



Citi Asia Pacific Property Conference 2018 Investor Presentation

28 June 2018

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This presentation shall be read in conjunction with OUE Commercial REIT's Financial Results announcement for 1Q 2018 dated 10 May 2018.

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Investors should note that they will have no right to request the Manager to redeem or purchase 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.

Agenda

- Overview
- Financial Highlights
- Portfolio Performance
- Summary
- Appendices

Overview of OUE C-REIT

About OUE C-REIT

- OUE C-REIT is a Singapore real estate investment trust listed on the Mainboard of Singapore Exchange Securities Trading Limited with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for commercial purposes
- OUE C-REIT is managed by OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of OUE Limited

Quality Portfolio

OUE C-REIT's portfolio comprises :

- **OUE Bayfront**, a premium Grade A office building located at Collyer Quay between the Marina Bay downtown and Raffles Place in Singapore;
- **One Raffles Place**, an integrated commercial development comprising two Grade A office towers and a retail mall located in the heart of the Singapore's central business district at Raffles Place; and
- **Lippo Plaza**, a Grade A commercial building located in Huangpu, one of Shanghai's established core CBD locations

Strong Sponsor

- Committed Sponsor in OUE Group which has a 55.7% stake in OUE C-REIT
- Right of First Refusal over 1 million sq ft NLA of commercial space
- Sponsor has proven track record in real estate ownership and operations
- Leverage on Sponsor's asset enhancement and redevelopment expertise

Premium Portfolio of Assets

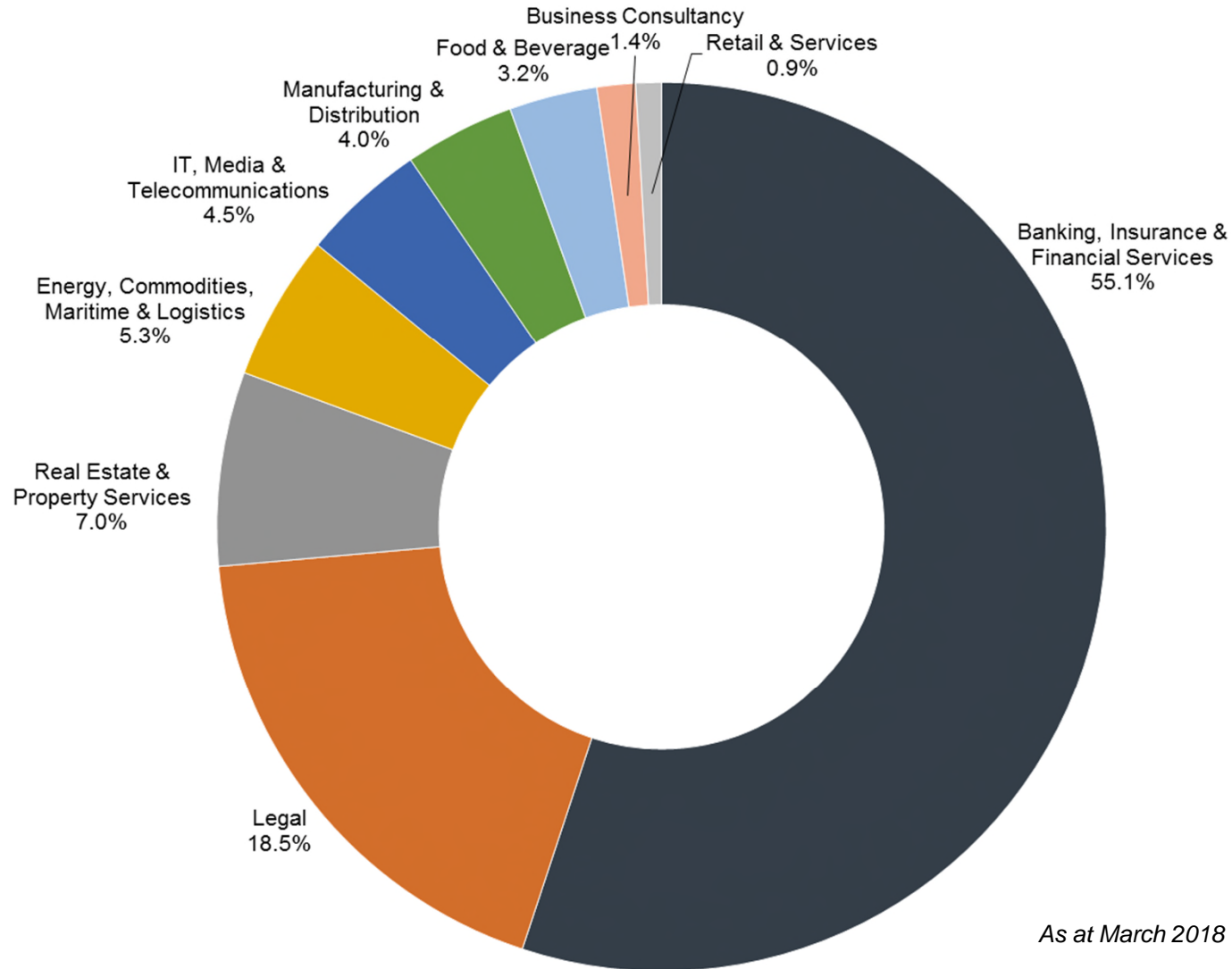
OUE Bayfront



GFA (sq m)	46,774.6
NLA (sq m)	Office: 35,298.3; Retail: 1,830.1; Overall: 37,128.4
Committed Occupancy (@ 31 Mar 2018)	Office: 98.2%; Retail: 100.0%; Overall: 98.2%
Valuation (@ 31 Dec 2017)	S\$1,153.0 m (S\$2,885 psf)
Valuation Cap Rate (Office):	3.75%
Land Use Right Expiry	OUE Bayfront & OUE Tower: 99 yrs from 12 November 2007 OUE Link: 15 yrs from 26 March 2010 Underpass: 99 yrs from 7 January 2002
Completion Year	2011

Premium Portfolio of Assets

OUE Bayfront – Tenants by Trade Sector



As at March 2018

Premium Portfolio of Assets

One Raffles Place

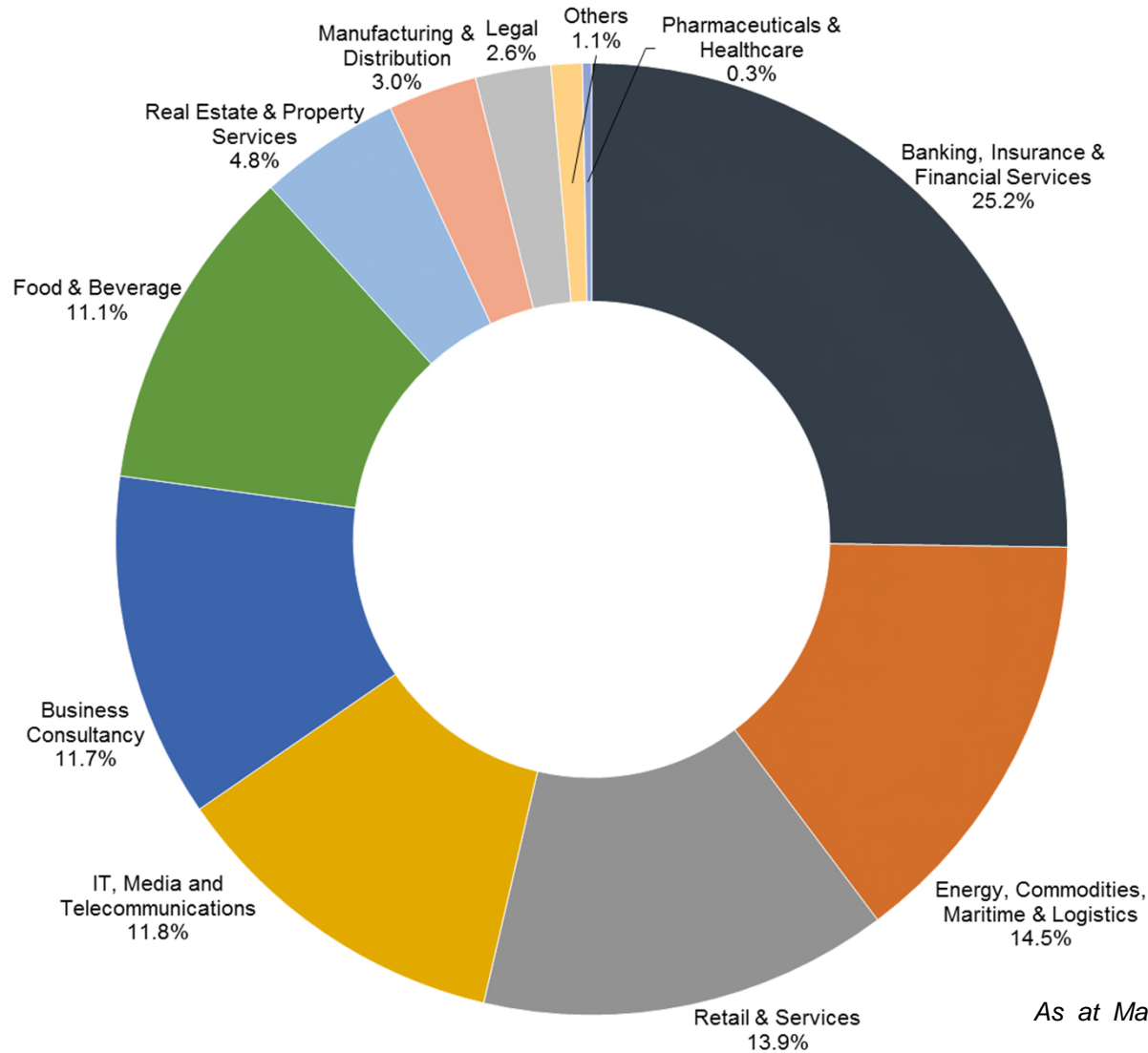


GFA (sq m)	119,626.3
Attributable NLA (sq m)	Office: 56,013.0; Retail: 9,386.0; Overall: 65,399.0
Committed Occupancy (@ 31 Mar 2018)	Office: 97.1%; Retail: 87.4%; Overall: 95.5%
Valuation⁽¹⁾ (@ 31 Dec 2017)	S\$1,773.2 m (S\$2,519 psf)
Valuation Cap Rate (Office):	3.60% - 3.90%
Land Use Right Expiry	Office Tower 1: 841 yrs from 1 Nov 1985; Office Tower 2: 99 yrs from 26 May 1983; Retail: ~75% of NLA is on 99 yrs from 1 Nov 1985
Completion Year	Office Tower 1: 1986; Office Tower 2: 2012; Retail (major refurbishment): 2014

(1) Based on OUB Centre Limited's 81.54% interest in One Raffles Place. OUE C-REIT has an 83.33% indirect interest in OUB Centre Limited held via its wholly-owned subsidiaries

