(5,084)	(6,056)	(16.1)	(10,095)	(11,409)	(11.5)
Finance expenses	(5,815)	(6,617)	(12.1)	(11,557)	(12,492)	(7.5)	
Net finance expenses	(5,798)	(6,270)	(7.5)	(11,523)	(11,855)	(2.8)	

- (e)(i) This relates to the change in fair value of the interest rate swaps (“**IRS**”) that were entered into to hedge interest rate risk. It is a non-cash item and the gain/(loss) is adjusted to arrive at the income available for distribution (see (g) below).
- (e)(ii) The interest expense was lower in 2Q2018 due to lower average cost of debt.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY ("OUE H-REIT GROUP") FOR THE SECOND QUARTER ENDED 30 JUNE 2018

1 (a) STATEMENTS OF TOTAL RETURN (cont'd)

NOTES TO THE STATEMENTS OF TOTAL RETURN (cont'd)

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

OUE H-REIT Group and Stapled Group						
2Q2018	2Q2017	Increase/ (Decrease)	1H2018	1H2017	Increase/ (Decrease)	
\$'000	\$'000	%	\$'000	\$'000	%	
OUE H-REIT	17,270	17,180	0.5	36,601	35,896	2.0
Other OUE H-REIT Group entity	(2)	(2)	-	(3)	(3)	-
OUE H-REIT Group	17,268	17,178	0.5	36,598	35,893	2.0
OUE H-BT	(1)	-	n.m.	(2)	(1)	100.0
Stapled Group	17,267	17,178	0.5	36,596	35,892	2.0

(g) Income available for distribution

OUE H-REIT Group and Stapled Group						
Note	2Q2018	2Q2017	Increase/ (Decrease)	1H2018	1H2017	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Total return for the period for OUE H-REIT	17,270	17,180	0.5	36,601	35,896	2.0
Add/(Less):						
Non-tax deductible/(chargeable) items:						
- REIT Manager's management fees paid/payable in Stapled Securities	2,750	2,747	0.1	5,555	5,511	0.8
- REIT Trustee's fees	104	104	-	207	206	0.5
- Amortisation of intangible asset	-	1,636	n.m.	-	3,272	n.m.
- Amortisation of debt-related transaction costs	731	561	30.3	1,462	1,083	35.0
- Ineffective portion of changes in fair value of cash flow hedge	-	(330)	n.m.	-	(603)	n.m.
- Straight-lining of lease incentives (g)(i)	115	(128)	n.m.	10	(156)	n.m.
- Other items	291	44	>100	336	63	>100
	3,991	4,634	(13.9)	7,570	9,376	(19.3)
Income available for distribution (g)(ii)	21,261	21,814	(2.5)	44,171	45,272	(2.4)

n.m.: not meaningful

- (g)(i) Straight-line lease incentive relates to the timing difference between the recognition of lease rental income in MG and the cash rental received. As straight-line lease incentives are non-cash in nature, it is adjusted to arrive at the income available for distribution.
- (g)(ii) 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 SECOND QUARTER ENDED 30 JUNE 2018

1 (b)(i) STATEMENTS OF FINANCIAL POSITION

	Note	OUE H-REIT Group		OUE H-BT		Stapled Group	
		30/6/2018 \$'000	31/12/2017 \$'000	30/6/2018 \$'000	31/12/2017 \$'000	30/6/2018 \$'000	31/12/2017 \$'000
ASSETS							
Non-current assets							
Investment properties		2,219,693	2,218,000	-	-	2,219,693	2,218,000
Deposit	(a)	3,826	2,295	-	-	3,826	2,295
Financial derivative assets	(b)	7,996	-	-	-	7,996	-
		2,231,515	2,220,295	-	-	2,231,515	2,220,295
Current assets							
Trade and other receivables		9,715	11,017	-	-	9,715	11,017
Cash and cash equivalents		19,354	25,548	9	11	19,363	25,559
		29,069	36,565	9	11	29,078	36,576
Total assets		2,260,584	2,256,860	9	11	2,260,593	2,256,871
LIABILITIES							
Non-current liabilities							
Borrowings	1(b)(ii)	866,774	865,312	-	-	866,774	865,312
Financial derivative liabilities	(b)	-	1,046	-	-	-	1,046
Rental deposits		3,224	3,076	-	-	3,224	3,076
		869,998	869,434	-	-	869,998	869,434
Current liabilities							
Rental deposits		1,400	1,432	-	-	1,400	1,432
Trade and other payables		7,846	9,933	3	3	7,849	9,936
		9,246	11,365	3	3	9,249	11,368
Total liabilities		879,244	880,799	3	3	879,247	880,802
Net assets		1,381,340	1,376,061	6	8	1,381,346	1,376,069
Represented by:							
Unitholders' funds							
Unitholders' funds of OUE H-REIT Group		1,381,340	1,376,061	-	-	1,381,340	1,376,061
Unitholders' funds of OUE H-BT		-	-	6	8	6	8
		1,381,340	1,376,061	6	8	1,381,346	1,376,069

