

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

TABLE OF CONTENTS		
Item	Description	Page
	INTRODUCTION	2
1(a)	STATEMENTS OF TOTAL RETURN	3
1(b)(i)	STATEMENTS OF FINANCIAL POSITION	6
1(b)(ii)	BORROWINGS	7
1(c)	STATEMENTS OF CASH FLOWS	9
1(d)(i)	STATEMENTS OF MOVEMENT IN UNITHOLDERS’ FUNDS	12
1(d)(ii)	DETAILS OF ANY CHANGES IN THE STAPLED SECURITIES	15
2	REVIEW OF RESULTS BY AUDITORS	15
3	AUDITORS’ REPORT	15
4	ACCOUNTING POLICIES	15
5	CHANGES IN ACCOUNTING POLICIES	16
6	EARNINGS PER STAPLED SECURITY AND DISTRIBUTION PER STAPLED SECURITY	16
7	NET ASSET VALUE / NET TANGIBLE ASSET	17
8	REVIEW OF PERFORMANCE	18
9	VARIANCE BETWEEN ACTUAL AND FORECAST RESULTS	21
10	OUTLOOK AND PROSPECTS	21
11	DISTRIBUTIONS	22
12	DISTRIBUTION STATEMENT	22
13	GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS	22
14	CONFIRMATION PURSUANT TO RULE 705(5) OF LISTING MANUAL	23
15	CONFIRMATION PURSUANT TO RULE 720(1) OF LISTING MANUAL	23

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY ("OUE H-REIT GROUP") FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2018**

1 (a) STATEMENTS OF TOTAL RETURN

OUE H-REIT Group						
Note	3Q2018	3Q2017	Increase/ (Decrease)	YTD2018	YTD2017	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Gross revenue	(a) 33,244	34,009	(2.2)	96,659	97,255	(0.6)
Property tax	(1,759)	(2,237)	(21.4)	(5,516)	(6,919)	(20.3)
Insurance	(54)	(56)	(3.6)	(161)	(168)	(4.2)
Other property expenses	(b) (2,376)	(2,252)	5.5	(7,149)	(6,648)	7.5
Net property income	29,055	29,464	(1.4)	83,833	83,520	0.4
Other income	(c) -	1,568	n.m.	-	4,818	n.m.
Amortisation of intangible asset	(d) -	(1,636)	n.m.	-	(4,908)	n.m.
REIT Manager's base management fees	(1,711)	(1,703)	0.5	(5,075)	(5,052)	0.5
REIT Manager's performance fees	(1,162)	(1,179)	(1.4)	(3,353)	(3,341)	0.4
REIT Trustee's fees	(104)	(105)	(1.0)	(311)	(311)	-
Other trust expenses	(344)	(417)	(17.5)	(1,239)	(986)	25.7
Finance income	16	253	(93.7)	50	890	(94.4)
Finance expenses	(6,058)	(6,671)	(9.2)	(17,615)	(19,163)	(8.1)
Net finance expenses	(e) (6,042)	(6,418)	(5.9)	(17,565)	(18,273)	(3.9)
Total return for the period	19,692	19,574	0.6	56,290	55,467	1.5

Stapled Group						
Note	3Q2018	3Q2017	Increase/ (Decrease)	YTD2018	YTD2017	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Gross revenue	(a) 33,244	34,009	(2.2)	96,659	97,255	(0.6)
Property tax	(1,759)	(2,237)	(21.4)	(5,516)	(6,919)	(20.3)
Insurance	(54)	(56)	(3.6)	(161)	(168)	(4.2)
Other property expenses	(b) (2,376)	(2,252)	5.5	(7,149)	(6,648)	7.5
Net property income	29,055	29,464	(1.4)	83,833	83,520	0.4
Other income	(c) -	1,568	n.m.	-	4,818	n.m.
Amortisation of intangible asset	(d) -	(1,636)	n.m.	-	(4,908)	n.m.
REIT Manager's base management fees	(1,711)	(1,703)	0.5	(5,075)	(5,052)	0.5
REIT Manager's performance fees	(1,162)	(1,179)	(1.4)	(3,353)	(3,341)	0.4
REIT Trustee's fees	(104)	(105)	(1.0)	(311)	(311)	-
Other trust expenses	(345)	(417)	(17.3)	(1,242)	(987)	25.8
Finance income	16	253	(93.7)	50	890	(94.4)
Finance expenses	(6,058)	(6,671)	(9.2)	(17,615)	(19,163)	(8.1)
Net finance expenses	(e) (6,042)	(6,418)	(5.9)	(17,565)	(18,273)	(3.9)
Total return for the period	19,691	19,574	0.6	56,287	55,466	1.5