Premium Portfolio of Assets

One Raffles Place – Tenants by Trade Sector



As at March 2018

Premium Portfolio of Assets

Lippo Plaza



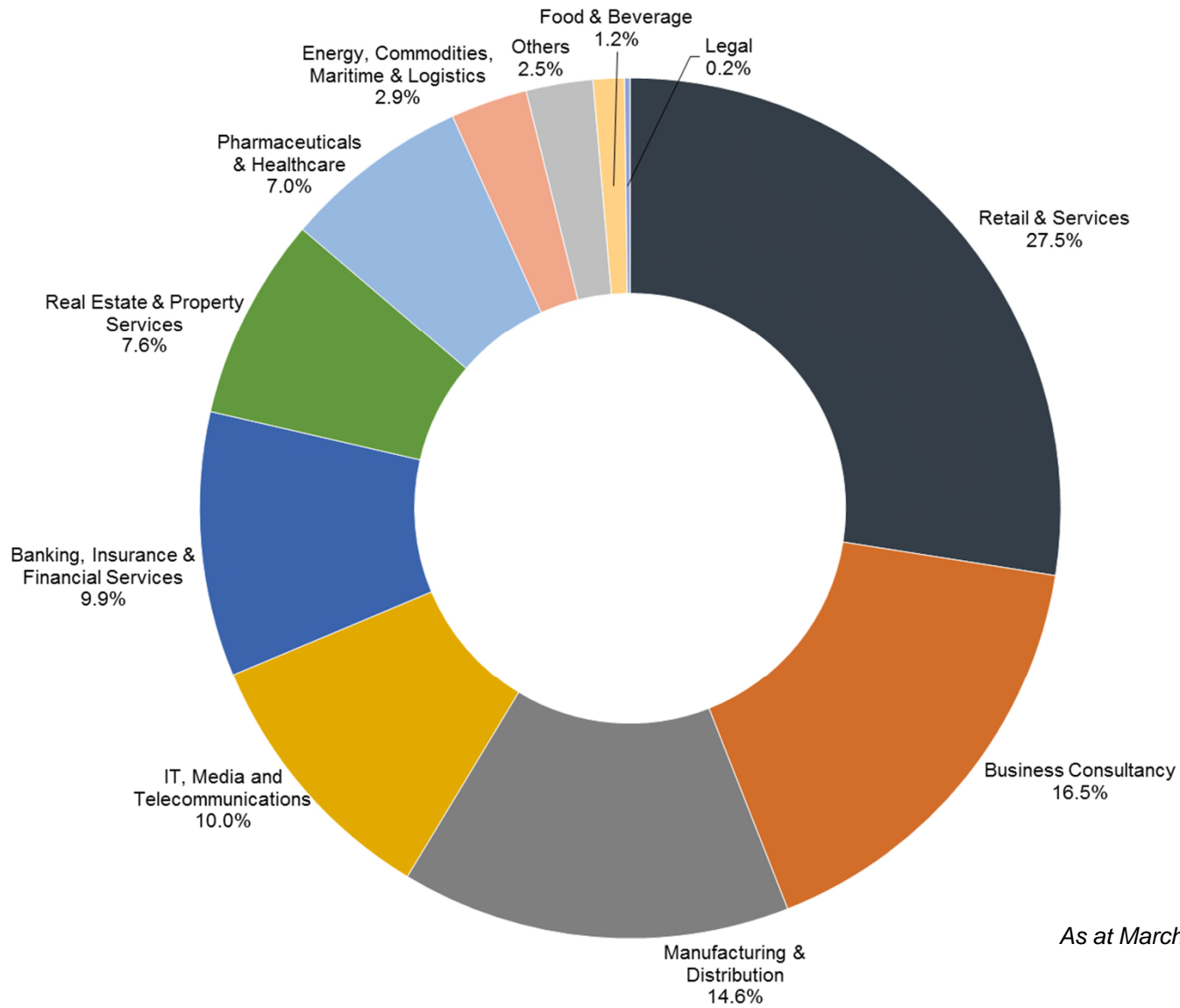
GFA (sq m)	58,521.5
Attributable NLA (sq m)	Office: 33,538.6; Retail: 5,685.9; Overall: 39,224.5
Committed Occupancy (@ 31 Mar 2018)	Office: 99.2%; Retail: 90.4%; Overall: 97.9%
Valuation⁽¹⁾ (@ 31 Dec 2017)	RMB2,887.0 m / RMB49,332 psm (S\$601.1m) ⁽²⁾
Land Use Right Expiry	50 yrs from 2 July 1994
Completion Year	1999; Retail (major refurbishment) : 2010

(1) Based on 91.2% strata ownership of Lippo Plaza

(2) Based on SGD:CNY exchange rate of 1 : 4.803 as at 31 March 2018

Premium Portfolio of Assets

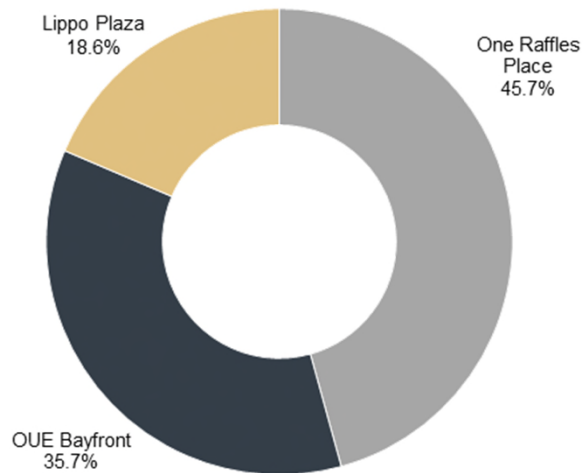
Lippo Plaza – Tenants by Trade Sector



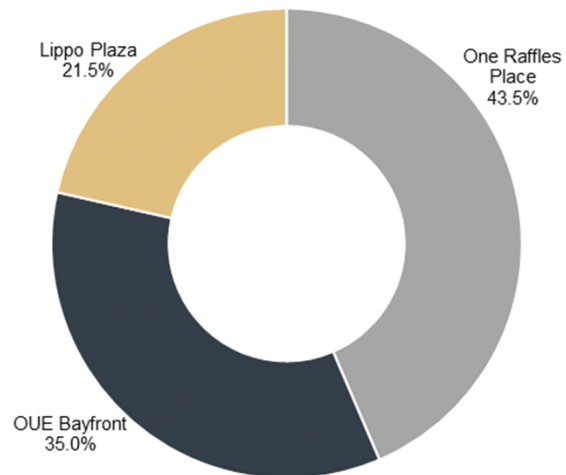
As at March 2018

Portfolio Composition

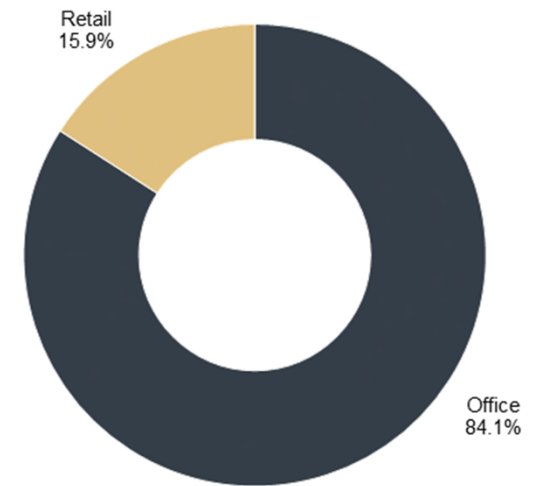
By Asset Value⁽¹⁾



By Revenue Contribution⁽²⁾

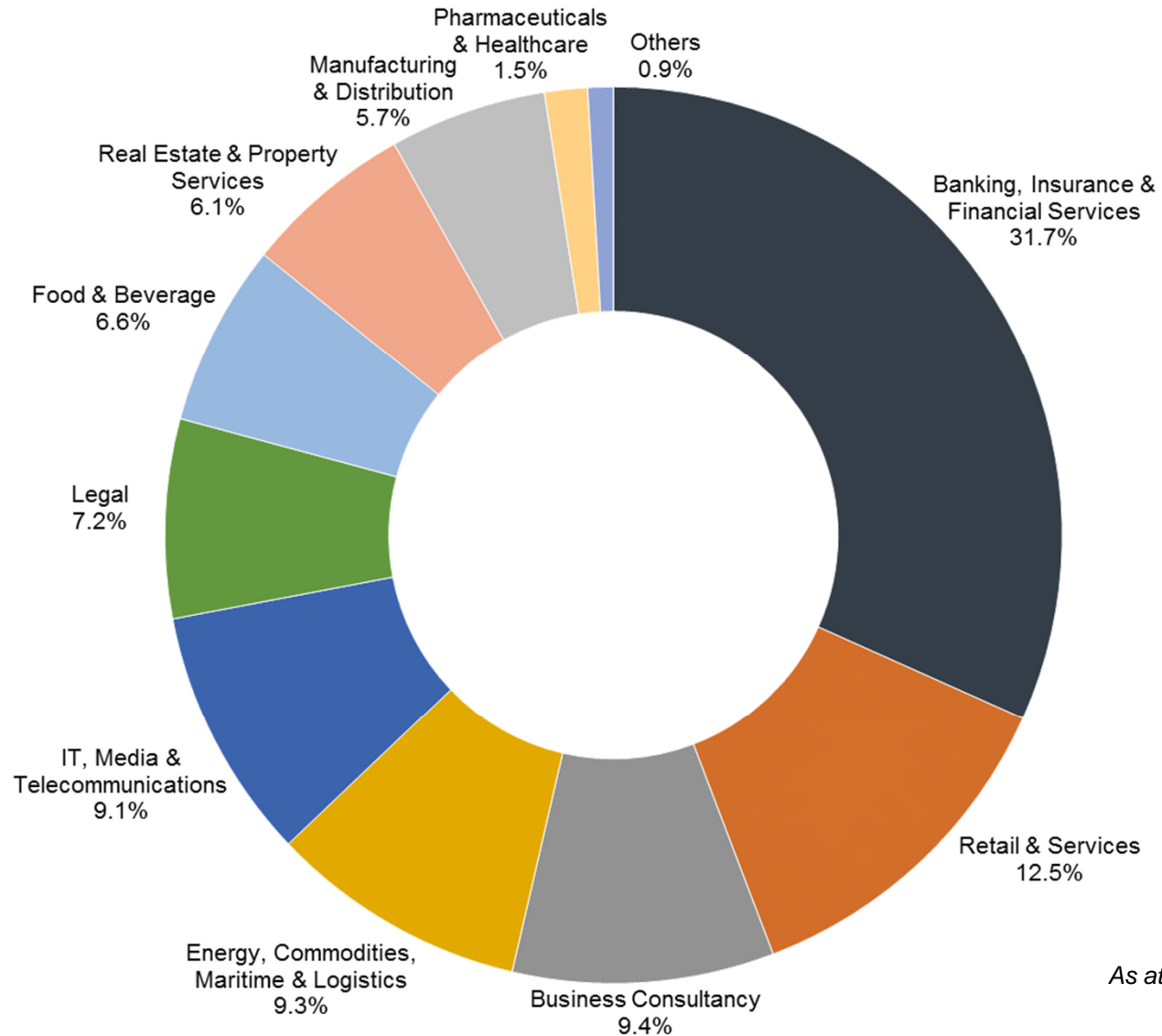


By Segment Income⁽²⁾



(1) Based on independent valuations as at 31 December 2017 and OUE C-REIT's proportionate interest in One Raffles Place
 (2) For 1Q 2018 and based on OUE C-REIT's attributable interest in One Raffles Place