NOTES TO STATEMENTS OF FINANCIAL POSITION

- (a) Deposit pertains to the security deposit placed with Changi Airport Group, the lessor of CPCA.
- (b) Financial derivative assets/liabilities relate to the fair value of interest rate swaps used to hedge OUE H-REIT Group's interest rate risk.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE SECOND QUARTER ENDED 30 JUNE 2018

1 (b)(i) STATEMENTS OF FINANCIAL POSITION (cont'd)

1 (b)(ii) BORROWINGS

		OUE H-REIT Group and Stapled Group	
		30/6/2018	31/12/2017
		\$'000	\$'000
Repayable within one year			
	Secured borrowings	-	-
	Less: Unamortised transaction costs	-	-
		-	-
Repayable after one year			
	Secured borrowings	875,000	875,000
	Less: Unamortised transaction costs	(8,226)	(9,688)
		866,774	865,312
Total			
	Secured borrowings	875,000	875,000
	Less: Unamortised transaction costs	(8,226)	(9,688)
		866,774	865,312

Details of borrowings and collateral

Secured bank loans

		OUE H-REIT Group and Stapled Group			
		As at 30/6/2018			
		Facility amount	Drawn down	Repaid	Repayable
		\$'000	\$'000	\$'000	
2017 Facility	3-year term loan	425,000	425,000	-	December 2020
	4-year term loan	450,000	450,000	-	December 2021
	1-year revolving credit facility (committed)	55,000	-	-	Undrawn
	4-year revolving credit facility (uncommitted)	50,000	-	-	Undrawn

The Stapled Group has no loan refinancing requirements until December 2020.

As at 30 June 2018, the weighted average debt maturity was 3.0 years and gearing at 38.7%. The average cost of debt for 2Q2018 was 2.3% per annum, with an interest cover of 4.5 times.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE SECOND QUARTER ENDED 30 JUNE 2018

1 (b)(i) STATEMENTS OF FINANCIAL POSITION (cont’d)

1 (b)(ii) BORROWINGS (cont’d)

The above bank loan facilities are secured by:

- A registered first legal mortgage over MOS and MG (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 MG;
- 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 MOS; 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 30 June 2018, 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 SECOND QUARTER ENDED 30 JUNE 2018

1 (c) STATEMENTS OF CASH FLOWS

		OUE H-REIT Group			
Note		2Q2018	2Q2017	1H2018	1H2017
		\$'000	\$'000	\$'000	\$'000
	Operating activities				
	Total return for the period	17,268	17,178	36,598	35,893
	Adjustments for:				
	Amortisation of intangible assets	-	1,636	-	3,272
	REIT Manager's fees paid/payable in Stapled Securities (a)	2,750	2,747	5,555	5,511
	Finance income	(17)	(347)	(34)	(637)
	Finance expenses	5,815	6,617	11,557	12,492
	Straight-lining of lease incentives	115	(128)	10	(156)
	Operating income before working capital changes	25,931	27,703	53,686	56,375
	Changes in working capital:				
	Deposit	(1,531)	-	(1,531)	-
	Trade and other receivables	588	(3,444)	1,302	(4,753)
	Trade and other payables	(3,517)	(2,263)	(2,990)	(2,464)
	Rental deposits	14	(74)	116	147
	Cash generated from operating activities	21,485	21,922	50,583	49,305
	Investing activities				
	Interest received	17	3	34	35
	Capital expenditure on investment properties	(155)	(833)	(735)	(950)
	Cash generated from/(used in) investing activities	(138)	(830)	(701)	(915)
	Financing activities				
	Finance expenses paid	(5,149)	(4,685)	(10,160)	(10,164)
	Distribution to Stapled Securityholders (b)	(22,880)	(23,427)	(45,916)	(47,902)
	Cash (used in)/generated from financing activities	(28,029)	(28,112)	(56,076)	(58,066)
	Net (decrease)/increase in cash and cash equivalents	(6,682)	(7,020)	(6,194)	(9,676)
	Cash and cash equivalents at beginning of the period	26,036	25,891	25,548	28,547
	Cash and cash equivalents at end of the period	19,354	18,871	19,354	18,871