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 THIRD QUARTER ENDED 30 SEPTEMBER 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	3Q2018	3Q2017	Increase/ (Decrease)	YTD2018	YTD2017	Increase/ (Decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Interest income from fixed deposits		16	16	-	50	50	-
Ineffective portion of changes in fair value of cash flow hedge	(e)(i)	-	237	n.m.	-	840	n.m.
Finance income		16	253	(93.7)	50	890	(94.4)
Amortisation of debt-related transaction costs		(730)	(531)	37.5	(2,192)	(1,614)	35.8
Interest expense paid/payable to banks	(e)(ii)	(5,328)	(6,140)	(13.2)	(15,423)	(17,549)	(12.1)
Finance expenses		(6,058)	(6,671)	(9.2)	(17,615)	(19,163)	(8.1)
Net finance expenses		(6,042)	(6,418)	(5.9)	(17,565)	(18,273)	(3.9)

- (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 3Q2018 due to lower average cost of debt.

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

OUE H-REIT Group and Stapled Group						
	3Q2018	3Q2017	Increase/ (Decrease)	YTD2018	YTD2017	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
OUE H-REIT	19,694	19,575	0.6	56,295	55,471	1.5
Other OUE H-REIT Group entity	(2)	(1)	100.0	(5)	(4)	25.0
OUE H-REIT Group	19,692	19,574	0.6	56,290	55,467	1.5
OUE H-BT	(1)	-	n.m.	(3)	(1)	>100
Stapled Group	19,691	19,574	0.6	56,287	55,466	1.5

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

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

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

(g) Income available for distribution

		OUE H-REIT Group and Stapled Group				
Note	3Q2018	3Q2017	Increase/ (Decrease)	YTD2018	YTD2017	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Total return for the period for OUE H-REIT	19,694	19,575	0.6	56,295	55,471	1.5
Add/(Less):						
Non-tax deductible/(chargeable) items:						
- REIT Manager's management fees paid/payable in Stapled Securities	2,873	2,882	(0.3)	8,428	8,393	0.4
- REIT Trustee's fees	104	105	(1.0)	311	311	-
- Amortisation of intangible asset	-	1,636	n.m.	-	4,908	n.m.
- Amortisation of debt-related transaction costs	730	531	37.5	2,192	1,614	35.8
- Ineffective portion of changes in fair value of cash flow hedge	-	(237)	n.m.	-	(840)	n.m.
- Straight-lining of lease incentives (g)(i)	(125)	69	n.m.	(115)	(87)	32.2
- Other items	59	117	(49.6)	395	180	>100
	3,641	5,103	(28.6)	11,211	14,479	(22.6)
Income available for distribution (g)(ii)	23,335	24,678	(5.4)	67,506	69,950	(3.5)

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 THIRD QUARTER ENDED 30 SEPTEMBER 2018**