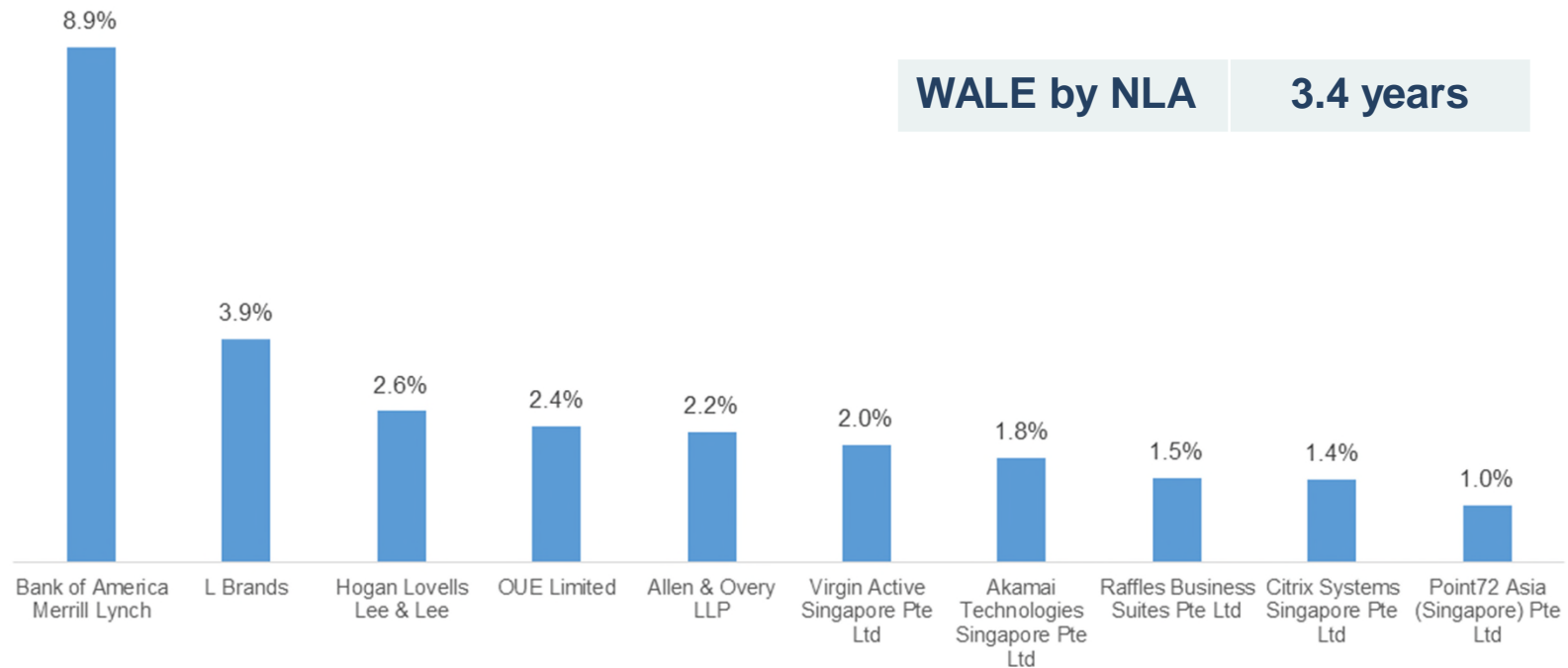
Well-Diversified Portfolio Tenant Base



As at March 2018

Quality and Diversified Tenant Base

Top 10 tenants contribute approximately 27.7% of gross rental income



As at 31 Mar 2018

Financial Highlights

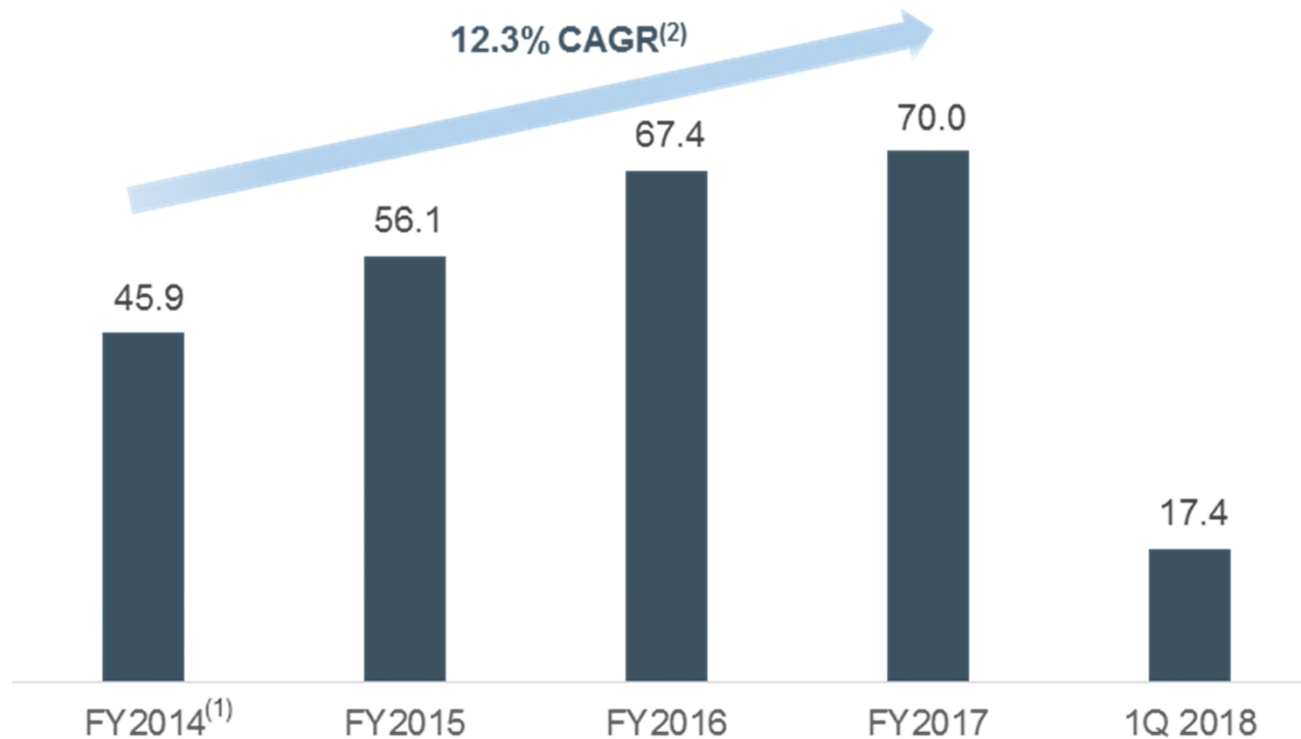


Delivered Sustainable Distribution

Delivered sustainable distribution to Unitholders since IPO

Distribution Since IPO

In S\$ million



(1) Period commencing from OUE C-REIT's listing date of 27 January 2014 to 31 December 2014

(2) FY2014-FY2017 compound annual growth rate (CAGR) computed on the basis of annualised amount available for distribution for the period from OUE C-REIT's listing date of 27 January 2014 to 31 December 2014

1Q 2018 Highlights

Revenue

S\$44.1 million

Distribution Per Unit

1.12 cents

Aggregate Leverage

(As at 31 March 2018)

40.5%

Net Property Income

S\$35.3 million

Annualised
Distribution Yield

6.4%⁽¹⁾

Fixed Rate Debt

(As at 31 March 2018)

73.7%

Amount Available for
Distribution

S\$17.4 million

Portfolio Committed
Occupancy

(As at 31 March 2018)

96.9%

AEI at One Raffles
Place Shopping Mall;
entry of co-working
operator Spaces as
anchor tenant

(1) Based on annualised 1Q 2018 distribution per Unit and Unit closing price as at 31 March 2018 of S\$0.705

1Q 2018 vs 1Q 2017

	1Q 2018	1Q 2017	Change
Revenue (S\$m)	44.1	44.8	-1.6%
Net Property Income (S\$m)	35.3	34.6	+1.8%
Amount Available for Distribution to Unitholders (S\$m)	17.4	16.6	+4.7%
DPU (cents)	1.12	1.23	-8.9%

- 1Q 2018 revenue declined slightly YoY to S\$44.1 million due to lower rental income. With lower property operating expenses due to lower utilities and maintenance costs, net property income of S\$35.3 million was 1.8% higher YoY
- Due to higher income support drawn in 1Q 2018, amount available for distribution was S\$17.4 million, 4.7% higher YoY
- DPU was 8.9% lower due to an enlarged unit base from the private placement completed in March 2017

1Q 2018 vs 1Q 2017

S\$'000	1Q 2018	1Q 2017	Change (%)
Revenue	44,095	44,816	(1.6)
Property operating expenses	(8,818)	(10,174)	(13.3)
Net property income	35,277	34,642	1.8
Other income	956	675	41.6
Amortisation of intangible asset	(1,113)	(1,113)	-
Manager's management fees	(2,424)	(2,339)	3.6
Other expenses	(600)	(625)	(4.0)
Interest income	208	45	NM ⁽¹⁾
Interest expense	(10,432)	(9,573)	9.0
Amortisation of debt establishment costs	(1,249)	(2,159)	(42.1)
Net fair value movement of financial derivatives	(18)	(1,915)	NM
Foreign exchange differences	402	(221)	NM
Total return before tax	21,007	17,417	20.6
Tax expense	(4,836)	(4,448)	8.7
Total return for period	16,171	12,969	24.7
Non-controlling interests	(1,935)	(1,992)	(2.9)
CPPU holder distribution	(925)	(1,356)	(31.8)
Distribution adjustments	4,110	7,021	(41.5)
Amount available for distribution to Unitholders	17,421	16,642	4.7

(1) NM: Not meaningful

Healthy Balance Sheet

S\$ million	As at 31 Mar 2018
Investment Properties	3,527.5
Total Assets	3,574.6
Loans and borrowings	1,369.1
Total Liabilities	1,575.0
Net Assets Attributable to Unitholders	1,401.9
Units in issue and to be issued ('000)	1,549,496
NAV per Unit (S\$)	0.90

Capital Management

- Redeemed S\$100 million of CPPUs in January 2018 to reduce amount of CPPUs outstanding so as to mitigate future DPU dilution from potential conversion of CPPUs into new units
- With 73.7% of debt on fixed rate basis, earnings are mitigated against interest rate fluctuations
- Every 25bps increase in floating interest rates is expected to reduce distribution by S\$0.9 million per annum, or 0.06 cents in DPU

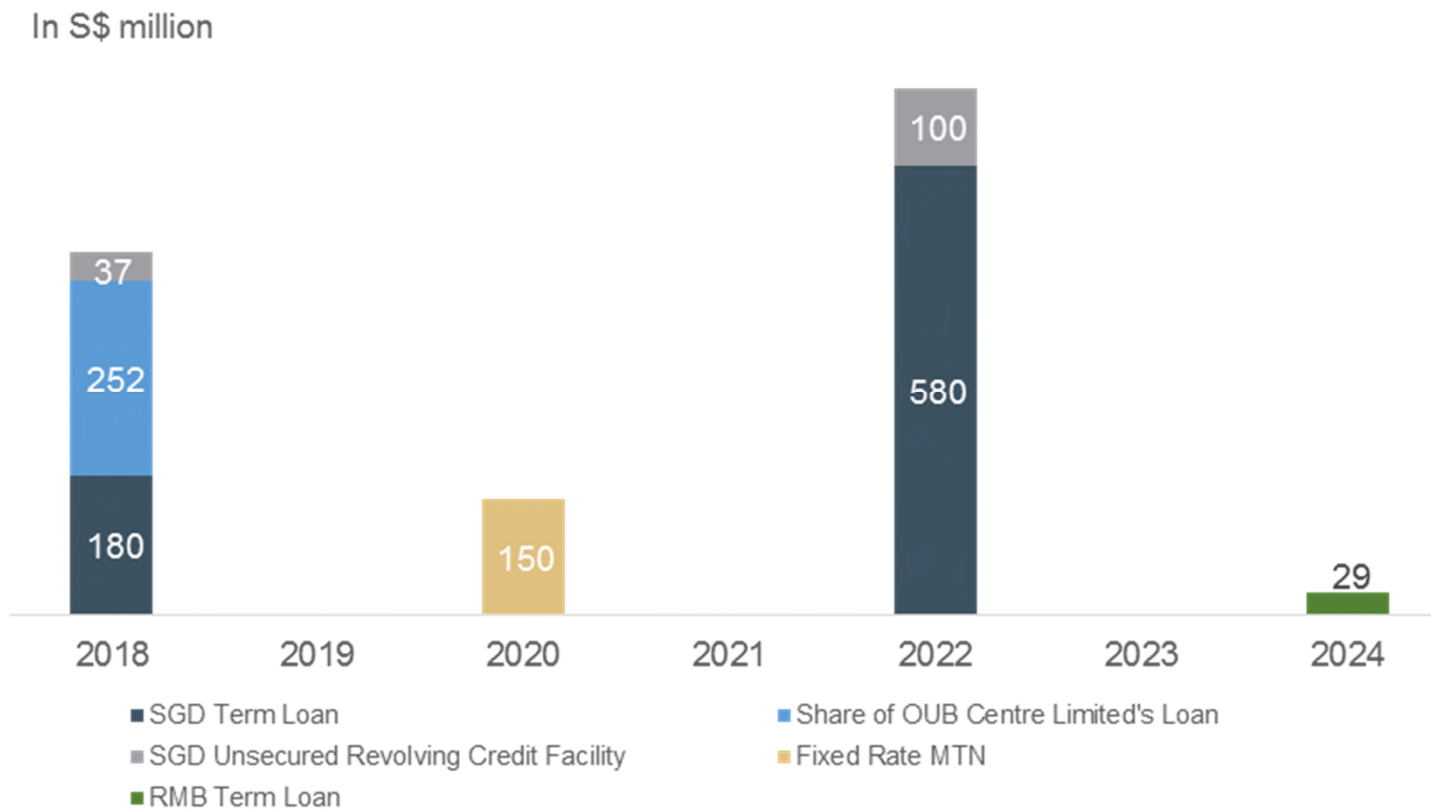
	As at 31 Mar 2018	As at 31 Dec 2017
Aggregate Leverage	40.5%	37.3%
Total debt	S\$1,329m ⁽¹⁾	S\$1,221m ⁽²⁾
Weighted average cost of debt	3.4% p.a.	3.5% p.a.
Average term of debt	2.6 years	2.7 years
% fixed rate debt	73.7%	84.3%
Average term of fixed rate debt	1.9 years	2.0 years
Interest service ratio	3.3x	3.4x

