

OFFER INFORMATION STATEMENT DATED 5 OCTOBER 2018

(Lodged with the Monetary Authority of Singapore on 5 October 2018)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

The collective investment scheme offered in this offer information statement dated 5 October 2018 (this “**Offer Information Statement**”) is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”). A copy of this Offer Information Statement, together with the application form for the new units in OUE Commercial Real Estate Investment Trust (“**OUE C-REIT**”) to be issued for the purpose of the Rights Issue (as defined herein) (the “**Rights Units**”) and Excess Rights Units (as defined herein) (the “**ARE**”) and the application form and acceptance form for Rights Units to be issued to purchasers of the Rights Entitlements (as defined herein) (the “**ARS**”) under the Rights Issue traded on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) under the book-entry (scripless) settlement system, has been lodged with the Monetary Authority of Singapore (the “**MAS**”). The MAS assumes no responsibility for the contents of this Offer Information Statement, the ARE and the ARS. Lodgement of this Offer Information Statement with the MAS does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the merits of the units being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Rights Units in OUE C-REIT on the Main Board of the SGX-ST and the Rights Issue. The SGX-ST’s in-principle approval is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, OUE C-REIT and/or its subsidiaries. The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Offer Information Statement. No units in OUE C-REIT (“**Units**”) shall be allotted or allocated on the basis of this Offer Information Statement later than the date falling six months from the date of lodgement of this Offer Information Statement.

This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Rights Units and the “nil-paid” provisional allotment of Rights Units to Eligible Unitholders (as defined herein) under the Rights Issue (the “**Rights Entitlements**”) or make an offer of the Rights Units and the Rights Entitlements and the Rights Units and Rights Entitlements may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. The Rights Units and Rights Entitlements have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or under any securities laws of any state or other jurisdiction of the United States (the “**U.S.**”) and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the U.S.. The Rights Units and Rights Entitlements are being offered and sold only in offshore transactions in reliance on Regulation S of the Securities Act. Please refer to the section entitled “Offering, Selling and Transfer Restrictions” of this Offer Information Statement.



OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 10 October 2013 under the laws of the Republic of Singapore)

managed by

OUE Commercial REIT Management Pte. Ltd.

(in its capacity as manager of OUE Commercial Real Estate Investment Trust) (the “**Manager**”)

RENOUNCEABLE RIGHTS ISSUE (THE “RIGHTS ISSUE”) OF 1,288,438,981 RIGHTS UNITS AT AN ISSUE PRICE OF S\$0.456 FOR EACH RIGHTS UNIT (THE “RIGHTS ISSUE PRICE”), ON THE BASIS OF 83 RIGHTS UNITS FOR EVERY 100 UNITS IN OUE C-REIT (THE “RIGHTS RATIO”) HELD BY ELIGIBLE UNITHOLDERS AS AT 4 OCTOBER 2018 AT 5.00 P.M. (THE “BOOKS CLOSURE DATE”), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

Joint Lead Managers and Underwriters for the Rights Issue



IMPORTANT DATES AND TIMES

(The following is qualified by, and should be read in conjunction with, the section entitled “**Timetable of Key Events**” of this Offer Information Statement)

Last date and time for trading of Rights Entitlements	:	17 October 2018 at 5.00 p.m.
Last date and time for acceptance of Rights Entitlements and payment for Rights Units	:	23 October 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks (each as defined herein))
Last date and time for application and payment for Excess Rights Units	:	23 October 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

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NOTICE TO UNITHOLDERS AND INVESTORS

No person has been authorised to give any information or make any representations other than those contained in this Offer Information Statement in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of OUE C-REIT, the Manager, DBS Trustee Limited, as trustee of OUE C-REIT (the **“Trustee”**) or Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited, as joint lead managers and underwriters for the Rights Issue (the **“Joint Lead Managers and Underwriters”**). Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of OUE C-REIT or the Manager. Neither the delivery of this Offer Information Statement nor the issue of the Rights Units shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no material change in the affairs of OUE C-REIT or in any of the information contained herein since the date of this Offer Information Statement. Where such changes occur after the date of this Offer Information Statement and are material and required to be disclosed by law and/or the SGX-ST, the Manager will announce such changes via SGXNET¹, and if required, lodge a supplementary or replacement document with the MAS. All holders of Units (**“Unitholders”**) and investors should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

For Eligible Unitholders, acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units may be made through The Central Depository (Pte) Limited (**“CDP”**) or through an automated teller machine (**“ATM”**) of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement (**“Electronic Application”**).

Central Provident Fund (‘CPF’) Investment Scheme (‘CPFIS’) investors, Supplementary Retirement Scheme (‘SRS’) investors and investors who hold Units through a finance company and/or Depository Agent (as defined herein) should see the section entitled ‘Important Notice to (A) CPFIS Investors, (B) SRS Investors and (C) Investors who hold Units through a Finance Company and/or Depository Agent’ of this Offer Information Statement for important details relating to the offer procedure for them.

Notification under Section 309B of the SFA: The Rights Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Offer Information Statement, the ARE and the ARS may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such offer, invitation or solicitation. In addition, no action has been or will be taken in any jurisdiction (other than Singapore) that would permit a public offering of the Rights Units or the possession, circulation or distribution of this Offer Information Statement or any other material relating to OUE C-REIT or the Rights Units in any jurisdiction (other than Singapore) where action for that purpose is required. The Rights Units may not be offered or sold, directly or indirectly, and neither this Offer Information Statement nor any other offering material or advertisements in connection with the Rights Units may be distributed or published in or from any country or jurisdiction, except, in each case, under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice regarding an investment in the Rights Units and/or Units.

1 An internet-based corporate announcement submission system maintained by the SGX-ST.

The Manager, the Trustee, the Joint Lead Managers and Underwriters and each of their respective officers and employees make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Units, the Rights Entitlements, the Units, the Manager or OUE C-REIT and/or its subsidiaries, or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to subscribe for the Rights Units or to purchase the Rights Entitlements. Prospective subscribers of Rights Units and purchasers of Rights Entitlements should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of the affairs of OUE C-REIT, including but not limited to, the assets and liabilities, profits and losses, financial position, financial performance, risk factors and prospects of OUE C-REIT, and their own appraisal and determination of the merits of investing in OUE C-REIT. Persons in doubt as to the action they should take should consult their business, financial, legal, tax or other professional adviser before deciding whether to subscribe for or purchase the Rights Units or the Rights Entitlements.

This Offer Information Statement and the accompanying documents have been prepared solely for the purposes of the Rights Issue and may not be relied upon for any other purposes.

The Rights Units and the Rights Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. The Rights Units and the Rights Entitlements are being offered and sold only in offshore transactions (as defined under Regulation S) in reliance on Regulation S. The distribution of this Offer Information Statement and the placement of the Rights Units in certain jurisdictions may be prohibited or restricted by law. Persons who come into possession of this Offer Information Statement and/or its accompanying documents are required by the Manager and the Joint Lead Managers and Underwriters to inform themselves of, and observe, any such prohibitions and restrictions.

Selected financial data from the audited financial statements of OUE C-REIT for the financial period from 1 January 2015 to 31 December 2015 (“**FY2015**”, and the audited financial statements of OUE C-REIT for FY2015, the “**2015 Audited Financial Statements**”), the financial period from 1 January 2016 to 31 December 2016 (“**FY2016**”, and the audited financial statements of OUE C-REIT for FY2016, the “**2016 Audited Financial Statements**”), the financial period from 1 January 2017 to 31 December 2017 (“**FY2017**”, and the audited financial statements of OUE C-REIT for FY2017, the “**2017 Audited Financial Statements**”) and the unaudited financial statements of OUE C-REIT for the financial period from 1 January 2018 to 30 June 2018 (“**1H 2018**”, and the unaudited financial statements of OUE C-REIT for 1H 2018, the “**1H 2018 Unaudited Financial Statements**”) (collectively, the “**Financial Statements**”), is set out in **Appendix A** of this Offer Information Statement. Financial data relating to distribution per Unit (“**DPU**”), earnings per Unit and net asset value (“**NAV**”) per Unit before and after any adjustment to reflect the issuance of the Rights Units is also set out in **Appendix A** of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of OUE C-REIT at <http://www.ouect.com> and are also available for inspection during normal business hours at the registered office of the Manager at 50 Collyer Quay #04-08, OUE Bayfront, Singapore 049321, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.

Save for the Financial Statements which are deemed to be incorporated into this Offer Information Statement by reference, the information contained on the website of OUE C-REIT does not constitute part of this Offer Information Statement.

¹ Prior appointment with the Manager will be appreciated.

Prospective investors are advised to obtain and read the Financial Statements (including the relevant notes, where applicable) before making any investment decision in relation to the Rights Units and the Rights Entitlements.

The value of Units and the income derived from them may fall as well as 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. None of the Manager or any of its affiliates guarantees the performance of OUE C-REIT, the repayment of capital from OUE C-REIT, or any particular rate of return on the Units.

Unitholders have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of OUE C-REIT is not necessarily indicative of the future performance of OUE C-REIT.

Forward-Looking Statements

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by OUE C-REIT or the directors of the Manager (the “**Directors**”), its officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as, without limitation, “anticipate”, “aim”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “predict”, “probable”, “project”, “seek”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the future financial position, operating results, business strategies, plans and future prospects of OUE C-REIT and its subsidiaries (collectively, the “**OUE C-REIT Group**”) are forward-looking statements. The Manager, the Trustee and the Joint Lead Managers and Underwriters do not represent or warrant that the actual future performance, outcomes or results of OUE C-REIT will be as discussed in those statements. These forward-looking statements, including but not limited to statements as to the OUE C-REIT Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are merely predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the OUE C-REIT Group’s actual, future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Representative examples of such other 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 property expenses and operating expenses, taxes and governmental and public policy changes. Any prediction, projection or forecast on the economy or economic trends of the markets in which the OUE C-REIT Group operates is not necessarily indicative of the future or likely performance of the OUE C-REIT Group. (See the section entitled “**Risk Factors**” for a discussion of certain factors to be considered in connection with an investment in the Rights Units and the Rights Entitlements.)

Given the risks, uncertainties and other factors that may cause OUE C-REIT’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, 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. Investors should read the whole of this Offer Information Statement and make their own assessment of the future performance of OUE C-REIT before deciding whether to subscribe for the Rights Units and/or apply for Excess Rights Units. Investors should also make their own independent investigations of any bases and assumptions upon which

financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Figures and percentages are rounded to an appropriate number of decimal places, where applicable.

This Offer Information Statement includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information.

The Manager has commissioned Colliers International Consultancy & Valuation (Singapore) Pte Ltd (the “**Independent Market Research Consultant**”) to prepare the independent market research report (the “**Independent Market Research Report**”). (See **Appendix C, “Independent Market Research Report**” for further details.) While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third-party sources or ascertained the underlying economic assumptions relied upon therein. Consequently, none of OUE C-REIT, the Manager, the Trustee and the Joint Lead Managers and Underwriters makes any representation as to the accuracy or completeness of such information, and each of them shall not be held responsible in respect of any such information and shall not be obliged to provide any updates on the same.

Pro Forma Financial Information

The *pro forma* financial information contained in this Offer Information Statement (including the *pro forma* DPU yields) is based on historical statements reconstituted on a *pro forma* basis based on numerous assumptions and adjustments (as set out in the section entitled “**Pro Forma Financial Information**” of this Offer Information Statement) and is not necessarily indicative of the financial performance and cash flows or financial position of OUE C-REIT that would have been attained and had the completion of the proposed Acquisition and/or Rights Issue actually occurred in the relevant periods. Such *pro forma* financial information, because of its nature, may not give a true or accurate picture of OUE C-REIT’s actual financial performance or financial position and the Manager, the Trustee and the Joint Lead Managers and Underwriters do not represent or warrant that the actual outcome of the proposed Acquisition or the Rights Issue at the relevant dates or periods would have been as presented.

Under no circumstances should the inclusion of such information be regarded as a representation, warranty or prediction that these results would have been achieved, will be achieved or are likely to be achieved. In particular, Unitholders should note that the *pro forma* DPU yields, which are prepared for illustrative purposes only, are calculated based on certain assumptions and assumed price per Unit (as set out in the section entitled “**Pro Forma Financial Information**” of this Offer Information Statement) and even if a Unitholder had purchased the Units at the relevant assumed price per Unit, there is no guarantee that the actual or future yields would be as indicated.

General

Each applicant for Units in the Rights Issue will be deemed to have represented and agreed that it is relying on this Offer Information Statement and not on any other information or representation not contained in this Offer Information Statement and none of OUE C-REIT, the Manager, the Trustee, the Joint Lead Managers and Underwriters or any other person responsible for this Offer Information Statement or any part of it will have any liability for any such other information or representation.

**IMPORTANT NOTICE TO (A) CPFIS INVESTORS, (B) SRS INVESTORS AND
(C) INVESTORS WHO HOLD UNITS THROUGH A FINANCE COMPANY
AND/OR DEPOSITORY AGENT**

Unitholders who have subscribed for or purchased Units under the CPFIS, the SRS or hold Units through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the relevant banks, finance company and/or Depository Agent in which they hold their CPFIS accounts and/or SRS Accounts (as defined herein) to do so on their behalf in accordance with this Offer Information Statement.

ANY APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED UNITHOLDERS THROUGH CDP OR THROUGH ATMS WILL BE REJECTED.

The above-mentioned Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units to their respective approved bank, finance company and/or Depository Agent.

(i) Use of CPF Funds

Unitholders participating under the CPFIS – Ordinary Account must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units, if they have previously bought their Units using their CPF Investible Savings (“**CPF Funds**”).

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks to enable them to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

(ii) Use of SRS Funds

Unitholders who had purchased Units using their SRS Accounts and who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies, must instruct the relevant approved banks in which they hold their SRS Accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement. Such Unitholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. SRS investors are advised to provide their respective approved banks in which they hold their SRS Accounts with the appropriate

instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date (as defined herein). Any acceptance and (if applicable) application made directly through CDP, Electronic Applications at ATMs of the Participating Banks, Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Unit Registrar**”) and/or the Manager will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the Rights Entitlements directly from the market.

(iii) Holdings through Finance Company and/or Depository Agent

Unitholders who hold Units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

ELIGIBILITY OF UNITHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

ELIGIBLE UNITHOLDERS

“Eligible Unitholders” are Unitholders with Units standing to the credit of their securities accounts with CDP but not including securities sub-accounts (**“Securities Accounts”**) and (a) whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three Market Days¹ prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, or (b) who the Manager, on behalf of OUE C-REIT, determines may be offered Rights Units without breaching applicable securities laws (**“Eligible Depositors”** or **“Eligible Unitholders”**).

Eligible Unitholders will receive their Rights Entitlements under the Rights Issue on the basis of their unitholdings in OUE C-REIT (**“Unitholdings”**, and in relation to each Unitholder, **“Unitholding”**) as at the Books Closure Date and are entitled to participate in the Rights Issue and to receive this Offer Information Statement (including the ARE and the ARS) at their respective Singapore addresses. Eligible Unitholders who do not receive this Offer Information Statement and the ARE and the ARS may obtain them from CDP for the period up to the Closing Date.

Eligible Unitholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the “nil-paid” rights trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units.

The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or trade their Rights Entitlements under the Rights Issue (during the “nil-paid” rights trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein) which have not been sold during the “nil-paid” rights trading period; or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements (collectively, **“Excess Rights Units”**), subject to the requirements or otherwise of the SGX-ST, will be aggregated and used to satisfy Excess Rights Units applications (if any) or disposed of or otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit.

In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any). Directors and Substantial Unitholders² who have control or influence over OUE C-REIT or the Manager in connection with the day-to-day affairs of OUE C-REIT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of Directors of the Manager (the **“Board of Directors”**), will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units. The Manager reserves the right to refuse any application for Excess Rights Units, in whole or in part, without assigning any reason whatsoever therefor. In the event that the number of Excess Rights Units allotted to an Eligible Unitholder is less than the number of Excess Rights Units applied for, the Eligible Unitholder shall be deemed to have accepted the number of Excess Rights Units actually allotted to him.

All dealings in and transactions of the Rights Entitlements through the SGX-ST will be effected under the book-entry (scripless) settlement system.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights Entitlements and for the applications for Excess Rights Units, including the different modes of acceptance and application and payment, are contained in **Appendix D – Procedures for Acceptance, Payment and Excess Application by Eligible Unitholders**, in **Appendix F – Additional Terms and Conditions for Electronic Applications** and in the ARE and the ARS.

1 **“Market Day”** as defined in the Listing Manual (as defined herein) refers to a day on which the SGX-ST is open for securities trading.

2 **“Substantial Unitholders”** refers to a person with an interest in Units constituting not less than 5.0% of all Existing Units (as defined herein).

INELIGIBLE UNITHOLDERS

No provisional allotment of Rights Units will be made to Unitholders other than the Eligible Unitholders (“**Ineligible Unitholders**”) and no purported acceptance thereof or application for Excess Rights Units therefor by Ineligible Unitholders will be valid.

This Offer Information Statement and its accompanying documents (including the ARE and the ARS) will not be despatched to Ineligible Unitholders. This Offer Information Statement and its accompanying documents (including the ARE and the ARS) relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. Receipt of this Offer Information Statement and its accompanying documents or the crediting of Rights Entitlements to a securities account in CDP does not and will not constitute an offer in those jurisdictions in which it would be illegal and the Offer Information Statement and its accompanying documents should not be copied or redistributed.

The offer, sale and delivery of the Rights Units and the Rights Entitlements may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Unitholders may have as their addresses registered with CDP, the Rights Issue will not be extended to Ineligible Unitholders.

The Rights Units and the Rights Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. The Rights Units and the Rights Entitlements will be offered and sold only in offshore transactions in reliance on Regulation S.

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing or to transferees of the Rights Entitlements, whose registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers are advised that their participation in the Rights Issue may be restricted or prohibited by the laws of the jurisdiction in which they are located or resident. Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should ensure that they comply with the applicable rules, regulations and, subject to compliance with applicable laws and regulations, make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Manager reserves the right, but shall not be obliged, to treat as invalid any application or purported application, or decline to register such application or purported application which (i) appears to the Manager or its agents to have been executed in any jurisdiction outside Singapore or which the Manager believes may violate any applicable legislation of such jurisdiction, or (ii) purports to exclude any deemed representation or warranty.

Notwithstanding the above, Unitholders and any other person having possession of this Offer Information Statement are advised to inform themselves of and to observe all legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

If it is practicable to do so, the Manager may, in its absolute discretion, arrange for Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account all expenses to be incurred in relation thereto.

Where such Rights Entitlements are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Manager, may, in its absolute discretion, decide and no Ineligible Unitholder or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Trustee, each of the Joint Lead Managers and Underwriters, the Unit Registrar, CDP or the CPF Board or their respective officers in respect of such sales or the proceeds thereof, the Rights Entitlements or the Rights Units represented by such provisional allotments.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Unitholders in proportion to their respective Unitholdings in OUE C-REIT as at the Books Closure Date and sent to them at their own risk by ordinary post, without interest or any share of revenue or other benefit arising therefrom, provided that where the amount of net proceeds to be distributed to any single Ineligible Unitholder is less than S\$10.00, the Manager shall be entitled to retain or deal with such net proceeds as the Manager may, in its absolute discretion, deem fit for the sole benefit of OUE C-REIT and no Ineligible Unitholder shall have any claim whatsoever against the Manager, the Trustee, each of the Joint Lead Managers and Underwriters, the Unit Registrar, CDP or the CPF Board or their respective officers in connection herewith.

If such Rights Entitlements cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights Entitlements, the Rights Units represented by such Rights Entitlements will be issued to satisfy applications for Excess Rights Units or dealt with in such manner as the Manager may, in its absolute discretion, deem fit in the interest of OUE C-REIT and no Ineligible Unitholder or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Trustee, each of the Joint Lead Managers and Underwriters, the Unit Registrar, CDP or the CPF Board or their respective officers in connection therewith.

Unitholders should note that the special arrangement described above will apply only to Ineligible Unitholders.

OFFERING, SELLING AND TRANSFER RESTRICTIONS

No action has been taken or will be taken to permit a public offering of the Rights Units or the Rights Entitlements to occur in any jurisdiction, or the possession, circulation, or distribution of this Offer Information Statement, its accompanying documents or any other material relating to OUE C-REIT, the Rights Units or the Rights Entitlements in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the MAS. Accordingly, the Rights Units or the Rights Entitlements may not be offered or sold, directly or indirectly, and none of this Offer Information Statement, its accompanying documents or any offering materials or advertisements in connection with the Rights Units or the Rights Entitlements may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Units, applying for excess Rights Units or making any offer, sale, resale, pledge or other transfer of the Rights Units or the Rights Entitlements.

This Offer Information Statement and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each purchaser of the Rights Entitlements and/or the Rights Units will be deemed to have represented and agreed as follows (terms defined in Regulation S have the same meanings when used herein):

- (a) the purchaser (i) is, and the person, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Units is, outside the U.S.; and (ii) is acquiring the Rights Entitlements and/or the Rights Units in an offshore transaction meeting the requirements of Regulation S;
- (b) the purchaser is aware that the Rights Entitlements and/or the Rights Units have not been and will not be registered under the Securities Act and are being distributed and offered outside the U.S. in reliance on Regulation S; and
- (c) the purchaser acknowledges that the Manager, the Joint Lead Managers and Underwriters, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

The Manager and the Joint Lead Managers and Underwriters have not taken any action, nor will the Manager and the Joint Lead Managers and Underwriters take any action, in any jurisdiction other than Singapore that would permit a public offering of the Rights Entitlements and Rights Units, or the possession, circulation or distribution of this Offer Information Statement or any other material relating to OUE C-REIT, the Manager, the Rights Entitlements or the Rights Units in any jurisdiction other than Singapore where action for that purpose is required.

The distribution of this Offer Information Statement and/or its accompanying documents and the purchase, exercise or subscription for Rights Units may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Unitholders or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and to observe such prohibitions and restrictions at their own expense and without liability to the Manager, CDP, the Joint Lead Managers and Underwriters or any other person involved in the Rights Issue. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

CERTAIN DEFINED TERMS AND CONVENTIONS

OUE C-REIT publishes its financial statements in Singapore dollar. In this Offer Information Statement, references to “S\$”, “Singapore dollar” or “Singapore cent” are to the lawful currency of the Republic of Singapore and references to “Renminbi” or “RMB” are to the lawful currency of the People’s Republic of China. All references to dates and times are to Singapore dates and times.

Capitalised terms used in this Offer Information Statement shall have the meanings set out in the Glossary on pages 73 to 85 of this Offer Information Statement.

This Offer Information Statement contains conversions of Renminbi amounts into Singapore dollar. Unless otherwise indicated, Renminbi amounts in this Offer Information Statement have been translated into Singapore dollar, based on the exchange rate as at the relevant reporting dates. None of the foreign currency conversion rates used to present or derive information in this Offer Information Statement should be construed as representations that Renminbi amounts have been, would have been or could be converted into Singapore dollar at those rates or any other rate, at any particular rate or at all.

References of “Appendix” or “Appendices” are to the appendices set out in this Offer Information Statement.

CORPORATE INFORMATION

Directors of the Manager	: Mr. Christopher James Williams (Chairman and Non-Independent Non-Executive Director) Mr. Loh Lian Huat (Audit and Risk Committee (as defined herein) Chairman and Lead Independent Director) Dr. Lim Boh Soon (Independent Director) Ms. Usha Raneer Chandradas (Independent Director) Mr. Jonathan Miles Foxall (Non-Independent Non-Executive Director) Ms. Tan Shu Lin (Chief Executive Officer and Executive Director)
Registered Office of the Manager	: 50 Collyer Quay #04-08 OUE Bayfront Singapore 049321
Trustee of OUE C-REIT	: DBS Trustee Limited 12 Marina Boulevard Marina Bay Financial Centre Singapore 018982
Legal Adviser to the Manager	: Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Joint Lead Managers and Underwriters to the Rights Issue	: Credit Suisse (Singapore) Limited One Raffles Link #03-01/#04-01 South Lobby Singapore 039393 Oversea-Chinese Banking Corporation Limited 63 Chulia Street #10-00 Singapore 049514
Legal Adviser to the Joint Lead Managers and Underwriters to the Rights Issue as to Singapore Law	: WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser to the Joint Lead Managers and Underwriters to the Rights Issue as to U.S. Federal Securities Law	: Freshfields Bruckhaus Deringer #42-01 Ocean Financial Centre 10 Collyer Quay Singapore 049315
Legal Adviser to the Trustee	: Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624

Unit Registrar and Unit Transfer Office	: Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Valuers	: Savills Valuation and Professional Services (S) Pte. Ltd. (appointed by the Trustee) 30 Cecil Street #20-03 Prudential Tower Singapore 049712 Colliers International Consultancy & Valuation (Singapore) Pte Ltd (appointed by the Manager) 1 Raffles Place #45-00 One Raffles Place Singapore 048616
Independent Market Research Consultant	: Colliers International Consultancy & Valuation (Singapore) Pte Ltd 1 Raffles Place #45-00 One Raffles Place Singapore 048616

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Offer Information Statement. Meanings of defined terms may be found in the Glossary on pages 73 to 85 of this Offer Information Statement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

1. Overview of OUE C-REIT

OUE C-REIT is a real estate investment trust listed on the Main Board of the SGX-ST. OUE C-REIT is established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs within and outside of Singapore, as well as real estate-related assets. OUE C-REIT is managed by OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of OUE Limited (the “**Sponsor**”).

OUE C-REIT’s existing asset portfolio comprises:

- OUE Bayfront and its ancillary properties, which are located at Collyer Quay in Singapore’s Central Business District (“**CBD**”), comprising (i) OUE Bayfront, an 18-storey premium Grade A office building located at 50 Collyer Quay, (ii) OUE Tower, a conserved tower building located at 60 Collyer Quay with panoramic views of the Marina Bay landscape which is currently occupied by a fine dining restaurant, and (iii) OUE Link, an overhead pedestrian link bridge with retail units located at 62 Collyer Quay (collectively, “**OUE Bayfront**”);
- an effective interest of 67.95% in One Raffles Place, which is located at the junction of Raffles Place and Chulia Street, in the heart of Singapore’s main financial district. It is an integrated commercial development comprising (i) One Raffles Place Tower 1, a 62-storey Grade A office building with a rooftop restaurant and observation deck, (ii) One Raffles Place Tower 2, a 38-storey Grade A office building, and (iii) One Raffles Place Shopping Mall, a six-storey retail podium (collectively, “**One Raffles Place**”); and
- Lippo Plaza, which is located at 222 Huaihai Zhong Road in the commercial district of Huangpu in central Shanghai, the People’s Republic of China (the “**PRC**”). It is a 36-storey Grade A commercial building used for office and retail purposes and comprises a three-storey retail podium and basement car park lots. OUE C-REIT has a 91.2% strata ownership of Lippo Plaza (“**Lippo Plaza**”),

(collectively, the “**Existing Portfolio**”). The Existing Portfolio has a combined value of S\$3.5 billion as at 31 December 2017.

2. The Extraordinary General Meeting

The Manager had obtained the approval of Unitholders at an extraordinary general meeting of the Unitholders held on 28 September 2018 (the “**EGM**”) in respect of:

- (i) **Resolution 1 (the proposed Acquisition) (Ordinary Resolution):** OUE C-REIT’s proposed acquisition of the office components (the “**Office Components**”) of OUE Downtown comprising Strata Lot U4628V (the “**OUE Downtown 1 Office Component**”) and Strata Lot U4629P (the “**OUE Downtown 2 Office Component**”), both of Town Subdivision 30, and all the plant, machinery, equipment and all component parts in the Office Components (but excluding certain excluded furniture, fixtures and equipment)

(collectively, the “**Properties**”), from Alkas Realty Pte. Ltd. (the “**Vendor**”), a company incorporated in Singapore and wholly-owned by the Sponsor (the “**Acquisition**”) for an aggregate purchase consideration of S\$908.0 million (the “**Purchase Consideration**”), the proposed issue of new Units to the Manager for payment of its acquisition fee for the proposed Acquisition (“**Acquisition Fee**”)¹ and the entry by OUE C-REIT into the Deed of Rental Support (as defined herein) on completion of the proposed Acquisition (“**Completion**”);

- (ii) **Resolution 2 (the Rights Issue) (Ordinary Resolution)**: the Rights Issue to Eligible Unitholders to raise gross proceeds of approximately S\$587.5 million as part payment of the Purchase Consideration for the proposed Acquisition; and
- (iii) **Resolution 3 (the Payment of the Sub-Underwriting Commission) (Ordinary Resolution)**: the payment by the Joint Lead Managers and Underwriters to the Sponsor of the sub-underwriting commission (the “**Sub-Underwriting Commission**”) of 1.80% of the Rights Issue Price multiplied by 66% of the total number of the Underwritten Rights Units (as defined herein) (the “**Sub-Underwritten Rights Units**”) under the sub-underwriting agreement (the “**Sub-Underwriting Agreement**”) entered into between the Sponsor and Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited, as Joint Lead Managers and Underwriters to the Rights Issue, in relation to the Rights Issue (the “**Payment of the Sub-Underwriting Commission**”). “**Underwritten Rights Units**” means the Rights Units excluding the Rights Units which are the subject of the Sponsor Irrevocable Undertaking (as defined herein),

(collectively, the “**Transactions**”).

In connection with the proposed Acquisition, the Trustee has on 10 September 2018 entered into a put and call option agreement with the Vendor in respect of the Properties (the “**PCOA**”).

3. The Proposed Acquisition of the Office Components of OUE Downtown

The Properties are part of OUE Downtown. OUE Downtown is a recently refurbished landmark mixed-use development on 6 Shenton Way and 6A Shenton Way comprising two high-rise towers, being a 50-storey building (OUE Downtown 1) and a 37-storey building (OUE Downtown 2), as well as a retail podium and a multi-storey car park.

OUE Downtown is strategically located in Shenton Way, at the financial corridor between Raffles Place and Tanjong Pagar, and is close to the Tanjong Pagar, Downtown as well as the upcoming Shenton Way and Prince Edward Mass Rapid Transit (“**MRT**”) stations. Shenton Way is one of the primary office locations within the CBD, and Tanjong Pagar is part of the Urban Redevelopment Authority’s (“**URA**”) long-term plans² for development into an enviable “live, work and play” environment.

1 As the proposed Acquisition is an “interested party transaction” under Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (the “**Property Funds Appendix**”), the Acquisition Fee will be in the form of Units (“**Acquisition Fee Units**”) which shall not be sold within one year of the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

2 Based on the URA’s Master Plan 2014. Source: <https://www.ura.gov.sg/Corporate/Planning/Master-Plan/Regional-Highlights/Central-Area> (last accessed on the Latest Practicable Date (as defined herein)). The URA has not provided its consent to the inclusion of the information extracted from the relevant report published by it and is therefore not liable for such information. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by the URA is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Manager nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

OUE Downtown has a total gross floor area (“**GFA**”) of about 1.24 million square feet (“**sq ft**”), a total net lettable area (“**NLA**”) of about 867,000 sq ft and a total of 355 car park lots. The retail podium, named Downtown Gallery, comprises approximately 150,000 sq ft of premium retail space over six levels and features an extensive mix of tenants. Oakwood Premier OUE Singapore, which is the serviced residence component, also forms part of OUE Downtown 1. For the avoidance of doubt, the multi-storey car park, together with Oakwood Premier OUE Singapore and the retail podium, will not be acquired as part of the proposed Acquisition.

Major asset enhancement works were carried out at OUE Downtown in the past two years. These include the conversion of 26 floors of office space to serviced residences at OUE Downtown 1, the conversion of the podium with an auditorium to a retail mall, the upgrading of office lobbies for both towers as well as the upgrading and replacement of major mechanical and electrical equipment. During this period, the Properties continued to be operational.

The OUE Downtown 1 Office Component comprises Grade A office space from the 35th to 46th storeys whilst the OUE Downtown 2 Office Component comprises Grade A office space from the 7th to 34th storeys. The Properties enjoy an established blue-chip tenant base which includes reputable insurance, financial, information and technology, media and telecommunications companies and multi-national corporations (“**MNCs**”).

The table below sets out a summary of selected information on the Properties:

Properties	OUE Downtown 1 Office Component and OUE Downtown 2 Office Component
Location	6 Shenton Way, Singapore 068809 and 6A Shenton Way, Singapore 068815 (Strata Lot U4628V and Strata Lot U4629P, both of Town Subdivision 30)
Head Title	99-year leasehold title commencing 19 July 1967
Strata Area	<p>OUE Downtown 1 Office Component (Strata Lot U4628V): Approximately 11,553 square metres (“sq m”) (124,355 sq ft)</p> <p>OUE Downtown 2 Office Component (Strata Lot U4629P): Approximately 51,513 sq m (554,481 sq ft)</p>
Share Value	5,316 shares representing 53.16% of the total share value of the strata lots in OUE Downtown
GFA	<p>OUE Downtown 1 Office Component: Approximately 14,990 sq m (161,351 sq ft)</p> <p>OUE Downtown 2 Office Component: Approximately 54,932 sq m (591,283 sq ft)</p> <p>Total GFA: Approximately 69,922 sq m (752,634 sq ft)</p>

NLA	<p>OUE Downtown 1 Office Component: Approximately 8,213 sq m (88,400 sq ft)</p> <p>OUE Downtown 2 Office Component: Approximately 41,024 sq m (441,581 sq ft)</p> <p>Total NLA: Approximately 49,237 sq m (529,981 sq ft)</p>
Committed Occupancy as at 30 June 2018	95.1%
Weighted Average Lease Expiry as at 30 June 2018	<p>By Gross Rental Income (as defined herein): 2.0 years</p> <p>By NLA: 2.0 years</p>

The Purchase Consideration payable to the Vendor in connection with the proposed Acquisition is S\$908.0 million. The Purchase Consideration has been negotiated on a willing-buyer and willing-seller basis, after taking into account the independent valuations of the Properties by Savills Valuation and Professional Services (S) Pte. Ltd. ("**Savills**") and Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("**Colliers**", and together with Savills, the "**Independent Valuers**").

