



Financial Results for 2nd Quarter 2016

2 August 2016

Important Notice

This presentation shall be read in conjunction with OUE Commercial REIT's Financial Results announcement for 2Q 2016 dated 2 August 2016.

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

Agenda

- Key Highlights
- Financial Performance and Capital Management
- Portfolio Performance
- Outlook
- Appendices

Key Highlights

Financial Highlights

- Higher 2Q 2016 gross revenue and net property income of S\$45.7 million and S\$35.2 million respectively due mainly to contribution from One Raffles Place
- Excluding One Raffles Place, organic growth in net property income of the portfolio (i.e. OUE Bayfront and Lippo Plaza) in 2Q 2016 was 15.9% year-on-year (“YoY”)
- 2Q 2016 amount available for distribution was S\$17.7 million, an increase of 38.6% YoY while DPU of 1.36 cents was 34.7% higher YoY

Portfolio Performance

- Portfolio committed occupancy as at 30 June 2016 was stable at 94.5%. Committed office occupancy at OUE Bayfront was steady at 98.2% while One Raffles Place improved office occupancy by 1.2 percentage points to 91.8%. Lippo Plaza’s committed office occupancy was 93.4% as at 30 June 2016, in line with overall Shanghai market
- For 1H 2016, OUE Bayfront and One Raffles Place achieved positive rental reversions of 1.8% and 2.1% respectively, while Lippo Plaza recorded a 9.0% rental uplift
- Year-on-year, OUE Bayfront’s average office passing rent increased 7.2% to S\$11.84 psf/month, while Lippo Plaza’s increased by 5.0% to RMB 9.67 psm/day. One Raffles Place’s average office passing rent was S\$10.33 psf/month

Key Highlights

Capital Management

- Aggregate leverage as at 30 June 2016 was 40.2% with a weighted average cost of debt of 3.53% p.a.
- 79.5% of borrowings on fixed rate basis as at 30 June 2016, with an average term of fixed rate debt of 2.72 years
- In July 2016, secured the refinancing of RMB onshore loan ahead of its maturity in 2017 with a new 8-year term loan expiring in 2024
- For 2016, the Manager has elected to receive 20% of its base management fees to be paid in cash, with the balance in Units. This is in line with its objective of delivering sustainable and stable DPU to Unitholders

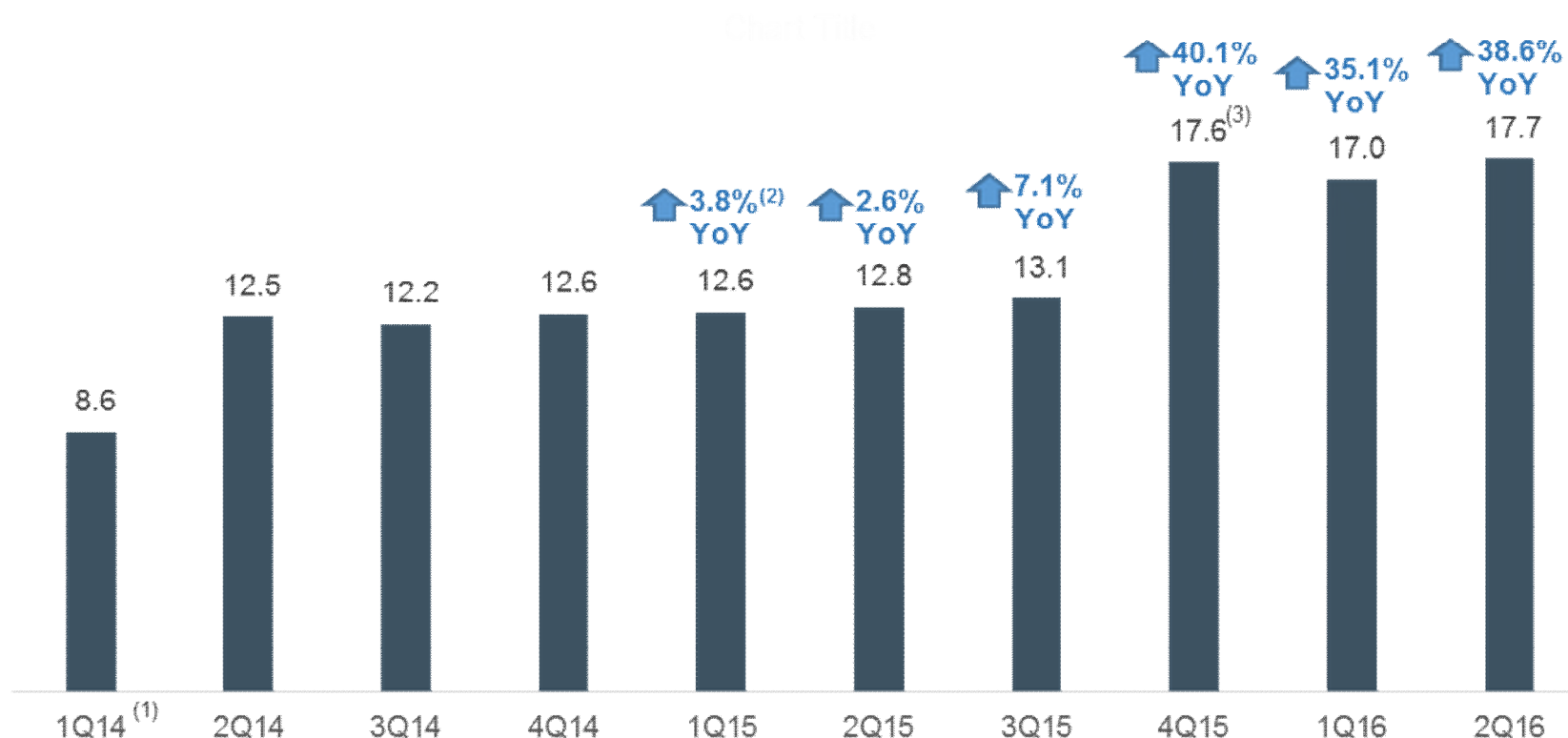
Financial Performance & Capital Management



Consistent Growth in Distribution

Delivered consistent year-on-year growth in distribution to Unitholders

Distribution Since IPO



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

(2) For a meaningful comparison, the amount available for distribution for the period 27 January 2014 to 31 March 2014 of S\$8.6 million was extrapolated to a full quarter in the computation of the year-on-year growth in distribution for 1Q 2015

(3) Includes a one-off distribution of capital return of S\$1.3 million in relation to certain expenses which are non-tax deductible from a tax perspective

2Q 2016 vs 2Q 2015

	2Q 2016	2Q 2015	Change
Gross Revenue (S\$m)	45.7	19.7	+132.2%
Net Property Income (S\$m)	35.2	14.7	+139.8%
Amount Available for Distribution (S\$m)	17.7⁽¹⁾	12.8	+38.6%
DPU (cents)	1.36	1.01⁽²⁾	+34.7%

- Higher gross revenue of S\$45.7 million was mainly due to contribution from One Raffles Place which was acquired on 8 October 2015, coupled with improved performance at OUE Bayfront and Lippo Plaza
- 2Q 2016 organic growth in net property income of OUE Bayfront and Lippo Plaza continued to be strong at 15.9% YoY
- As a result, 2Q 2016 net property income increased to S\$35.2 million, from S\$14.7 million in 2Q 2015
- As 2Q 2016 finance costs were higher due to higher amount of loans outstanding as well as higher interest rates, amount available for distribution was S\$17.7 million, 38.6% higher YoY

(1) Excludes amount reserved for distribution to convertible perpetual preferred units ("CPPU") holder

(2) Based on the number of Units in issue and to be issued as at 30 June 2015, including the 393,305,817 new Units issued on 4 August 2015 as such Units were entitled to the amount available for distribution in respect of 1H 2015

2Q 2016 vs 2Q 2015

S\$'000	2Q 2016	2Q 2015	Change (%)
Gross revenue	45,688	19,677	132.2
Property operating expenses	(10,460)	(4,984)	109.9
Net property income	35,228	14,693	139.8
Other income	759	2,651	(71.4)
Amortisation of intangible asset	(1,118)	(1,047)	6.8
Manager's management fees	(3,528)	(1,260)	NM ⁽¹⁾
Net non-property expenses	(462)	(472)	(2.1)
Net finance costs	(13,762)	(4,585)	NM
Foreign exchange differences	(276)	(263)	4.9
Total return before tax	16,841	9,717	73.3
Tax expense	(4,460)	(1,320)	NM
Total return for period	12,381	8,397	47.4
Non-controlling interests	(1,732)	-	NM
CPPU holder distribution	(1,368)	-	NM
Distribution adjustments	8,453	4,397	92.2
Amount available for distribution to Unitholders	17,734	12,794	38.6

