

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement**  
**for the Fourth Quarter 2014 and the Financial Period**  
**from 10 October 2013 (Date of Constitution) to 31 December 2014**

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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.

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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.

The initial portfolio of OUE C-REIT 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 Fourth Quarter 2014 and the financial period from 10 October 2013, being the date of constitution of OUE C-REIT, to 31 December 2014.

**Distribution Policy**

OUE C-REIT distribution policy is to distribute 100.0% of its amount available for distribution to Unitholders for the financial period from 27 January 2014 to 31 December 2014 and the financial year from 1 January 2015 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 will be made semi-annually based on the half-yearly results of OUE C-REIT and the first distribution after the Listing Date is for the period 27 January 2014 to 30 June 2014. This was paid by the Manager on 2 September 2014.

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**

	4Q 2014			27 Jan 2014 ("Listing Date") to 31 Dec 2014		
	Actual <sup>(1)</sup> (S\$'000)	Forecast <sup>(2)</sup> (S\$'000)	Change (%)	Actual <sup>(1)</sup> (S\$'000)	Forecast <sup>(2)</sup> (S\$'000)	Change (%)
Gross revenue	19,563	17,474	12.0	71,545	69,040	3.6
Net property income	14,361	12,499	14.9	53,830	50,319	7.0
Amount available for distribution	12,577	11,916	5.5	45,909	43,914	4.5
Distribution per Unit (cents)	1.44	1.37	5.1	5.27	5.05	4.4

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.753 for 4Q 2014 and 1:4.861 for the period 27 January 2014 to 31 December 2014.
- (2) The Forecast was derived by pro-rating the forecast for 2014 disclosed in the Prospectus. An exchange rate of SGD: CNY 1:4.783 was adopted in the Forecast.

**Distribution Details**

<b>Distribution period</b>	1 July 2014 to 31 December 2014
<b>Distribution rate/ type</b>	2.84 cents per Unit comprising of: (i) Taxable income distribution of 2.18 cents per Unit (ii) Capital distribution of 0.66 cents per Unit
<b>Traded ex-date</b>	30 January 2015, 9.00 a.m.
<b>Book closure date</b>	3 February 2015, 5.00 p.m.
<b>Payment date</b>	27 February 2015

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

		<b>4Q 2014<sup>(1)(2)</sup></b>	<b>10 Oct 2013<sup>(3)</sup> (Constitution Date) to 31 Dec 2014<sup>(1)(2)</sup></b>
	<b>Note</b>	<b>(S\$'000)</b>	<b>(S\$'000)</b>
<b><u>Statement of Total Return</u></b>			
Gross revenue		19,563	71,545
Property operating expenses		(5,202)	(17,715)
<b>Net property income</b>		<b>14,361</b>	<b>53,830</b>
Other income	1	2,575	7,863
Amortisation of intangible asset		(1,650)	(6,139)
Impairment loss on intangible asset	2	(14,300)	(14,300)
Manager's management fees			
- Base fee		(1,271)	(4,618)
- Performance fee	3	(257)	(512)
Trustee's fee		(81)	(295)
Other expenses		(444)	(1,688)
Finance income		127	192
Finance cost	4	(4,648)	(16,069)
Foreign exchange differences		407	176
<b>Net (loss) / income</b>		<b>(5,181)</b>	<b>18,440</b>
Net change in fair value of investment properties	5	33,508	316,585
<b>Total return for the period before tax</b>		<b>28,327</b>	<b>335,025</b>
Tax expense	6	(1,016)	(42,017)
<b>Total return for the period</b>		<b>27,311</b>	<b>293,008</b>
<b><u>Distribution Statement</u></b>			
Total return for the period		27,311	293,008
Distribution adjustments	7	(14,734)	(247,099)
Amount available for distribution		12,577	45,909
<b><u>Unitholders' Distribution</u></b>			
From operations		9,388	35,715
From Unitholders' contributions		3,189	10,194
Total Unitholders' distribution		12,577	45,909

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Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.753 for 4Q 2014 and 1:4.861 for the period 27 January 2014 to 31 December 2014.
- (2) No comparative Consolidated Statement of Total Return and Distribution Statement has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.
- (3) OUE C-REIT was incorporated on 10 October 2013 but was dormant until the Listing Date where it completed the acquisition of OUE Bayfront and Lippo Plaza. As such, the financial statements of OUE C-REIT incorporate the performance of its property portfolio from the Listing Date.