1 (b)(i) STATEMENTS OF FINANCIAL POSITION

	Note	OUE H-REIT Group		OUE H-BT		Stapled Group	
		30/9/2018 \$'000	31/12/2017 \$'000	30/9/2018 \$'000	31/12/2017 \$'000	30/9/2018 \$'000	31/12/2017 \$'000
ASSETS							
Non-current assets							
Investment properties		2,219,971	2,218,000	-	-	2,219,971	2,218,000
Deposit	(a)	3,826	2,295	-	-	3,826	2,295
Financial derivative assets	(b)	7,844	-	-	-	7,844	-
		2,231,641	2,220,295	-	-	2,231,641	2,220,295
Current assets							
Trade and other receivables		10,036	11,017	-	-	10,036	11,017
Cash and cash equivalents		21,205	25,548	8	11	21,213	25,559
		31,241	36,565	8	11	31,249	36,576
Total assets		2,262,882	2,256,860	8	11	2,262,890	2,256,871
LIABILITIES							
Non-current liabilities							
Borrowings	1(b)(ii)	867,504	865,312	-	-	867,504	865,312
Financial derivative liabilities	(b)	-	1,046	-	-	-	1,046
Rental deposits		2,992	3,076	-	-	2,992	3,076
		870,496	869,434	-	-	870,496	869,434
Current liabilities							
Rental deposits		1,708	1,432	-	-	1,708	1,432
Trade and other payables		8,196	9,933	3	3	8,199	9,936
		9,904	11,365	3	3	9,907	11,368
Total liabilities		880,400	880,799	3	3	880,403	880,802
Net assets		1,382,482	1,376,061	5	8	1,382,487	1,376,069
Represented by:							
Unitholders' funds							
Unitholders' funds of OUE H-REIT Group		1,382,482	1,376,061	-	-	1,382,482	1,376,061
Unitholders' funds of OUE H-BT		-	-	5	8	5	8
		1,382,482	1,376,061	5	8	1,382,487	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 THIRD QUARTER ENDED 30 SEPTEMBER 2018**

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

1 (b)(ii) BORROWINGS

Repayable within one year
Secured borrowings
Less: Unamortised transaction costs

Repayable after one year
Secured borrowings
Less: Unamortised transaction costs

Total
Secured borrowings
Less: Unamortised transaction costs

OUE H-REIT Group and Stapled Group	
30/9/2018 \$'000	31/12/2017 \$'000
-	-
-	-
-	-
875,000 (7,496)	875,000 (9,688)
867,504	865,312
875,000 (7,496)	875,000 (9,688)
867,504	865,312

Details of borrowings and collateral

Secured bank loans

		OUE H-REIT Group and Stapled Group As at 30/9/2018			
		Facility amount \$'000	Drawn down \$'000	Repaid \$'000	Repayable
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 September 2018, the weighted average debt maturity was 2.7 years and gearing at 38.7%. The average cost of debt for 3Q2018 was 2.4% per annum, with an interest cover of 4.8 times.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND OUE H-REIT AND ITS SUBSIDIARY ("OUE H-REIT GROUP") FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2018**

1 (c) STATEMENTS OF CASH FLOWS

	Note	OUE H-REIT Group			
		3Q2018 \$'000	3Q2017 \$'000	YTD2018 \$'000	YTD2017 \$'000
Operating activities					
Total return for the period		19,692	19,574	56,290	55,467
Adjustments for:					
Amortisation of intangible assets		-	1,636	-	4,908
REIT Manager's fees paid/payable in Stapled Securities (a)		2,873	2,882	8,428	8,393
Finance income		(16)	(253)	(50)	(890)
Finance expenses		6,058	6,671	17,615	19,163
Straight-lining of lease incentives		(125)	69	(115)	(87)
Operating income before working capital changes		28,482	30,579	82,168	86,954
Changes in working capital:					
Deposit		-	-	(1,531)	-
Trade and other receivables		(321)	5,303	981	550
Trade and other payables		1,607	2,003	(1,383)	(461)
Rental deposits		76	(83)	192	64
Cash generated from operating activities		29,844	37,802	80,427	87,107
Investing activities					
Interest received		16	36	50	71
Capital expenditure on investment properties		(1,382)	-	(2,117)	(950)
Cash generated from/(used in) investing activities		(1,366)	36	(2,067)	(879)
Financing activities					
Finance expenses paid		(5,356)	(6,165)	(15,516)	(16,329)
Distribution to Stapled Securityholders (b)		(21,271)	(21,832)	(67,187)	(69,734)
Cash (used in)/generated from financing activities		(26,627)	(27,997)	(82,703)	(86,063)
Net (decrease)/increase in cash and cash equivalents		1,851	9,841	(4,343)	165
Cash and cash equivalents at beginning of the period		19,354	18,871	25,548	28,547
Cash and cash equivalents at end of the period		21,205	28,712	21,205	28,712