The estimated total cost of the proposed Acquisition (the "**Total Acquisition Cost**") is approximately S\$955.9 million, comprising:

- (i) the Purchase Consideration of S\$908.0 million;
- (ii) the Acquisition Fee payable to the Manager for the proposed Acquisition pursuant to the trust deed dated 10 October 2013 constituting OUE C-REIT (as amended) (the "**Trust Deed**") of approximately S\$6.8 million (being 0.75% of the Purchase Consideration); and
- (iii) the estimated debt and/or equity financing related costs, stamp duty, professional and other fees and expenses incurred or to be incurred by OUE C-REIT in connection with the proposed Acquisition of approximately S\$41.1 million.

In order to align the rental rates of the Properties to prevailing market rates, the Sponsor and the Vendor will be entering into a deed of rental support with the Trustee (the "**Deed of Rental Support**"), pursuant to which the Vendor will provide a rental support arrangement in relation to the Properties (the "**Rental Support**") for the period from the date of Completion (the "**Completion Date**") to (i) the day immediately preceding the fifth anniversary date of the Completion Date, or (ii) the date when the aggregate of all rental support payments payable to OUE C-REIT under the Deed of Rental Support exceeds S\$60.0 million, whichever is earlier. Any applicable goods and services tax chargeable under the Goods and Services Tax Act, Chapter 117A of Singapore ("**GST**") on the rental support payments shall be borne and paid separately by the Vendor. The Sponsor shall guarantee the Vendor's obligations under the Deed of Rental Support.

(See the section entitled "Information Relating to the Proposed Acquisition" for further details relating to the proposed Acquisition.)

4. The Rights Issue

The Rights Issue comprises an offer of 1,288,438,981 Rights Units on a fully underwritten (less the Rights Units which are the subject of the Sponsor Irrevocable Undertaking) and renounceable basis to Eligible Unitholders based on the Rights Ratio of 83 Rights Units for every 100 Units in OUE C-REIT held as at the Books Closure Date (fractional entitlements to be disregarded), at a Rights Issue Price of S\$0.456 per Rights Unit, to raise gross proceeds of approximately S\$587.5 million as part payment of the Purchase Consideration for the proposed Acquisition.

The Rights Issue would provide Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units at the Rights Issue Price, which is at a discount of:

- (i) approximately 31.4% to the closing price of S\$0.665 per Unit on the SGX-ST on 10 September 2018, being the last trading day of the Units prior to the announcement of the Rights Issue (“**Closing Price**”);
- (ii) approximately 20.0% to the theoretical ex-rights price (“**TERP**”) of S\$0.570 per Unit which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of OUE C-REIT based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Units in issue after the Rights Issue}^1}$$

; and

- (iii) approximately 34.9% to the *pro forma* NAV per Unit after completion of the Transactions of S\$0.70 per Unit as at 31 December 2017; and

for the avoidance of doubt, the Manager will not be relying on the general mandate (the “**General Mandate**”) that was obtained by the Manager from Unitholders at the annual general meeting of Unitholders held on 24 April 2018 to issue the Rights Units.

5. Rationale for the Rights Issue

As stated in the circular to Unitholders dated 10 September 2018 (the “**Circular**”), the Manager intends to use the gross proceeds from the Rights Issue to partially fund the proposed Acquisition. Approval of the Unitholders in relation to the proposed Acquisition has been obtained at the EGM.

The Rights Issue would provide Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units at the Rights Issue Price which is at a discount of (i) approximately 31.4% to the Closing Price of S\$0.665 per Unit and (ii) approximately 20.0% to the TERP of S\$0.570 per Unit. Eligible Unitholders who do not wish to subscribe for the Rights Units may choose to sell their Rights Entitlements during the “nil-paid” rights trading period to realise the value of their Rights Entitlements.

The Rights Issue will increase the number of Units in issue by 1,288,438,981 Units. The increase in the total number of Units in issue pursuant to the Rights Issue may facilitate improvement in the trading liquidity of the Units on the SGX-ST after the Rights Issue.

¹ Comprising the Existing Units and the Rights Units.

6. Use of Proceeds

The Rights Issue is expected to raise gross proceeds of approximately S\$587.5 million and net proceeds of approximately S\$580.6 million. For each dollar of the gross proceeds of approximately S\$587.5 million that will be raised from the Rights Issue, the Manager intends to allocate the proceeds from the Rights Issue in the following manner:

- (i) approximately 93.6 cents (equivalent to approximately S\$550.1 million) will be used to part finance the Purchase Consideration;
- (ii) approximately 1.2 cents (equivalent to approximately S\$6.9 million) will be used to pay the total costs and expenses relating to the Rights Issue; and
- (iii) approximately 5.2 cents (equivalent to approximately S\$30.5 million) will be used to pay the stamp duty, professional and other fees and expenses incurred or to be incurred by OUE C-REIT in connection with the proposed Acquisition and for general corporate funding purposes.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes.

Pending deployment, the net proceeds from the Rights Issue may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Rights Issue via SGXNET as and when such funds are materially utilised and provide a status report on the use of the proceeds from the Rights Issue in the annual reports of OUE C-REIT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

It should be noted that OUE C-REIT is currently not under pressure from its bankers to repay any of its existing borrowings and has sufficient resources to meet its current capital commitments. The Manager is of the opinion that, after taking into consideration OUE C-REIT's internal resources, its available loan facilities and the net proceeds of the Rights Issue, the working capital available to OUE C-REIT is sufficient to meet its present obligations as and when they fall due.

7. Commitment of the Sponsor

To demonstrate its support for OUE C-REIT and the Rights Issue, the Sponsor, which, through its wholly-owned subsidiaries, Clifford Development Pte. Ltd. ("**CDPL**") and the Manager (in its own capacity), owns 867,508,422 Units representing approximately 55.9% of the total number of existing Units as at 28 September 2018, being the latest practicable date prior to the lodgement of the Offer Information Statement (the "**Latest Practicable Date**") (the "**Existing Units**"), has on 10 September 2018 provided to the Manager and the Joint Lead Managers and Underwriters an irrevocable undertaking (the "**Sponsor Irrevocable Undertaking**") that, among other things:

- (i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), it will vote and/or procure that its wholly-owned subsidiaries vote (in respect of all Units beneficially owned by it or its wholly-owned subsidiaries) in

favour of the resolution to approve the proposed issue of up to 1,288,438,981 Rights Units under the Rights Issue at the EGM and such other resolutions necessary or expedient for the purposes of the Rights Issue; and

- (ii) it will accept and/or procure that CDPL and the Manager or, as the case may be, their nominees(s) or custodian(s) (collectively, the “**Relevant Entities**”) subscribe, and/or procure one or more of its existing subsidiaries and/or new subsidiaries/entities set up by the Sponsor to hold Units, to subscribe and pay in full for the Relevant Entities’ total provisional allotments of Rights Units.

8. Underwriting of the Rights Issue

Save for the Rights Units which are the subject of the Sponsor Irrevocable Undertaking, the Rights Issue is fully underwritten by the Joint Lead Managers and Underwriters, on the terms and conditions of the underwriting agreement entered into between the Manager and the Joint Lead Managers and Underwriters on 10 September 2018 (the “**Underwriting Agreement**”). Pursuant to the Underwriting Agreement, each of the Joint Lead Managers and Underwriters has agreed, subject to the terms and conditions of the Underwriting Agreement to subscribe for, and/or procure the subscription for, at the Rights Issue Price, the Underwritten Rights Units. The Joint Lead Managers and Underwriters will be entitled to a commission of 2.25% of the Rights Issue Price multiplied by the total number of Underwritten Rights Units (the “**Underwriting Commission**”).

The Underwriting Agreement may be terminated upon the occurrence of certain events, including breaches by the Manager of certain terms of the Underwriting Agreement, certain material adverse changes relating to OUE C-REIT and events of a *force majeure* nature. However, each of the Joint Lead Managers and Underwriters will not be entitled to rely on *force majeure* to terminate the Underwriting Agreement on or after the date on which ex-rights trading commences, in compliance with Rule 818 of the Listing Manual.

9. The Payment of the Sub-Underwriting Commission

In connection with the Rights Issue and the Underwriting Agreement, the Sponsor has entered into the Sub-Underwriting Agreement with the Joint Lead Managers and Underwriters pursuant to which it has agreed, on the terms and conditions of the Sub-Underwriting Agreement, to subscribe and pay for the Sub-Underwritten Rights Units to the extent that such Sub-Underwritten Rights Units are not successfully subscribed for under the Rights Issue (the “**Sub-Underwriting Commitment**”).

In consideration of the Sub-Underwriting Commitment, the Joint Lead Managers and Underwriters have agreed to pay the Sub-Underwriting Commission of 1.80% of the Rights Issue Price multiplied by the total number of Sub-Underwritten Rights Units to the Sponsor.

As at the Latest Practicable Date, the Sponsor’s aggregate interest, direct and deemed, in the Unitholdings of OUE C-REIT is approximately 55.9%.

10. Status of the Rights Issue

OUE C-REIT’s current policy is to distribute its amount available for distribution on a semi-annual basis to Unitholders. The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the Units in issue as at the date of issue of the Rights Units.

Eligible Unitholders who validly accept, in full, their Rights Entitlements, will receive distributions in respect of the period from 1 July 2018 to 31 December 2018 to which they would have been entitled had the Rights Issue not occurred. Eligible Unitholders who decide not to accept in full their Rights Entitlements can, where applicable, make arrangements to trade their Rights Entitlements on the SGX-ST under the book-entry (scripless) settlement system.

For Ineligible Unitholders, the Manager may, at its absolute discretion and if it is practicable to do so, arrange for the Rights Entitlements which would otherwise have been provisionally allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. There is no guarantee that such sale will be successful, and even if successful, the proceeds of any such sale may not be sufficient to compensate him fully for the dilution of his Unitholding as a result of the Rights Issue. (See the section entitled “Eligibility of Unitholders to Participate in the Rights Issue – Ineligible Unitholders”.)

PRINCIPAL TERMS OF THE RIGHTS ISSUE

The following principal terms and conditions of the Rights Issue are derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and are qualified in their entirety by reference to information appearing elsewhere in this Offer Information Statement.

Issue Size	:	1,288,438,981 Rights Units.
		The Rights Issue is expected to raise gross proceeds of approximately S\$587.5 million and net proceeds of approximately S\$580.6 million.
Basis of Provisional Allotments	:	Each Eligible Unitholder is entitled to subscribe for 83 Rights Units for every 100 Units standing to the credit of his Securities Account with CDP as at the Books Closure Date, fractional entitlements to be disregarded.
Rights Issue Price	:	S\$0.456 for each Rights Unit.
		The Rights Units are payable in full upon acceptance and/or application.
Administrative Fee	:	An administrative fee will be incurred by applicants for each Electronic Application made through the ATMs of the Participating Banks.
Status of the Rights Units	:	<p>The Rights Units will, upon allotment and issue, rank <i>pari passu</i> in all respects with the Units in issue as at the date of issue of the Rights Units. Eligible Unitholders who validly accept, in full, their Rights Entitlements, will receive distributions in respect of the period from 1 July 2018 to 31 December 2018 to which they would have been entitled had the Rights Issue not occurred.</p> <p>Eligible Unitholders who decide not to accept in full their Rights Entitlements can, where applicable, make arrangements to trade them on the SGX-ST under the book-entry (scripless) settlement system. The Manager may also, at its absolute discretion, make arrangements for the Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST under the book-entry (scripless) settlement system.</p> <p>Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that the proceeds from such sales can at least cover the expenses to be incurred in relation thereto.</p>

Eligible Unitholders : Eligible Unitholders are Unitholders with Units standing to the credit of their Securities Accounts and (a) whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents; or (b) who the Manager, on behalf of OUE C-REIT, may determine, may be offered Rights Units without breaching applicable securities laws.

Eligibility of Unitholders to participate in the Rights Issue : Eligible Unitholders are at liberty to accept in part or in full, decline, renounce or trade on the SGX-ST (during the “nil-paid” rights trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for the Excess Rights Units. (See the section entitled “Eligibility of Unitholders to Participate in the Rights Issue” for further details.)

Rights Entitlements of Eligible Unitholders : Eligible Unitholders will receive their Rights Entitlements and are at liberty to accept in part or in full, decline, renounce or trade on the SGX-ST (during the “nil-paid” rights trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for the Excess Rights Units on 9 October 2018 from 9.00 a.m. up to the Closing Date as set out in the section entitled “Timetable of Key Events”.

Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his Rights Entitlements and make payment for the Rights Units.

Each Eligible Unitholder may, among other things, choose to:

- (i) accept all or a portion of his Rights Entitlements;
- (ii) renounce all or a portion of his Rights Entitlements in favour of a third party; and/or
- (iii) trade all or a portion of his Rights Entitlements.

In addition, each Eligible Unitholder may also apply for Excess Rights Units.

The procedures for acceptance, payment, renunciation and application for Rights Units and/or Excess Rights Units by Eligible Unitholders are set out in **Appendix D – Procedures for Acceptance, Payment and Excess Application by Eligible Unitholders** and in **Appendix F – Additional Terms and Conditions for Electronic Applications**.

Ineligible Unitholders : No provisional allotment of Rights Units will be made to Ineligible Unitholders and no purported acceptance thereof or application for Excess Rights Units therefor by Ineligible Unitholders will be valid.

Ineligible Unitholders should refer to the section entitled “Eligibility of Unitholders to Participate in the Rights Issue – Ineligible Unitholders”.

Trading of the Rights Units/Rights Entitlements : Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST can do so for the period commencing on 9 October 2018 from 9.00 a.m., being the date and time of commencement of the Rights Entitlements trading, and ending on 17 October 2018 at 5.00 p.m., being the last date and time of the Rights Entitlements trading.

Upon the listing of and quotation for the Rights Units on the Main Board of the SGX-ST, the Rights Units will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Units will comprise 100 Units. All dealings in and transactions (including transfers) of the Rights Units effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Account with CDP”, as the same may be amended from time to time, copies of which are available from CDP. Eligible Unitholders can trade in odd lots of Units on the SGX-ST’s Unit Share Market¹.

¹ “Unit Share Market” refers to the ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit.

Manner of Refund	:	<p>When any acceptance of Rights Entitlements and/or Excess Rights Units application is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within three Market Days after the commencement of trading of the Rights Units by any one or a combination of the following:</p> <ul style="list-style-type: none"> (i) where the acceptance and/or application had been made through CDP, by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses maintained with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions; and (ii) where the acceptance and/or application had been made through Electronic Applications, by crediting their bank accounts with the relevant Participating Banks at their own risk, the receipt by such bank being a good discharge of the obligations of the Manager, the Joint Lead Managers and Underwriters and CDP.
Trading of Odd Lots of Units	:	Eligible Unitholders who hold odd lots of Units (that is, lots other than board lots of 100 Units) and who wish to trade in odd lots are able to trade odd lots of Units on the SGX-ST's Unit Share Market.
Underwriting	:	<p>Save for the Rights Units which are the subject of the Sponsor Irrevocable Undertaking, the Rights Issue is fully underwritten by the Joint Lead Managers and Underwriters, on the terms and conditions of the Underwriting Agreement.</p> <p>(See the sections entitled "Summary – Underwriting of the Rights Issue" and "Summary – Commitment of the Sponsor" for further details.)</p>
Sub-Underwriting	:	<p>In connection with the Rights Issue and the Underwriting Agreement, the Sponsor has entered into the Sub-Underwriting Agreement with the Joint Lead Managers and Underwriters pursuant to which it has agreed, on the terms and conditions of the Sub-Underwriting Agreement, to subscribe and pay for the Sub-Underwritten Rights Units to the extent that such Sub-Underwritten Rights Units are not successfully subscribed for under the Rights Issue.</p> <p>(See the section entitled "Summary – The Payment of the Sub-Underwriting Commission" for further details.)</p>

Listing of the Rights Units : Approval in-principle has been obtained from the SGX-ST on 10 September 2018 for the listing and quotation of the Rights Units on the Main Board of the SGX-ST and the Rights Issue.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, OUE C-REIT and/or its subsidiaries.

Unitholders who are CPFIS investors, SRS investors or who hold Units through a finance company and/or Depository Agent : CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled “Important Notice to (A) CPFIS investors, (B) SRS Investors and (C) Investors who hold Units through a Finance Company and/or Depository Agent” of this Offer Information Statement for important details.

Governing Law : Laws of the Republic of Singapore.

AS THE RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE RIGHTS ENTITLEMENTS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR, TRADED ON THE SGX-ST DURING THE “NIL-PAID” RIGHTS TRADING PERIOD.

TIMETABLE OF KEY EVENTS

The timetable for the Rights Issue is set out below.

Event	Date and Time
Last day of “cum-rights” trading for the Rights Issue	: 1 October 2018
First day of “ex-rights” trading for the Rights Issue	: 2 October 2018
Rights Issue Books Closure Date	: 4 October 2018 at 5.00 p.m.
Despatch of this Offer Information Statement (together with the application forms) to Eligible Unitholders	: 9 October 2018
Commencement of trading of Rights Entitlements	: 9 October 2018 from 9.00 a.m.
Close of trading of Rights Entitlements	: 17 October 2018 at 5.00 p.m.
Closing Date:	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Units ⁽¹⁾	: 23 October 2018 at 5.00 p.m. ⁽²⁾ (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Units ⁽¹⁾	: 23 October 2018 at 5.00 p.m. ⁽²⁾ (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment by the renouncee ⁽¹⁾	: 23 October 2018 at 5.00 p.m. ⁽³⁾ (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Expected date of issue of Rights Units	: 30 October 2018
Expected date for crediting of Rights Units	: 31 October 2018
Expected date of commencement of trading of the Rights Units on the SGX-ST	: 31 October 2018 from 9.00 a.m.

Notes:

- (1) This does not apply to CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent. CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled “Important Notice to (A) CPFIS Investors, (B) SRS Investors and (C) Investors who hold Units through a Finance Company and/or Depository Agent”. Any application made by these investors directly through CDP or through ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected. Such investors, where applicable, will receive notification letter(s) from their respective agent bank, approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective agent bank, approved bank, finance company and/or Depository Agent.
- (2) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units, as the case may be, are made through CDP in accordance with the ARE and the ARS.
- (3) Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires at least three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce their Rights Entitlements are advised to do so early to allow sufficient time for the renouncee to accept his Rights Entitlements and make payment for Rights Units.

The above timetable is indicative only and subject to change. The Manager may, in consultation with the Joint Lead Managers and Underwriters and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will announce the same via the SGXNET. However, as at the date of this Offer Information Statement, the Manager does not expect the above timetable to be modified.

RESULTS OF THE ALLOTMENT

The Manager will announce the results of the Rights Issue through an SGXNET announcement to be posted on the SGX-ST website at www.sgx.com.

CREDITING OF RIGHTS ENTITLEMENTS AND RIGHTS UNITS

The Rights Entitlements will be provisionally allotted to Eligible Unitholders on or about 8 October 2018 by crediting the Rights Entitlements to the Eligible Unitholders' Securities Accounts. The Rights Units will be credited on or about 31 October 2018.

In the case of Eligible Unitholders and their renounees with valid acceptances and (where applicable) successful applications for Excess Rights Units, a notification letter representing such number of Rights Units will be sent by CDP within 10 Market Days after the Closing Date.

(See **Appendix D** for further details relating to the procedures for acceptance, payment and application for Rights Units and/or Excess Rights Units by Eligible Unitholders.)

OVERVIEW OF OUE C-REIT

BACKGROUND OF OUE C-REIT

OUE Commercial Real Estate Investment Trust is a real estate investment trust listed on the Main Board of the SGX-ST. OUE C-REIT is established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs within and outside of Singapore, as well as real estate-related assets.

OUE C-REIT is managed by OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of the Sponsor.

OUE C-REIT's Existing Portfolio comprises:

- OUE Bayfront and its ancillary properties, which are located at Collyer Quay in Singapore's CBD, comprising (i) OUE Bayfront, an 18-storey premium Grade A office building located at 50 Collyer Quay, (ii) OUE Tower, a conserved tower building located at 60 Collyer Quay with panoramic views of the Marina Bay landscape which is currently occupied by a fine dining restaurant, and (iii) OUE Link, an overhead pedestrian link bridge with retail units located at 62 Collyer Quay;
- an effective interest of 67.95% in One Raffles Place, which is located at the junction of Raffles Place and Chulia Street, in the heart of Singapore's main financial district. It is an integrated commercial development comprising (i) One Raffles Place Tower 1, a 62-storey Grade A office building with a rooftop restaurant and observation deck, (ii) One Raffles Place Tower 2, a 38-storey Grade A office building, and (iii) One Raffles Place Shopping Mall, a six-storey retail podium; and
- Lippo Plaza, which is located at 222 Huaihai Zhong Road in the commercial district of Huangpu in central Shanghai, the PRC. It is a 36-storey Grade A commercial building used for office and retail purposes and comprises a three-storey retail podium and basement car park lots. OUE C-REIT has a 91.2% strata ownership of Lippo Plaza.

The Existing Portfolio has a combined value of S\$3.5 billion as at 31 December 2017.

GENERAL DEVELOPMENT OF OUE C-REIT

The general development of the business of OUE C-REIT from 1 January 2015 to the Latest Practicable Date is set out below. Save as disclosed below, to the best of the Manager's knowledge and belief, there have been no material changes in the affairs of OUE C-REIT since the release of OUE C-REIT's financial results for 1H 2018.

Date	Significant developments
29 April 2015	: OUE C-REIT held its first annual general meeting.
10 June 2015	: The Manager announced OUE C-REIT's proposed acquisition of an indirect interest in One Raffles Place.
29 June 2015	: The Manager announced that it was undertaking an underwritten and renounceable rights issue of 393,305,817 new units in OUE C-REIT to raise gross proceeds of approximately S\$218.3 million (" 2015 Rights Issue ").

Date	Significant developments
27 July 2015	: OUE C-REIT held an EGM to seek approval from Unitholders for the proposed acquisition of an indirect interest in One Raffles Place and the proposed issue of convertible perpetual preferred units (“ CPPUs ”) and the proposed trust deed supplement for the issue of CPPUs.
4 August 2015	: The Manager announced that it had issued an aggregate of 393,305,817 Units to raise gross proceeds of approximately S\$218.3 million pursuant to the 2015 Rights Issue.
20 August 2015	: The Manager announced that OUE CT Treasury Pte. Ltd. (“ OUE CT Treasury ”), a wholly-owned subsidiary of DBS Trustee Limited (in its capacity as trustee of OUE C-REIT), had established a S\$1,500,000,000 Multicurrency Medium Term Note Programme (the “ MTN Programme ”).
8 October 2015	: The Manager announced the completion of its acquisition of an indirect interest in One Raffles Place and the use of proceeds from the 2015 Rights Issue.
19 April 2016	: OUE C-REIT held its second annual general meeting.
8 March 2017	: The Manager announced its proposal to issue 155,521,000 new Units in OUE C-REIT pursuant to a private placement of new Units at an issue price of S\$0.643 per new Unit to raise gross proceeds of approximately S\$100.0 million. This was subject to an upsize option where the Manager could, together with the placement agent, decide to increase the size of the private placement so as to raise additional gross proceeds of up to S\$50.0 million by issuing up to an additional 77,760,400 new Units in OUE C-REIT such that the total gross proceeds of the Private Placement would amount up to approximately S\$150.0 million.
17 March 2017	: The Manager announced that it had issued 233,281,400 new Units at an issue price of S\$0.643 per new Unit in connection with the private placement which was announced on 8 March 2017.
21 April 2017	: OUE C-REIT held its third annual general meeting.
24 August 2017	: The Manager announced that OUE CT Treasury proposes to issue S\$150,000,000 3.03 per cent. notes due 5 September 2020.
5 September 2017	: The Manager announced that OUE CT Treasury had issued the S\$150,000,000 3.03 per cent. notes due 5 September 2020.
2 October 2017	: The Manager announced that it would be carrying out a redemption of 75,000,000 CPPUs of OUE C-REIT at the issue price of the CPPUs which is one Singapore dollar for each CPPU.
2 November 2017	: The Manager announced that it had redeemed 75,000,000 CPPUs of OUE C-REIT.
1 December 2017	: The Manager announced that it would be carrying out a redemption of 100,000,000 CPPUs of OUE C-REIT at the issue price of the CPPUs which is one Singapore dollar for each CPPU.
2 January 2018	: The Manager announced that it had redeemed 100,000,000 CPPUs of OUE C-REIT.
24 April 2018	: OUE C-REIT held its fourth annual general meeting.

Date	Significant developments
10 September 2018	: The Manager announced the proposed Acquisition, the proposed underwritten and renounceable Rights Issue to raise gross proceeds of approximately S\$587.5 million and the proposed Payment of the Sub-Underwriting Commission.
10 September 2018	: The Manager announced the adjustment of the conversion price of the CPPUs from S\$0.841 for each CPPU to S\$0.7154 for each CPPU.
28 September 2018	: OUE C-REIT held an EGM at which the Manager obtained the approval from Unitholders for the proposed Acquisition, the proposed Rights Issue and the proposed Payment of the Sub-Underwriting Commission.

Latest Valuation

The latest valuation of the properties comprising the Existing Portfolio as at 31 December 2017 is S\$3,515.1 million, which represents an increase of S\$106.6 million (or approximately 3.1%) from the valuation of the Existing Portfolio of S\$3,408.5 million as at 31 December 2016.

The Manager of OUE C-REIT

The manager of OUE C-REIT is OUE Commercial REIT Management Pte. Ltd. and its registered office is located at 50 Collyer Quay #04-08, OUE Bayfront, Singapore 049321. The names and addresses of the Directors are set out below.

Name	Position	Address
Mr. Christopher James Williams	Chairman and Non-Independent Non-Executive Director	c/o 50 Collyer Quay #04-08, OUE Bayfront, Singapore 049321
Mr. Loh Lian Huat	Audit and Risk Committee Chairman and Lead Independent Director	c/o 50 Collyer Quay #04-08, OUE Bayfront, Singapore 049321
Dr. Lim Boh Soon	Independent Director	c/o 50 Collyer Quay #04-08, OUE Bayfront, Singapore 049321
Ms. Usha Ranee Chandradas	Independent Director	c/o 50 Collyer Quay #04-08, OUE Bayfront, Singapore 049321
Mr. Jonathan Miles Foxall	Non-Independent Non-Executive Director	c/o 50 Collyer Quay #04-08, OUE Bayfront, Singapore 049321
Ms. Tan Shu Lin	Chief Executive Officer and Executive Director	c/o 50 Collyer Quay #04-08, OUE Bayfront, Singapore 049321

Information on the Units

As at the Latest Practicable Date, there were 1,552,336,122 Existing Units.

Substantial Unitholders of OUE C-REIT and their Unitholdings

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders of OUE C-REIT¹ and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total Interest (No. of Units)	%
	No. of Units held	%	No. of Units held	%		
CDPL	804,153,700	51.80	–	–	804,153,700	51.80
OUE Limited	–	–	867,508,422 ⁽¹⁾	55.88	867,508,422 ⁽¹⁾	55.88
OUE Realty Pte. Ltd. (“ OUE ”)	–	–	867,508,422 ⁽²⁾	55.88	867,508,422	55.88
Golden Concord Asia Limited (“ G ”)	–	–	867,508,422 ⁽³⁾	55.88	867,508,422	55.88
Fortune Code Limited (“ F ”)	–	–	867,508,422 ⁽⁴⁾	55.88	867,508,422	55.88
Lippo ASM Asia Property Limited (“ LA ”)	–	–	867,508,422 ⁽⁵⁾	55.88	867,508,422	55.88
Pacific Landmark Holdings Limited (“ Pacific Landmark ”)	–	–	867,508,422 ⁽⁶⁾	55.88	867,508,422	55.88
HKC Property Investment Holdings Limited (“ HKC Property ”)	–	–	867,508,422 ⁽⁷⁾	55.88	867,508,422	55.88
Hongkong Chinese Limited (“ H ”)	90,000	0.006	867,508,422 ⁽⁸⁾	55.88	867,598,422	55.89
Hennessy Holdings Limited (“ H ”)	–	–	867,598,422 ⁽⁹⁾	55.89	867,598,422	55.89
Prime Success Limited (“ P ”)	–	–	867,598,422 ⁽¹⁰⁾	55.89	867,598,422	55.89
Lippo Limited (“ L ”)	–	–	869,298,822 ⁽¹¹⁾	55.99	869,298,822	55.99
Lippo Capital Limited (“ L ”)	–	–	869,298,822 ⁽¹²⁾	55.99	869,298,822	55.99
Lippo Capital Holdings Company Limited (“ L ”)	–	–	869,298,822 ⁽¹³⁾	55.99	869,298,822	55.99
Lippo Capital Group Limited (“ L ”)	–	–	869,298,822 ⁽¹⁴⁾	55.99	869,298,822	55.99

¹ The Substantial Unitholders do not have different voting rights from ordinary Unitholders.

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total Interest (No. of Units)	%
	No. of Units held	%	No. of Units held	%		
Dr. Stephen Riady	–	–	869,298,822 ⁽¹⁵⁾	55.99	869,298,822	55.99
PT Trijaya Utama Mandiri (“PT Trijaya”)	–	–	869,298,822 ⁽¹⁶⁾	55.99	869,298,822	55.99
Mr. James Tjahaja Riady	–	–	869,298,822 ⁽¹⁷⁾	55.99	869,298,822	55.99
Admiralty Station Management Limited (“Admiralty”)	–	–	867,508,422 ⁽¹⁸⁾	55.88	867,508,422	55.88
ASM Asia Recovery (Master) Fund (“AARMF”)	–	–	867,508,422 ⁽¹⁹⁾	55.88	867,508,422	55.88
ASM Asia Recovery Fund (“AARF”)	–	–	867,508,422 ⁽²⁰⁾	55.88	867,508,422	55.88
Argyle Street Management Limited (“ASML”)	–	–	867,508,422 ⁽²¹⁾	55.88	867,508,422	55.88
Argyle Street Management Holdings Limited (“ASMHL”)	–	–	867,508,422 ⁽²²⁾	55.88	867,508,422	55.88
Kin Chan (“KC”)	–	–	867,508,422 ⁽²³⁾	55.88	867,508,422	55.88
V-Nee Yeh (“VY”)	–	–	867,508,422 ⁽²⁴⁾	55.88	867,508,422	55.88
Tang Gordon @ Tang Yigang @ Tang Gordon (“GT”)	158,662,485 ⁽²⁵⁾	10.22	54,400,000 ⁽²⁶⁾	3.50	213,062,485	13.72
Celine Tang @ Chen Huaidan @ Celine Tang (“CT”)	95,115,200 ⁽²⁷⁾	6.13	–	–	95,115,200	6.13
Yang Chanzhen @ Janet Yeo (“JY”)	70,000,000	4.51	59,147,187 ⁽²⁸⁾	3.81	129,147,187	8.32

Notes:

- (1) OUE Limited is the holding company of the Manager and CDPL, and has a deemed interest in the Units held by the Manager and CDPL.
- (2) OUER is the immediate holding company of OUE Limited and has a deemed interest in the Units in which OUE Limited has a deemed interest.
- (3) GCAL has a deemed interest in the Units through the deemed interests of its wholly-owned subsidiary, OUER.
- (4) FCL has a deemed interest in the Units through the deemed interests of its wholly-owned subsidiary, GCAL.
- (5) LAAPL is deemed to have an interest in the Units in which its subsidiary, FCL, has a deemed interest.