1H 2016 vs 1H 2015

	1H 2016	1H 2015	Change
Gross Revenue (S\$m)	88.6	40.1	+121.0%
Net Property Income (S\$m)	68.5	30.4	+125.3%
Amount Available for Distribution (S\$m)	34.8⁽¹⁾	25.4	+36.9%
DPU (cents)	2.68	2.00⁽²⁾	+34.0%

- Higher 1H 2016 gross revenue of S\$88.6 million was achieved mainly due to contribution from One Raffles Place which was acquired on 8 October 2015, coupled with improved performance at OUE Bayfront and Lippo Plaza
- 1H 2016 organic growth in net property income of OUE Bayfront and Lippo Plaza was 10.9% YoY
- As a result, 1H 2016 net property income was S\$68.5 million, increasing from S\$30.4 million in 1H 2015
- As 1H 2016 finance costs were higher due to higher amount of loans outstanding as well as higher interest rates, the amount available for distribution was S\$34.8 million, 36.9% higher YoY

(1) Excludes amount reserved for distribution to CPPU holder

(2) Based on the number of Units in issue and to be issued as at 30 June 2015, including the 393,305,817 new Units issued on 4 August 2015 as such Units were entitled to the amount available for distribution in respect of 1H 2015

1H 2016 vs 1H 2015

S\$'000	1H 2016	1H 2015	Change (%)
Gross revenue	88,602	40,088	121.0
Property operating expenses	(20,119)	(9,688)	107.7
Net property income	68,483	30,400	125.3
Other income	1,462	4,449	(67.1)
Amortisation of intangible asset	(2,236)	(2,094)	6.8
Manager's management fees	(5,873)	(2,522)	NM ⁽¹⁾
Net non-property expenses	(1,166)	(991)	17.7
Net finance costs	(27,463)	(9,112)	NM
Foreign exchange differences	(672)	226	NM
Total return before tax	32,535	20,356	59.8
Tax expense	(8,371)	(2,651)	NM
Total return for period	24,164	17,705	36.5
Non-controlling interests	(3,550)	-	NM
CPPU holder distribution	(2,735)	-	NM
Distribution adjustments	16,896	7,706	NM
Amount available for distribution to Unitholders	34,775	25,411	36.9

Distribution Details

Distribution Period	1 January 2016 to 30 June 2016
Distribution Per Unit	2.68 cents comprising (i) Taxable income distribution of 1.20 cents (ii) Tax exempt income distribution of 0.76 cents (iii) Capital distribution of 0.72 cents

Notice of Books Closure Date	2 August 2016
Last Day of Trading on “Cum” Basis	7 August 2016, 5.00 pm
Ex-Date	8 August 2016, 9.00 am
Books Closure Date	11 August 2016
Distribution Payment Date	6 September 2016

Healthy Balance Sheet

S\$ million	As at 30 June 2016
Investment Properties	3,370.6
Total Assets	3,419.3
Loans and borrowings	1,298.4
Total Liabilities	1,482.8
Net Assets Attributable to Unitholders	1,179.7
Units in Issue ('000)	1,296,928
NAV per Unit (S\$)	0.91

Capital Management

Every 25bps increase in floating interest rates is expected to reduce distribution by S\$0.6 million per annum, or 0.05 cents in DPU

	As at 30 Jun 2016	As at 31 Mar 2016
Aggregate Leverage	40.2%	40.5%
Total debt	S\$1,258m ⁽¹⁾ comprising - S\$1,228m - RMB145m	S\$1,274m ⁽²⁾ comprising - S\$1,236m - RMB185m
Weighted average cost of debt⁽³⁾	3.53% p.a.	3.56% p.a.
Average term of debt	1.86 years	2.04 years
% fixed rate debt	79.5%	79.2%
Average term of fixed rate debt	2.72 years	2.95 years
Interest service ratio	3.2x	3.4x

(1) Based on SGD:CNY exchange rate of 1:4.895 as at 30 June 2016 and includes OUE C-REIT's share of OUB Centre Limited's loan

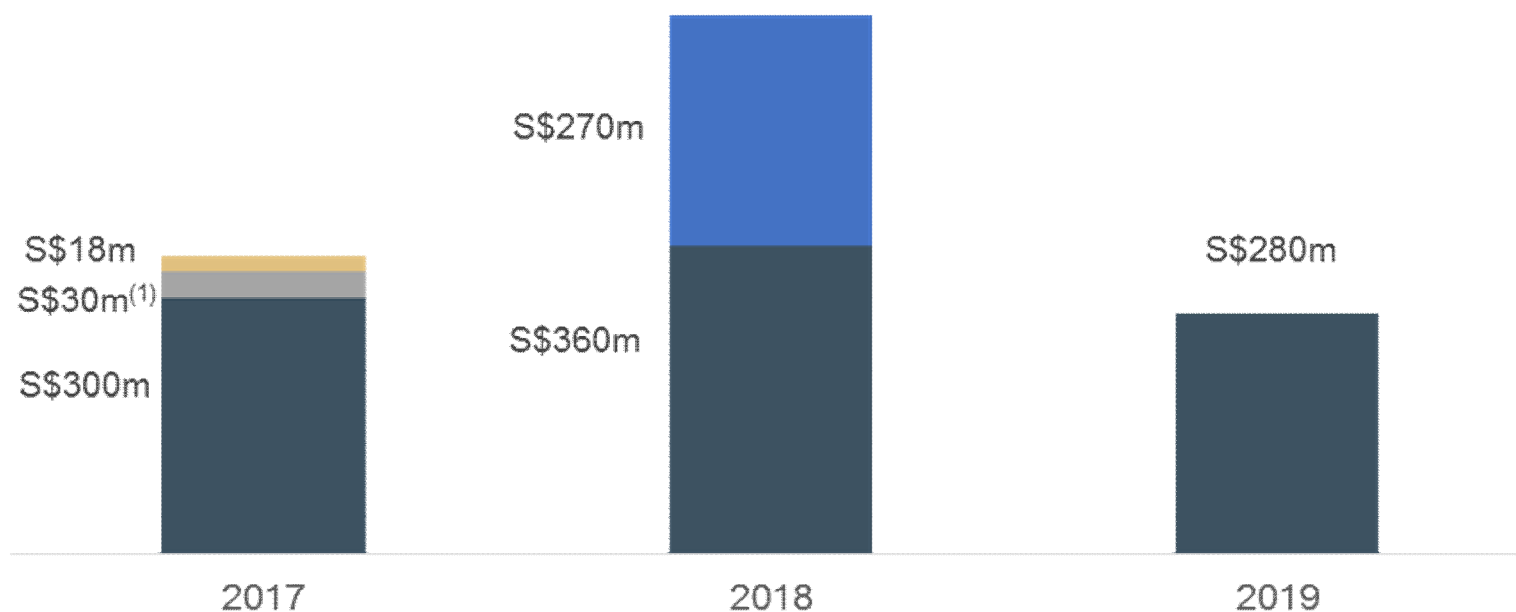
(2) Based on SGD:CNY exchange rate of 1:4.764 as at 31 March 2016 and includes OUE C-REIT's share of OUB Centre Limited's loan

(3) Including amortisation of debt establishment costs

Debt Maturity Profile as at 30 Jun 2016

In July 2016, secured refinancing of RMB onshore loan ahead of maturity in 2017 with a new 8-year term loan expiring in 2024

■ SGD Term Loan ■ RMB Term Loan ■ SGD Revolving Credit Facilities ■ Share of OUB Centre Limited's Loan



