

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the First Quarter 2015

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Standard Chartered Securities (Singapore) Pte. Limited, CIMB Bank Berhad, Singapore Branch and Oversea-Chinese Banking Corporation Limited were the joint global coordinators and issue managers (collectively, the "Joint Global Coordinators and Issue Managers") for the initial public offering of OUE Commercial Real Estate Investment Trust (the "Offering").

The Joint Global Coordinators and Issue Managers for the Offering assume no responsibility for the contents of this announcement.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

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Introduction

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

OUE C-REIT is listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 27 January 2014 (the “**Listing Date**”). The principal investment strategy of OUE C-REIT 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 within and outside of Singapore, as well as real estate-related assets.

OUE C-REIT’s portfolio comprises two prime commercial properties located in Singapore and Shanghai:

- OUE Bayfront: Premium office building with ancillary retail facilities located between the new Marina Bay downtown and Raffles Place, within Singapore’s central business district.
- Lippo Plaza: Grade-A commercial building located along Huai Hai Middle Road in the Huangpu district, one of Shanghai’s established core commercial districts.

OUE C-REIT is presenting its financial results for the First Quarter 2015.

Distribution Policy

OUE C-REIT distribution policy is to distribute 100.0% of its amount available for distribution to Unitholders from Listing date to 31 December 2015. Thereafter the Manager will distribute at least 90.0% of OUE C-REIT’s amount available for distribution with the actual level of distribution to be determined at the discretion of the Board of Directors of the Manager.

Distribution to Unitholders is made semi-annually based on the half-yearly results of OUE C-REIT.

Unless otherwise stated, all capitalised terms used in this announcement shall have the same meaning as in the prospectus dated 17 January 2014 (the “**Prospectus**”).

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Summary of OUE C-REIT Group Results

	Actual ⁽¹⁾ (S\$'000)	Prior Period ^{(2),(3)} (S\$'000)	Change (%)	Forecast ⁽⁴⁾ (S\$'000)	Change (%)
Gross revenue	20,411	13,819	47.7	19,080	7.0
Net property income	15,707	10,317	52.2	14,010	12.1
Amount available for distribution	12,617	8,643	46.0	12,252	3.0
Distribution per Unit (cents)	1.44	1.00	44.0	1.40	2.9

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.583.
- (2) OUE C-REIT was constituted on 10 October 2013 and was dormant since its constitution to the Listing Date. The comparative information presented relates to the financial period from 27 January 2014 to 31 March 2014.
- (3) The Prior Period results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.808.
- (4) The Forecast was derived from the Projection for 2015 as disclosed in the Prospectus. An exchange rate of SGD:CNY 1:4.783 was adopted in the Forecast.

Please refer to Section 8 on the review of Actual performance against the Prior Period and Section 9 on the review of Actual performance against the Forecast.

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1(a) Consolidated Statement of Total Return and Distribution Statement

		1Q 2015 ⁽¹⁾	10 Oct 2013 (Constitution Date) to 31 Mar 2014 ^{(2),(3)}	Change
	Note	(S\$'000)	(S\$'000)	(%)
<u>Statement of Total Return</u>				
Gross revenue		20,411	13,819	47.7
Property operating expenses		(4,704)	(3,502)	34.3
Net property income		15,707	10,317	52.2
Other income	1	1,798	1,257	43.0
Amortisation of intangible asset		(1,047)	(1,189)	(11.9)
Manager's management fees				
- Base fee		(1,262)	(877)	43.9
- Performance fee		-	(15)	N/M
Trustee's fee		(80)	(56)	42.9
Other expenses		(439)	(360)	21.9
Finance income		155	17	N/M
Finance cost	2	(4,682)	(2,882)	62.5
Foreign exchange differences		489	(255)	N/M
Net income		10,639	5,957	78.6
Net change in fair value of investment properties	3	-	283,077	N/M
Total return for the period before tax		10,639	289,034	(96.3)
Tax expense	4	(1,331)	(39,038)	(96.6)
Total return for the period		9,308	249,996	(96.3)
<u>Distribution Statement</u>				
Total return for the period		9,308	249,996	(96.3)
Distribution adjustments	5	3,309	(241,353)	N/M
Amount available for distribution		12,617	8,643	46.0
<u>Unitholders' Distribution</u>				
From operations		9,489	6,961	36.3
From Unitholders' contributions		3,128	1,682	86.0
Total Unitholders' distribution		12,617	8,643	46.0

N/M: Not meaningful

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.583.
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- (3) The Prior Period actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD:CNY rate of 1:4.808.

