

**OUE Real Estate Investment Trust
and its subsidiaries**

**(Constituted in the Republic of Singapore pursuant to a trust
deed dated 10 October 2013 (as amended))**

Condensed Interim Financial Statements
Six-month period ended 30 June 2024

Introduction

OUE Real Estate Investment Trust (“OUE REIT”) was constituted by a trust deed dated 10 October 2013 (as amended) entered into by OUE REIT Management Pte. Ltd. as the Manager of OUE REIT (the “Manager”) and DBS Trustee Limited as the Trustee of OUE REIT (the “Trustee”).

OUE REIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 27 January 2014. The principal investment strategy of OUE REIT is to invest, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial (including real estate used primarily for office and/or retail purposes) in financial and business hubs and hospitality and/or hospitality-related purposes, within and outside of Singapore, as well as real estate-related assets.

OUE REIT’s portfolio currently comprises 7 prime properties located in Singapore and Shanghai:

- **One Raffles Place:** One of the tallest buildings in the Singapore Central Business District (“CBD”), One Raffles Place (“ORP”) is an iconic commercial development comprising two Grade A office towers and a retail mall, strategically located in the heart of main financial district Raffles Place. OUE REIT holds ORP through its 83.33% interest in OUB Centre Limited (“OUBC”). As OUBC owns 81.54% of the beneficial interest in ORP, OUE REIT has an effective interest of 67.95% in ORP.
- **OUE Downtown Office:** OUE Downtown Office is part of the OUE Downtown mixed-use development comprising Grade A offices, a retail podium as well as serviced residences, strategically located in Shenton Way.
- **Mandarin Gallery:** A high-end retail mall situated along Orchard Road in the heart of Singapore's shopping precinct, Mandarin Gallery boasts a wide 152-metre frontage, according it with a high degree of prominence, and serves as a preferred flagship location for international brands.
- **Hilton Singapore Orchard:** With 1,080 rooms, Hilton Singapore Orchard is Hilton's flagship hotel in the heart of Orchard Road, Singapore's shopping and entertainment district, providing top accommodation choices for both leisure and business travelers globally.
- **Crowne Plaza Changi Airport:** Crowne Plaza Changi Airport, managed by InterContinental Hotels Group, is a 575-room hotel directly connected to Changi Airport Terminal 3 and enjoys seamless connectivity to Jewel Changi Airport via a pedestrian bridge from Terminal 3.
- **OUE Bayfront:** Located at Collyer Quay in Singapore's CBD, OUE Bayfront is a premium Grade A office building which occupies a vantage position between the Marina Bay downtown and established financial hub of Raffles Place. OUE REIT has a 50% interest in OUE Bayfront via its interest in OUE Allianz Bayfront LLP.
- **Lippo Plaza:** Lippo Plaza is a Grade A commercial building located on Huaihai Zhong Road, within the Huangpu business district, one of Shanghai's established core CBD locations in the Puxi area of downtown Shanghai, China. OUE REIT has 91.2% strata ownership of Lippo Plaza.

OUE REIT’s distribution policy is to distribute at least 90% of its taxable income, on a semi-annual basis, with the actual level of distribution to be determined at the Manager’s discretion.

Summary of OUE REIT Group Results

	1H 2024⁽¹⁾ (\$'000)	1H 2023⁽²⁾ (\$'000)	Change (%)
Revenue	146,729	138,802	5.7
Net property income	117,143	115,265	1.6
Amount to be distributed to Unitholders ⁽³⁾	51,299	57,584	(10.9)
Distribution per Unit (“DPU”) (cents)	0.93	1.05	(11.4)

Footnotes:

- (1) The current period results of OUE REIT’s foreign subsidiaries are translated using the SGD:CNY rate of 1:5.353 for 1H 2024.
- (2) The prior period results of OUE REIT’s foreign subsidiaries are translated using the SGD:CNY rate of 1:5.195 for 1H 2023.
- (3) Net of retention for ongoing working capital requirements.

Statements of Financial Position
As at 30 June 2024

	Note	Group		Trust	
		30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Non-current assets					
Plant and equipment		164	193	–	–
Investment properties	3	5,630,238	5,630,357	930,753	930,000
Investments in subsidiaries		–	–	2,683,406	2,683,406
Investment in joint venture	4	353,725	353,719	316,878	316,878
Financial derivatives		742	–	631	–
Trade and other receivables	5	4,672	4,805	–	–
Loans to a subsidiary	6	–	–	285,600	32,100
		<u>5,989,541</u>	<u>5,989,074</u>	<u>4,217,268</u>	<u>3,962,384</u>
Current assets					
Trade and other receivables	5	24,934	22,138	7,345	4,852
Cash and cash equivalents		58,609	54,225	2,088	3,274
Financial derivatives		328	3,274	134	869
		<u>83,871</u>	<u>79,637</u>	<u>9,567</u>	<u>8,995</u>
Total assets		<u>6,073,412</u>	<u>6,068,711</u>	<u>4,226,835</u>	<u>3,971,379</u>
Non-current liabilities					
Loans and borrowings	7	1,970,570	2,055,119	938,843	794,797
Trade and other payables		39,087	41,655	11,155	11,862
Financial derivatives		–	244	–	244
Deferred tax liabilities		64,442	64,356	–	–
Lease liability		22,716	22,716	–	–
		<u>2,096,815</u>	<u>2,184,090</u>	<u>949,998</u>	<u>806,903</u>
Current liabilities					
Loans and borrowings	7	113,516	–	103,000	–
Trade and other payables		83,700	90,340	25,530	24,564
Current tax liabilities		17,558	16,151	–	–
Lease liability		50	100	–	–
		<u>214,824</u>	<u>106,591</u>	<u>128,530</u>	<u>24,564</u>
Total liabilities		<u>2,311,639</u>	<u>2,290,681</u>	<u>1,078,528</u>	<u>831,467</u>
Net assets		<u>3,761,773</u>	<u>3,778,030</u>	<u>3,148,307</u>	<u>3,139,912</u>

The accompanying notes form an integral part of the condensed interim financial statements

Statements of Financial Position (continued)
As at 30 June 2024

	Note	Group		Trust	
		30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Represented by:					
Unitholders' funds		3,298,178	3,311,192	2,936,013	2,927,603
Convertible Perpetual Preferred Units ("CPPU") holder's funds	8	212,294	212,309	212,294	212,309
		<u>3,510,472</u>	<u>3,523,501</u>	<u>3,148,307</u>	<u>3,139,912</u>
Non-controlling interests		251,301	254,529	–	–
		<u>3,761,773</u>	<u>3,778,030</u>	<u>3,148,307</u>	<u>3,139,912</u>
Units in issue and to be issued ('000)	9	<u>5,492,950</u>	<u>5,492,950</u>	<u>5,492,950</u>	<u>5,492,950</u>
Net asset value per Unit (\$)	10	<u>0.60</u>	<u>0.60</u>	<u>0.53</u>	<u>0.53</u>

The accompanying notes form an integral part of the condensed interim financial statements

Statement of Total Return
Six-month period ended 30 June 2024

	Note	Group	
		Six-month period ended 30 June 2024 \$'000	Six-month period ended 30 June 2023 \$'000
Revenue	11	146,729	138,802
Property operating expenses		(29,586)	(23,537)
Net property income		117,143	115,265
Manager's management fees		(8,061)	(7,916)
Trustee's fee		(484)	(477)
Other expenses		(1,147)	42
Finance income		440	2,137
Finance costs		(54,744)	(58,214)
Net finance costs	12	(54,304)	(56,077)
Net income		53,147	50,837
Share of joint venture results		4,480	4,251
Total return for the period before tax	13	57,627	55,088
Tax expense	14	(6,791)	(6,919)
Total return for the period		50,836	48,169
Total return attributable to:			
Unitholders and CPPU holder		47,664	44,791
Non-controlling interests		3,172	3,378
		50,836	48,169
Earnings per Unit (cents)			
Basic	15	0.85	0.80
Diluted	15	0.82	0.77

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Distribution Statement
Six-month period ended 30 June 2024

	Group	
	Six-month period ended 30 June 2024 \$'000	Six-month period ended 30 June 2023 \$'000
Amount available for distribution to Unitholders at beginning of the period	60,813	59,938
Total return for the period attributable to Unitholders and CPPU holder	47,664	44,791
Less: Amount reserved for distribution to CPPU holder	(1,094)	(1,091)
Less: Amount retained for working capital requirements	(5,000)	(3,000)
Distribution adjustments (Note A)	7,229	16,884
Amount available for distribution for current period	48,799	57,584
Add: Amount released*	2,500	–
Amount to be distributed to Unitholders (Note B)	51,299	57,584
Distributions to Unitholders:		
- Distribution of 1.04 cents per Unit for the period from 1/7/2022 to 31/12/2022	–	(56,897)
- Distribution of 1.04 cents per Unit for the period from 1/7/2023 to 31/12/2023	(57,126)	–
	(57,126)	(56,897)
Amount available for distribution to Unitholders at the end of the period	54,986	60,625
Distribution per Unit ("DPU") (cents)	0.93	1.05

* In 1H 2024, OUE REIT Group released S\$2.5 million (1H2023: nil) of capital distribution from divestment of OUE Bayfront.