(1) Based on SGD:CNY exchange rate of 1:4.803 as at 31 March 2018 and includes OUE C-REIT's share of OUB Centre Limited's loan

(2) Based on SGD:CNY exchange rate of 1:4.902 as at 31 December 2017 and includes OUE C-REIT's share of OUB Centre Limited's loan

Debt Maturity Profile as at 31 Mar 2018

- In advanced negotiations to complete 2018 refinancing ahead of maturity in 2H 2018
- Refinancing is on unsecured terms which is expected to improve OUE C-REIT's credit profile and financial flexibility

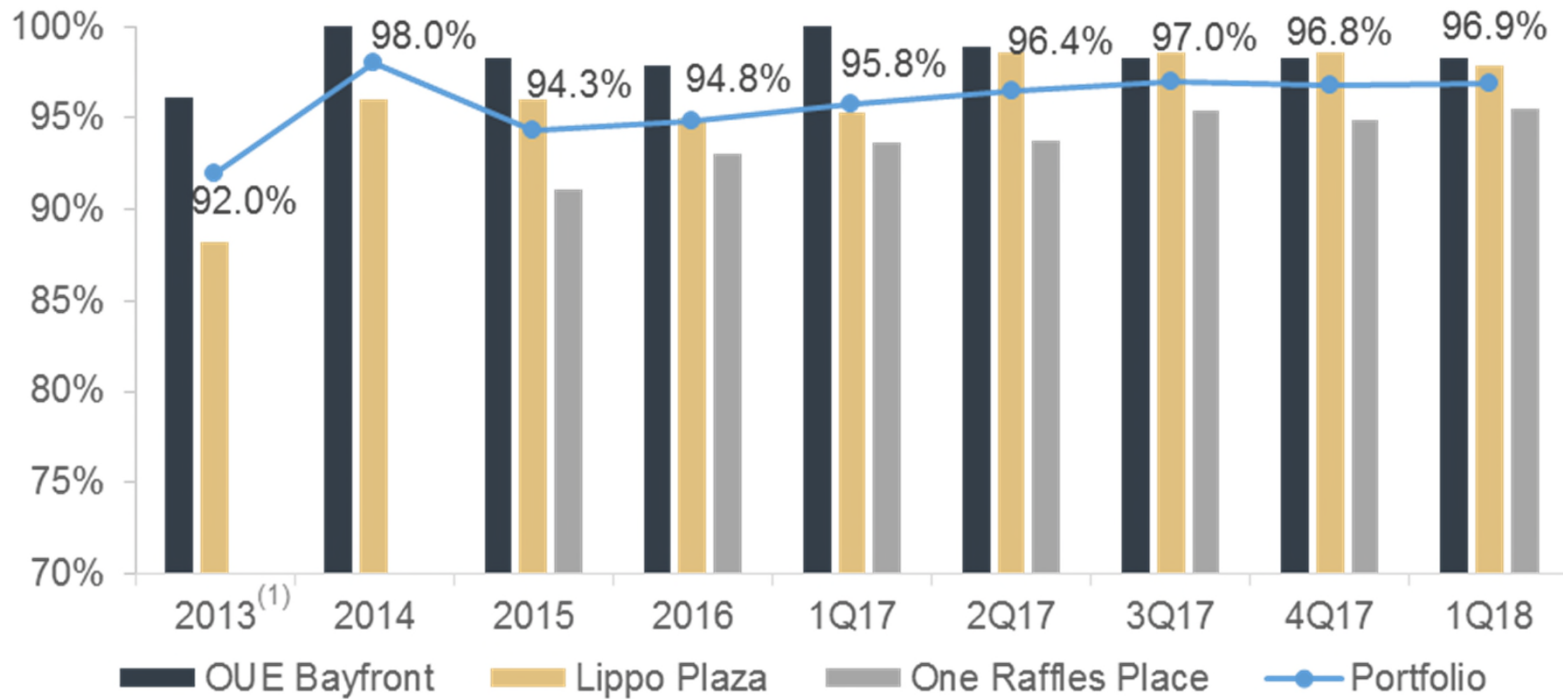


Portfolio Performance



Resilient and Stable Portfolio

OUE C-REIT's Portfolio Committed Occupancy

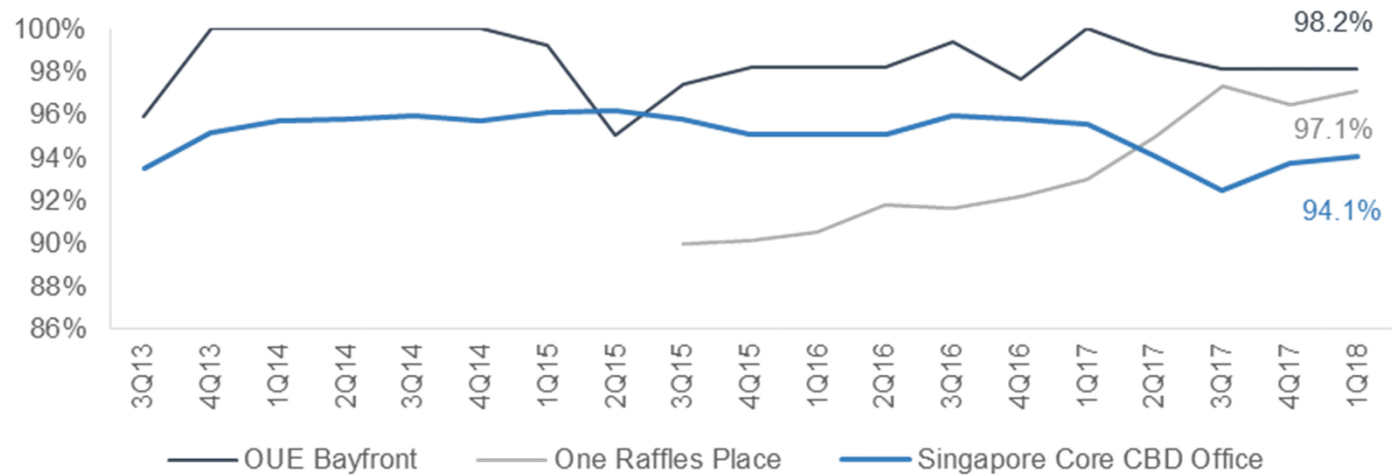


(1) Proforma committed occupancy as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

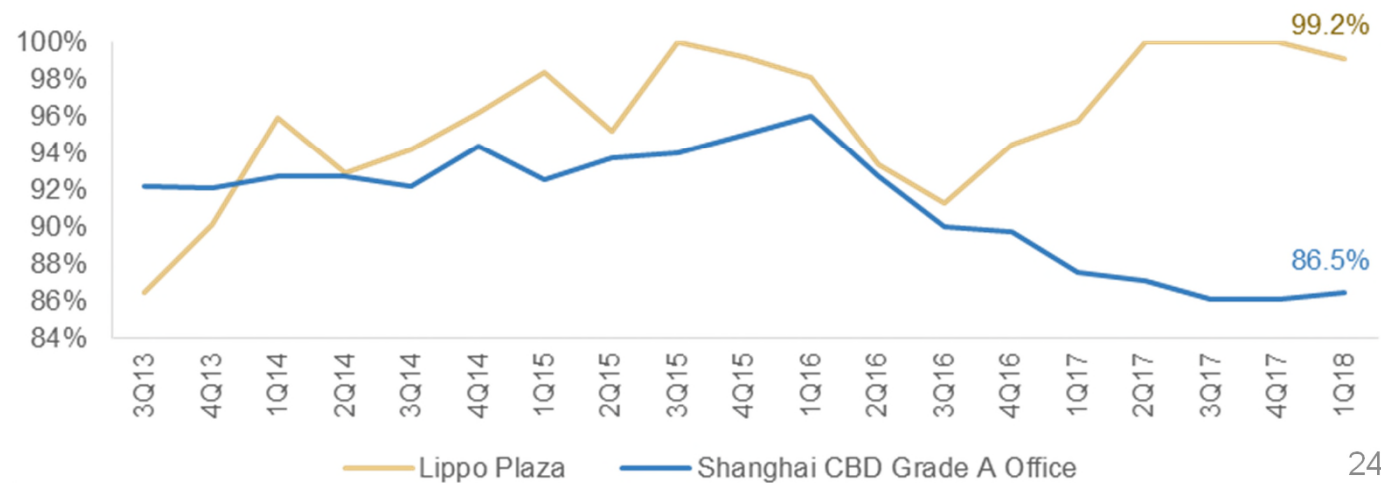
Office Occupancy Higher Than Market

- All three properties continued to achieve above market office occupancy

Singapore



Shanghai



Committed Office Rents Above Market

1Q 2018	Average Expired Rents	Committed Rents ⁽¹⁾	Market Rents	Average Passing Rents for Mar 2018
OUE Bayfront	S\$13.26 psf/mth	S\$11.30 – S\$13.90 psf/mth	S\$9.70 psf/mth ⁽²⁾	S\$11.42 psf/mth
One Raffles Place	S\$10.47 psf/mth	S\$9.70 – S\$11.00 psf/mth	S\$9.70 psf/mth ⁽²⁾	S\$9.75 psf/mth
Lippo Plaza	RMB9.78 psm/day	RMB9.70 – RMB11.30 psm/day	RMB9.31 psm/day ⁽³⁾	RMB9.85 psm/day

- Average expired rents for the portfolio in 1Q 2018 continued to be above market rents. Nevertheless, the average of new and renewal office rents committed across the portfolio were at a premium to their respective market office rents

