



Investor Presentation

June 2019

Important Notice

This presentation should be read in conjunction with the announcements released by OUE Commercial Real Estate Investment Trust ("OUE C-REIT") on 9 May 2019 (in relation to its Financial Results for 1st Quarter 2019).

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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 Singapore Exchange Securities Trading Limited (the "SGX-ST"). It is intended that holders of Units ("Unitholders") 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.

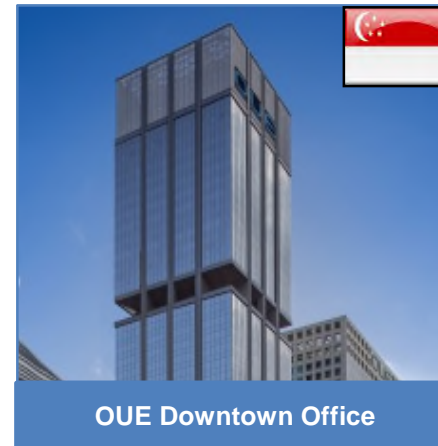
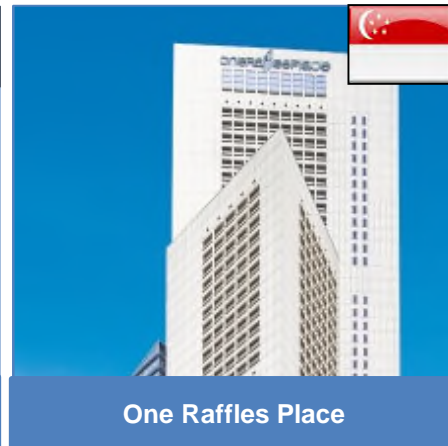
The information and opinions contained in this presentation are subject to change without notice.

Agenda

- Overview
- Financial Highlights
- Portfolio Performance
- Appendices

Overview of OUE C-REIT

- OUE C-REIT's principal investment strategy is to invest in income-producing real estate which is used primarily for commercial purposes in financial and business hubs in key gateway cities
- Total asset size of **S\$4.5 billion** as at 31 March 2019, comprising 4 properties in Singapore and China
- **More than 2.0 million** sq ft of prime CBD commercial space



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 2019)	Office: 97.1%; Retail: 74.4%; Overall: 96.0%
Valuation (@ 31 Dec 2018)	S\$1,173.1 m (S\$2,935 psf)
Valuation Cap Rate (Office):	3.625%
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

One Raffles Place

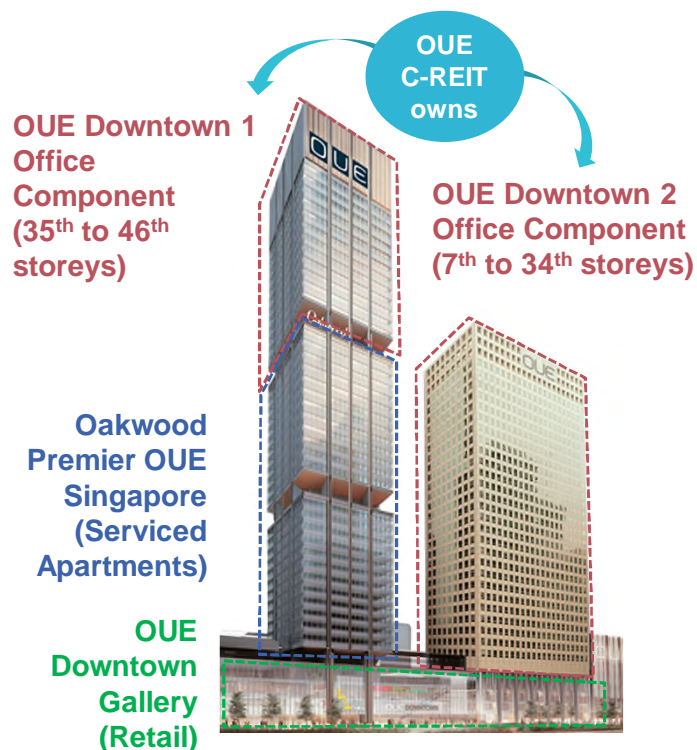


GFA (sq m)	119,626.3
Attributable NLA (sq m)	Office: 57,043.1; Retail: 9,227.4; Overall: 66,270.5
Committed Occupancy (@ 31 Mar 2019)	Office: 96.5%; Retail: 97.5%; Overall: 96.6%
Valuation⁽¹⁾ (@ 31 Dec 2018)	S\$1,813.5 m (S\$2,542 psf)
Valuation Cap Rate (Office):	3.50% - 3.70%
Land Use Right Expiry	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

OUE Downtown Office



GFA (sq m)	69,922.0
Attributable NLA (sq m)	Office: 49,239.0
Committed Occupancy (@ 31 Mar 2019)	Office: 93.9%
Valuation⁽¹⁾ (@ 31 Dec 2018)	S\$920.0 m (S\$1,736 psf)
Valuation Cap Rate (Office):	4.00%
Land Use Right Expiry	99 yrs from 19 July 1967
Completion Year	OUE Downtown 1: 1974; OUE Downtown 2: 1994; Major refurbishment : 2017

(1) Valuation without income support

Premium Portfolio of Assets

Lippo Plaza



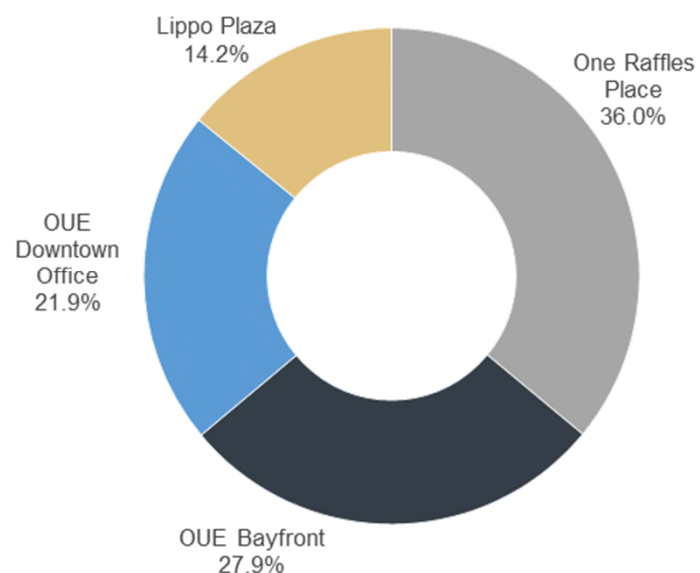
GFA (sq m)	58,521.5
Attributable NLA (sq m)	Office: 33,538.6; Retail: 5,685.9; Overall: 39,224.5
Committed Occupancy (@ 31 Mar 2019)	Office: 90.4%; Retail: 72.0%; Overall: 87.6%
Valuation⁽¹⁾ (@ 31 Dec 2018)	RMB2,950.0 m / RMB50,409 psm (S\$595.0 million) ⁽²⁾
Land Use Right Expiry	50 yrs from 2 July 1994
Completion Year	Office : 1999; Retail (major refurbishment) : 2010

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

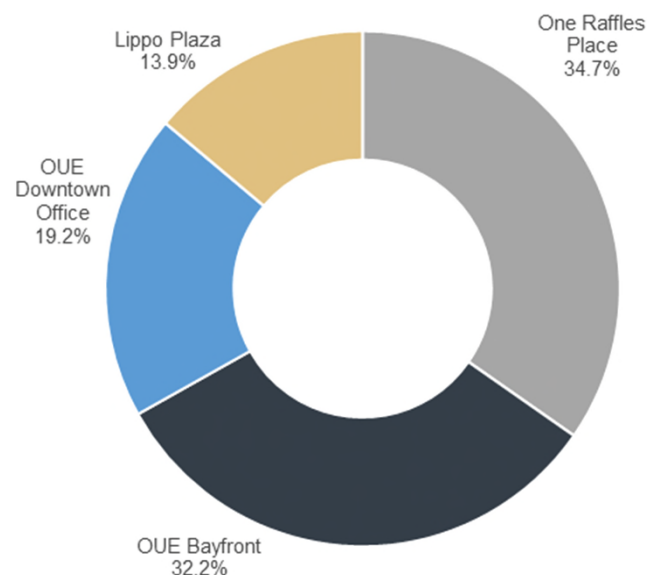
(2) Based on SGD:CNY exchange rate of 1 :4.958 as at 31 March 2019