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Notes to Consolidated Statement of Total Return and Distribution Statement:

(1) Other income

Other income mainly comprises income support relating to the top-up payments from OUE Limited (the "Sponsor") pursuant to the Deed of Income Support dated 9 January 2014 (the "Deed of Income Support").

(2) Finance cost

Finance cost comprises of the following:

	1Q 2015	10 Oct 2013 (Constitution Date) to 31 Mar 2014	Change
	(S\$'000)	(S\$'000)	(%)
Borrowing costs	3,596	2,114	70.1
Amortisation of debt establishment costs	1,086	768	41.4
Finance cost	4,682	2,882	62.5

(3) Net change in fair value of investment properties

Net change in fair value of investment properties in Prior Period relate to the revaluation gains on both properties of OUE C-REIT between the acquisition costs and their respective independent valuations as at 30 September 2013.

(4) Tax expense

Tax expense comprises of the following:

	1Q 2015	10 Oct 2013 (Constitution Date) to 31 Mar 2014	Change
	(S\$'000)	(S\$'000)	(%)
Current tax			
- Current period	741	397	86.6
- Under provision in respect of prior period	106	-	N/M
Deferred tax			
- Current period	485	38,521	(98.7)
- Over provision in respect of prior period	(164)	-	N/M
Withholding tax	163	120	35.8
	1,331	39,038	(96.6)

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(5) Distribution adjustments

	1Q 2015	10 Oct 2013 (Constitution Date) to 31 Mar 2014	Change
	(S\$'000)	(S\$'000)	(%)
<u>Distribution adjustments</u>			
- Net change in fair value of investment properties	-	(283,077)	N/M
- Amortisation of intangible asset	1,047	1,189	(11.9)
- Amortisation of debt establishment costs	1,021	768	32.9
- Management base fees paid/ payable in Units	1,262	877	43.9
- Management performance fee payable in Units	-	15	N/M
- Trustee's fees	80	56	42.9
- Deferred tax expenses	321	38,521	(99.2)
- Foreign exchange differences	(489)	252	N/M
- Others	67	46	45.7
Net distribution adjustments	3,309	(241,353)	N/M

N/M: Not meaningful

Please refer to Section 8 on the review of Actual performance against the Prior Period.

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1(b)(i) Statements of Financial Position

Note	Group			Trust		
	31 Mar 2015 ⁽¹⁾ S\$'000	31 Dec 2014 ⁽²⁾ S\$'000	Change (%)	31 Mar 2015 ⁽¹⁾ S\$'000	31 Dec 2014 ⁽²⁾ S\$'000	Change (%)
Non-current assets						
	55	51	7.8	-	-	-
	1,654,921	1,630,612	1.5	1,135,000	1,135,000	-
1	11,515	12,561	(8.3)	11,515	12,561	(8.3)
	-	-	-	262,081	262,081	-
2	3,129	1,478	N/M	3,129	1,478	N/M
	1,669,620	1,644,702	1.5	1,411,725	1,411,120	N/M
Current assets						
3	2,884	5,195	(44.5)	3,057	7,003	(56.3)
2	249	-	N/M	249	-	N/M
	33,488	31,066	7.8	3,569	5,247	(32.0)
	36,621	36,261	1.0	6,875	12,250	(43.9)
Total assets	1,706,241	1,680,963	1.5	1,418,600	1,423,370	(0.3)
Non-current liabilities						
	647,029	632,730	2.3	581,124	569,121	2.1
4	17,411	16,377	6.3	12,610	11,699	7.8
2	745	973	(23.4)	745	973	(23.4)
	42,501	40,215	5.7	-	-	-
	707,686	690,295	2.5	594,479	581,793	2.2
Current liabilities						
	968	168	N/M	-	-	-
4	28,816	28,908	(0.3)	9,872	11,966	(17.5)
5	4,519	3,807	18.7	-	-	-
	34,303	32,883	4.3	9,872	11,966	(17.5)
Total liabilities	741,989	723,178	2.6	604,351	593,759	1.8
Net assets attributable to Unitholders	964,252	957,785	0.7	814,249	829,611	(1.9)
Represented by:						
Unitholders' funds	964,252	957,785	0.7	814,249	829,611	(1.9)