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE SECOND QUARTER ENDED 30 JUNE 2018

1 (c) STATEMENTS OF CASH FLOWS (cont'd)

		Stapled Group			
	Note	2Q2018 \$'000	2Q2017 \$'000	1H2018 \$'000	1H2017 \$'000
Operating activities					
Total return for the period		17,267	17,178	36,596	35,892
Adjustments for:					
Amortisation of intangible assets		-	1,636	-	3,272
REIT Manager's fees paid/payable in Stapled Securities	(a)	2,750	2,747	5,555	5,511
Finance income		(17)	(347)	(34)	(637)
Finance expenses		5,815	6,617	11,557	12,492
Straight-lining of lease incentives		115	(128)	10	(156)
Operating income before working capital changes		25,930	27,703	53,684	56,374
Changes in working capital:					
Deposit		(1,531)	-	(1,531)	-
Trade and other receivables		588	(3,444)	1,302	(4,753)
Trade and other payables		(3,517)	(2,263)	(2,990)	(2,464)
Rental deposits		14	(74)	116	147
Cash generated from operating activities		21,484	21,922	50,581	49,304
Investing activities					
Interest received		17	3	34	35
Capital expenditure on investment properties		(155)	(833)	(735)	(950)
Cash generated from/(used in) investing activities		(138)	(830)	(701)	(915)
Financing activities					
Finance expenses paid		(5,149)	(4,685)	(10,160)	(10,164)
Distribution to Stapled Securityholders	(b)	(22,880)	(23,427)	(45,916)	(47,902)
Cash (used in)/generated from financing activities		(28,029)	(28,112)	(56,076)	(58,066)
Net (decrease)/increase in cash and cash equivalents		(6,683)	(7,020)	(6,196)	(9,677)
Cash and cash equivalents at beginning of the period		26,046	25,902	25,559	28,559
Cash and cash equivalents at end of the period		19,363	18,882	19,363	18,882

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE SECOND QUARTER ENDED 30 JUNE 2018

1 (c) STATEMENTS OF CASH FLOWS (cont'd)

NOTES TO STATEMENTS OF CASH FLOWS

(a) **2Q2018**

In 2Q2018, 2,146,783 Stapled Securities amounting to \$1,690,807 will be issued to the REIT Manager as satisfaction of REIT Manager's base management fees payable in Stapled Securities. With effect from 1 January 2016, to be compliant with Monetary Authority of Singapore's new regulations, the REIT Manager's performance management fee will only be paid once a year, after the end of the financial year. A performance fee of \$1,059,578 has been accrued in the current quarter, which will be settled through the issuance of Stapled Securities after the year ending 31 December 2018.

In 2Q2017, 2,309,090 Stapled Securities amounting to \$1,682,403 has been issued to the REIT Manager as satisfaction of REIT Manager's base management fees payable in Stapled Securities. The performance fee of \$1,064,917 has been settled through the issuance of 1,261,900 Stapled Securities on 30 January 2018.

1H2018

In 1H2018, 4,157,545 Stapled Securities amounting to \$3,364,163 has been/will be issued to the REIT Manager as satisfaction of REIT Manager's base management fees payable in Stapled Securities. A performance fee of \$2,191,103 has been accrued for the current period, which will be settled through the issuance of Stapled Securities after the year ending 31 December 2018.

In 1H2017, 4,731,682 Stapled Securities amounting to \$3,349,389 has been issued to the REIT Manager as satisfaction of REIT Manager's base management fees payable in Stapled Securities. The performance fee of \$2,162,226 has been settled through the issuance of 2,562,183 Stapled Securities on 30 January 2018.

(b) **2Q2018**

Distribution to Stapled Securityholders relates to the distribution paid in respect of 1Q2018. In the previous corresponding period, the distribution paid was in respect of 1Q2017.

1H2018

Distribution to Stapled Securityholders relates to the distribution paid in respect of the financial period from 1 October 2017 to 31 March 2018. In the previous corresponding period, the distribution paid was in respect of the financial period from 1 October 2016 to 31 March 2017.