- (6) LAAPL is jointly held by Pacific Landmark and Admiralty. Accordingly, Pacific Landmark is deemed to have an interest in the Units in which LAAPL has a deemed interest.
- (7) HKC Property is the immediate holding company of Pacific Landmark. Accordingly, HKC Property is deemed to have an interest in the Units in which Pacific Landmark has a deemed interest.
- (8) HCL is an intermediate holding company of Pacific Landmark. Accordingly, HCL is deemed to have an interest in the Units in which Pacific Landmark has a deemed interest, as well as a direct interest in 90,000 Units (the “**HCL Direct Units**”).
- (9) HHL is an intermediate holding company of Pacific Landmark and the immediate holding company of HCL. Accordingly, HHL is deemed to have an interest in the Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Direct Units.
- (10) PSL is an intermediate holding company of Pacific Landmark and HCL. Accordingly, PSL is deemed to have an interest in the Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Direct Units.
- (11) LL is an intermediate holding company of Pacific Landmark and HCL. Accordingly, LL is deemed to have an interest in the Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Direct Units together with a deemed interest in the 1,700,400 Units held by Hongkong China Treasury Limited, a subsidiary of LL (the “**HKCTL Units**”).
- (12) LCL is an intermediate holding company of Pacific Landmark and HCL and the immediate holding company of LL. Accordingly, LCL is deemed to have an interest in the Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Direct Units together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (13) LCH is an intermediate holding company of Pacific Landmark, HCL and LL. Accordingly, LCH is deemed to have an interest in the Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Direct Units together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (14) LCG is the holding company of LCH, which in turn is an intermediate holding company of Pacific Landmark, HCL and LL. Accordingly, LCG is deemed to have an interest in the Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Direct Units together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (15) Dr. Stephen Riady holds 100% of the issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of Pacific Landmark, HCL and LL. Accordingly, Dr. Stephen Riady is deemed to have an interest in the Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Direct Units together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (16) PT Trijaya holds more than 20.0% of the shares in LCL, which in turn is an intermediate holding company of Pacific Landmark, HCL and LL. Accordingly, PT Trijaya is deemed to have an interest in the Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Direct Units together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (17) Mr. James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20.0% of the shares in LCL. LCL in turn is an intermediate holding company of Pacific Landmark, HCL and LL. Accordingly, Mr. James Tjahaja Riady is deemed to have an interest in the Units in which Pacific Landmark has a deemed interest, as well as a deemed interest in the HCL Direct Units together with a deemed interest in the HKCTL Units in which LL has a deemed interest.
- (18) LAAPL is jointly held by Pacific Landmark and Admiralty. Accordingly, Admiralty is deemed to have an interest in the Units in which LAAPL has a deemed interest.
- (19) AARMF is a majority shareholder of Admiralty. Accordingly, AARMF is deemed to have an interest in the Units in which Admiralty has a deemed interest.
- (20) AARF is a majority shareholder of AARMF. Accordingly, AARF is deemed to have an interest in the Units in which AARMF has a deemed interest.
- (21) ASML manages AARF. Accordingly, ASML is deemed to have an interest in the Units in which AARF has a deemed interest.
- (22) ASMHL is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Units in which ASML has a deemed interest.
- (23) KC is the beneficial holder of more than 20.0% of the issued share capital of ASMHL. Accordingly, KC is deemed to have an interest in the Units in which ASMHL has a deemed interest.
- (24) VY is the beneficial holder of more than 20.0% of the issued share capital of ASMHL. Accordingly, VY is deemed to have an interest in the Units in which ASMHL has a deemed interest.
- (25) GT’s direct interest arises from 63,547,285 Units held in his own name, and 95,115,200 Units held by the joint account of GT and CT.
- (26) GT’s deemed interest in the 54,400,000 Units held by Gold Pot Developments Limited arises from the powers granted to him under a power of attorney executed by Gold Pot Developments Limited dated 19 October 2016.
- (27) CT’s direct interest arises from 95,115,200 Units held by the joint account of GT and CT.
- (28) JY is the sole shareholder of Gold Pot Developments Limited, and holds not less than 20% interest in Senz Holdings Limited. Accordingly, JY has deemed interest in 54,400,000 Units held by Gold Pot Developments Limited, as well as a deemed interest in 4,747,187 Units held by Senz Holdings Limited.

History of Issuance of Units

The table below sets out the Units issued for cash or services within the 12 months immediately preceding the Latest Practicable Date.

Date	Number of Units Issued
7 November 2017	2,755,971 Units issued to the Manager at an issue price of S\$0.6993 per Unit as payment for 80.0% of the Base Fee ¹ for the period from 1 July 2017 to 30 September 2017.
5 February 2018	2,756,222 Units issued to the Manager at an issue price of S\$0.7190 per Unit as payment for 80.0% of the Base Fee for the period from 1 October 2017 to 31 December 2017.
15 May 2018	2,727,195 Units issued to the Manager at an issue price of S\$0.7111 per Unit as payment for 80.0% of the Base Fee for the period from 1 January 2018 to 31 March 2018.
7 August 2018	2,839,920 Units issued to the Manager at an issue price of S\$0.6918 per Unit as payment for 80.0% of the Base Fee for the period from 1 April 2018 to 30 June 2018.

Price Range and Trading Volume of the Units on the SGX-ST

The highest and lowest closing prices and the average daily volume of Units traded on the SGX-ST for the 12 calendar months immediately preceding September 2018 and for the period commencing on 1 September 2018 to the Latest Practicable Date are as follows:

Month/Period	Price Range (S\$ per Unit)		Average Daily Volume Traded (Units)
	Highest	Lowest	
September 2017	0.710	0.690	514,885
October 2017	0.725	0.710	288,533
November 2017	0.725	0.705	236,068
December 2017	0.730	0.710	221,735
January 2018	0.750	0.725	366,550
February 2018	0.755	0.700	297,426
March 2018	0.720	0.700	110,614
April 2018	0.720	0.710	188,267
May 2018	0.720	0.695	132,952
June 2018	0.705	0.685	124,420
July 2018	0.695	0.675	251,455
August 2018	0.695	0.670	127,648
1 September 2018 to the Latest Practicable Date	0.685	0.595	700,290

¹ “**Base Fee**” refers to the base fee of 0.3% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the value of the Deposited Property payable to the Manager pursuant to the Trust Deed. “**Deposited Property**” refers to the gross assets of OUE C-REIT, including all the Authorised Investments (as defined in the Trust Deed) of OUE C-REIT for the time being held or deemed to be held by OUE C-REIT under the Trust Deed.

Source: Bloomberg L.P.. Bloomberg L.P. has not provided its consent, for purposes of Section 249 of the SFA (read with Section 305B(4) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 (G.N. No. S602/2005)), to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Section 305B(4) of the SFA and regulation 36(3) of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 (G.N. No. S602/2005)). While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

Indebtedness

Existing Borrowings

As at the Latest Practicable Date, the OUE C-REIT Group has total borrowings of approximately S\$1,344.0 million (the “**Facilities**”), including the OUE C-REIT Group’s proportionate interest in the borrowings of its subsidiary as follows:

(A) OUE C-REIT BORROWINGS

As at the Latest Practicable Date, the OUE C-REIT Group has drawn down S\$680.0 million secured bank borrowings (“**OUE C-REIT Secured Loan**”) and S\$211.4 million unsecured bank borrowings. OUE C-REIT has put in place the MTN Programme established through its wholly-owned subsidiary, OUE CT Treasury. As at the Latest Practicable Date, S\$150.0 million notes have been issued from this programme.

(B) LIPPO REALTY (SHANGHAI) LIMITED (“LIPPO SHANGHAI”)

Lippo Shanghai, a wholly-owned PRC subsidiary of OUE C-REIT, has drawn down RMB134.5 million or S\$26.8 million¹ of secured bank borrowings (“**Lippo Shanghai Loan**”).

(C) OUE C-REIT’S 83.33% INTEREST IN OUB CENTRE LIMITED (“OUBC”)

OUE C-REIT’s proportionate share of the unsecured bank borrowings drawn by OUBC is S\$275.8 million.

As at the Latest Practicable Date, the average cost of debt of OUE C-REIT is 3.5% per annum and approximately 75.0% of the OUE C-REIT Group’s borrowings are on a fixed rate basis or have been hedged with interest rate swaps. The remaining 25.0% of OUE C-REIT’s borrowings are on a floating rate basis.

¹ Lippo Shanghai Loan as at the Latest Practicable Date is translated using the S\$:RMB exchange rate of 1:5.015.

USE OF PROCEEDS

OFFER PROCEEDS AND USE OF PROCEEDS

The Rights Issue is expected to raise gross proceeds of approximately S\$587.5 million with the net proceeds of the Rights Issue, being the gross proceeds of the Rights Issue less the estimated amount of underwriting and selling commissions as well as the other fees and expenses (including professional fees and expenses) incurred in connection with the Rights Issue, estimated to be approximately S\$580.6 million.

For each dollar of the gross proceeds of approximately S\$587.5 million that will be raised from the Rights Issue, the Manager intends to allocate the proceeds from the Rights Issue in the following manner:

- (i) approximately 93.6 cents (equivalent to approximately S\$550.1 million) will be used to part finance the Purchase Consideration;
- (ii) approximately 1.2 cents (equivalent to approximately S\$6.9 million) will be used to pay the total costs and expenses relating to the Rights Issue; and
- (iii) approximately 5.2 cents (equivalent to approximately S\$30.5 million) will be used to pay the stamp duty, professional and other fees and expenses incurred or to be incurred by OUE C-REIT in connection with the proposed Acquisition and for general corporate funding purposes.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the Rights Issue at its absolute discretion for other purposes.

Pending deployment, the net proceeds from the Rights Issue may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Rights Issue via SGXNET as and when such funds are materially utilised and provide a status report on the use of the proceeds from the Rights Issue in the annual reports of OUE C-REIT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

It should be noted that OUE C-REIT is currently not under pressure from its bankers to repay any of its existing borrowings and has sufficient resources to meet its current capital commitments. The Manager is of the opinion that, after taking into consideration OUE C-REIT's internal resources, its available loan facilities and the net proceeds of the Rights Issue, the working capital available to OUE C-REIT is sufficient to meet its present obligations as and when they fall due.

Costs of the Rights Issue

The estimated costs of the Rights Issue that OUE C-REIT will have to bear include the underwriting and selling commissions and related expenses of S\$6.9 million.

ADDITIONAL DETAILS ON THE USE OF PROCEEDS

The following sets out additional details on the use of proceeds if such proceeds are used to (i) acquire or refinance the acquisition of an asset (other than in the ordinary course of business), (ii) finance or refinance the acquisition of a business and (iii) discharge, reduce or retire the indebtedness of OUE C-REIT.

Acquisition or Refinancing the Acquisition of an Asset (other than in the Ordinary Course of Business)

None of the proceeds from the Rights Issue will be used to acquire or refinance the acquisition of an asset other than in the ordinary course of business. The net proceeds from the Rights Issue will be used to partially finance the Total Acquisition Cost.

Financing or Refinancing the Acquisition of a Business

None of the proceeds from the Rights Issue will be used to finance or refinance the acquisition of a business.

Discharge, Reduction or Retirement of the Indebtedness of OUE C-REIT

No material part of the proceeds from the Rights Issue will be used to discharge, reduce or retire the indebtedness of OUE C-REIT.

WORKING CAPITAL

The Manager is of the view that, in its reasonable opinion, after taking into consideration OUE C-REIT's internal resources, its available loan facilities and the net proceeds of the Rights Issue, the working capital available to OUE C-REIT, as at the date of lodgement of this Offer Information Statement, is sufficient to meet OUE C-REIT's present obligations as and when they fall due.

COMMISSION

The following sets out details of the commission payable to the Joint Lead Managers and Underwriters.

Commission payable to the Joint Lead Managers and Underwriters

Pursuant to the Underwriting Agreement, the Joint Lead Managers and Underwriters will be entitled to the Underwriting Commission being 2.25% of the Rights Issue Price multiplied by the total number of Underwritten Rights Units.

INFORMATION RELATING TO THE PROPOSED ACQUISITION

The Manager had on 28 September 2018 obtained the approval of Unitholders at the EGM in respect of the proposed Acquisition, the Rights Issue and the Payment of the Sub-Underwriting Commission. In approving the proposed Acquisition, Unitholders are deemed to have approved the Rental Support. The Manager is proposing to use the net proceeds of the Rights Issue to partially finance the Total Acquisition Cost.

THE PROPOSED ACQUISITION

Description of the Properties

The Properties, being the OUE Downtown 1 Office Component and the OUE Downtown 2 Office Component, are part of OUE Downtown. OUE Downtown is a recently refurbished landmark mixed-use development on 6 Shenton Way and 6A Shenton Way comprising two high-rise towers, being a 50-storey building (OUE Downtown 1) and a 37-storey building (OUE Downtown 2), as well as a retail podium and a multi-storey car park.

OUE Downtown is strategically located in Shenton Way, at the financial corridor between Raffles Place and Tanjong Pagar, and is close to the Tanjong Pagar, Downtown as well as the upcoming Shenton Way and Prince Edward MRT stations. Shenton Way is one of the primary office locations within the CBD, and Tanjong Pagar is part of the URA's long-term plans¹ for development into an enviable "live, work and play" environment.

OUE Downtown has a total GFA of about 1.24 million sq ft, a total NLA of about 867,000 sq ft and a total of 355 car park lots. The retail podium, named Downtown Gallery, comprises approximately 150,000 sq ft of premium retail space over six levels and features an extensive mix of tenants. Oakwood Premier OUE Singapore, which is the serviced residence component, also forms part of OUE Downtown 1. For the avoidance of doubt, the multi-storey car park, together with Oakwood Premier OUE Singapore and the retail podium, will not be acquired as part of the proposed Acquisition.

Major asset enhancement works were carried out at OUE Downtown in the past two years. These include the conversion of 26 floors of office space to serviced residences at OUE Downtown 1, the conversion of the podium with an auditorium to a retail mall, the upgrading of office lobbies for both towers as well as the upgrading and replacement of major mechanical and electrical equipment. During this period, the Properties continued to be operational.

The OUE Downtown 1 Office Component comprises Grade A office space from the 35th to 46th storeys whilst the OUE Downtown 2 Office Component comprises Grade A office space from the 7th to 34th storeys. The Properties enjoy an established blue-chip tenant base which includes reputable insurance, financial, information and technology, media and telecommunications companies and MNCs.

¹ Based on the URA's Master Plan 2014. Source: <https://www.ura.gov.sg/Corporate/Planning/Master-Plan/Regional-Highlights/Central-Area> (last accessed on the Latest Practicable Date). The URA has not provided its consent to the inclusion of the information extracted from the relevant report published by it and is therefore not liable for such information. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by the URA is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Manager nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

The table below sets out a summary of selected information on the Properties:

Properties	OUE Downtown 1 Office Component and OUE Downtown 2 Office Component
Location	6 Shenton Way, Singapore 068809 and 6A Shenton Way, Singapore 068815 (Strata Lot U4628V and Strata Lot U4629P, both of Town Subdivision 30)
Head Title	99-year leasehold title commencing 19 July 1967
Strata Area	OUE Downtown 1 Office Component (Strata Lot U4628V): Approximately 11,553 sq m (124,355 sq ft) OUE Downtown 2 Office Component (Strata Lot U4629P): Approximately 51,513 sq m (554,481 sq ft)
Share Value	5,316 shares representing 53.16% of the total share value of the strata lots in OUE Downtown
GFA	OUE Downtown 1 Office Component: Approximately 14,990 sq m (161,351 sq ft) OUE Downtown 2 Office Component: Approximately 54,932 sq m (591,283 sq ft) Total GFA: Approximately 69,922 sq m (752,634 sq ft)
NLA	OUE Downtown 1 Office Component: Approximately 8,213 sq m (88,400 sq ft) OUE Downtown 2 Office Component: Approximately 41,024 sq m (441,581 sq ft) Total NLA: Approximately 49,237 sq m (529,981 sq ft)
Committed Occupancy as at 30 June 2018	95.1%
Weighted Average Lease Expiry as at 30 June 2018	By Gross Rental Income: 2.0 years By NLA: 2.0 years

Purchase Consideration and Valuation

The Purchase Consideration payable to the Vendor in connection with the proposed Acquisition is S\$908.0 million.

The Purchase Consideration has been negotiated on a willing-buyer and willing-seller basis, after taking into account the independent valuations of the Properties by the Independent Valuers.

The Trustee has commissioned Savills and the Manager has commissioned Colliers to value the Properties. The following table sets out the selected information on the valuations by the Independent Valuers.

	With the Rental Support	Without the Rental Support
Valuation of the Properties by Savills (as at 30 June 2018)	S\$927.0 million	S\$891.0 million
Valuation of the Properties by Colliers (as at 30 June 2018)	S\$945.0 million	S\$920.0 million

The Independent Valuers have conducted their valuations based on the income capitalisation method, the discounted cash flow method and the market comparison method. The Independent Valuers have also considered the Rental Support in arriving at their valuations.

Should the Rental Support not be taken into account in the valuations of the Properties by the Independent Valuers, the valuation of the Properties by Savills and Colliers as at 30 June 2018 would be S\$891.0 million and S\$920.0 million respectively. The Rental Support will be provided for a period of up to five years, commencing from the Completion Date.

(See **Appendix B** for further details regarding the valuation of the Properties.)

Rental Support

In order to align the rental rates of the Properties to prevailing market rates, the Sponsor and the Vendor will be entering into the Deed of Rental Support with the Trustee, pursuant to which the Vendor will provide the Rental Support for the period from the Completion Date to (i) the day immediately preceding the fifth anniversary date of the Completion Date, or (ii) the date when the aggregate of all rental support payments payable to OUE C-REIT under the Deed of Rental Support exceeds S\$60.0 million, whichever is earlier. Any applicable GST on the rental support payments shall be borne and paid separately by the Vendor. The Sponsor shall guarantee the Vendor's obligations under the Deed of Rental Support.

Estimated Total Acquisition Cost

The estimated Total Acquisition Cost is approximately S\$955.9 million, comprising:

- (i) the Purchase Consideration of S\$908.0 million;
- (ii) the Acquisition Fee payable to the Manager for the proposed Acquisition pursuant to the Trust Deed of approximately S\$6.8 million (being 0.75% of the Purchase Consideration); and
- (iii) the estimated debt and/or equity financing related costs, stamp duty, professional and other fees and expenses incurred or to be incurred by OUE C-REIT in connection with the proposed Acquisition of approximately S\$41.1 million.

Method of Financing

The Manager intends to finance the Total Acquisition Cost (excluding the Acquisition Fee Units) through a combination of debt financing and equity financing (which will comprise the Rights Issue).

The following table sets out the intended sources and applications of estimated funds in relation to the Transactions.

S\$' million	Acquisition Costs
Sources	
Rights Issue	587.5
Debt	361.6
Issue of Acquisition Fee Units	6.8
Total	955.9
Applications	
Acquisition of the Properties	908.0
Transaction Costs	41.1
Acquisition Fee	6.8
Total	955.9

Put Option and Call Option under the PCOA

In connection with the proposed Acquisition, the Trustee, in its capacity as trustee of OUE C-REIT, has on 10 September 2018 entered into a PCOA with the Vendor in respect of the Properties. Pursuant to the PCOA, the Vendor has agreed to grant to the Trustee a call option (the “**Call Option**”) and the Trustee has agreed to grant to the Vendor a put option (the “**Put Option**”) relating to the sale and purchase of the Properties, upon the terms and subject to the conditions contained in the PCOA.

To exercise the Call Option, the Trustee must serve on the Vendor the Call Option notice pursuant to the PCOA (the “**Call Option Notice**”) in accordance with the terms of the PCOA. Upon the delivery to the Vendor of the duly signed and dated Call Option Notice, the Vendor and the Trustee shall be deemed to have entered into a binding contract for the sale and purchase of the Properties (the “**Purchase Agreement**”) at the Purchase Consideration of S\$908.0 million.

To exercise the Put Option, the Vendor must serve on the Trustee the Put Option notice pursuant to the PCOA (the “**Put Option Notice**”) in accordance with the terms of the PCOA. Upon the delivery to the Trustee of the duly signed and dated Put Option Notice, the Vendor and the Trustee shall be deemed to have entered into the Purchase Agreement for the sale and purchase of the Properties at the Purchase Consideration of S\$908.0 million.

In the event that the Call Option Notice is served on the Vendor and the Put Option Notice is served on the Trustee on the same date, the Call Option shall be deemed to have been exercised earlier than the Put Option and the terms of the Call Option Notice as prescribed by the PCOA shall apply. The exercise of the Put Option shall also be deemed ineffective.

In the event that the proposed Acquisition is not completed on the date fixed for Completion pursuant to the Purchase Agreement, either the Trustee or the Vendor may give the other party a notice to complete (the “**Notice to Complete**”) requiring Completion of the proposed Acquisition pursuant to the Purchase Agreement.

Upon service of an effective Notice to Complete, the Trustee and the Vendor must complete the transaction within 21 days after the day of service of the Notice to Complete (excluding the day of service) and time will be of the essence.

The rights of the Trustee to issue and serve on the Vendor the Call Option Notice under the PCOA and the rights of the Vendor to issue and serve on the Trustee the Put Option Notice under the PCOA are conditional upon the following conditions precedent:

- (i) the Vendor obtaining the SLA Sale Approval; and
- (ii) the Trustee obtaining the Unitholders Approval.

Completion is subject to and conditional upon, among other things, the following conditions precedent:

- (i) the following not having been revoked or withdrawn:
 - (a) the SLA Sale Approval; and
 - (b) the Unitholders Approval;
- (ii) (in the event that the Manager launches any equity fund raising exercises involving the issuance of new Units) no stop order or similar order having been issued by the MAS or any court or other judicial, governmental or regulatory authority in relation to such proposed equity fund raising exercises; and
- (iii) (in the event that the Manager launches any equity fund raising exercises involving the issuance of new Units) the in-principle approval of SGX-ST for the listing and quotation of the new Units not having been revoked or withdrawn.

For the purposes of this section:

“SLA Sale Approval” means the approval from the President of the Republic of Singapore and his successors in office for the sale of the Properties to the Trustee; and

“Unitholders Approval” means the approval of the Unitholders for:

- (i) the purchase of the Properties, including the entry into the Deed of Rental Support;
- (ii) undertaking a rights issue to finance the purchase of the Properties; and
- (iii) the Payment of the Sub-Underwriting Commission.

Payment of Acquisition Fee in Units

The Manager shall be paid an Acquisition Fee of approximately S\$6.8 million for the proposed Acquisition pursuant to the Trust Deed. As the proposed Acquisition is an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee will be in the form of Acquisition Fee Units which shall not be sold within one year of the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

Pursuant to Rule 805(1) of the Listing Manual, the Manager had sought and obtained the specific approval of the Unitholders for the issue of the Acquisition Fee Units to the Manager. The issue price of the Acquisition Fee Units shall be determined based on the TERP per Unit in relation to the Rights Issue. While Clause 15.2.1 of the Trust Deed allows the Manager to receive the Acquisition Fee Units at the Rights Issue Price of S\$0.456, the Manager has elected to receive the Acquisition Fee Units at the TERP of S\$0.570 per Unit instead.

Based on the TERP of S\$0.570 per Unit, the number of Acquisition Fee Units to be issued shall be approximately 11,947,368.

Interested Person Transaction and Interested Party Transaction

As at the Latest Practicable Date, the Sponsor holds, through its wholly-owned subsidiaries, CDPL and the Manager, an aggregate interest in 867,508,422 Units, which is equivalent to approximately 55.9% of the total number of Existing Units, and is therefore regarded as a “controlling Unitholder” of OUE C-REIT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Vendor is a wholly-owned subsidiary of the Sponsor, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendor (being a subsidiary of a “controlling Unitholder” of OUE C-REIT and a subsidiary of a “controlling shareholder” of the Manager) is an “interested person” (for the purposes of the Listing Manual) and an “interested party” (for the purposes of the Property Funds Appendix) of OUE C-REIT. Therefore, the proposed Acquisition is an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the approval of Unitholders was required, and such approval has been obtained.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*This section should be read together with the selected financial data from the Financial Statements which are set out in **Appendix A**. Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of OUE C-REIT at <http://www.ouect.com> and are also available for inspection during normal business hours at the registered office of the Manager at 50 Collyer Quay #04-08, OUE Bayfront, Singapore 049321, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.*

The information contained in the website of OUE C-REIT does not constitute part of this Offer Information Statement.

STATEMENTS OF TOTAL RETURN AND DISTRIBUTION STATEMENTS

Selected financial data from the 2015 Audited Financial Statements, 2016 Audited Financial Statements, 2017 Audited Financial Statements and the 1H 2018 Unaudited Financial Statements is set out in **Appendix A**. Financial data relating to (i) DPU, (ii) earnings per Unit, (iii) DPU after adjustment to reflect the issuance of the Rights Units and (iv) earnings per Unit after adjustment to reflect the issuance of the Rights Units, among others, are also set out in **Appendix A**.

Such selected financial data should be read together with the relevant notes to the Financial Statements where applicable.

STATEMENTS OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF CASH FLOWS

Selected financial data from the 2015 Audited Financial Statements, 2016 Audited Financial Statements, 2017 Audited Financial Statements and the 1H 2018 Unaudited Financial Statements, including the line items in the consolidated balance sheets and cash flow statements of OUE C-REIT, NAV per Unit, and NAV per Unit after any adjustment to reflect the issuance of the Rights Units is also set out in **Appendix A**.

Such selected financial data should be read together with the relevant notes to the Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

Selected financial data from the 2017 Audited Financial Statements and the 1H 2018 Unaudited Financial Statements is set out in **Appendix A**.

Such selected financial data and information should be read together with the relevant notes to the Financial Statements.

Financial Period from 1 January to 31 December 2017

The cash and cash equivalents of OUE C-REIT were S\$40.3 million as at 31 December 2017. This was primarily attributed to cash inflows of S\$122.0 million from operating activities, which was offset by S\$19.4 million cash outflows used in investing activities and S\$91.2 million used in financing activities.

¹ Prior appointment with the Manager will be appreciated.

Gross proceeds of S\$150.0 million were raised pursuant to the private placement completed in March 2017. Transaction costs relating to the issue were paid from the gross proceeds received. The net proceeds had been utilised to partially repay OUE C-REIT's term loan due in 2018, revolving loan facility and working capital requirements.

Interim Financial Period 2018: Period from 1 January to 30 June 2018

The cash and cash equivalents of OUE C-REIT were S\$34.3 million as at 30 June 2018 compared to S\$40.3 million as at 31 December 2017.

The main cash inflow was S\$61.8 million from operating activities and the cash outflows were mainly attributable to the distributions to Unitholders and CPPU holder of S\$37.8 million, interest of S\$20.9 million paid for borrowings during the financial period and S\$32.1 million for repayment of borrowings during the financial period. S\$130.0 million was drawn down under the revolving credit facility during the financial period mainly to partially fund the payment of distributions to Unitholders and CPPU holder and the redemption of the 100.0 million CPPUs completed on 2 January 2018 (amounting to S\$100.0 million).

FINANCIAL REVIEW

The following sets out the management's discussion and analysis on significant factors, including any unusual or infrequent event or new development, which materially affected the amount available for distribution to Unitholders after tax, including significant components of revenue or expenditure relating to distribution to Unitholders after tax for the financial periods referred to below.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Period from 1 January 2015 to 31 December 2015

On 8 October 2015, OUE C-REIT completed the acquisition of an 83.33% indirect interest in OUBC, which owns a beneficial interest of 81.54% in One Raffles Place. An aggregate of 393,305,817 Units amounting to approximately S\$218.3 million were issued pursuant to a rights issue to partially fund the acquisition.

For FY2015, OUE C-REIT reported a DPU of 4.38 cents which is 20.7% above FY2014¹ DPU of 3.63 cents². OUE C-REIT's net property income of S\$75.6 million was 40.5% higher compared to FY2014 due to better operating performance by OUE Bayfront and Lippo Plaza, and contribution from One Raffles Place from 8 October 2015. Higher finance costs in FY2015 compared to FY2014 due to higher amount of loans outstanding and higher interest rates during FY2015 resulted in an amount available for distribution of S\$56.1 million, which is 22.2% higher compared to FY2014.

Financial Period from 1 January 2016 to 31 December 2016

For FY2016, OUE C-REIT reported a DPU of 5.18 cents which is 18.3% above FY2015. FY2016 revenue achieved of S\$177.8 million was 76.0% above FY2015 due to a full-year contribution from One Raffles Place, coupled with improved performance at OUE Bayfront and Lippo Plaza where organic growth was a healthy 10.4% against FY2015. The higher revenue coupled with higher property operating expenses which were incurred due to the inclusion of One Raffles Place's expenses, resulted in FY2016 net property income of S\$138.6 million, an increase of 83.3% from FY2015. As FY2016 finance costs were higher compared to FY2015 mainly due to the full year

1 "FY2014" relates to the period from 10 October 2013 (date of constitution) to 31 December 2014.

2 The DPU for FY2014 has been restated to include the 393,305,817 new Units issued on 4 August 2015.

impact of the borrowing costs on loans drawn to finance the acquisition of One Raffles Place, the resultant amount available for distribution was S\$67.4 million, which is 20.1% higher compared to FY2015.

Financial Period from 1 January 2017 to 31 December 2017

For FY2017, OUE C-REIT reported a DPU of 4.67 cents which is 9.8% lower from FY2016 due to an enlarged unit base from the private placement completed in March 2017. FY2017 revenue was slightly lower than FY2016 at S\$176.3 million due to lower one-off income. With lower property operating expenses, net property income of S\$138.2 million was marginally lower compared to FY2016. However, FY2017 amount available for distribution was 3.8% higher at S\$70.0 million compared to FY2016, largely due to the absence of performance fees and higher income support drawn.

Interim Financial Period from 1 January 2018 to 30 June 2018

For 1H 2018, OUE C-REIT reported a DPU of 2.18 cents. OUE C-REIT achieved a net property income of S\$69.2 million, which was marginally lower as compared to the prior period. This was mainly due to lower retail revenue, stemming from transitional vacancy from the departure of an anchor tenant at One Raffles Place, which was mitigated by lower maintenance expenses and utilities cost in the current reporting period. With higher interest expenses in 1H 2018 as a result of higher borrowings, partially offset by higher drawdown of income support and lower CPPU distribution, amount available for distribution in 1H 2018 was S\$33.9 million, 1.6% lower compared to the financial period from 1 January 2017 to 30 June 2017.

OUE C-REIT announced the proposed Transactions on 10 September 2018.

Working Capital

OUE C-REIT's internal resources and available loan facilities have been sufficient for its working capital requirements for FY2015, FY2016, FY2017 and 1H 2018.

BUSINESS PROSPECTS AND TREND INFORMATION

Singapore

According to the Ministry of Trade and Industry (the "MTI"), Singapore's 2Q 2018 GDP growth was 3.9%¹, moderating from 1Q 2018 growth of 4.5%, but ahead of MTI's 2018 GDP growth forecast of between 2.5% to 3.5%. The manufacturing sector expanded 10.2% year-on-year ("YoY"), extending the 10.8% growth in the previous quarter, driven by the electronics, biomedical manufacturing and transport engineering clusters. The services sector expanded by 2.8% YoY, easing from the 4.0% growth in the previous quarter, supported by finance & insurance and wholesale & retail trade sectors. MTI expects the pace of expansion to moderate in 2H 2018 following the strong performance in 1H 2018, with the key downside risks being further headwinds from US-China trade tensions and tightening global financial conditions.

¹ Source: The MTI's press release titled "MTI Maintains 2018 GDP Growth Forecast at "2.5 to 3.5 Per Cent" on 13 August 2018, which is available on the website of the MTI at <http://www.mti.gov.sg>. The MTI has not provided its consent, for purposes of Section 249 (read with Sections 302 and 305B) of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Sections 302 and 305B) of the SFA. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by the MTI is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

According to CBRE¹, islandwide net absorption for office space in 2Q 2018 was 503,907 sq ft, due mainly to healthy levels of pre-commitment at a newly completed office building. As market fundamentals continued to be strong, core CBD office occupancy remained unchanged at 94.1% as at 2Q 2018, with demand supported by co-working operators, technology firms as well as the insurance sector. As a result of the tight vacancy environment, rental growth for Grade A CBD Core office accelerated to 4.1% quarter-on-quarter (“QoQ”) to S\$10.10 per sq ft per month, the fastest pace of growth since 1Q 2014.

According to the Independent Market Research Consultant, the amount of new office supply in the CBD will be modest relative to that of the past five years. New office supply in the CBD is expected to average approximately 887,000 sq ft per year from 2018 to 2022, which is considerably lower than 2013-2017 average supply of 1.12 million sq ft per annum. Together with the positive outlook for office demand on the back of moderate but sustained GDP growth, increased employment and growth in key office-occupier industries, CBD office rents are expected to continue to rise over the next few years. (Please refer to the Independent Market Research Report in **Appendix C** for further details.)

China

China’s economy grew 6.7%² in 2Q 2018, slowing slightly from 6.8% in 1Q 2018 but ahead of the official target of around 6.5%. Given the slowing property market, 1H 2018 fixed asset investment growth of 6.0% was a record low, while June industrial output growth of 6.0% was the lowest growth rate in two years. Growth momentum is expected to continue easing, given the drag from the US-China trade war and the authorities’ commitment to implement tight monetary policy to achieve financial deleveraging.

According to Colliers, Shanghai CBD Grade A office occupancy increased 2.9 percentage points (“ppt”) QoQ to 89.4%³ as at 2Q 2018, supported by strong net absorption of 217,000 sq m for the quarter. Major sectors driving demand were finance, professional services, trading, technology, media & telecommunications as well as flexible workspace operators. Consequently, Shanghai CBD Grade A office rents rose 0.8% QoQ to RMB10.36 per sq m (“psm”) per day as at 2Q 2018. In Puxi, Grade A office occupancy improved 4.5 ppt QoQ to 90.7% as at 2Q 2018, while rents increased 1.6% QoQ to RMB9.46 psm per day.

1 Source: CBRE’s report titled “MarketView, Singapore, Q2 2018” which is available on the website of CBRE at www.cbre.com.sg. CBRE has not provided its consent, for purposes of Section 249 (read with Sections 302 and 305B) of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Sections 302 and 305B) of the SFA. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by CBRE is set out in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

2 Source: Quoted from the website of the National Bureau of Statistics of the People’s Republic of China (the “NBSC”), which is available at <http://www.stats.gov.cn>, specifically the press release titled “National Economy Registered a Stable Performance with Good Momentum for Growth in the First Half of 2018” dated 16 July 2018. The NBSC has not provided its consent, for purposes of Section 249 (read with Sections 302 and 305B) of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Sections 302 and 305B) of the SFA. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by the NBSC is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

3 Source: Colliers’s report titled “Colliers Quarterly, Q2 2018, 30 July 2018, Shanghai, Office” which is available at the website of Colliers International at <http://www.colliers.com>. Colliers International has not provided its consent, for purposes of Section 249 (read with Sections 302 and 305B) of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Sections 302 and 305B) of the SFA. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Colliers International is set out in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers and Underwriters or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

A significant amount of new office supply is expected to enter the Shanghai market over the next two years, before easing in 2020. Nevertheless, healthy demand from the finance and technology sectors is expected to underpin occupancy as well as rental rates in Shanghai.