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

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

Note	Stapled Group			
	3Q2018 \$'000	3Q2017 \$'000	YTD2018 \$'000	YTD2017 \$'000
Operating activities				
Total return for the period	19,691	19,574	56,287	55,466
Adjustments for:		-		
Amortisation of intangible assets	-	1,636	-	4,908
REIT Manager's fees paid/payable in Stapled Securities (a)	2,873	2,882	8,428	8,393
Finance income	(16)	(253)	(50)	(890)
Finance expenses	6,058	6,671	17,615	19,163
Straight-lining of lease incentives	(125)	69	(115)	(87)
Operating income before working capital changes	28,481	30,579	82,165	86,953
Changes in working capital:				
Deposit	-	-	(1,531)	-
Trade and other receivables	(321)	5,303	981	550
Trade and other payables	1,607	2,003	(1,383)	(461)
Rental deposits	76	(83)	192	64
Cash generated from operating activities	29,843	37,802	80,424	87,106
Investing activities				
Interest received	16	36	50	71
Capital expenditure on investment properties	(1,382)	-	(2,117)	(950)
Cash generated from/(used in) investing activities	(1,366)	36	(2,067)	(879)
Financing activities				
Finance expenses paid	(5,356)	(6,165)	(15,516)	(16,329)
Distribution to Stapled Securityholders (b)	(21,271)	(21,832)	(67,187)	(69,734)
Cash (used in)/generated from financing activities	(26,627)	(27,997)	(82,703)	(86,063)
Net (decrease)/increase in cash and cash equivalents	1,850	9,841	(4,346)	164
Cash and cash equivalents at beginning of the period	19,363	18,882	25,559	28,559
Cash and cash equivalents at end of the period	21,213	28,723	21,213	28,723

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

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

NOTES TO STATEMENTS OF CASH FLOWS

(a) 3Q2018

In 3Q2018, 2,424,039 Stapled Securities amounting to \$1,711,129 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 \$1,162,216 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 3Q2017, 2,179,164 Stapled Securities amounting to \$1,703,017 has been issued to the REIT Manager as satisfaction of REIT Manager's base management fees payable in Stapled Securities. The performance fee of \$1,178,577 has been settled through the issuance of 1,396,583 Stapled Securities on 30 January 2018.

YTD2018

In YTD2018, 6,581,584 Stapled Securities amounting to \$5,075,292 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 \$3,353,319 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 YTD2017, 6,910,846 Stapled Securities amounting to \$5,052,406 has been issued to the REIT Manager as satisfaction of REIT Manager's base management fees payable in Stapled Securities. The performance fee of \$3,340,803 has been settled through the issuance of 3,958,766 Stapled Securities on 30 January 2018.

(b) 3Q2018

Distribution to Stapled Securityholders relates to the distribution paid in respect of 2Q2018. In the previous corresponding period, the distribution paid was in respect of 2Q2017.

YTD2018

Distribution to Stapled Securityholders relates to the distribution paid in respect of the financial period from 1 October 2017 to 30 June 2018. In the previous corresponding period, the distribution paid was in respect of the financial period from 1 October 2016 to 30 June 2017.

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

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

		OUE H-REIT Group					OUE H-BT	Stapled Group
Note		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 1/7/2018	1,445,957	(26,577)	7,996	(46,036)	1,381,340	6	1,381,346
	Operations							
	Increase/(Decrease) in net assets resulting from operations	-	-	-	19,692	19,692	(1)	19,691
	Movement in hedging reserve							
	Effective portion of changes in fair value of cash flow hedge	-	-	(152)	-	(152)	-	(152)
	Unitholders' transactions							
	Distribution to Stapled Securityholders (a)(i)	-	-	-	(21,271)	(21,271)	-	(21,271)
	Stapled Securities to be issued as payment of REIT Manager's management fees (b)(i)	2,873	-	-	-	2,873	-	2,873
	Increase/(Decrease) in net assets resulting from unitholders' transactions	2,873	-	-	(21,271)	(18,398)	-	(18,398)
	At 30/9/2018	1,448,830	(26,577)	7,844	(47,615)	1,382,482	5	1,382,487

		OUE H-REIT Group					OUE H-BT	Stapled Group
Note		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	-	-	-	56,290	56,290	(3)	56,287
	Movement in hedging reserve							
	Effective portion of changes in fair value of cash flow hedge	-	-	8,890	-	8,890	-	8,890
	Unitholders' transactions							
	Distribution to Stapled Securityholders (a)(ii)	-	-	-	(67,187)	(67,187)	-	(67,187)
	Stapled Securities to be issued as payment of REIT Manager's management fees (b)(ii)	8,428	-	-	-	8,428	-	8,428
	Increase/(Decrease) in net assets resulting from unitholders' transactions	8,428	-	-	(67,187)	(58,759)	-	(58,759)
	At 30/9/2018	1,448,830	(26,577)	7,844	(47,615)	1,382,482	5	1,382,487

