

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement
for the Second Quarter 2014 and the Financial Period
from 10 October 2013 (Date of Constitution) to 30 June 2014

Table of Contents

Item No.	Description	Page
-	Introduction	2
-	Summary of OUE C-REIT Group Results and Distribution Details	3
1(a)	Consolidated Statement of Total Return and Distribution Statement	4-6
1(b)(i)	Statements of Financial Position	7-8
1(b)(ii)	Aggregate Amount of Borrowings and Debt Securities for OUE C-REIT Group	8-9
1(c)	Consolidated Statement of Cash Flows	10-11
1(d)(i)	Statements of Changes in Unitholders' Funds	12
1(d)(ii)	Details of Any Changes in Units	13
2 & 3	Audit Statement	13
4 & 5	Changes in Accounting Policies	13-14
6	Earnings per Unit and Distribution per Unit	14
7	Net Asset Value per Unit	15
8	Review of the Performance	15
9	Variance between Actual and Forecast Results	16-17
10	Outlook and Prospects	17-18
11 & 12	Distribution	19-20
13	General Mandate relating to Interested Person Transactions	20
14	Confirmation pursuant to Rule 705(5) of the Listing Manual	20

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
Unaudited Financial Statements and Distribution Announcement for the Second Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 June 2014

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 Second Quarter 2014 and the financial period from 10 October 2013, being the date of constitution of OUE C-REIT, to 30 June 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 is to be 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**").

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Second
Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to
30 June 2014

Summary of OUE C-REIT Group Results

	2Q 2014			27 January 2014 ("Listing Date") to 30 Jun 2014		
	Actual ⁽¹⁾ (S\$'000)	Forecast ⁽²⁾ (S\$'000)	Change (%)	Actual ⁽¹⁾ (S\$'000)	Forecast ⁽²⁾ (S\$'000)	Change (%)
Gross revenue	18,670	18,734	(0.3)	32,489	32,421	0.2
Net property income	14,292	13,669	4.6	24,609	23,839	3.2
Amount available for distribution	12,473	11,818	5.5	21,116	20,158	4.8
Distribution per Unit (cents)	1.43	1.36	5.1	2.43	2.32	4.7

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.977 for 2Q 2014 and 1:4.890 for the period 27 January 2014 to 30 June 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

Distribution period	27 January 2014 to 30 June 2014
Distribution rate/ type	2.43 cents per Unit comprising of: (i) Taxable income distribution of 1.92 cents per Unit (ii) Capital distribution of 0.51 cents per Unit
Traded ex-date	5 August 2014, 9.00 a.m.
Books closure date	7 August 2014, 5.00 p.m.
Payment date	2 September 2014

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

Unaudited Financial Statements and Distribution Announcement for the Second Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 June 2014

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

		2Q 2014⁽¹⁾⁽²⁾	10 Oct 2013⁽³⁾ (Constitution Date) to 30 Jun 2014^{(1),(2)}
	Note	(S\$'000)	(S\$'000)
<u>Statement of Total Return</u>			
Gross revenue		18,670	32,489
Property operating expenses		(4,378)	(7,880)
Net property income		14,292	24,609
Other income	1	2,392	3,649
Amortisation of intangible asset		(1,650)	(2,839)
Manager's management fees			
- Base fee		(1,221)	(2,098)
- Performance fee	2	(113)	(128)
Trustee's fee		(78)	(134)
Other expenses		(434)	(794)
Finance income		17	34
Finance cost	3	(4,220)	(7,102)
Foreign exchange differences		(304)	(559)
Net income		8,681	14,638
Net change in fair value of investment properties	4	-	283,077
Total return for the period before tax		8,681	297,715
Tax expense	5	(965)	(40,003)
Total return for the period		7,716	257,712
<u>Distribution Statement</u>			
Total return for the period		7,716	257,712
Distribution adjustments	6	4,757	(236,596)
Amount available for distribution		12,473	21,116
<u>Unitholders' Distribution</u>			
From operations		9,740	16,701
From Unitholders' contributions		2,733	4,415
Total Unitholders' distribution		12,473	21,116

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Second
Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to
30 June 2014

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.977 for the 2Q 2014 and 1:4.890 for the period 27 January 2014 to 30 June 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.