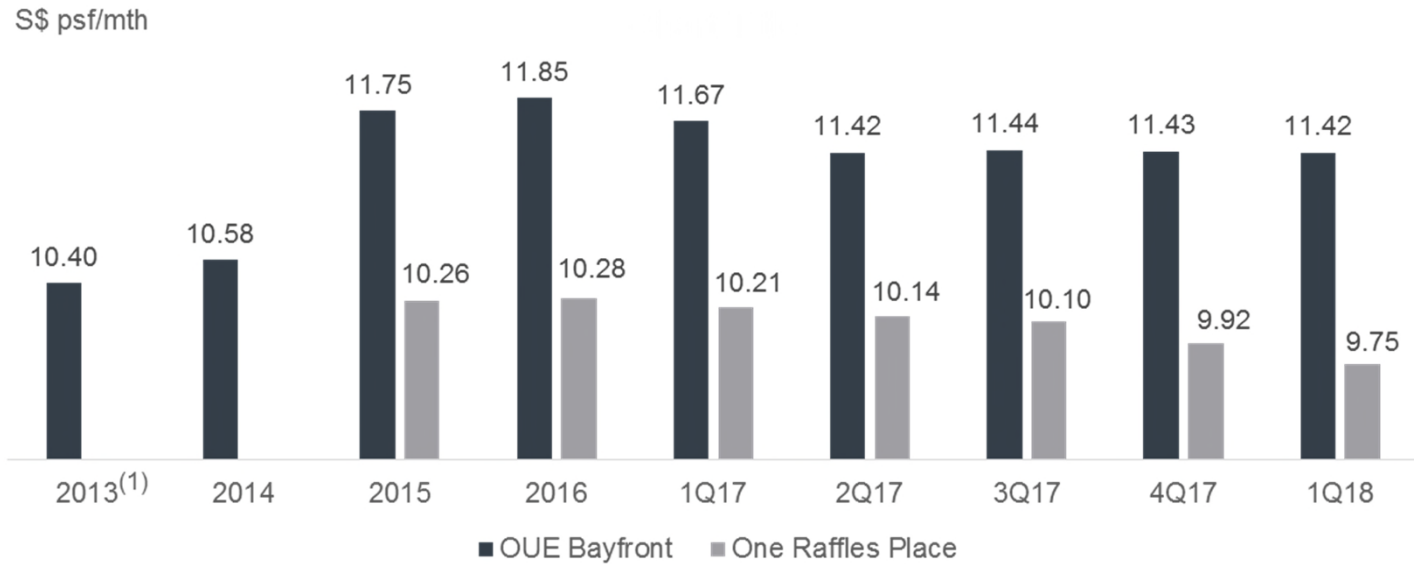
(1) Committed rents for renewals, rent reviews (if any) and new leases

(2) Refers to Grade A CBD Core office rents in Singapore. Source: CBRE Singapore MarketView 1Q 2018

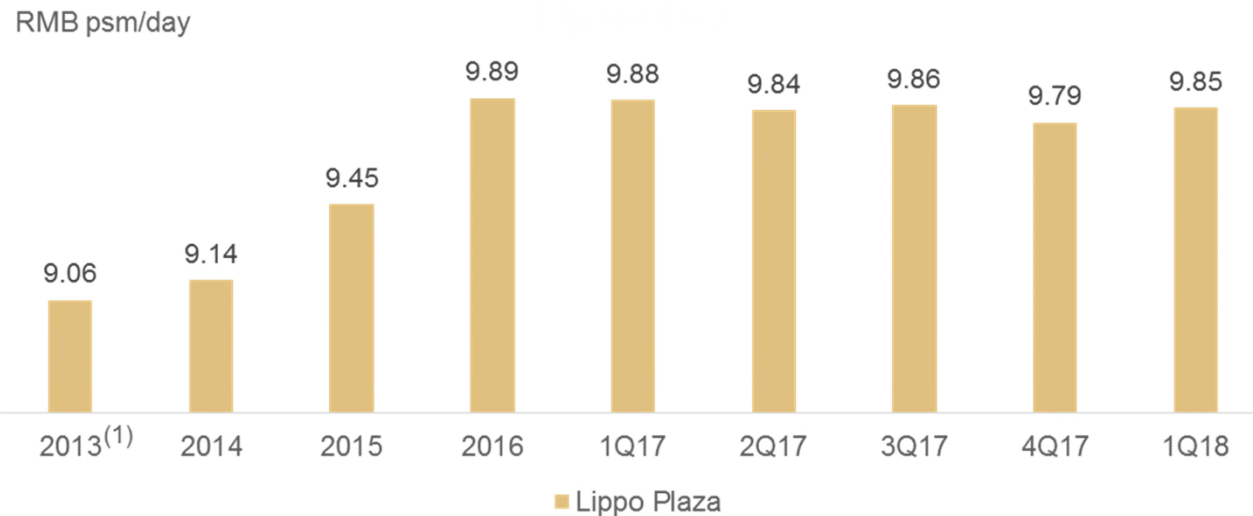
(3) Refers to CBD Grade A office rents in Puxi. Source: Colliers International Shanghai Office Research & Forecast Report 1Q 2018

Average Passing Office Rents

Singapore



Shanghai



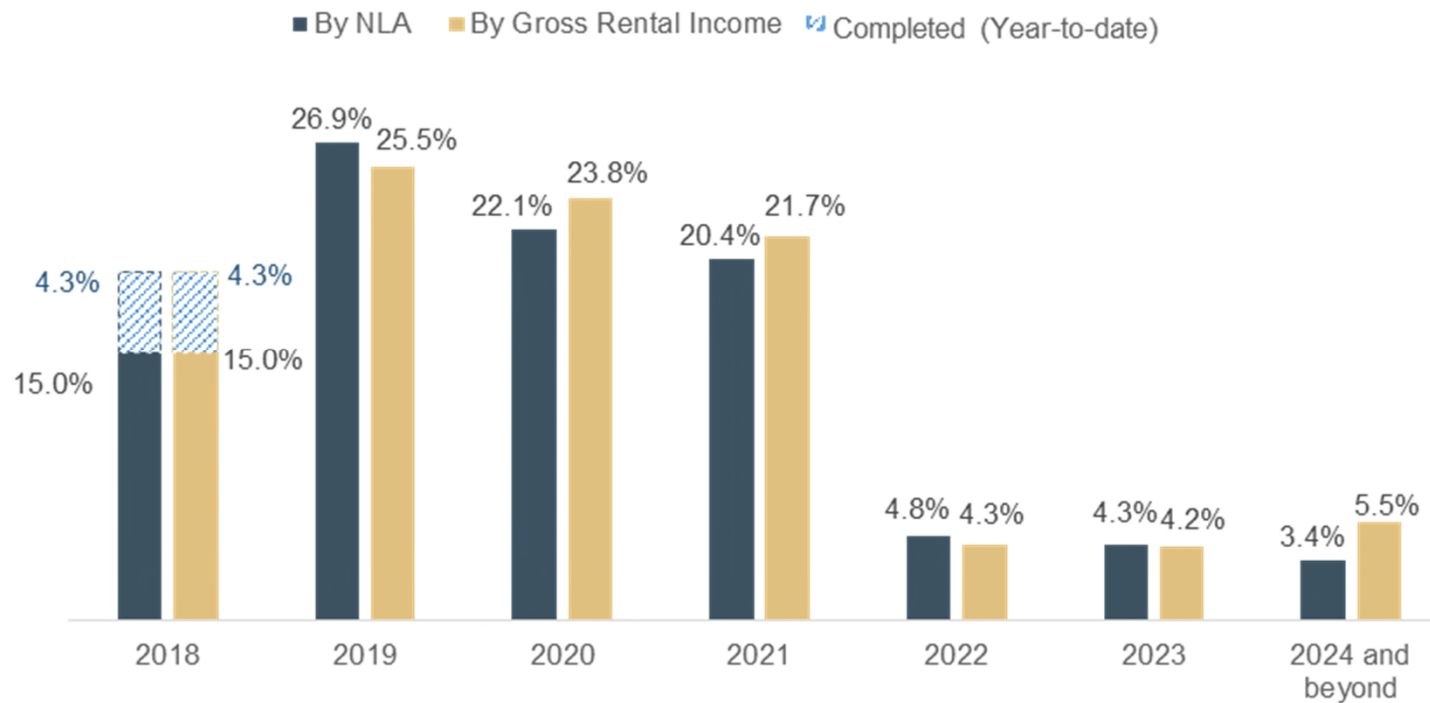
(1) Proforma average passing rents as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

Asset Enhancement at One Raffles Place Shopping Mall

- Asset enhancement initiatives to enhance circulation areas within the mall and create a more inviting and open retail space to commence in mid-2018. These upgrades will help provide a better shopping experience while simultaneously driving the per-square-foot productivity of the mall
- As part of efforts to revitalise the mall with a more diverse and dynamic tenant mix, Spaces, a co-working concept by IWG (the world's leading provider of flexible workspace solutions), will launch its flagship site occupying more than 35,000 sq ft in the mall
- The mall will remain operational during the asset enhancement period, where works will be phased to minimise disruptions
- The cost of the enhancement works is not expected to have a material impact on OUE C-REIT's aggregate leverage