**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) Impairment loss on 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 impairment loss on intangible asset arose due to an expected lower drawdown by OUE C-REIT on the income support arrangement as a result of better than expected rental performance at OUE Bayfront. This impairment loss has no impact on OUE C-REIT's amount available for distribution.

**(3) Manager's management fees – Performance fee**

Manager's Performance fee is calculated as 25% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

For financial period 2014, as there is no preceding financial year for OUE C-REIT, the difference in DPU is the difference between the actual DPU and the forecast DPU disclosed in the Forecast. The Forecast was derived by pro-rating the forecast for 2014 disclosed in the Prospectus. The Performance fee for the period 4Q 2014 and for the period 27 January 2014 to 31 December 2014 was incurred.

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**(4) Finance cost**

Finance cost comprises the following:

	<b>4Q 2014</b>	<b>10 Oct 2013 (Constitution Date) to 31 Dec 2014</b>
	<b>(S\$'000)</b>	<b>(S\$'000)</b>
Borrowing costs	3,542	11,998
Amortisation of debt establishment costs	1,106	4,071
Finance cost	4,648	16,069

**(5) Net change in fair value of investment properties**

Net change in fair value of investment properties relate to the revaluation gains on both properties of OUE C-REIT between the acquisition costs and the subsequent capital expenditure incurred, and their respective independent valuations as at 31 December 2014.

**(6) Tax expense**

Tax expense comprises current tax, deferred tax and withholding tax relating to OUE C-REIT's foreign subsidiaries.

**(7) Distribution adjustments**

	<b>4Q 2014</b>	<b>10 Oct 2013 (Constitution Date) to 31 Dec 2014</b>
	<b>(S\$'000)</b>	<b>(S\$'000)</b>
<u>Distribution adjustments</u>		
- Net change in fair value of investment properties	(33,508)	(316,585)
- Amortisation of intangible asset	1,650	6,139
- Impairment loss on intangible asset	14,300	14,300
- Amortisation of debt establishment costs	1,043	3,843
- Management base fee paid/payable in Units	1,271	4,618
- Management performance fee payable in Units	257	512
- Trustee's fees	81	295
- Deferred tax expense	584	39,786
- Foreign exchange differences	(477)	(243)
- Other items	65	236
Net distribution adjustments	(14,734)	(247,099)

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**1(b)(i) Statements of Financial Position**

		<b>Group</b> <b>31 Dec 2014</b> <small>(1)(2)</small>	<b>Trust</b> <b>31 Dec 2014<sup>(2)</sup></b>
	<b>Note</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>			
Investment properties		1,630,612	1,135,000
Investment in subsidiary		-	262,081
Intangible asset	1	12,561	12,561
Plant and equipment		51	-
Financial derivatives	2	1,478	1,478
		1,644,702	1,411,120
<b>Current assets</b>			
Trade and other receivables		5,195	7,003
Cash and cash equivalents		31,066	5,247
		36,261	12,250
<b>Total assets</b>		1,680,963	1,423,370
<b>Non-current liabilities</b>			
Loans and borrowings		632,730	569,121
Trade and other payables		16,377	11,699
Deferred tax liabilities		40,215	-
Financial derivatives	2	973	973
		690,295	581,793
<b>Current liabilities</b>			
Trade and other payables		28,908	11,966
Loans and borrowings		168	-
Current tax payable		3,807	-
		32,883	11,966
<b>Total liabilities</b>		723,178	593,759
<b>Net assets attributable to Unitholders</b>		957,785	829,611
<b>Represented by:</b>			
Unitholders' funds		957,785	829,611

**Footnotes:**

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the closing SGD: CNY rate of 1:4.721.
- (2) No comparative Statements of Financial Position as at preceding financial period end i.e. 31 December 2013, has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

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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.