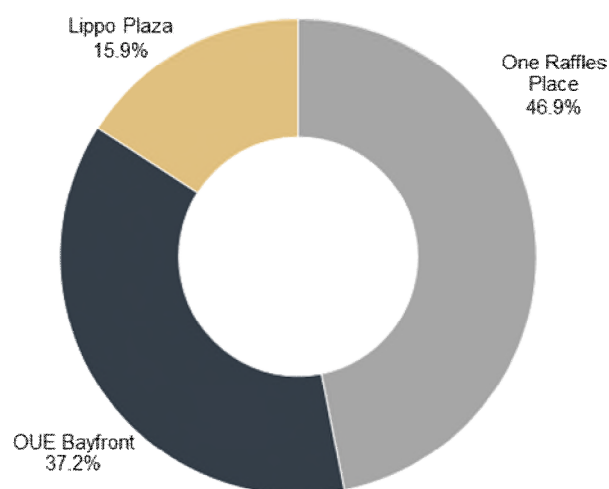
(1) Based on SGD:CNY exchange rate of 1:4.895

Portfolio Performance

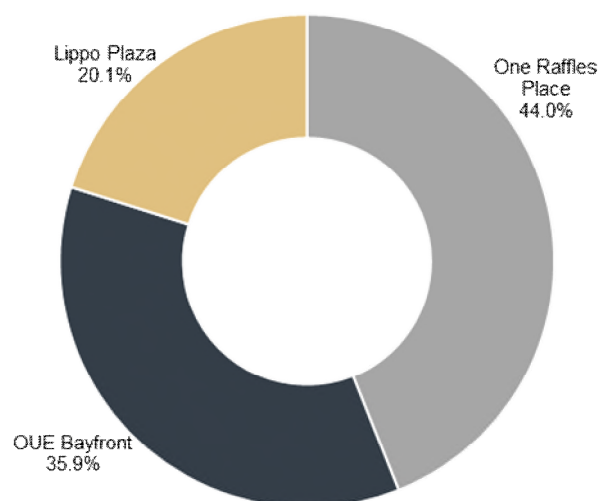


Portfolio Composition

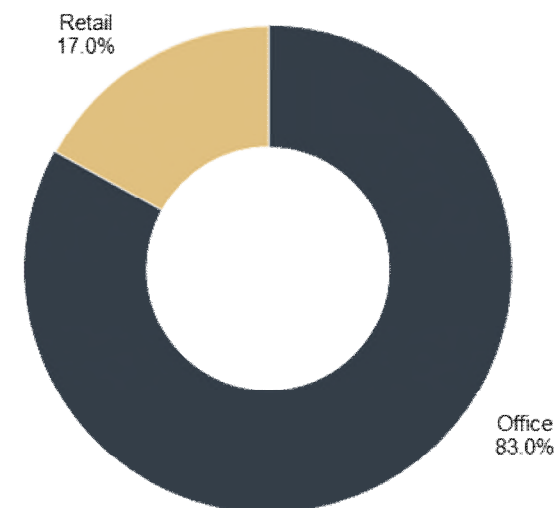
By Asset Value⁽¹⁾



By Revenue Contribution⁽²⁾



By Segment Revenue⁽²⁾

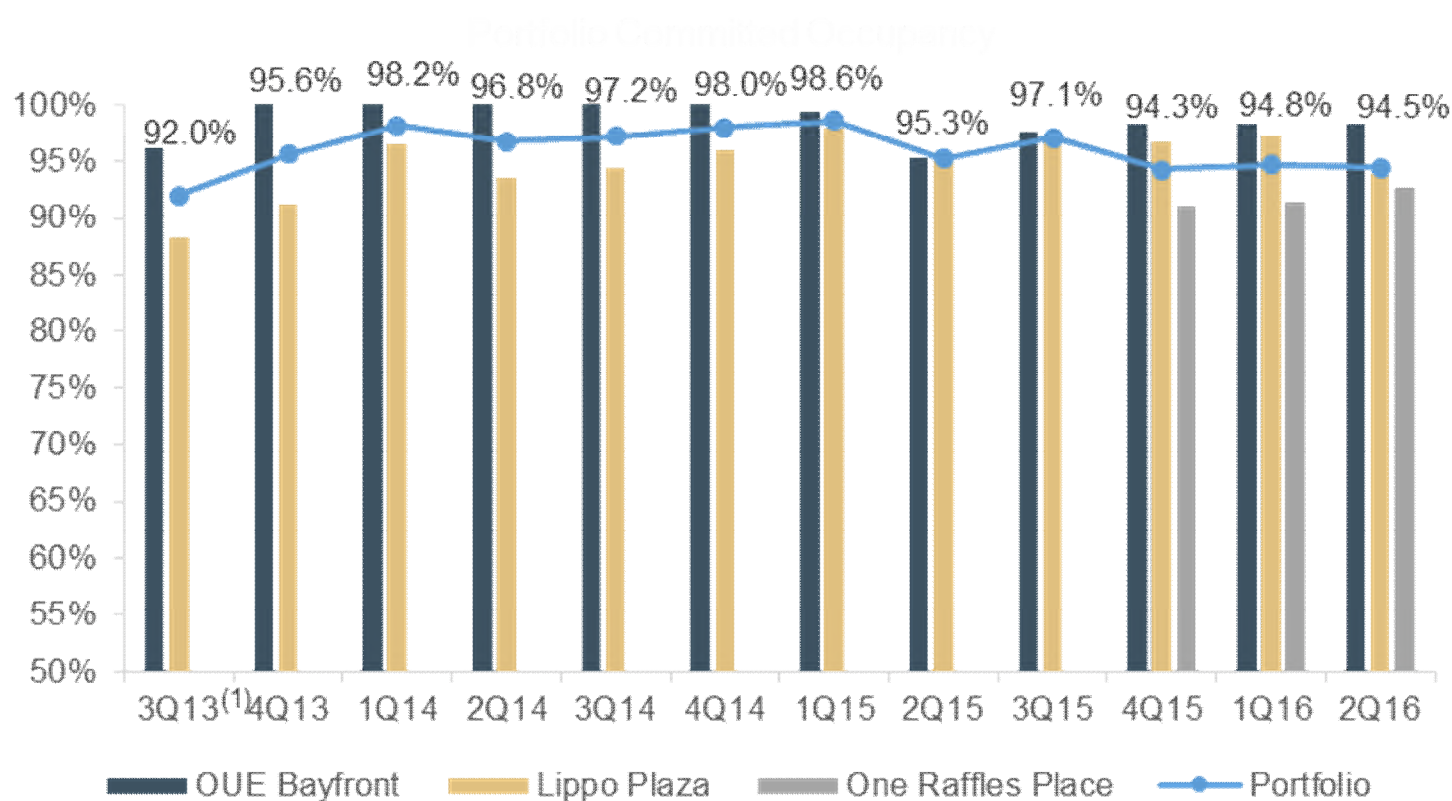


(1) Based on independent valuations as at 31 December 2015 and OUE C-REIT's proportionate interest in One Raffles Place

(2) For 2Q 2016 and based on OUE C-REIT's attributable interest in One Raffles Place

Resilient and Stable Portfolio

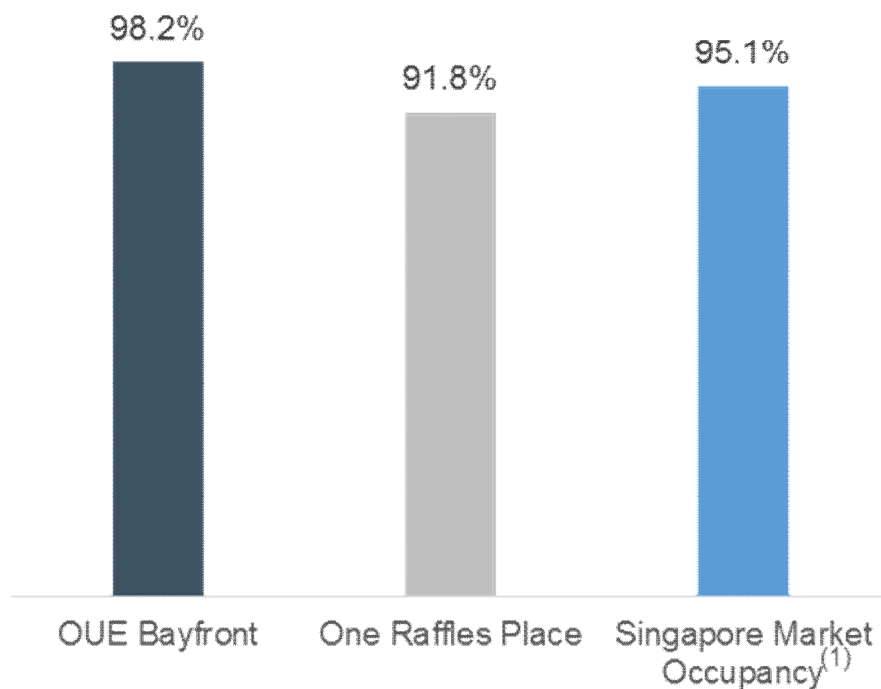
OUE C-REIT's Portfolio Committed Occupancy