(See the section entitled “Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Rights Units and the Rights Entitlements.)

PRO FORMA FINANCIAL INFORMATION

Pro Forma Financial Effects of the Transactions

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Transactions on the DPU, NAV per Unit and capitalisation presented below are strictly for illustrative purposes and are prepared based on OUE C-REIT's latest FY2017 Audited Financial Statements and the unaudited management accounts of the Properties for 1H 2018 as well as the following assumptions:

- (i) the Purchase Consideration for the Properties is S\$908.0 million;
- (ii) gross proceeds of approximately S\$587.5 million are raised from the issue of 1,288,438,981 Rights Units to Eligible Unitholders, on the basis of 83 Rights Units for every 100 Units in OUE C-REIT held as at the Books Closure Date (fractional entitlements to be disregarded), at the Rights Issue Price of S\$0.456 per Rights Unit;
- (iii) debt/borrowings of approximately S\$361.6 million are drawn down;
- (iv) the Acquisition Fee of approximately S\$6.8 million is payable to the Manager wholly in Units;
- (v) the Acquisition Fee Units are issued at the TERP of S\$0.570 per Unit; and
- (vi) tax transparency on the Rental Support is approved by the Inland Revenue Authority of Singapore (the "IRAS").

Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Transactions on OUE C-REIT's DPU for FY2017, as if the Transactions were completed on 1 January 2017, and OUE C-REIT held the Properties through to 31 December 2017 are as follows:

	FY2017		
	Before the Transactions	<i>Pro Forma Adjusted⁽¹⁾ for the Private Placement (as defined herein)⁽²⁾, the Debt Issuance (as defined herein)⁽³⁾ and the Redemption of CPPUs (as described herein)⁽⁴⁾</i>	<i>Pro Forma Adjusted for the Transactions⁽⁵⁾</i>
Amount available for distribution (S\$'000)	69,950	69,206	100,990 ⁽⁶⁾
Units in issue and to be issued ('000)	1,546,769 ⁽⁷⁾	1,546,769 ⁽⁷⁾	2,852,129 ⁽⁸⁾
DPU (Singapore cents)	4.67	4.47	3.54
DPU Yield (%)	7.0% ⁽⁹⁾	6.7% ⁽⁹⁾	6.2% ⁽¹⁰⁾
DPU Yield (%) based on Rights Issue Price	N/A	N/A	7.8%

Notes:

- (1) These figures were adjusted as if the Private Placement, the Debt Issuance and the Redemption of CPPUs were completed on 1 January 2017 to show the full year impact of these exercises.
- (2) Refers to the issuance of 233,281,400 Units at an issue price of S\$0.643 per Unit in relation to a private placement on 17 March 2017 (the **"Private Placement"**).
- (3) Refers to the issuance of S\$150.0 million 3.03 per cent. notes due 5 September 2020 by OUE CT Treasury Pte. Ltd., a wholly-owned subsidiary of DBS Trustee Limited (in its capacity as trustee of OUE C-REIT), on 5 September 2017 pursuant to its S\$1,500,000,000 Multicurrency Debt Issuance Programme (the **"Debt Issuance"**).
- (4) Refers to the redemption of 75.0 million CPPUs in November 2017 and 100.0 million CPPUs in January 2018 (the **"Redemption of CPPUs"**). As at the Latest Practicable Date, 375.0 million CPPUs remain outstanding (**"Outstanding CPPUs"**).
- (5) These figures incorporate the *pro forma* adjustments for the Private Placement, the Debt Issuance, the Redemption of CPPUs and the Transactions. These figures also assume that after the Transactions, the Outstanding CPPUs are not redeemed.
- (6) Based on the Properties' 1H 2018 annualised net property income including rental support, adjusted for one-off expenses, and assumes twelve months of the Management Corporation (as defined herein) expenses.
- (7) Represents the number of Units issued and to be issued as at 31 December 2017.
- (8) Comprises (i) the Units set out in Note 7; (ii) 1,288.4 million Rights Units to be issued under the Rights Issue at the Rights Issue Price of S\$0.456; (iii) 11.9 million new Units assumed to be issued in satisfaction of the Acquisition Fee payable to the Manager for the proposed Acquisition; and (iv) 5.0 million Units assumed to be issued in satisfaction of the 100% management base fee payable to the Manager arising from the proposed Acquisition.
- (9) Based on the Closing Price.
- (10) Based on TERP of S\$0.570 per Unit.

Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Transactions on the NAV per Unit as at 31 December 2017, as if OUE C-REIT had completed the Transactions on that date, are as follows:

	FY2017		
	Before the Transactions	Pro Forma Adjusted ⁽¹⁾ for the Private Placement, the Debt Issuance and the Redemption of CPPUs	Pro Forma Adjusted for the Transactions ⁽²⁾
NAV (S\$'000)	1,407,285	1,407,285	1,994,419
Units in issue and to be issued ('000)	1,546,769 ⁽³⁾	1,546,769 ⁽³⁾	2,847,155 ⁽⁴⁾
NAV per Unit (S\$)	0.91	0.91	0.70

Notes:

- (1) These figures were adjusted as if the Private Placement, the Debt Issuance and the Redemption of CPPUs were completed on 1 January 2017 to show the full year impact of these exercises.
- (2) These figures incorporate the *pro forma* adjustments for the Private Placement, the Debt Issuance, the Redemption of CPPUs and the Transactions. These figures also assume that after the Transactions, the Outstanding CPPUs are not redeemed.
- (3) Represents the number of Units issued and to be issued as at 31 December 2017.
- (4) Comprises (i) the Units set out in Note 3; (ii) 1,288.4 million Rights Units to be issued under the Rights Issue at the Rights Issue Price of S\$0.456; (iii) 11.9 million new Units assumed to be issued in satisfaction of the Acquisition Fee payable to the Manager for the proposed Acquisition.

Pro Forma Capitalisation

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* capitalisation of OUE C-REIT as at 31 December 2017, as if OUE C-REIT had completed the Transactions on 31 December 2017, is as follows.

S\$'000	FY2017		
	Before the Transactions	Pro Forma Adjusted ⁽¹⁾ for the Private Placement, the Debt Issuance and the Redemption of CPPUs	Pro Forma Adjusted for the Transactions ⁽²⁾
Short-term debt	514,016 ⁽³⁾	514,016 ⁽³⁾	514,016 ⁽³⁾
Long-term debt	748,319 ⁽³⁾	848,319 ⁽⁴⁾	1,206,185 ⁽⁵⁾
Total Debt	1,262,335	1,362,335	1,720,201
CPPUs	361,891 ⁽⁶⁾	361,891 ⁽⁶⁾	361,891 ⁽⁶⁾
Unitholders' funds	1,407,285	1,407,285	1,994,419
Total Unitholders' funds (including the CPPUs)	1,769,176	1,769,176	2,356,310
Total Capitalisation	3,031,511	3,131,511	4,076,511

Notes:

- (1) These figures were adjusted as if the Private Placement, the Debt Issuance and the Redemption of CPPUs were completed on 1 January 2017 to show the full year impact of these exercises.
- (2) These figures incorporate the *pro forma* adjustments for the Private Placement, the Debt Issuance, the Redemption of CPPUs and the Transactions. These figures also assume that after the Transactions, the Outstanding CPPUs are not redeemed.
- (3) Stated net of upfront fee and transaction costs.
- (4) Comprises (a) the long-term debt before the Transactions; and (b) the assumed loan drawn down by OUE C-REIT as if the 100.0 million CPPUs were redeemed on 31 December 2017.
- (5) Comprises (a) the long-term debt before the Transactions; (b) the assumed loan drawn down by OUE C-REIT as if the 100.0 million CPPUs were redeemed on 31 December 2017; and (c) the loan to be drawn down by OUE C-REIT for the proposed Acquisition which is stated net of upfront fee and transaction costs.
- (6) Represents the carrying value of the Outstanding CPPUs and the total return attributable to the holder of the CPPUs (the "CPPU Holder") as at 31 December 2017.

RISK FACTORS

*The risks described below should be carefully considered before making an investment decision in relation to the Rights Entitlements, the Rights Units or the Units. The risks described below are not the only ones relevant to OUE C-REIT, the Manager, the Trustee, the Rights Entitlements, the Rights Units or the Units. These risk factors are not intended to be exhaustive and, in particular, are not intended to repeat the risk factors set out in the prospectus of OUE C-REIT dated 17 January 2014 (the “**Prospectus**”) in connection with the listing of OUE C-REIT on the SGX-ST, certain of which may continue to be applicable to OUE C-REIT. Details of the risk factors relating to the Existing Portfolio which continue to be applicable to OUE C-REIT can be found in the Prospectus.*

Additional risks not described below or not presently known to the Manager and/or the Trustee or that it/they currently deem(s) immaterial may also impair the business operations of OUE C-REIT. The business, financial condition or results of operations of OUE C-REIT could be materially and adversely affected by any of these risks.

RISKS RELATING TO THE PROPOSED ACQUISITION

OUE C-REIT’s proposed Acquisition of the Properties may be subject to risks associated with the acquisition of real estate.

The Manager believes that reasonable due diligence investigations with respect to the proposed Acquisition have been conducted prior to its acquisition and to the best of the Manager’s knowledge, the Properties are in compliance with all material laws and regulations, have received the necessary approvals and are in compliance with the conditions of such licences and permits which are material for its operations. However, there is no assurance that the Properties will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the Properties which may require additional capital expenditure, special repair or maintenance expenses) or be affected by breaches of laws and regulations. Such defects or deficiencies may require significant capital expenditures or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on OUE C-REIT’s earnings and cash flows.

In addition, the representations and warranties granted in favour of OUE C-REIT by the Vendor under the PCOA are subject to limitations as to (i) their scope and (ii) the amount and timing of claims which can be made thereunder after the completion of the proposed Acquisition. There can be no assurance that OUE C-REIT would be entitled to be reimbursed or be otherwise successful in recovering monetary compensation under such representations and warranties for all losses or liabilities suffered or incurred by it as a result of the proposed Acquisition.

The proposed Acquisition may not yield the returns expected, resulting in disruptions to OUE C-REIT’s business, straining of management resources and dilution of existing Unitholdings.

The proposed Acquisition is not immediately DPU yield-accretive and it may not provide positive returns to Unitholders. In order to align the rental rates of the Properties to prevailing market rates, the Sponsor and the Vendor shall enter into the Deed of Rental Support with the Trustee, pursuant to which the Vendor shall provide the Rental Support for the period from the Completion Date to (i) the day immediately preceding the fifth anniversary date of the Completion Date, or (ii) the date when the aggregate of all rental support payments payable to OUE C-REIT under the Deed of Rental Support exceeds S\$60.0 million, whichever is earlier. There is no assurance that the Properties will be able to generate the same level of revenue once the Rental Support arrangement ends and this may affect the ability of OUE C-REIT to make distributions to Unitholders.

The proposed Acquisition may also cause disruptions to OUE C-REIT's operations and divert the management's attention away from day-to-day operations. The new Units issued in connection with the Rights Issue for the proposed Acquisition is also dilutive to existing Unitholdings if they do not subscribe for their *pro rata* Rights Entitlements.

As OUE Downtown is a strata-divided mixed-use development comprising the Properties, OUE C-REIT may be required to contribute towards the capital expenditure incurred in respect of the OUE Downtown common property.

OUE Downtown is a strata-divided mixed-use development comprising the Properties, the other strata lots in OUE Downtown excluding the Properties (the "**Other OUE Downtown Strata Lots**"), and the common property. The Properties are comprised in Strata Lot U4628V and Strata Lot U4629P, both of Town Subdivision 30.

Under the Land Titles (Strata) Act, Chapter 158 of Singapore (the "**Land Titles (Strata) Act**"), the subsidiary proprietors of both the Properties and the Other OUE Downtown Strata Lots constitute the Management Corporation Strata Title Plan No. 4601 (the "**Management Corporation**"). The Management Corporation is a body corporate constituted under the Land Titles (Strata) Act and is responsible for the maintenance and management of the common property of OUE Downtown.

All the subsidiary proprietors of OUE Downtown own the common property in OUE Downtown as tenants-in-common in proportion to the share values attributable to their respective strata lots. Each strata lot has an undivided share in the common property. The voting rights of a subsidiary proprietor are based on the share values attributed to its strata lots and the maintenance and sinking fund contributions to be paid to the Management Corporation are also based on the share values attributed to its strata lots.

The aggregate share value of the Properties is 5,316 out of 10,000, representing 53.16% of the total share value of the strata lots in OUE Downtown.

The subsidiary proprietors of OUE Downtown have established a sinking fund account into which sinking fund contributions will be made with effect from 1 July 2018. The sinking fund is intended to cover capital expenditure incurred in respect of common property in a strata-titled development. Without a substantial amount of sinking fund contributions in the account, if capital expenditure is required to be incurred, OUE C-REIT, as one of the subsidiary proprietors of OUE Downtown, will be required to contribute towards the capital expenditure in proportion to its share value of 53.16% of the total share value of the strata lots comprised in OUE Downtown. This may have an impact on the operating results of OUE C-REIT.

OUE C-REIT has no control over the Vendor's sale or lease of the remaining floor space in OUE Downtown.

The Vendor owns the strata title to the floor space in OUE Downtown in which it operates Downtown Gallery, which is the retail podium component of OUE Downtown. The Vendor also owns the strata title to the floor space in OUE Downtown in which Oakwood Premier OUE Singapore, which is the serviced residence component of OUE Downtown 1, operates. The Vendor is entitled at any time to sell or lease its floor space to other persons, subject to the right of first refusal (the "**ROFR**") granted by the Sponsor to OUE C-REIT (as described in the Prospectus of OUE C-REIT dated 17 January 2014) and the ROFR granted by the Sponsor to OUE Hospitality Trust ("**OUE H-Trust**") (as described in the prospectus of OUE H-Trust dated 18 July 2013). Notwithstanding the foregoing rights of first refusal, in the event that other third parties acquire the remaining floor space in OUE Downtown, the tenant mix may become inconsistent with the positioning of OUE Downtown as a "live, work and play" environment that gives office tenants access to a wide range of food options and lifestyle amenities right at their doorstep. This may in turn have an impact on the operating results of OUE C-REIT.

OUE C-REIT has no control over how the Vendor, as the subsidiary proprietor of the Other OUE Downtown Strata Lots, will vote on matters concerning the common property of OUE Downtown.

OUE Downtown is a strata-divided mixed-use development comprising the Properties, the Other OUE Downtown Strata Lots currently held by the Vendor and the common property. The Vendor (as the subsidiary proprietor of the Other OUE Downtown Strata Lots) and OUE C-REIT, who constitute the Management Corporation, own the common property in OUE Downtown as tenants-in-common in proportion to the share values attributable to their respective strata lots. OUE C-REIT will, on being registered as the proprietor of the Properties, own 53.16% of the total share value of the strata lots in OUE Downtown and cannot therefore deal with the common property in OUE Downtown as if OUE Downtown is entirely owned by it.

Under the Building Maintenance and Strata Management Act, certain matters concerning the common property, such as the installation or provision of additional facilities or the making of improvements to the common property, and the acceptance of transfers of land to add to the common property, require a special resolution, that is, a resolution passed at a general meeting of a management corporation, in favour of which at least 75.0% in value of votes of subsidiary proprietors present at such meeting is cast. Certain other matters concerning the common property, such as the creation of easements and restrictions affecting common property, require a unanimous resolution, that is, a resolution passed at a general meeting of a management corporation, in favour of which all votes of subsidiary proprietors present at such meeting is cast.

There is no assurance that resolutions other than ordinary resolutions concerning the common property of OUE Downtown can be passed, as OUE C-REIT will own only 53.16% of the total share value of strata lots comprising OUE Downtown. The Vendor (as the subsidiary proprietor of the Other OUE Downtown Strata Lots) may not vote in favour of such resolutions and hence the resolution will not be passed. This may impact the execution of asset enhancement works involving the common property of OUE Downtown (which require resolutions other than ordinary resolutions to be passed). Where such asset enhancement works are not carried out, it may adversely affect the marketability of the Properties or the property performance.

OUE C-REIT may not be able to obtain a tax transparency ruling in respect of the Rental Support and, where OUE C-REIT has obtained a tax transparency ruling on the Rental Support, it may be unable to comply with the terms of the tax transparency ruling, or the tax transparency ruling may be revoked or amended.

OUE C-REIT has not, as at the Latest Practicable Date, obtained a tax transparency ruling from the IRAS on the taxation of the Rental Support. Where OUE C-REIT has obtained a tax transparency ruling on the Rental Support, the tax transparency ruling would be granted to OUE C-REIT based on stipulated terms and conditions. Such terms and conditions would generally include a requirement for the Trustee and the Manager to take reasonable steps necessary to safeguard the IRAS against the loss of tax as a result of the tax transparency ruling and to comply with all administrative requirements to ensure ease of tax administration, among others. The tax transparency ruling on the Rental Support, where obtained, would be subject to OUE C-REIT satisfying the stipulated conditions. It may also, either in part or in whole, be revoked or its terms reviewed and amended by the IRAS at any time.

If the tax transparency ruling in respect of the Rental Support is not obtained, or where it has been obtained but is subsequently revoked or OUE C-REIT is unable to comply with the stipulated conditions, the tax transparency ruling on the Rental Support may not apply, in which case distributions to Unitholders will be made after tax. In such event, the actual amount of distributions made to Unitholders may be less than the amount they would have otherwise received if OUE C-REIT had been granted tax transparency in respect of the Rental Support.

Where OUE C-REIT has obtained a tax transparency ruling on the Rental Support, the approval is granted based on the facts presented to the IRAS. Where the facts turn out to be different from those represented to the IRAS, or where there is a subsequent change in the tax laws or conditions imposed, the tax transparency ruling may not apply.

RISKS RELATING TO THE ENLARGED PORTFOLIO

OUE C-REIT may be adversely affected by economic and real estate market conditions, as well as changes in regulatory, fiscal and other governmental policies in Singapore and the PRC.

The properties comprising the Existing Portfolio and the Properties (collectively, the “**Enlarged Portfolio**”) are presently located in Singapore and Shanghai, the PRC. Singapore and Shanghai are international financial centres and are therefore particularly prone to volatility in the banking and financial system. An economic decline in Singapore and/or the PRC could adversely affect OUE C-REIT’s results of operations and future growth.

The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. Further, there remains a concern in relation to, among others, the debt situation in Europe (most recently, in Italy), prevailing uncertainty surrounding the monetary policy direction of the U.S. Federal Reserve as well as the slowdown in China’s economic growth will impinge upon the health of the global financial system. These events could adversely affect OUE C-REIT insofar as they result in:

- a negative impact on the ability of the tenants to pay their rents in a timely manner or continue their leases, thus reducing OUE C-REIT’s cash flow;
- an increase in counterparty risk; and/or
- an increased likelihood that one or more of (i) OUE C-REIT’s banking syndicates (if any), (ii) banks or insurers, as the case may be, providing bankers’ guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with the properties comprising the Enlarged Portfolio or OUE C-REIT’s operations or (iii) OUE C-REIT’s insurers, may be unable to honour their commitments to OUE C-REIT.

Further, poor economic conditions and other adverse geopolitical conditions and developments such as growing tensions between the U.S. and the PRC relating to tariff levels and reciprocal trade between the two countries can adversely affect tenant confidence, resulting in a decline in the demand for commercial space as a result of increased volatility, which could have an adverse effect on OUE C-REIT’s rental income.

Investments in commercial and commercial-related assets in other countries will expose OUE C-REIT to additional local real estate market conditions. Other real estate market conditions which may adversely affect the performance of OUE C-REIT include the attractiveness of competing commercial-related assets or an oversupply or reduced demand for such commercial-related assets in the countries in which properties owned by OUE C-REIT are located. Further, OUE C-REIT will be subject to real estate laws, regulations and policies as a result of its property investments in Singapore and the PRC. Measures and policies adopted by the Singapore and PRC governments and regulatory authorities at national, provincial or local levels, such as government control over property investments or foreign exchange regulations, may negatively impact OUE C-REIT’s properties.

There is no assurance that the level of distributable income attributable to OUE Bayfront or the Properties can be sustained at the same levels once the OUE Bayfront Income Support and the Rental Support to be entered into with the Vendor in respect of the Properties expires or ceases.

In relation to OUE Bayfront, the Sponsor had entered into a deed of income support with the vendor of OUE Bayfront, being CDPL and the Trustee (the “**OUE Bayfront Deed of Income Support**”). The top-up payments from the Sponsor pursuant to the OUE Bayfront Deed of Income Support (the “**OUE Bayfront Income Support**”) started from the date of the listing of OUE C-REIT on the Main Board of the SGX-ST, being 27 January 2014, and will end on 26 January 2019. Under the terms of the OUE Bayfront Deed of Income Support, if the Gross Rental Income¹ of OUE Bayfront for the relevant period is less than the target Gross Rental Income in respect of OUE Bayfront, the Sponsor will be required to pay to the Trustee a sum equal to the difference in respect of that period subject to a maximum annual limit.

In addition, the Sponsor and the Vendor will be entering into the Deed of Rental Support with the Trustee, pursuant to which the Vendor will provide the Rental Support for the period from the Completion Date to (i) the day immediately preceding the fifth anniversary date of the Completion Date, or (ii) the date when the aggregate of all rental support payments payable to OUE C-REIT under the Deed of Rental Support exceeds S\$60.0 million, whichever is earlier. The Sponsor shall guarantee the Vendor’s obligations under the Deed of Rental Support.

Following the expiry or cessation of the OUE Bayfront Income Support in respect of OUE Bayfront and/or the Rental Support in respect of the Properties, there is no assurance that OUE Bayfront and/or the Properties will be able to generate a level of distributable income commensurate with the levels attained with the provision of OUE Bayfront Income Support in respect of OUE Bayfront and the Rental Support in respect of the Properties. Further, in relation to the OUE Bayfront Income Support, where the difference for the relevant period exceeds the maximum annual limit, the distributable income attributable to OUE Bayfront may be adversely affected.

There is no assurance that the properties comprising the Enlarged Portfolio will be able to maintain rental rates at prevailing market rates.

The rental rates of the properties comprising the Enlarged Portfolio will depend upon various factors, including but not limited to prevailing supply and demand conditions as well as the quality and design of the respective properties. There is no assurance that the Manager will be able to procure new leases or renew existing leases at these prevailing market rates.

OUE C-REIT is subject to the risk of a downturn in the businesses of key tenants or a significant number of tenants, which could lead to an early termination of leases.

OUE C-REIT is subject to the risk of the bankruptcy, insolvency or downturn in the businesses of one or more key tenants or a significant number of tenants of any of the properties comprising the Enlarged Portfolio, as well as the risk of the decision by one or more of these tenants to terminate its lease before it expires.

1 “**Gross Rental Income**” comprises Base Rent, Service Charge and Turnover Rent (where applicable), being:

- “**Base Rent**”, being rental income received after taking into account leasing incentives such as rent rebates and rent-free periods where applicable, but excluding Turnover Rent (as defined herein), Service Charge and other income, where applicable;
- “**Service Charge**”, which is a contribution paid by tenants towards covering the operation and property maintenance expenses of the properties comprising the Existing Portfolio; and
- “**Turnover Rent**”, which is generally calculated as a pre-determined percentage of the tenant’s gross turnover. In some cases, Turnover Rent may be subject to certain thresholds before it is payable, and the applicable percentage may vary with the turnover achieved.

If a significant number of early terminations occur in the properties comprising the Enlarged Portfolio, and replacement tenants cannot be procured in a timely manner and on terms acceptable to the Manager, there is likely to be a material adverse effect on the properties comprising the Enlarged Portfolio. This could materially and adversely affect the business, financial condition and results of operations of OUE C-REIT.

A majority of the leases of the properties comprising the Enlarged Portfolio have remaining lease tenures of one to three years, which exposes those properties comprising the Enlarged Portfolio to the loss of key tenants or a significant number of tenants, and to the risk of non-renewal and non-replacement of leases, which could have an adverse effect on the business, financial condition and results of operations of OUE C-REIT.

OUE C-REIT's financial condition and results of operations and capital growth may be adversely affected by the decision by one or more of the key tenants or a significant number of tenants of any of the properties comprising the Enlarged Portfolio not to renew its lease. If key tenants or a significant number of tenants do not renew their leases at expiry, it may be difficult to secure replacement tenants at short notice. In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than the current leases.

As at 30 June 2018, the weighted average lease expiry of OUE C-REIT's Existing Portfolio is 2.3 years by Gross Rental Income and 2.2 years by NLA. In relation to the Properties, the weighted average lease expiry as at 30 June 2018 is 2.0 years by Gross Rental Income and 2.0 years by NLA.

As at 30 June 2018, 8.3% and 26.7% of the leases (by Gross Rental Income) for OUE C-REIT's Existing Portfolio are expected to expire before 31 December 2018 and 31 December 2019 respectively. In relation to the Properties, 10.2% and 19.8% of the leases (by Gross Rental Income) are expected to expire during or before 31 December 2018 and 31 December 2019 respectively. These percentages reflect lease terms which are generally reflective of the duration of lease terms in the Singapore and PRC commercial property markets.

As a result, each of the properties comprising the Enlarged Portfolio experiences tenancy cycles in which a significant number of the tenancies may expire in a certain given year. Vacancies following the non-renewal of tenancies may lead to reduced occupancy rates. If key tenants or a significant number of tenants do not renew their tenancies in a year in which a significant number of tenancies expire and such tenants are not replaced in a timely manner and on terms acceptable to the Manager, this could adversely affect the business, financial condition and results of operations of OUE C-REIT.

OUE Tower has been gazetted for conservation, which may reduce OUE C-REIT's ability to optimise use of OUE Bayfront.

OUE Bayfront is comprised in part by OUE Tower, which has been gazetted for conservation and is subject to the conservation guidelines and policies of the Urban Redevelopment Authority and other relevant governmental authorities. These requirements restrict OUE C-REIT's ability to demolish, alter or add to the building comprising OUE Tower, which may prevent OUE C-REIT from maximising income derived from OUE Bayfront.

There is no assurance that an extension or new leasehold title to OUE Link will be granted.

OUE Link, which is held under a leasehold title of 15 years commencing 26 March 2010, has a remaining leasehold tenure of approximately 6.5 years as at the Latest Practicable Date.

OUE C-REIT may have to incur certain costs in order to obtain an extension or grant of a new leasehold title to OUE Link. If OUE C-REIT is not able to obtain an extension or grant of a new leasehold title to OUE Link on commercially acceptable terms or at all, OUE C-REIT will have to surrender OUE Link to the lessor, namely the President of the Republic of Singapore and/or his successors in office, upon expiration of the lease. This will have an adverse effect on the net income of OUE C-REIT. The value of OUE C-REIT's asset portfolio, and consequently the underlying asset value of the Units, will decrease upon such surrender.

The underlying land use right of Lippo Plaza will expire in 2044 and in the event that an extension to the land use right is sought and obtained (and there can be no assurance that such extension will be obtained), there is uncertainty about the quantum of land grant premium which OUE C-REIT will have to pay and additional conditions which may be imposed.

Lippo Plaza is directly held under the land use right granted by the PRC government, which will expire in 2044. Notwithstanding the possibility of applying for renewal of such land use right, there is the risk that such land use right may revert to the State upon expiry. If an application for extension is granted, the land user may be required to, among other things, pay a land grant premium for the renewed land use right. If no application is made, or such application is not granted, it is possible that Lippo Plaza may be disposed of in accordance with the land use right grant contract. There is uncertainty about the quantum of land grant premium which OUE C-REIT will have to pay and additional conditions which may be imposed in the event that an extension to the land use rights for Lippo Plaza is sought and obtained. There is no assurance that OUE C-REIT will be able to obtain an extension to the land use right. There is the risk that Lippo Plaza may revert to the PRC government in the event that the extension is not granted, and OUE C-REIT would no longer own or derive income from Lippo Plaza and this, along with other factors, may affect the business, financial condition and results of operations of OUE C-REIT.

Planned amenities and transportation infrastructure near the properties comprising the Enlarged Portfolio may not be implemented as planned, or may be closed, relocated, terminated or delayed.

There is no assurance that amenities, transportation infrastructure and public transport services near the properties comprising the Enlarged Portfolio will be implemented as planned or will not be closed, relocated, terminated or delayed. If such an event were to occur, it would adversely impact the accessibility of the relevant property within the Enlarged Portfolio and the attractiveness and marketability of the relevant property within the Enlarged Portfolio to tenants. This may then have an adverse effect on the demand and the rental rates for the relevant property within the Enlarged Portfolio and adversely affect the business, financial condition and results of operations of OUE C-REIT.

OUE C-REIT's assets might be adversely affected if the Manager, the property manager which manages the Properties and OUE Bayfront and/or any property manager appointed to manage any other property owned by OUE C-REIT (such as One Raffles Place and Lippo Plaza) does not provide adequate management and maintenance.

Should the Manager, OUE Commercial Property Management Pte. Ltd. (the "**Property Manager**"), being the property manager of the Properties and OUE Bayfront, any other property manager appointed to manage any properties located in Singapore or any other jurisdiction which are subsequently acquired by OUE C-REIT pursuant to the Master Property Management Agreement entered into between the Trustee, the Manager and the Property Manager (the "**Master Property Management Agreement**"), and/or any property manager appointed to manage any other property owned by OUE C-REIT (such as One Raffles Place and Lippo Plaza) fail to provide adequate management and maintenance, the value of OUE C-REIT's assets might be adversely affected and this may result in a loss of tenants, which will adversely affect distributions to Unitholders.

Renovation or redevelopment works or physical damage to any of the properties comprising the Enlarged Portfolio may disrupt the operations of the affected property within the Enlarged Portfolio and collection of rental income or otherwise result in an adverse impact on the financial condition of OUE C-REIT.

The quality and design of the properties comprising the Enlarged Portfolio have a direct influence over the demand for space in, and the rental rates of, the properties comprising the Enlarged Portfolio. The properties comprising the Enlarged Portfolio may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining commercial properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. The business and operations of the properties comprising the Enlarged Portfolio may suffer some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works.

In addition, physical damage to any of the properties comprising the Enlarged Portfolio resulting from fire or other causes may lead to a significant disruption to the business and operation of the affected property within the Enlarged Portfolio and, together with the foregoing, may impose unbudgeted costs on OUE C-REIT and result in an adverse impact on the financial condition and results of operations of OUE C-REIT and its ability to make distributions.

Losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flow.

Design, construction or other latent property or equipment defects in the properties comprising the Enlarged Portfolio may require additional capital expenditure, special repair, maintenance expenses, the payment of damages or other obligations to third parties.

Statutory or contractual representations, warranties and indemnities given by any seller of commercial properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects. Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on OUE C-REIT's earnings and cash flows.

The properties comprising the Enlarged Portfolio may face increased competition from other properties.

The properties comprising the Enlarged Portfolio are located in areas where other competing properties are present and new properties may be developed which may compete with the properties comprising the Enlarged Portfolio. The income from and the market value of the properties comprising the Enlarged Portfolio will be dependent on the ability of the properties comprising the Enlarged Portfolio to compete against other properties for tenants. If competing properties are more successful in attracting and retaining tenants, the income from the properties comprising the Enlarged Portfolio could be reduced, thereby adversely affecting OUE C-REIT's cash flow and the amount of funds available for distribution to Unitholders will be adversely affected.

RISKS RELATING TO OUE C-REIT'S BUSINESS AND OPERATIONS

The Sponsor is a controlling Unitholder, and will be able to exercise influence over certain activities of OUE C-REIT.

The Sponsor is a diversified real estate owner, developer and operator. The Sponsor's business continues to be focused across the commercial, retail, hospitality and residential segments. As at the Latest Practicable Date, the Sponsor holds an interest in 867,508,422 Units, representing a 55.9% interest in OUE C-REIT. The Sponsor is therefore in a position to exercise influence in matters which require the approval of Unitholders.

Potential competition may arise in the future between OUE C-REIT and the Sponsor Group.

The Sponsor is also the sponsor of OUE H-Trust, a stapled group which comprises OUE Hospitality Real Estate Investment Trust and OUE Hospitality Business Trust. While the Manager is of the view that there is minimal risk that the properties in OUE C-REIT may face competition for tenants from the properties in the portfolio of OUE H-Trust which include malls adjacent to hospitality properties, potential competition may arise in the future between OUE C-REIT and the Sponsor and its related subsidiaries and related corporations (the "**Sponsor Group**").

OUE Bayfront and One Raffles Place have significantly different target tenant bases from that of Mandarin Gallery, a property owned by OUE H-Trust. Mandarin Gallery, which is located in Orchard Road, is positioned as a high-end fashion mall for premium brands. OUE Link and One Raffles Place Shopping Mall, on the other hand, primarily serve the Singapore CBD's working population and focuses on offering popular and convenient retail and F&B options.

In relation to Lippo Plaza, neither OUE H-Trust nor the Sponsor own any commercial properties outside of Singapore which may be in competition with Lippo Plaza for tenants. Nevertheless, the Sponsor is a diversified real estate owner, developer and operator which focuses its business across the commercial, retail, hospitality and residential property segments.

The Sponsor has granted a ROFR to OUE C-REIT over income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes)¹ in financial and business hubs within and outside of Singapore, for so long as (i) the Manager or any of its related corporations (as defined in the Companies Act (as defined herein)) remains the manager of OUE C-REIT, (ii) the Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the Manager and (iii) the Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling unitholder of OUE C-REIT (the "**Sponsor ROFR**").