(2) Manager's management fees – Performance fee

Manager's Performance fee, 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 year 2014, given there is no preceding financial year for OUE C-REIT, the difference in DPU shall be the difference in actual DPU with the forecast DPU from the Forecast. The Forecast was derived by pro-rating the forecast for 2014 disclosed in the Prospectus. This performance fee was accrued for the period 2Q 2014 and for the period 27 January 2014 to 30 June 2014.

(3) Finance cost

Finance cost comprises of the following:

	2Q 2014	10 Oct 2013 (Constitution Date) to 30 Jun 2014
	(S\$'000)	(S\$'000)
Borrowing costs	3,128	5,242
Amortisation of debt establishment costs	1,092	1,860
Finance cost	4,220	7,102

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**Unaudited Financial Statements and Distribution Announcement for the Second Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 June 2014****(4) Net change in fair value of investment properties**

Net change in fair value of investment properties relate to the difference between OUE C-REIT Group acquisition costs and the independent valuations as at 30 September 2013.

(5) Tax expense

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

(6) Distribution adjustmentsDistribution adjustments

- Net change in fair value of investment properties
- Amortisation of intangible asset
- Amortisation of debt establishment costs
- Management base fee paid/payable in Units
- Management performance fee payable in Units
- Trustee's fees
- Deferred tax expense
- Foreign exchange differences
- Other items

Net distribution adjustments

2Q 2014	10 Oct 2013 (Constitution Date) to 30 Jun 2014
(S\$'000)	(S\$'000)
-	(283,077)
1,650	2,839
989	1,757
1,221	2,098
113	128
78	134
340	38,861
310	562
56	102
4,757	(236,596)

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

Unaudited Financial Statements and Distribution Announcement for the Second Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 June 2014

1(b)(i) Statements of Financial Position

	Note	Group 30 Jun 2014 ^{(1),(2)} S\$'000	Trust 30 Jun 2014 ⁽²⁾ S\$'000
Non-current assets			
Investment properties		1,570,832	1,102,000
Investment in subsidiary		-	265,363
Intangible asset	1	30,161	30,161
Plant and equipment		57	-
Financial derivatives	2	146	146
		1,601,196	1,397,670
Current assets			
Trade and other receivables		5,121	6,949
Cash and cash equivalents		26,375	3,835
		31,496	10,784
Total assets		1,632,692	1,408,454
Non-current liabilities			
Loans and borrowings		630,242	570,070
Trade and other payables		12,511	8,028
Deferred tax liabilities		37,185	-
Financial derivatives	2	2,353	2,353
		682,291	580,451
Current liabilities			
Trade and other payables		28,891	11,952
Loans and borrowings		159	-
Current tax payable		3,262	-
		32,312	11,952
Total liabilities		714,603	592,403
Net assets attributable to Unitholders		918,089	816,051
Represented by:			
Unitholders' funds		918,089	816,051

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**Unaudited Financial Statements and Distribution Announcement for the Second Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 June 2014**

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the closing SGD: CNY rate of 1:4.985.
- (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.

Notes to Statements of Financial Position:**(1) Intangible asset**

Intangible asset represents the unamortised income support receivable by OUE C-REIT under the income support arrangement with OUE Limited in relation to OUE Bayfront.

(2) Financial derivatives

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

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

	30 Jun 2014⁽¹⁾ (S\$'000)
Secured borrowings	
Amount repayable within one year, or on demand	160
Amount repayable after one year	643,959
Less: Debt establishment costs ⁽²⁾	(13,718)
Total secured borrowings	630,401
Unsecured borrowings	-
Total borrowings	630,401

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the closing SGD: CNY rate of 1:4.985.
- (2) Debt establishment costs are amortised over the tenure of the respective loan facilities.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Second
Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to
30 June 2014

Details of any collaterals

The OUE C-REIT Group has a total credit facilities of approximately S\$744.2 million comprising (1) S\$580.0 million term loan facilities, (2) S\$100.0 million revolving credit facility and (3) RMB320.0 million term loan facility. Approximately S\$644.1 million of the facilities were utilised as at 30 June 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 RMB320.0 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.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

Unaudited Financial Statements and Distribution Announcement for the Second Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 June 2014