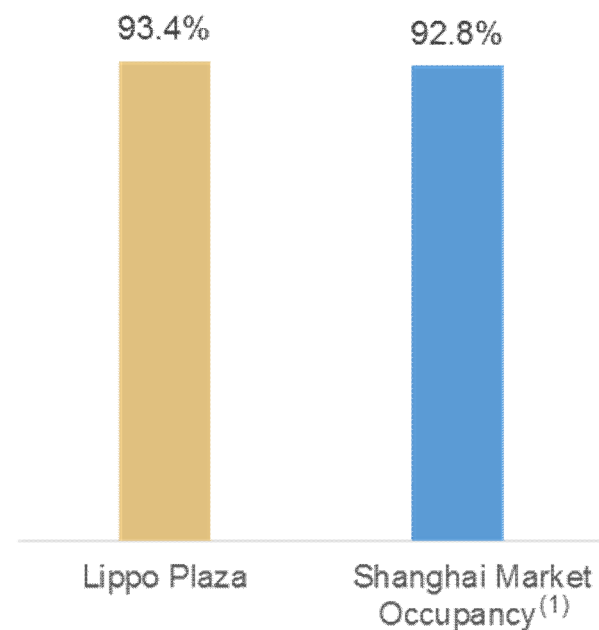
(1) Proforma committed occupancy as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

Office Occupancy In Line with Market

Singapore



Shanghai



(1) Singapore Market Occupancy refers to Core CBD office occupancy for 2Q 2016 according to CBRE Research. Shanghai Market Occupancy refers to Shanghai Grade A office occupancy for 2Q 2016 according to Colliers International Shanghai

Improved Office Passing Rents

	Rental Reversions ⁽¹⁾		2Q 2016 Committed Rents ⁽²⁾	Average Passing Rent	
	2Q 2016	1H 2016		Jun 2016	Jun 2015
OUE Bayfront	-0.9%	1.8%	S\$11.00 – S\$14.20 psf/mth	S\$11.84 psf/mth	S\$11.04 psf/mth
One Raffles Place	-0.1%	2.1%	S\$8.40 – S\$11.00 psf/mth	S\$10.33 psf/mth	N.A. ⁽³⁾
Lippo Plaza	12.5%	9.0%	RMB9.10 – RMB11.30 psm/day	RMB9.67 psm/day	RMB9.21 psm/day

- Average passing rent continued to increase due to positive rental reversions year-to-date
- Weighted average committed office rents for both OUE Bayfront and One Raffles Place were above the market rent of S\$9.50 psf per month as at 2Q 2016⁽⁴⁾
- At OUE Bayfront, 2Q 2016 rental reversion marginally negative due to the renewal of a tenant with high passing rent

(1) Computed based on renewal / reviewed rental rates vs preceding rental rates

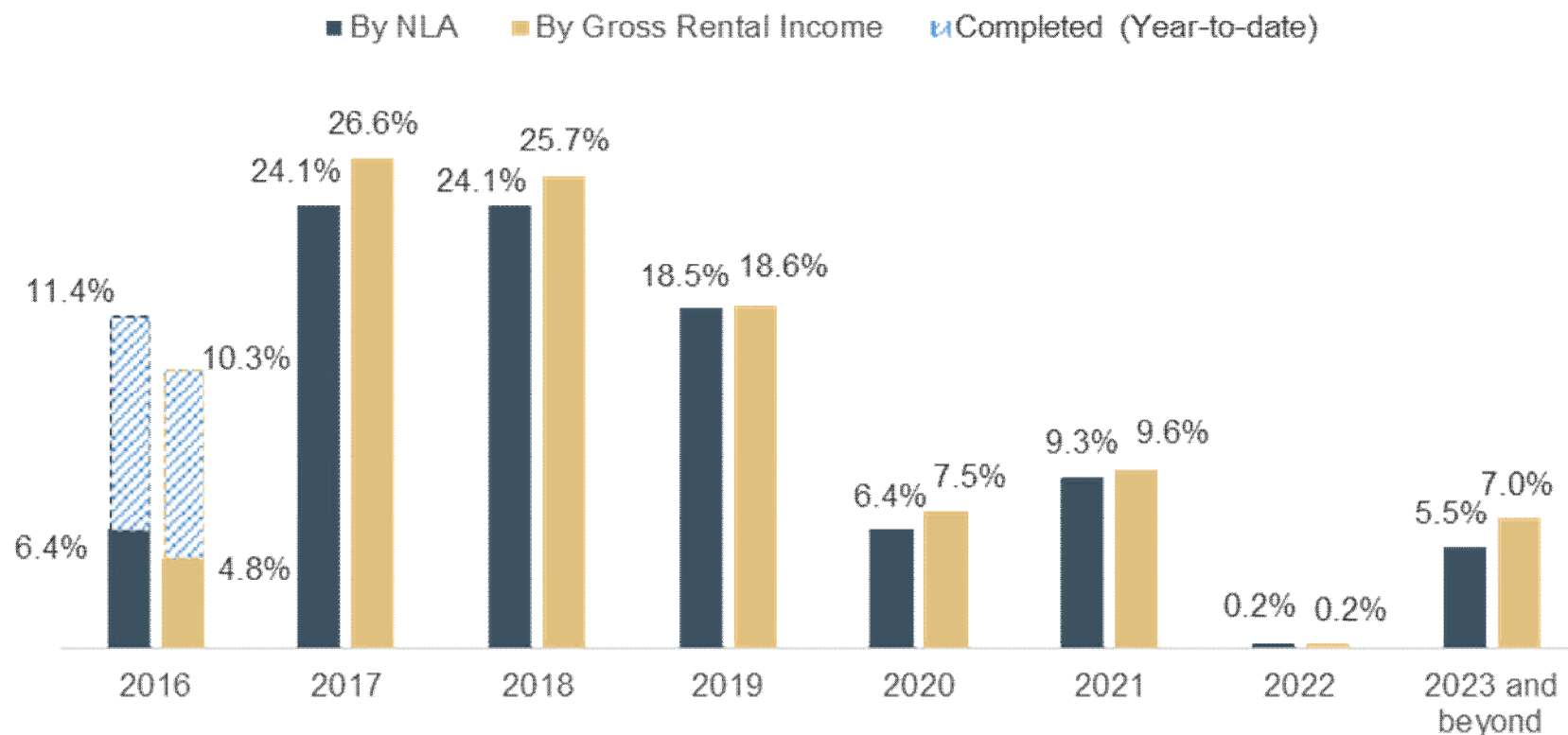
(2) Committed rents for renewal leases, reviewed leases and new leases

(3) OUE C-REIT acquired One Raffles Place on 8 October 2015

(4) CBRE Singapore MarketView 2Q 2016

Lease Expiry Profile - Portfolio

Only 4.8% of OUE C-REIT's gross rental income is due for renewal for balance of 2016, reduced from 15.1% at the start of the year