While the Sponsor ROFR demonstrates the commitment of the Sponsor, and is a means to mitigate any potential conflict of interests which may arise in the future, potential competition may arise between OUE C-REIT and the Sponsor Group in relation to any future acquisition of additional properties or property-related investments or in relation to competition for tenants.

¹ The Sponsor ROFR does not cover retail and/or commercial assets which are either complementary to or adjoining hospitality assets which are owned by OUE H-Trust or which OUE H-Trust has committed to buy, as these assets are the subject of a separate right of first refusal which the Sponsor has earlier granted to OUE H-Trust.

The Sponsor ROFR will be terminated if the Sponsor and/or any of its related corporations cease to be the controlling shareholder of the Manager.

The Sponsor has granted the Sponsor ROFR to OUE C-REIT, subject to certain conditions. In the event (i) the Sponsor and/or any of its related corporations, alone or in aggregate, cease to remain as a controlling shareholder of the Manager or (ii) the Sponsor and/or any of its related corporations, alone or in aggregate, cease to remain as a controlling unitholder of OUE C-REIT, the Sponsor ROFR will be terminated. This may adversely affect OUE C-REIT's pipeline of future acquisitions.

If the Manager's capital market services licence for REIT management ("CMS Licence") is cancelled or the authorisation of OUE C-REIT as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of OUE C-REIT will be adversely affected.

The CMS Licence issued to the Manager is subject to conditions and is valid unless otherwise cancelled. If the CMS Licence of the Manager is cancelled by the MAS, the operations of OUE C-REIT will be adversely affected, as the Manager would no longer be able to act as the manager of OUE C-REIT.

OUE C-REIT was authorised as a collective investment scheme on 17 January 2014 and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of OUE C-REIT is suspended, revoked or withdrawn, its operations will also be adversely affected.

Any breach by the major tenants of their obligations under the lease agreements or a downturn in their businesses may have an adverse effect on OUE C-REIT.

In the event that any major tenants of OUE C-REIT are unable to pay their rent or breach their obligations under the lease agreements, the level of distributable income may be adversely affected. The performance of the major tenants' businesses could also have an impact on their ability to make rental payments to OUE C-REIT. Factors that affect the ability of such major tenants to meet their obligations include, but are not limited to:

- their financial position;
- the local economies in which they have business operations;
- the ability of such major tenants to compete with their competitors;
- in the instance where such major tenants have sub-leased the Properties as well as the properties comprising the Existing Portfolio, the failure of the sub-tenants to pay rent; and
- material losses in excess of insurance proceeds.

The amount which OUE C-REIT may borrow is limited and this may affect the operations of OUE C-REIT.

Under the Property Funds Appendix, OUE C-REIT is permitted to borrow up to 45.0% of the value of the Deposited Property. Post Completion, OUE C-REIT's total borrowings and deferred payments (if any) as a percentage of the Deposited Property (the "**Aggregate Leverage**") approximates 39.8% based on the *pro forma* debt position as at 30 June 18.

OUE C-REIT may, from time to time, require further debt financing to achieve its investment strategy. In the event that OUE C-REIT decides to incur additional borrowings in the future, OUE C-REIT may face adverse business consequences as a result of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements in relation to OUE C-REIT's existing asset portfolio or in relation to OUE C-REIT's acquisitions to expand its portfolio;
- a decline in the value of the Deposited Property may cause the borrowing limit to be exceeded, thus affecting OUE C-REIT's ability to make further borrowings; and
- cash flow shortages (including with respect to distributions) which OUE C-REIT might otherwise be able to resolve by borrowing funds.

OUE C-REIT may face risks associated with debt financing and the Facilities and the debt covenants could limit or affect OUE C-REIT's operations.

As at the Latest Practicable Date, the OUE C-REIT Group has total borrowings of approximately S\$1,344.0 million.

OUE C-REIT is subject to risks associated with debt financing, including the risk that its cash flow will be insufficient to meet the required payments of principal and interest under such financing, and therefore to make distributions to Unitholders.

The Manager intends to distribute at least 90.0% of its amount available for distribution, with the actual level of distribution to be determined at the discretion of the Board of Directors. As a result of this distribution policy, OUE C-REIT may not be able to meet all of its obligations to repay any future borrowings through its cash flow from operations. OUE C-REIT may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

If OUE C-REIT defaults under the Facilities or OUE CT Treasury defaults under the MTN Programme, the lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided. As OUE Bayfront and Lippo Plaza are mortgaged, such property could be foreclosed by the lenders or the lenders could require a forced sale of the property and utilise the proceeds therefrom to repay the principal and interest under the debt facilities, which will result in a loss of income and asset value to OUE C-REIT. If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, OUE C-REIT will not be able to pay distributions at expected levels to Unitholders or to repay all maturing debt.

OUE C-REIT may be subject to the risk that the terms of any refinancing undertaken (which may arise from a change of control provision) will be less favourable than the terms of the original borrowings. While OUE C-REIT is not subject to covenants that may limit or otherwise adversely affect its operations and its ability to make distributions to Unitholders as at the Latest Practicable Date, the terms of any refinancing undertaken in the future may contain such covenants and other covenants which may also restrict OUE C-REIT's ability to acquire properties or undertake other capital expenditure and may require it to set aside funds for maintenance or repayment of security deposits or require OUE C-REIT to maintain certain financial ratios (e.g. loan to value ratios). The triggering of any of such covenants may have an adverse impact on OUE C-REIT's financial condition.

OUE C-REIT's level of borrowings represents a higher level of gearing as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. If prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial property loans) result in higher interest rates, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting OUE C-REIT's cash flow and the amount of funds available for distribution to the Unitholders.

OUE C-REIT is subject to interest rate fluctuation.

As at the Latest Practicable Date, approximately 75.0% of the OUE C-REIT Group's borrowings are on a fixed rate basis or have been hedged with interest rate swaps. The remaining 25.0% is on a floating rate basis. There is no certainty that the interest rates will not move against OUE C-REIT. Consequently, the interest cost to the OUE C-REIT Group for the floating interest rate debt will be subject to the risks of interest rate fluctuations.

The Manager may not be able to successfully implement its investment strategy for OUE C-REIT.

There is no assurance that the Manager will be able to implement its investment strategy successfully or that it will be able to expand OUE C-REIT's portfolio at any specified rate or to any specified size. The Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame.

OUE C-REIT faces active competition in acquiring suitable properties. OUE C-REIT's ability to make new property acquisitions under its acquisition growth strategy may be adversely affected. Even if OUE C-REIT were able to successfully acquire property or investments, there is no assurance that OUE C-REIT will achieve its intended return on such acquisitions or investments. Since the amount of borrowings that OUE C-REIT can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions are likely to be largely dependent on OUE C-REIT's ability to raise equity capital. This may result in a dilution of Unitholders' holdings.

Potential vendors may view negatively the prolonged time frame and lack of certainty associated with the raising of equity capital to fund any such purchase. They may instead prefer other potential purchasers.

There may be significant competition for attractive investment opportunities from other real estate investors, including other REITs, commercial property development companies and private investment funds. There is no assurance that OUE C-REIT will be able to compete effectively against such entities.

Possible change of investment strategies may adversely affect Unitholders' investments in OUE C-REIT.

The Manager may from time to time amend the investment strategies of OUE C-REIT if it determines that such change is in the best interest of OUE C-REIT and its Unitholders without seeking Unitholders' approval. In the event of a change of investment strategies, the Manager may, subject to the relevant laws, regulations and rules (including the Listing Manual), alter such investment strategies, provided that it has given not less than 30 days' prior notice of the change to the Trustee and Unitholders by way of an announcement on the SGX-ST. The methods of implementing OUE C-REIT's investment strategies may vary as new investment and financing techniques are developed or otherwise used. Such changes may adversely affect Unitholders' investment in OUE C-REIT.

Acquisitions may not yield the returns expected, resulting in disruptions to OUE C-REIT's business and straining of management resources.

OUE C-REIT's external growth strategy and its asset selection process may not be successful and may not provide positive returns to Unitholders. Acquisitions may cause disruptions to OUE C-REIT's operations and divert the management's attention away from day-to-day operations.

(Please also refer to "Risks Relating to the proposed Acquisition – OUE C-REIT's proposed Acquisition of the Properties may be subject to risks associated with the acquisition of real estate" for further details.)

The Manager's strategy to initiate asset enhancement on some of the properties comprising the Existing Portfolio from time to time may not materialise.

The Manager may from time to time initiate asset enhancement on some of the properties comprising the Existing Portfolio. There is no assurance that such plans for asset enhancement will materialise, or in the event that they do materialise, they may not achieve their desired results or may incur significant costs.

OUE C-REIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

OUE C-REIT's performance depends, in part, upon the continued service and performance of the executive officers of the Manager (the "**Executive Officers**", and each an "**Executive Officer**"). These key personnel may leave the employment of the Manager. If any of the above were to occur, the Manager will need to spend time searching for replacement(s) and the duties which such Executive Officers are responsible for may be affected. The loss of any of these individuals could have a material adverse effect on the financial condition and the results of operations of OUE C-REIT.

OUE C-REIT may from time to time be subject to legal proceedings and government proceedings.

Legal proceedings against OUE C-REIT and/or its subsidiaries relating to property management and disputes over tenancies may arise from time to time. There can be no assurance that OUE C-REIT and/or its subsidiaries will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the financial condition, results of operation or cash flow of OUE C-REIT.

OUE C-REIT's subsidiaries are regulated by various government authorities and regulations. If any government authority believes that OUE C-REIT's subsidiaries or any of their tenants are not in compliance with the regulations, it could shut down the relevant non-compliant entity or delay the approval process, refuse to grant or renew the relevant approvals or licences, institute legal proceedings to seize the properties, enjoin future action or (in the case of OUE C-REIT's subsidiaries not being in compliance with the regulations) assess civil and/or criminal penalties against OUE C-REIT, its officers or employees. Any such action by the government authority would have a material adverse effect on the business, financial condition and results of operations or cash flow of OUE C-REIT.

OUE C-REIT may engage in hedging transactions, which can limit gains and increase costs.

OUE C-REIT may enter into hedging transactions to protect itself or its portfolio from, among others, the effects of interest rate and currency exchange fluctuations on floating rate debt and interest rate and prepayment fluctuations.

These hedging activities may not have the desired beneficial impact on the results of operations or financial condition of OUE C-REIT. In addition, hedging activities involve risks and transaction costs, which may reduce overall returns and possibly limit the amount of cash available for distribution to Unitholders. The Manager will regularly monitor the feasibility of engaging in such hedging transactions, taking into account the cost of such transactions.

Occurrence of any acts of God, natural disasters, severe environmental pollution, war and terrorist attacks may adversely and materially affect the business and operations of the properties comprising the Existing Portfolio.

Acts of God, such as natural disasters, and severe environmental pollution (including severe smog), are beyond the control of OUE C-REIT or the Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. OUE C-REIT's business and amount available for distribution may be adversely affected should such acts of God occur. There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of the properties comprising the Existing Portfolio and hence OUE C-REIT's amount available for distribution.

In addition, physical damage to the properties comprising the Existing Portfolio resulting from fire, earthquakes or other acts of God may lead to a significant disruption to the business and operation of the properties comprising the Existing Portfolio. This may then result in an adverse impact on the business, financial condition and results of operations of OUE C-REIT and its capital growth.

There is no assurance that OUE C-REIT will be able to leverage on the Sponsor's experience in the operation of the properties comprising the Existing Portfolio or the Sponsor's experience in the management of REITs.

In the event that the Sponsor decides to transfer or dispose of its Units or its shares in the Manager, OUE C-REIT may no longer be able to leverage on:

- the Sponsor's experience in the ownership and operation of commercial properties;
- the Sponsor's financial strength, market reach and network of contacts to further its growth; or
- the Sponsor's experience in the management of REITs.

In such an event, OUE C-REIT may not be able to benefit from the range of corporate services which are available to owners of properties managed by the Sponsor. This may have a material and adverse impact on OUE C-REIT's results of operations and financial condition which may consequently affect its ability to make distributions to its Unitholders.

The termination or retirement of the Manager and/or the Property Manager could have an adverse effect on the financial condition and results of operations of OUE C-REIT.

The Manager is responsible for, among other things, formulating and executing OUE C-REIT's investment strategy and making recommendations to the Trustee on the acquisition and disposal of commercial assets.

The Property Manager was engaged pursuant to the Master Property Management Agreement and (with respect to OUE Bayfront and the Properties) the individual property management agreements, and will provide, among other things, property management, lease management, project management and marketing and services. As such, OUE C-REIT's financial condition, results of operations and ability to make distributions to Unitholders will depend on the performance of the Manager and the Property Manager.

Under the Trust Deed, the Manager may be removed by the Trustee upon the occurrence of certain events, including the passing of a resolution by a majority consisting of more than 50.0% of the total number of votes (with no participants being disenfranchised) at a meeting of Unitholders duly convened and held. Under the Master Property Management Agreement, the Trustee or the Manager may also terminate the appointment of the Property Manager on the occurrence of certain specified events, including the liquidation or cessation of business of the Property Manager. Upon the retirement and/or removal of the Manager and/or the Property Manager, the replacement of the manager of OUE C-REIT and/or the property manager of the properties of OUE C-REIT generally on satisfactory terms may not occur in a timely manner, and may adversely affect the financial condition and results of operations of OUE C-REIT.

In addition, resignation or termination of the existing local property manager in relation to Lippo Plaza without a timely and competent replacement may adversely affect the results of operations of Lippo Plaza and, in turn, OUE C-REIT.

OUE C-REIT's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments.

OUE C-REIT's principal investment strategy of investing, 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, will subject OUE C-REIT to risks inherent in concentrating in real estate. The level of risk could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors.

A concentration of investments in real estate exposes OUE C-REIT to the risk of a downturn in the commercial property markets in countries where properties held by OUE C-REIT are located, stemming from an economic slowdown in either or all of these areas, in addition to a broader global economic slowdown and other non-economic factors. The renewal of leases in OUE C-REIT's properties will depend, in part, upon the success of the tenants. Any economic downturn may cause higher levels of non-renewals of leases or vacancies as a result of failures or defaults by tenants or the market pressures exerted by an increase in available commercial space. There can be no assurance that the tenants of OUE C-REIT's properties will renew their leases or that the new lease terms will be as favourable as the existing leases. In the event that a tenant does not renew its lease, a replacement tenant or tenants would need to be identified, which could subject OUE C-REIT's properties to periods of vacancy and/or costly re-fittings, during which periods OUE C-REIT could experience reductions in rental income.

Such downturns may lead to a decline in occupancy for properties or real estate-related assets in OUE C-REIT's portfolio. This will affect OUE C-REIT's rental income from the properties comprising the Existing Portfolio, and/or a decline in the capital value of OUE C-REIT's portfolio, which will have an adverse impact on distributions to Unitholders and/or on the results of operations and the financial condition of OUE C-REIT.

OUE C-REIT relies on information technology in its operations, and any material failure, inadequacy, interruption or security failure of that technology could harm its business.

OUE C-REIT relies on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include personally identifiable information of tenants and lease data. OUE C-REIT relies on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential tenant information, such as individually identifiable information relating to financial accounts. Although OUE C-REIT has taken steps to protect the security of the data maintained in its information systems, it is possible that such security

measures will not be able to prevent the systems' improper functioning, or the improper disclosure of personally identifiable information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorised disclosure of confidential information. Any failure to maintain proper function, security and availability of OUE C-REIT's information systems could interrupt its operations, damage its reputation, subject OUE C-REIT to liability claims or regulatory penalties and could materially and adversely affect it.

RISKS RELATING TO THE PRC

OUE C-REIT may be exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations.

The revenue received from Lippo Plaza is in Renminbi, which has to be converted into Singapore dollars for the distribution payments at OUE C-REIT's level. Accordingly, OUE C-REIT is exposed to risks associated with exchange rate fluctuations which may adversely affect OUE C-REIT's results of operations.

The value of Renminbi against foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. The value of the distributions received by a Unitholder may be adversely affected by fluctuations in the exchange rates between Renminbi, the Singapore dollar and any other currencies which may be adopted from time to time. Significant fluctuations in the exchange rates between such currencies will also, among others, affect the NAV of the Units, the amount of distribution to Unitholders and the foreign currency value of the proceeds which a Unitholder would receive upon sale of the Units in Singapore.

Repatriations out of China are subject to Government regulations in the PRC. There is no assurance that the Government regulations will not change such that Lippo Shanghai will be able to continue paying dividends and repatriate offshore by complying with certain procedural requirements without prior approval from the State Administration of Foreign Exchange. In the event approvals are required in the future or there are delays in granting or a refusal to grant any such approval, or a revocation or variation of consents granted prior to the investments being made, or in the event new restrictions are imposed, this may adversely affect OUE C-REIT's investments.

The PRC government has implemented property control measures in relation to the PRC property market.

Increasing speculation in the PRC property market may result in rapid increases in property prices. To discourage speculation in the PRC property market, the PRC government has, among other things, implemented control measures in the property market.

The PRC government has placed emphasis on regulating investments in the residential property market given that this relates closely to people's livelihoods. While these regulations and policies do not have any material impact on the commercial property market from a legal point of view, more funds may turn to the commercial property market and cause it to overheat as investments in residential property are burdened by these regulations and policies. In such cases, there is no assurance that the PRC government will not extend such control measures to regulate commercial properties. Although various control measures are intended to promote more balanced property developments in the long-term, these measures could adversely affect the development and sales of the properties comprising the Existing Portfolio or any later acquisition of properties in the PRC. In addition, there is no assurance that the PRC government will not introduce additional measures from time to time to regulate the growth of the PRC property market. The continuation of the existing measures and the introduction of any new measures may materially and adversely affect OUE C-REIT's business, financial condition and results of operations.

OUE C-REIT is subject to extensive PRC regulatory control on foreign investment in the real estate sector.

The PRC government has promulgated a number of regulations and rules regulating foreign investment in the real estate sector.

For instance, there can be no assurance that the PRC government will not deem any transaction of real properties or any transfer of equity in real estate companies as arbitrage through transaction of real estate.

While OUE C-REIT has obtained all necessary approvals and consents from the PRC authorities for the acquisition of Lippo Plaza, there is also no assurance that the PRC government will not implement additional restrictions on foreign investment in the real estate industry and purchases and sales of real estate properties by foreign investors.

Delay by the PRC tax authorities in assessing taxes could affect the amount of distributions.

Dividends originating from Lippo Shanghai can only be remitted offshore after capital verification audit and full payment of applicable taxes evidenced by tax record forms for remittance issued by the PRC tax authorities. In the event the tax record forms for remittance cannot be obtained from the PRC tax authorities in a timely manner, OUE C-REIT's ability to make distributions to Unitholders will be adversely affected and OUE C-REIT may be required to take loan facilities to satisfy the payment of the distributions to Unitholders. If OUE C-REIT is unable to obtain financing on terms that are acceptable or OUE C-REIT has reached its Aggregate Leverage limit under the Property Funds Appendix, the amount of distributions could be adversely affected.

Interpretation of the PRC laws and regulations involves uncertainty.

The taxation and real estate laws and in particular, the laws relevant to the rights of foreign investors and the entities through which they may invest are often unclear in the PRC where the assets of OUE C-REIT are located.

The PRC legal system is based on written statutes and prior court decisions can only be cited as reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, any particular interpretation of PRC laws and regulations may not be definitive. The PRC may not accord equivalent rights (or protection for such rights) to those rights investors might expect in countries with more sophisticated real estate laws and regulations.

Furthermore, the PRC is geographically large and divided into various provinces and municipalities and as such, different laws, rules, regulations and policies apply in different provinces and they may have different and varying applications and interpretations in different parts of the PRC. The PRC currently does not have any centralised register or official resources where legislation enacted by the central and local authorities is made available to the public. Legislation or regulations, particularly for local applications, may be enacted without prior notice or announcement to the public. Accordingly, the Manager may not be aware of the existence of new legislation or regulations. There is at present also no integrated system in the PRC from which information can be obtained in respect of legal actions, arbitrations or administrative actions. Even if an individual court-by-court search were performed, each court may refuse to make the documentation which it holds available for inspection. Accordingly, there is a risk that entities in the PRC acquired by OUE C-REIT may be subject to proceedings which may not have been disclosed.

Agreements which are governed under PRC laws may be more difficult to enforce by legal or arbitral proceedings in the PRC than in countries with more mature legal systems. Even if the agreements generally provide for arbitral proceedings for disputes arising out of the agreements to be in another jurisdiction, it may be difficult for OUE C-REIT to obtain effective enforcement in the PRC of an arbitral award obtained in that jurisdiction.

The PRC's political policies and foreign relations could affect the properties comprising the Existing Portfolio.

Investment in a selection of PRC properties entails risks of a nature and degree not typically encountered in property investments in developed markets. In the PRC, there is a high risk of nationalisation, expropriation, confiscation, punitive taxation, currency restriction, political changes, government regulation, political, economic or social instability or diplomatic developments which could adversely affect the value of investments made in the PRC, including Lippo Plaza, and for which OUE C-REIT may not be fairly compensated. Certain national policies may restrict foreigners investing in industries deemed sensitive to the national interest such as mining of certain kinds of minerals, construction and operation of natural reserves.

The PRC's economic reforms could affect OUE C-REIT's business.

The PRC economy differs from the economies of most developed countries in many respects, including its structure, its level of development, its growth rate, its control of foreign exchange and its allocation of resources. The PRC economy is still in the process of being transformed from a planned economy to a more market-oriented economy. For the past two decades, the PRC government has implemented economic reform measures emphasising utilisation of market forces in the development of the PRC economy. Although the Manager believes these reforms will have a positive effect on its overall and long-term development, it cannot predict whether changes in the PRC's economic and other policies will or will not have any adverse effect on OUE C-REIT's current or future business, financial condition and results of operations.

RISKS RELATING TO INVESTING IN REAL ESTATE

There are general risks attached to investments in real estate.

Investments in real estate and therefore the income generated from the properties comprising the Existing Portfolio are subject to various risks, including but not limited to:

- adverse changes in political or economic conditions;
- adverse local market conditions (such as over-supply of properties or reduction in demand for properties in the market in which OUE C-REIT operates);
- the financial condition of tenants;
- the availability of financing such as changes in availability of debt or equity financing, which may result in an inability by OUE C-REIT to finance future acquisitions on favourable terms or at all;
- changes in interest rates and other operating expenses;
- changes in exchange rates;
- changes in environmental laws and regulations, zoning laws and other governmental laws, regulations and rules and fiscal policies (including tax laws and regulations);

- environmental claims in respect of real estate;
- changes in market rents;
- changes in energy prices;
- changes in the relative popularity of property types and locations leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market;
- competition among property owners for tenants which may lead to vacancies or an inability to rent space on favourable terms;
- inability to renew leases or re-let space as existing leases expire;
- inability to collect rents from tenants on a timely basis or at all due to bankruptcy or insolvency of the tenants or otherwise;
- insufficiency of insurance coverage or increases in insurance premiums;
- increases in the rate of inflation;
- inability of the Property Manager to provide or procure the provision of adequate maintenance and other services;
- defects affecting the properties comprising the Existing Portfolio which need to be rectified, or other required repair and maintenance of the properties comprising the Existing Portfolio, leading to unforeseen capital expenditure;
- the relative illiquidity of real estate investments;
- considerable dependence on cash flow for the maintenance of, and improvements to, the properties comprising the Existing Portfolio;
- increased operating costs, including real estate taxes;
- any defects or illegal structures that were not uncovered by physical inspection or due diligence review;
- management style and strategy of the Manager;
- the attractiveness of OUE C-REIT's properties to tenants;
- the cost of regulatory compliance;
- ability to rent out properties on favourable terms; and
- power supply failure, acts of God, wars, terrorist attacks, uninsurable losses and other factors.

Many of these factors may cause fluctuations in occupancy rates, rental rates or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The annual valuation of the properties comprising the Existing Portfolio will reflect such factors and as a result may fluctuate upwards or downwards. The capital value of OUE C-REIT's real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economies in Singapore, the PRC or any other country in which OUE C-REIT may own properties, which may adversely affect the financial condition of OUE C-REIT.

OUE C-REIT may be adversely affected by the illiquidity of real estate investments.

OUE C-REIT's principal investment strategy of investing, 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, involves a higher level of risk as compared to a portfolio which has a more diverse range of investments. Real estate investments are relatively illiquid and such illiquidity may affect OUE C-REIT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. OUE C-REIT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. OUE C-REIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on OUE C-REIT's financial condition and results of operations, with a consequential adverse effect on OUE C-REIT's ability to deliver expected distributions to Unitholders.

The appraisals of the properties comprising the Existing Portfolio are based on various assumptions and the price at which OUE C-REIT is able to sell a property within the Existing Portfolio in future may be lower than the initial acquisition value of that property.

There can be no assurance that the assumptions relied on are accurate measures of the market, and the values of the properties comprising the Existing Portfolio may be evaluated inaccurately. The independent valuers for the properties comprising the Existing Portfolio may have included a subjective determination of certain factors relating to the properties comprising the Existing Portfolio such as their relative market positions, financial and competitive strengths, and physical condition and, accordingly, the valuation of the properties comprising the Existing Portfolio (which affect the NAV per Unit) may be subjective. The valuation of any of the properties comprising the Existing Portfolio does not guarantee a sale price at that value at present or in the future. The price at which OUE C-REIT may sell a property may be lower than its purchase price.

OUE C-REIT may suffer material losses in excess of insurance proceeds or OUE C-REIT may not put in place or maintain adequate insurance in relation to the properties comprising the Existing Portfolio and its potential liabilities to third parties.

The properties comprising the Existing Portfolio face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the properties comprising the Existing Portfolio.

In addition, certain types of risks (such as war risk and losses caused by the outbreak of contagious diseases, contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Should an uninsured loss or a loss in excess of insured limits occur, OUE C-REIT could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property as it may not be able to rent out or sell the affected property. OUE C-REIT will also be liable for any debt or other financial obligations related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur.

OUE C-REIT may suffer losses and be liable for the damage suffered by third parties as a result of contamination or other environmental issues in the event that contaminants are found on the land on which the properties comprising the Existing Portfolio are located.

The properties comprising the Existing Portfolio and other assets acquired in the future by OUE C-REIT may be affected by contamination or other environmental issues which may not previously have been identified and/or rectified at the time of acquisition or which may subsequently occur after acquisition. This gives rise to a number of risks, including:

- the risk of prosecution by environmental authorities;
- the requirement for unbudgeted additional expenditure to remedy such issues;
- the adverse impact on the operations at the affected property which may in turn adversely affect the revenue of OUE C-REIT; and
- the adverse impact on the value of the affected property.

OUE C-REIT may be liable to bear the costs of remedying or removing such contamination and there is no guarantee that OUE C-REIT will be able to recover such costs from other parties which might have contributed to or are responsible for such contamination.

OUE C-REIT's ability to make distributions to Unitholders may be adversely affected by increases in property expenses and other operating expenses.

OUE C-REIT's ability to make distributions to Unitholders apart from the several circumstances set out below could be adversely affected if property expenses and other operating expenses increase without a corresponding increase in revenue. Factors which could lead to an increase in expenses include, but are not limited to, the following:

- increases in property tax assessments and other statutory charges;
- changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- changes in direct or indirect tax policies, laws or regulations;
- increases in sub-contracted service costs;
- increases in labour costs;
- increases in repair and maintenance costs;
- increases in the rate of inflation;
- defects affecting, or environmental pollution in connection with, the properties comprising the Existing Portfolio which need to be rectified, leading to unforeseen capital expenditure;
- increases in insurance premiums;
- increases in cost of utilities; and
- increases in the Manager's management fees, the Property Manager's fees, the Trustee's fee and other trust expenses.

There can be no assurance that, if property and other operating expenses increase, such increases will not have a significant impact on OUE C-REIT's financial condition and total returns. In addition, such increase may adversely affect the ability of OUE C-REIT to make expected distributions to Unitholders.

The property tax to which OUE C-REIT is subject may increase.

Property expenses for OUE C-REIT include property tax on the properties comprising the Existing Portfolio. The property tax expenses of OUE C-REIT may increase due to reasons including, but not limited to, the following:

- an increase in the applicable property tax rate;
- changes to the basis of assessment for property tax; and
- changes to the relevant property tax legislation or regime.

In Singapore, OUE C-REIT is liable to pay property tax on the annual value of immovable properties in Singapore.

In the PRC, certain taxes such as real estate tax are subject to the discretion or practice of local tax bureaus, and thus the amount of taxes payable may vary.

In the event of a disposal of any of OUE C-REIT's properties in the PRC, such disposal may also expose the income and gains derived by OUE C-REIT to various types of taxes in the PRC, including income tax, business tax, land appreciation tax, stamp duty levied on gross income and local surcharges applicable at the location of the property.

An increase in property tax expenses may have a significant impact on the total returns, financial condition and cash flows of OUE C-REIT. In addition, such increase may adversely affect the ability of OUE C-REIT to make expected distributions to Unitholders.

The properties owned by OUE C-REIT or a part of them may be acquired compulsorily by the respective governments of Singapore, the PRC or any other country in which OUE C-REIT may own properties.

Under the laws and regulations of Singapore and the PRC, there are various circumstances under which the respective governments of Singapore and the PRC are empowered to acquire any of OUE C-REIT's properties in Singapore and the PRC, respectively.

The Land Acquisition Act, Chapter 152 of Singapore gives the Singapore Government the power to acquire any land in Singapore (i) for any public purpose, (ii) where the acquisition is of public benefit or of public utility or in the public interest, or (iii) for any residential, commercial or industrial purposes.

In the event that any of OUE C-REIT's properties in Singapore are acquired compulsorily, the relevant authority will take into consideration, among others, the market value of the property (or part thereof) as assessed on the basis prescribed in the relevant rules and regulations, which may be less than the price which OUE C-REIT paid for the property and/or the market value of such property at the relevant time.

In the event of any compulsory acquisition of property in the PRC, the amount of compensation to be awarded may be less than the price which OUE C-REIT paid for such property and/or the market value of such property at the relevant time.

In such event, the compulsory acquisition of any of the properties owned by OUE C-REIT or a part of them by the respective governments of Singapore, the PRC or any other country in which OUE C-REIT may own properties would therefore have an adverse effect on the Gross Revenue of OUE C-REIT and the value of OUE C-REIT's portfolio.

RISKS RELATING TO AN INVESTMENT IN THE UNITS

The form of payment of the management fees will have an impact on DPU.

The amount of distribution available to Unitholders is affected by the form of payment of the management fees. If the Manager elects to receive the payment of the management fees in the form of cash, the amount of distribution available for distribution to Unitholders will be affected. Similarly, if the Manager elects to receive the payment of the management fees in the form of Units, the distribution will be distributed over a larger number of Units.

The sale or possible sale of a substantial number of Units by the Sponsor in the public market could adversely affect the price of the Units.

As at the Latest Practicable Date, OUE C-REIT has 1,552,336,122 issued Units, of which 867,508,422 Units are indirectly held by the Sponsor. If the Sponsor and/or any of its transferees of the Units sells or is perceived as intending to sell a substantial amount of its Units, or if a secondary offering of the Units is undertaken in connection with an additional listing on another securities exchange, the market price for the Units could be adversely affected.

OUE C-REIT may not be able to make distributions to Unitholders or the level of distributions may fall.

The net property income earned from real estate investments depends on, among other factors, the amount of rental income received and the level of property and operating expenses incurred. If the properties comprising the Existing Portfolio do not generate sufficient net property income, OUE C-REIT's income, cash flow and ability to make distributions to Unitholders will be adversely affected.

For the Trustee to make distributions from the income of the properties comprising the Existing Portfolio, OUE C-REIT has to rely partially on the receipt of dividends from Tecwell Limited (the "**BVI Company**"). While the Manager has obtained appropriate tax and legal advice on potential onshore tax and/or legal liabilities through investing in the BVI Company and has disclosed such potential onshore tax and/or legal liabilities in the Prospectus, there can be no assurance that it will have sufficient revenue in any future period to pay dividends.

Apart from potential onshore tax and/or legal liabilities through investing in the BVI Company, the level of revenue, distributable profits or reserves of the BVI Company available to pay dividends, pay interest or make repayments may be affected by a number of factors including, among other things:

- its business and financial position;
- the availability of distributable profits;
- sufficiency of cash flows received by the BVI Company from Lippo Plaza;
- applicable laws and regulations which may restrict the payment of dividends by the BVI Company;
- operating losses incurred by the BVI Company in any financial year;

- losses arising from a revaluation of the Lippo Plaza property. Such losses may become realised losses which would adversely affect the level of realised profits from which the BVI Company may distribute dividends;
- changes in accounting standards (including standards in respect of depreciation policies relating to real estate investment properties), taxation laws and regulations, laws and regulations in respect of foreign exchange and repatriation of funds and corporation laws and regulations in respect of statutory reserves required to be maintained in Singapore and the PRC;
- fluctuations in the exchange rates between Renminbi and the Singapore dollar;
- trapped cash in Lippo Shanghai (as a result of depreciation of real estate being a mandatory accounting expense under PRC accounting standards) which cannot be effectively utilised; and
- the terms of agreements to which the BVI Company is, or may become, a party to.

No assurance can be given as to OUE C-REIT's ability to pay or maintain distributions to Unitholders. There is also no assurance that the level of distributions will increase over time, that there will be contractual increases in rent under the leases of the properties comprising the Existing Portfolio or that receipt of incremental rental income in connection with expansion of the properties comprising the Existing Portfolio or future acquisitions of properties will increase OUE C-REIT's cash flow available for distribution to Unitholders.