An impairment loss on intangible asset has been recognised in 4Q 2014 (refer to section 1(a) note 2).

**(2) Financial derivatives**

Financial derivatives represent the fair value of the interest rate swaps entered to hedge floating interest rate risk of the OUE C-REIT Group's borrowings.

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

	<b>31 Dec 2014<sup>(1)</sup></b> <b>(S\$'000)</b>
Secured borrowings	
Amount repayable within one year, or on demand	169
Amount repayable after one year	644,278
Less: Debt establishment costs <sup>(2)</sup>	(11,549)
Total secured borrowings	632,898
Unsecured borrowings	-
Total borrowings	632,898

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the closing SGD: CNY rate of 1:4.721.
- (2) 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\$744.4 million comprising (1) S\$580.0 million term loan facilities, (2) S\$100.0 million revolving credit facility and (3) RMB304.3 million term loan facility. Approximately S\$644.4 million of the facilities were utilised as at 31 December 2014.

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 RMB304.3 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**

	<b>Note</b>	<b>4Q 2014<sup>(1)</sup> (S\$'000)</b>	<b>10 Oct 2013 (Constitution Date) to 31 Dec 14<sup>(1)</sup> (S\$'000)</b>
<b>Cash flows from operating activities</b>			
Total return for the period		27,311	293,008
Adjustments for:			
Manager's management fees paid/payable in Units		1,528	5,130
Finance income		(127)	(192)
Finance cost		4,648	16,069
Depreciation		2	6
Loss on disposal on plant and equipment		-	5
Amortisation of intangible asset		1,650	6,139
Impairment loss on intangible asset		14,300	14,300
Net change in fair value of investment properties		(33,508)	(316,585)
Tax expense		1,016	42,017
Operating income before working capital changes		16,820	59,897
Changes in working capital:			
Trade and other receivables		(2,643)	(4,890)
Trade and other payables		(622)	20,910
<b>Cash generated from operating activities</b>		<b>13,555</b>	<b>75,917</b>
Tax paid		(431)	(1,414)
<b>Net cash from operating activities</b>		<b>13,124</b>	<b>74,503</b>
<b>Cash flow from investment activities</b>			
Acquisition of subsidiaries, net of cash acquired		-	(121,598)
Acquisition of investment property and intangible asset	1	-	(658,600)
Additions to investment properties		(78)	(108)
Proceeds from sale of plant and equipment		-	4
Interest received		127	192
<b>Net cash from/(used in) investing activities</b>		<b>49</b>	<b>(780,110)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of Units	1, 2	-	346,400
Payment of transaction costs related to the issue of Units	3	(257)	(16,474)
Interest paid		(3,377)	(9,530)
Proceeds from borrowings		-	696,379
Repayment of borrowings		(14,000)	(243,911)
Payment of transaction costs related to loans and borrowings		-	(15,624)
Distribution paid		-	(21,108)
Movement in restricted cash		-	(2,218)
<b>Net cash (used in)/ from financing activities</b>		<b>(17,634)</b>	<b>733,914</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(4,461)</b>	<b>28,307</b>
Cash and cash equivalents at beginning of the period		32,551	-
Effect of exchange rate fluctuations on cash held		646	429
<b>Cash and cash equivalents at end of the period</b>	4	<b>28,736</b>	<b>28,736</b>

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Footnote:

- (1) No comparative Consolidated Statement of Cash Flows has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

**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:

	<b>31 Dec 2014</b> <b>(\$'000)</b>
Bank and cash balances	15,240
Fixed deposit	15,826
Cash and cash equivalents at end of the period	31,066
Less: Restricted cash	(2,330)
Cash and cash equivalents	28,736