Lease Expiry Profile - Portfolio

15.0% of OUE C-REIT's portfolio gross rental income is due for renewal in 2018



WALE⁽¹⁾ of 2.4 years by NLA⁽²⁾ and 2.5 years by Gross Rental Income

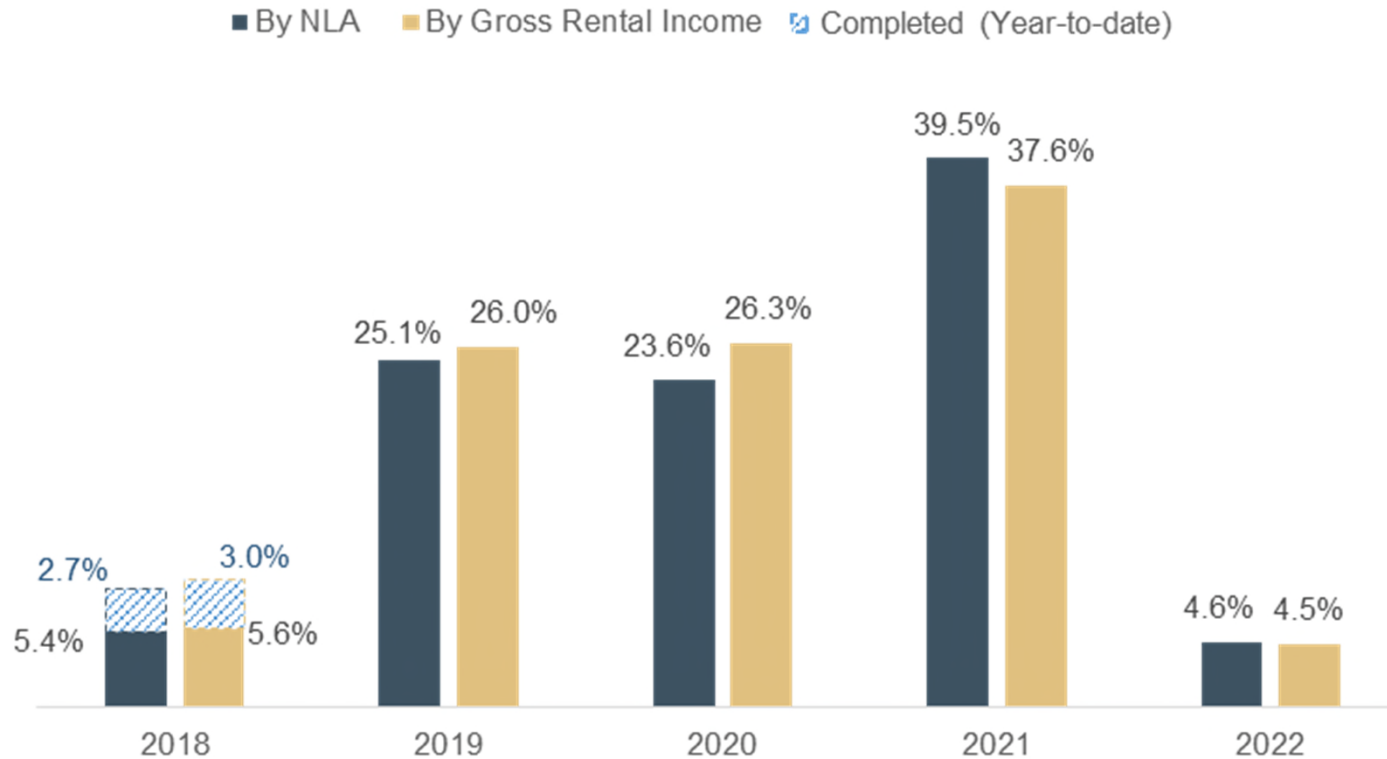
As at 31 Mar 2018

(1) "WALE" refers to the weighted average lease term to expiry

(2) "NLA" refers to net lettable area

Lease Expiry Profile - OUE Bayfront

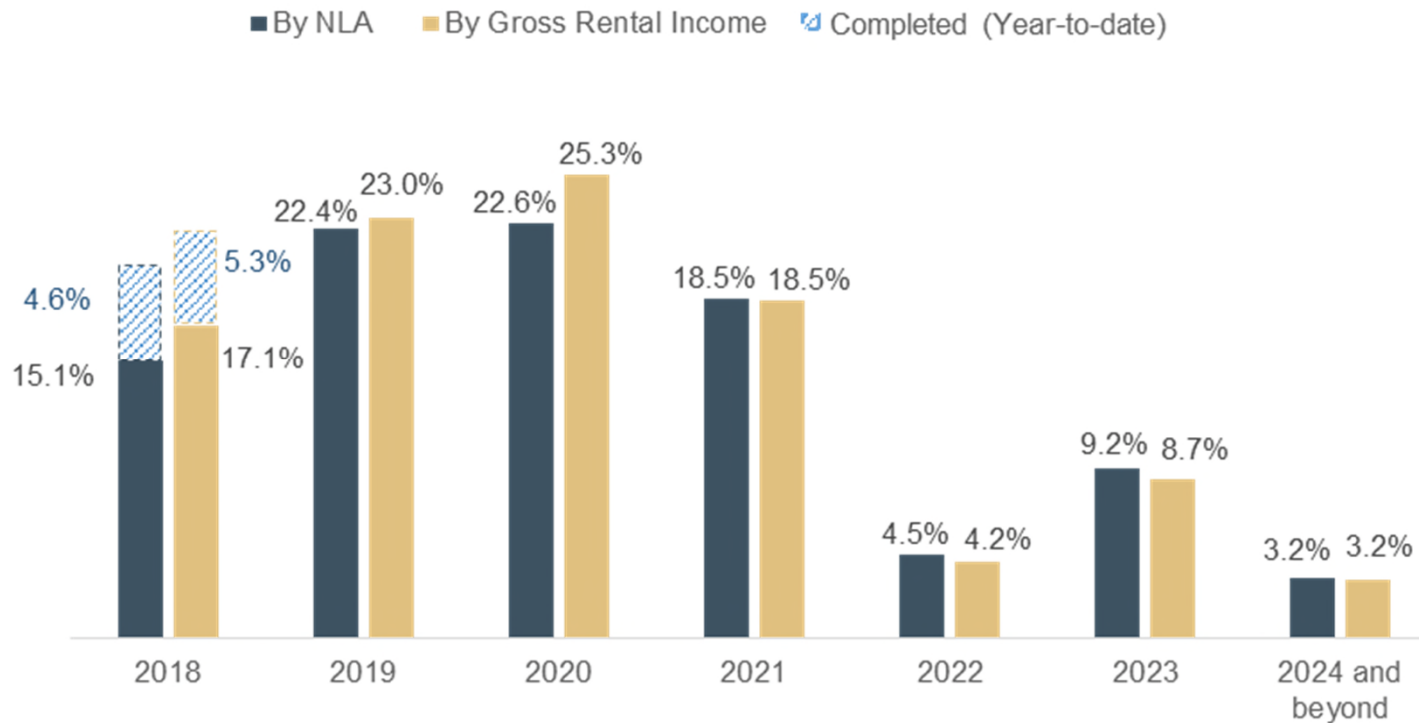
Only 5.6% of OUE Bayfront's gross rental income is due for renewal in 2018



WALE of 2.5 years by NLA and Gross Rental Income

Lease Expiry Profile - One Raffles Place

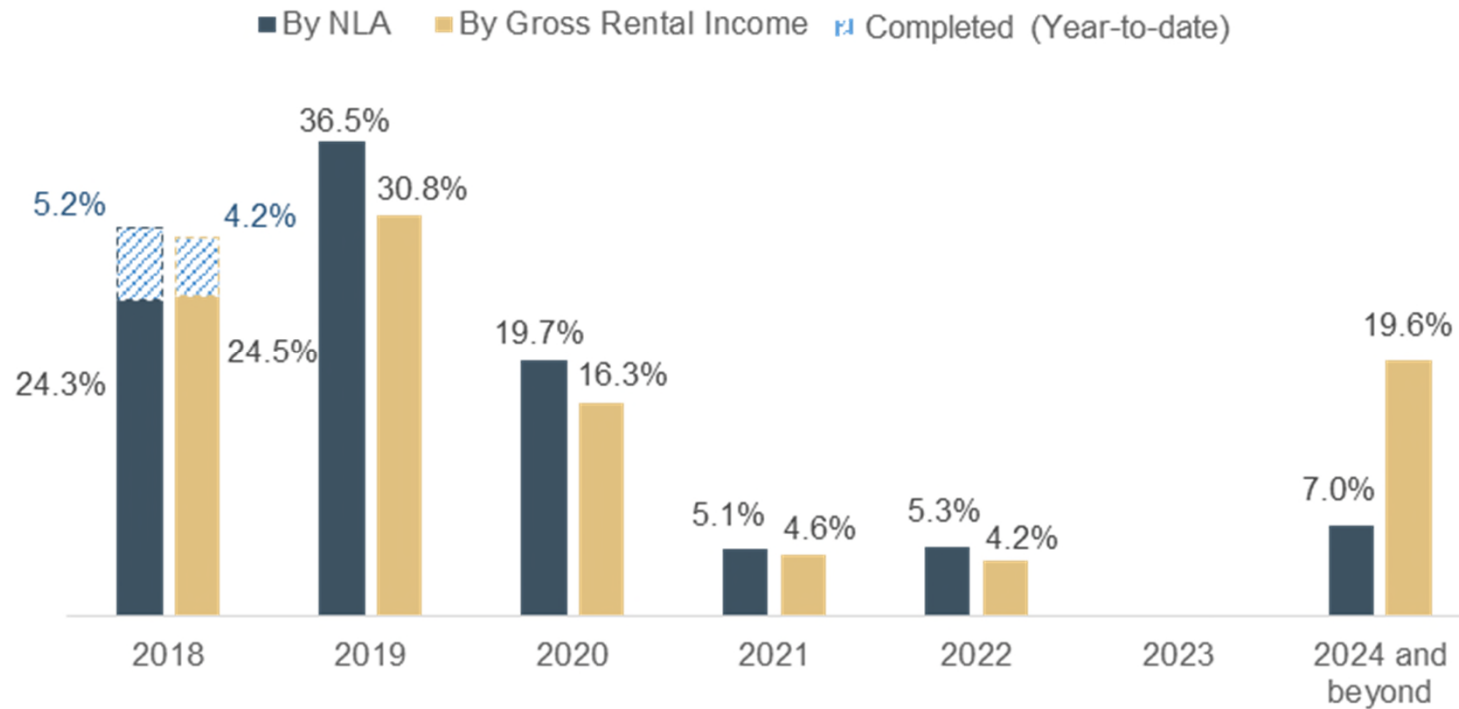
About 68.7% of One Raffles Place’s office gross rental income expiring in 2018 is due only in 2H 2018



WALE of 2.4 years by NLA and Gross Rental Income

As at 31 Mar 2018

Lease Expiry Profile - Lippo Plaza



WALE of 2.0 years by NLA and 2.8 years by Gross Rental Income

As at 31 Mar 2018

Appendices

- Singapore Office Market
- Shanghai Office Market



Overview of Singapore Office Sector

✓ **Singapore's CBD**

- Comprises traditional areas of Raffles Place, Shenton Way/Robinson Road/Cecil Street as well as Marina Bay
- Many established global financial institutions and headquarters of MNCs are located in Marina Bay and Raffles Place, while Shenton Way/Robinson Road/Cecil Street is popular with professional services companies and other financial, insurance and real estate companies

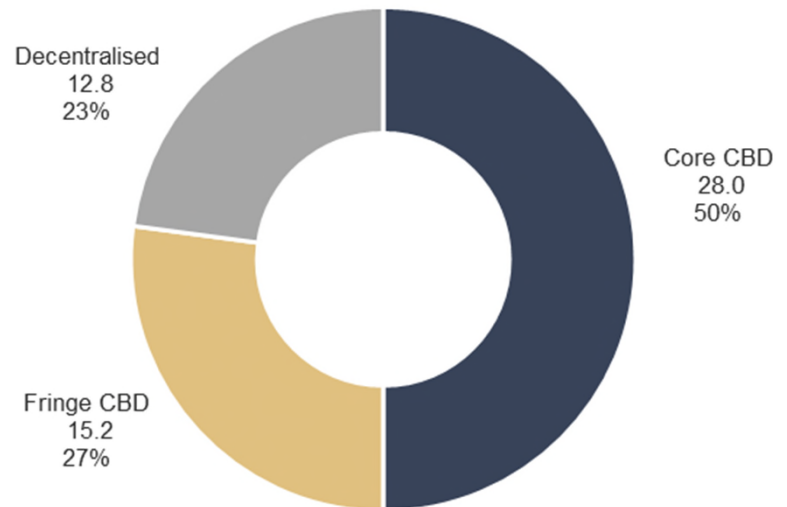
✓ **Historical supply-demand conditions**

- Annual average island-wide demand for office space from 2007 – 2016 was about 1.1 million sq ft, compared to annual average supply of 1.4 million sq ft over the same period. For 2017, island-wide net absorption was 2.1 million sq ft, compared to net new supply of 2.7 million sq ft.