WALE⁽¹⁾ of 2.7 years by NLA⁽²⁾ and 2.8 years by Gross Rental Income

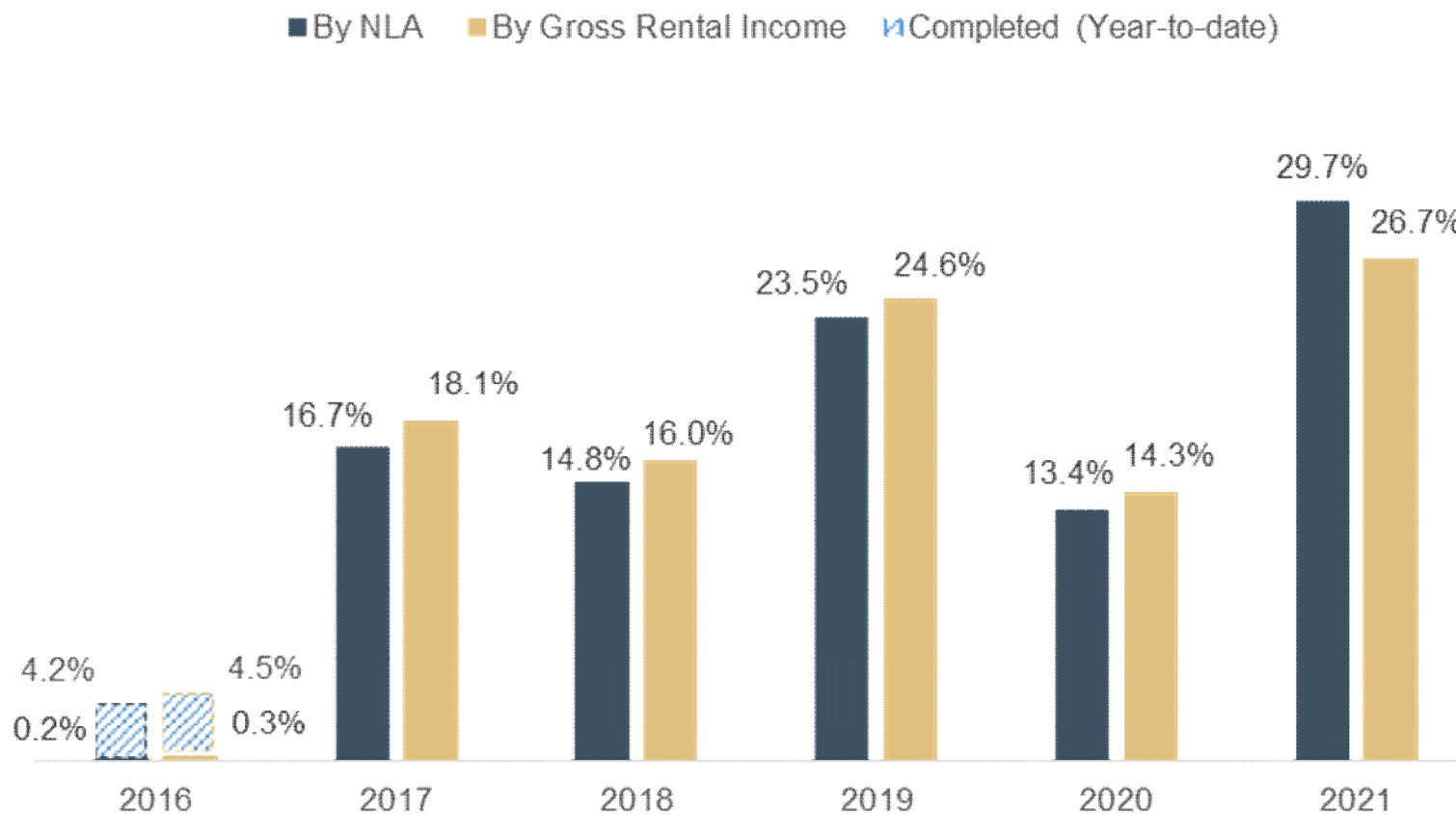
As at 30 June 2016

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

(2) "NLA" refers to net lettable area

Lease Expiry Profile - OUE Bayfront

More than 65% of OUE Bayfront's gross rental income is due only in 2019 and beyond. To-date, the Manager has completed the renewal of all expiring office leases in 2016

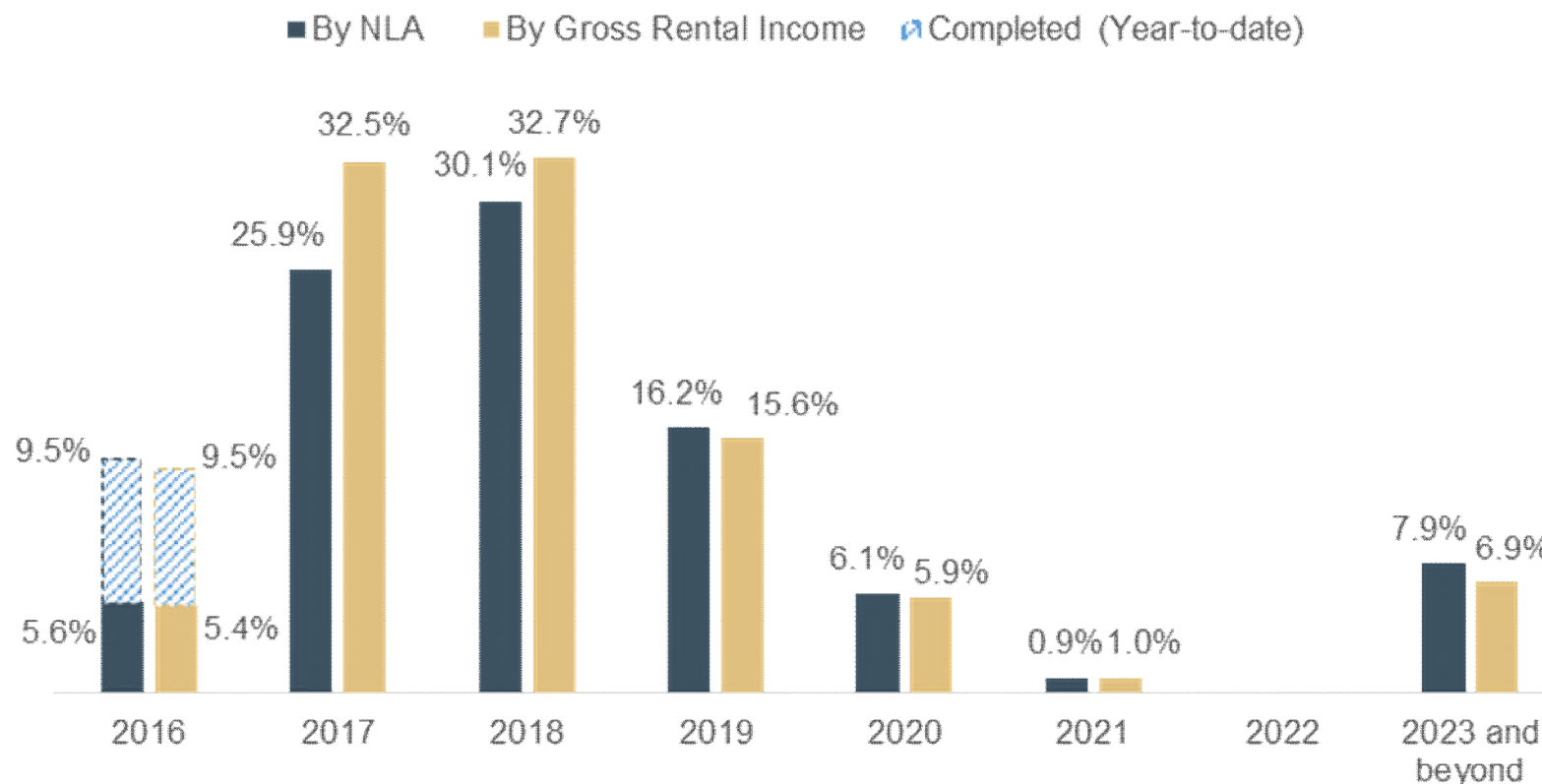


WALE of 3.4 years by NLA and 3.3 years by Gross Rental Income

As at 30 June 2016

Lease Expiry Profile - One Raffles Place

Approximately 45.8% of 2017 renewals by gross rental income is attributable to retail income as One Raffles Place Shopping Mall was re-opened after a major refurbishment in 2014