1 (c) Consolidated Statement of Cash Flows

	Note	2Q 2014⁽¹⁾ (S\$'000)	10 Oct 2013 (Constitution Date) to 30 Jun 14⁽¹⁾ (S\$'000)
Cash flows from operating activities			
Total return for the period		7,716	257,712
Adjustments for:			
Manager's management fees paid/payable in Units		1,334	2,226
Finance income		(17)	(34)
Finance cost		4,220	7,102
Depreciation		2	3
Amortisation of intangible asset		1,650	2,839
Net change in fair value of investment properties		-	(283,077)
Tax expense		965	40,003
Operating income before working capital changes		15,870	26,774
Changes in working capital:			
Trade and other receivables		2,131	(4,497)
Trade and other payables		(138)	24,358
Cash generated from operating activities		17,863	46,635
Tax paid		(483)	(483)
Net cash from operating activities		17,380	46,152
Cash flow from investment activities			
Acquisition of subsidiaries, net of cash acquired		-	(127,664)
Additions to investment properties		(30)	(30)
Acquisition of investment property	1	-	(658,600)
Interest received		17	34
Net cash used in investing activities		(13)	(786,260)
Cash flows from financing activities			
Proceeds from issue of Units	1, 2	-	346,400
Payment of transaction costs related to the issue of Units	3	(57)	(16,187)
Interest paid		(3,008)	(3,008)
Proceeds from borrowings		-	682,379
Repayment of borrowings		(35,000)	(226,831)
Payment of transaction costs related to loans and borrowings		-	(15,624)
Movement in restricted cash		-	(2,218)
Net cash (used in)/ from financing activities		(38,065)	764,911
Net (decrease)/ increase in cash and cash equivalents		(20,698)	24,803
Cash and cash equivalents at beginning of the period		45,223	-
Effect of exchange rate fluctuations on cash held		(323)	(601)
Cash and cash equivalents at end of the period	4	24,202	24,202

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Second
Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to
30 June 2014

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:

	30 Jun 2014 (S\$'000)
Bank and cash balances	16,323
Fixed deposit	10,052
Cash and cash equivalents at end of the period	26,375
Less: Restricted cash	(2,173)
Cash and cash equivalents	24,202

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

Unaudited Financial Statements and Distribution Announcement for the Second Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 June 2014

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

	Group		Trust	
	2Q 2014⁽¹⁾	10 Oct 2013 (Constitution Date) to 30 Jun 2014⁽¹⁾	2Q 2014⁽¹⁾	10 Oct 2013 (Constitution Date) to 30 Jun 2014⁽¹⁾
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Balance at beginning of the financial period	917,934	- ⁽²⁾	810,625	- ⁽²⁾
Operations				
Total return for the period	7,716	257,712	5,607	139,674
Net increase in net assets resulting from operations	7,716	257,712	5,607	139,674
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	1,334	2,226	1,334	2,226
Issue expenses	688	(16,442)	688	(16,442)
Net increase in net assets resulting from Unitholders' transactions	2,022	678,584	2,022	678,584
Movement in foreign currency translation reserve	(7,380)	(16,000)	-	-
Hedging transactions				
Effective portion of change in fair value of cash flow hedge	(2,203)	(2,207)	(2,203)	(2,207)
Net decrease in net assets resulting from hedging transactions	(2,203)	(2,207)	(2,203)	(2,207)
Total Unitholders' funds as at end of the period	918,089	918,089	816,051	816,051

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

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**Unaudited Financial Statements and Distribution Announcement for the Second Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 June 2014****1 (d)(ii) Details of Any Changes in Units (Group and Trust)**

	2Q 2014 ⁽¹⁾	10 Oct 2013 (Constitution Date) to 30 Jun 2014 ⁽¹⁾
	('000)	('000)
Units in issue:		
At the beginning of the financial period	866,000	- ⁽²⁾
Issue of new units relating to:		
- Initial public offering	-	433,000
- Consideration Units	-	433,000
- Manager's management fee paid in Units	1,105	1,105
At end of period	867,105	867,105
Units to be issued:		
Manager's management fee payable in Units	1,688	1,688
At the end of the period	868,793	868,793

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.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**Unaudited Financial Statements and Distribution Announcement for the Second Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 June 2014**

- 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**

	2Q 2014 ⁽¹⁾	10 Oct 2013 (Constitution Date) to 30 Jun 2014 ⁽¹⁾
Weighted average number of units ('000)	867,143	866,678
Earning per unit (" EPU ") - Basic and Diluted Basic and Diluted ⁽²⁾ (Cents)	0.89	29.74
No of Units entitled to distribution ('000)	868,633	868,633
Distribution per unit (" DPU ") ⁽³⁾ (Cents)	1.43	2.43