N/M: Not meaningful

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the closing SGD: CNY rate of 1:4.502.
- (2) The results of OUE C-REIT's foreign subsidiaries as at 31 December 2014 are translated using the closing SGD: CNY rate of 1:4.721.

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Notes to Statements of Financial Position:

(1) Intangible asset

Intangible asset represents the unamortised income support receivable by OUE C-REIT from the Sponsor pursuant to the Deed of Income Support. The decrease in intangible assets was due to the amortisation of intangible assets.

(2) Financial derivatives

Financial derivatives represent the fair value of interest rate swaps entered to hedge the floating interest rate risk on OUE C-REIT Group's borrowings. The movement for the period from December 2014 to March 2015 was due to a favourable change in the fair value of the interest rate swaps as at 31 March 2015.

(3) Trade and other receivables

The decrease in the Group's and Trust's trade and other receivables is mainly due to receipt of income support for the period 1 July 2014 to 31 December 2014 from the Sponsor in 1Q 2015.

(4) Trade and other payables

The increase in the Group's and Trust's non-current trade and other payables and corresponding decrease in current trade and other payables is mainly due to the change in classification of tenants' rental deposits as a result of lease renewal.

(5) Current tax payable

The increase in current tax payable from S\$3.8 million to S\$4.5 million is mainly due to the provision of 1Q 2015 tax expenses, offset by payment for 2014 tax payable.

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

	31 Mar 2015 ⁽¹⁾	31 Dec 2014 ⁽²⁾
	(S\$'000)	(S\$'000)
Secured borrowings		
Amount repayable within one year, or on demand	977	169
Amount repayable after one year	657,515	644,278
Less: Debt establishment costs ⁽³⁾	(10,495)	(11,549)
Total secured borrowings	647,997	632,898
Unsecured borrowings	-	-
Total borrowings	647,997	632,898

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the closing SGD: CNY rate of 1:4.502.
- (2) Results of OUE C-REIT's foreign subsidiaries as at 31 December 2014 are translated using the closing SGD: CNY rate of 1:4.721.
- (3) Debt establishment costs are amortised over the tenure of the respective loan facilities.

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Details of any collaterals

The OUE C-REIT Group has a total credit facilities of approximately S\$747.5 million comprising (1) S\$580.0 million term loan facilities, (2) S\$100.0 million revolving credit facility and (3) RMB303.9 million term loan facility. Approximately S\$658.5 million of the facilities were utilised as at 31 March 2015.

The S\$580.0 million term loan facilities and S\$100.0 million revolving credit facility are secured by:

- (a) a registered first legal mortgage over OUE Bayfront;
- (b) legal assignment of all insurance save in respect of the third party liability insurance including workmen's compensation taken in respect of OUE Bayfront;
- (c) assignment of all rights, titles, benefits and interest in connection with any lease or tenancy agreement, lease or tenancy deposit/proceeds, sales agreements, sales deposits/proceeds, deed of income support and property management agreements in respect of OUE Bayfront; and
- (d) a debenture incorporating a fixed charge over book debts, charged accounts, goodwill, intellectual property and plant and machinery in connection with OUE Bayfront and floating charge over generally all present and future assets of OUE C-REIT in connection with OUE Bayfront.

The RMB303.9 million term loan facility is secured by:

- (a) a first priority mortgage over Lippo Realty (Shanghai) Limited's (the "PRC Company") right, title and interests in Lippo Plaza;
- (b) the account control over certain bank accounts of the PRC Company;
- (c) an assignment of the rights under the property management agreement, insurance policies save in respect of third party liability insurance; and
- (d) a first priority pledge over receivables from Lippo Plaza including all monetary rights, title, claims and interest, present and future, actual and contingent arising from any existing and future tenancy agreements with respect to Lippo Plaza.