Distribution Statement (continued)
Six-month period ended 30 June 2024

Note A – Distribution adjustments

	Six-month period ended 30 June 2024 \$'000	Group Six-month period ended 30 June 2023 \$'000
Amortisation of debt establishment costs	5,412	2,920
Ineffective portion of changes in fair value of cash flow hedges	(272)	(356)
Net change in fair value of financial derivatives	(52)	12,020
Manager's management fees paid/payable in Units	–	2,771
Trustee's fee	484	477
Foreign exchange differences	2	37
Deferred tax expense	318	370
Straight-lining of lease incentives	1,461	(3,840)
Transfer to statutory reserve	(563)	(593)
Other items	439	3,078
Distribution adjustments	<u>7,229</u>	<u>16,884</u>

Note B – Amount to be distributed to Unitholders

	Six-month period ended 30 June 2024 \$'000	Group Six-month period ended 30 June 2023 \$'000
Comprises:		
- From operations	35,641	43,773
- From tax exempt income	11,837	11,765
- From Unitholders' contribution	3,821	2,046
	<u>51,299</u>	<u>57,584</u>

The accompanying notes form an integral part of the condensed interim financial statements

Statements of Movements in Unitholders' Funds
Six-month period ended 30 June 2024

	<---- Attributable to ---->				
	Unitholders \$'000	CPPU holder \$'000	Total \$'000	Non- controlling interests \$'000	Total \$'000
Group					
Net assets attributable to owners at 1 January 2024	3,311,192	212,309	3,523,501	254,529	3,778,030
Operations					
Total return for the period	47,664	–	47,664	3,172	50,836
Less: Amount reserved for distribution to CPPU holder	(1,094)	1,094	–	–	–
Net increase in net assets resulting from operations	46,570	1,094	47,664	3,172	50,836
Transactions with owners					
Distributions paid to Unitholders	(57,126)	–	(57,126)	–	(57,126)
Distributions paid to CPPU Holder	–	(1,109)	(1,109)	–	(1,109)
Distributions paid to non-controlling interests	–	–	–	(6,400)	(6,400)
Net decrease in net assets resulting from transactions with owners	(57,126)	(1,109)	(58,235)	(6,400)	(64,635)
Movement in foreign currency translation reserve	(2,002)	–	(2,002)	–	(2,002)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	(1,463)	–	(1,463)	–	(1,463)
Hedging reserve transferred to statement of total return	1,190	–	1,190	–	1,190
Share of movements in hedging reserve of joint venture	(183)	–	(183)	–	(183)
Net movement in hedging transactions	(456)	–	(456)	–	(456)
At 30 June 2024	<u>3,298,178</u>	<u>212,294</u>	<u>3,510,472</u>	<u>251,301</u>	<u>3,761,773</u>

The accompanying notes form an integral part of the condensed interim financial statements

Statements of Movements in Unitholders' Funds
Six-month period ended 30 June 2024

	<---- Attributable to ---->				
	Unitholders \$'000	CPPU holder \$'000	Total \$'000	Non- controlling interests \$'000	Total \$'000
Group					
Net assets attributable to owners at 1 January 2023	3,240,073	212,309	3,452,382	254,985	3,707,367
Operations					
Total return for the period	44,791	–	44,791	3,378	48,169
Less: Amount reserved for distribution to CPPU holder	(1,091)	1,091	–	–	–
Net increase in net assets resulting from operations	43,700	1,091	44,791	3,378	48,169
Transactions with owners					
Issue of new Units:					
- Manager's management fees paid/payable in Units	2,771	–	2,771	–	2,771
Distributions paid to Unitholders	(56,897)	–	(56,897)	–	(56,897)
Distributions paid to CPPU Holder	–	(1,109)	(1,109)	–	(1,109)
Distributions paid to non-controlling interests	–	–	–	(6,000)	(6,000)
Net decrease in net assets resulting from transactions with owners	(54,126)	(1,109)	(55,235)	(6,000)	(61,235)
Movement in foreign currency translation reserve	(11,236)	–	(11,236)	–	(11,236)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	1,679	–	1,679	–	1,679
Hedging reserve transferred to statement of total return	(1,401)	–	(1,401)	(126)	(1,527)
Share of movements in hedging reserve of joint venture	(342)	–	(342)	–	(342)
Net movement in hedging transactions	(64)	–	(64)	(126)	(190)
At 30 June 2023	3,218,347	212,291	3,430,638	252,237	3,682,875

The accompanying notes form an integral part of the condensed interim financial statements

Statements of Movements in Unitholders' Funds (continued)
Six-month period ended 30 June 2024

	<----- Attributable to ----->		Total \$'000
	Unitholders \$'000	CPPU holder \$'000	
Trust			
Net assets attributable to owners at 1 January 2024	2,927,603	212,309	3,139,912
Operations			
Total return for the period	66,366	–	66,366
Less: Amount reserved for distribution to CPPU holder	(1,094)	1,094	–
Net increase in net assets resulting from operations	65,272	1,094	66,366
Transactions with owners			
Issue of new Units:			
- Manager's management fees paid/payable in Units	–	–	–
Distributions paid to Unitholders	(57,126)	–	(57,126)
Distributions paid to CPPU holder	–	(1,109)	(1,109)
Net decrease in net assets resulting from transactions with owners	(57,126)	(1,109)	(58,235)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	578	–	578
Hedging reserve transferred to statement of total return	(314)	–	(314)
Net movement in hedging transactions	264	–	264
At 30 June 2024	<u>2,936,013</u>	<u>212,294</u>	<u>3,148,307</u>

The accompanying notes form an integral part of the condensed interim financial statements

Statements of Movements in Unitholders' Funds (continued)
Six-month period ended 30 June 2024

	<----- Attributable to ----->		
	Unitholders \$'000	CPPU holder \$'000	Total \$'000
Trust			
Net assets attributable to owners at 1 January 2023	2,826,265	212,309	3,038,574
Operations			
Total return for the period	50,996	–	50,996
Less: Amount reserved for distribution to CPPU holder	(1,091)	1,091	–
Net increase in net assets resulting from operations	49,905	1,091	50,996
Transactions with owners			
Issue of new Units:			
- Manager's management fees paid/payable in Units	2,771	–	2,771
Distributions paid to Unitholders	(56,897)	–	(56,897)
Distributions paid to CPPU holder	–	(1,109)	(1,109)
Net decrease in net assets resulting from transactions with owners	(54,126)	(1,109)	(55,235)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	2,307	–	2,307
Hedging reserve transferred to statement of total return	(1,401)	–	(1,401)
Net movement in hedging transactions	906	–	906
At 30 June 2023	<u>2,822,950</u>	<u>212,291</u>	<u>3,035,241</u>

The accompanying notes form an integral part of the condensed interim financial statements