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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/(losses)	Total	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1/1/2018	1,440,402	(26,577)	(1,046)	(36,718)	1,376,061	8	1,376,069
Operations							
Increase/(Decrease) in net assets resulting from operations	-	-	-	19,330	19,330	(1)	19,329
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	-	-	6,079	-	6,079	-	6,079
Unitholders’ transactions							
Distribution to Stapled Securityholders (a)(i)	-	-	-	(23,036)	(23,036)	-	(23,036)
Stapled Securities to be issued as payment of REIT Manager’s management fees (b)(i)	2,805	-	-	-	2,805	-	2,805
Increase/(Decrease) in net assets resulting from unitholders’ transactions	2,805	-	-	(23,036)	(20,231)	-	(20,231)
At 31/3/2018	1,443,207	(26,577)	5,033	(40,424)	1,381,239	7	1,381,246
Operations							
Increase/(Decrease) in net assets resulting from operations	-	-	-	17,268	17,268	(1)	17,267
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	-	-	2,963	-	2,963	-	2,963
Unitholders’ transactions							
Distribution to Stapled Securityholders (a)(ii)	-	-	-	(22,880)	(22,880)	-	(22,880)
Stapled Securities to be issued as payment of REIT Manager’s management fees (b)(ii)	2,750	-	-	-	2,750	-	2,750
Increase/(Decrease) in net assets resulting from unitholders’ transactions	2,750	-	-	(22,880)	(20,130)	-	(20,130)
At 30/6/2018	1,445,957	(26,577)	7,996	(46,036)	1,381,340	6	1,381,346

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

Note	OUE H-REIT Group					OUE H-BT	Stapled Group
	Units in issue and to be issued	Issue costs	Hedging reserve	Accumulated profits/ (losses)	Total	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1/1/2017	1,429,133	(26,577)	(2,229)	(18,359)	1,381,968	10	1,381,978
Operations							
Increase/(Decrease) in net assets resulting from operations	-	-	-	18,715	18,715	(1)	18,714
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	-	-	(2,548)	-	(2,548)	-	(2,548)
Unitholders’ transactions							
Distribution to Stapled Securityholders (a)(iii)	-	-	-	(24,475)	(24,475)	-	(24,475)
Stapled Securities to be issued as payment of REIT Manager’s management fees (b)(iii)	2,764	-	-	-	2,764	-	2,764
Increase/(Decrease) in net assets resulting from unitholders’ transactions	2,764	-	-	(24,475)	(21,711)	-	(21,711)
At 31/3/2017	1,431,897	(26,577)	(4,777)	(24,119)	1,376,424	9	1,376,433
Operations							
Increase/(Decrease) in net assets resulting from operations	-	-	-	17,178	17,178	-	17,178
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	-	-	(3,102)	-	(3,102)	-	(3,102)
Unitholders’ transactions							
Distribution to Stapled Securityholders (a)(iv)	-	-	-	(23,427)	(23,427)	-	(23,427)
Stapled Securities to be issued as payment of REIT Manager’s management fees (b)(iv)	2,747	-	-	-	2,747	-	2,747
Increase/(Decrease) in net assets resulting from unitholders’ transactions	2,747	-	-	(23,427)	(20,680)	-	(20,680)
At 30/6/2017	1,434,644	(26,577)	(7,879)	(30,368)	1,369,820	9	1,369,829

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FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

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

NOTES TO STATEMENTS OF MOVEMENT IN UNITHOLDERS’ FUNDS

- (a)(i) Distribution to Stapled Securityholders relates to the distribution made in respect of 4Q2017.
- (a)(ii) Distribution to Stapled Securityholders relates to the distribution made in respect of 1Q2018.
- (a)(iii) Distribution to Stapled Securityholders relates to the distribution made in respect of 4Q2016.
- (a)(iv) Distribution to Stapled Securityholders relates to the distribution made in respect of 1Q2017.
- (b)(i) This represents Stapled Securities to be issued as satisfaction of the REIT Manager’s base and performance management fee in respect of 1Q2018. 2,010,762 Stapled Securities relating to base management fee has been issued on 2 May 2018. Stapled Securities relating to performance management fees will be issued after year ending 31 December 2018.
- (b)(ii) This represents Stapled Securities to be issued as satisfaction of the REIT Manager’s base and performance management fee in respect of 2Q2018. 2,146,783 Stapled Securities relating to base management fee will be issued on 27 July 2018. Stapled Securities relating to performance management fees will be issued after year ending 31 December 2018.
- (b)(iii) This represents Stapled Securities issued as satisfaction of the REIT Manager’s base and performance management fee in respect of 1Q2017. 2,422,592 Stapled Securities relating to base management fee for 1Q2017 have been issued on 4 May 2017. 1,300,283 Stapled Securities relating to performance management fee for 1Q2017 have been issued on 30 January 2018.
- (b)(iv) This represents Stapled Securities issued as satisfaction of the REIT Manager’s base and performance management fee in respect of 2Q2017. 2,309,090 Stapled Securities relating to base management fee for 2Q2017 have been issued on 1 August 2017. 1,261,900 Stapled Securities relating to performance management fee for 2Q2017 have been issued on 30 January 2018.