Portfolio Composition

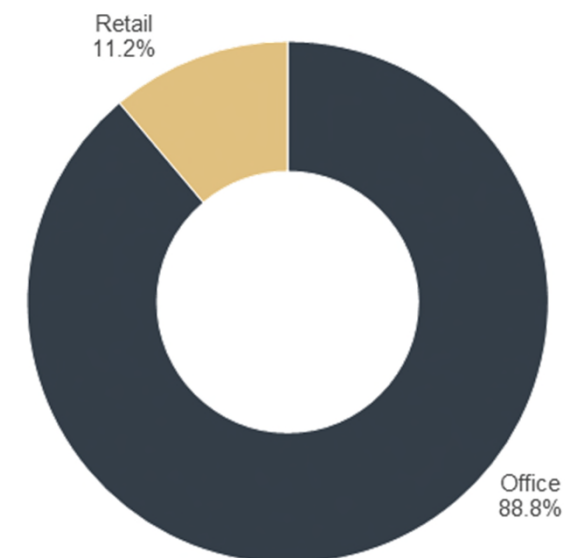
By Asset Value⁽¹⁾



By Revenue Contribution⁽²⁾



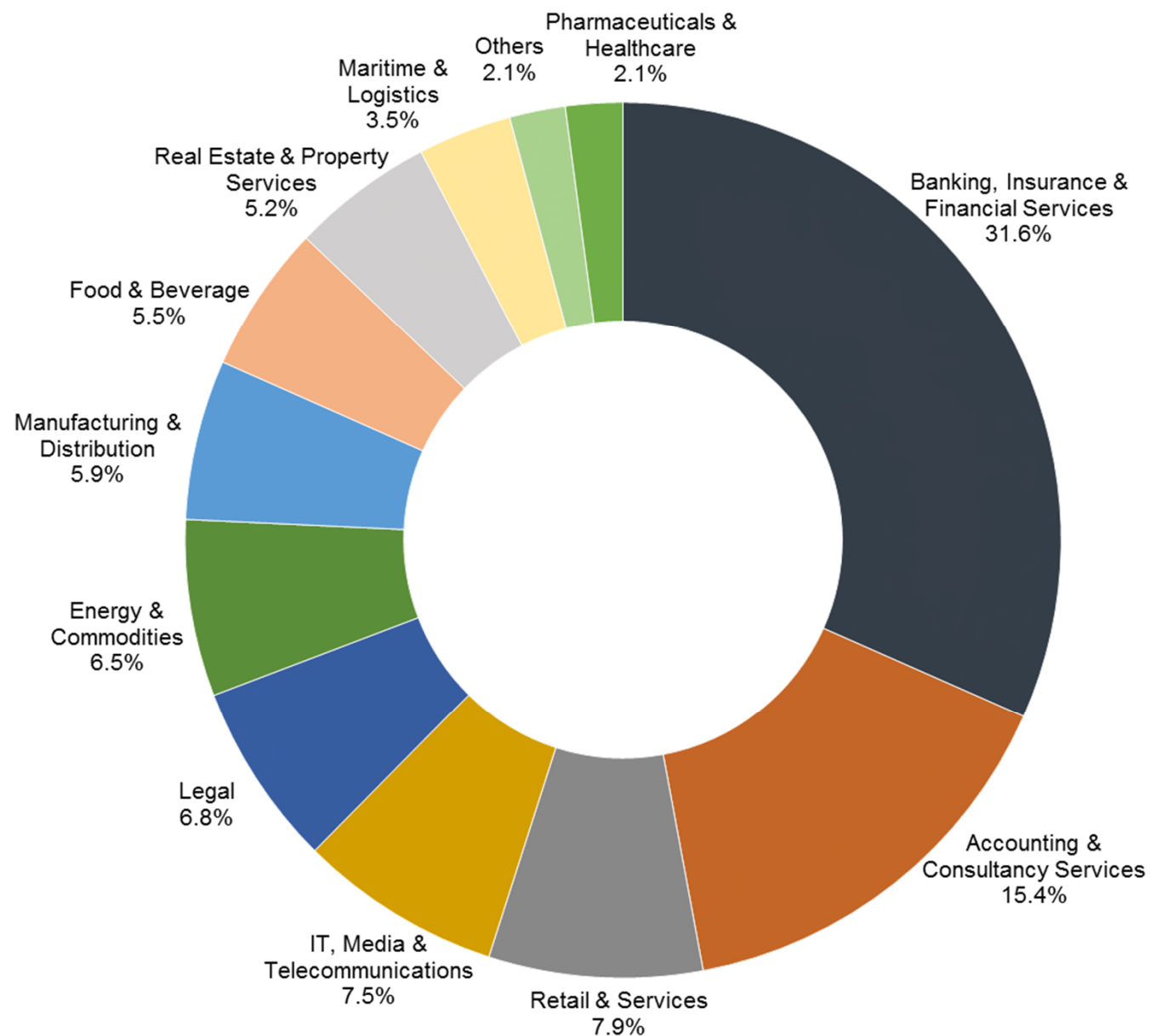
By Segment Income⁽²⁾



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

(2) For 1Q 2019 based on OUE C-REIT's attributable interest in One Raffles Place

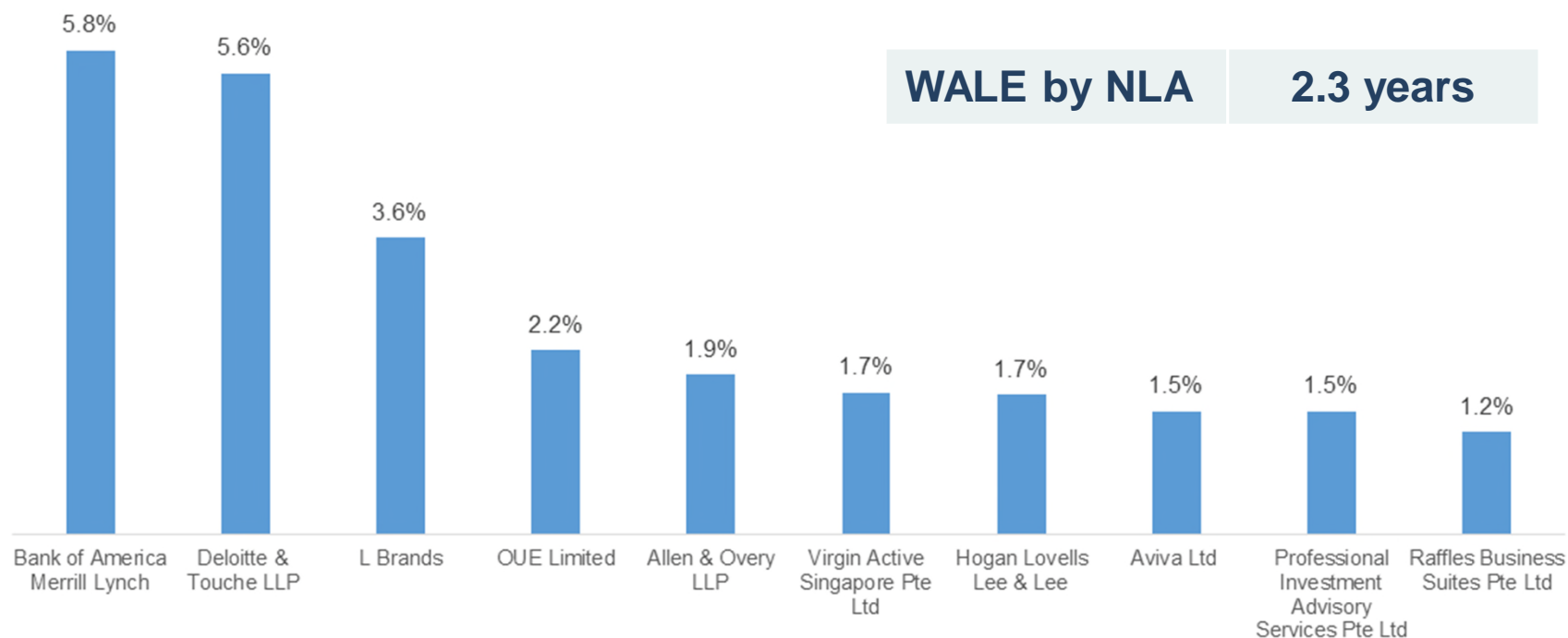
Well-Diversified Portfolio Tenant Base



As at Mar 2019

Quality and Diversified Tenant Base

Top 10 tenants contribute approximately 26.7% of gross rental income



As at 31 Mar 2019

Financial Highlights



1Q 2019 Highlights

Revenue

S\$55.3 million
 **25.5%** YoY

Net Property Income

S\$43.6 million
 **23.5%** YoY

Amount Available for
Distribution

S\$26.0 million
 **49.5%** YoY

Annualised
Yield

6.9%⁽¹⁾

Portfolio
Committed Occupancy

94.0%

 **0.7 ppt** QoQ

Aggregate Leverage

39.4%

 4Q 2018: 39.3%

- Positive rental reversions across Singapore portfolio
- No significant refinancing until 2020`

(1) OUE C-REIT's annualised distribution yield based on 1Q 2019 distribution per unit of 0.90 cents and Unit closing price of S\$0.52 as at 29 March 2019 (being the last trading day of 1Q 2019)

Proposed Merger with OUE Hospitality Trust

Proposed Merger with OUE Hospitality Trust

- Announced proposed merger with OUE Hospitality Trust by way of a trust scheme of arrangement on 8 April 2019
- OUE C-REIT will seek the approval of OUE C-REIT unitholders for the transaction at an extraordinary general meeting to be convened
- The rationale for the proposed merger includes:
 - Creation of one of the largest diversified S-REITs, owning seven properties with total assets of approximately S\$6.8 billion
 - Larger capital base and broadened investment mandate provide flexibility to drive long-term growth; enhanced portfolio diversification with greater resilience
 - DPU accretive to Unitholders on a historical pro forma basis

1Q 2019 vs 1Q 2018

	1Q 2019	1Q 2018	Change
Revenue (S\$ m)	55.3	44.1	25.5%
Net Property Income (S\$ m)	43.6	35.3	23.5%
Amount Available for Distribution to Unitholders (S\$ m)	26.0	17.4	49.5%
DPU (cents) (actual)	0.90	1.12	-19.6%
DPU (cents) (restated)	-	0.61⁽¹⁾	47.5%

- Net property income of S\$43.6 million in 1Q 2019 increased 23.5% YoY due primarily to a full quarter's contribution from OUE Downtown Office which was acquired on 1 November 2018, augmented by one-off income from OUE Bayfront and One Raffles Place
- The drawdown of OUE Downtown Office's rental support, partially offset by higher interest expenses in 1Q 2019 as a result of higher borrowings, resulted in amount available for distribution of S\$26.0 million, 49.5% higher YoY

(1) For the purpose of comparison, 1Q 2018 DPU has been restated to include the 1,288,438,981 new Units issued on 30 October 2018 pursuant to the rights issue (the "Rights Units").

Capital Management

- Aggregate leverage as at 31 March 2019 was stable at 39.4%, with weighted average cost of debt of 3.5% per annum
- With 71.6% 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\$1.2 million per annum, or 0.04 cents in DPU

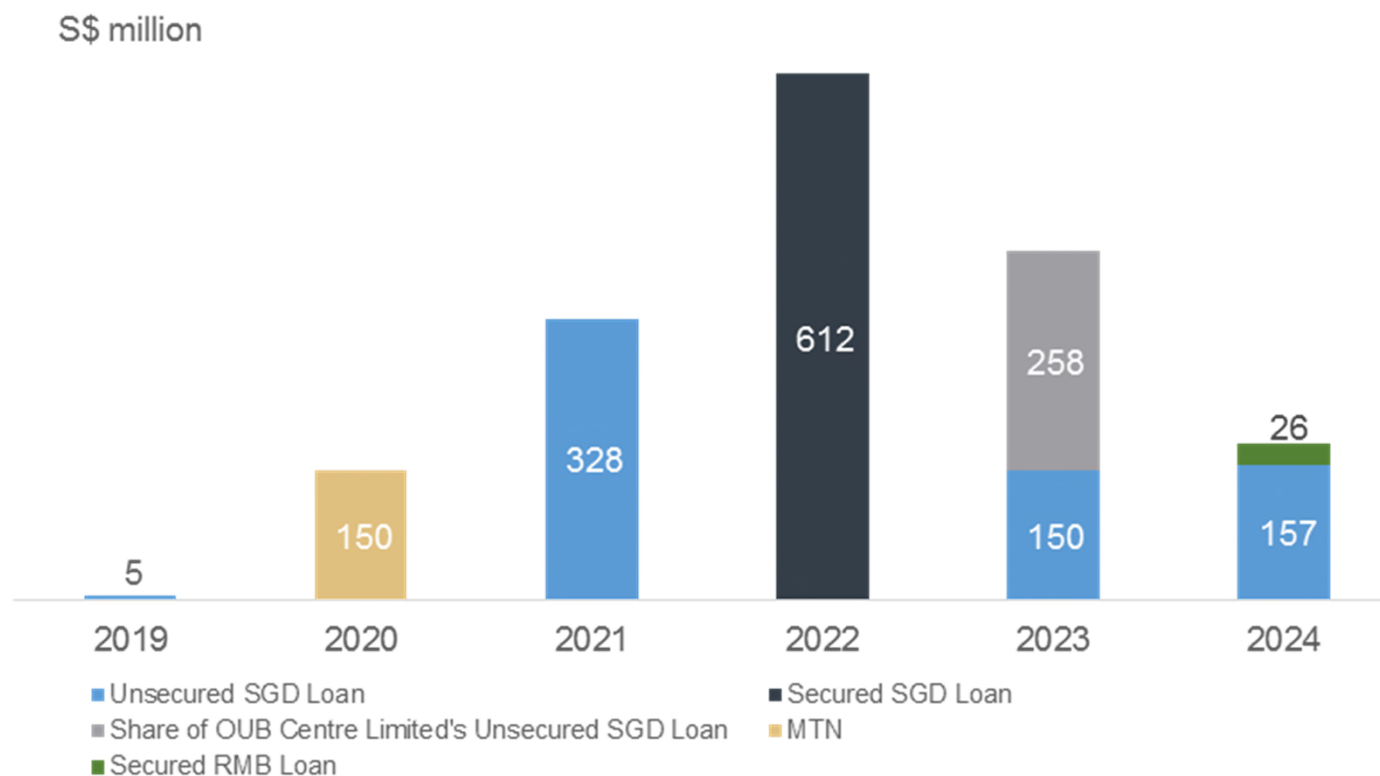
	As at 31 Mar 2019	As at 31 Dec 2018
Aggregate Leverage	39.4%	39.3%
Total debt	S\$1,685m ⁽¹⁾	S\$1,675m ⁽²⁾
Weighted average cost of debt	3.5% p.a.	3.5% p.a.
Average term of debt	3.3 years	3.5 years
% fixed rate debt	71.6%	76.4%
% unsecured debt	62.2%	61.1%
Average term of fixed rate debt	2.1 years	1.7 years
Interest service ratio	3.3x	3.0x