Interim Portfolio Statements
As at 30 June 2024

Description of property	Leasehold tenure	Remaining Term of Lease	Location	Existing use	----- Group -----			
					Carrying value at 30/6/2024 \$'000	Percentage of Unitholders' funds at 30/6/2024 %	Carrying value at 31/12/2023 \$'000	Percentage of Unitholders' funds at 31/12/2023 %
<i>Singapore</i>								
OUE Downtown Office								
OUE Downtown is a mixed-use development comprising a 50-storey building (OUE Downtown 1) and a 37-storey building (OUE Downtown 2), a retail podium and a multi-storey car park	OUE Downtown 1 and OUE Downtown 2: 99-year lease from 19 July 1967	42 years	6 Shenton Way, Singapore 068809 and 6A Shenton Way, Singapore 068815	Commercial	930,753	28	930,000	28
The Group owns the office components of OUE Downtown (OUE Downtown Office), comprising OUE Downtown 1 (Strata Lot U4628V) and OUE Downtown 2 (Strata Lot U4629P)								
One Raffles Place								
An integrated commercial development comprising One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall	One Raffles Place Tower 1: 841-year lease from 1 November 1985	802 years	1 Raffles Place, Singapore 048616	Commercial	1,909,000	58	1,909,000	58
The Group has an effective interest of 67.95% in One Raffles Place	One Raffles Place Tower 2: 99-year lease from 26 May 1983	58 years						
	One Raffles Place Shopping Mall: the retail podium straddles two land plots:							
	- approximately 75% of the net lettable area ("NLA") of the retail podium is on a 99-year lease from 1 November 1985	60 years						
- the balance 25% of the NLA of the retail podium is on an 841-year lease from 1 November 1985		803 years						

The accompanying notes form an integral part of the condensed interim financial statements

Interim Portfolio Statements (continued)
As at 30 June 2024

Description of property	Leasehold tenure	Remaining Term of Lease	Location	Existing use	----- Group -----			
					Carrying value at 30/6/2024 \$'000	Percentage of Unitholders' funds at 30/6/2024 %	Carrying value at 31/12/2023 \$'000	Percentage of Unitholders' funds at 31/12/2023 %
Crowne Plaza Changi Airport An airport hotel situated within the vicinity of passenger terminals of Singapore Changi Airport and is connected to Jewel Changi Airport via a pedestrian bridge from Terminal 3.	74-year lease from 1 July 2009	59 years	75 Airport Boulevard, Singapore 819664	Hotel	520,000	16	519,000	15
Hilton Singapore Orchard A renowned upscale hotel with strong brand recognition. With 1,080 rooms, Hilton Singapore Orchard is the largest hotel located in the heart of Orchard Road.	99-year lease from 1 July 1957	32 years	333 Orchard Road, Singapore 238867	Hotel	1,346,292	41	1,346,000	41
Mandarin Gallery High-end retail mall with 152-metre frontage situated along Orchard Road, Singapore and is the preferred location for flagship stores of international brands.	99-year lease from 1 July 1957	32 years	333A Orchard Road, Singapore 238897	Retail	453,898	14	453,500	14

The accompanying notes form an integral part of the condensed interim financial statements

Interim Portfolio Statements (continued)
As at 30 June 2024

Description of property	Leasehold tenure	Remaining Term of Lease	Location	Existing use	----- Group -----			
					Carrying value at 30/6/2024 \$'000	Percentage of Unitholders' funds at 30/6/2024 %	Carrying value at 31/12/2023 \$'000	Percentage of Unitholders' funds at 31/12/2023 %
<i>Shanghai</i>								
Lippo Plaza	50-year land use right commencing from 2 July 1994	20 years	222 Huaihai Zhong Road, Huangpu District, Shanghai, PRC 200021	Commercial	447,529	14	449,041	13
A 36-storey commercial building with retail podium at Shanghai, China excluding:								
(i) Unit 2 in Basement 1,								
(ii) the 12 th , 13 th , 15 th and 16 th floors and								
(iii) 4 car park lots								
Total investment properties					5,607,472	170	5,606,541	169
Investment in joint venture					353,725	11	353,719	11
Other assets and liabilities (net)					(2,199,424)	(67)	(2,182,230)	(66)
Net assets of the Group					3,761,773	114	3,778,030	114
Net assets attributable to CPPU holder					(212,294)	(6)	(212,309)	(6)
Net assets attributable to non-controlling interests					(251,301)	(8)	(254,529)	(8)
Unitholders' funds					3,298,178	100	3,311,192	100

The carrying value of Lippo Plaza as at 30 June 2024 in Renminbi is RMB 2,403,478,000 (31 December 2023: RMB 2,400,000,000).

The properties are leased to third parties except as otherwise stated in Note 11. Generally, the leases contain an initial non-cancellable period of 1 to 10 years (31 December 2023: 1 to 10 years). Subsequent renewals are negotiated with the respective lessees.

The accompanying notes form an integral part of the condensed interim financial statements

Portfolio Statements (continued)
As at 30 June 2024

Description of property	Leasehold tenure	Remaining Term of Lease	Location	Existing use	----- Trust -----			
					Carrying value at 30/6/2024 \$'000	Percentage of Unitholders' funds at 30/6/2024 %	Carrying value at 31/12/2023 \$'000	Percentage of Unitholders' funds at 31/12/2023 %
<i>Singapore</i>								
OUE Downtown Office OUE Downtown is a mixed-use development comprising a 50-storey building (OUE Downtown 1) and a 37-storey building (OUE Downtown 2), a retail podium and a multi-storey car park	OUE Downtown 1 and OUE Downtown 2: 99-year lease from 19 July 1967	42 years	6 Shenton Way, Singapore 068809 and 6A Shenton Way, Singapore 068815	Commercial	930,753	32	930,000	32
The Trust owns the office components of OUE Downtown (OUE Downtown Office), comprising OUE Downtown 1 (Strata Lot U4628V) and OUE Downtown 2 (Strata Lot U4629P)								
Investment properties					930,753	32	930,000	32
Investment in joint venture					316,878	11	316,878	11
Other assets and liabilities (net)					1,900,676	64	1,893,034	64
Net assets of the Trust					3,148,307	107	3,139,912	107
Net assets attributable to CPPU holder					(212,294)	(7)	(212,309)	(7)
Unitholders' funds					2,936,013	100	2,927,603	100

The properties are leased to third parties except as otherwise stated in Note 11. Generally, the leases contain an initial non-cancellable period of 1 to 6 years (31 December 2023: 1 to 6 years). Subsequent renewals are negotiated with the respective lessees.

The accompanying notes form an integral part of the condensed interim financial statements

Consolidated Statement of Cash Flows
Six-month period ended 30 June 2024

	Group	
	Six-month period ended 30 June 2024 \$'000	Six-month period ended 30 June 2023 \$'000
Cash flows from operating activities		
Total return for the period	50,836	48,169
Adjustments for:		
Depreciation of plant and equipment	32	34
Finance costs	54,742	58,177
Finance income	(440)	(2,137)
Manager's fees paid/payable in Units	–	2,771
Share of joint venture results	(4,480)	(4,251)
Allowance for doubtful receivables	(169)	(162)
Tax expense	6,791	6,919
Operating income before working capital changes	107,312	109,520
Changes in working capital:		
Trade and other receivables	(2,669)	(4,607)
Trade and other payables	(8,325)	(1,586)
Cash generated from operating activities	96,318	103,327
Tax paid	(5,354)	(6,006)
Net cash from operating activities	90,964	97,321
Cash flows from investing activities		
Additions to plant and equipment	(3)	(40)
Payment for capital expenditure on investment properties	(6,762)	(5,410)
Dividend received from joint venture	4,290	4,481
Interest received	2,501	3,195
Net cash from investing activities	26	2,226
Cash flows from financing activities		
Distributions paid to Unitholders	(57,126)	(56,897)
Distributions paid to CPPU holder	(1,109)	(1,109)
Distributions paid to non-controlling interests	(6,400)	(6,000)
Interest paid	(46,390)	(41,056)
Payment of transaction costs related to borrowings	(7,847)	(1,884)
Proceeds from bank loans	502,250	420,884
Proceeds from issuance of Notes	250,000	–
Repayment of bank loans	(719,750)	(398,000)
Net cash used in financing activities	(86,372)	(84,062)

The accompanying notes form an integral part of the condensed interim financial statements

Consolidated Statement of Cash Flows (continued)
Six-month period ended 30 June 2024

	Group	
	Six-month period ended 30 June 2024 \$'000	Six-month period ended 30 June 2023 \$'000
Net increase in cash and cash equivalents	4,618	15,485
Cash and cash equivalents at beginning of the period	54,225	49,482
Effect of exchange rate fluctuations on cash held	(234)	(933)
Cash and cash equivalents at end of the period	58,609	64,034

Significant non-cash transaction

During the period, there were the following significant non-cash transaction:

Financial period ended 30 June 2023

- a total of 8,573,283 Units, amounting to \$2,771,000, were issued to the Manager as satisfaction of the Manager's management fees for the financial period.

The accompanying notes form an integral part of the condensed interim financial statements

Notes to the Condensed Interim Financial Statements

These notes form an integral part of the condensed interim financial statements.