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1 (c) Consolidated Statement of Cash Flows

	1Q 2015	10 Oct 2013 (Constitution Date) to 31 Mar 2014 ⁽¹⁾
Note	(S\$'000)	(S\$'000)
Cash flows from operating activities		
Total return for the period	9,308	249,996
Adjustments for:		
Manager's management fees payable in Units	1,262	892
Finance income	(155)	(17)
Finance costs	4,682	2,882
Depreciation	2	1
Amortisation of intangible asset	1,047	1,189
Net change in fair value of investment properties	-	(283,077)
Tax expenses	1,331	39,038
Operating income before working capital changes	17,477	10,904
Changes in working capital:		
Trade and other receivables	2,300	(6,628)
Trade and other payables	(730)	24,496
Cash generated from operating activities	19,047	28,772
Tax paid	(411)	-
Net cash from operating activities	18,636	28,772
Cash flow from investing activities		
Acquisition of subsidiaries, net of cash acquired	-	(127,664)
Acquisition of investment properties	-	(658,600)
Additions to investment properties	(204)	-
Additions to plant and equipment	(2)	-
Interest received	155	17
Net cash used in investing activities	(51)	(786,247)
Cash flows from financing activities		
Proceeds from issue of Units	-	346,400
Payment of transaction costs related to the issue of Units	-	(16,130)
Interest paid	(3,607)	-
Proceeds from borrowings	14,000	682,379
Repayment of borrowings	(3,086)	(191,831)
Payment of transaction costs related to loans and borrowings	-	(15,624)
Distribution paid	(24,777)	-
Movement in restricted cash	-	(2,218)
Net cash (used in)/ from financing activities	(17,470)	802,976
Net increase in cash and cash equivalents	1,115	45,501
Cash and cash equivalents at beginning of the period	28,736	-
Effect of exchange rate fluctuations on cash held	1,193	(278)
Cash and cash equivalents at end of the period	31,044	45,223

Footnote:

(1) OUE C-REIT was constituted on 10 October 2013 and was dormant since its constitution to the Listing Date. The comparative information presented relates to the financial period from 27 January 2014 to 31 March 2014.

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Notes to Consolidated Statement of Cash Flows:

- (1) 432,999,999 Units amounting to S\$346.4 million were issued to Clifford Development Pte Ltd, a wholly owned subsidiary of OUE Limited and the vendor of OUE Bayfront, as partial satisfaction of the purchase consideration for the property (“Consideration Units”).
- (2) An aggregate of 433,000,000 Units amounting to S\$346.4 million were issued on Listing Date.
- (3) Transaction costs relating to the issue of Units were paid out from the gross proceeds from the Offering. Such costs were incurred in accordance with pages 102 and 103 of the Prospectus. With the payment of these transaction costs, the gross proceeds of the Offering have been materially disbursed.
- (4) For purpose of the Consolidated Statement of Cash Flows, the OUE C-REIT Group cash and cash equivalents comprise the following:

	31 Mar 2015 (S\$'000)	31 Mar 2014 (S\$'000)
Bank and cash balances	30,216	28,331
Fixed deposit	3,272	19,110
Cash and cash equivalents at end of the period	33,488	47,441
Less: Restricted cash	(2,444)	(2,218)
Cash and cash equivalents	31,044	45,223

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1 (d)(i) Statements of Changes in Unitholders' Funds

	Group		Trust	
	1Q 2015 (S\$'000)	10 Oct 2013 (Constitution Date) to 31 Mar 2014 ⁽¹⁾ (S\$'000)	1Q 2015 (S\$'000)	10 Oct 2013 (Constitution Date) to 31 Mar 2014 ⁽¹⁾ (S\$'000)
Balance at beginning of the financial period	957,785	- ⁽²⁾	829,611	- ⁽²⁾
Operations				
Total return for the period	9,308	249,996	6,024	134,067
Net increase in net assets resulting from operations	9,308	249,996	6,024	134,067
Unitholders' transactions				
Issue of new Units				
- Initial public offering	-	346,400	-	346,400
- Consideration Units	-	346,400	-	346,400
- Manager's management fees paid/payable in Units	1,262	892	1,262	892
Issue expenses	-	(17,130)	-	(17,130)
Distribution paid to Unitholders	(24,777)	-	(24,777)	-
Net (decrease)/ increase in net assets resulting from Unitholders' transactions	(23,515)	676,562	(23,515)	676,562
Movement in foreign currency translation reserve	18,545	(8,620)	-	-
Hedging transactions				
Effective portion of change in fair value of cash flow hedge	2,129	(4)	2,129	(4)
Net increase/ (decrease) in net assets resulting from hedging transactions	2,129	(4)	2,129	(4)
Total Unitholders' funds as at end of the period	964,252	917,934	814,249	810,625