(1) Based on SGD:CNY exchange rate of 1:4.958 as at 31 March 2019 and includes OUE C-REIT's share of OUB Centre Limited's loan

(2) Based on SGD:CNY exchange rate of 1:5.018 as at 31 December 2018 and includes OUE C-REIT's share of OUB Centre Limited's loan

No significant refinancing requirement until 2020

Debt Maturity Profile as at 31 March 2019



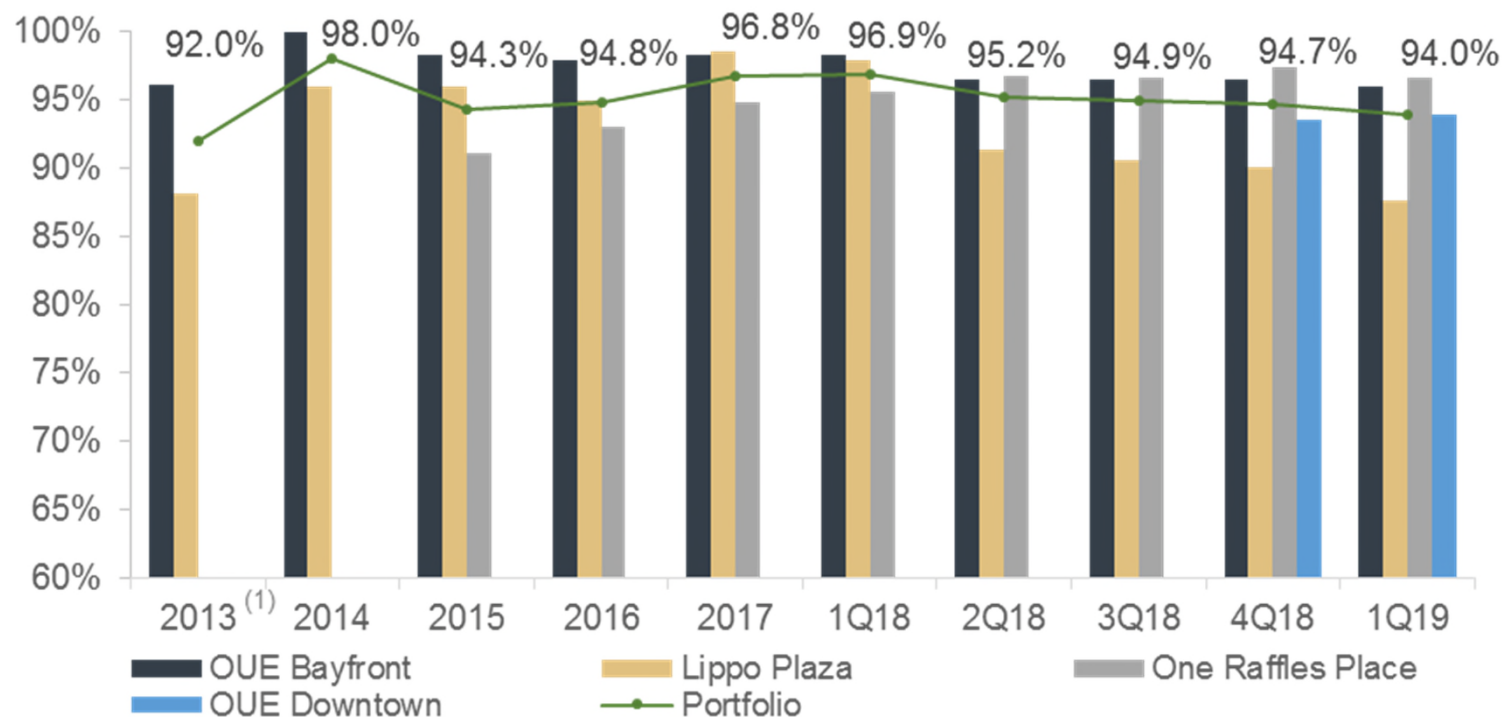
Portfolio Performance



Resilient and Stable Portfolio

- Stable portfolio committed occupancy of 94.0% as at 31 March 2019
- Lippo Plaza's overall committed occupancy as at 31 March 2019 was 87.6% due mainly to lower committed retail occupancy. Committed office occupancy remains above market at 90.4%

Portfolio Committed Occupancy

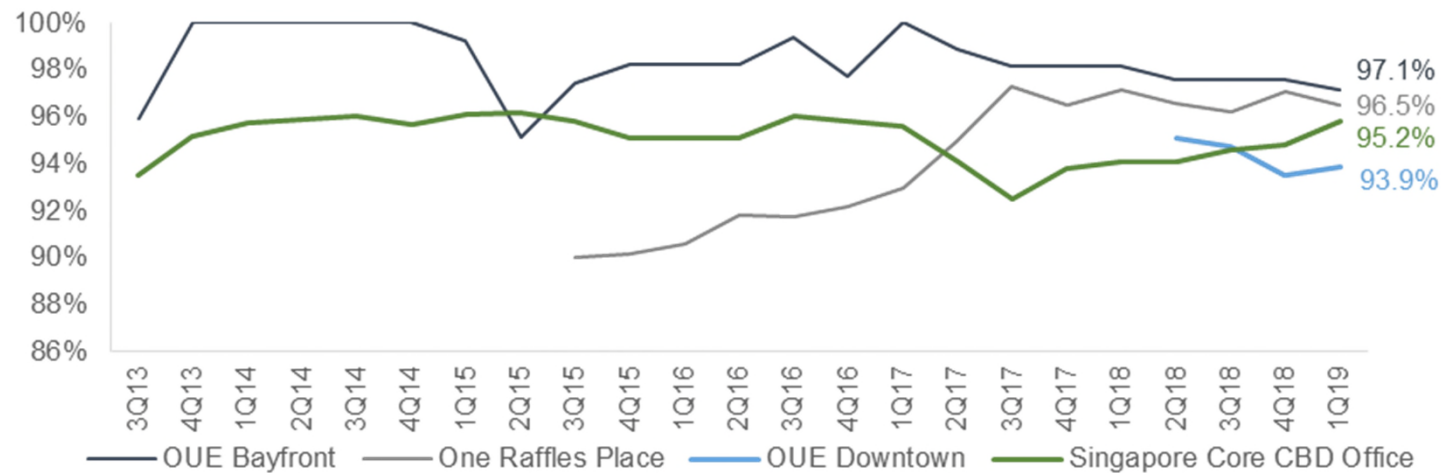


(1) Proforma committed occupancy as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

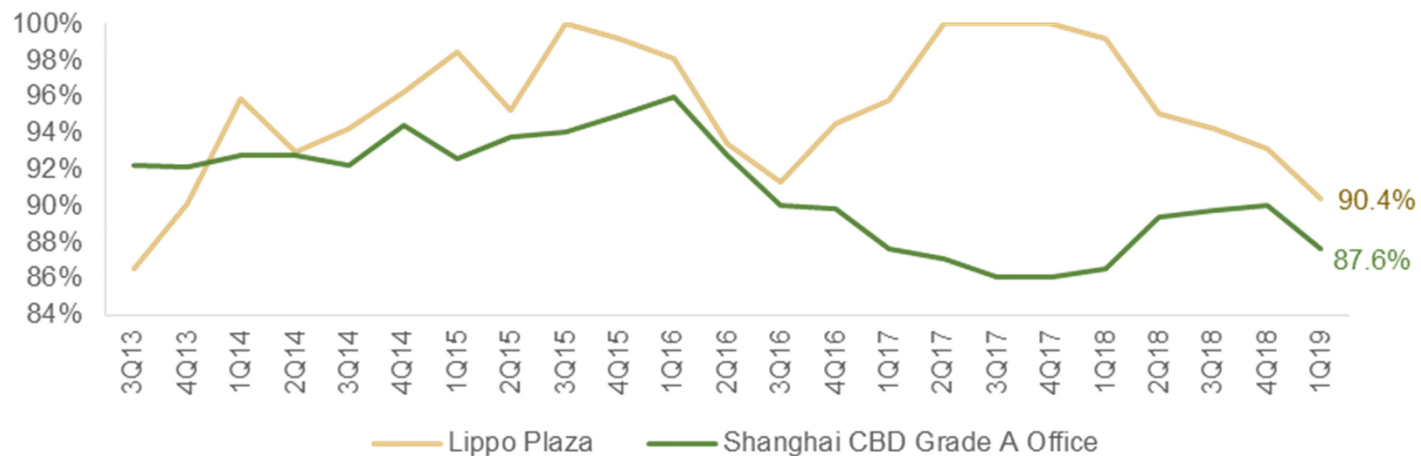
Healthy Office Occupancy

Committed office occupancy continues to be in line with or above market

Singapore



Shanghai



Committed Office Rents In Line Or Above Market

1Q 2019	Average Expired Rents	Committed Rents ⁽¹⁾	Sub-market	Comparable Sub-market Rents	
				Colliers ⁽²⁾	Savills ⁽³⁾
Singapore					
OUE Bayfront	-(4)	S\$13.00 – S\$14.30	New Downtown/ Marina Bay	S\$11.33	S\$12.55
One Raffles Place	S\$9.86	S\$10.30 – S\$11.20	Raffles Place	S\$9.97	S\$9.98
OUE Downtown	S\$6.88	S\$8.00 – S\$8.85	Shenton Way/ Tanjong Pagar	S\$9.53	S\$8.68 – S\$9.04
Shanghai					
Lippo Plaza	RMB9.48	RMB9.00 – RMB11.50	Puxi	RMB9.55	RMB10.26

- OUE C-REIT's properties continued to achieve committed rents which were in line with or above their respective market rents
- Renewal rents in 1Q 2019 for the Singapore properties continued to be higher than preceding rents, as market rental growth continued to be positive