1 General

OUE Real Estate Investment Trust (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 10 October 2013 (as amended) (the “Trust Deed”) between OUE REIT Management Pte. Ltd. (the “Manager”) and DBS Trustee Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the “Group”) in trust for the holders (“Unitholders”) of units in the Trust (the “Units”).

The Trust was admitted to the Official List of Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 27 January 2014 (the “Listing Date”).

The principal activity of the Trust is to invest, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs and hospitality and/or hospitality-related purposes, within and outside of Singapore, as well as real estate-related assets.

The consolidated condensed interim financial statements (“Financial Statements”) relates to the Trust and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interests in its joint venture.

The Group is regarded as a subsidiary of OUE Limited (“OUE”) for financial reporting purposes. Accordingly, the ultimate holding company of the Trust is Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands.

On 29 January 2024, OUE Commercial Real Estate Investment Trust changed its name to OUE Real Estate Investment Trust.

2 Basis of preparation

The Financial Statements has been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice (“RAP”) 7 “*Reporting Framework for Investment Funds*” relevant to condensed interim financial statements issued by the Institute of Singapore Chartered Accountants (“ISCA”), the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (the “MAS”) and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards (“FRS”). The Financial Statements does not include all the information required for a complete set of financial statements prepared in accordance with FRS Standards and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last annual financial statements.

The Financial Statements has been prepared on the historical cost basis, except for the investment properties and financial derivatives which are stated at their fair values.

The Financial Statements is presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

The accounting policies applied by the Group in this Financial Statements are consistent with those applied by the Group in its financial statements as at and for the year ended 31 December 2023 except for the adoption of the revised standards that are effective for annual periods beginning on 1 January 2024. The adoption of these new and revised standards did not have a material impact on the Group's Financial Statements.

3 Investment properties

	----- Group -----		----- Trust -----	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
At 1 January	5,630,357	5,539,164	930,000	930,000
Capital expenditure capitalised	2,272	22,460	611	819
Lease incentives	(228)	(554)	142	219
Fair value changes recognised in the statement of total return (unrealised)	–	84,527	–	(1,038)
Translation differences	(2,163)	(15,240)	–	–
At 30 June/ 31 December	5,630,238	5,630,357	930,753	930,000

As at 30 June 2024, the Group did not pledge any investment property as security to secure bank loans (31 December 2023: \$930,000,000) (see Note 7).

Measurement of fair value

In accordance with the Code of Collective Investment Scheme, the Group engaged independent external valuers to perform full valuation of its investment properties at each financial year end. The last full valuation of the investment properties was conducted on 31 December 2023. The fair values were derived based on the discounted cash flow, capitalisation and direct comparison methods. The valuation methods involve certain estimates including those relating to discount rate, terminal yield rate, capitalisation rate, price per square foot and price per room. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations.

The carrying amounts of the investment properties as at 30 June 2024 are based on valuations performed by the independent external valuers as at 31 December 2023, adjusted for capital expenditure incurred subsequent to the valuation date, capitalisation of lease incentives and translation differences. Management conducted an internal assessment of the valuation of the investment properties as at 30 June 2024, including considering any significant changes in operating performance of the properties, assessed whether movement in market data, such as discount rates, capitalisation rates, have any significant impact to the valuation of the investment properties. Based on the assessment, management is of the view that the fair value of the investment properties has not materially changed from 31 December 2023 valuation.

As at 31 December 2023, the carrying amounts of all the investment properties were based on independent valuations carried out by the valuers below:

Properties	Valuer
31 December 2023	
OUE Downtown Office	Savills Valuation and Professional Services (S) Pte Ltd
One Raffles Place	Savills Valuation and Professional Services (S) Pte Ltd
Crowne Plaza Changi Airport	Cushman & Wakefield VHS Pte Ltd
Hilton Singapore Orchard	Cushman & Wakefield VHS Pte Ltd
Mandarin Gallery	Cushman & Wakefield VHS Pte Ltd
Lippo Plaza	CBRE (Shanghai) Management Limited

4 Investment in joint venture

	----- Group -----		----- Trust -----	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Interest in joint venture	353,725	353,719	316,878	316,878

The Group and Trust divested 50.0% interest in OUE Bayfront, OUE Tower and OUE Link (the “Property”) on 31 March 2021. The Property is now wholly-owned by a limited liability partnership known as OUE Allianz Bayfront LLP, with the Trustee, in its capacity as trustee of the Group, holding 50.0% of OUE Allianz Bayfront LLP and the ACRE Angsana Pte. Ltd. (the “PIMCO Investor”), a special purpose vehicle managed by PIMCO Prime Real Estate Asia Pacific Pte. Ltd., holding the remaining 50.0% of OUE Allianz Bayfront LLP.

5 Trade and other receivables

	----- Group -----		----- Trust -----	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Current				
Trade receivables from:				
- other related parties	8,207	7,861	–	–
- third parties	5,155	3,730	353	223
	13,362	11,591	353	223
Less: Allowance for doubtful receivables	(577)	(410)	–	–
	12,785	11,181	353	223
Interest receivables	735	1,187	229	602
Other receivables from:				
- subsidiaries	–	–	5,741	2,958
- other related parties	4	16	4	16
- joint venture	330	330	330	330
- third parties	7,178	7,562	514	551
	8,247	9,095	6,818	4,457
Deposits	266	273	3	3
	21,298	20,549	7,174	4,683
Prepayments	3,636	1,589	171	169
	24,934	22,138	7,345	4,852
Non-current				
Deposits	4,110	4,109	–	–
Prepayments	562	696	–	–
	4,672	4,805	–	–

6 Loans to a subsidiary

As at 30 June 2024, the Trust has:

- on-lent the proceeds of \$255.0 million (31 December 2023: \$5.0 million) from the issuance of the notes to OUE Hospitality Sub-Trust (“OUE H-Sub-Trust”) (see note 7(d)). The loans are unsecured and repayable on demand with a fixed rate ranging from 3.95% to 4.10% per annum. The loans are not expected to be repaid in the next twelve months from the reporting date; and
- lent a loan of \$30.6 million (31 December 2023: \$27.1 million) to OUE H-Sub-Trust. The loan is unsecured with a fixed margin + SORA per annum and matures in 2026.

7 Loans and borrowings

	----- Group -----		----- Trust -----	
	30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Bank loans				
- Secured	–	400,000	–	400,000
- Unsecured	1,450,500	1,268,000	403,000	–
Unsecured notes	650,000	400,000	–	–
Loans from a subsidiary	–	–	650,000	400,000
Less: Unamortised transaction costs	(16,414)	(12,881)	(11,157)	(5,203)
	2,084,086	2,055,119	1,041,843	794,797
Classified as:				
Current	113,516	–	103,000	–
Non-current	1,970,570	2,055,119	938,843	794,797
	2,084,086	2,055,119	1,041,843	794,797

The aggregate leverage was 38.7% (31 December 2023: 38.2%). The interest coverage ratio stood at 2.2 times^(a) (31 December 2023: 2.4 times^(a)).

^(a) Interest coverage ratio is calculated based on guidance under Monetary Authority of Singapore’s Code on Collective Investment Schemes, Property Funds Appendix 6 (last revised on 23 May 2023).

(a) Secured bank loans

The Group does not have secured term loans and revolving credit facilities as at 30 June 2024. As at 31 December 2023, the Group has secured term loans and revolving credit facilities which are secured on the following:

- investment property with carrying amount of \$930,000,000;
- assignment of insurance policies on the investment property, except public liability insurance;

- assignment of all rights, titles, benefits and interests in connection with the sale and tenancy agreements, tenancy deposits/proceeds, sales deposits/proceeds, property management agreements and the receivables of the investment property;
- a debenture incorporating a fixed charge over book debt, charged accounts, goodwill, intellectual property and plant and machinery and floating charge over generally all of the present and future assets of the Trust in connection with the investment property; and
- the account control or charge over certain bank accounts of the Trust.