The NAV per Unit may be diluted if further issues are priced below the then current NAV per Unit.

The Trust Deed contemplates new issues of Units, the offering price for which may be above, at or below the then current NAV per Unit. The DPU may be diluted if new Units are issued and the use of proceeds from such issue of Units generates insufficient cash flow to cover the dilution. Where new Units, including Units which may be issued to the Manager in payment of the Manager's management, acquisition, divestment and/or development management fees, are issued at less than the NAV per Unit, the then current NAV of each existing Unit may be diluted.

The laws, regulations and accounting standards in Singapore, the PRC and/or the BVI may change.

OUE C-REIT is a REIT constituted in Singapore, Lippo Shanghai is incorporated in the PRC, and the BVI Company and OUE Eastern Limited (the "**BVI Holding Company**") are incorporated in the British Virgin Islands ("**BVI**"). The laws, regulations (including tax laws and regulations) and/or accounting standards in Singapore, the PRC and/or the BVI are subject to change. New laws and regulations may also be introduced in these jurisdictions. As a result, the financial statements of OUE C-REIT may be affected by these changes.

The extent and timing of these changes in accounting standards are currently unknown and subject to confirmation by the relevant authorities. The Manager has not quantified the effects of these proposed changes and there can be no assurance that these changes will not have a significant impact on the presentation of OUE C-REIT's financial statements or on OUE C-REIT's results of operations. In addition, such changes may adversely affect the ability of OUE C-REIT to make distributions to Unitholders. There can be no assurance that any such changes to laws, regulations and accounting standards will not materially and adversely affect the business, financial condition and results of operations of OUE C-REIT.

OUE C-REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs.

OUE C-REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs. There is no assurance that new or revised legislation, regulations, guidelines or directives will not adversely affect REITs in general or OUE C-REIT specifically.

OUE C-REIT may be unable to comply with the terms of the Tax Rulings or the Tax Rulings may be revoked or amended.

OUE C-REIT has obtained tax rulings from IRAS on the taxation of certain income (the “**Specified Taxable Income**”) from OUE Bayfront (the “**Tax Transparency Ruling**”) and on the Singapore taxation of dividend income received from the BVI Holding Company (the “**Foreign-Sourced Income Tax Exemption Ruling**”) (collectively, the “**Tax Rulings**”). Pursuant to the Tax Transparency Ruling, tax transparency treatment shall apply to the Specified Taxable Income distributed by the Trustee without limiting to income from OUE Bayfront only.

The Tax Rulings have been granted to OUE C-REIT on the stipulated terms and conditions. These terms and conditions include a requirement for the Trustee and the Manager to take reasonable steps necessary to safeguard the IRAS against the loss of tax as a result of the Tax Transparency Ruling and to comply with all administrative requirements to ensure ease of tax administration, among others.

The Tax Rulings are subject to OUE C-REIT satisfying the stipulated conditions. They may also, either in part or in whole, be revoked or their terms reviewed and amended by the IRAS at any time. If either or both of the Tax Rulings are revoked or if OUE C-REIT is unable to comply with the stipulated conditions, the tax transparency or exemption may not apply, in which case distributions to Unitholders will be made after tax. In such event, the actual amount of distributions made to Unitholders may be less than the amount they would have otherwise received if OUE C-REIT had been granted tax transparency or a tax exemption in respect of its income. The approvals are also granted based on the facts presented to the IRAS. Where the facts turn out to be different from those represented to the IRAS, or where there is a subsequent change in the tax laws or conditions imposed, the tax transparency or exemption under the Tax Rulings may not apply.

OUE C-REIT may suffer higher taxes if any of its subsidiaries are treated as having a taxable presence or permanent establishment outside their place of incorporation and tax residency.

Currently, OUE C-REIT and its subsidiaries are not regarded as having any taxable presence or permanent establishment outside their place of incorporation and place of tax residency. If any of OUE C-REIT’s subsidiaries is considered as having a taxable presence or permanent establishment outside its place of incorporation and place of tax residency, income or gains may be subject to additional taxes which may have an adverse impact on OUE C-REIT’s financial condition.

Foreign Unitholders may not be permitted to participate in rights issues or entitlements offerings by OUE C-REIT.

The Trust Deed provides that, the Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. The rights or entitlements to the Units to which such Unitholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Manager may determine, subject to such other terms and conditions

as the Trustee may impose. The proceeds of any such sale will be paid to the Unitholders whose rights or entitlements have been so sold, provided that where such proceeds payable to the relevant Unitholders are less than S\$10.00, the Manager is entitled to retain such proceeds as part of the Deposited Property. The holding of the relevant holder of the Units may be diluted as a result of such sale.

The *pro forma* financial information contained in this Offer Information Statement is not necessarily indicative of the future performance of OUE C-REIT and the actual performance of OUE C-REIT and the Properties could differ materially from the *pro forma* information in this Offer Information Statement.

This Offer Information Statement contains *pro forma* information regarding the *pro forma* performance of OUE C-REIT after completion of the Rights Issue and the proposed Acquisition. The *pro forma* financial information contained in this Offer Information Statement is based on historical data and a number of assumptions and is not necessarily indicative of the future performance of OUE C-REIT. (See the section entitled “*Pro Forma* Financial Information” for further details.)

OUE C-REIT’s actual results and performance may differ materially from that in the *pro forma* information.

OUE C-REIT’s distribution policy may cause OUE C-REIT to face liquidity constraints.

The Manager intends to distribute at least 90.0% of its amount available for distribution, with the actual level of distribution to be determined at the discretion of the Board of Directors. If OUE C-REIT’s amount available for distribution is greater than its cash flow from operations, there may be liquidity constraints and it may have to borrow to meet on-going cash flow requirements since it may not have any reserves to draw on. OUE C-REIT’s ability to borrow is limited, however, by the Property Funds Appendix and the willingness of lenders to provide debt financing on favourable terms or at all. Failure to make distributions of at least 90.0% of its Specified Taxable Income would put OUE C-REIT in breach of the terms of the Tax Transparency Ruling and OUE C-REIT would be liable to pay income tax on its Specified Taxable Income.

Unitholders may bear the effects of tax adjustments on income distributed in prior periods.

Distributions will be based on OUE C-REIT’s amount available for distribution as computed by the Manager. OUE C-REIT’s amount available for distribution as computed by the Manager may, however, be subject to adjustment by the IRAS. The effect of this adjustment would mean that OUE C-REIT’s actual amount available for distribution might either be higher or lower than what was computed by the Manager. The difference between OUE C-REIT’s actual Specified Taxable Income and OUE C-REIT’s Specified Taxable Income, as computed by the Manager for the purpose of making a distribution to Unitholders, will be added to or deducted from the amount available for distribution computed by the Manager for the subsequent distribution to Unitholders and thus affect the amount of these subsequent distributions.

Property yield on real estate to be held by OUE C-REIT is not equivalent to distribution yield on the Units.

Generally, property yield depends on net property income and is calculated as the amount of revenue generated by the properties, less the expenses incurred in maintaining, operating, managing and leasing the properties compared against the current value of the properties. Distribution yield on the Units, however, depends on the distributions payable on the Units, after taking into account other expenses including (i) taxes, (ii) interest cost for the debt facilities, (iii) management fees and trustee’s fee and (iv) other operating costs including administrative fees of OUE C-REIT, as compared with the purchase price of the Units.

The Manager is not obliged to redeem Units.

Unitholders have no right to request the Manager to redeem their Units while the Units are listed on the SGX-ST. Unitholders may only deal in their listed Units through trading on the SGX-ST. Accordingly, apart from selling their Units through trading on the SGX-ST, Unitholders may not be able to realise their investments in Units.

If the Units are de-listed from the SGX-ST and are unlisted on any other recognised stock exchange, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Unitholder has no right to request for the repurchase or redemption of Units more than once a year.

Listing of the Units on the Main Board of the SGX-ST may not result in an active or liquid market for the Units.

An active public market for the Units may not develop or be sustained after the Rights Issue. The Manager has received a letter of eligibility from the SGX-ST to have the Rights Units listed and quoted on the Main Board of the SGX-ST. However, listing and quotation does not guarantee that the trading market for the Units will continue to be active or the liquidity of that market for the Units. Unitholders must be prepared to hold their Units for an indefinite length of time.

There is no assurance that the Units will remain listed on the SGX-ST.

Although it is intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. Among other factors, OUE C-REIT may not continue to satisfy the listing requirements. Accordingly, Unitholders will not be able to sell their Units through trading on the SGX-ST if the Units are no longer listed on the SGX-ST.

Certain provisions of the Singapore Code on Take-overs and Mergers (the “Take-over Code”) could have the effect of discouraging, delaying or preventing a merger or acquisition which could adversely affect the market price of the Units.

Under the Take-over Code, an entity is required to make a mandatory offer for all the Units not already held by it and/or parties acting in concert with it (as defined by the Take-over Code) in the event that an increase in the aggregate unitholdings of it and/or parties acting in concert with it results in the aggregate unitholdings crossing certain specified thresholds.

While the Take-over Code seeks to ensure an equality of treatment among Unitholders, its provisions could substantially impede the ability of Unitholders to benefit from a change in control and, as a result, may adversely affect the market price of the Units and the ability to realise any potential change of control premium.

The price of the Units may decline after the Rights Issue.

The Rights Issue Price of the Units is determined by agreement between the Manager and the Joint Lead Managers and Underwriters. The Rights Issue Price may not be indicative of the market price for the Units upon completion of the Rights Issue. The trading price of the Units will depend on many factors, including, but not limited to:

- the perceived prospects of OUE C-REIT’s business and investments and the market for commercial properties or real estate-related assets;
- differences between OUE C-REIT’s actual financial and operating results and those expected by investors and analysts;

- changes in analysts' recommendations or projections;
- changes in general economic or market conditions;
- the market value of OUE C-REIT's assets;
- the perceived attractiveness of the Units against those of other equity or debt securities, including those not in the real estate sector;
- the balance of buyers and sellers of the Units;
- the size and liquidity of the Singapore REIT market from time to time;
- any changes from time to time to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs;
- the ability on the Manager's part to implement successfully its investment and growth strategies;
- foreign exchange rates; and
- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

Units may trade at prices that are higher or lower than the NAV per Unit. Based on the Rights Issue Price, the discount to the *pro forma* NAV per Unit will be 34.9%. To the extent that OUE C-REIT retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of OUE C-REIT's underlying assets, may not correspondingly increase the market price of the Units. Any failure to meet market expectations with regards to future earnings and cash distributions may adversely affect the market price for the Units.

Where new Units are issued at less than the market price of Units, the value of an investment in Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in OUE C-REIT. The Units are not capital-safe products. There is no guarantee that Unitholders can regain the amount invested. If OUE C-REIT is terminated or liquidated, investors may lose a part or all of their investment in the Units.

Third parties may be unable to recover in claims brought against the Manager as the Manager is not an entity with significant assets.

Third parties, in particular, Unitholders, may in future have claims against the Manager in connection with the carrying on of its duties as manager of OUE C-REIT. Under the terms of the Trust Deed, the Manager is indemnified from the Deposited Property against any actions, costs, claims, damages, expenses or demands to which it may be put as the manager of OUE C-REIT unless occasioned by the fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager. In the event of any such fraud, gross negligence, wilful default or breach, only the assets of the Manager itself and not the Deposited Property would be available to satisfy a claim.

RISKS ASSOCIATED WITH THE RIGHTS ISSUE

An active trading market may not develop for the Rights Entitlements and, if a market does develop, the Rights Entitlements may be subject to greater price volatility than the Unit.

A trading period for the Rights Entitlements has been fixed for 9 October 2018 to 17 October 2018. There is no assurance that an active trading market for the Rights Entitlements on the SGX-ST will develop during the “nil-paid” rights trading period or that any over-the-counter trading market in the Rights Entitlements will develop. Even if active markets develop, the trading price of the Rights Entitlements, which depends on the trading price of the Units, may be volatile. As the Manager may arrange for the sales of the Rights Entitlements of the Ineligible Unitholders, the sales may give pressure to the trading price of the Rights Entitlements. In addition, the market price of the Rights Entitlements may not reflect their actual value.

Unitholders who do not or are not able to accept their provisional allotments of Rights Units, including Ineligible Unitholders, will experience a dilution in their interest in OUE C-REIT.

If Unitholders do not or are not able to accept their provisional allotments of Rights Units, their proportionate interest in OUE C-REIT will be reduced. They may also experience a dilution in the value of their Units. Even if a Unitholder sells his Rights Entitlements, or such Rights Entitlements are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his interest in OUE C-REIT as a result of the Rights Issue.

In particular, Ineligible Unitholders will not be permitted to participate in the Rights Issue. The Manager may, at its absolute discretion and if it is practicable to do so, arrange for the Rights Entitlements which would otherwise have been provisionally allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. There is no guarantee that such sale will be successful, and even if successful, the proceeds of any such sale may not be sufficient to compensate an Ineligible Unitholder fully for the dilution of his Unitholding as a result of the Rights Issue.

The Rights Issue Price of the Rights Units is not an indication of the underlying value of the Units.

The Rights Issue Price of the Rights Units was determined based on the last traded price of the Units on the SGX-ST on 10 September 2018, being the last trading day of the Units on the SGX-ST prior to the release of the announcement on 10 September 2018 of the Rights Issue. The Rights Issue Price was set at a discount to the Closing Price and to the TERP at that time. The Rights Issue Price does not bear a direct relationship to the book value of OUE C-REIT’s assets, past operations, cash flow, earnings, financial condition or any other established criteria for value, and Unitholders should not consider the Rights Issue Price to be any indication of the Units’ underlying value. The Units may trade at prices lower than the Rights Issue Price in the future.

The Rights Issue may cause the price of the Units to decrease, and this decrease may continue.

The Rights Issue Price of the Rights Units represents a discount of 31.4% to the Closing Price of S\$0.665 per Unit and a discount of approximately 20.0% to the TERP of S\$0.570 per Unit. This discount, along with the number of Rights Units, may result in a decrease in the trading price of the Units and this decrease may continue after the completion of the Rights Issue.

Unitholders need to act promptly and follow subscription instructions, otherwise their exercise of Rights Entitlements may be rejected and their Rights Entitlements may expire without value and without any compensation.

Unitholders who desire to accept their Rights Entitlements or apply for excess Rights Units in the Rights Issue must act promptly to ensure that all required forms, letters and payments are actually received by the relevant agents prior to the respective expiration dates and times as set forth in **Appendix D – Procedures for Acceptance, Payment and Excess Application by Eligible Unitholders** and in **Appendix F – Additional Terms and Conditions for Electronic Applications** to this Offer Information Statement. Failure to complete and sign the required acceptance forms or letters, the sending of an incorrect payment amount, or otherwise failure to follow the procedures that apply to a Unitholder's desired transaction may lead to rejection of the Unitholder's acceptance of the Rights Entitlements and any Rights Entitlements not accepted will expire without value and without any compensation.

None of the Manager, the Unit Registrar, CDP, the CPF Board or the Joint Lead Managers and Underwriters undertakes to contact the Unitholder concerning, or attempt to correct, an incomplete or incorrect acceptance form, letter or payment. The Manager has sole discretion to determine whether an acceptance of Rights Entitlements and acceptance of or subscription for Rights Units properly follows the appropriate procedures. Unitholders who hold Units through a securities sub-account, brokerage account or other similar custodial account with a depository agent, broker, custodian or nominee other than CDP are urged to consult their depository agent, broker, custodian or nominee without delay regarding the procedures that they need to follow for the subscription and payment for the Rights Units.

GENERAL INFORMATION

LEGAL AND ARBITRATION PROCEEDINGS

- (1) To the best of the Manager's knowledge and belief, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which, in the opinion of the Manager, may have or have had in the last 12 months before the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of OUE C-REIT.

MATERIAL CONTRACTS

- (2) There were no material contracts entered into by the Trustee or the Manager, other than contracts entered into in OUE C-REIT's ordinary course of business, for the period of two years before the date of lodgement of this Offer Information Statement, save for:
 - (i) the Underwriting Agreement entered into between the Manager and the Joint Lead Managers and Underwriters on 10 September 2018;
 - (ii) the Sponsor Irrevocable Undertaking provided by the Sponsor to the Manager and the Joint Lead Managers and Underwriters;
 - (iii) the PCOA;
 - (iv) the placement agreement dated 8 March 2017 entered into between the Manager and UBS AG, Singapore Branch in relation to a placement of 233,281,400 new Units to institutional and other investors; and
 - (v) the subscription agreement dated 4 September 2017 entered into between the Manager and DBS Bank Ltd., Standard Chartered Bank and Australia and New Zealand Banking Group Limited in relation to the issuance of S\$150.0 million 3.03 per cent. notes by OUE C-REIT due 5 September 2020.

BREACH OF TERMS AND CONDITIONS OR COVENANTS OF CREDIT ARRANGEMENT OR BANK LOAN

- (3) To the best of the Manager's knowledge and belief, OUE C-REIT is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect OUE C-REIT's financial position and results or business operations, or the investments by Unitholders.

SIGNIFICANT CHANGES

- (4) Save as disclosed in this Offer Information Statement, to the best of the Manager's knowledge and belief, no event has occurred from 30 June 2018, being the last day of the period covered by the 1H 2018 Unaudited Financial Statements, to the Latest Practicable Date, which may have a material effect on the financial position and results of OUE C-REIT.

TRADING OF UNITS

- (5) The Manager is not aware of any significant trading suspension on the SGX-ST during the three years immediately preceding the Latest Practicable Date.
- (6) The Manager believes that Units are regularly traded on the SGX-ST.

STATEMENTS BY EXPERTS

- (7) The valuations dated 30 June 2018 as set out in the valuation certificates in **Appendix B** of this Offer Information Statement and any other statements attributed to the Independent Valuers in this Offer Information Statement were prepared by the Independent Valuers for the purpose of, among others, inclusion in this Offer Information Statement. The Independent Valuers have given and have not, before the lodgement of this Offer Information Statement, withdrawn their written consent to the issue of this Offer Information Statement with the inclusion of their names as an Independent Valuer, the valuation certificates and all references thereto in the form and context in which they are included in this Offer Information Statement.
- (8) The Independent Market Research Report dated August 2018 in **Appendix C** of this Offer Information Statement was prepared by Colliers for the purpose of, among others, inclusion in this Offer Information Statement. Colliers has given, and has not, before the lodgement of this Offer Information Statement, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of its name as the Independent Market Research Consultant, the Independent Market Research Report, and all references thereto, in the form and context in which it is included in this Offer Information Statement.

CONSENTS FROM JOINT LEAD MANAGERS AND UNDERWRITERS

- (9) Each of Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited has given, and has not, before the lodgement of this Offer Information Statement, withdrawn its written consent to being named in this Offer Information Statement as a Joint Lead Manager and Underwriter to the Rights Issue.

AUTHORITY TO ISSUE RIGHTS UNITS

- (10) The Manager will not be relying on the General Mandate that was obtained by the Manager from Unitholders at the annual general meeting of Unitholders held on 24 April 2018 to issue the Rights Units. The Manager's authority to issue the Rights Units is pursuant to the specific approval that was given by the Unitholders to the Manager for the issue of new Units, pursuant to the ordinary resolution obtained at the EGM of Unitholders held on 28 September 2018.

MISCELLANEOUS

- (11) OUE C-REIT is subject to the Code on Collective Investment Schemes issued by the MAS. The Code on Collective Investment Schemes can be found on the website of the MAS at www.mas.gov.sg.

Save as disclosed in this Offer Information Statement, including the Appendices to this Offer Information Statement, the Manager is not aware of any other matters which could materially affect, directly or indirectly, the operations or financial position or results of OUE C-REIT or investments by Unitholders.

Statements contained in this Offer Information Statement which do not state historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasts. See the section entitled "Risk Factors" for further details. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person or that these results will be achieved or are likely to be achieved.

- (12) Other than the Rights Entitlements under the Rights Issue, none of the Unitholders has pre-emptive rights to subscribe for or purchase the Rights Units.

As there may be prohibitions or restrictions against the offering of Rights Units in certain jurisdictions (other than Singapore), only Eligible Unitholders are eligible to participate in the Rights Issue. Please refer to the section entitled “Eligibility of Unitholders to Participate in the Rights Issue” for further information.

GLOSSARY

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“AARF”	:	ASM Asia Recovery Fund
“AARMF”	:	ASM Asia Recovery (Master) Fund
“Acquisition”	:	The acquisition by OUE C-REIT of the Properties from the Vendor
“Acquisition Fee”	:	The acquisition fee payable to the Manager for the proposed Acquisition pursuant to the Trust Deed of approximately S\$6.8 million
“Acquisition Fee Units”	:	The Units to be issued to the Manager as payment for the Acquisition Fee
“Admiralty”	:	Admiralty Station Management Limited
“Aggregate Leverage”	:	The total borrowings and deferred payments (if any) as a percentage of the Deposited Property
“ARE”	:	The application form for Rights Units and Excess Rights Units issued to Eligible Unitholders in respect of their Rights Entitlements under the Rights Issue
“ARS”	:	The application form and acceptance form for Rights Units to be issued to purchasers of the Rights Entitlements under the Rights Issue traded on the SGX-ST under the book-entry (scripless) settlement system
“ASMHL”	:	Argyle Street Management Holdings Limited
“ASML”	:	Argyle Street Management Limited
“ATM”	:	Automated teller machine
“Audit and Risk Committee”	:	The audit and risk committee of the Manager
“Base Fee”	:	The base fee of 0.3% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the value of the Deposited Property payable to the Manager pursuant to the Trust Deed
“Base Rent”	:	Rental income received after taking into account leasing incentives such as rent rebates and rent-free periods where applicable, but excluding Turnover Rent, Service Charge and other income, where applicable

“Board of Directors”	:	The board of Directors of the Manager
“Books Closure Date”	:	5.00 p.m. on 4 October 2018 being the time and date at and on which, the transfer books and register of Unitholders were closed to determine the Rights Entitlements of Eligible Unitholders under the Rights Issue
“BVI”	:	British Virgin Islands
“BVI Company”	:	Tecwell Limited
“BVI Holding Company”	:	OUE Eastern Limited
“Call Option”	:	The call option granted by the Vendor to the Trustee under the PCOA with respect to the Properties
“Call Option Notice”	:	The Call Option notice pursuant to the PCOA
“CBD”	:	Central Business District
“CDP”	:	The Central Depository (Pte) Limited
“CDPL”	:	Clifford Development Pte. Ltd.
“Circular”	:	The circular to Unitholders dated 10 September 2018
“Closing Date”	:	<p>(i) 23 October 2018 at 5.00 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and payment for the Rights Units by the renounees (if acceptance is made through CDP); or</p> <p>(ii) 23 October 2018 at 9.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and payment for the Rights Units by the renounees (if acceptance is made through an ATM of a Participating Bank)</p>
“Closing Price”	:	The closing price of S\$0.665 per Unit on the SGX-ST on 10 September 2018, being the last trading day of the Units prior to the announcement of the Rights Issue
“CMS Licence”	:	The capital market services licence for REIT management held by the Manager
“Colliers”	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore

“Completion”	:	Completion of the proposed Acquisition
“Completion Date”	:	The date of Completion
“CPF”	:	Central Provident Fund
“CPF Funds”	:	CPF Investible Savings
“CPFIS”	:	CPF Investment Scheme
“CPPU Holder”	:	The holder of the CPPUs
“CPPUs”	:	Convertible perpetual preferred units
“CT”	:	Celine Tang @ Chen Huaidan @ Celine Tang
“Debt Issuance”	:	The issuance of S\$150,000,000 3.03 per cent. notes due 5 September 2020 by OUE CT Treasury, a wholly-owned subsidiary of DBS Trustee Limited (in its capacity as trustee of OUE C-REIT), on 5 September 2017 pursuant to its MTN Programme
“Deed of Rental Support”	:	The deed of rental support to be entered into between the Vendor, the Sponsor and the Trustee on Completion
“Deposited Property”	:	The gross assets of OUE C-REIT, including all the Authorised Investments (as defined in the Trust Deed) of OUE C-REIT for the time being held or deemed to be held by OUE C-REIT under the Trust Deed
“Directors”	:	The directors of the Manager
“DPU”	:	Distribution per Unit
“EGM”	:	The extraordinary general meeting of Unitholders held on 28 September 2018
“Electronic Application”	:	Acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units under the Rights Issue made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement
“Eligible Depositors” or “Eligible Unitholders”	:	Unitholders with Units standing to the credit of their Securities Accounts and (a) whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, or (b) who the Manager, on behalf of OUE C-REIT, determines may be offered Rights Units without breaching applicable securities laws

“Enlarged Portfolio”	:	The properties comprising the Existing Portfolio and the Properties
“Excess Rights Units”	:	The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or trade their Rights Entitlements under the Rights Issue (during the “nil-paid” rights trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the “nil-paid” rights trading period; or (B) that have not been validly taken up by the original allottees, renouncees of the provisional allotments or the purchasers of the Rights Entitlements
“Executive Officers”	:	The executive officers of the Manager
“Existing Portfolio”	:	The asset portfolio currently held by OUE C-REIT, comprising OUE Bayfront, One Raffles Place and Lippo Plaza
“Existing Units”	:	The existing Units in OUE C-REIT as at the Latest Practicable Date
“Facilities”	:	Total borrowings of approximately S\$1,344.0 million of the OUE C-REIT Group as at the Latest Practicable Date
“FCL”	:	Fortune Code Limited
“Financial Statements”	:	The 2015 Audited Financial Statements, 2016 Audited Financial Statements, 2017 Audited Financial Statements and the 1H 2018 Unaudited Financial Statements
“Foreign Purchasers”	:	Persons whose registered addresses with CDP are outside Singapore and who purchase the Rights Entitlements through the book-entry (scripless) settlement system
“Foreign-Sourced Income Tax Exemption Ruling”	:	The tax ruling from IRAS on the Singapore taxation of dividend income received by OUE C-REIT from the BVI Holding Company
“FY2014”	:	The financial period from 10 October 2013 (date of constitution) to 31 December 2014
“FY2015”	:	The financial period from 1 January 2015 to 31 December 2015
“FY2016”	:	The financial period from 1 January 2016 to 31 December 2016
“FY2017”	:	The financial period from 1 January 2017 to 31 December 2017
“GCAL”	:	Golden Concord Asia Limited

“General Mandate”	:	The general mandate that was obtained by the Manager from Unitholders at the annual general meeting of Unitholders held on 24 April 2018 for the issue of new Units
“GFA”	:	Gross floor area
“Gross Rental Income”	:	Comprises Base Rent, Service Charge and Turnover Rent (where applicable)
“GST”	:	Goods and services tax chargeable under the Goods and Services Tax Act, Chapter 117A of Singapore
“GT”	:	Tang Gordon @ Tang Yigang @ Tang Gordon
“HCL”	:	Hongkong Chinese Limited
“HCL Direct Units”	:	HCL’s direct interest in 90,000 Units
“HHL”	:	Hennessy Holdings Limited
“HKC Property”	:	HKC Property Investment Holdings Limited
“HKCTL Units”	:	Units held by Hongkong China Treasury Limited
“Independent Market Research Consultant”	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
“Independent Market Research Report”	:	The independent market research report dated August 2018 by the Independent Market Research Consultant
“Independent Valuers”	:	Savills and Colliers
“Ineligible Unitholders”	:	Unitholders other than the Eligible Unitholders, to whom no provisional allotment of Rights Units will be made
“IRAS”	:	The Inland Revenue Authority of Singapore
“Joint Lead Managers and Underwriters”	:	Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited
“JY”	:	Yang Chanzhen @ Janet Yeo
“KC”	:	Kin Chan
“LAAPL”	:	Lippo ASM Asia Property Limited
“Land Titles (Strata) Act”	:	The Land Titles (Strata) Act, Chapter 158 of Singapore
“Latest Practicable Date”	:	28 September 2018, being the latest practicable date prior to the lodgement of this Offer Information Statement with the MAS

“LCG”	:	Lippo Capital Group Limited
“LCH”	:	Lippo Capital Holdings Company Limited
“LCL”	:	Lippo Capital Limited
“Lippo Plaza”	:	A 36-storey Grade A commercial building located at 222 Huaihai Zhong Road in the commercial district of Huangpu in central Shanghai, the PRC, which is used for office and retail purposes and comprises a three-storey retail podium and basement car park lots, where OUE C-REIT has a 91.2% strata ownership
“Lippo Shanghai”	:	Lippo Realty (Shanghai) Limited
“Lippo Shanghai Loan”	:	RMB134.5 million or S\$26.8 million ¹ of secured bank borrowings drawn down by Lippo Shanghai, a wholly-owned subsidiary of OUE C-REIT
“Listing Manual”	:	The Listing Manual of the SGX-ST, as may be amended or modified from time to time
“LL”	:	Lippo Limited
“Management Corporation”	:	The Management Corporation Strata Title Plan No. 4601
“Manager”	:	OUE Commercial REIT Management Pte. Ltd., in its capacity as manager of OUE C-REIT
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“MAS”	:	Monetary Authority of Singapore
“Master Property Management Agreement”	:	The master property management agreement entered into between the Trustee, the Manager and the Property Manager on 9 January 2014
“MNCs”	:	Multi-national corporations
“MRT”	:	Mass Rapid Transit
“MTI”	:	The Ministry of Trade and Industry
“MTN Programme”	:	A S\$1,500,000,000 Multicurrency Medium Term Note Programme put in place by OUE C-REIT
“NAV”	:	Net asset value
“NBSC”	:	The National Bureau of Statistics of China

1 Lippo Shanghai Loan as at the Latest Practicable Date is translated using the S\$:RMB exchange rate of 1:5.015.

“NLA”	:	Net lettable area
“Notice to Complete”	:	The notice to complete in writing requiring completion of the sale and purchase of the Properties pursuant to the Purchase Agreement given by either the Trustee or the Vendor to the other party in the event that the proposed Acquisition is not completed on the date fixed for Completion
“Offer Information Statement”	:	This offer information statement to Unitholders dated 5 October 2018
“Office Components”	:	The OUE Downtown 1 Office Component and the OUE Downtown 2 Office Component
“One Raffles Place”	:	The integrated commercial development, which is located at the junction of Raffles Place and Chulia Street, comprising (i) One Raffles Place Tower 1, a 62-storey Grade A office building with a rooftop restaurant and observation deck, (ii) One Raffles Place Tower 2, a 38-storey Grade A office building, and (iii) One Raffles Place Shopping Mall, a six-storey retail podium
“Other OUE Downtown Strata Lots”	:	The other strata lots in OUE Downtown excluding the Properties
“OUBC”	:	OUB Centre Limited
“OUE Bayfront”	:	OUE Bayfront and its ancillary properties, which are located at Collyer Quay in Singapore’s CBD, comprising (i) OUE Bayfront, an 18-storey premium Grade A office building located at 50 Collyer Quay; (ii) OUE Tower, a conserved tower building located at 60 Collyer Quay with panoramic views of the Marina Bay landscape which is currently occupied by a fine dining restaurant; and (iii) OUE Link, an overhead pedestrian link bridge with retail units located at 62 Collyer Quay
“OUE Bayfront Deed of Income Support”	:	The deed of income support entered into by the vendor of OUE Bayfront, being CDPL, the Sponsor and the Trustee in relation to OUE Bayfront
“OUE Bayfront Income Support”	:	The top-up payments from the Sponsor pursuant to the OUE Bayfront Deed of Income Support
“OUE C-REIT”	:	OUE Commercial Real Estate Investment Trust
“OUE C-REIT Group”	:	OUE C-REIT and its subsidiaries
“OUE C-REIT Secured Loan”	:	The S\$680.0 million secured bank borrowings drawn down by the OUE C-REIT Group

“OUE CT Treasury”	:	OUE CT Treasury Pte. Ltd.
“OUE Downtown 1 Office Component”	:	Strata Lot U4628V of Town Subdivision 30
“OUE Downtown 2 Office Component”	:	Strata Lot U4629P of Town Subdivision 30
“OUE H-Trust”	:	OUE Hospitality Trust
“OUER”	:	OUE Realty Pte. Ltd.
“Outstanding CPPUs”	:	The CPPUs outstanding as at the Latest Practicable Date
“Pacific Landmark”	:	Pacific Landmark Holdings Limited
“Participating Banks”	:	The banks as set out in Appendix G of this Offer Information Statement
“Payment of the Sub-Underwriting Commission”	:	The payment of the Sub-Underwriting Commission to the Sponsor under the Sub-Underwriting Agreement entered into between the Sponsor and the Joint Lead Managers and Underwriters, in relation to the Rights Issue
“PCOA”	:	The put and call option agreement entered into between the Vendor and the Trustee on 10 September 2018
“ppt”	:	Percentage points
“PRC”	:	People’s Republic of China
“Private Placement”	:	Refers to the issuance of 233,281,400 Units at an issue price of S\$0.643 per Unit in relation to a private placement on 17 March 2017
“Properties”	:	The OUE Downtown 1 Office Component and the OUE Downtown 2 Office Component, both of Town Subdivision 30, and all the plant, machinery, equipment and all component parts in the Office Components (but excluding certain excluded furniture, fixtures and equipment)
“Property Funds Appendix”	:	Appendix 6 to the Code on Collective Investment Schemes
“Property Manager”	:	OUE Commercial Property Management Pte. Ltd.
“Prospectus”	:	The prospectus of OUE C-REIT dated 17 January 2014
“PSL”	:	Prime Success Limited
“psm”	:	Per square meter

“PT Trijaya”	:	PT Trijaya Utama Mandiri
“Purchase Agreement”	:	The binding contract for the sale and purchase of the Properties deemed to be entered into by the Trustee and the Vendor on the date of exercise of either the Put Option or the Call Option, subject to and in accordance with the terms and conditions of the PCOA
“Purchase Consideration”	:	The consideration payable by the Trustee for the proposed Acquisition
“Put Option”	:	The put option granted by the Trustee to the Vendor under the PCOA with respect to the Properties
“Put Option Notice”	:	The Put Option notice pursuant to the PCOA
“QoQ”	:	Quarter-on-quarter
“Redemption of CPPUs”	:	The redemption of 75.0 million CPPUs in November 2017 and 100.0 million CPPUs in January 2018
“REIT”	:	Real estate investment trust
“Relevant Entities”	:	CDPL and the Manager or, as the case may be, its nominees(s) or custodian(s)
“Rental Support”	:	The rental support arrangement in relation to the Properties pursuant to the Deed of Rental Support
“Rights Entitlements”	:	The “nil-paid” provisional allotment of Rights Units to Eligible Unitholders under the Rights Issue
“Rights Issue”	:	The issue of new Units on a renounceable basis to Eligible Unitholders on the basis of the Rights Ratio at the Rights Issue Price
“Rights Issue Price”	:	The issue price of S\$0.456 per Rights Unit
“Rights Ratio”	:	The issue of 83 Rights Units for every 100 Units held as at the Books Closure Date (fractional entitlements to be disregarded)
“Rights Units”	:	1,288,438,981 new Units to be issued pursuant to the Rights Issue
“ROFR”	:	Right of first refusal
“S\$” and “cents”	:	Singapore dollars and cents, being the lawful currency of the Republic of Singapore
“Savills”	:	Savills Valuation and Professional Services (S) Pte. Ltd.