(1) Committed rents for renewals and new leases

(2) Source: Colliers Singapore Office Quarterly 4Q 2018 for Singapore comparable sub-market rents; Colliers Shanghai Office Property Market Overview 1Q 2019 for Shanghai comparable sub-market rents

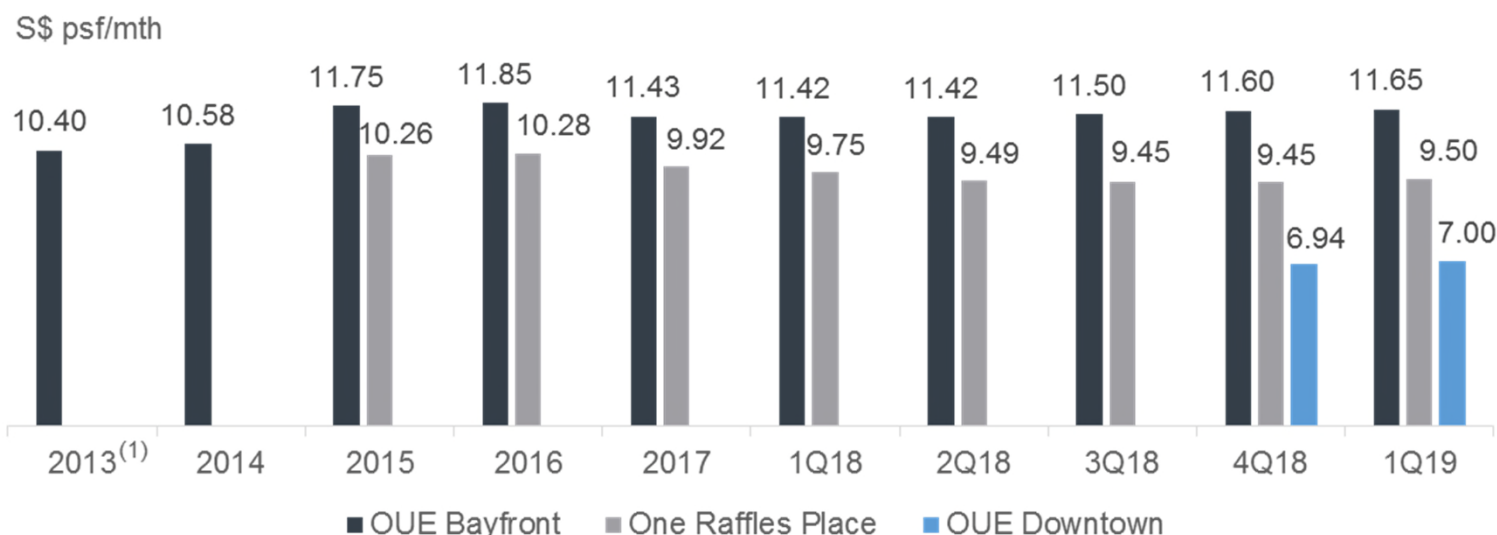
(3) Source: Savills Singapore Office Briefing 4Q 2018 for Singapore comparable sub-market rents; Savills Shanghai Grade A Office Market Update 1Q 2019 for Shanghai comparable sub-market rents

(4) There were no leases expiring in 1Q 2019 for OUE Bayfront

Note: For reference, CBRE Research's 1Q 2019 Grade A Singapore office rent is S\$11.15 psf/mth. Sub-market rents are not published

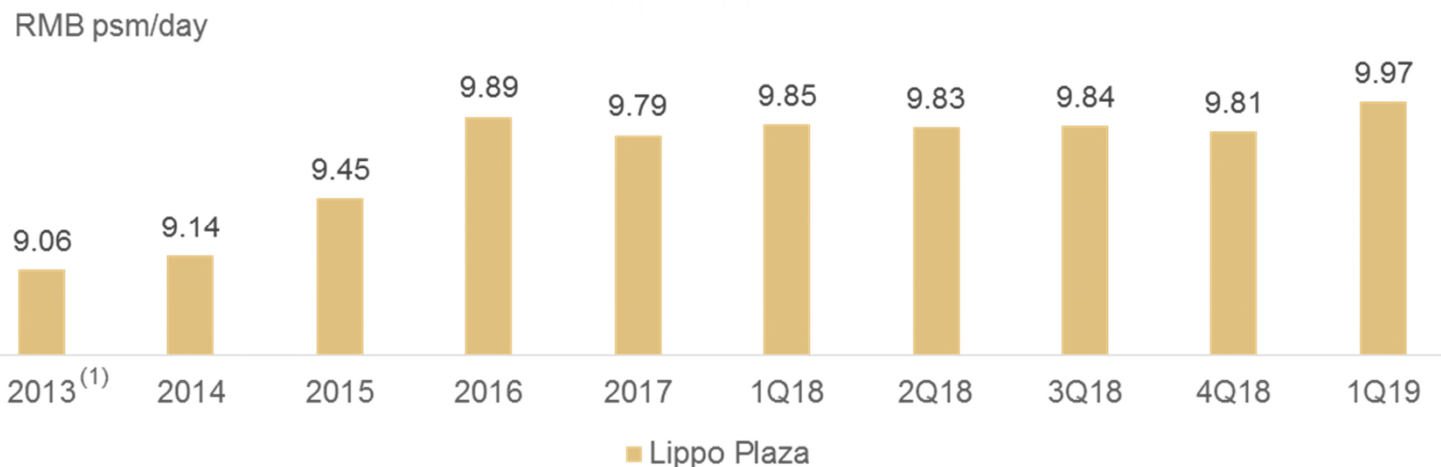
Average Passing Office Rents

Singapore



- Average passing office rent for all properties in Singapore improved as at 1Q 2019, due to positive rental reversions in the previous quarters

Shanghai

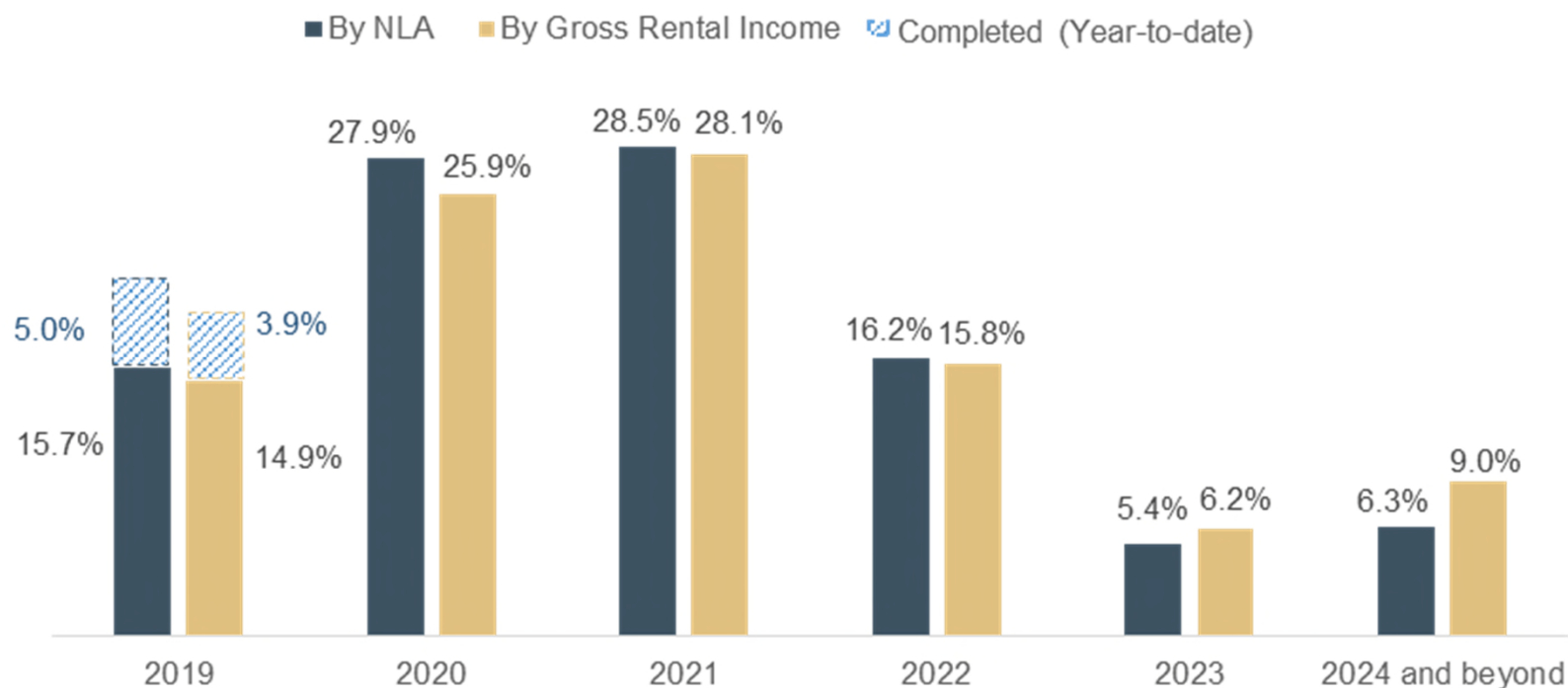


- Average passing office rent at Lippo Plaza was RMB9.97 psm/day as of March 2019

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

Lease Expiry Profile - Portfolio

14.9% of OUE C-REIT's portfolio gross rental income is due for renewal for the balance of 2019