(b) Unsecured bank loans

The Group has in place the following unsecured bank loans:

- a total of \$1,658.0 million (31 December 2023: \$1,308.0 million) committed bank loans and revolving credit facilities with banks. At the reporting date, \$1,436.5 million (31 December 2023: \$1,268.0 million) was drawn down; and
- \$150.0 million (31 December 2023: \$150.0 million) uncommitted revolving credit facility with banks. At the reporting date, \$14.0 million (31 December 2023: nil) was drawn down. The uncommitted revolving credit facility is repayable on demand.
- In May 2024, the Group completed the refinancing of a \$600.0 million unsecured sustainability-linked facilities. The unsecured facilities were to refinance existing \$540.0 million secured term and revolving loan facilities and general corporate funding purpose and it incorporates interest rate reductions linked to predetermined sustainability performance targets which will allow the Group to enjoy savings in interest costs when targets are achieved.

(c) Unsecured notes

In March 2020, the Trust, through its wholly-owned subsidiary, OUE REIT Treasury Pte. Ltd., established a \$2.0 billion Multicurrency Debt Issuance Programme (the “2020 Programme”). Under the 2020 Programme, OUE REIT Treasury Pte. Ltd. may from time to time issue notes and/or perpetual securities in series or tranches.

In June 2024, OUE REIT Treasury Pte. Ltd. issued notes amounting to \$250.0 million under the 2020 Programme.

As at 30 June 2024, the unsecured notes outstanding under the 2020 Programme is \$650.0 million (31 December 2023: \$400.0 million). The unsecured notes have fixed rates ranging from 3.95% to 4.10% per annum payable semi-annually in arrears and mature between 2025 and 2027 (31 December 2023: 2025 and 2027).

The unsecured notes and the coupons relating thereto of all series will constitute direct, unconditional, unsubordinated and unsecured obligations of OUE REIT Treasury Pte. Ltd. and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than the subordinated obligations and priorities created by law) of OUE REIT Treasury Pte. Ltd.. All sums payable in respect of the unsecured notes will be unconditionally and irrevocably guaranteed by the Trustee, in its capacity as trustee of the Group.

(d) Loan from a subsidiary

OUE REIT Treasury Pte. Ltd. has on-lent the proceeds from the issuance of the notes to the Trust. The Trust has then on-lent \$255.0 million (31 December 2023: \$5.0 million) of the proceeds to OUE H-Sub-Trust.

8 Convertible perpetual preferred units

In October 2015, the Group and the Trust issued 550 million Convertible Perpetual Preferred Units (“CPPU”) at \$1 per Unit to a substantial unitholder of the Trust which is also a related party of the Manager, as partial satisfaction of the purchase consideration for the subsidiaries acquired. The key terms and conditions of the CPPUs are as follows:

- the CPPU holder has the right to receive preferential non-cumulative distribution of an amount equivalent to 1.0% per annum of the issue price which may be declared by the Manager at its sole discretion;
- any preferential distribution or part thereof not due or payable shall not accumulate for the benefit of the CPPU holder or entitle the CPPU holder to any claim in respect thereof against the Trust, the Trustee and/or the Manager;
- the CPPUs rank senior to the Units in respect of the entitlement to participate in the distributions of the Trust and rank senior to the Units in respect of the entitlement to receive out of the assets of the Trust the amount equivalent to the number of CPPUs held by the CPPU holder multiplied by the issue price and outstanding preferred and special preferred distribution upon the liquidation of the Trust. The CPPUs rank junior to the claims of all other present and future creditors of the Trust;
- the CPPU holder has the sole right to convert the CPPUs into Units, provided that the number of CPPUs converted in each financial year shall not exceed one-third of the total number of CPPUs initially issued to the CPPU holder, at a conversion price of \$0.7154 per CPPU, being the adjusted conversion price pursuant to the rights issue undertaken by the Trust in October 2018. The CPPUs may not be converted into Units for a period of four years commencing from the date of issuance of the CPPUs on 8 October 2015;
- the Manager shall have the sole right to redeem any number of CPPUs for the time being issued and outstanding on a pro-rata basis at the issue price at all times;
- the Manager shall not declare distributions or pay any distributions to the Unitholders, or make any redemption, unless the Manager declares or pays distributions to the CPPU holder; and
- the CPPU holder does not have the right to attend and vote at the meetings of Unitholders except during such period as the preferred or special preferred distribution remains in arrears and unpaid for at least 12 months, or upon any resolution which varies or abrogates any right, preference or privilege of the CPPUs, or upon any resolution for the dissolution or winding up of the Trust.

On 1 June 2021, there was a partial redemption of 155.0 million CPPUs at \$1.00 per Unit.

The CPPUs are classified as equity instruments in the statement of financial position.

The \$212,294,000 (31 December 2023: \$212,309,000) presented in the condensed interim statement of financial position represents the carrying value of the remaining 220.0 million (31 December 2023: \$220.0 million) CPPUs and the total return attributable to the CPPU holder from the last distribution date.

9 Units in issue and to be issued

	-----Group and Trust-----	
	30 June 2024 '000	31 December 2023 '000
Units in issue		
At 1 January	5,485,915	5,465,002
Creation of Units:		
- Manager's management fees paid in Units	7,035	20,913
At 31 December	5,492,950	5,485,915
Units to be issued		
Manager's management fees payable in Units	-	7,035
Units in issue and to be issued	5,492,950	5,492,950

10 Net asset value per Unit

		----- Group -----		----- Trust -----	
	Note	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Net asset value per Unit					
is based on:					
- Net assets					
attributable to					
Unitholders (\$'000)		3,298,178	3,311,192	2,936,013	2,927,603
- Units in issue and to					
be issued at					
30 June / 31					
December ('000)	9	5,492,950	5,492,950	5,492,950	5,492,950

11 Revenue

	----- Group -----	
	Six-month period ended 30 June 2024 \$'000	Six-month period ended 30 June 2023 \$'000
Rental income	132,884	125,299
Service fee income	10,650	9,981
Carpark income	894	972
Others	2,369	2,625
Less: Business and other taxes	(68)	(75)
	146,729	138,802

Under the terms of the lease agreements for the properties, the Group is generally entitled to a fixed rent component and/or a variable rent component computed based on a certain percentage of the revenue. Hilton Singapore Orchard is leased to a related party under a master lease arrangement. The lease contains an initial term of 15 years from 25 July 2013 with an option to renew for a further 15 years. Crowne Plaza Changi Airport is leased to a related party under a master lease agreement till 27 May 2028, with an option to renew for two consecutive terms of five years each.

Included in rental income is variable rent of \$1,899,000 (30 June 2023: \$2,119,000) recognised in the statement of total return for the Group.

Included in the revenue of the Group are amounts derived from related parties of \$53,742,000 (30 June 2023: \$46,928,000).

Other income consists of miscellaneous income such as utilities and annual license fee, which are recognised over time as the service is provided.

12 Net finance costs

	----- Group -----	
	Six-month period ended 30 June 2024 \$'000	Six-month period ended 30 June 2023 \$'000
Finance income		
Interest income	116	254
Hedging reserve transferred to statement of total return	–	1,527
Net change in fair value of derivatives	52	–
Ineffective portion of changes in fair value of cash flow hedges	272	356
	440	2,137
Finance costs		
Amortisation of debt-related transaction costs	(5,412)	(2,920)
Interest paid/payable to banks*	(48,870)	(42,805)
Net change in fair value of derivatives	–	(12,020)
Net foreign exchange loss	(2)	(37)
Financial liability measured at amortised cost – interest expense	(460)	(432)
	(54,744)	(58,214)
Net finance costs	(54,304)	(56,077)

* Included loss on cash flow hedges of \$1,190,000 transferred from hedging reserve.