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

	Stapled Group			
	2Q2018 '000	2Q2017 '000	1H2018 '000	1H2017 '000
Issued Stapled Securities at beginning of the period	1,813,884	1,799,607	1,806,518	1,790,428
Issuance of new Stapled Securities:				
- as payment of REIT Manager’s management fees	2,011	2,423	9,377	11,602
Issued Stapled Securities at end of the period	1,815,895	1,802,030	1,815,895	1,802,030
Stapled Securities to be issued:				
- as payment of REIT Manager’s management fees (a)	4,929	5,277	4,929	5,277
Total issued and issuable Stapled Securities at end of the period	1,820,824	1,807,307	1,820,824	1,807,307

NOTE

- (a) This represents Stapled Securities issued/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 (“VWAP”) 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, Supplemental Deeds and the Stapling Deed.

4,928,782 Stapled Securities relates to base management fee payable for 2Q2018 and performance management fee payable for 1H2018. 2,146,783 Stapled Securities relating to the base management fee for 2Q2018 will be issued on 27 July 2018. 2,781,999 Stapled Securities relating to performance fee for 1H2018 was calculated based on the VWAP of the Stapled Security for the last 10 business days before 30 June 2018 and this will be issued after year ending 31 December 2018 based on VWAP of the Stapled Security for the last 10 business days before 31 December 2018 in accordance with MAS requirements.

5,276,735 Stapled Securities relates to base management fee payable for 2Q2017 and performance management fee payable for 1H2017. 2,309,090 Stapled Securities relating to the base management fee for 2Q2017 were issued on 1 August 2017. 2,967,645 Stapled Securities relating to the performance management fee for 1H2017 was calculated based on the VWAP of the Stapled Security for the last 10 business days before 30 June 2017. On 30 January 2018, the performance management fee was settled through the issuance of 2,562,183 Stapled Securities based on VWAP of the Stapled Security for the last 10 business days before 31 December 2017 in accordance with MAS requirements.

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

Other than the disclosure in section 5, 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 2017.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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.

The OUE H-BT has applied the *First-time Adoption of Singapore Financial Reporting Standards (International)* (“SFRS(I)”) effective for the financial period beginning 1 January 2018. SFRS(I) 1 generally requires that the OUE H-BT applies SFRS(I) 1 on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening statement of financial position and comparative information to be prepared using the most current accounting policies.

In addition to the adoption of SFRS(I) framework by OUE H-BT as described above, the Stapled Group has adopted new Financial Reporting Standards in Singapore (“FRSs”) or SFRS(I)s and interpretations effective for the financial period beginning 1 January 2018 as follows:

- i. FRS 115 / SFRS(I) 15 *Revenue from Contracts with Customers*
- ii. FRS 109 / SFRS(I) 9 *Financial Instruments*

FRS 115 / SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. FRS 109 / SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

There was no significant impact to the financial statements of the Stapled Group. Accordingly, comparative financial information presented in this set of announcement has not been restated.

6. EARNINGS PER STAPLED SECURITY AND DISTRIBUTION PER STAPLED SECURITY

Earnings per Stapled Security (“EPS”)

	Stapled Group			
	2Q2018	2Q2017	1H2018	1H2017
Weighted average number of Stapled Securities ('000)	1,815,919	1,802,055	1,814,918	1,800,852
Basic EPS (cents)	0.95	0.95	2.02	1.99
Weighted average number of Stapled Securities ('000) ⁽¹⁾	1,820,824	1,807,307	1,820,824	1,807,307
Diluted EPS (cents)	0.95	0.95	2.01	1.99

⁽¹⁾ The weighted average number of Stapled Securities is adjusted to take into account the number of Stapled Securities to be issued as payment for the REIT Manager’s performance fee after the financial year end.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”) FOR THE SECOND QUARTER ENDED 30 JUNE 2018

6. EARNINGS PER STAPLED SECURITY AND DISTRIBUTION PER STAPLED SECURITY (cont’d)

Distribution per Stapled Security (“DPS”)

	Stapled Group			
	2Q2018	2Q2017	1H2018	1H2017
Number of Stapled Securities entitled to distribution ('000)	1,818,042 ⁽¹⁾	1,804,339 ⁽²⁾	1,818,042 ⁽¹⁾	1,804,339 ⁽²⁾
DPS (cents)	1.17	1.21	2.43	2.51

⁽¹⁾ Included 2,146,783 Stapled Securities to be issued as satisfaction of REIT Manager’s base management fee for 2Q2018.

