



COMMERCIAL  
REIT



# OUE Commercial REIT

Presentation for DBSV-SGX-REITAS Conference Future of Real Estate Series

2 September 2020

# Important Notice

This presentation should be read in conjunction with the announcements released by OUE Commercial REIT (“OUE C-REIT”) on 23 July 2020 (in relation to its Financial Results for 2<sup>nd</sup> Quarter 2020).

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Investors should note that they will have no right to request the Manager to redeem their Units while the Units are listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The information and opinions contained in this presentation are subject to change without notice.



# Overview of OUE C-REIT

One of the  
**Largest Diversified**  
SGX-listed REITs

Total assets under management

**S\$6.8billion<sup>(1)</sup>**

**7** High quality prime assets

6 properties in Singapore and 1 property in Shanghai



OUE Bayfront



One Raffles Place



OUE Downtown Office



Lippo Plaza



Mandarin Orchard Singapore



Crowne Plaza Changi Airport



Mandarin Gallery

Strong Support  
OUE Group

**47.8%** stake<sup>(1)</sup>

More than **2.0** mil sq ft  
in net lettable area

**1,640** upscale  
hotel rooms

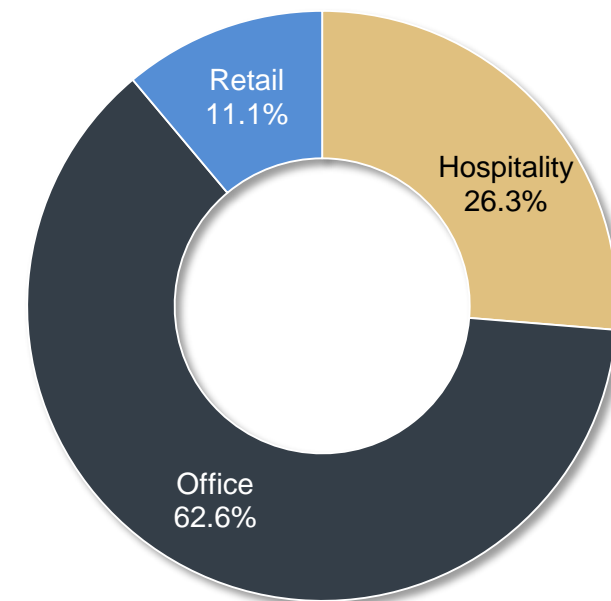
Investment Mandate

✓ Commercial  
✓ Hospitality / Hospitality-related

# COVID-19 Impact & Measures

	Office	Retail	Hospitality
Impact	<ul style="list-style-type: none"> <li>Weak economic outlook coupled with suspension of leasing activities during the circuit breaker led to a decline in committed occupancy</li> <li>Nonetheless, SG portfolio continued to achieve positive rental reversions which resulted in the <b>stable performance</b></li> </ul>	<ul style="list-style-type: none"> <li>Tenants have resumed operations in Phase 2 post circuit breaker</li> <li>Shopper traffic rebounded to ~70% of pre-COVID-19 levels at Mandarin Gallery and ~30% at One Raffles Place Shopping Mall</li> <li><b>Continued operating challenges</b> amidst the pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Hotels have sought alternative sources of demand due to continued restrictions on short-term visitors to Singapore</li> <li><b>Downside protection from minimum rent component</b> of S\$67.5 million p.a. under the hotel master lease agreements</li> </ul>
Tenant Support Measures	<ul style="list-style-type: none"> <li>Passed on in full property tax rebate as well as cash rebates from the Singapore Government</li> <li>Various assistance schemes (e.g. rental rebates, flexible rental payment and marketing assistance) to eligible tenants</li> <li>➤ OUE C-REIT's commitment to tenants to date amounts to <b>c.S\$13.8 million</b></li> </ul>		<ul style="list-style-type: none"> <li>Passed on in full Singapore property tax rebate</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Government support amounts to <b>c.S\$19.9 million</b> of relief</li> </ul>		

**2Q 2020 Revenue By Segment**



- **Retained c.S\$13.8 million of distribution in 1H 2020** to preserve financial flexibility given the fluidity of the COVID-19 situation
- 1H 2020 amount distributed to Unitholders of S\$54.5 million, 12.1% higher year-on-year, 1.00 cents DPU

# Key Strategies & Focus

Operations	Capital Management
<ul style="list-style-type: none"> <li>▪ Suspended non-essential capital and operating expenditure</li> </ul> <p><b><u>Commercial<sup>(1)</sup> Segment</u></b></p> <ul style="list-style-type: none"> <li>▪ Proactive lease management to retain tenants and sustain occupancy</li> <li>➤ <b>Less than c.6% of gross rental income</b> of commercial segment remains to be renewed for balance of 2020</li> </ul> <p><b><u>Hospitality Segment</u></b></p> <ul style="list-style-type: none"> <li>▪ Capitalising on weak operating environment due to COVID-19 to re-brand Mandarin Orchard Singapore to Hilton Singapore Orchard</li> <li>➤ <b>Adding new income-generating spaces</b> to drive growth in sustainable returns</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance sheet remains healthy with sufficient liquidity to meet operational and financial commitments</li> <li>➤ Asset values would need to correct by ~20%, before regulatory limit of 50% is reached</li> <li>▪ In line with proactive and prudent stance, actively building up credit facilities to augment working capital and for refinancing requirements</li> <li>➤ Average cost of debt of 3.1% p.a. is <b>expected to remain stable</b></li> </ul>

- ☑ Tenant retention through proactive lease management
- ☑ Focus on cost management and cash conservation, and maintaining financial flexibility
- ☑ Preserve sustainable long term returns for Unitholders





**Thank You**