WALE⁽¹⁾ of 2.2 years by NLA⁽²⁾ and 2.3 years by Gross Rental Income

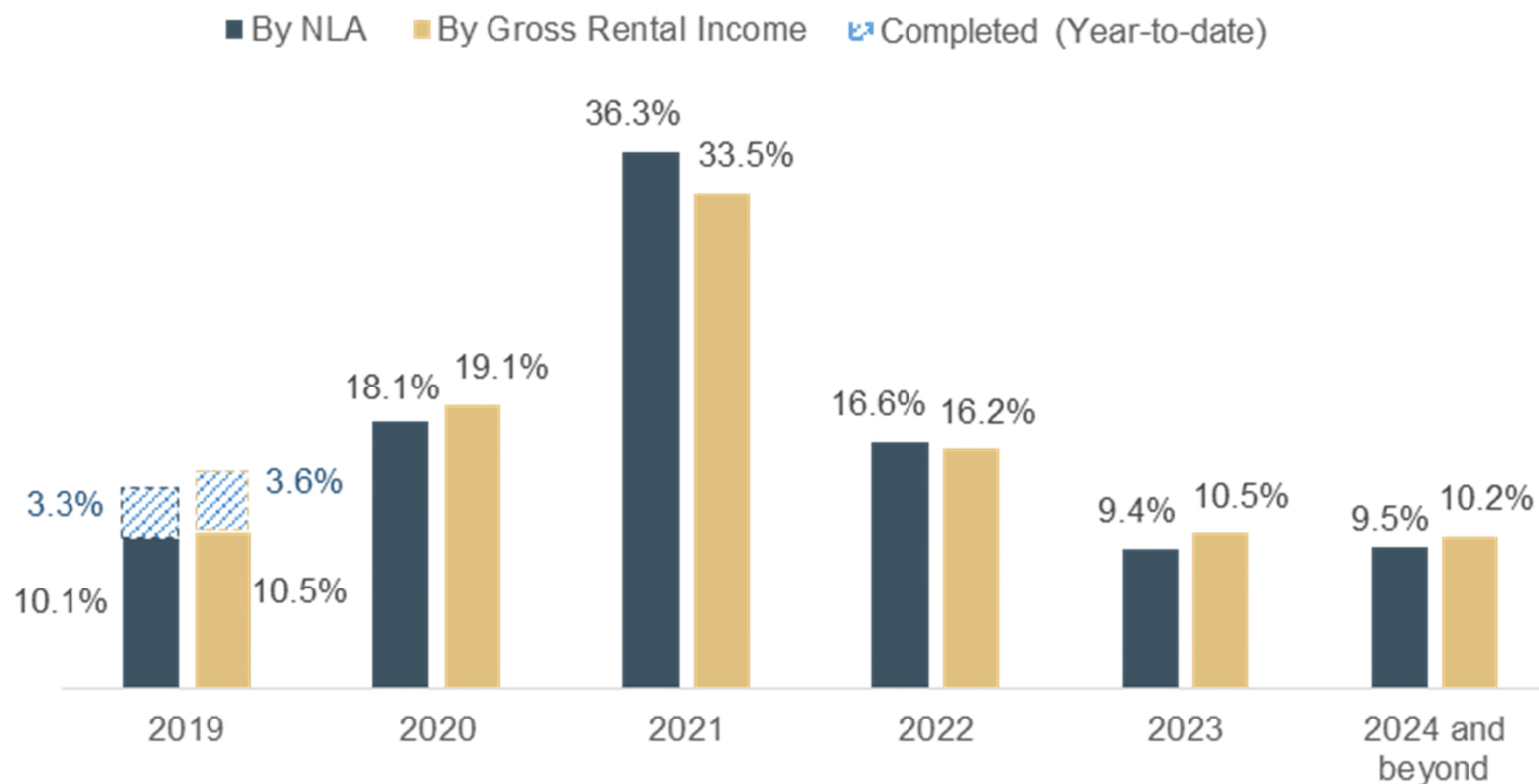
As at 31 Mar 2019

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

(2) "NLA" refers to net lettable area

Lease Expiry Profile - OUE Bayfront

- Well-positioned to benefit from a rising Singapore office market, with 29.6% of OUE Bayfront's gross rental income due for renewal in 2019 and 2020
- WALE by gross rental income improved to 2.7 years, from 2.3 years a quarter ago

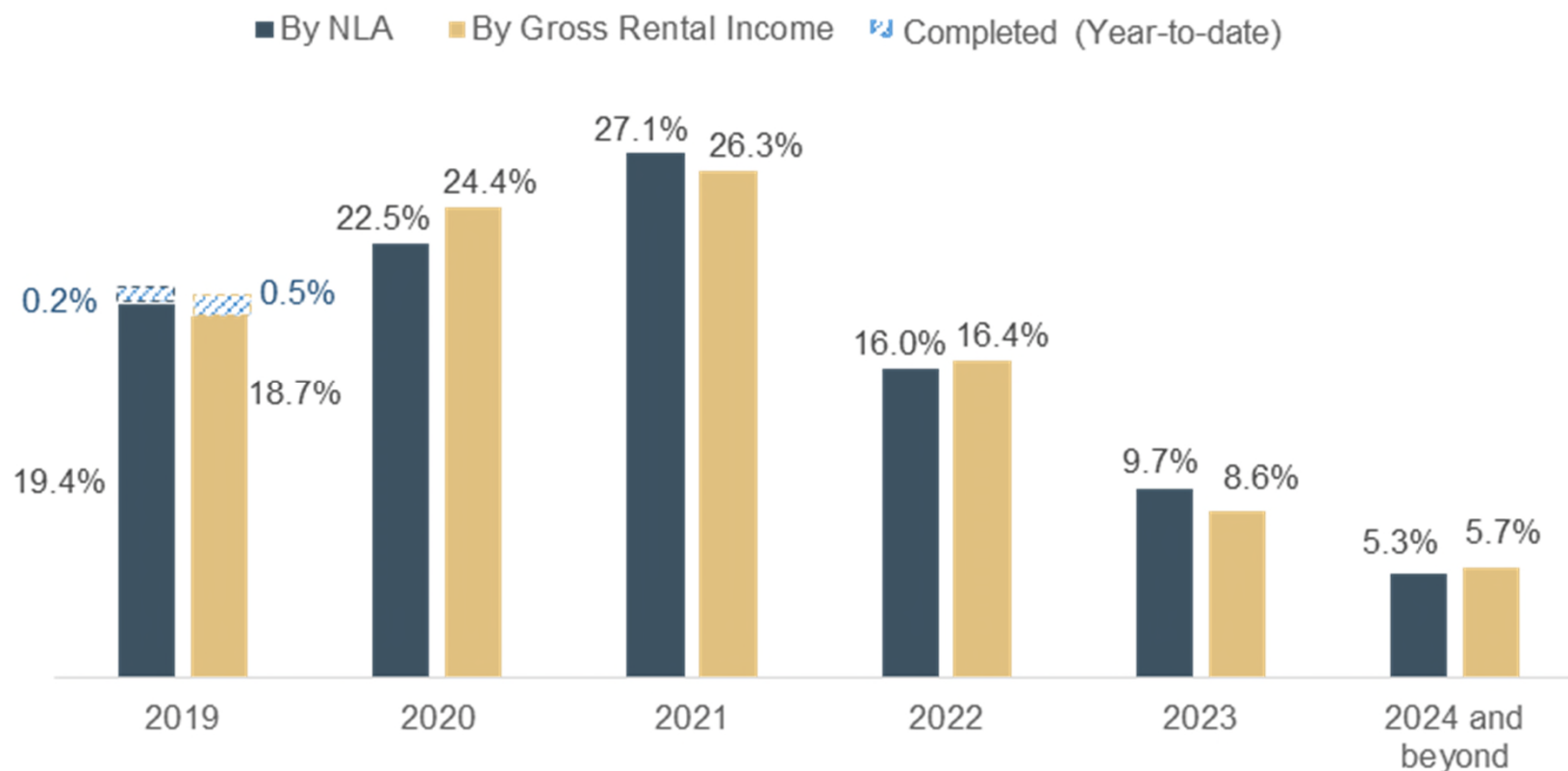


WALE of 2.7 years by NLA and Gross Rental Income

As at 31 Mar 2019

Lease Expiry Profile - One Raffles Place

Approximately 43.1% of gross rental income due for renewal in 2019 and 2020, with expiring rents below current market rents