“Securities Accounts”	:	Securities accounts maintained by a Depositor with CDP but not including securities sub-accounts
“Securities Act”	:	U.S. Securities Act of 1933, as amended
“Service Charge”	:	A contribution paid by tenants towards covering the operation and property maintenance expenses of the properties comprising the Existing Portfolio
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Specified Taxable Income”	:	Taxable income which has been granted tax transparency treatment under Section 43(2A) of the Income Tax Act in accordance with the Tax Transparency Ruling
“Sponsor”	:	OUE Limited
“Sponsor Group”	:	The Sponsor and its related subsidiaries and related corporations
“Sponsor Irrevocable Undertaking”	:	The irrevocable undertaking provided by the Sponsor to the Manager and the Joint Lead Managers and Underwriters
“Sponsor ROFR”	:	The ROFR granted by the Sponsor to OUE C-REIT
“sq ft”	:	Square feet
“sq m”	:	Square metres
“SRS”	:	Supplementary Retirement Scheme
“SRS Account”	:	An account opened by a participant in the SRS from which money may be withdrawn for, <i>inter alia</i> , payment of the Rights Issue Price of the Rights Units and/or Excess Rights Units
“Sub-Underwriting Agreement”	:	The sub-underwriting agreement entered into between the Sponsor and the Joint Lead Managers and Underwriters in relation to the Rights Issue
“Sub-Underwriting Commission”	:	The sub-underwriting commission of 1.80% of the Rights Issue Price multiplied by 66% of the total number of the Underwritten Rights Units payable by the Joint Lead Managers and Underwriters to the Sponsor under the Sub-Underwriting Agreement

“Sub-Underwriting Commitment”	:	The commitment by the Sponsor, on the terms and conditions of the Sub-Underwriting Agreement, to subscribe and pay for the Sub-Underwritten Rights Units to the extent that such Sub-Underwritten Rights Units are not successfully subscribed for under the Rights Issue
“Sub-Underwritten Rights Units”	:	66% of the total number of the Underwritten Rights Units
“Substantial Unitholder”	:	A person with an interest in Units constituting not less than 5.0% of all Existing Units.
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers
“Tax Rulings”	:	The Tax Transparency Ruling and the Foreign-Sourced Income Tax Exemption Ruling
“Tax Transparency Ruling”	:	The tax ruling from IRAS on the taxation of the Specified Taxable Income from OUE Bayfront
“TERP”	:	Theoretical ex-rights price
“Total Acquisition Cost”	:	The estimated total costs in connection with the proposed Acquisition of approximately S\$955.9 million
“Transactions”	:	The proposed Acquisition, the Rights Issue and the Payment of the Sub-Underwriting Commission
“Trust Deed”	:	The trust deed constituting OUE C-REIT dated 10 October 2013 (as amended)
“Trustee”	:	DBS Trustee Limited, in its capacity as trustee of OUE C-REIT
“Turnover Rent”	:	Generally calculated as a pre-determined percentage of the tenant’s gross turnover. In some cases, Turnover Rent may be subject to certain thresholds before it is payable, and the applicable percentage may vary with the turnover achieved
“URA”	:	Urban Redevelopment Authority
“U.S.”	:	United States
“Underwriting Agreement”	:	The underwriting agreement entered into between the Manager and the Joint Lead Managers and Underwriters on 10 September 2018

“Underwriting Commission”	:	The underwriting commission of 2.25% of the Rights Issue Price multiplied by the total number of Underwritten Rights Units which each of the Joint Lead Managers and Underwriters will be entitled to under the Underwriting Agreement
“Underwritten Rights Units”	:	The total number of Rights Units excluding the Rights Units which are the subject of the Sponsor Irrevocable Undertaking
“Unit Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Unit Share Market”	:	The ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit
“Unitholders”	:	Unitholders of OUE C-REIT
“Unitholdings”	:	In relation to a Unitholder, the unitholding of that Unitholder in OUE C-REIT
“Units”	:	A unit representing an undivided interest in OUE C-REIT
“Vendor”	:	Alkas Realty Pte. Ltd.
“VY”	:	V-Nee Yeh
“YoY”	:	Year-on-year
“1H 2018”	:	The financial period from 1 January 2018 to 30 June 2018
“1H 2018 Unaudited Financial Statements”	:	The unaudited financial statements of OUE C-REIT for 1H 2018
“2015 Audited Financial Statements”	:	The audited financial statements of OUE C-REIT for FY2015
“2015 Rights Issue”	:	The underwritten and renounceable rights issue of 393,305,817 new units in OUE C-REIT to raise gross proceeds of approximately S\$218.3 million announced by the Manager on 29 June 2015
“2016 Audited Financial Statements”	:	The audited financial statements of OUE C-REIT for FY2016
“2017 Audited Financial Statements”	:	The audited financial statements of OUE C-REIT for FY2017
“%”	:	Per centum or percentage

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

The terms “**Depositor**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act. Any references to the Manager shall refer to it acting in its capacity as manager of OUE C-REIT, unless the context of the statement otherwise requires.

Any reference in this Offer Information Statement, the ARE or the ARS to any enactment is a reference to that enactment for the time being amended or re-enacted. Any words defined in the Companies Act, the SFA, the Securities and Futures (Offer of Investments) (Collective Investment Schemes) Regulations 2005, the Code on Collective Investment Schemes issued by the MAS, the Property Funds Appendix, the Listing Manual or any modification thereof and used in this Offer Information Statement, the ARE or the ARS shall, where applicable, have the same meaning ascribed to it in the Companies Act, the SFA, the Securities and Futures (Offer of Investments) (Collective Investment Schemes) Regulations 2005, the Code on Collective Investment Schemes issued by the MAS, the Property Funds Appendix, the Listing Manual or such modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to dates and to a time of day in this Offer Information Statement shall be a reference to Singapore dates and time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Figures and percentages are rounded to an appropriate number of decimal places, where applicable.

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CERTAIN FINANCIAL INFORMATION RELATING TO OUE C-REIT

Selected financial data from the 2015 Audited Financial Statements, 2016 Audited Financial Statements, 2017 Audited Financial Statements and the 1H 2018 Unaudited Financial Statements including the line items in the statement of total return, distribution statement, statement of financial position and consolidated statement of cash flows of the OUE C-REIT Group, is set out in this Appendix. Financial data relating to (i) DPU, (ii) earnings per Unit, (iii) DPU after adjustment to reflect the issuance of the Rights Units, (iv) earnings per Unit after adjustment to reflect the issuance of the Rights Units, (iv) NAV per Unit and (v) NAV per Unit after any adjustment to reflect the issuance of the Rights Units is also set out below.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of OUE C-REIT at <http://www.ouect.com> and are also available for inspection during normal business hours at the registered office of the Manager at 50 Collyer Quay #04-08, OUE Bayfront, Singapore 049321, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.

Save for the Financial Statements which are deemed to be incorporated into this Offer Information Statement by reference, the information contained on the website of OUE C-REIT does not constitute part of this Offer Information Statement.

STATEMENTS OF TOTAL RETURN AND DISTRIBUTION STATEMENTS

S\$'000	1H 2018	FY2017	FY2016	FY2015
Revenue	87,155	176,297	177,809	101,038
Property operating expenses	(17,944)	(38,111)	(39,178)	(25,399)
Net property income	69,211	138,186	138,631	75,639
Other income	2,029	3,312	2,552	8,347
Negative goodwill arising from acquisition of subsidiaries	—	—	—	30,629
Costs associated with acquisition of subsidiaries	—	—	—	(1,881)
Amortisation of intangible asset	(2,226)	(4,452)	(4,471)	(4,187)
Write-back of impairment loss on intangible asset	—	—	—	5,300
Manager's management fees	(4,880) ⁽¹⁾	(9,593)	(12,141)	(6,367)
Manager's acquisition fee	—	—	—	(10,719)
Trustee's fee	(284)	(557)	(551)	(389)
Other expenses	(946)	(1,692)	(1,404)	(1,456)
Finance income	1,984	5,997	6,135	1,043
Finance cost	(24,169)	(49,077)	(62,178)	(26,674)
Net finance cost	(22,185)	(43,080)	(56,043)	(25,631)
Net income	40,719	82,124	66,573	69,285
Net change in fair value of investment properties	—	101,617	25,495	21,825

¹ Prior appointment with the Manager will be appreciated.

S\$'000	1H 2018	FY2017	FY2016	FY2015
Total return for the period/year before tax	40,719	183,741	92,068	91,110
Tax expense	(9,294)	(36,058)	(21,823)	(10,410)
Total return for the period/year	31,425	147,683	70,245	80,700
Total return attributable to:				
Unitholders and CPPU holder	27,708	136,310	61,998	79,198
Non-controlling interests	3,717	11,373	8,247	1,502
	31,425	147,683	70,245	80,700
Distribution Statements				
Total return for the period/year attributable to Unitholders and CPPU holder	27,708	136,310	61,998	79,198
Less: Amount reserved for distribution to CPPU holder	(1,860)	(5,311)	(5,500)	(1,281)
Distribution adjustments	8,067 ⁽²⁾	(61,049)	10,919	(21,799)
Amount available for distribution for the period/year	33,915	69,950	67,417	56,118
Unitholders' Distribution				
From operations	13,515	27,999	29,336	36,641
From tax exempt income	11,882	26,580	25,517	–
From Unitholders' contributions	8,518	15,371	12,564	19,477
Total Unitholders' distribution	33,915	69,950	67,417	56,118
Number of Units entitled to Distribution ('000)	1,552,336 ⁽³⁾	1,546,769	1,302,598	1,289,452
DPU (cents)	2.18	4.67	5.18	4.38
Adjusted DPU ⁽⁴⁾ (cents)	1.92	4.12	4.56	3.83
Basic earnings per Unit (cents)	1.67	8.78	4.37	7.49
Adjusted basic earnings per Unit ⁽⁴⁾ (cents)	1.47	7.73	3.85	6.60
Diluted earnings per Unit (cents)	1.39	6.43	3.17	6.64
Adjusted diluted earnings per Unit ⁽⁴⁾ (cents)	1.21	5.60	2.76	5.82

Notes:

- (1) Manager's base management fee is calculated as 0.3% p.a. of the value of the Deposited Property of the OUE C-REIT Group. The Manager has elected to pay 20% of the base management fee in cash, with the balance 80% in the form of new Units for 1H 2018.
- (2) Distribution adjustments include non-tax deductible expenses relating to the Manager's management fees payable in Units, fees paid to the Trustee, amortisation of intangible asset, amortisation of debt establishment costs, amortisation of rent-free incentives, fair value movement relating to financial derivatives, and subsidiary's statutory reserves adjustments.
- (3) Comprises the Units in issue as at 30 June 2018 of 1,549,496,202 and Units to be issued to the Manager as satisfaction of Manager's base fee payable for 2Q 2018 of 2,839,920.
- (4) This has been restated for the effects of the Rights Issue and does not take into account the use of proceeds.

STATEMENTS OF FINANCIAL POSITION

S\$'000	30 June 2018	31 December 2017	31 December 2016	31 December 2015
Non-current assets				
Plant and equipment	447	512	486	661
Investment properties	3,532,721	3,515,148	3,408,535	3,403,178
Intangible asset ⁽¹⁾	2,525	4,751	9,203	13,674
Trade and other receivables	233	290	309	493
Financial derivatives	186	–	315	6,573
	3,536,112	3,520,701	3,418,848	3,424,579
Current assets				
Trade and other receivables	10,460	12,555	11,302	13,600
Cash and cash equivalents	34,268	40,314	29,278	25,913
Financial derivatives	93	–	–	30
	44,821	52,869	40,580	39,543
Total assets	3,580,933	3,573,570	3,459,428	3,464,122
Non-current liabilities				
Borrowings	849,225	748,319	961,949	1,302,184
Trade and other payables	38,296	38,489	39,196	39,277
Financial derivatives	3,144	10,705	7,747	180
Deferred tax liabilities	86,932	84,152	66,267	60,481
	977,597	881,665	1,075,159	1,402,122
Current liabilities				
Borrowings	514,336	514,016	341,796	1,732
Trade and other payables	56,165	157,268	57,590	54,060
Financial derivatives	727	487	43	–
Current tax liabilities	16,707	16,052	15,962	10,954
	587,935	687,823	415,391	66,746
Total liabilities	1,565,532	1,569,488	1,490,550	1,468,868
Net assets	2,015,401	2,004,082	1,968,878	1,995,254
Represented by:				
Unitholders' funds	1,422,057	1,407,285	1,206,751	1,233,064
CPPU holder's funds	361,860 ⁽²⁾	361,891	530,765	529,281
	1,783,917	1,769,176	1,737,516	1,762,345
Non-controlling interests ⁽³⁾	231,484	234,906	231,362	232,909
	2,015,401	2,004,082	1,968,878	1,995,254
Units in issue and to be issued ('000)	1,552,336	1,546,769	1,302,598	1,289,452
NAV per Unit (S\$)	0.92	0.91	0.93	0.96
Adjustment made for Rights Issue only⁽⁴⁾				
Adjusted Units in issue and to be issued ('000)	2,840,775	2,835,208	2,591,037	2,577,891
Adjusted NAV per Unit (S\$)	0.71	0.70	0.69	0.71

Notes:

- (1) Intangible asset represents the unamortised income support receivable by OUE C-REIT from the Sponsor pursuant to the OUE Bayfront Deed of Income Support.
- (2) On 8 October 2015, 550.0 million CPPUs amounting to S\$550.0 million were issued to CDPL, the vendor of OUE C-REIT's wholly-owned subsidiary, Beacon Property Holdings Pte. Ltd., as partial satisfaction of the purchase consideration for the acquisition of One Raffles Place. The CPPU holder is entitled to a coupon distribution of 1.0% per annum. 175.0 million CPPUs were redeemed, with a balance of 375.0 million CPPUs remain outstanding as at 30 June 2018.
- (3) OUE C-REIT holds an 83.33% indirect interest in OUBC. Non-controlling interests represent the equity in OUBC that is not attributable to the OUE C-REIT Group.
- (4) Adjusted for the effects of the Rights Issue, based on the assumption that (i) the Rights Issue was completed on the last day of the respective periods; (ii) 1,288,438,981 Rights Units were issued; and (iii) the entire gross proceeds of S\$587.5 million from the Rights Issue were kept as cash balance for OUE C-REIT.

CONSOLIDATED STATEMENTS OF CASH FLOWS

S\$'000	1H 2018	FY2017	FY2016	FY2015
Cash flows from operating activities				
Total return for the period/year	31,425	147,683	70,245	80,700
Adjustments for:				
Amortisation of intangible asset	2,226	4,452	4,471	4,187
Write-back of impairment loss on intangible asset	—	—	—	(5,300)
Depreciation of plant and equipment	89	209	205	48
Manager's management fees paid/ payable in Units	3,904	7,674	8,899	17,086
Finance costs	24,169	48,763	61,727	26,674
Finance income	(1,560)	(5,997)	(6,135)	(715)
Net change in fair value of investment properties	—	(101,617)	(25,495)	(21,825)
Loss on disposal of plant and equipment	—	16	—	—
Tax expense	9,294	36,058	21,823	10,410
Negative goodwill arising from acquisition of subsidiaries	—	—	—	(30,629)
Costs associated with acquisition of subsidiaries	—	—	—	1,881
Operating income before working capital changes	69,547	137,241	135,740	82,517
Changes in working capital:				
Trade and other receivables	2,146	(1,241)	(644)	(1,956)
Trade and other payables	(1,800)	3,055	5,330	(1,392)
Cash generated from operating activities	69,893	139,055	140,426	79,169
Tax paid	(8,068)	(17,033)	(8,598)	(1,556)
Net cash from operating activities	61,825	122,022	131,828	77,613
Cash flow from investing activities				
Acquisition of subsidiaries, net of cash acquired	—	—	—	(594,076)
Additions to plant and equipment	(26)	(245)	(31)	(6)
Payment for capital expenditure on investment properties	(777)	(19,873)	(1,386)	(1,857)
Interest received	433	687	134	715
Net cash used in investing activities	(370)	(19,431)	(1,283)	(595,224)

S\$'000	1H 2018	FY2017	FY2016	FY2015
Cash flows from financing activities				
Distributions paid to Unitholders	(35,421)	(66,860)	(65,399)	(50,154)
Distributions paid to CPPU holder	(2,395)	(5,681)	(4,016)	–
Distributions paid to non-controlling interest	(7,200)	(7,600)	(10,000)	–
Interest paid	(20,920)	(37,478)	(38,124)	(13,234)
Proceeds from issue of Units	–	150,000	–	218,285
Proceeds from issue of Notes	–	150,000	–	–
Payment of transaction costs related to the issue of Units	–	(906)	–	(5,991)
Proceeds from borrowings	130,000	788,200	141,855	421,000
Payment of transaction costs related to loan and borrowings	–	(11,139)	–	(6,005)
Redemption of CPPUs	(100,000)	(75,000)	–	–
Repayment of borrowings	(32,141)	(974,700)	(150,755)	(52,265)
Movement in restricted cash	–	–	1,719	652
Net cash (used in)/from financing activities	(68,077)	(91,164)	(124,720)	512,288
Net (decrease)/increase in cash and cash equivalents	(6,622)	11,427	5,825	(5,323)
Cash and cash equivalents at beginning of the year	40,314	29,278	24,149	28,736
Effect of exchange rate fluctuations on cash held	576	(391)	(696)	736
Cash and cash equivalents at end of the period/year	34,268	40,314	29,278	24,149

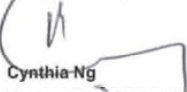

For purpose of the Consolidated Statements of Cash Flows, the OUE C-REIT Group's cash and cash equivalents comprise the following:

S\$'000	1H 2018	FY2017	FY2016	FY2015
Cash at bank	10,130	10,134	14,227	14,376
Short-term deposits	24,138	30,180	15,051	11,537
Cash and cash equivalents	34,268	40,314	29,278	25,913
Restricted cash	–	–	–	(1,764)
Cash and cash equivalents in statement of cash flows	34,268	40,314	29,278	24,149

VALUATION CERTIFICATES



Valuation Certificate

Property Address	6 Shenton Way, OUE Downtown Tower 1 and 2, Singapore 068809
Client	DBS Trustee Limited (in its capacity as trustee of OUE Commercial Real Estate Investment Trust)
Purpose of Valuation	Acquisition
Legal Description	Strata Lot Nos. U4628V and U4629P, both of Town Subdivision 30
Tenure	Leasehold 99 years commencing from 19 July 1967 (based on balance un-expired interest of about 48.0 years)
Registered Proprietor	Alkas Realty Pte. Ltd.
Brief Description	<p>The subject property is located along Shenton Way, between Maxwell Road and McCallum Street, near to the Tanjong Pagar MRT Station. The entire development of OUE Downtown consists of a 50-storey building with 2 basement car park levels, a 37-storey building with 1 basement level and an adjacent 7-storey multi-storey car park block. The podium contains a 5-storey retail mall with basement known as Downtown Gallery. There are a total of 355 car parking lots within the entire development.</p> <p>OUE Downtown Tower 1 comprises a 50-storey building, of which the 7th to 32nd storeys have been converted to 268 serviced apartments, known as Oakwood Premier OUE Singapore. The remaining floors from the 35th to 46th storeys contain Grade A office space. OUE Downtown Tower 2 comprises a 37-storey building with Grade A office space from the 7th to 34th storeys. The property that forms this valuation is the office space within OUE Downtown Tower 1 and 2.</p> <p>OUE Downtown Tower 1 and 2 was originally completed around 1974 and 1994 respectively. OUE Downtown has undergone addition and alteration works and we understand that the Temporary Occupation Permits (TOP) for the office podium were progressively issued on 17 May 2016, 5 October 2016, 27 January 2017, 28 February 2017, 30 June 2017 and 8 January 2018 while Certificates of Statutory Completion (CSC) were issued on 22 May 2018 and 20 June 2018.</p> <p>The property appeared to be in good condition during our site inspection.</p>
Strata Area	Strata Lot No. U4628V TS 30 – 11,553.0 sq m includes strata void of 1,027 sq m
	Strata Lot No. U4629P TS 30 – 51,513.0 sq m includes strata void of 1,503 sq m
Gross Floor Area	Approximately 69,919.2 sq m/752,610 sq ft (Office only), as provided and subject to final survey
Lettable Floor Area	Approximately 49,236.4 sq m/529,981 sq ft (Office only), as provided and subject to final survey
Tenancy Brief	The property is multi-tenanted with an occupancy rate of 95.1% and total monthly gross rent of \$3,517,717. The monthly service charge is typically at \$0.95 psf per month. The property has a weighted average lease duration by income of about 2.01 years. Major tenants include Deloitte & Touche LLP, Aviva Ltd and Professional Investment Advisory Services Pte Ltd, amongst others.
Rental Support	<p>As advised by the client, the Vendor will provide rental support for a period of 5 years from the date of completion of the acquisition at \$8.90 psf per month for Year 1, \$9.10 psf per month for Year 2, \$9.25 psf per month for Year 3 and \$9.40 psf per month for Year 4 and 5. The aggregate rental support quantum is capped at \$60,000,000 over a period of 5 years.</p> <p>We are of the opinion that rental support is not unreasonable and in general market practice, for similar kind of arrangement where rental support is given to compensate for lower actual rents as compared to expected market rents when vacant units and/or expiring leases are expected to be renewed or re-let at the prevailing market rents. Based on our market research and findings, we are of the opinion that the current market rent for comparable class of property is in the range of \$8.50 to \$9.50 psf per month. As such, the property rental income (taking into account the rental support amount) falls within the said range of market parameters for the subject property.</p>
Annual Value	\$36,697,200
Master Plan (2014)	Commercial with gross plot ratio of 11.2+
Basis Of Valuation	As-Is basis, with and without proposed rental support and subject to existing tenancies
Valuation Approaches	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
Material Date of Valuation	30 June 2018
Capitalisation Rate	4.25%
Terminal Capitalisation Rate	4.50%
Discount Rate	7.00%
Recommended Market Value (Without Rental Support)	\$891,000,000 (\$1,681 psf on lettable floor area)
Recommended Market Value (With Rental Support)	\$927,000,000 (\$1,749 psf on lettable floor area)
Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.
Prepared by	 Cynthia Ng Licensed Appraiser No. AD041-2003388A  Angus Quek Licensed Appraiser No. AD041-2009188F Savills Valuation And Professional Services (S) Pte Ltd

To any party relying on this report we advise that this summary must be read in conjunction with the attached report of which this summary forms part. This valuation summary should not be relied upon in isolation for finance or any other purposes.

LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.



Colliers International Consultancy & Valuation (Singapore) Pte Ltd
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Singapore 048616

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VALUATION CERTIFICATE

Address of Property	: 6 Shenton Way, OUE DOWNTOWN TOWER 1 & TOWER 2, Singapore 068809												
Our Reference	: 2018/80												
Valuation Prepared for	: DBS Trustee Limited (as Trustee of OUE Commercial REIT) and OUE Commercial REIT Management Ptd. Ltd. (as Manager of OUE Commercial REIT)												
Purpose of Valuation	: For proposed acquisition purpose												
Legal Description	: The land is designated as Lot 83N Town Subdivision 30 while the subject property is designated as Strata Lots U4628V and U4629P, Town Subdivision 30.												
Tenure	: 99-year lease commencing 19 July 1967												
Interest Valued	: Unexpired leasehold interest of approximately 48 years												
Registered Lessee	: Alkas Realty Pte. Ltd.												
Brief Description	<div>: OUE DOWNTOWN is located on the north-western side of Shenton Way, within the Central Business District of Singapore.</div> <div>The immediate surrounding is mainly commercial in nature. The Tanjong Pagar MRT Station is within short walking distance from the subject development. The new Shenton Way MRT Station which will form part of the Thomson-East Coast Line is under construction nearby. Accessibility to other parts of Singapore is enhanced by its proximity to the Marina Coastal Expressway, East Coast Parkway, Ayer Rajah Expressway and Central Expressway.</div> <div>The Property consists of office space from 35th to 46th storeys in the 50-storey Tower 1 and 7th to 34th storeys in the 37-storey Tower 2, within a large-scale commercial development with a retail podium, a serviced residence and car park facilities. Major asset enhancement works have been carried out to the development in the past 2 years.</div>												
Site Area	: 8,351.3 sq m (89,893 sq ft) or thereabouts (the entire development)												
Strata Area	: <table><tr><th>Location</th><th>Strata Lot No. (T.S. 30)</th><th>Strata Area</th></tr><tr><td>Tower 1 Office</td><td>U4628V</td><td>10,526 sq m excluding strata void of 1,027 sq m</td></tr><tr><td>Tower 2 Office</td><td>U4629P</td><td>50,010 sq m excluding strata void of 1,503 sq m</td></tr><tr><td>Total</td><td></td><td>60,536 sq m excluding strata void of 2,530 sq m</td></tr></table>	Location	Strata Lot No. (T.S. 30)	Strata Area	Tower 1 Office	U4628V	10,526 sq m excluding strata void of 1,027 sq m	Tower 2 Office	U4629P	50,010 sq m excluding strata void of 1,503 sq m	Total		60,536 sq m excluding strata void of 2,530 sq m
Location	Strata Lot No. (T.S. 30)	Strata Area											
Tower 1 Office	U4628V	10,526 sq m excluding strata void of 1,027 sq m											
Tower 2 Office	U4629P	50,010 sq m excluding strata void of 1,503 sq m											
Total		60,536 sq m excluding strata void of 2,530 sq m											

Net Lettable Area (NLA)

Location	Lettable Area (sq m)	Lettable Area (sq ft)
Tower 1 Office	8,212.5	88,400
Tower 2 Office	41,023.9	441,581
Total	49,236.4	529,981

Note: Areas are approximate and as extracted from the Tenancy Schedule provided.

Year of Completion

: We understand that the original buildings were built in 1974 and 1994 for Tower 1 and Tower 2 respectively.

Major asset enhancement and refurbishment works have been carried out to the development with the most recent works completed in 2016 and 2017 progressively.

Condition

: Generally good

Tenancy Brief

: The Property is multi-tenanted. Based on the Tenancy schedule as at 31 May 2018 provided to us, the office towers enjoy an occupancy rate of approximately 96.3% collectively and the total monthly gross rent is in the region of S\$3.5 million.

Major tenants in the office towers include Deloitte & Touche LLP, Aviva Ltd and Professional Investment Advisory Services Pte Ltd.

Rental Support

: We have been advised that the proposed acquisition includes a rental support structure in place for 5 years from the completion of the transaction. The Vendor will provide rental support for the difference between actual rental income and expected market rental. Rental support level is proposed as follows:

Year	Rental Support Level (psf per month)
Period from completion to 31 Dec 2018	S\$8.90
Period from 1 Jan 2019 to 31 Dec 2019	S\$9.10
Period from 1 Jan 2020 to 31 Dec 2020	S\$9.25
Period from 1 Jan 2021 to 31 Dec 2021	S\$9.40
Period from 1 Jan 2022 to 31 Dec 2022	S\$9.40
Period from 1 Jan 2023 to 30 Jun 2023	S\$9.40

Annual Value

: We understand that the Property is assessed at a total Annual Value of S\$36,697,200/-. Property tax is payable at 10% per annum of the Annual Value.

Master Plan Zoning (2014 Edition)

: The site is zoned "Commercial" with a gross plot ratio of 11.2+ with building height control of up to part 35/part 50 storeys.

Basis of Valuation	: 'Market Value' on 'As Is' basis, with and without rental support						
Methods of Valuation	: Income Capitalisation Method, Discounted Cash Flow Analysis and Comparison Method						
Key Assumptions	: <table border="1"> <tr> <td>Capitalisation Rate</td><td>4.00%</td></tr> <tr> <td>Discount Rate</td><td>6.75%</td></tr> <tr> <td>Terminal Rate</td><td>4.25%</td></tr> </table>	Capitalisation Rate	4.00%	Discount Rate	6.75%	Terminal Rate	4.25%
Capitalisation Rate	4.00%						
Discount Rate	6.75%						
Terminal Rate	4.25%						
Date of Valuation	: 30 June 2018						
Market Value	: <p>WITH RENTAL SUPPORT \$S\$945,000,000/- (Singapore Dollars Nine Hundred and Forty-Five Million Only)</p> <p>WITHOUT RENTAL SUPPORT \$S\$920,000,000/- (Singapore Dollars Nine Hundred and Twenty Million Only)</p>						

For and on behalf of
Colliers International Consultancy & Valuation (Singapore) Pte Ltd



Goh Seow Leng
Appraiser's Licence No.: AD041- 2003809B
B.Sc (Estate Management), MSISV
Executive Director
Valuation and Advisory Services I Singapore

GSL/SS/ct

This valuation certificate is subject to the Caveats & Assumptions attached.



CAVEATS AND ASSUMPTIONS

1. DEFINITIONS

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor.

'We', 'Us', 'Our', 'Colliers' means Colliers International Limited.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or Singapore Institute of Surveyors & Valuers' Valuation Standards and Practice Guidelines.

2. PERFORMANCE OF SERVICES

2.1 We have provided the Services in accordance with:

- (a) The Terms and Conditions contained herein; or
- (b) As specifically instructed by You for the purpose of the Services; and
- (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. CONDITION OF THE PROPERTY

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurements has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

Appendix I

4. ENVIRONMENT AND PLANNING

- 4.1 We have obtained town planning information from the prevailing Master Plan available on URA website. It is your responsibility to check the accuracy of this information under the appropriate planning legislation.
- 4.2 For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.
- 4.3 No requisition on road, MRT, LRT, drainage and other government proposals has been made by us. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
- 4.4 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. FLOOR/BUILDING AREAS AND LETTABLE AREAS

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate floor/building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated by us then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

- 6.1 Unless otherwise notified by You, We will assume:
 - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/ dilapidation reports), we will rely upon the apparent expertise of such experts/ specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/ or point of views of any other parties.
- 6.7 All Location Plans are obtained from www.streetdirectory.com. Whilst we do make every endeavor to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
- 6.8 Values are reported in Singapore currency unless otherwise stated.

7. ESTIMATED SELLING PRICE

- 7.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
 - (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

Appendix I

8. CURRENCY OF VALUATION

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 9.1, You should not rely upon Our valuation:
 - (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

9. MARKET PROJECTIONS

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and based on information currently available to us and not representative of what actual values of the property will be as at future date. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

10. YOUR OBLIGATIONS

- 10.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/ they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/ or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
 - (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
 - (c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.
- 10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and replying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made any consequential or punitive damages.
- 10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.
- 10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

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11. CONFIDENTIALITY

- 11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose stated in our valuation report, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- 11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 11.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

12. PRIVACY

- 12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

13. SUBCONTRACTING

- 13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

14. LIMITATION OF COLLIERS LIABILITY

- 14.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (example being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers international. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.
- 14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons/ judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billing pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.
- 14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.
- 14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.
- 14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error/ offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to held liable for an amount of three times Our contracted fee for the assignment per property.
- 14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.



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- 14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorized party.
- 14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.
- 14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.

15. ENTIRE AGREEMENT

- 15.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 15.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.
- 15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated

16. ANTI BRIBERY AND CORRUPTION MEASURES

- 16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.
- 16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.

INDEPENDENT MARKET RESEARCH REPORT



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10 September 2018

OUE Commercial REIT Management Pte. Ltd.
(as manager of OUE Commercial Real Estate Investment Trust)
50 Collyer Quay
#04-08 OUE Bayfront
Singapore 049321

DBS Trustee Limited
(as trustee of OUE Commercial Real Estate Investment Trust)
12 Marina Boulevard
Marina Bay Financial Centre
Singapore 018982

Dear Sirs

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST ("OUE C-REIT")

INDEPENDENT MARKET RESEARCH REPORT

With reference to your instruction, we have conducted our independent review of the Singapore office market. This report is for inclusion in the offer information statement that will be issued in relation to the rights issue of new units in OUE C-REIT to be listed on Singapore Exchange Securities Trading Limited.