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

	<b>Group</b>		<b>Trust</b>	
	<b>4Q 2014<sup>(1)</sup></b>	<b>10 Oct 2013 (Constitution Date) to 31 Dec 2014<sup>(1)</sup></b>	<b>4Q 2014<sup>(1)</sup></b>	<b>10 Oct 2013 (Constitution Date) to 31 Dec 2014<sup>(1)</sup></b>
	<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>(S\$'000)</b>
<b>Balance at beginning of the financial period</b>	918,172	- <sup>(2)</sup>	803,277	- <sup>(2)</sup>
<b>Operations</b>				
Total return for the period	27,311	293,008	23,657	168,758
<b>Net increase in net assets resulting from operations</b>	27,311	293,008	23,657	168,758
<b>Unitholders' transactions</b>				
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	1,528	5,130	1,528	5,130
Issue expenses	(32)	(16,474)	(32)	(16,474)
Distribution paid to Unitholders	-	(21,108)	-	(21,108)
<b>Net increase in net assets resulting from Unitholders' transactions</b>	1,496	660,348	1,496	660,348
<b>Movement in foreign currency translation reserve</b>	9,625	3,924	-	-
<b>Hedging transactions</b>				
Effective portion of change in fair value of cash flow hedge	1,181	505	1,181	505
<b>Net increase in net assets resulting from hedging transactions</b>	1,181	505	1,181	505
<b>Total Unitholders' funds as at end of the period</b>	<b>957,785</b>	<b>957,785</b>	<b>829,611</b>	<b>829,611</b>

Footnotes:

(1) No comparative Statements of Changes in Unitholders' Funds has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

(2) Less than S\$1,000

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

	<b>4Q 2014 <sup>(1)</sup></b> <b>('000)</b>	<b>10 Oct 2013 (Constitution Date) to 31 Dec 2014 <sup>(1)</sup></b> <b>('000)</b>
<b>Units in issue:</b>		
At the beginning of the financial period	868,633	- <sup>(2)</sup>
Issue of new units relating to:		
- Initial public offering	-	433,000
- Consideration Units	-	433,000
- Manager's management fee paid in Units	1,564	4,197
At end of period	870,197	870,197
<b>Units to be issued:</b>		
Manager's management fee payable in Units	2,233	2,233
At the end of the period	<b>872,430</b>	<b>872,430</b>

Footnotes:

- (1) No comparative for Details of Any Changes in Units has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.  
(2) Less than 1,000 Units

**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 Prospectus.

In addition, OUE C-REIT Group adopted various new standards, amendments to standards and interpretations which do not have a significant impact on the financial statements.

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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**

	<b>4Q 2014<sup>(1)</sup></b>	<b>10 Oct 2013 (Constitution Date) to 31 Dec 2014<sup>(1)</sup></b>
Weighted average number of units ('000)	870,538	868,305
Earning per unit (" <b>EPU</b> ") - Basic and Diluted Basic and Diluted <sup>(2)</sup> (Cents)	3.14	33.74
Number of Units entitled to distribution ('000)	872,430	872,430
Distribution per unit (" <b>DPU</b> ") <sup>(3)</sup> (Cents)	1.44	5.27

Footnotes:

- (1) No comparative for EPU and DPU has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.
- (2) The computation of basic EPS is based on the weighted average number of Units of 870,537,650 for 4Q 2014 and 868,304,625 for the period ended 31 December 2014 comprising:
- (i) The weighted average number of Units in issue for 4Q 2014 and for the period ended 31 December 2014; and
  - (ii) The weighted average number of Units to be issued to the Manager as satisfaction of Manager's base fees for 4Q 2014 and Manager's performance fees for the period from 27 January 2014 to 31 December 2014

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

- (3) The computation of the DPU is based on the number of Units entitled to distribution of 872,429,898. This comprises:
- (i) The number of Units in issue as at 31 December 2014 of 870,196,843;
  - (ii) The Units to be issued to the Manager as satisfaction of Manager's base fee payable for 4Q 2014 of 1,592,239; and
  - (iii) The Units to be issued to the Manager as satisfaction of Manager's performance fee for the period from 27 January 2014 to 31 December 2014 of 640,816.