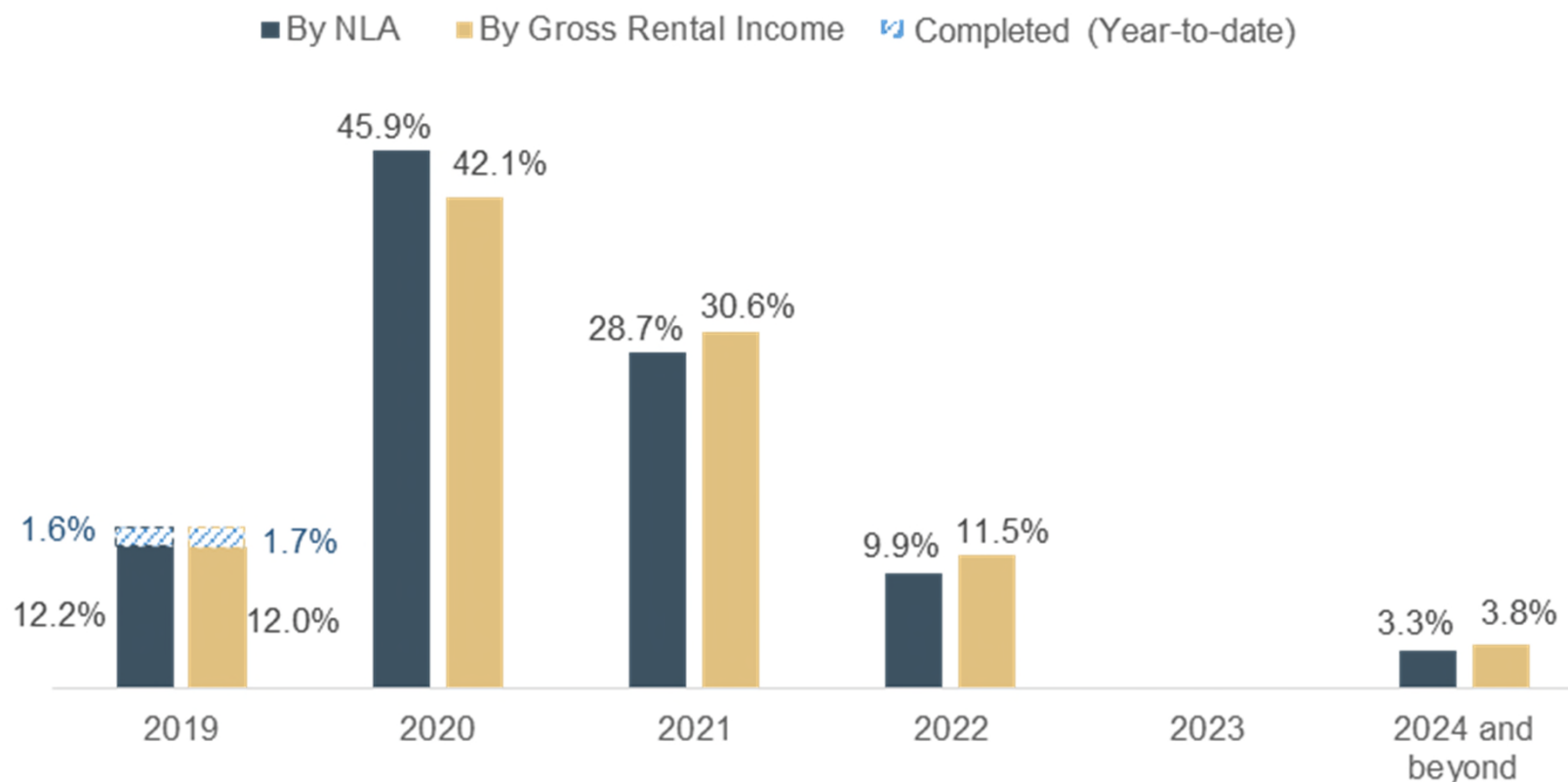


WALE of 2.2 years by NLA and by Gross Rental Income

As at 31 Mar 2019

Lease Expiry Profile - OUE Downtown Office

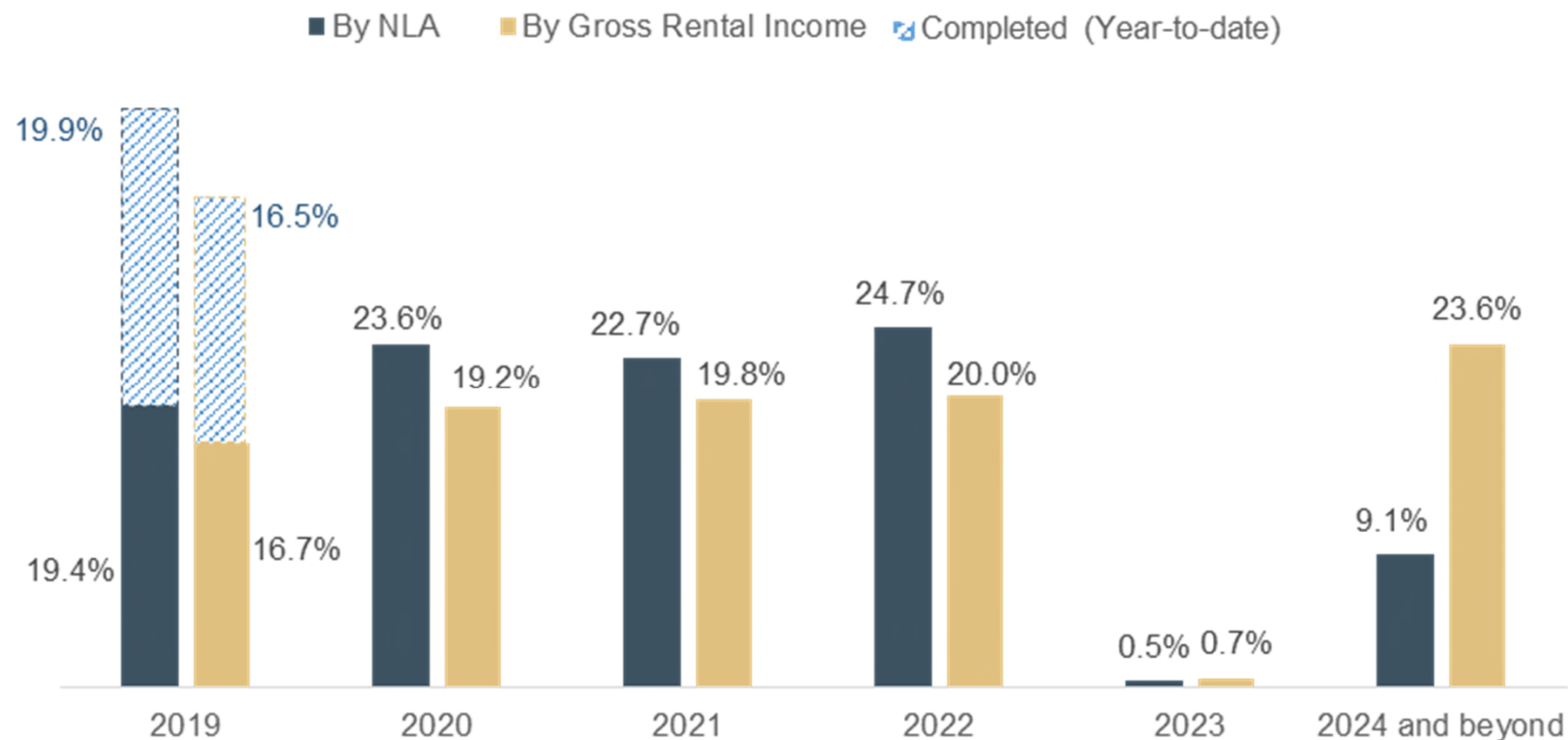
Rental revenue for OUE Downtown Office enjoys downside protection from income support arrangement



WALE of 1.9 years by NLA and by Gross Rental Income

As at 31 Mar 2019

Lease Expiry Profile - Lippo Plaza



WALE of 2.4 years by NLA and 3.1 years by Gross Rental Income

As at 31 Mar 2019

Appendices

- Singapore Office Market
- Shanghai Office Market



Overview of Singapore Office Sector

✓Singapore's CBD

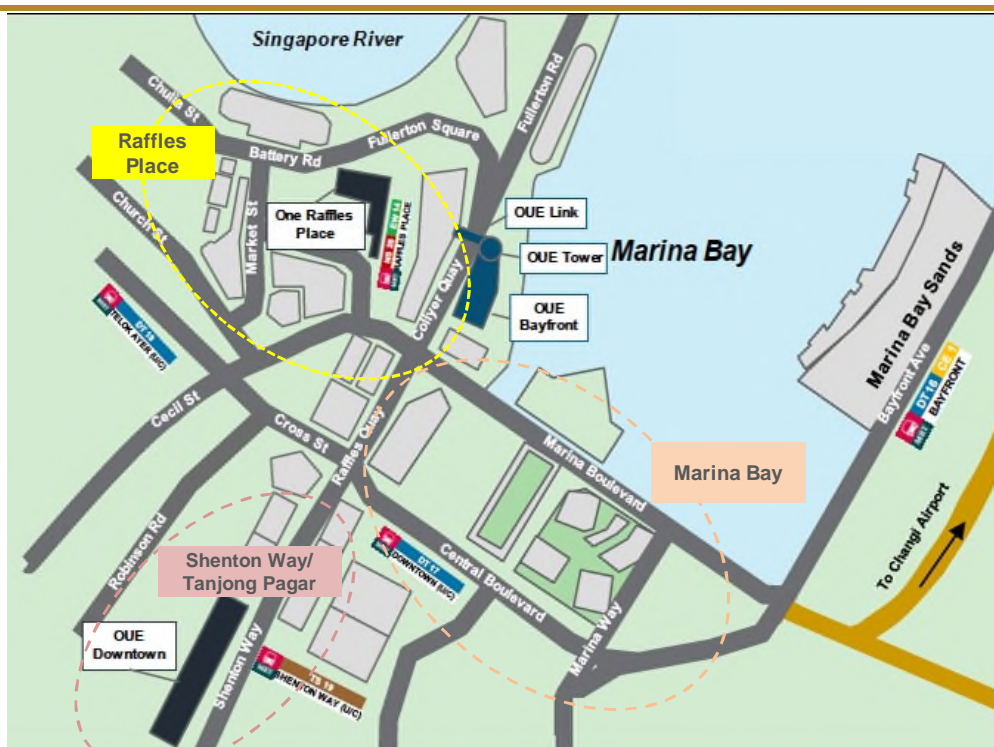
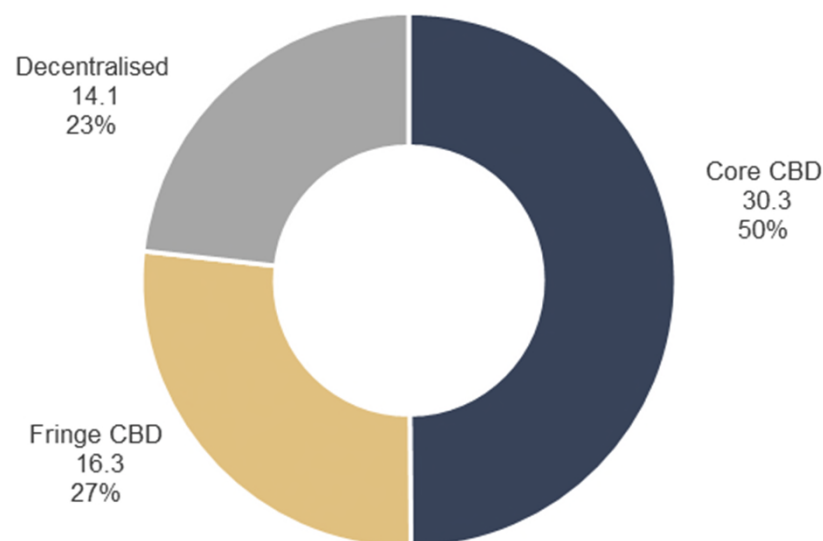
- Comprises traditional areas of Raffles Place, Robinson Road/Cecil Street, Shenton Way/Tanjong Pagar as well as Marina Bay
- Many established global financial institutions and headquarters of MNCs are located in Marina Bay and Raffles Place, while Robinson Road/Cecil Street and Shenton Way/Tanjong Pagar are 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 2008 – 2017 was about 1.1 million sq ft, compared to annual average supply of 1.4 million sq ft over the same period. For 2018, island-wide net absorption was 1.6 million sq ft, compared to net new supply of 1.5 million sq ft.

Breakdown of Office Stock⁽¹⁾

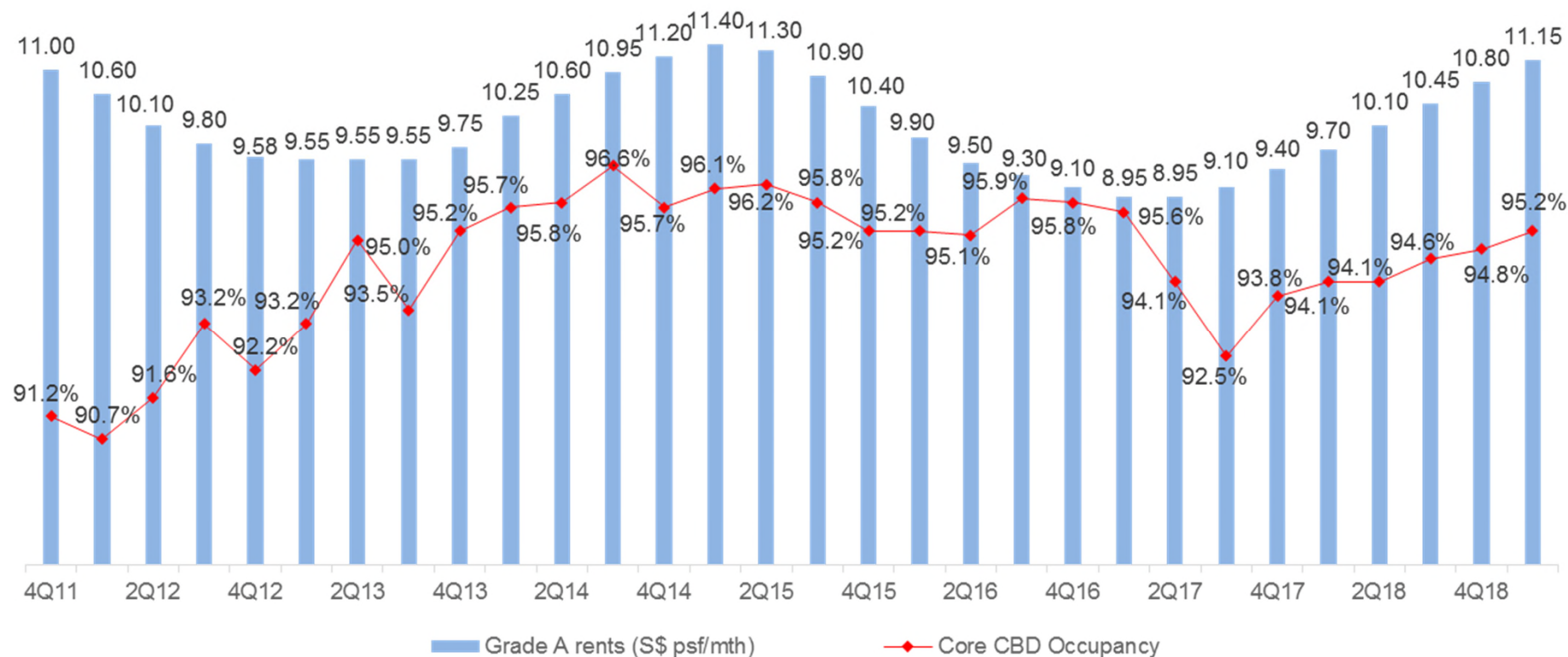
(million sq ft)