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 867,143,000 for 2Q 2014 and 866,678,000 for the period ended 30 June 2014 comprising:
- (i) The weighted average number of Units in issue for 2Q 2014 and for the period ended 30 June 2014; and
 - (ii) The weighted average number of Units to be issued to the Manager as satisfaction of Manager's base fees for 2Q 2014 and Manager's performance fees for the period from 27 January 2014 to 30 June 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 868,632,843. This comprises:
- (i) The number of Units in issue as at 30 June 2014 of 867,105,242; and
 - (ii) The Units to be issued to the Manager as satisfaction of Manager's base fee payable for 2Q 2014 of 1,527,601.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Second
Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to
30 June 2014

7 Net Asset Value per Unit

	Group 30 Jun 2014⁽¹⁾	Trust 30 Jun 2014⁽¹⁾
Number of Units in issue and to be issued at end of period ('000)	868,793	868,793
Net asset value (" NAV ") per Unit (S\$)	1.06	0.94

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 30 June 2014 of 868,793,000.

8 Review of the Performance

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

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Second
Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to
30 June 2014

9 Variance between Actual and Forecast Results

	2Q 2014			27 Jan 2014 to 30 Jun 2014		
	Actual ⁽¹⁾ (S\$'000)	Forecast ⁽¹⁾ (S\$'000)	Change (%)	Actual ^{(1),(2)} (S\$'000)	Forecast ⁽¹⁾ (S\$'000)	Change (%)
Gross revenue	18,670	18,734	(0.3)	32,489	32,421	0.2
Property operating expenses	(4,378)	(5,065)	(13.6)	(7,880)	(8,582)	(8.2)
Net property income	14,292	13,669	4.6	24,609	23,839	3.2
Other income	2,392	2,249	6.4	3,649	3,382	7.9
Amortisation of intangible asset	(1,650)	(1,650)	-	(2,839)	(2,839)	-
Manager's management fees						
- Base fee	(1,221)	(1,258)	(2.9)	(2,098)	(2,160)	(2.9)
- Performance fee	(113)	-	N/M	(128)	-	N/M
Trustee's fee	(78)	(80)	(2.5)	(134)	(138)	(2.9)
Other expenses	(434)	(644)	(32.6)	(794)	(1,112)	(28.6)
Finance income	17	-	N/M	34	-	N/M
Finance cost	(4,220)	(4,442)	(5.0)	(7,102)	(7,642)	(7.1)
Foreign exchange differences	(304)	-	N/M	(559)	-	N/M
Net income	8,681	7,844	10.7	14,638	13,330	9.8
Net change in fair value of investment properties	-	-	NA	283,077	285,144	(0.7)
Total return for the period before tax	8,681	7,844	10.7	297,715	298,474	(0.3)
Tax expense	(965)	(762)	26.6	(40,003)	(40,227)	(0.6)
Total return for the period	7,716	7,082	9.0	257,712	258,247	(0.2)
<u>Distribution Statement</u>						
Total return for the period	7,716	7,082	9.0	257,712	258,247	(0.2)
Distributions adjustments	4,757	4,736	0.4	(236,596)	(238,089)	(0.6)
Amount available for distribution to Unitholders	12,473	11,818	5.5	21,116	20,158	4.8

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 1:4.977 for 2Q 2014 and 1:4.890 for the period 27 January 2014 to 30 June 2014 whereas the exchange rate of 4.783 was adopted in the Forecast.
- (2) As OUE C-REIT was dormant since its constitution to Listing Date, the amount available for distribution relates to the period from the Listing Date to 30 June 2014.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Second
Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to
30 June 2014

Review of the Performance

2Q 2014

Gross revenue of S\$18.7 million was in line with Forecast of S\$18.7 million. Property operating expenses of S\$4.4 million was 13.6% 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\$14.3 million, 4.6% higher than Forecast of S\$13.7 million.

Finance cost of S\$4.2 million was 5.0% lower than Forecast as the actual loan quantum was lower than the amount estimated to be drawn in the Forecast.

Tax expenses of S\$1.0 million was 26.6% higher than Forecast of S\$0.8 million mainly due to higher corporate tax and withholding tax as a result of better than budgeted performance of Lippo Plaza. This is partly offset by lower deferred tax provision.

Net income of S\$7.7 million was 9.0% higher than Forecast mainly due to the higher net property income and lower interest cost and trust expenses incurred.