⁽²⁾ Included 2,309,090 Stapled Securities issued as satisfaction of REIT Manager’s base management fee for 2Q2017.

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

	OUE H-REIT Group and Stapled Group	
	30/6/2018	31/12/2017
Number of Stapled Securities ('000):		
- in issue	1,815,895	1,806,518
- issuable	4,929	7,366
	1,820,824	1,813,884
NAV per OUE H-REIT unit / Stapled Security	\$0.76	\$0.76
NTA per OUE H-REIT unit / Stapled Security	\$0.76	\$0.76

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8. REVIEW OF PERFORMANCE

		Stapled Group					
Note	2Q2018	2Q2017	Increase/ (Decrease)	1H2018	1H2017	Increase/ (Decrease)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Gross revenue:							
	- Hospitality	22,277	22,324	(0.2)	46,536	45,704	1.8
	- Retail	8,456	8,836	(4.3)	16,879	17,542	(3.8)
(a)		30,733	31,160	(1.4)	63,415	63,246	0.3
Property expenses:							
	- Hospitality	(2,142)	(2,182)	(1.8)	(4,348)	(4,563)	(4.7)
	- Retail	(2,101)	(2,355)	(10.8)	(4,289)	(4,627)	(7.3)
(b)		(4,243)	(4,537)	(6.5)	(8,637)	(9,190)	(6.0)
Net property income:							
	- Hospitality	20,135	20,142	(0.0)	42,188	41,141	2.5
	- Retail	6,355	6,481	(1.9)	12,590	12,915	(2.5)
(c)		26,490	26,623	(0.5)	54,778	54,056	1.3
(d)	Other income	-	1,625	n.m.	-	3,250	n.m.
(e)	Amortisation of intangible asset	-	(1,636)	n.m.	-	(3,272)	n.m.
	REIT Manager's fees	(2,750)	(2,747)	0.1	(5,555)	(5,511)	0.8
	REIT Trustee's fees	(104)	(104)	-	(207)	(206)	0.5
	Other trust expenses	(571)	(313)	82.4	(897)	(570)	57.4
(f)	Net finance expenses	(5,798)	(6,270)	(7.5)	(11,523)	(11,855)	(2.8)
(g)	Total return for the period	17,267	17,178	0.5	36,596	35,892	2.0
(h)	Income available for distribution	21,261	21,814	(2.5)	44,171	45,272	(2.4)
(h)	DPS (cents)	1.17	1.21	(3.3)	2.43	2.51	(3.2)

n.m.: not meaningful

2Q2018 vs 2Q2017

- (a) Gross revenue for 2Q2018 was \$0.4 million lower than 2Q2017. Both hospitality and retail segments posted lower revenue for the current period.

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

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

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8. REVIEW OF PERFORMANCE (cont’d)

2Q2018 vs 2Q2017 (cont’d)

	Revenue			Net property income			RevPAR		
	2Q2018	2Q2017	Increase/ (Decrease)	2Q2018	2Q2017	Increase/ (Decrease)	2Q2018	2Q2017	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%	\$	\$	%
MOS	16,652	16,699	(0.3)	15,854	15,824	0.2	209	210	(0.5)
CPCA	5,625	5,625	-	4,281	4,318	(0.9)	168	152	10.5
Hospitality portfolio	22,277	22,324	(0.2)	20,135	20,142	(0.0)	195	190	2.6

Hospitality segment recorded slightly lower revenue in 2Q2018 as compared to 2Q2017.

Master lease income from MOS had remained relatively the same as 2Q2017 due to a relatively flat RevPAR at \$209 (2Q2017: \$210) with decline in wholesale segment, partially mitigated by higher transient segment. MOS also recorded lower food and beverage sales, attributable to lower banquet sales, partially mitigated by higher sales in all the food and beverage outlets.