Footnotes:

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- (2) Less than S\$1,000

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1 (d)(ii) Details of Any Changes in Units (Group and Trust)

	1Q 2015	10 Oct 2013 (Constitution Date) to 31 Mar 2014 ⁽¹⁾
	('000)	('000)
Units in issue:		
At the beginning of the financial period	870,197	- ⁽²⁾
Issue of new units relating to:		
- Initial public offering	-	433,000
- Consideration Units	-	433,000
- Manager's management fee paid in Units	2,233	-
At end of period	872,430	866,000
Units to be issued:		
Manager's management fee payable in Units	1,583	1,125
At the end of the period	874,013	867,125

Footnotes:

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- (2) Less than S\$1,000

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 C-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 financial statements for the current report period are consistent with those described in the audited financial statements for the period ended 31 December 2014.

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- 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**

	1Q 2015	10 Oct 2013 (Constitution Date) to 31 Mar 2014
Weighted average number of Units	872,447,487	866,017,571
Earning per unit (" EPU ") - Basic and Diluted Basic and Diluted ⁽¹⁾ (Cents)	1.07	28.87
No of Units entitled to distribution	874,012,928	867,105,242
Distribution per Unit (" DPU ") ⁽²⁾ (Cents)	1.44	1.00

Footnotes:

- (1) The computation of basic EPS is based on the weighted average number of Units as at end of the each period.

The Diluted EPU is the same as the Basic EPU as there is no dilutive instrument in issue at the end of the period.

- (2) The computation of the DPU is based on the number of Units entitled to distribution as at end of each period.

- 7 Net Asset Value per Unit**

	Group		Trust	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
Number of Units in issue and to be issued at end of period	874,012,928	872,429,898	874,012,928	872,429,898
Net asset value (" NAV ") per Unit (S\$)	1.10	1.10	0.93	0.95

The NAV per Unit is computed based on the Units in issue and to be issued as at the end of the period.

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8 Review of the Performance

	1Q 2015 ⁽¹⁾	10 Oct 2013 (Constitution Date) to 31 Mar 2014 ^{(2),(3)}	Change
	(S\$'000)	(S\$'000)	(%)
<u>Statement of Total Return</u>			
Gross revenue	20,411	13,819	47.7
Property operating expenses	(4,704)	(3,502)	34.3
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Finance cost	(4,682)	(2,882)	62.5
Foreign exchange differences	489	(255)	N/M
Net income	10,639	5,957	78.6
Net change in fair value of investment properties	-	283,077	N/M
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<u>Distribution Statement</u>			
Total return for the period	9,308	249,996	(96.3)
Distribution adjustments	3,309	(241,353)	N/M
Amount available for distribution	12,617	8,643	46.0

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Footnotes:

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Review of OUE C-REIT Group's 1Q 2015 performance vs period from 27 January 2014 to 31 March 2014 ("Prior Period")

Gross revenue was approximately 47.7% higher than Prior Period mainly because the comparative information relates to a shorter period from Listing Date of 27 January 2014 to 31 March 2014. Similarly, property operating expenses was approximately 34.3% higher for 1Q 2015.

After adjusting for the shorter prior period, 1Q 2015 gross revenue was higher by 5.0% mainly due higher occupancy and rental rates achieved in Lippo Plaza compared to Prior Period. Property operating expenses was lower in 1Q 2015 by 4.5% mainly due to lower utilities and maintenance costs incurred. The lower utilities costs was due to the switch to bulk purchase of electricity for OUE Bayfront from July 2014. Net property income was approximately 8.3% higher in 1Q 2015 after adjusting for the shorter prior period.