13 Total return for the period before tax

Included in total return for the period before tax are the following:

	----- Group -----	
	Six-month period ended 30 June 2024 \$'000	Six-month period ended 30 June 2023 \$'000
Audit fees paid/payable to:		
- Auditors of the Trust	131	137
- Auditors of other firms affiliated with KPMG International Limited	25	25
Non-audit fees paid/payable to:		
- Auditors of the Trust	27	32
- Auditors of other firms affiliated with KPMG International Limited	3	4
Valuation fees	47	62
	47	62

14 Tax expense

	----- Group -----	
	Six-month period ended 30 June 2024 \$'000	Six-month period ended 30 June 2023 \$'000
Current tax expense		
Current period	5,967	6,016
Withholding tax	506	533
Deferred tax expense		
Origination and reversal of temporary differences	318	370
	6,791	6,919

15 Earnings per Unit

(i) Basic earnings per Unit

The calculation of basic earnings per Unit was based on the total return attributable to Unitholders and the weighted average number of Units, as set out below:

Total return attributable to Unitholders

	Group	
	Six-month period ended 30 June 2024 \$'000	Six-month period ended 30 June 2023 \$'000
Total return attributable to Unitholders and CPPU holder	47,664	44,791
Less: Amount reserved for distribution to CPPU holder	(1,094)	(1,091)
Total return attributable to Unitholders	46,570	43,700

Weighted average number of Units

	Group	
	Six-month	Six-month
	period ended	period ended
	30 June	30 June
	2024	2023
	'000	'000
Units issued or to be issued at beginning of the period	5,492,950	5,470,950
Effect of Units issued during the period	–	2,215
Effect of Units to be issued as payment of the Manager's management fees payable in Units	–	23
Weighted average number of Units during the period	5,492,950	5,473,188

(ii) Diluted earnings per Unit

The calculation of diluted earnings per Unit was based on the total return attributable to Unitholders and CPPU holder and the weighted average number of Units, after adjustment for the effect of all dilutive potential Units, as set out below:

Total return attributable to Unitholders (diluted)

	Group	
	Six-month	Six-month
	period ended	period ended
	30 June	30 June
	2024	2023
	\$'000	\$'000
Total return attributable to Unitholders (basic)	46,570	43,700
Add: Amount reserved for distribution to CPPU holder	1,094	1,091
Total return attributable to Unitholders and CPPU holder (diluted)	47,664	44,791

Weighted average number of Units (diluted)

	Group	
	Six-month	Six-month
	period ended	period ended
	30 June	30 June
	2024	2023
	'000	'000
Weighted average number of Units (basic)	5,492,950	5,473,188
Effect of the Manager's fees paid/payable in Units	–	6,336
Effect of conversion of CPPUs into Units ⁽¹⁾	307,520	307,520
Weighted average number of Units (diluted)	5,800,470	5,787,044

⁽¹⁾ The weighted average number of Units includes the weighted average potential Units to be issued assuming all the remaining CPPUs were converted at \$0.7154 per Unit, being the adjusted conversion price pursuant to the rights issue.

16 Operating segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment net property income, as included in the internal management reports that are reviewed by the Board of Directors of the Manager. Segment net property income is used to measure performance as management believes that such information is the most relevant in evaluating the results of its segments relative to other entities that operate within the same industry.

Information about reportable segments

	Commercial	Hospitality	Total
	\$'000	\$'000	\$'000
Six-months ended 30 June 2024			
Revenue	95,006	51,723	146,729
Property operating expenses	(23,354)	(6,232)	(29,586)
Reportable segment net property income	<u>71,652</u>	<u>45,491</u>	<u>117,143</u>
Depreciation and amortisation	(32)	–	(32)
Finance income	440	–	440
Finance costs	(32,909)	(21,835)	(54,744)
Unallocated items			
- Expenses			<u>(9,660)</u>
Net income			53,147
Share of joint venture results			4,480
Tax expense			<u>(6,791)</u>
Total return for the period			<u><u>50,836</u></u>
30 June 2024			
Non-current assets ⁽¹⁾	<u>4,095,630</u>	<u>1,889,059</u>	<u>5,984,689</u>
Six-months ended 30 June 2023			
Revenue	92,972	45,830	138,802
Property operating expenses	(20,682)	(2,855)	(23,537)
Reportable segment net property income	<u>72,290</u>	<u>42,975</u>	<u>115,265</u>
Depreciation and amortisation	(34)	–	(34)
Finance income	610	–	610
Finance costs	(33,369)	(23,318)	(56,687)
Unallocated items			
- Expenses			<u>(8,317)</u>
Net income			50,837
Share of joint venture results			4,251
Tax expense			<u>(6,919)</u>
Total return for the period			<u><u>48,169</u></u>
30 June 2023			
Non-current assets ⁽¹⁾	<u>4,140,460</u>	<u>1,736,521</u>	<u>5,876,981</u>

⁽¹⁾ Excluding financial instruments

Geographical information

The Group has two reportable segments, which are Singapore and China. The reporting segments operate in different countries and are managed separately because of the differences in operating and regulatory environment. For each of the reporting segments, the Board of Directors of the Manager reviews internal management reports on a regular basis.

Information about reportable segments

	Singapore \$'000	China \$'000	Total \$'000
Six-months ended 30 June 2024			
Revenue	134,817	11,912	146,729
Property operating expenses	(27,316)	(2,270)	(29,586)
Reportable segment net property income	107,501	9,642	117,143
Depreciation and amortisation	(30)	(2)	(32)
Finance income	355	85	440
Finance costs	(54,636)	(108)	(54,744)
Unallocated items			
- Expenses			(9,660)
Net income			53,147
Share of joint venture results			4,480
Tax expense	(3,782)	(3,009)	(6,791)
Total return for the period			50,836
30 June 2024			
Non-current assets ⁽¹⁾	5,537,133	447,556	5,984,689
Six-months ended 30 June 2023			
Revenue	126,807	11,995	138,802
Property operating expenses	(21,708)	(1,829)	(23,537)
Reportable segment net property income	105,099	10,166	115,265
Depreciation and amortisation	(31)	(3)	(34)
Finance income	488	122	610
Finance costs	(56,513)	(174)	(56,687)
Unallocated items			
- Expenses			(8,317)
Net income			50,837
Share of joint venture results			4,251
Tax expense	(3,916)	(3,003)	(6,919)
Total return for the period			48,169
30 June 2023			
Non-current assets ⁽¹⁾	5,380,017	496,964	5,876,981

⁽¹⁾ Excluding financial instruments

17 Commitments

The Group and the Trust have the following commitments as at the reporting date:

Capital commitments

	----- Group -----		----- Trust -----	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Contracted but not provided for in the financial statements:				
- Expenditure in respect of investment properties	4,162	2,032	43	247

18 Related party transactions

In the normal course of the operations of the Trust, the Manager's management fee and Trustee's fee have been paid or are payable to the Manager and the Trustee respectively. Property management fees are payable to the Property Managers, related parties of the Manager.

During the financial period, other than the transactions disclosed elsewhere in the Financial Statements, there were the following related party transactions:

	----- Group -----	
	Six-month period ended	Six-month period ended
	30 June	30 June
	2024	2023
	\$'000	\$'000
Hotel service expenses and professional fees paid/payable to related parties	1,187	877
Settlement of liabilities by related parties of the Manager on behalf of the Group and the Trust	37	28

19 Financial ratios

	----- Group -----	
	Six-month period ended 30 June 2024 %	Six-month period ended 30 June 2023 %
Expenses to weighted average net assets ¹		
- including performance component of the Manager's fees	0.59	0.52
- excluding performance component of the Manager's fees	0.59	0.52
Portfolio turnover rate ²	—	—

¹ The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and, excluding property expenses and finance expenses.

² The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

Other Information Required by Listing Rule Appendix 7.2

1 (a) Statement of Total Return and Distribution Statement

Please refer to pages 5-7 and section 8 on page 38.

(b)(i) Statements of Financial Position (Please refer to pages 3-4)

(1) Trade and other receivables – Non-Current and Current

The Group's trade and other receivables increased mainly due to higher accrued variable rent receivables and lease receivables in 1H 2024.

(2) Loan to a subsidiary

This relates to a loan to OUE H-Sub Trust.

(3) Loans and borrowings – Non-current and Current

The Group's total borrowings increased as compared to 31 December 2023 mainly due to loan drawdown for distribution in February 2024.

At the Trust level, the loans from a subsidiary as at 30 June 2024 of \$650.0 million relates to \$100.0 million notes issued in June 2020, \$150.0 million notes issued in June 2021, \$150.0 million notes issued in May 2022 and \$250.0 million notes issued in June 2024 through the Trust's wholly-owned subsidiary, OUE REIT Treasury Pte. Ltd., which were then on-lent to the Trust.

(4) Trade and other payables - Non-current and Current

The Group and Trust's trade and other payables decreased mainly due to settlement of cost related to CPCA's asset enhancement initiative works.

(5) Financial derivatives

Financial derivatives represent the fair value of the interest rate swaps ("IRS") entered to hedge the floating interest rate exposure of OUE REIT Group's borrowings. The movement for the financial year from 31 December 2023 to 30 June 2024 was mainly due to net changes in the fair value of the IRS during the period.

(6) Unitholders' funds

The decrease in Unitholders' funds was mainly due to distribution paid to Unitholders in February 2024, depreciation of the CNY against the SGD from 31 December 2023 to 30 June 2024 and net movement in the fair value reserve of IRS as at 30 June 2024. This was partially mitigated by profits for the financial period.