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

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 1/7/2017	1,434,644	(26,577)	(7,879)	(30,368)	1,369,820	9	1,369,829
Operations							
Increase/(Decrease) in net assets resulting from operations	-	-	-	19,574	19,574	-	19,574
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	-	-	2,289	-	2,289	-	2,289
Unitholders' transactions							
Distribution to Stapled Securityholders (a)(iii)	-	-	-	(21,832)	(21,832)	-	(21,832)
Stapled Securities to be issued as payment of REIT Manager's management fees (b)(iii)	2,882	-	-	-	2,882	-	2,882
Increase/(Decrease) in net assets resulting from unitholders' transactions	2,882	-	-	(21,832)	(18,950)	-	(18,950)
At 30/9/2017	1,437,526	(26,577)	(5,590)	(32,626)	1,372,733	9	1,372,742

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	-	-	-	55,467	55,467	(1)	55,466
Movement in hedging reserve							
Effective portion of changes in fair value of cash flow hedge	-	-	(3,361)	-	(3,361)	-	(3,361)
Unitholders' transactions							
Distribution to Stapled Securityholders (a)(iv)	-	-	-	(69,734)	(69,734)	-	(69,734)
Stapled Securities to be issued as payment of REIT Manager's management fees (b)(iv)	8,393	-	-	-	8,393	-	8,393
Increase/(Decrease) in net assets resulting from unitholders' transactions	8,393	-	-	(69,734)	(61,341)	-	(61,341)
At 30/9/2017	1,437,526	(26,577)	(5,590)	(32,626)	1,372,733	9	1,372,742

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND
OUE H-REIT AND ITS SUBSIDIARY ("OUE H-REIT GROUP")
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 2Q2018.
- (a)(ii) Distribution to Stapled Securityholders relates to the distribution made in respect of 4Q2017, 1Q2018 and 2Q2018.
- (a)(iii) Distribution to Stapled Securityholders relates to the distribution made in respect of 2Q2017.
- (a)(iv) Distribution to Stapled Securityholders relates to the distribution made in respect of 4Q2016, 1Q2017 and 2Q2017.
- (b)(i) This represents Stapled Securities to be issued as satisfaction of the REIT Manager's base and performance management fee in respect of 3Q2018. 2,424,039 Stapled Securities relating to base management fee will be issued on 7 November 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 1Q2018, 2Q2018 and 3Q2018. 2,010,762 Stapled Securities and 2,146,783 Stapled Securities relating to base management fee for 1Q2018 and 2Q2018 have been issued on 2 May 2018 and 27 July 2018 respectively. 2,424,039 Stapled Securities relating the base management fee for 3Q2018 will be issued on 7 November 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 3Q2017. 2,179,164 Stapled Securities relating to base management fee have been issued on 1 November 2017. 1,396,583 Stapled Securities relating to performance management fee for 3Q2017 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 1Q2017, 2Q2017 and 3Q2017. 2,422,592 Stapled Securities, 2,309,090 Stapled Securities and 2,179,164 Stapled Securities relating to base management fee for 1Q2017, 2Q2017 and 3Q2017 have been issued on 4 May 2017, 1 August 2017 and 1 November 2017 respectively. 3,958,766 Stapled Securities relating to performance management fee for YTD2017 have been issued on 30 January 2018.

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

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

Note	Stapled Group			
	3Q2018 '000	3Q2017 '000	YTD2018 '000	YTD2017 '000
Issued Stapled Securities at beginning of the period	1,815,895	1,802,030	1,806,518	1,790,428
Issuance of new Stapled Securities:				
- as payment of REIT Manager's management fees	2,147	2,309	11,524	13,911
Issued Stapled Securities at end of the period	1,818,042	1,804,339	1,818,042	1,804,339
Stapled Securities to be issued:				
- as payment of REIT Manager's management fees (a)	7,174	6,454	7,174	6,454
Total issued and issuable Stapled Securities at end of the period	1,825,216	1,810,793	1,825,216	1,810,793

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.