Other income of S\$1.8 million was 43.0% higher than Prior Period as a result of the shorter prior period. After adjusting, the increase was approximately 1.7%.

Amortisation of intangible asset of S\$1.0 million was 11.9% lower than Prior Period. Impairment on intangible asset of S\$14.3 million was recognised in 4Q 2014. This led to a lower intangible asset and hence lower amortization. The impairment loss was due to expected lower drawdown on the income support arrangement between OUE C-REIT and the Sponsor as a result of better than expected rental revenue from OUE Bayfront.

Other expenses was approximately 21.9% higher than Prior Period. After adjusting for the shorter prior period, other expenses was lower in 1Q 2015 mainly due to lower trust expenses incurred.

Finance cost of S\$4.7 million was approximately 62.5% higher than Prior Period. Other than the longer period in 1Q 2015, the higher finance cost was also due to higher proportion of fixed rate debt in 1Q 2015 and higher interest rates as compared to Prior Period. After adjusting for the shorter prior period, the increase was approximately 15.5%.

The net change in fair value of investment properties for Prior Period arose as the cost of acquisition was lower than the independent valuations.

Tax expenses of S\$1.3 million was 96.6% lower than the S\$39.0 million in Prior Period. This was mainly due to the deferred tax expense on fair value gain of Lippo Plaza in Prior Period.

Amount available for distribution is approximately 46.0% higher than Prior Period, and 3.8% higher after adjusting for the shorter prior period.

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9 Variance between Actual and Forecast Results

	1Q 2015		
	Actual ⁽¹⁾ (S\$'000)	Forecast ⁽²⁾ (S\$'000)	Change (%)
<u>Statement of Total Return</u>			
Gross revenue	20,411	19,080	7.0
Property operating expenses	(4,704)	(5,070)	(7.2)
Net property income	15,707	14,010	12.1
Other income	1,798	2,428	(25.9)
Amortisation of intangible asset	(1,047)	(1,650)	(36.5)
Manager's management fee			
- Base fee	(1,262)	(1,258)	0.3
- Performance fee	-	(84)	N/M
Trustee's fee	(80)	(80)	-
Other expenses	(439)	(645)	(31.9)
Finance income	155	-	N/M
Finance cost	(4,682)	(4,442)	5.4
Foreign exchange differences	489	-	N/M
Total return for the period before tax	10,639	8,279	28.5
Tax expense	(1,331)	(933)	42.7
Total return for the period	9,308	7,346	26.7
<u>Distribution Statement</u>			
Total return for the period	9,308	7,346	26.7
Distributions adjustments	3,309	4,906	(32.6)
Amount available for distribution to Unitholders	12,617	12,252	3.0

N/M: Not meaningful

NA: Not applicable

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.583.
- (2) The Forecast was derived from the Projection for 2015 disclosed in the Prospectus. An exchange rate of SGD:CNY 1:4.783 was adopted in the Forecast.

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Review of OUE C-REIT Group's 1Q 2015 performance vs Forecast

Gross revenue of S\$20.4 million was 7.0% higher than Forecast of S\$19.1 million due to better occupancy and rental rates achieved in OUE Bayfront and Lippo Plaza as compared to Forecast. Property operating expenses of S\$4.7 million was 7.2% lower than Forecast of S\$5.1 million mainly due to lower utilities and maintenance costs incurred.

As a result, net property income was S\$15.7 million, 12.1% higher than Forecast of S\$14.0 million.

Other income of S\$1.8 million was 25.9% lower than Forecast mainly due to the lower than expected drawdown on the income support arrangement between OUE C-REIT and the Sponsor. This was because OUE Bayfront achieved stronger than forecast rental revenue.

Amortisation of intangible asset of S\$1.0 million was 36.5% lower than Forecast. Impairment on intangible asset of S\$14.3 million was recognised in 4Q 2014. This led to a lower intangible asset and hence lower amortization. The impairment loss was due to expected lower drawdown on the income support arrangement between OUE C-REIT and the Sponsor as a result of better than expected rental revenue from OUE Bayfront.