Source: CBRE

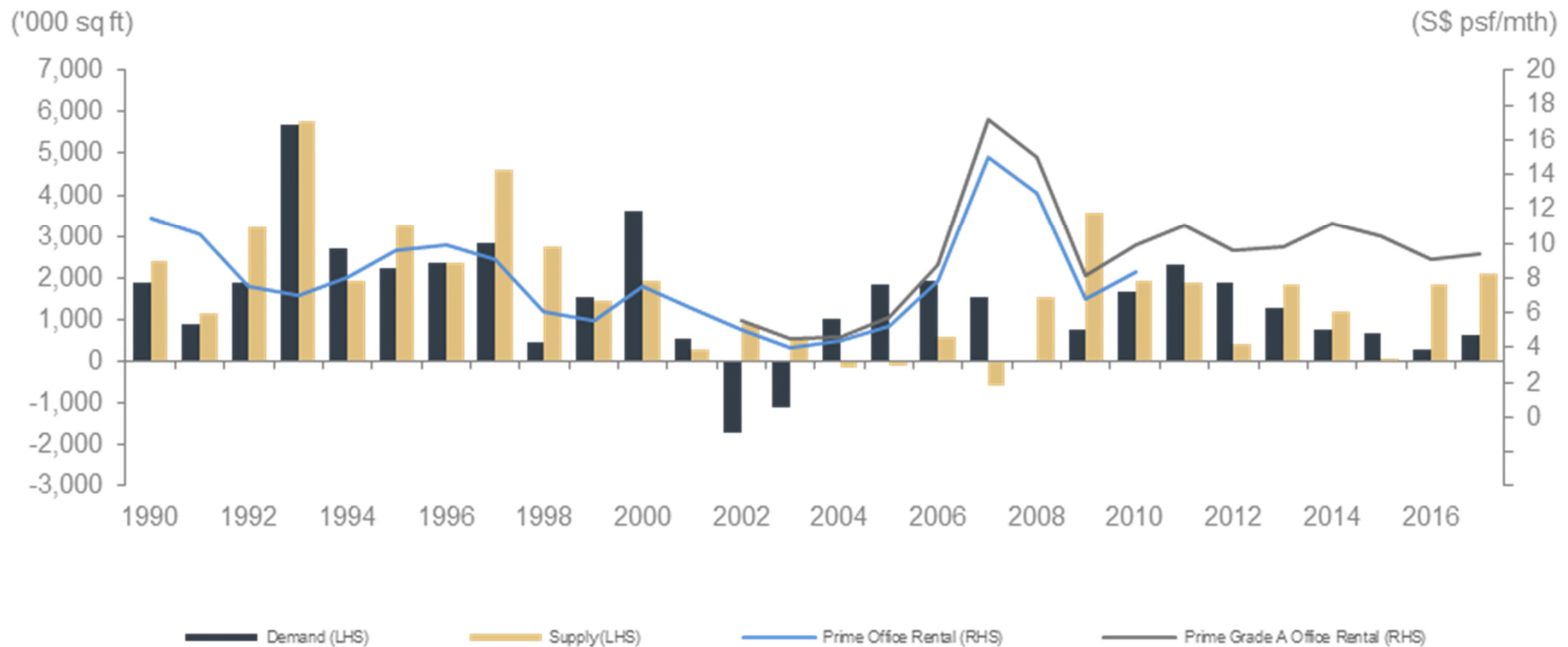
Singapore Office Market

- Core CBD office occupancy rose 0.3 ppt QoQ to 95.2% as at 1Q 2019, on stable demand supported by technology and co-working sectors
- Grade A CBD core office rents rose 3.2% QoQ in 1Q 2019, for the seventh consecutive quarter, to S\$11.15 psf per month



Demand and Supply vs Office Rental

Island-wide Office Demand, Supply and Office Rents



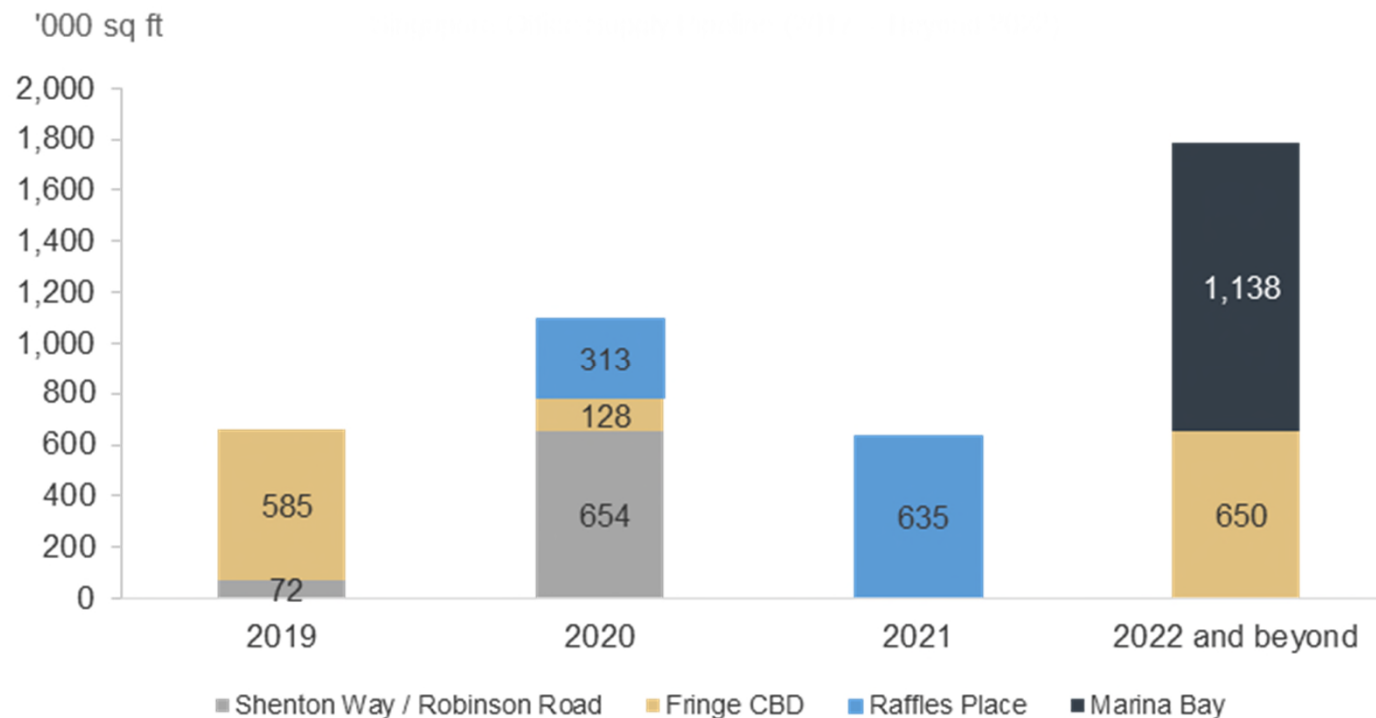
Source: URA statistics, CBRE Research

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

Benign office supply outlook for the Singapore core CBD over next 2 years

Office Supply Pipeline in Singapore (CBD and Fringe of CBD)



Note: Excluding strata-titled office
Source: CBRE Research

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

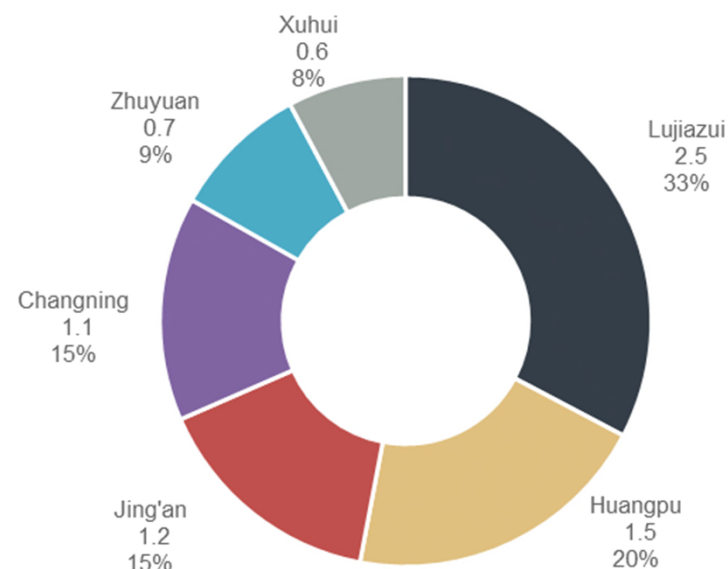
- The six main districts that make up Shanghai core CBD provide Grade A office stock of about 7.57 million sq m as at 1Q 2019
- Average net demand for Shanghai CBD Grade A office from 2014 – 2018 was 426,000 sq m, compared to average net supply of 497,000 sq m over the same period. In 2018, net absorption was 635,000 sq m, 6.0% increase YoY. Net supply in 2018 was 408,000 sq m, significantly lower than in 2017

Key Districts of Shanghai CBD



Breakdown of CBD Grade A Office Stock⁽¹⁾

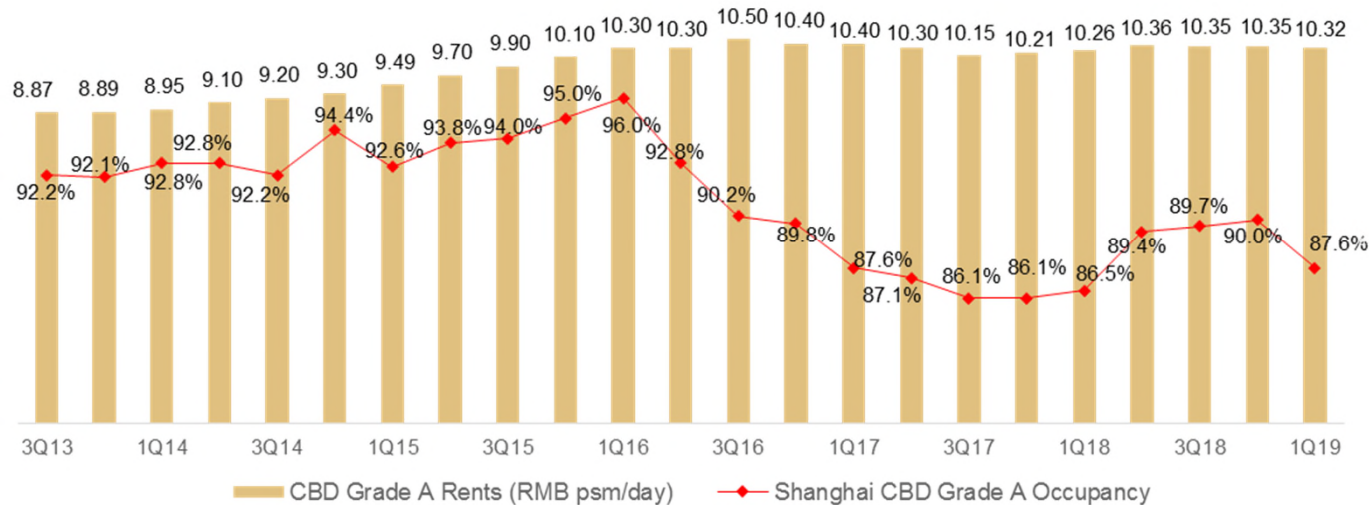
(million sq m)