7,174,454 Stapled Securities relates to base management fee payable for 3Q2018 and performance management fee payable for YTD2018. 2,424,039 Stapled Securities relating to the base management fee for 3Q2018 will be issued on 7 November 2018. 4,750,415 Stapled Securities relating to performance fee for YTD2018 was calculated based on the VWAP of the Stapled Security for the last 10 business days before 30 September 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.

6,454,022 Stapled Securities relates to base management fee payable for 3Q2017 and performance management fee payable for YTD2017. 2,179,164 Stapled Securities relating to the base management fee for 3Q2017 were issued on 1 November 2017. 4,274,858 Stapled Securities relating to the performance management fee for YTD2017 was calculated based on the VWAP of the Stapled Security for the last 10 business days before 30 September 2017. On 30 January 2018, the performance management fee was settled through the issuance of 3,958,766 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 THIRD QUARTER ENDED 30 SEPTEMBER 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			
	3Q2018	3Q2017	YTD2018	YTD2017
Weighted average number of Stapled Securities ('000)	1,818,068	1,804,363	1,815,971	1,802,035
Basic EPS (cents)	1.08	1.08	3.10	3.08
Weighted average number of Stapled Securities ('000) ⁽¹⁾	1,825,216	1,810,793	1,825,216	1,810,793
Diluted EPS (cents)	1.08	1.08	3.08	3.06

⁽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 THIRD QUARTER ENDED 30 SEPTEMBER 2018

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

Distribution per Stapled Security (“DPS”)

	Stapled Group			
	3Q2018	3Q2017	YTD2018	YTD2017
Number of Stapled Securities entitled to distribution ('000)	1,820,466 ⁽¹⁾	1,806,518 ⁽²⁾	1,820,466 ⁽¹⁾	1,806,518 ⁽²⁾
DPS (cents)	1.28	1.36	3.71	3.87

⁽¹⁾ Included 2,424,039 Stapled Securities to be issued as satisfaction of REIT Manager's base management fee for 3Q2018.

⁽²⁾ Included 2,179,164 Stapled Securities issued as satisfaction of REIT Manager's base management fee for 3Q2017.

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

	OUE H-REIT Group and Stapled Group	
	30/9/2018	31/12/2017
Number of Stapled Securities ('000):		
- in issue	1,818,042	1,806,518
- issuable	7,174	7,366
	1,825,216	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

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

8. REVIEW OF PERFORMANCE

Note	Stapled Group						
	3Q2018	3Q2017	Increase/ (Decrease)	YTD2018	YTD2017	Increase/ (Decrease)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Gross revenue:							
- Hospitality	24,739	25,425	(2.7)	71,275	71,129	0.2	
- Retail	8,505	8,584	(0.9)	25,384	26,126	(2.8)	
(a)	33,244	34,009	(2.2)	96,659	97,255	(0.6)	
Property expenses:							
- Hospitality	(2,246)	(2,416)	(7.0)	(6,594)	(6,979)	(5.5)	
- Retail	(1,943)	(2,129)	(8.7)	(6,232)	(6,756)	(7.8)	
(b)	(4,189)	(4,545)	(7.8)	(12,826)	(13,735)	(6.6)	
Net property income:							
- Hospitality	22,493	23,009	(2.2)	64,681	64,150	0.8	
- Retail	6,562	6,455	1.7	19,152	19,370	(1.1)	
(c)	29,055	29,464	(1.4)	83,833	83,520	0.4	
Other income	-	1,568	n.m.	-	4,818	n.m.	
Amortisation of intangible asset	-	(1,636)	n.m.	-	(4,908)	n.m.	
REIT Manager's fees	(2,873)	(2,882)	(0.3)	(8,428)	(8,393)	0.4	
REIT Trustee's fees	(104)	(105)	(1.0)	(311)	(311)	-	
Other trust expenses	(345)	(417)	(17.3)	(1,242)	(987)	25.8	
Net finance expenses	(6,042)	(6,418)	(5.9)	(17,565)	(18,273)	(3.9)	
(f)							
Total return for the period	(g)	19,691	19,574	0.6	56,287	55,466	1.5
Income available for distribution	(h)	23,335	24,678	(5.4)	67,506	69,950	(3.5)
DPS (cents)	(h)	1.28	1.36	(5.9)	3.71	3.87	(4.1)

n.m.: not meaningful

3Q2018 vs 3Q2017

- (a) Gross revenue for 3Q2018 was \$0.8 million lower than 3Q2017. 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.