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**7 Net Asset Value per Unit**

	<b>Group</b> <b>31 Dec 2014<sup>(1)</sup></b>	<b>Trust</b> <b>31 Dec 2014<sup>(1)</sup></b>
Number of Units in issue and to be issued at end of period ('000)	872,430	872,430
Net asset value (" <b>NAV</b> ") per Unit (S\$)	1.10	0.95

Footnote:

(1) No comparative for Net Asset Value per Unit has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

The NAV per Unit is computed based on the Units in issue and to be issued as at 31 December 2014 of 872,429,898.

**8 Review of the Performance**

Please refer to section 9 on the review of Actual performance against the Forecast.

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**9 Variance between Actual and Forecast Results**

	4Q 2014			27 Jan 2014 to 31 Dec 2014		
	Actual <sup>(1)</sup> (S\$'000)	Forecast <sup>(1)</sup> (S\$'000)	Change (%)	Actual <sup>(1),(2)</sup> (S\$'000)	Forecast <sup>(1)</sup> (S\$'000)	Change (%)
Gross revenue	19,563	17,474	12.0	71,545	69,040	3.6
Property operating expenses	(5,202)	(4,975)	4.6	(17,715)	(18,721)	(5.4)
<b>Net property income</b>	<b>14,361</b>	<b>12,499</b>	<b>14.9</b>	<b>53,830</b>	<b>50,319</b>	<b>7.0</b>
Other income	2,575	3,589	(28.3)	7,863	9,055	(13.2)
Amortisation of intangible asset	(1,650)	(1,650)	-	(6,139)	(6,139)	-
Impairment loss on intangible asset	(14,300)	-	N/M	(14,300)	-	N/M
Manager's management fees						
- Base fee	(1,271)	(1,255)	1.3	(4,618)	(4,675)	(1.2)
- Performance fee	(257)	-	N/M	(512)	-	N/M
Trustee's fee	(81)	(80)	1.3	(295)	(299)	(1.3)
Other expenses	(444)	(644)	(31.1)	(1,688)	(2,400)	(29.7)
Finance income	127	-	N/M	192	-	N/M
Finance cost	(4,648)	(4,442)	4.6	(16,069)	(16,525)	(2.8)
Foreign exchange differences	407	-	N/M	176	-	N/M
<b>Net (loss) / income</b>	<b>(5,181)</b>	<b>8,017</b>	<b>N/M</b>	<b>18,440</b>	<b>29,336</b>	<b>(37.1)</b>
Net change in fair value of investment properties	33,508	-	N/M	316,585	285,144	11.0
<b>Total return for the period before tax</b>	<b>28,327</b>	<b>8,017</b>	<b>N/M</b>	<b>335,025</b>	<b>314,480</b>	<b>6.5</b>
Tax expense	(1,016)	(834)	21.8	(42,017)	(41,947)	0.2
<b>Total return for the period</b>	<b>27,311</b>	<b>7,183</b>	<b>N/M</b>	<b>293,008</b>	<b>272,533</b>	<b>7.5</b>
<b><u>Distribution Statement</u></b>						
Total return for the period	27,311	7,183	N/M	293,008	272,533	7.5
Distributions adjustments	(14,734)	4,733	N/M	(247,099)	(228,619)	8.1
<b>Amount available for distribution to Unitholders</b>	<b>12,577</b>	<b>11,916</b>	<b>5.5</b>	<b>45,909</b>	<b>43,914</b>	<b>4.5</b>

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 1:4.753 for 4Q 2014 and 1:4.861 for the period 27 January 2014 to 31 December 2014 whereas the exchange rate of 1:4.783 was adopted in the Forecast.
- (2) As OUE C-REIT was dormant since its constitution to Listing Date, the Actual results relate to the period from the Listing Date to 31 December 2014.