(7) Non-controlling interests

OUE REIT holds an 83.33% indirect interest in OUBC. Non-controlling interests represent the equity in OUBC that is not attributable to OUE REIT Group.

The Group is in net current liabilities position as at 30 June 2024. Based on cash flow forecast, cash flow from operating activities and overall cash balance remains positive.

(b)(ii) Aggregate Amount of Borrowings and Debt Securities for OUE REIT Group

Please refer to pages 22-24.

(c) Consolidated Statement of Cash Flows (Please refer to pages 16-17)

For purpose of the Consolidated Statement of Cash Flows, the Group's cash and cash equivalents comprise the following:

	30 Jun 2024 (\$'000)	30 Jun 2023 (\$'000)
Bank and cash balances	16,714	16,964
Short-term deposits	41,895	47,070
Cash and cash equivalents	58,609	64,034

(d)(i) Statement of Changes in Unitholders' Funds

Please refer to pages 8-11.

(d)(ii) Details of Any Changes in Units

Please refer to page 25.

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

The figures have not been audited or reviewed by OUE REIT's auditors.

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

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial statements for the current financial period are consistent with those described in the audited financial statements for the financial year ended 31 December 2023.

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

Not applicable.

6 Earnings per Unit and Distribution per Unit

Earnings per Unit attributable to Unitholders (“EPU”)

	1H 2024	1H 2023
Weighted average number of Units	5,492,949,700	5,473,188,081
Basic EPU (cents)	0.85	0.80
Weighted average number of Units ⁽¹⁾	5,800,469,968	5,787,043,560
Diluted EPU (cents)	0.82	0.77

Footnote:

- (1) The weighted average number of Units includes the weighted average potential Units to be issued assuming all the remaining CPPUs are converted at the conversion price of \$0.7154 per Unit.

550.0 million CPPUs were issued in October 2015 as partial satisfaction of the purchase consideration for the acquisition of ORP. The CPPUs cannot be converted for a period of four years commencing from the date of issue (“Restriction Period”) save in certain limited circumstances and thereafter, not more than one-third of the CPPUs initially issued can be converted in any one year. After the Restriction Period, the CPPUs can be converted into Units at \$0.7154 per Unit and will impact the EPU upon conversion.

A total of 220.0 million CPPUs remain outstanding as at 30 June 2024. Assuming that the remaining 220.0 million CPPUs are fully converted at the conversion price, 307,520,268 units will be issued.

Distribution per Unit attributable to Unitholders (“DPU”)

	1H 2024	1H 2023
No of Units entitled to distribution	5,492,949,700	5,479,523,292 ⁽¹⁾
Distribution per Unit (cents)	0.93	1.05

Footnotes:

- (1) Comprises the Units in issue as at 30 June 2023 of 5,475,307,346 and Units to be issued to the Manager as satisfaction of Manager’s base fee payable for 2Q 2023 of 4,215,946.

7 Net Asset Value per Unit and Net Tangible Asset per Unit attributable to Unitholders

	Group		Trust	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
No. of Units in issue and to be issued at end of period/year	5,492,949,700	5,492,949,700	5,492,949,700	5,492,949,700
Net asset value (“NAV”) per Unit (\$)	0.60	0.60	0.53	0.53
Net tangible asset (“NTA”) per Unit (\$)	0.60	0.60	0.53	0.53

The NAV per Unit and NTA per Unit are computed based on the Units in issue and to be issued as at the end of the financial period/year.

8 Review of the Performance

<u>Statement of Total Return</u>	Note	1H 2024⁽¹⁾ (\$'000)	1H 2023⁽²⁾ (\$'000)	Change (%)
Revenue		146,729	138,802	5.7
- Commercial ⁽³⁾		95,006	92,972	2.2
- Hospitality ⁽⁴⁾		51,723	45,830	12.9
Property operating expenses		(29,586)	(23,537)	25.7
- Commercial ⁽³⁾		(23,354)	(20,682)	12.9
- Hospitality ⁽⁴⁾		(6,232)	(2,855)	NM
Net property income	(a)	117,143	115,265	1.6
- Commercial ⁽³⁾		71,652	72,290	(0.9)
- Hospitality ⁽⁴⁾		45,491	42,975	5.9
Manager's management fees	(b)	(8,061)	(7,916)	1.8
Trustee's fee		(484)	(477)	1.5
Other expenses		(1,147)	42	NM
Finance income		440	2,137	(79.4)
Finance costs		(54,742)	(58,177)	(0.6)
Net finance costs	(c)	(54,302)	(56,040)	(0.3)
Foreign exchange differences		(2)	(37)	94.4
Net income		53,147	50,837	4.5
Share of joint venture results	(d)	4,480	4,251	5.4
Total return for the period before tax		57,627	55,088	4.6
Tax expense		(6,791)	(6,919)	(1.8)
Total return for the period	(e)	50,836	48,169	5.5

NM: Not meaningful

Footnotes:

- (1) The current period results of OUE REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:5.353 for 1H 2024.
- (2) The prior period results of OUE REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:5.195 for 1H 2023.
- (3) Commercial comprised One Raffles Place, Lippo Plaza, OUE Downtown Office and Mandarin Gallery.
- (4) Hospitality comprised Hilton Singapore Orchard and Crowne Plaza Changi Airport.

Review of OUE REIT Group's performance for the six months period from 1 January 2024 to 30 June 2024 ("1H 2024") vs 1 January 2023 to 30 June 2023 ("1H 2023")

- (a) 1H 2024 revenue of \$146.7 million and net property income of \$117.1 million were 5.7% and 1.6% higher respectively as compared to 1H 2023, driven by better performance by both commercial and hospitality segments.
- (b) Manager's base management fee is calculated as 0.3% p.a. of the value of the deposited properties of the Group. For 1H 2024, the Manager has elected to receive 100% of the base management fees in cash.
- (c) Net finance cost decreased by \$1.7 million year-on-year mainly attributable to lower change in fair value movement of derivatives, partially offset by higher interest from higher SORA rate.
- (d) Share of joint venture results represents OUE REIT's 50.0% interest in OUE Allianz Bayfront LLP results. Higher share of the results was mainly due to higher net property income, partially offset by higher finance costs.
- (e) Total return for 1H 2024 was \$50.8 million compared to total return of \$48.2 million in 1H 2023. This was due to better performance by both commercial and hospitality segments and lower net finance costs.

9 Variance between Actual and Forecast Results

OUE REIT has not made any forecast.

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

According to advance estimates by the Ministry of Trade and Industry (“MTI”), Singapore’s GDP grew by 2.9% year-on-year (“YoY”) in 2Q 2024, slightly slower than the 3.0% growth in 1Q 2024. On a quarter-on-quarter (“QoQ”) seasonally-adjusted basis, the economy expanded by 0.4% in 2Q 2024, following a 0.3% expansion in the preceding quarter. Growth was led by the services producing industries, which saw a 3.3% growth YoY. In particular, the information & communications, finance & insurance, and professional services sector grew by 5.6% YoY in 2Q 2024. The strong growth was attributable to the high demand for IT and digital solutions, the growth from head offices and business representative segments, as well as increased activities auxiliary to financial services, banking, and fund management segments. Meanwhile, the wholesale and retail trade as well as transportation and storage sectors collectively experienced modest growth of 2.5% YoY in 2Q 2024 compared to 3.9% growth in the previous quarter.

The manufacturing sector grew by 0.5% YoY in 2Q 2024, compared to a 1.7% contraction in the previous quarter. Growth in the sector was supported by output expansions across all manufacturing clusters, except for the biomedical manufacturing and precision engineering clusters. The construction sector expanded by 4.3% YoY in 2Q 2024, extending the 4.1% growth in the preceding quarter. Growth during the quarter was supported by an increase in public sector construction output.

In May, the MTI maintained its 2024 GDP growth forecast for Singapore at 1.0% to 3.0%.

According to CBRE, Core Central Business District (“CBD”) rents remained unchanged at S\$11.95 per square foot (“psf”) per month in the second quarter of 2024, underpinned by continued flight-to-quality trends and expansion demand from legal and tech companies. With the addition of 1.0 million square feet (“sq ft”) of prime office stock in the CBD following the completion of IOI Central Boulevard Towers (Phase 1), Core CBD (Grade A) occupancy rates declined by 2.5 percentage points (“ppt”) to 93.9%. However, excluding the committed space at IOI Central Boulevard Towers (Phase 1), Core CBD recorded a positive net absorption of 0.17 million sq ft.