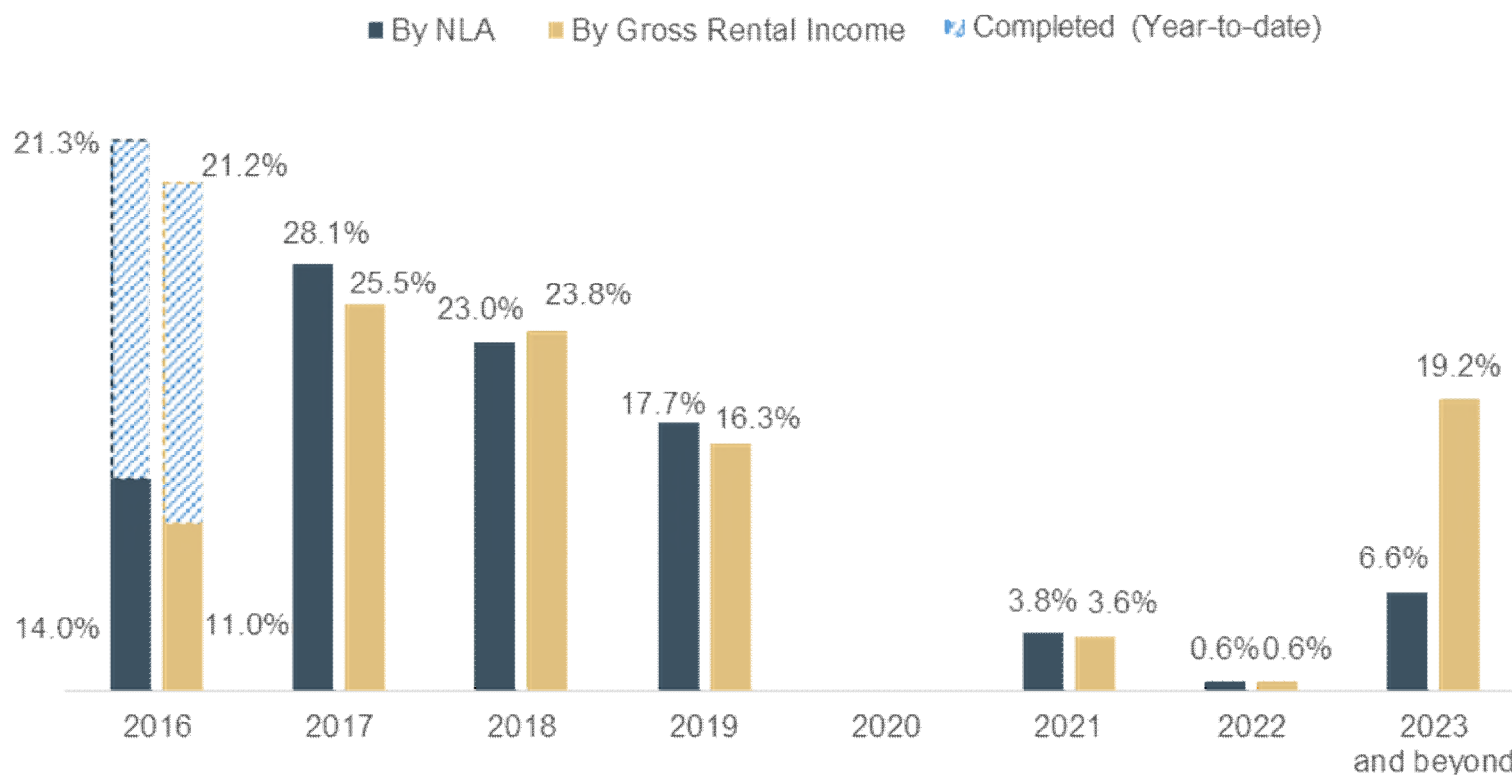


WALE of 2.4 years by NLA and 2.3 years by Gross Rental Income

As at 30 June 2016

Lease Expiry Profile - Lippo Plaza

Significantly increased the weighted average lease expiry to 3.4 years by gross rental income compared to 1.6 years⁽¹⁾ a year ago, with leases that extend beyond 2023



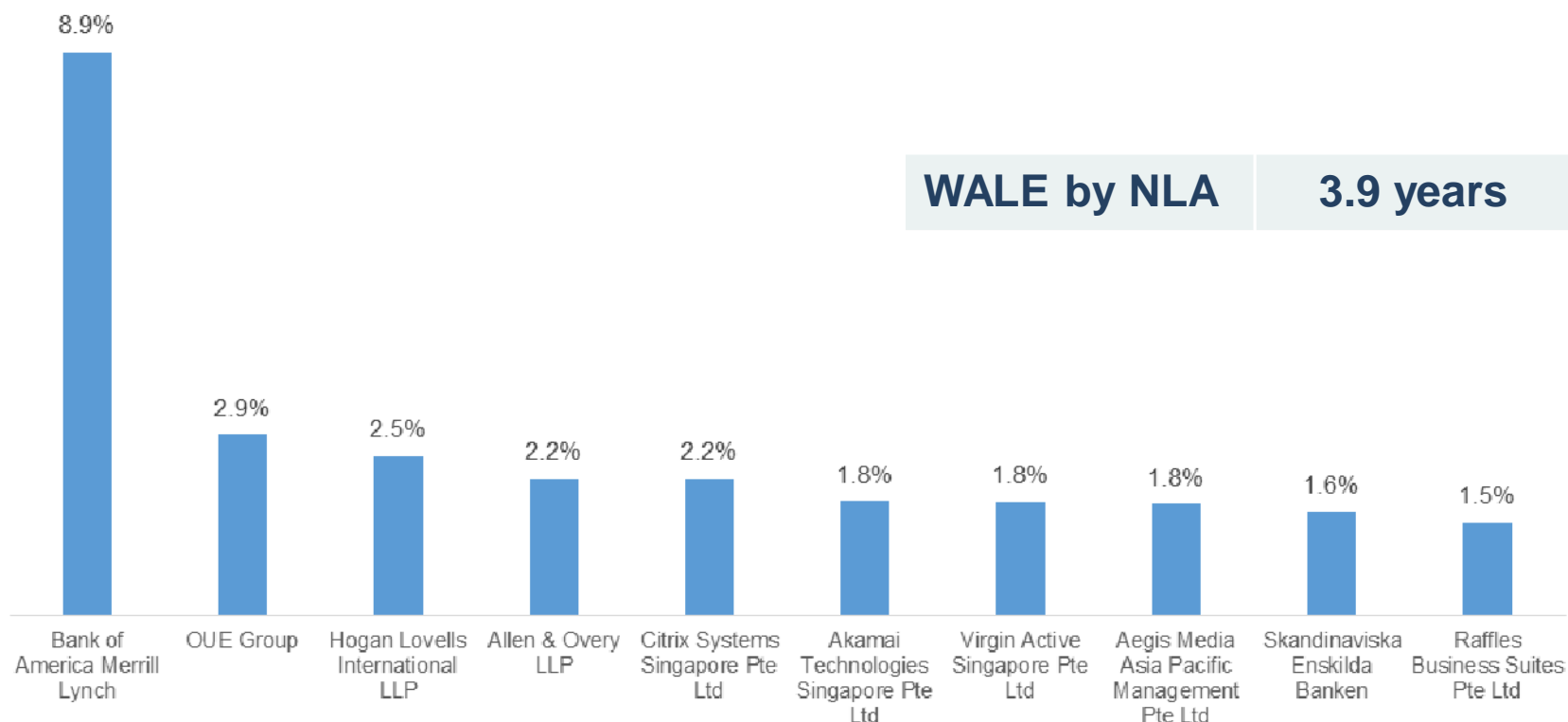
WALE of 2.4 years by NLA and 3.4 years by Gross Rental Income