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Review of the Performance

4Q 2014

Gross revenue of S\$19.6 million was 12.0% higher than Forecast of S\$17.5 million due mainly to better occupancy and rental reversions than budgeted. Property operating expenses of S\$5.2 million was 4.6% higher than Forecast of S\$5.0 million due to higher property tax and maintenance costs incurred. This is partly offset by lower utilities cost incurred.

With the above, net property income was S\$14.4 million, 14.9% higher than Forecast of S\$12.5 million.

Other income of S\$2.6 million was 28.3% lower than Forecast of S\$3.6 million mainly due to lower drawdown of income support. OUE Bayfront achieved stronger than forecast rental revenue, resulting in the lower drawdown of income support.

Impairment loss on intangible asset of S\$14.3 million was due to the expected lower drawdown of the income support arrangement between OUE C-REIT and the Sponsor as a result of better than expected rental revenue from OUE Bayfront. This impairment on intangible asset has no impact on amount available for distribution.

Other expense of S\$0.4 million was 31.1% lower than Forecast due to lower trust expenses incurred.

Finance cost of S\$4.6 million was 4.6% higher than Forecast of S\$4.4 million mainly due to additional interest rate swaps entered into in 4Q 2014 to hedge floating interest rate risk on the OUE C-REIT Group's borrowings.

Net change in fair value of investment properties of S\$33.5 million relates to the revaluation gains on both properties of OUE C-REIT between the acquisition costs and the subsequent capital expenditure incurred, and their respective independent valuations as at 31 December 2014.

Tax expense of S\$1.0 million was 21.8% higher than Forecast of S\$0.8 million mainly due to higher current and deferred tax as a result of better than forecasted performance of Lippo Plaza.

Total return for the period was S\$27.3 million as a result of the above.

27 January 2014 to 31 December 2014

Gross revenue of S\$71.5 million was 3.6% higher than Forecast of S\$69.0 million due to better occupancy and rental reversions than budgeted. Property operating expenses of S\$17.7 million was 5.4% lower than Forecast of S\$18.7 million mainly due to lower utilities and maintenance costs incurred.

As a result, net property income was S\$53.8 million, 7.0% higher than Forecast of S\$50.3 million.

In respect to other income, OUE Bayfront achieved stronger than forecast rental revenue, resulting in a lower drawdown of income support amounting to S\$7.9 million which was 13.2% lower than Forecast of S\$9.1 million.

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Impairment loss on intangible asset of S\$14.3 million was due to the 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. This impairment on intangible asset has no impact on amount available for distribution.

Other expense of S\$1.7 million was 29.7% lower than Forecast due to lower trust expenses incurred.

Net change in fair value of investment properties of S\$316.6 million relates to the revaluation gains on both properties of OUE C-REIT between the acquisition costs and the subsequent capital expenditure incurred, and their respective independent valuations as at 31 December 2014.

Total return for the period of S\$293.0 million was 7.5% higher than Forecast of S\$272.5 million 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"), GDP growth in Singapore moderated in 4Q 2014 to 1.5%<sup>1</sup> year-on-year ("YoY"), compared to 2.8% YoY in the previous quarter. The full year GDP growth for 2014 is estimated to be 2.8%, in line with the official GDP growth forecast of around 3.0%. The MTI expects GDP growth of 2.0% to 4.0% in 2015 given the uneven global recovery.

According to CBRE<sup>2</sup>, Grade A office rents in Singapore rose by 2.3% quarter-on-quarter ("QoQ") to S\$11.20 psf per month, representing a YoY increase of 14.9%. Core CBD occupancy dipped 0.9 percentage points ("ppt") to 95.7% as at 31 December 2014, due mainly to the completion of a new office development in 4Q 2014. Island-wide net office absorption was 438,000 sq ft in 4Q 2014, and 1.1 million sq ft for the year, with demand driven primarily by tenants upgrading to better quality developments. As new supply in the CBD continues to be limited over the next 18 months, rental growth is expected to remain positive in 2015. This is expected to benefit lease renewals at OUE Bayfront.