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

8. REVIEW OF PERFORMANCE (cont'd)

3Q2018 vs 3Q2017 (cont'd)

	Revenue			Net Property Income			RevPAR		
	3Q2018	3Q2017	Increase/ (Decrease)	3Q2018	3Q2017	Increase/ (Decrease)	3Q2018	3Q2017	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%	\$	\$	%
MOS	19,114	19,800	(3.5)	18,316	18,925	(3.2)	233	242	(3.7)
CPCA	5,625	5,625	-	4,177	4,084	2.3	187	176	6.3
Hospitality portfolio	24,739	25,425	(2.7)	22,493	23,009	(2.2)	217	219	(0.9)

Hospitality segment recorded slightly lower revenue in 3Q2018 as compared to 3Q2017.

Master lease income from MOS was lower than 3Q2017 as MOS recorded a lower RevPAR of \$233 (3Q2017: \$242) due to lower average room rates. MOS also recorded lower food and beverage sales, mainly 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 3Q2017 at minimum rent. Notwithstanding CPCA's operating performance had progressively improved and achieved higher RevPAR of \$187 (3Q2017: \$176), the master lease income was below the minimum rent, hence minimum rent was received.

Retail revenue for 3Q2018 was \$0.1 million lower than 3Q2017. The lower retail revenue in 3Q2018 was due to lower effective rent per square foot per month of \$22.7 (3Q2017: \$22.9).

- (b) Lower property expenses by \$0.4 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 3Q2018 was \$0.4 million lower than 3Q2017 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 3Q2018 were lower than 3Q2017 by \$0.4 million mainly due to lower interest expense, partially offset by absence of fair value gains on interest rate swaps (3Q2017: gain of \$0.2 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 3Q2018 of \$19.7 million (3Q2017: \$19.6 million) was \$0.1 million higher mainly due to lower net finance expense, partially offset by lower net property income from hospitality segment.
- (h) Income available for distribution was \$1.3 million lower than 3Q2017 as OUE H-REIT no longer receives income support for CPCA and lower income from the properties, partially mitigated by lower interest expense. The DPS for 3Q2018 was 1.28 cents, 5.9% lower as compared to 1.36 cents for 3Q2017.

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

8. REVIEW OF PERFORMANCE (cont'd)

YTD2018 vs YTD2017

- (a) Gross revenue for YTD2018 was \$0.6 million lower than YTD2017. The lower revenue recorded by the retail segment was partially mitigated by the higher revenue recorded by the hospitality segment.

	Revenue			Net Property Income			RevPAR		
	YTD2018	YTD2017	Increase/ (Decrease)	YTD2018	YTD2017	Increase/ (Decrease)	YTD2018	YTD2017	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%	\$	\$	%
MOS	54,400	54,254	0.3	52,006	51,630	0.7	225	223	0.9
CPCA	16,875	16,875	-	12,675	12,520	1.2	179	164	9.1
Hospitality portfolio	71,275	71,129	0.2	64,681	64,150	0.8	209	202	3.5

Hospitality revenue was \$0.1 million higher than YTD2017 due to higher master lease income from MOS.

Master lease income from MOS was higher as MOS recorded a higher RevPAR of \$225 (YTD2017: \$223) due to higher average room rates and higher demand from the corporate and wholesale segments. MOS recorded lower food and beverage sales, attributable to lower banquet sales partially mitigated by better performance by the food and beverage outlets.

Master lease income from CPCA had remained the same as YTD2017 at minimum rent. Notwithstanding CPCA's operating performance had progressively improved and achieved higher RevPAR of \$179 (YTD2017: \$164), the master lease income was below the minimum rent, hence minimum rent was received.

Retail revenue for YTD2018 was \$0.7 million lower than YTD2017. The lower retail revenue in YTD2018 was due to lower effective rent per square foot per month of \$22.5 (YTD2017: \$23.4).