As at 30 June 2016

(1) Based on OUE C-REIT's 2Q 2015 results presentation dated 12 August 2015

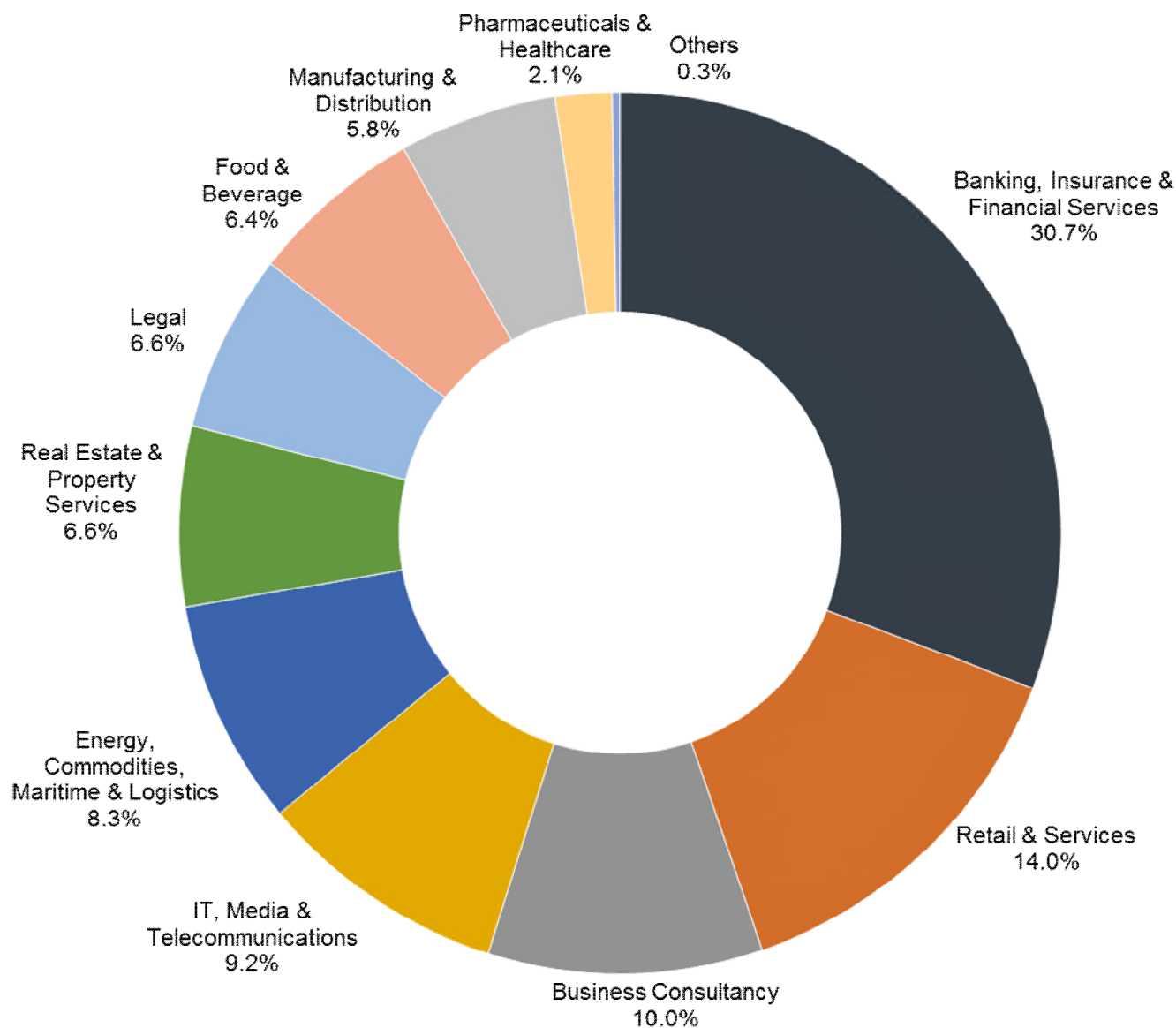
Quality and Diversified Tenant Base

Top 10 tenants⁽¹⁾ contribute approximately 27.2% of gross rental income



As at 30 June 2016

Diversified Tenant Base



As at June 2016

Outlook



Outlook and Prospects

Singapore

- Singapore's 2Q 2016 GDP grew by 2.2%⁽¹⁾ YoY, marginally higher than the 2.1% achieved in the previous quarter. Given weak global and regional economic conditions, downside risk to growth in 2H 2016 remains. GDP growth forecast for 2016 was maintained at 1.0% to 3.0%
- Core CBD office occupancy at end-2Q 2016 remained steady at 95.1%⁽²⁾, with Grade A office rents contracting by 4.0% QoQ to S\$9.50 psf per month. With demand continuing to be muted and driven by relocation from older to newer buildings, the completion of major new office developments from 3Q 2016 is expected to impact vacancy

China

- China's 2Q 2016 GDP growth was 6.7%⁽³⁾ YoY, unchanged from previous quarter and in line with the growth forecast of 6.5% to 7.0%. As China's restructuring efforts continued, its tertiary sector has grown and contributed 54.1% of GDP for 1H 2016, a 1.8 ppt increase YoY
- Shanghai CBD Grade A office vacancy increased 3.2 ppt QoQ to 7.2%⁽⁴⁾ at end-2Q 2016, due mainly to new office completions during the quarter as well as net absorption turning negative. Consequently, Shanghai CBD Grade A rents edged down 0.5% QoQ to RMB10.3 psm per day. In Puxi, Grade A office vacancy rose 2.7 ppt QoQ to 6.4% as at end June, with average Grade A office rents declining 1.3% QoQ to RMB9.4 psm per day
- With further new supply expected for the rest of 2016, overall Shanghai vacancy rate may increase and rental outlook is expected to be subdued

(1) Ministry of Trade and Industry Press Release, 14 July 2016

(2) CBRE, Singapore Market View, 2Q 2016

(3) National Bureau of Statistics of China Press Release, 15 July 2016

(4) Colliers International, Shanghai Research and Forecast Report 2Q 2016

Outlook and Prospects

Outlook for the financial year ending 2016

- OUE C-REIT's portfolio of strategically located Grade A office properties continue to record healthy occupancy levels which provide stability in income
- In 2016, OUE C-REIT will enjoy a full year's contribution from its effective 67.95% indirect interest in One Raffles Place which was acquired on 8 October 2015
- Barring any unforeseen event and unexpected weakening of the economic environment, the Manager expects OUE C-REIT's financial performance to remain stable in 2016

Appendices

- Overview of OUE C-REIT
- OUE C-REIT's Portfolio
- Singapore Office Market
- Shanghai Office Market



Overview of OUE C-REIT

About OUE C-REIT

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

Quality Portfolio

OUE C-REIT's portfolio comprises :

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

Strong Sponsor

- Committed Sponsor in OUE Group which has a 65.1% stake in OUE C-REIT
- Right of First Refusal over 1 million sq ft NLA of commercial space
- Sponsor has proven track record in real estate ownership and operations
- Leverage on Sponsor's asset enhancement and redevelopment expertise

Premium Portfolio of Assets

OUE Bayfront



Located at Collyer Quay in Singapore's CBD, comprising:

- **OUE Bayfront** : 18-storey premium office building with rooftop restaurant premises
- **OUE Tower** : conserved tower building with panoramic views of the Marina Bay landscape which is currently occupied by a fine dining restaurant
- **OUE Link** : link bridge with retail shops

OUE Bayfront	
GFA (sq m)	46,774.6
NLA (sq m)	Office: 35,334.5 Retail: 1,830.1 Overall: 37,164.6
Committed Occupancy as at 30 Jun 2016	Office : 98.2% Retail : 100.0% Overall : 98.3%
Number of Car Park Lots	245
Valuation (as at 31 Dec 2015)	S\$1,146.0 m
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



Located at Raffles Place in the heart of Singapore's CBD comprising:

- **Tower 1** : 62-storey Grade A office with rooftop restaurant and observation deck
- **Tower 2** : 38-storey Grade A office completed in 2012
- **One Raffles Place Shopping Mall** : six-storey retail podium which is the largest purpose-built mall in Raffles Place
- OUE C-REIT has a 67.95% effective stake

One Raffles Place	
GFA (sq m)	119,626.2
Attributable NLA (sq m)	Office (Tower 1): 28,890.7 Office (Tower 2): 27,061.8 Retail: 9,500.2 Overall: 65,452.7
Committed Occupancy as at 30 Jun 2016	Office (Tower 1): 89.3% Office (Tower 2): 94.4% Retail: 97.1% Overall: 92.7%
Number of Car Park Lots	326
Valuation⁽¹⁾ (as at 31 Dec 2015)	S\$1,734.0 m
Land Use Right Expiry	Office Tower 1 : 841 yrs from 1 November 1985 Office Tower 2: 99 yrs from 26 May 1983 Retail: ~75% of NLA is on 99 yrs from 1 November 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

Lippo Plaza



- Located on Huaihai Zhong Road within the Huangpu district in the Puxi area of downtown Shanghai
- Grade-A 36 storey commercial building with a three-storey retail podium and basement carpark
- OUE C-REIT has 91.2% strata ownership of Lippo Plaza