⁽¹⁾ Colliers International Research, 1Q 2019

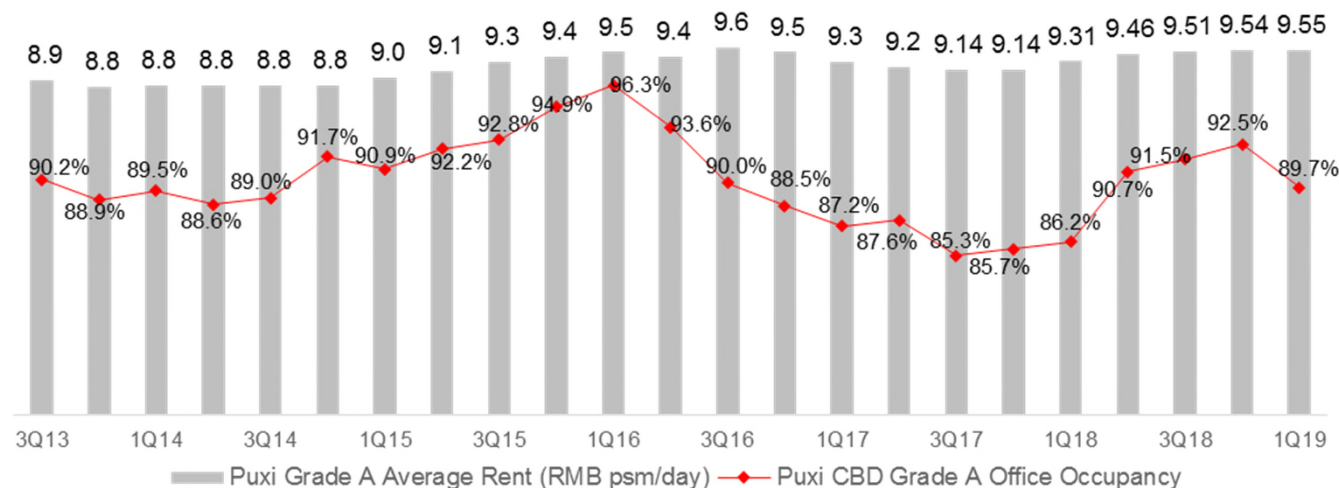
Shanghai Office Market

Shanghai



- Shanghai CBD Grade A office occupancy declined 2.4 ppt QoQ to 87.6% as at 1Q 2019, with rents easing 0.4% QoQ to RMB10.32 psm/day. Puxi Grade A office occupancy fell 2.8 ppt QoQ to 89.7% as at 1Q 2019, with rents 0.1% higher QoQ at RMB9.55 psm/day

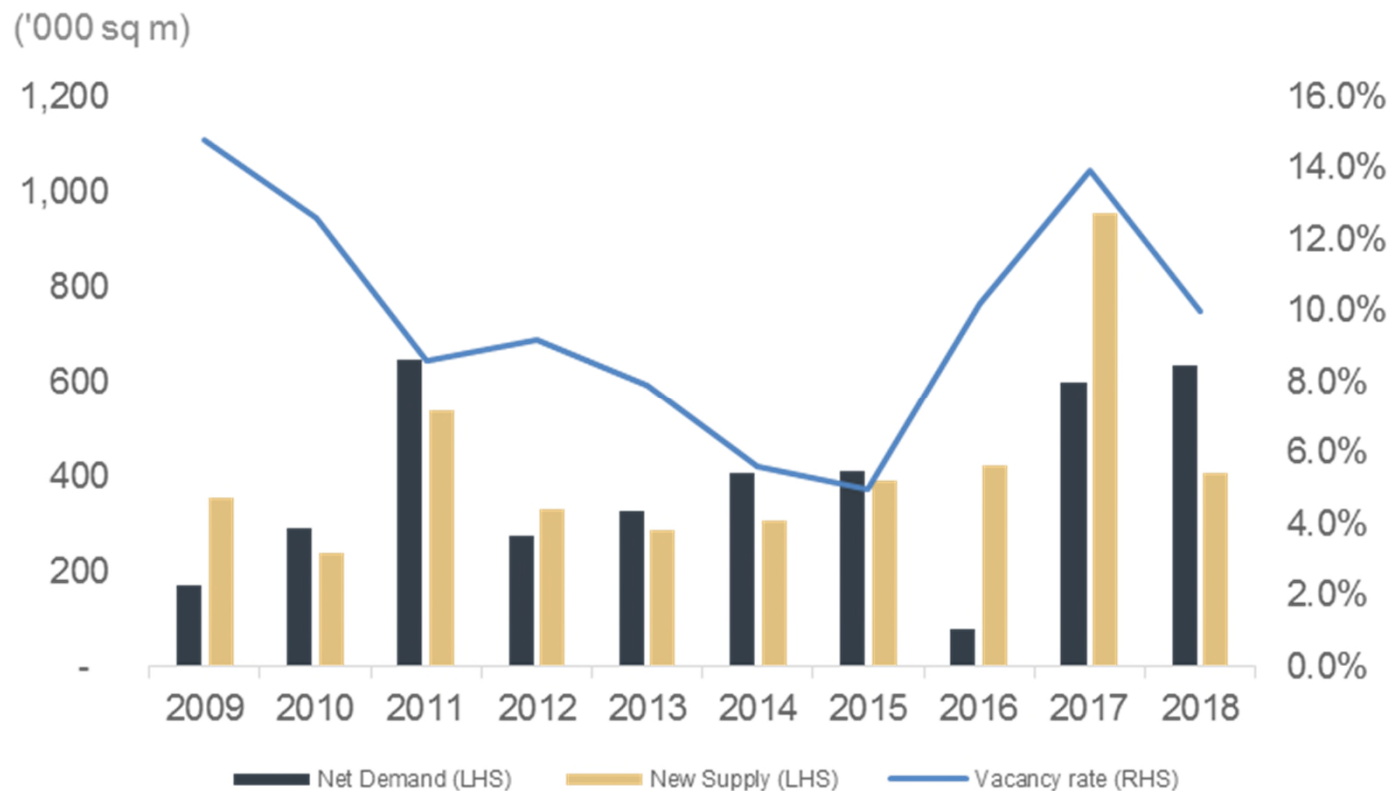
Puxi



- With a significant amount of new office supply scheduled to enter the Shanghai market in 2019, coupled with softer demand from a slower economy, rental growth is expected to be subdued in the near-term

Demand, Supply and Vacancy

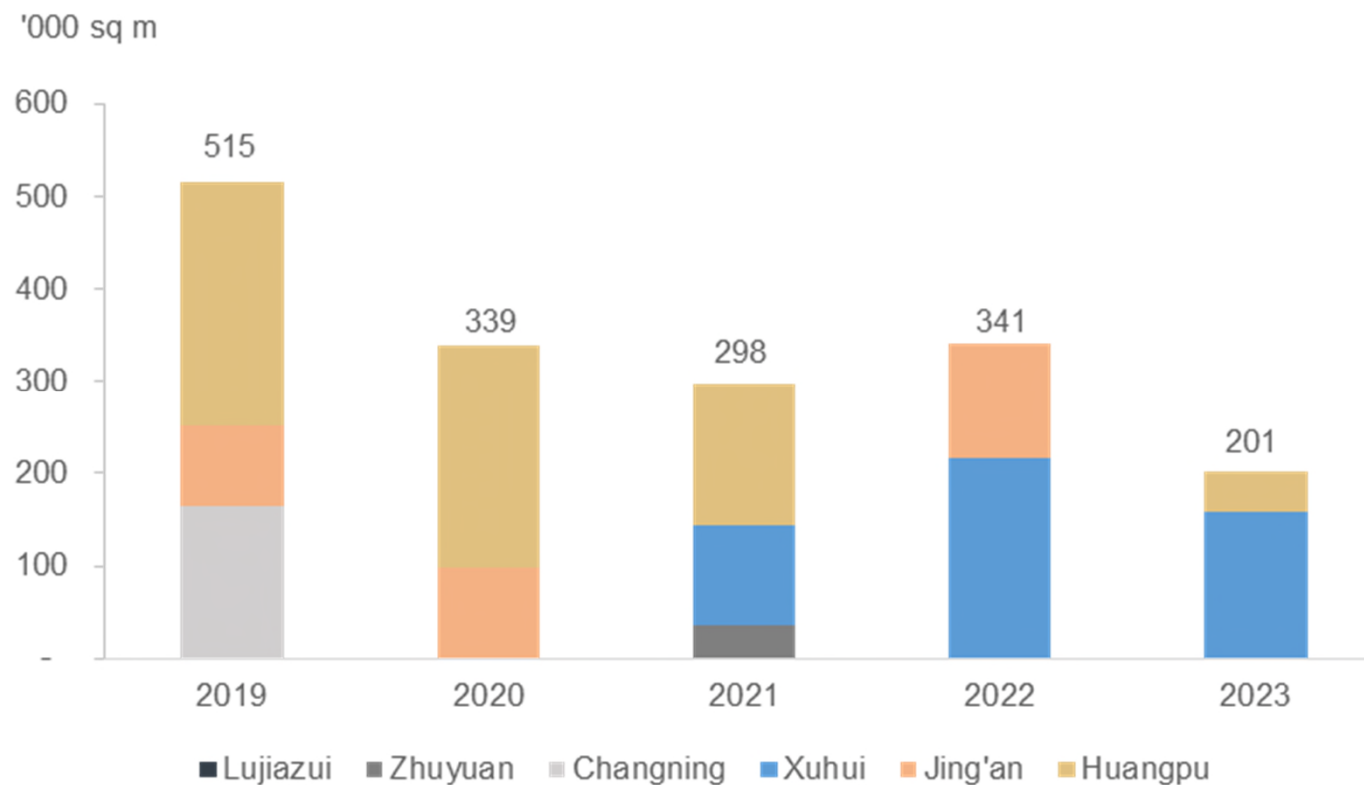
Shanghai CBD Grade A Net Absorption, New Supply and Vacancy Rate



CBD Grade A Office Supply Pipeline

Shanghai CBD Grade A office supply expected to abate in the longer term from 2020

Office Supply Pipeline in Shanghai CBD





Thank You