CBD Office Locations (Singapore)



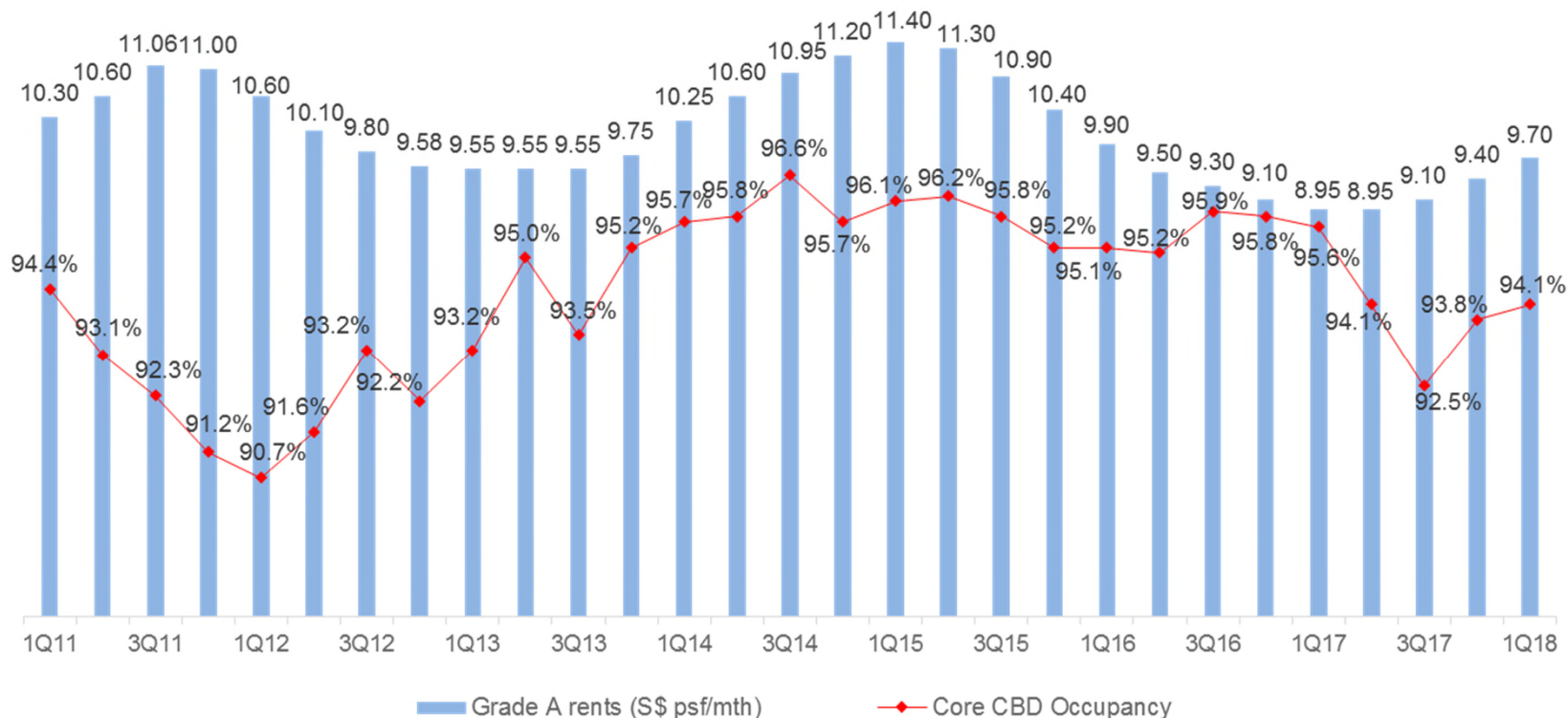
Breakdown of Office Stock in Singapore (million sq ft)⁽¹⁾



⁽¹⁾ CBRE Pte Ltd, 1Q 2018

Singapore Office Market

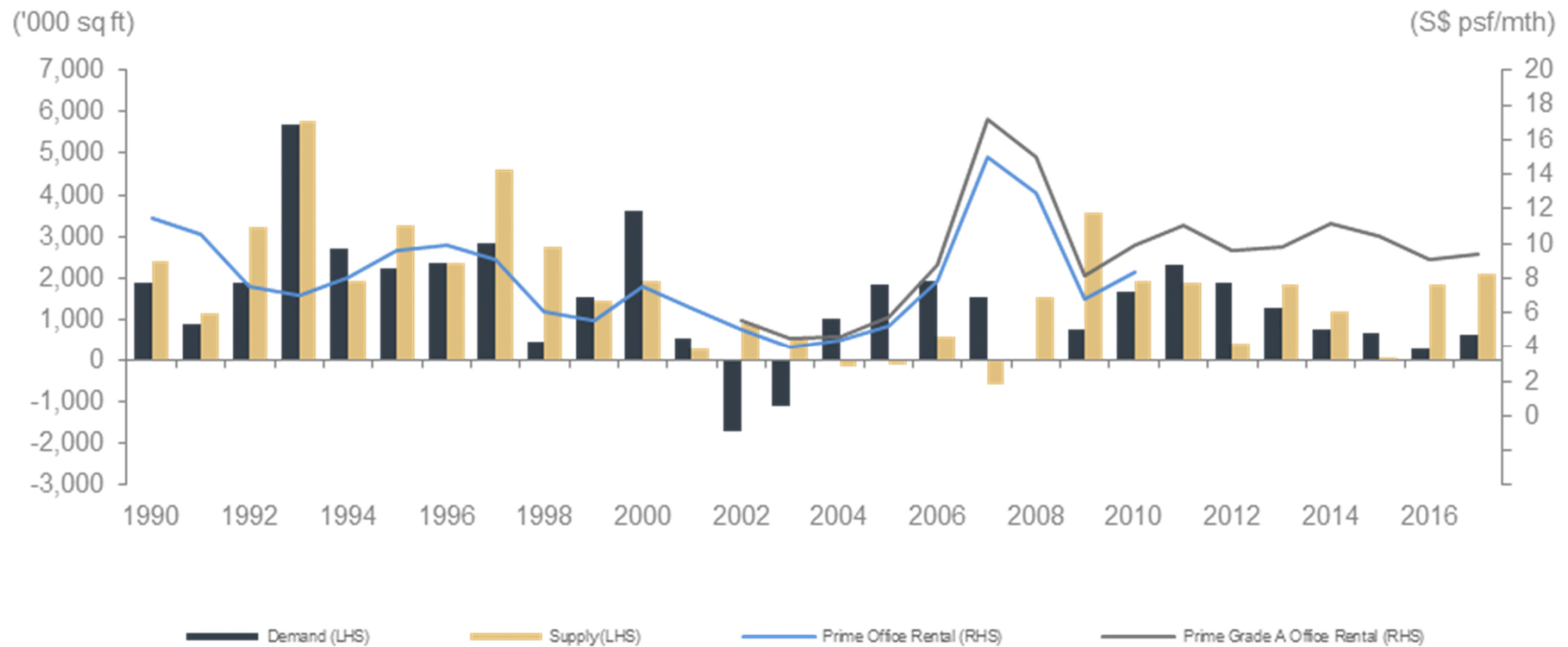
- In 1Q 2018, islandwide net absorption for office space was 149,444 sq ft. Core CBD office occupancy edged up 0.3ppt QoQ to 94.1% as at 1Q 2018, with demand supported by co-working operators, oil & gas firms as well as the insurance sector
- CBD Grade A office rents continued to rise, up 3.2% QoQ to S\$9.70 psf/mth on firmer rental expectations. The recovery in office rents is expected to continue on the back of firmer economic fundamentals and lower office supply in the medium term



Source: CBRE

Demand and Supply vs Office Rental

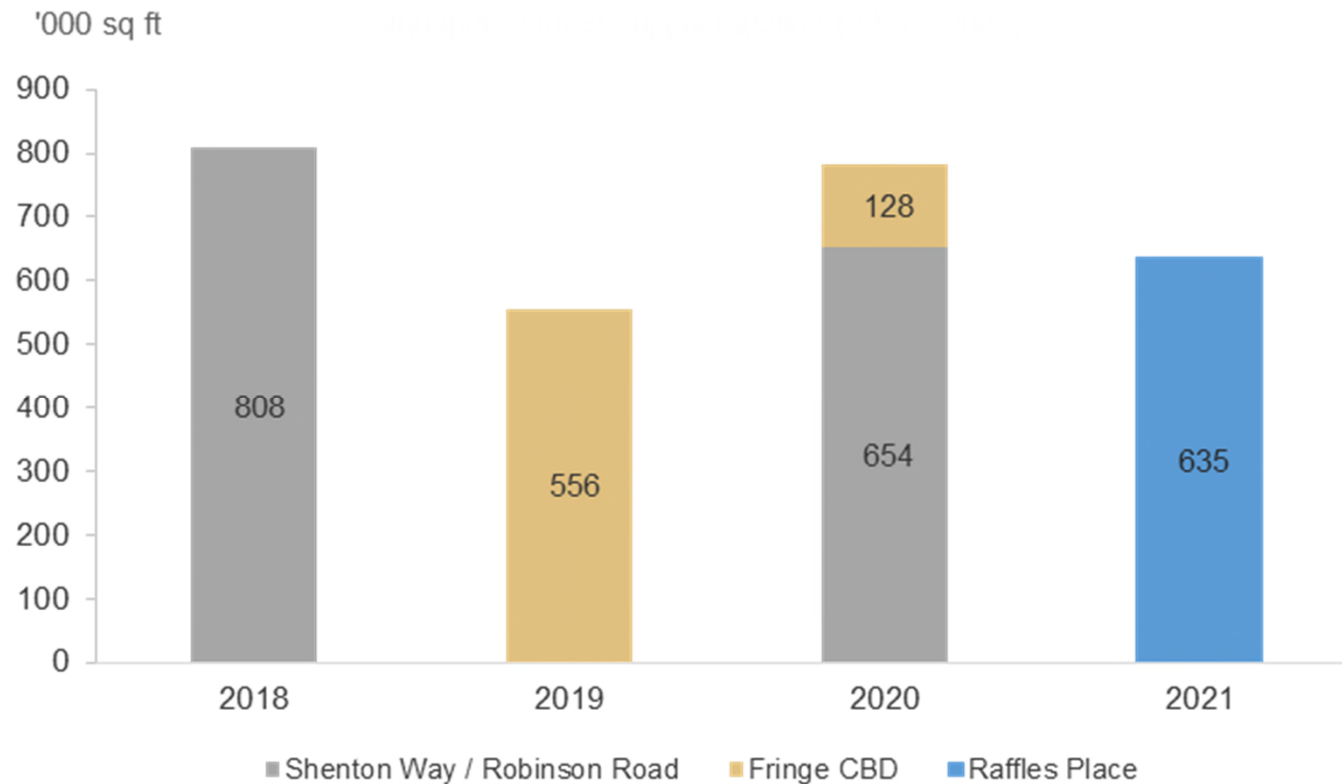
Island-wide Office Demand, Supply vs Office Rental



Source: URA statistics, CBRE Research
 2Q 2011 was the last period where CBRE provided Prime office Rental data. Prime Grade A office rental data not available prior to 1Q 2002

Known Office Supply Pipeline

Office Supply Pipeline in Singapore's CBD and Fringe CBD



Note: Excluding strata-titled office
Source: CBRE Research, 1Q 2018

Overview of Shanghai Office Sector

✓ **Puxi, the traditional business and commercial hub of Shanghai**

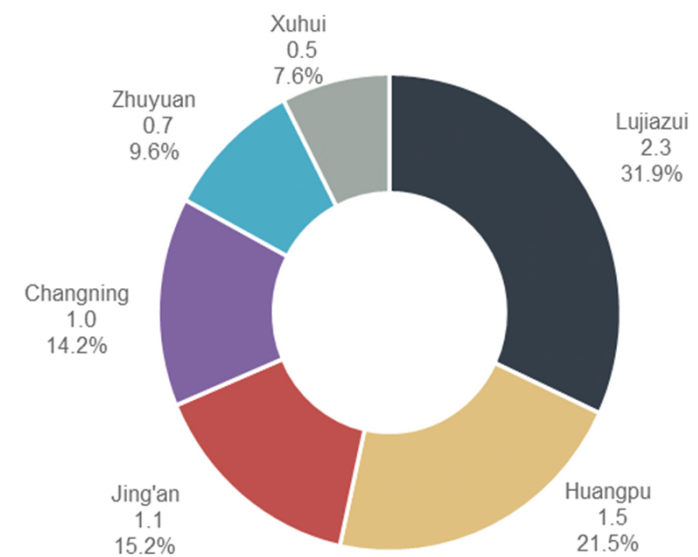
- Key office and commercial districts within Puxi are concentrated in the Jing'an, Huangpu and Xuhui areas, which together form the traditional downtown CBD of Shanghai
- Puxi draws international retailers, service providers and MNC headquarters operations due to its good connectivity and excellent amenities, while Pudong's Lujiazui caters to financial institutions due to policy and incentive-driven agglomeration