CBRE Research maintains its original forecast of 2% to 3% growth in rents for Core CBD (Grade A) offices through 2024. Although the new completions have temporarily eased upward pressure, leasing activity for new developments is expected to regain momentum in the second half of 2024, underpinned by the continued flight-to-quality trend, as well as the relocation activity from redevelopment projects and transitional sites. With no expected new developments in the CBD between 2025 and 2027, astute tenants are also likely to take this limited supply into consideration, which will support rental growth.

Singapore’s retail leasing sentiment remained robust in the second quarter of 2024 with the demand mainly driven by food & beverage (“F&B”) operators, as well as beauty & health and fashion brands, according to CBRE. Benefitting from tourism recovery and high-profile sell-out concerts, Orchard Road retail rents continued to outperform other submarkets, increasing by 1.2% QoQ to S\$36.15 psf per month. In the near term, retailers will continue to face ongoing challenges such as labour shortages, high operating costs, and competition from e-commerce platforms. However, with a strong MICE and concerts pipeline, coupled with below-historical-

average new supply, CBRE expects overall prime retail rents to continue their growth trajectory in 2024.

Visitor arrivals for January to June 2024 grew by 20.9% YoY to reach 8.2 million, on track of achieving Singapore Tourism Board's target of 15 to 16 million in 2024. Continued improvements in international flight connectivity, a robust event pipeline, strengthened collaborations between Singapore Tourism Board and global travel and payment platform will support continued tourism recovery. Meanwhile, further diversification of quality travel experiences will also contribute to the growth momentum of the sector.

China

In 2Q 2024, China's GDP grew by 4.7% YoY, down from the 5.3% growth registered in 1Q 2024 and marking the slowest pace since 1Q 2023. This decline was due to tepid domestic demand amidst a prolonged property downturn.

China's economic growth has been uneven in the first half of 2024. Industrial production rose 6.0% YoY for the first half of 2024, with June showing an increase of 5.3% YoY and 0.42% month-on-month, outperforming other sectors. Fixed asset investment (excluding rural households) also grew by 3.9% YoY for the first half of 2024. Excluding investment in real estate development, investment in fixed assets increased by 8.5% YoY.

Meanwhile, total retail sales of consumer goods increased by 3.7% YoY for the first half of 2024, driven by basic goods, communications equipment, and sports and recreational articles. However, retail sales in June decreased by 0.12% month-on-month, compared to a 0.23% growth recorded in May.

With increasing macroeconomic uncertainties and continued muted domestic demand, policymakers face mounting pressure to launch more stimulus to shore up economic confidence, boost domestic consumption, and support the property sector. China has set a GDP growth target of 5% for 2024.

According to Colliers International, Shanghai's CBD Grade A office occupancy declined by 1.0 ppt QoQ to 85.3%, while CBD Grade office rents continue to decline to the new low of RMB 8.15 psm per day, the lowest level in a decade. Although there was only 1 new project entering the market in 2Q 2024, an expected total of 1.57 million square metres of new supply entering the market in 2024, the highest since 2019. In the face of continued challenging operating environment, the Manager is prioritising occupancy and adopts proactive leasing and flexible asset management strategies for Lippo Plaza.

Overall

In light of increasing macroeconomic challenges and a prolonged elevated interest rate environment, the Manager will continue to optimise OUE REIT's performance through active asset management. For the commercial segment, the Manager has adopted a targeted leasing approach to sustain high occupancy and meet occupiers' demand across its commercial assets. For the hospitality segment, the Manager will leverage on the successful asset enhancements of Hilton Singapore Orchard and Crowne Plaza Changi Airport to capitalise on the continued tourism recovery and enhance performance. With over 92% of its portfolio located in Singapore, coupled with its well-diversified tenant base, OUE REIT is expected to deliver stable performance in 2024. The strengthened investment-grade balance sheet and the Manager's

prudent capital management approach will also enable OUE REIT to be well-positioned for its next phase of growth.

⁽¹⁾ Singapore Ministry of Trade and Industry Press Release, 12 July 2024

⁽²⁾ CBRE, Singapore Figures Q2 2024

⁽³⁾ Singapore Tourism Board Visitor Arrivals Statistics

⁽⁴⁾ National Bureau of Statistics of China Press Release, 15 July 2024

⁽⁵⁾ Colliers International, Shanghai Grade A Office Market Overview and Forecast Q2 2024

11 Distribution

(a) Current financial period

Any distribution declared for the current financial period? Yes.

Unitholders

Name of distribution: Distribution for the financial period from 1 January 2024 to 30 June 2024

Distribution type: (i) Taxable income distribution
(ii) Tax exempt income distribution
(iii) Capital distribution

Distribution rate: 0.93 cents per Unit comprises:-
(i) Taxable income distribution: 0.65 cents per Unit
(ii) Tax exempt income distribution: 0.22 cents per Unit
(iii) Capital distribution: 0.06 cents per Unit

CPPU Holder

Name of distribution: Distribution for the financial period from 1 January 2024 to 30 June 2024

Distribution rate/ type: \$1,093,989.07 which represents 1% p.a. of CPPU based on the issue price of \$1.00 per CPPU comprising taxable income distribution, tax exempt income distribution and capital distribution

Tax rate: Taxable income distribution
Individuals who receive such distribution as investment income (excluding income received through partnership in Singapore or from the carrying on of a trade, business or profession) will be exempted from tax.

Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their respective tax rates unless otherwise exempt.

Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to their respective CPF and SRS accounts.

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

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

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status.

Capital distribution

The capital distribution is treated as return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sales of Units, the amount of capital distribution will be applied to reduce the cost base of their Units for Singapore income tax purposes.

Book closure date: 1 August 2024

Date payable: 4 September 2024

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the corresponding period of the immediate preceding financial period? Yes.

Unitholders

Name of distribution: Distribution for the financial period from 1 January 2023 to 30 June 2023

Distribution type: (i) Taxable income distribution
(ii) Tax exempt income distribution
(iii) Capital distribution

Distribution rate: 1.05 cents per Unit comprises:-
(i) Taxable income distribution: 0.78 cents per Unit
(ii) Tax exempt income distribution: 0.21 cents per Unit
(iii) Capital distribution: 0.06 cents per Unit

CPPU Holder

Name of distribution: Distribution for the financial period from 1 January 2023 to 30 June 2023

Distribution rate/ type: \$1,090,958.90 which represents 1% p.a. of CPPU based on the issue price of \$1.00 per CPPU comprising taxable income distribution, tax exempt income distribution and capital distribution

Tax rate: Taxable income distribution
Individuals who receive such distribution as investment income (excluding income received through partnership in Singapore or from the carrying on of a trade, business or profession) will be exempted from tax.

Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their respective tax rates unless otherwise exempt.

Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to their respective CPF and SRS accounts.

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

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

Tax-exempt income distribution
Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status.

Capital distribution
The capital distribution is treated as return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sales of Units, the amount of capital distribution will be applied to reduce the cost base of their Units for Singapore income tax purposes.

Book closure date: 3 August 2023

Date payable: 25 August 2023

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

Not applicable.

13 If OUE REIT has obtained a general mandate from Unitholders for interested person transactions, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no interested person transactions mandate has been obtained, a statement to that effect.

OUE REIT did not obtain a general mandate from Unitholders for interested person transactions.

14 Confirmation pursuant to Rule 705(5) of the Listing Manual

We, on behalf of the Directors of OUE REIT Management Pte. Ltd. (as Manager of OUE REIT), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Manager which may render the unaudited financial results of OUE REIT Group for the period from 1 January 2024 to 30 June 2024 to be false or misleading in any material respect.

On behalf of the Board of the Manager

Lee Yi Shyan
Chairman and Non-Executive Director

Han Khim Siew
Chief Executive Officer and Executive Director

15 Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

The Manager confirms it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

The value of units in OUE REIT ("Units") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, DBS Trustee Limited (as trustee of OUE REIT) or any of their respective affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE REIT is not necessarily indicative of the future performance of OUE REIT.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

By Order of the Board

Kelvin Chua
Company Secretary

OUE REIT Management Pte. Ltd.
(as Manager of OUE Real Estate Investment Trust)
(Company registration no. 201327018E)

24 July 2024