Master lease income from CPCA had remained the same as 2Q2017 at minimum rent. Notwithstanding CPCA's operating performance had progressively improved and achieved higher RevPAR of \$168 (2Q2017: \$152), the master lease income was below the minimum rent, hence minimum rent was received.

Retail revenue for 2Q2018 was \$0.4 million lower than 2Q2017. The lower retail revenue in 2Q2018 was due to lower effective rent per square foot per month of \$22.3 (2Q2017: \$23.8) as a result of negative rental reversion in the preceding quarters. Occupancy rate was higher in 2Q2018 at 97.4% (2Q2017: 93.9%).

- (b) Lower property expenses by \$0.3 million were mainly due to lower property tax as a result of lower annual value assessed, partially offset by higher rental to CAG.
- (c) Net property income (“NPI”) for 2Q2018 was \$0.1 million lower than 2Q2017 due to lower gross revenue from the properties, partially mitigated by lower property expenses.
- (d) Other income relates to income support provided by OUEAH pursuant to the Deed of Income Support. OUE H-REIT had fully drawn down the entire income support of \$7.5 million as at 3Q2017.
- (e) Amortisation of intangible asset relates to amortisation of income support provided by OUEAH pursuant to the Deed of Income Support. The intangible asset has been fully amortised in 3Q2017 in line with full drawn down of the income support.
- (f) Net finance expenses for 2Q2018 were lower than 2Q2017 by \$0.5 million mainly due lower interest expense, partially offset by absence of fair value gains on interest rate swaps (2Q2017: gain of \$0.3 million) and higher amortisation of debt-related transaction cost. The change in fair value of interest rate swaps and amortisation of debt-related transaction cost are non-cash in nature and have no impact on income available for distribution.
- (g) Total return in 2Q2018 of \$17.3 million (2Q2017: \$17.2 million) was \$0.1 million higher mainly due to lower net finance expense, partially offset by lower net property income from both hospitality and retail segments.
- (h) Income available for distribution was \$0.6 million lower than 2Q2017 as OUE H-REIT no longer receives income support for CPCA, partially mitigated by lower interest expense. The DPS for 2Q2018 was 1.17 cents, 3.3% lower as compared to 1.21 cents for 2Q2017.

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8. REVIEW OF PERFORMANCE (cont’d)

1H2018 vs 1H2017

- (a) Gross revenue for 1H2018 was \$0.2 million higher than 1H2017. The higher revenue recorded by the hospitality segment was partially offset by the weaker performance by the retail segment.

	Revenue			Net property income			RevPAR		
	1H2018	1H2017	Increase/ (Decrease)	1H2018	1H2017	Increase/ (Decrease)	1H2018	1H2017	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%	\$	\$	%
MOS	35,286	34,454	2.4	33,690	32,705	3.0	220	213	3.3
CPCA	11,250	11,250	-	8,498	8,436	0.7	176	157	12.1
Hospitality portfolio	46,536	45,704	1.8	42,188	41,141	2.5	205	194	5.7

Hospitality revenue was \$0.8 million higher than 1H2017 due to higher master lease income from MOS.

Master lease income from MOS was higher as MOS recorded a higher RevPAR of \$220 (1H2017: \$213) due to higher average room rates across all segments and higher demand from the transient and corporate segments. MOS also recorded lower food and beverage sales, attributable to lower banquet sales partially mitigated by better performance from the food and beverage outlets.

Master lease income from CPCA had remained the same as 1H2017 at minimum rent. Notwithstanding CPCA’s operating performance had progressively improved and achieved higher RevPAR of \$176 (1H2017: \$157), the master lease income was below the minimum rent, hence minimum rent was received.

Retail revenue for 1H2018 was \$0.7 million lower than 1H2017. The lower retail revenue in 1H2018 was due to lower effective rent per square foot per month of \$22.5 (1H2017: \$23.7) as a result of negative rental reversion in the preceding quarters. Occupancy rate was higher in 1H2018 at 96.7% (1H2017: 94.3%).