✓ **Historical supply-demand conditions**

- The six main districts that make up Shanghai core CBD provide Grade-A office stock of about 7.1 million sq m as at 4Q 2017
- Average net demand for Shanghai CBD Grade A office from 2012 – 2016 was 290,000 sq m, compared to average net supply of 340,000 sq m over the same period. In 2017, net absorption was 599,000 sq m, compared to 2016 net absorption of 79,000 sq m. Net supply in 2017 was a record 956,000 sq m



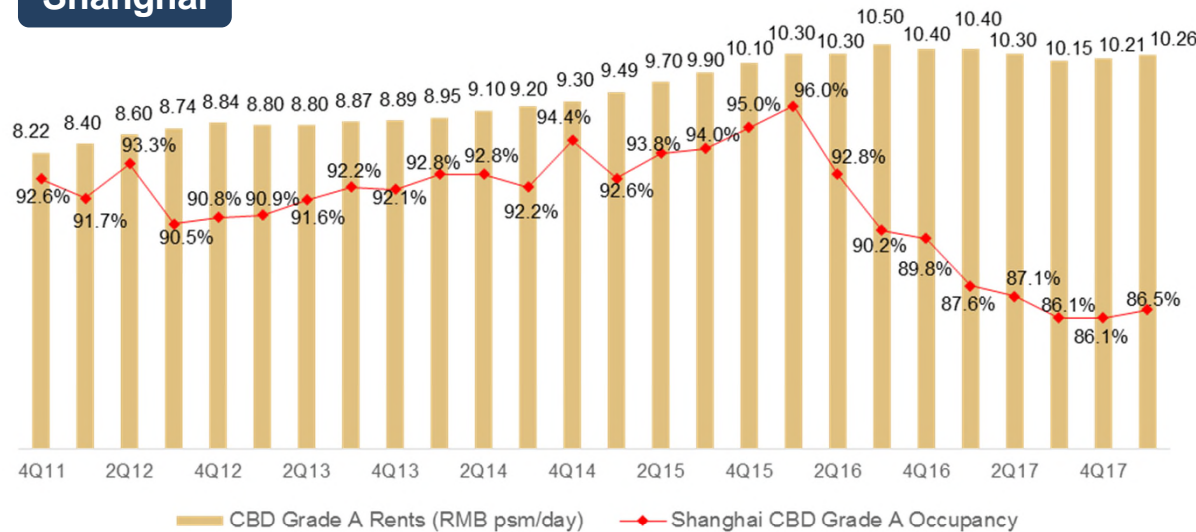
Breakdown of CBD Grade-A office stock (million sq m)⁽¹⁾



(1) Colliers International Research, 4Q 2017

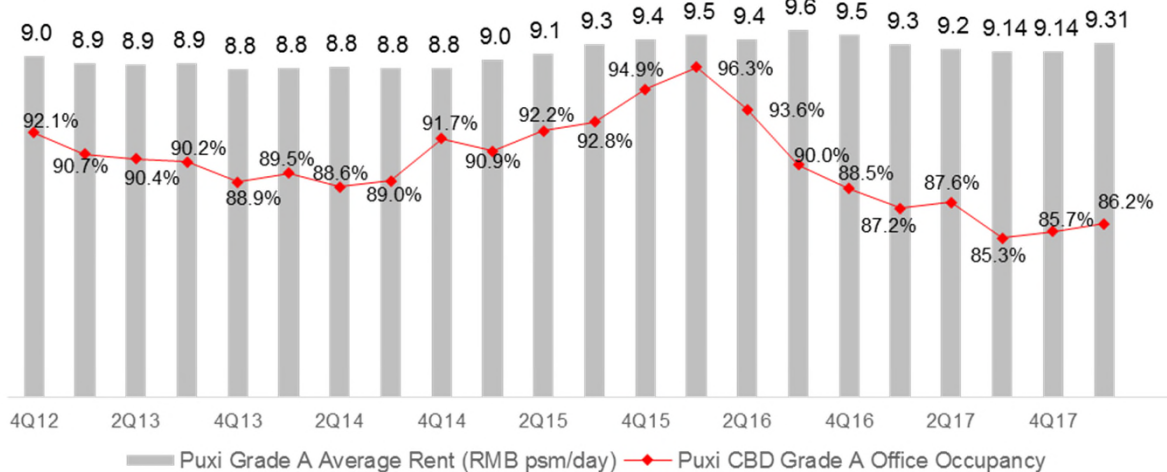
Shanghai Office Market

Shanghai



- In 1Q 2018, supported by demand from financial and professional services as well as technology sectors, Shanghai CBD Grade A office occupancy edged up to 86.5% and rents to RMB10.26 psm/day. Puxi Grade A office occupancy improved to 86.2% as at 1Q 2018, while rents increased 1.7% QoQ to RMB9.31 psm/day

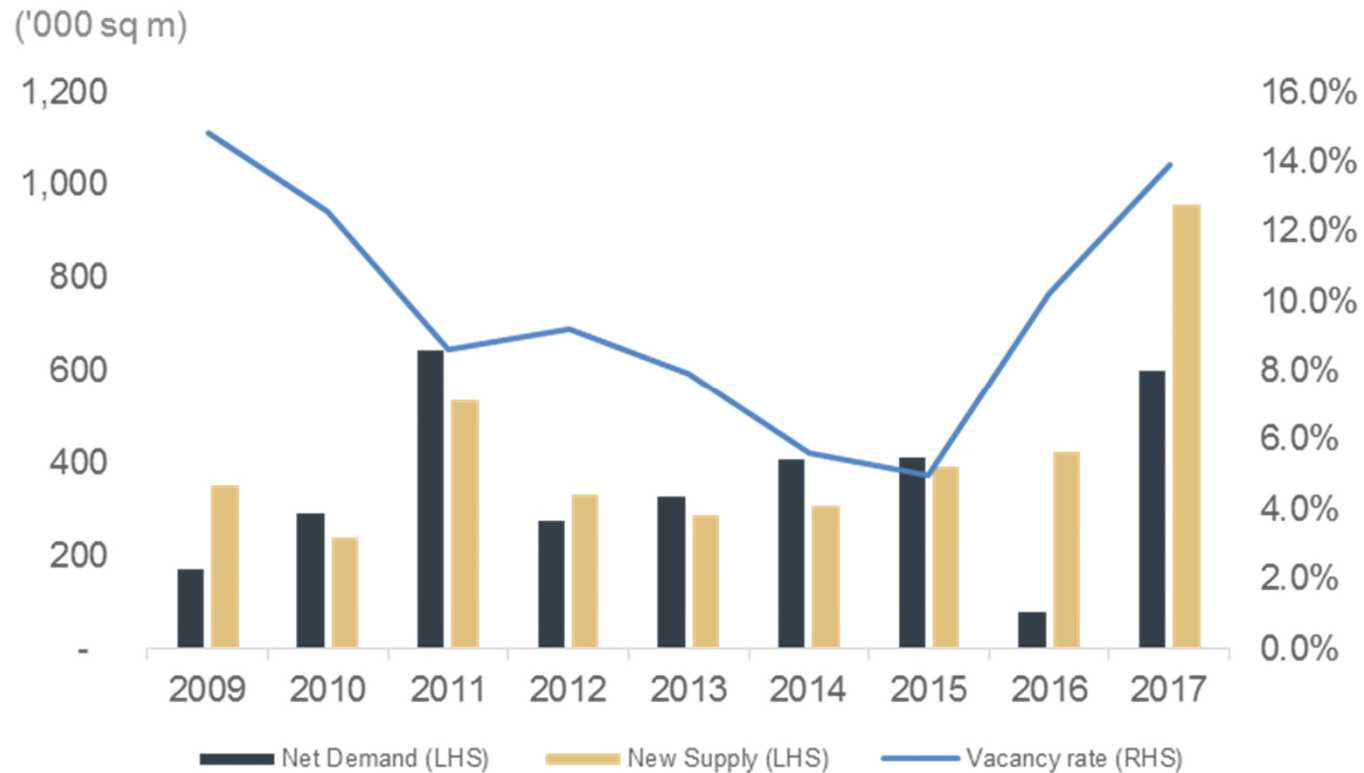
Puxi



- Continued significant new office supply is expected in Shanghai over the next two years, before easing in 2020. Nevertheless, firm economic growth is likely to support healthy demand from finance and technology sectors and underpin occupancy as well as rental rates

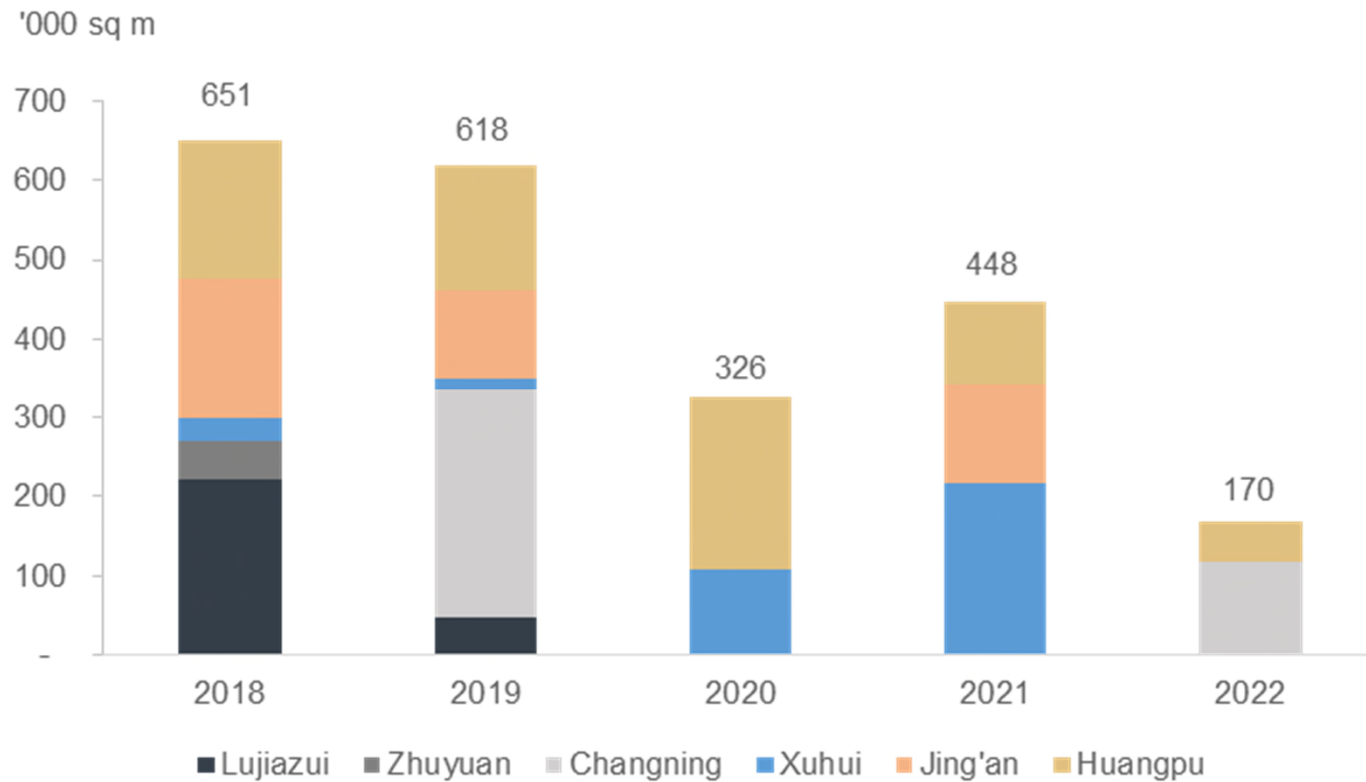
Demand, Supply and Vacancy

Shanghai CBD Grade A Net Absorption, New Supply and Vacancy Rate



CBD Grade A Office Supply Pipeline

Office Supply Pipeline in Shanghai CBD



Source: Colliers International



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Thank you