Other expense of S\$0.4 million was 31.9% lower than Forecast due to lower trust expenses incurred.

Finance cost of S\$4.7 million was 5.4% higher than Forecast as a larger proportion of floating rate loan was hedged into fixed rate as well as higher interest rates as compared to Forecast.

Tax expenses of S\$1.3 million was 42.7% higher than Forecast of S\$0.9 million mainly due to higher corporate tax and withholding tax as a result of better performance of Lippo Plaza. This is partly offset by lower deferred tax expense.

Total return for the period of S\$9.3 million was 26.7% higher than Forecast as a result of the above.

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

Based on advance estimates by the Ministry of Trade and Industry (“MTI”), the GDP growth for Singapore in 1Q 2015 was 2.1%¹ year-on-year (“YoY”). On a quarter-on-quarter (“QoQ”) basis, the economy expanded at a slower pace of 1.1% compared to the 4.9% expansion of the preceding quarter. The MTI expects GDP growth of 2.0% to 4.0% in 2015 given the uneven global recovery.

According to CBRE², Singapore’s CBD Core occupancy rate rose by 0.4 percentage points (“ppt”) to 96.1% QoQ as at 31 March 2015. Consequently, CBD Grade A office rents rose by 1.8% QoQ to S\$11.40 psf per month. Island-wide net office absorption was 123,800 sq ft in 1Q 2015, driven primarily by tenants upgrading to better quality developments. Demand for office space was from tenants from a diverse range of trade sectors such as information technology, e-commerce, insurance and energy. With limited new office space in the pipeline over the next 12 months, vacancy levels are expected to remain low, which is positive for the rental outlook in 2015. This is expected to benefit leasing activities at OUE Bayfront.

China

China’s GDP growth in 1Q 2015 was 7.0%³ YoY, slowing from the 7.3% recorded last quarter, but in line with the official growth target of 7.0% growth for 2015. To counter this weaker growth momentum as well as rising deflation risk, China’s central bank lowered the reserve requirement ratio by 100bps for the banking sector in April 2015 to stimulate growth. Further policy easing and other stimulus measures by the authorities can be expected if economic activities remain lacklustre.

As at 1Q 2015, overall Shanghai CBD Grade A office vacancy rose 1.8 ppt QoQ to 7.4% while average market rents increased 2.3% QoQ to RMB9.5 psm per day, according to Colliers International⁴. While demand remained stable, the completion of new office developments during the quarter expanded total office stock by an additional 158,360 sq m, resulting in the increased vacancy rate. In the Puxi office submarket, though Grade A vacancy edged up 0.8 ppt QoQ to 9.1%, rents rose 1.4% QoQ to about RMB9.0 psm per day. In view of further new supply coming on-stream in Puxi in 2015, coupled with potential competition from new supply in decentralised areas, the rental outlook is expected to be subdued.

Barring any unforeseen event and unexpected weakening of the economic environment, the Manager expects OUE C-REIT to meet its forecast amount available for distribution for the financial year ending 2015.

¹ Ministry of Trade and Industry Press Release, 14 April 2015

² CBRE, Singapore MarketView 1Q15

³ National Bureau of Statistics of China Press Release, 15 April 2015

⁴ Colliers International, Shanghai Research and Forecast Report 1Q15

11 Distribution

(a) Current financial period

Any distribution declared for the current financial period?

No

(b) Corresponding period of the immediately preceding financial year

Any distributions declared for the corresponding period of the immediate preceding financial periods?

No

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

Not applicable.

13 If OUE C-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 C-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 Commercial REIT Management Pte. Ltd. (as Manager of OUE C-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 C-REIT Group for the period from 1 January 2015 to 31 March 2015 to be false or misleading in any material respect.

On behalf of the Board of the Manager

Christopher Williams

Chairman and Non-Executive Director

Tan Shu Lin

Chief Executive Officer and Executive Director

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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 C-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 or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE C-REIT is not necessarily indicative of the future performance of OUE C-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

Ng Ngai

Company Secretary

OUE Commercial REIT Management Pte. Ltd.

(as Manager of OUE Commercial Real Estate Investment Trust)

(Company registration no. 201327018E)

6 May 2015