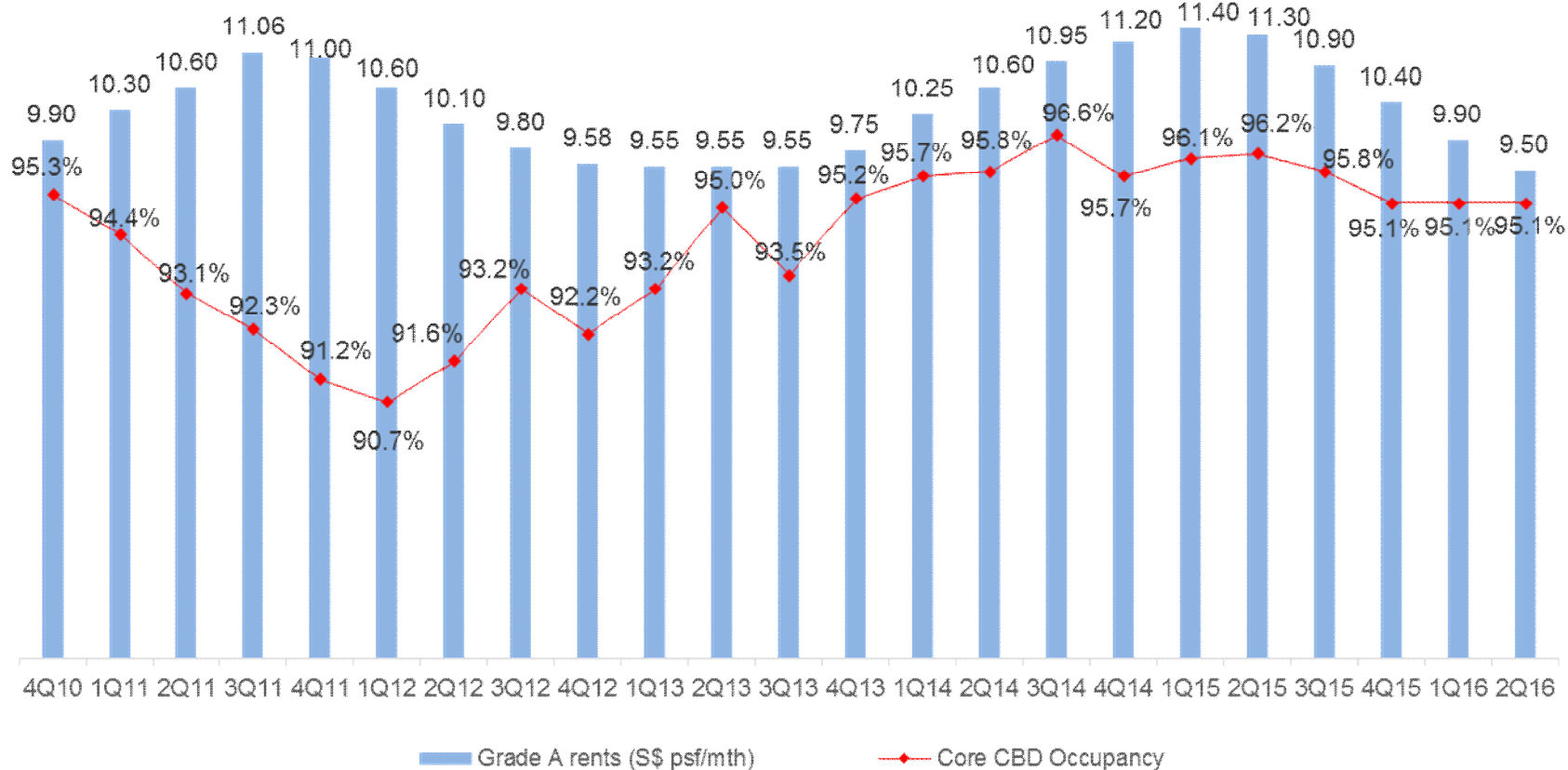
Lippo Plaza	
GFA (sq m)	58,521.5
Attributable NLA (sq m)	Office: 33,538.6 Retail: 5,685.9 Overall: 39,224.5
Committed Occupancy as at 30 June 2016	Office : 93.4% Retail : 97.3% Overall : 93.9%
Number of Car Park Lots	168
Valuation⁽¹⁾ (as at 31 Dec 2015)	RMB2,401.0 m / RMB41,028 psm (S\$490.5m) ⁽²⁾
Land Use Right Expiry	50 yrs from 2 July 1994
Completion Year	1999

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

(2) Based on SGD:CNY exchange rate of 1 : 4.895 as at 30 June 2016

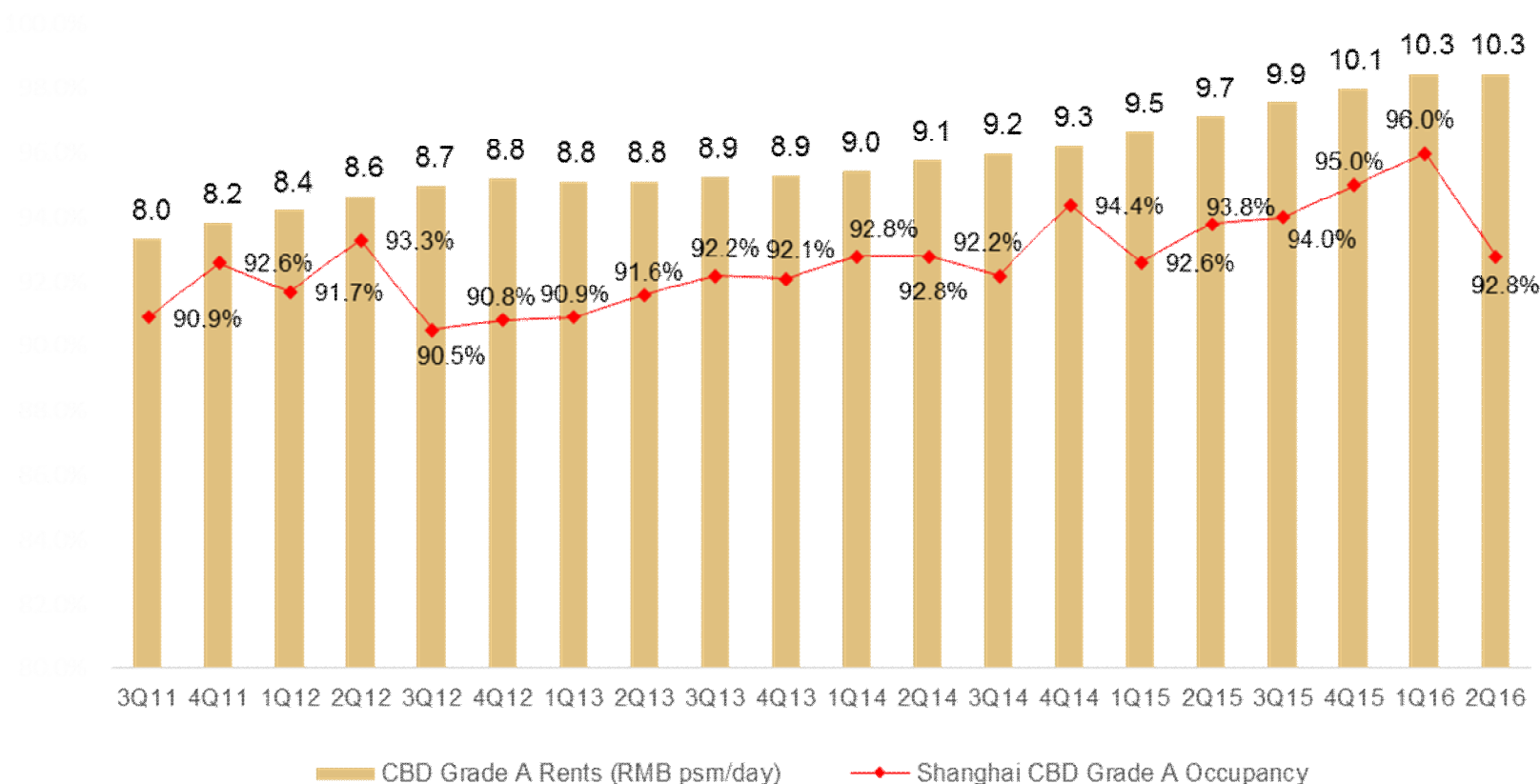
Singapore Office Market

- As at 2Q 2016, core CBD office occupancy remained steady QoQ at 95.1%, while Grade A office rents declined 4.0% QoQ to S\$9.50 psf/mth
- Despite a pick-up in leasing activity, net demand continues to be negative. The completion of major new CBD office developments from 3Q 2016 is expected to impact vacancy



Shanghai Office Market

- CBD Grade A office occupancy decreased 3.2 ppt QoQ to 92.8% as at 2Q 2016, due to new office completions during the quarter as well as net absorption turning negative. As a result, average Shanghai CBD Grade A office rents edged down 0.5% QoQ to RMB10.3 psm/day
- In Puxi, occupancy declined 2.7 ppt QoQ to 93.6% as a 2Q 2016, while average rents in Puxi declined 1.3% QoQ to RMB9.4 psm/day





Thank you