##### China

China's GDP growth in 4Q 2014 was 7.3%<sup>3</sup> YoY, unchanged from the previous quarter. The 2014 full year growth rate was 7.4%, slowing from 7.7% in 2013 due to a lacklustre property market and uneven exports. The weaker economic performance prompted the People's Bank of China to cut rates for the first time in two years, with more policy easing measures expected for 2015 to stabilise growth. As China focuses on structural reform towards a more balanced economy, growth is expected to continue to be measured.

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As at 4Q 2014, overall Shanghai CBD Grade A office vacancy declined 2.2 ppt QoQ to 5.6% while average market rents increased 0.9% to RMB9.3 psm per day, according to Colliers International<sup>4</sup>. On a YoY basis, this represents an increase of 4.6%. While demand remained steady, there were no new office developments completed during the quarter, resulting in the improvement in vacancy. In the Puxi office submarket, though Grade A vacancy also decreased, falling 2.7 ppt QoQ to 8.3%, rents remained stable at about RMB8.8 psm per day. In view of the new supply coming on-stream in Puxi in 2015, and potential competition from the supply in decentralised areas, the rental outlook is expected to continue to be subdued.

Barring any unforeseen event and any further 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.

<sup>1</sup> Ministry of Trade and Industry Press Release, 2 January 2015

<sup>2</sup> CBRE, Singapore MarketView 4Q14

<sup>3</sup> National Bureau of Statistics of China Press Release, 20 January 2015

<sup>4</sup> Colliers International Independent Market Research Report

## **11 Distribution**

### **(a) Current financial period**

Any distribution declared for the current financial period?      Yes

Name of distribution:      Distribution for the period from 1 July 2014 to 31 December 2014

Distribution type:      (i) Taxable income distribution  
   (ii) Capital distribution

Distribution rate:      (i) Taxable income distribution: 2.18 cents per Unit  
   (ii) Capital distribution: 0.66 cents per Unit

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

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

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

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

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

Capital distribution

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

Book closure date: 3 February 2015

Date payable: 27 February 2015

**(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.

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**14 Segment Information by Geographical Segments**

	<b>27 Jan 2014 to 31 Dec 2014<sup>(1)(2)</sup></b>		
	<b>Singapore S\$'000</b>	<b>China S\$'000</b>	<b>Total S\$'000</b>
Gross revenue	48,604	22,941	71,545
Property operating expenses	(11,469)	(6,246)	(17,715)
<b>Segment net property income</b>	<b>37,135</b>	<b>16,695</b>	<b>53,830</b>

Footnotes:

(1) No comparative for Segment Information by Geographical Segments has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

(2) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.861.

**15 In the review of the performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments**

Please refer to paragraph 9 for the review of the actual performance.

**16 Breakdown of Revenue**

	<b>27 Jan 2014 to 31 Dec 2014<sup>(1)</sup> (S\$'000)</b>
Gross revenue for first half year (27 January 2014 to 30 June 2014)	32,489
Total return for first half year (27 January 2014 to 30 June 2014)	257,712
Gross revenue for second half year (1 July 2014 to 31 December 2014)	39,056
Total return for second half year (1 July 2014 to 31 December 2014)	35,296

Footnote:

(1) No comparative for Breakdown of Revenue has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

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**17 Breakdown of Total Annual Distribution**

	<b>27 Jan 2014 to 31 Dec 2014<sup>(1)</sup> (S\$'000)</b>
27 January 2014 to 30 June 2014	21,108
1 July 2014 to 31 December 2014 <sup>(2)</sup>	-

Footnote:

(1) No comparative for Breakdown of Total Annual Distribution has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

(2) Refer to Section 11 for details of the distribution.

**18 Confirmation pursuant to Rule 704(13) of the Listing Manual**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in the Manager, who is related to a director or the chief executive officer or a substantial shareholder of the Manager or a substantial unitholder of OUE C-REIT.

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)

26 January 2015