27 January 2014 to 30 June 2014

Gross revenue of S\$32.5 million was in line with Forecast of S\$32.4 million. Property operating expenses of S\$7.9 million was 8.2% lower than Forecast of S\$8.6 million mainly due to lower utilities and maintenance costs incurred.

As a result, net property income was S\$24.6 million, 3.2% higher than Forecast of S\$23.8 million.

Finance cost of S\$7.1 million was 7.1% lower than Forecast as the actual loan quantum was lower than the amount estimated to be drawn in the Forecast.

Net income of S\$14.6 million was 9.8% higher than Forecast mainly due to the higher net property income, lower interest cost and trust expenses incurred.

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 advanced estimates by the Ministry of Trade and Industry ("MTI"), 2Q 2014 year-on-year ("YoY") GDP growth was 2.1%¹, lower than the 4.7% growth in 1Q 2014. Growth moderated due to a slowdown in the manufacturing sector, as a tight labour market and company moves to offshore impeded growth. The 2Q GDP growth estimate was within the official forecast range of 2.0% to 4.0% for Singapore in 2014.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

Unaudited Financial Statements and Distribution Announcement for the Second Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 June 2014

Leasing activity in the Singapore office market remained steady in 2Q 2014, with a higher level of interest in CBD office space compared to island-wide office, according to CBRE². As a result, core CBD occupancy edged up to 95.8%, compared to island-wide office occupancy which dipped 0.1 percentage points ("ppt") to 95.6%. Grade A office rents rose for the third consecutive quarter, increasing by 3.4% quarter-on-quarter ("QoQ") to S\$10.60 psf per month. Given low vacancy levels and limited new supply in core CBD over the next two years, rents are expected to continue to grow.

China

China's GDP growth improved to 7.5%³ YoY in 2Q 2014, from the low of 7.4% in the previous quarter. According to the National Bureau of Statistics, the June Manufacturing Purchasing Manager's Index ("PMI") was 51.0, the highest reading in six months. The recovery in the manufacturing sector was reinforced by the services sector which saw the June Services PMI at 55.0, edging down slightly from the six-month high of 55.5 in May. Economic indicators suggest that the real economy is benefiting from the Central Government's mini-stimulus measures. The authorities are expected to continue to maintain a supportive fiscal and monetary policy stance until economic growth stabilises.

According to Colliers International Research⁴, 2Q 2014 demand for office space in the Shanghai CBD remained stable, with vacancy remaining unchanged at 7.2%. Leasing transactions continued to be dominated by occupiers from the finance and professional services sectors, as well as retail and trading companies. Despite vacancy in Puxi edging up 0.9 ppt to 11.4%, rents rose modestly by 0.2 ppt QoQ to RMB8.8 psm per day. Given the expected new supply coming on-stream in Puxi for the rest of 2014, and potential competition from the supply in decentralised areas, rental growth is expected to be subdued.

Outlook for 2014

In light of limited new office supply in Singapore core CBD over the next two years, rental rates for Grade A office are expected to continue to rise. This is expected to benefit the lease renewals of OUE C-REIT's property in Singapore (OUE Bayfront), which accounts for about 70% of OUE-CREIT's portfolio. The outlook for Shanghai CBD office is expected to be stable.

Barring any unforeseen event and any weakening of the economic environment, the Manager expects OUE C-REIT to meet its forecast distribution for financial period 2014.

¹ Ministry of Trade and Industry Singapore, Press Release, 14 July 2014

² CBRE, Singapore MarketView, 2Q 2014

³ National Bureau of Statistics, 16 July 2014

⁴ Colliers International, Research and Forecast Report for Shanghai Office, 2Q 2014

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Second
Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to
30 June 2014

11 Distribution

(a) Current financial period

Any distribution declared for the current financial period? Yes

Name of distribution: Distribution for the period from 27 January 2014 to
30 June 2014

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

Distribution rate: (i) Taxable income distribution: 1.92 cents per Unit
(ii) Capital distribution: 0.51 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.

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.

Books closure date: 7 August 2014

Date payable: 2 September 2014

(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 10 October 2013 to 30 June 2014 to be false or misleading in any material respect.

On behalf of the Board of the Manager

Christopher Williams
Chairman

Tan Shu Lin
Chief Executive Officer / Executive Director

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

Unaudited Financial Statements and Distribution Announcement for the Second Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 June 2014

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)

30 July 2014