- (b) Lower property expenses by \$0.9 million were mainly due to lower property tax as a result of lower annual value assessed, partially offset by higher rental to CAG and higher marketing expenses.
- (c) NPI for YTD2018 was \$0.3 million higher than YTD2017 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 YTD2018 were lower than YTD2017 by \$0.7 million mainly due to lower interest expense, partially offset by absence of fair value gains on interest rate swaps (YTD2017: gain of \$0.8 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 \$0.8 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 \$2.4 million lower than YTD2017 as OUE H-REIT no longer receives income support for CPCA and lower income from the retail segment, partially mitigated by higher income from the hospitality segment and lower interest expense. The DPS for YTD2018 was 3.71 cents, 4.1% lower as compared to 3.87 cents for YTD2017.

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

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 2.6% on a year-on-year basis in the third quarter of 2018, moderating from the 4.1% growth in the previous quarter¹. Expansion was expected to slow in the second half of 2018 amid the higher risks and uncertainties in the global economy².

Singapore's tourism sector continues to register healthy visitor arrivals. For the first eight months of 2018, Singapore Tourism Board ("STB") reported a 7.5%³ year-on-year increase in international visitor arrivals, while the number of visitor days increased by 5.5%³ for the same period. STB has announced increased marketing efforts including partnerships to strengthen Singapore's status as a regional cruise hub⁴ and further promote the city's food and beverage industry⁵. STB has also announced plans to enhance the city's attractiveness as a tourist destination, including a revamp of the Orchard Road shopping belt with increased activities and innovation⁶.

The hospitality outlook remains positive with the continued growth in tourist arrivals and limited supply of new hotel rooms. Changi Airport's Terminal 1 is undergoing expansion works to increase its capacity while development plans for Changi East and Terminal 5 are on track⁷. Jewel Changi Airport ("Jewel") is expected to open by March 2019⁸. CPCA shall benefit from the enhancement and expansion works at Changi Airport in the long term, as well as the upcoming opening of Jewel which the hotel will be connected to via a pedestrian bridge at Terminal 3.

Retail pipeline supply in Singapore remains limited and demand for prime retail space continues to remain healthy, supported by tight vacancies⁹. However, as challenges remain in the retail environment, we continue to work closely with tenants in curating a differentiated mall offering while optimising the asset's performance.

We will continue to focus on driving the performance of our assets and seeking suitable opportunities from our sponsor and third parties for the growth of the REIT.

¹ Ministry of Trade and Industry Singapore, Singapore's GDP grew by 2.6 Per Cent in the Third Quarter of 2018, 12 October 2018.

² Ministry of Trade and Industry Singapore, MTI Maintains 2018 GDP Growth Forecast at "2.5 to 3.5 Per Cent", 13 August 2018.

³ Singapore Tourism Board, International Visitor Arrivals Statistics, 28 September 2018.

⁴ Singapore Tourism Board, Costa Cruises Enters Second Tripartite Partnership With Tourism Board and Changi Airport Group To Grow The Fly, 4 October 2018.

⁵ Singapore Tourism Board, STB's Multi-Year Partnership With 50 Best Brand To Spur Industry And Capability Growth & Development for F&B Enterprises, 3 October 2018.

⁶ The Business Times, Singapore To Attract More Tourists With Revamped Attractions, Data Analytics, 18 October 2018.

⁷ Changi Airport Group, Annual Report 2017/18.

⁸ The Straits Times, Almost 90% of Jewel Changi Airport's Retail Space Taken Up Ahead of 2019 Launch, 11 October 2018.

⁹ CBRE Research, Singapore MarketView, Q3 2018.

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

11. Distributions

(a) Current financial period

Any distribution declared for the current financial period?	Yes
Name of distribution	Distribution for the period from 1 July 2018 to 30 September 2018
Distribution type	Taxable income
Distribution rate per stapled security	1.28 cents
Book closure date	15 November 2018
Date payable	6 December 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 July 2017 to 30 September 2017
Distribution type	Taxable income
Distribution rate per stapled security	1.36 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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

7 November 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

7 November 2018

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT OF OUE H-TRUST AND
OUE H-REIT AND ITS SUBSIDIARY ("OUE H-REIT GROUP")
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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

7 November 2018