- (b) Lower property expenses by \$0.6 million were mainly due to lower property tax as a result of lower annual value assessed, partially offset by higher marketing expenses.
- (c) NPI for 1H2018 was \$0.7 million higher than 1H2017 due to higher gross revenue from hospitality segment and lower property expenses, partially offset by lower gross revenue from retail segment.
- (d) Other income relates to income support provided by OUEAH pursuant to the Deed of Income Support. OUE H-REIT had fully drawn down the entire income support of \$7.5 million as at 3Q2017.
- (e) Amortisation of intangible asset relates to amortisation of income support provided by OUEAH pursuant to the Deed of Income Support. The intangible asset has been fully amortised in 3Q2017 in line with full drawn down of the income support.
- (f) Net finance expenses for 1H2018 were lower than 1H2017 by \$0.3 million mainly due lower interest expense, partially offset by absence of fair value gains on interest rate swaps (1H2017: gain of \$0.6 million) and higher amortisation of debt-related transaction cost. The change in fair value of interest rate swaps and amortisation of debt-related transaction cost are non-cash in nature and have no impact on income available for distribution.
- (g) Total return was \$0.7 million higher mainly due to higher net property income from hospitality segment and lower net finance expense, partially offset by lower net property income from retail segment.
- (h) Income available for distribution was \$1.1 million lower than 1H2017 as OUE H-REIT no longer receives income support for CPCA, partially mitigated by higher income from the hospitality segment and lower interest expense. The DPS for 1H2018 was 2.43 cents, 3.2% lower as compared to 2.51 cents for 1H2017.

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9. VARIANCE BETWEEN ACTUAL AND FORECAST RESULTS

No forecast has been disclosed.

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

Based on advance estimates, the Singapore economy grew by 3.8% on a year-on-year basis in the second quarter of 2018, moderating from the 4.3% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.0% compared to the 1.5% growth in the preceding quarter.¹

In the tourism sector, Singapore Tourism Board (“STB”) reported a 6.9% year-on-year increase in international visitor arrivals in the first five months of 2018. The number of visitor days had also increased by 5.0%.² A strong pipeline of meetings and large biennial events in the second half of 2018 is anticipated to increase demand for hotel accommodation. Singapore is also hosting the 33rd ASEAN Summit as the ASEAN chairman in 2018, where meetings and events involving foreign delegates will be held throughout the year.

By end-2018, Seletar Airport will open a new and enlarged passenger terminal, in anticipation of growth in private and business jet traffic in the coming years.³ Jewel Changi Airport (“Jewel”) is set to open in first half of 2019. Changi Airport Group estimates that Jewel will see about 40 million to 50 million domestic and international visitors a year, of which 40% will be overseas visitors.⁴ CPCA could potentially benefit from the increase in visitor arrivals as Terminal 3 will be linked to Jewel via pedestrian bridge.

On the supply front, future supply is expected to taper off with much of the planned hotel room inventory having entered the market in the past two years. Market occupancy is expected to strengthen in light of healthy tourist arrivals.⁵

Singapore’s retail scene remains challenging. Tenants in general are more cautious and taking a longer time to renew or commit to leases. Whilst we continue to explore leasing opportunities to optimise the occupancy of Mandarin Gallery, we remain committed to curating the right tenant mix to retain the mall’s positioning as a destination mall.

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

¹ MTI Press Release. Singapore’s GDP grew by 3.8 Per Cent in the Second Quarter of 2018. 13 July 2018

² Singapore Tourism Board. International Visitor Arrivals Statistics. 13 July 2018

³ Changi Airport Group. New Seletar Airport Passenger Terminal To Be Operational By End-2018. 4 July 2018

⁴ Business Times. Outstanding Chief Executive of the Year – Keeping Changi Airport’s flag flying high. 26 April 2018

⁵ CBRE. Hotel MarketView. Singapore H1 2018. 23 July 2018

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11. Distributions

(a) Current financial period

Any distribution declared for the current financial period?	Yes
Name of distribution	Distribution for the period from 1 April 2018 to 30 June 2018
Distribution type	Taxable income
Distribution rate per stapled security	1.17 cents
Book closure date	6 August 2018
Date payable	30 August 2018

(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 April 2017 to 30 June 2017
Distribution type	Taxable income
Distribution rate per stapled security	1.21 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 SECOND QUARTER ENDED 30 JUNE 2018**

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

Pursuant to Rule 705(5) of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), we, on behalf of the directors of the REIT Manager and the Trustee-Manager confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of the REIT Manager and the Trustee-Manager which may render the unaudited financial results of Stapled Group for the quarter ended 30 June 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lee Yi Shyan
Chairman

Christopher James Williams
Director

27 July 2018

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

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

On behalf of the Board of Directors and Executive Officers

Lee Yi Shyan
Chairman

Chen Yi Chung
Acting Chief Executive Officer

27 July 2018

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND
OUE H-REIT AND ITS SUBSIDIARY (“OUE H-REIT GROUP”)
FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

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

27 July 2018