The report is enclosed herewith.

Yours faithfully,
for and on behalf of
Colliers International Consultancy & Valuation (Singapore) Pte Ltd

Tang Wei Leng
Managing Director



SINGAPORE'S CBD AND SHENTON WAY / TANJONG PAGAR PREMIUM & GRADE A OFFICE MARKET REPORT

Dated: August 2018

FINAL VERSION

PREPARED BY:
Colliers International Consultancy & Valuation
Singapore Pte Ltd

PREPARED FOR:
OUE Commercial REIT Management Pte. Ltd.

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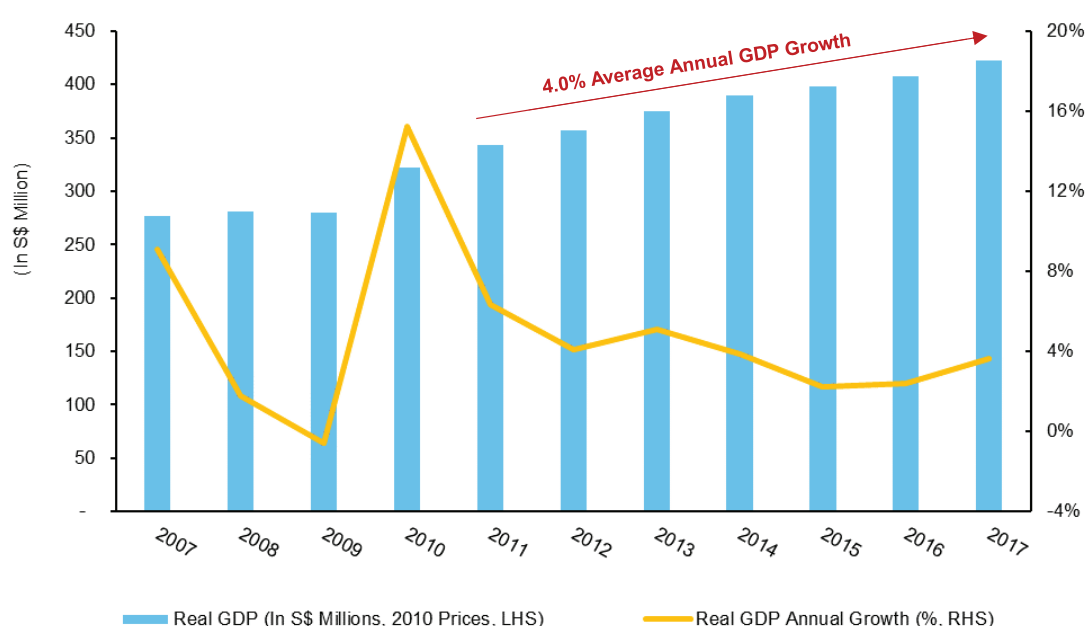
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1. Executive Summary

Singapore's economic outlook remains positive and is expected to exhibit robust GDP and employment growth figures, underpinned by an expanding services sector.

- Singapore's strong growth fundamentals continue to drive employment and office take up, especially in the Central Business District (CBD) area.

Figure 1.1: Singapore Real GDP and Annual Growth Rate (2007 – 2017)



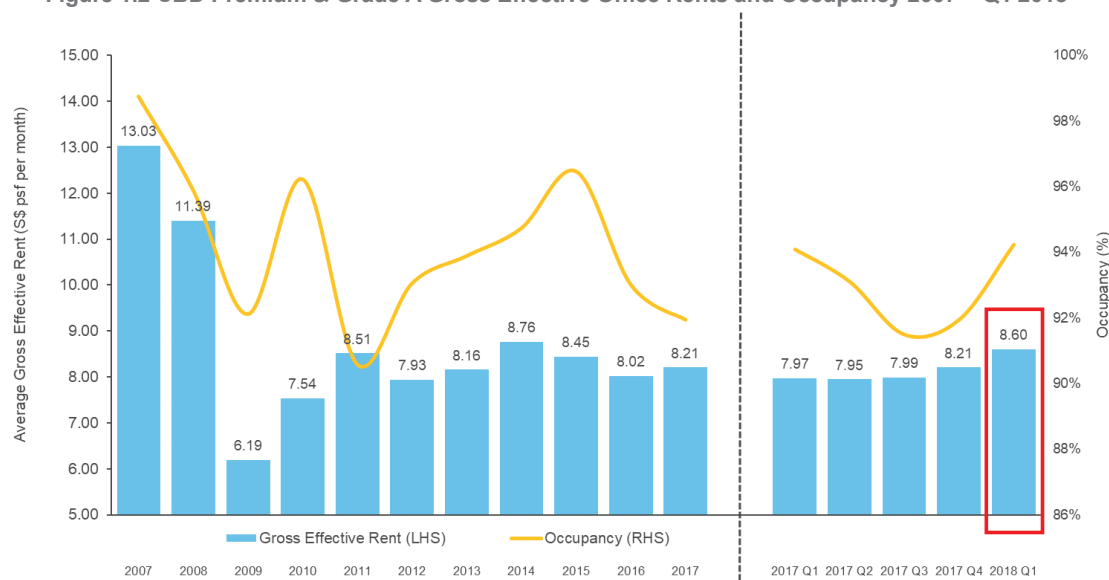
Source: Oxford Economics

- The city-state's GDP recorded strong growth in the second half of 2017, and maintains its growth trajectory into 2018, underpinned by a robust pick up in the manufacturing and services sector as global demand expanded.
- Real GDP growth in Q1 2018 within the services sector, a key occupier of Prime and Grade A office space, has exceeded the levels witnessed over the last five years, with finance & insurance alone expanding at 14.2% year-on-year (YoY), a level not witnessed since 2014.
- This was reflected in employment growth, with job creation up 8.4% in 2017 when compared to 2016. Early indications for 2018 suggest this trend is likely to continue in the short to medium term.
- The Singapore economy is expected to remain firm over the next five years, with robust GDP and employment growth supported by growing outward-oriented economic sectors led by finance & insurance, manufacturing, transportation & storage and wholesale trade.

The CBD office market is expected to shift in landlords' favour on balanced demand/supply dynamics and sustained expansionary tenant demand.

- After two years of subdued performance, the Singapore CBD office market rebounded at the end of 2017, with this momentum gaining in 2018. The slowdown over the past two years can be mainly attributed to the absorption of the largest supply of new office space entering the market witnessed over the last ten years.
- Combined with the flight-to-quality as occupiers relocate to higher grade office space, amid strong growth in employment activity from technology, insurance and legal firms, both occupancy and rental rates continued to trend upwards in Q1 2018.
- Demand for CBD office space is therefore expected to be strong over the next few years on the back of sustained GDP growth and an increase in hiring by key office-occupier sectors. As such, expansionary demand, illustrated by recent deals by Amazon, Agoda and Palo Alto Networks, should continue to be driven by the growth velocity of technology companies and flexible workspace operators. This is in tandem with increasing demand from financial and business services firms.
- Occupancy within the CBD Premium & Grade A office market reached a robust 94.2% at the end of Q1 2018, from 91.9% in Q4 2017. This increase in occupancy has enabled landlords to command higher rents, by an average of 4.7% QoQ.
- Reduced available supply, falling vacancy levels, and stronger demand associated with accelerating local and global economic growth should propel growth in rental levels over the next five years.
- As such, Premium & Grade A office rents are expected to reach between S\$9.00 and S\$9.30 psf per month by the end of 2018.

Figure 1.2 CBD Premium & Grade A Gross Effective Office Rents and Occupancy 2007 – Q1 2018



Source: URA and Colliers International

- Gross effective rents for Premium & Grade A CBD office space are on the rise. Together with occupancy improving, given the high absorption and limited upcoming supply, the office rental market should shift in

favour of landlords. This in turn should support further growth in capital values in years to come.

Figure 1.3 Key Premium & Grade A CBD Office Market Forecast Indicators (2018-2022)

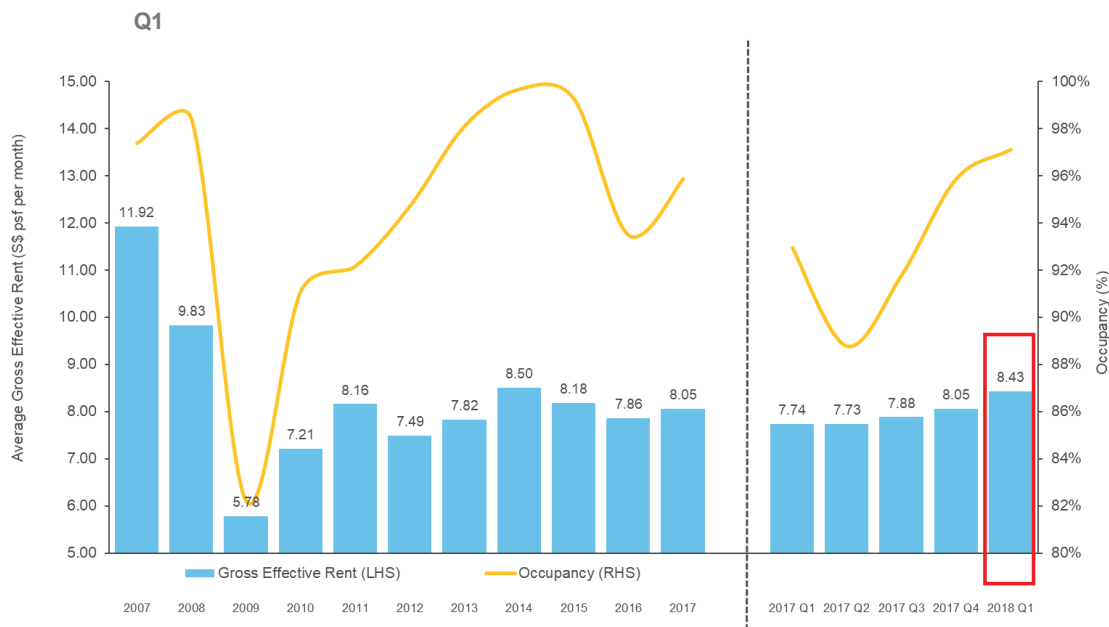
	2018F	2019F	2020F	2021F	2022F
Office Stock (in millions of sq ft)	25.0	25.5	26.0	27.9	28.7
Net New Supply (in millions of sq ft)	0.7	0.6	0.5	1.9	0.8
Net Absorption (in millions of sq ft)	1.6	0.3	0.3	1.4	0.8
Occupancy Rate (%)	95.8%	95.0%	94.3%	93.0%	93.3%
Average Gross Effective Rents (S\$ psf per month)	9.00 - 9.30	9.30 - 9.90	9.00 - 9.50	9.25 - 9.75	9.50 - 10.00
Capital Values (S\$ psf)	2,282	2,315	2,349	2,383	2,418
Capital Values YoY Growth (%)	1.6%	1.5%	1.5%	1.5%	1.5%

Source: URA and Colliers International

Shenton Way / Tanjong Pagar office submarket to outperform CBD on occupancy and to perform in line with the wider CBD market on rents and capital values

- Approximately 1.2 million sq ft of new office space will be completed in the Shenton Way / Tanjong Pagar submarket between 2018 and 2022. This includes circa 663,000 sq ft in Frasers Tower in Q2 2018, and 515,000 sq ft in ASB Tower in 2020. With about 80% of the office space at Frasers Tower (530,000 sq ft) already pre-committed, the remaining unabsorbed net new supply is expected to be about 670,000 sq ft from 2019 to 2022, or an average of 167,000 sq ft per year, which is significantly lower than the level of new supply of the past five years (circa 233,000 sq ft per year).
- Occupier demand for Premium & Grade A office space in the submarket, particularly from tech, legal and professional services should remain robust as the overall market sentiment improves and the flight-to-quality trend continues among major corporate tenants.
- Supported by higher occupancy and stronger demand for quality office space, gross effective rents for Premium & Grade A office space in the Shenton Way / Tanjong Pagar submarket have been trending upwards. At the end of Q1 2018, it reached its highest level since the last peak in 2014 at S\$8.43 psf per month, with further increases expected in the coming years as supply tightens further.
- Between 2011 and 2017, average occupancy for Premium & Grade A office in Shenton Way / Tanjong Pagar was circa 97.0%, compared to 94.0% achieved in the wider CBD area for the corresponding period. This is a remarkable performance that demonstrates the strong attraction of the submarket for occupiers of Premium & Grade A office space.

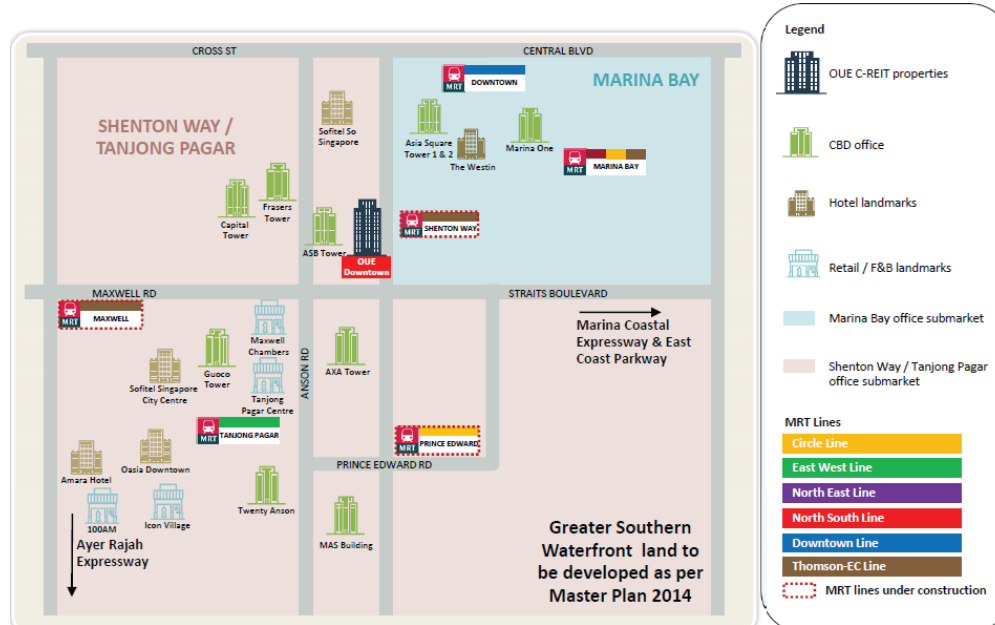
Figure 1.4 Shenton Way / Tanjong Pagar Premium & Grade A Office Rents and Occupancy 2007-2018



Source: URA and Colliers International

- In line with the wider CBD market, gross effective rents for Premium & Grade A office space in the Shenton Way / Tanjong Pagar submarket grew by 4.7% QoQ to S\$8.43 psf per month at the end of Q1 2018, its highest level since 2014. This was mainly underpinned by strong occupier take up as occupancy levels climbed to 97.1% at the end of Q1 2018, the highest occupancy level achieved in any submarket within the Singapore CBD.
- In line with the wider CBD area, capital values of Premium & Grade A office space in the Shenton Way / Tanjong Pagar submarket are expected to remain strong in the short to medium term as investors maintain their interest for prime assets.
- The rejuvenation of the Shenton Way / Tanjong Pagar area into a “live, work and play” environment was supported by the completion of recent landmark developments. The completion of Guoco Tower / Tanjong Pagar Centre, now the tallest building in Singapore, and OUE Downtown are valuable additions to the CBD’s skyline. Moreover, the completion of the Sofitel and Oasia hotels and the Oakwood Premier OUE Singapore serviced apartments also added an offering that reinforces the “live, work and play” concept in the area.
- The impending completion of the ASB tower and the Fraser building will continue the rejuvenation of Shenton Way / Tanjong Pagar and consolidate the area as one of Singapore’s prime office locations. A number of prestigious multinational corporations such as Deloitte and ING Bank and important institutions such as the International Arbitration Centre have become key tenants in the area.

Figure 1.5 Key office properties and landmarks within the Shenton Way / Tanjong Pagar Submarket



Source: Colliers International

Note: The map is an illustrative schematic overview only and is not to scale.

- Looking ahead beyond 2022, office properties in the Shenton Way / Tanjong Pagar submarket will be well-positioned to reap the long-term benefits of new major infrastructure and master-planning projects in and around the area. The construction of three new MRT stations, including the Prince Edward Station at Shenton Way and Keppel Road, within 500 meters or a six-minute walk from OUE Downtown, by 2025 will close the Circle Line loop by connecting Harbourfront with Marina Bay via Shenton Way / Tanjong Pagar. The improved accessibility will further raise the profile of the submarket as a prime CBD office district by reducing the travel time to the Shenton Way / Tanjong Pagar business district from south western and south eastern regions of Singapore.
- Furthermore, the Shenton Way / Tanjong Pagar submarket should benefit from the long-term redevelopment of the Greater Southern Waterfront - a 1,000-hectare waterfront area comprising the City and Pasir Panjang port terminals - into a new cutting-edge “live, work and play” waterfront district which is envisioned as a future extension of Singapore’s CBD in the Master Plan 2014 by the Urban Redevelopment Authority (URA).

Figure 1.6 Key Premium & Grade A Office Market Forecast Indicators for the Shenton Way / Tanjong Pagar Submarket (2018 – 2023)

	2018F	2019F	2020F	2021F	2022F	2023F
Net New Supply (in millions of sq ft)	0.7	0.0	0.5	0.0	0.0	0.0
Net Absorption (in millions of sq ft)	0.6	0.1	0.35	0.1	0.1	0.0
Occupancy Rate (%)	95.0%	97.5%	94.1%	96.3%	98.5%	98.5%
Average Gross Effective Rents (S\$ psf per month)	8.40 - 9.00	8.75 - 9.15	8.90 - 9.30	9.10 - 9.50	9.30 - 9.75	9.50 - 10.25
Capital Values (S\$ psf)	2,250	2,284	2,318	2,353	2,388	2,423
Capital Values YoY Growth (%)	2.3%	1.5%	1.5%	1.5%	1.5%	1.5%

Source: URA and Colliers International

2. Background and Economic Overview of Singapore

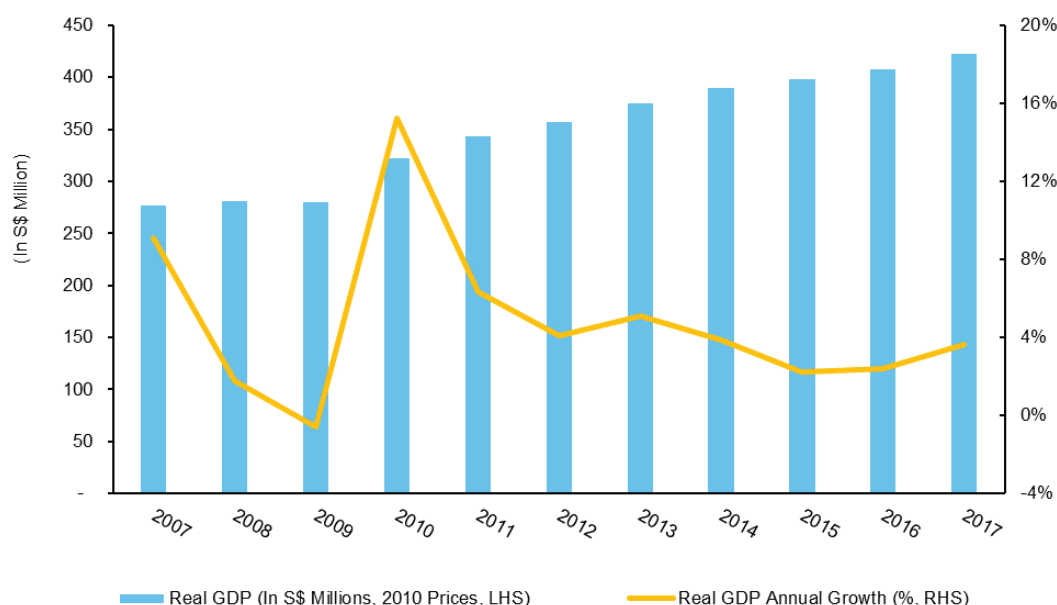
2.1 Introduction

As we understand it, OUE Commercial REIT Management Pte. Ltd. ("OUE C-REIT") is considering the acquisition of the two office towers of "OUE Downtown" which is located within the Shenton Way / Tanjong Pagar submarket of the Singapore CBD ("the Properties"). As part of its due diligence process, and for circular purposes, OUE C-REIT now requires an independent market report on the Singapore prime CBD office market, with a particular focus on the Shenton Way / Tanjong Pagar submarket and the outlook for the next five years. We set out our findings in this report.

2.2 Economic Overview of Singapore

Singapore's economy has recorded healthy growth since rebounding from the 2008-2009 global financial crisis, with real GDP growth averaging circa 4.0% annually between 2011 and 2017. According to the Economic Survey of Singapore 2017 released by the Ministry of Trade and Industry (MTI), in February 2018, the Singapore economy grew by 3.6% YoY in 2017, faster than the 2.4% growth YoY witnessed in 2016, the best showing since 2014. All major sectors grew in 2017, except for the construction sector which experienced an 8.4% YoY decline. GDP growth in 2017 was primarily driven by growth in the manufacturing sector (10.1%) but also by healthy gains in service industries such as finance & insurance (4.8%) and information & communication (3.3%).

Figure 2.1: Singapore Real GDP and Annual Growth Rate (2007 – 2017)



Source: Oxford Economics

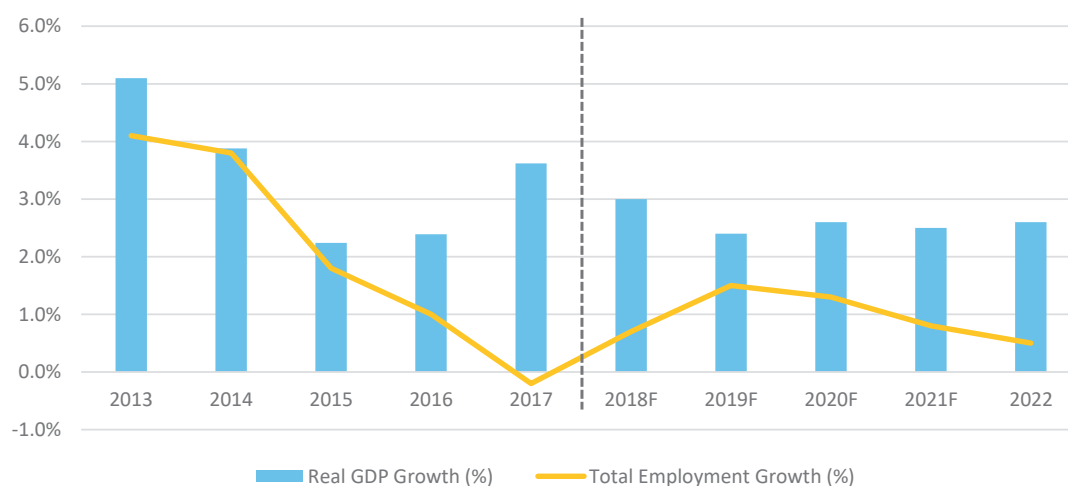
According to MTI, the Singapore economy is expected to remain strong in 2018, with GDP growth within the 2.5% to 3.5% range on the strength of outward-oriented sectors such as finance & insurance, manufacturing, transportation & storage and wholesale trade.

Growth in most of Singapore's key export markets such as the Eurozone, Japan, China and ASEAN is projected to remain unchanged in 2018. Potential downside risks, however remain for the global economy; including the US administration's trade policies and continued geo-political tension. In addition, a surprise upside in inflation cannot be ruled out given the relatively advanced stage of the US economic recovery, which may well trigger further rate increases.

According to Oxford Economics, Singapore's economy is expected to continue to grow by an annual rate of 2.4% to 2.6% between 2019 through 2022. This should be supported by sustained growth in the both the global and regional economies, albeit given the risks associated with potential trade disputes rapidly escalating.

Singapore, being a mature economy, can expect its overall employment growth to remain modest given the projected GDP growth rates over the next five years and their strong historical correlation with each other. Going forward some decoupling is expected between the two factors amid the already low unemployment rate, changing government policy in regard to foreign workers, the shift to automation and technology, and the ageing workforce. This was particularly evident in 2017, for example, when the government announced new foreign employment policies. Combined with a shift in manpower requirements particularly in the marine and oil and gas sectors in that year, this resulted in an exodus of foreign workers.

Figure 2.2: Historical and Forecast for Selected Economic Indicators (2013 – 2022F)



Indicator/ Year	2018F	2019F	2020F	2021F	2022F
Real GDP	2.5% - 3.5%	2.4%	2.6%	2.5%	2.6%
Total Employment Growth	0.7%	1.5%	1.3%	0.8%	0.5%

Source: (1) Economic Survey of Singapore 2017, MTI (February 2018) and (2) Oxford Economics (21 March 2018)

2.3 Key Economic Indicators for the Singapore Office Market

The performance of the Singapore office market is primarily dependent on the growth of key service- oriented, office-occupier industries including information & communications (which also includes major tech firms), finance & insurance, business services and other services industries. GDP contribution and employment growth within these sectors are highly correlated with the performance of the office market in Singapore.

Between 2015 and 2017, both GDP and employment growth in key office-occupier sectors decreased amid the slowdown of the Singapore economy. As shown in the following table, GDP growth in the services producing sectors declined from 3.5% in 2015 to 1.4% in 2016 before rebounding back to 2.8% in 2017. Despite this fluctuation, employment growth in the services producing sectors has been relatively stable since 2015, at circa 45,000 annually, but this remains significantly lower than the level recorded in 2014 as seen in the table below. This could be attributed to a combination of factors, including lower economic activity and government policy regarding foreign labour. The economic slowdown of the key office-occupier industries during this period also impacted office demand growth, particularly for Premium & Grade A CBD office space.

GDP growth in key office-occupier industries started to recover in the second half of 2017 and has gained momentum going into 2018 as global economic growth continues to pick up. In Q1 2018, the strongest growth since 2014 was witnessed across key office-occupier service industries, with double-digit GDP growth in the finance & insurance sector. This in turn has driven strong leasing activity in the office market, particularly from finance & insurance, technology and legal firms. The surge in GDP growth in the service sector recorded since the second half of 2017 indicates an upcoming increase in employment by firms in these sectors.

Figure 2.3: Real Annual GDP Growth by Sector of Key Office-Occupiers' Industries (2014 – Q1 2018)

Industry	2014	2015	2016	2017	Q1 2018
Services Producing Industries	4.3%	3.5%	1.4%	2.8%	5.7%
Information & Communications	7.6%	-1.2%	3.6%	3.3%	6.4%
Finance & Insurance	9.3%	5.3%	1.6%	4.8%	14.2%
Business Services	2.0%	5.4%	-0.3%	0.6%	3.7%
Other Services Industries	3.8%	2.2%	3.5%	2.6%	4.1%

Source: Economic Survey of Singapore, MTI
Note: Figures are YoY variations.

Figure 2.4: Net Increment in Number of Employees of Key Office-Occupiers' Industries (2014 – Q1 2018)

Industry	2014	2015	2016	2017	Q1 2018
Services Producing Industries	119,700	45,500	44,200	46,400	11,200
Information & Communications	6,400	5,400	2,200	4,000	2,000
Finance & Insurance	9,300	4,500	2,800	6,200	2,100
Business Services	34,500	14,900	8,100	11,400	1,900
Other Services Industries	32,400	22,400	20,200	16,000	7,400

Source: Economic Survey of Singapore, MTI

Note: Figures are YoY increments

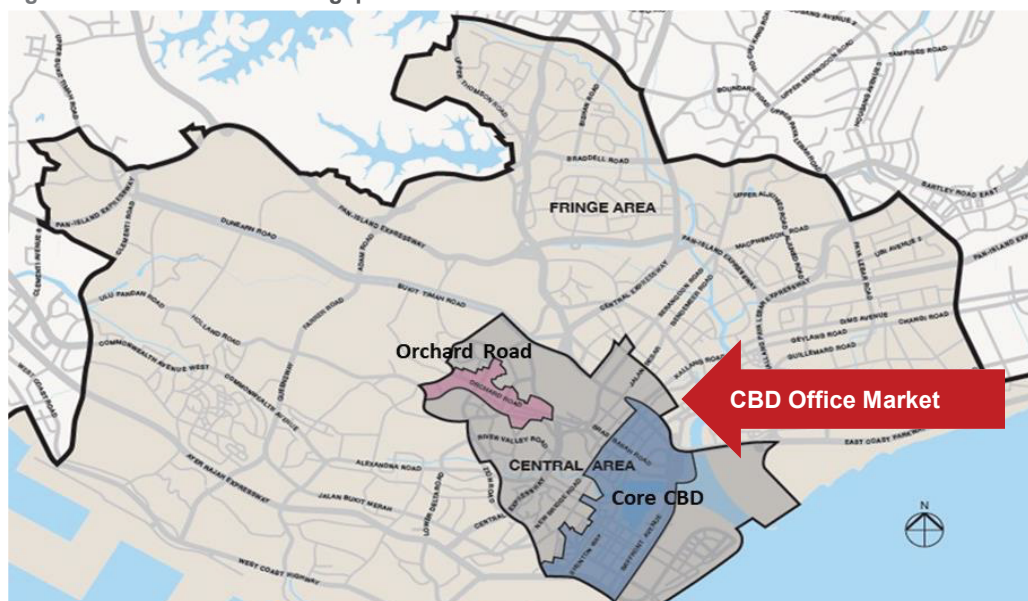
The recent Employment Outlook survey by the Manpower Group supports this trend, with Singapore employers reporting the strongest hiring intentions of the past three years. This was particularly for the finance & insurance and real estate sectors. This positive employment outlook in office-occupier industries should benefit the Singapore office market in the years to come as employers require additional space to accommodate their new hires.

3. Singapore CBD Office Market

3.1 Introduction

The CBD is Singapore's premier office location, accounting for approximately 47% of Singapore's total all-grade office inventory, with 39.8 million sq ft of net lettable area (NLA) as at Q1 2018. The Singapore CBD office market is comprised of the Core CBD area and the Orchard Road area as shown in Figure 3.1 below.

Figure 3.1: Location of the Singapore CBD Office Market



Source: URA and Colliers International

As defined by Colliers International for market analysis purposes, the Singapore CBD office market comprises five Premium & Grade A office submarkets: Shenton Way / Tanjong Pagar, Raffles Place / New Downtown (Marina Bay area), City Hall, Beach Road and Orchard Road, as shown on Figure 3.2. The Properties are located in the Shenton Way / Tanjong Pagar submarket which we discuss in further detail in the following section of this report.

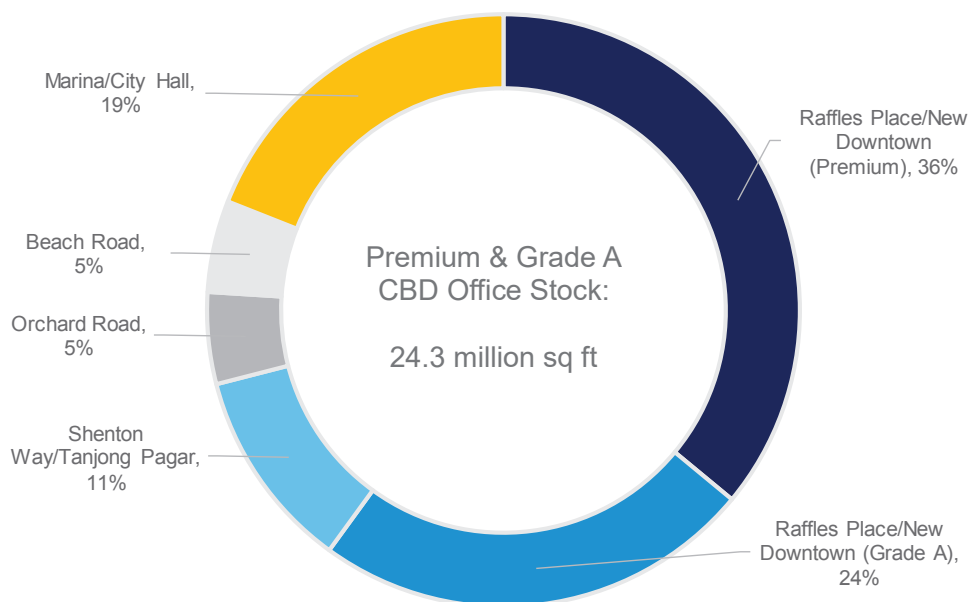
For the purpose of this report, the market review focuses exclusively on the Premium & Grade A segment of the Singapore CBD's office market as this is the segment most relevant to the subject acquisition. As at Q1 2018, the Premium & Grade A office space stock in the Singapore CBD totalled 24.3 million sq ft as shown on Figure 3.3.

Figure 3.2: Office Submarkets within the Singapore CBD Precinct



Source: Colliers International

Figure 3.3: Distribution of CBD Premium & Grade A Total Office Stock (Q1 2018)



Source: Colliers International

Figure 3.4: Location of OUE C-REIT Properties within the CBD Office Submarkets



Source: Colliers International

Note: The map is an illustrative schematic overview only and is not to scale.

In an effort to decentralise employment growth outside the central area, the URA Master Plan 2014 identifies new commercial growth areas outside of the CBD to accommodate some of Singapore's future office development. These growth areas, including the Jurong Lake District, the Woodlands Regional Centre and the Punggol Digital District, are currently in the planning stage, with no office projects expected to be completed within the next five years.

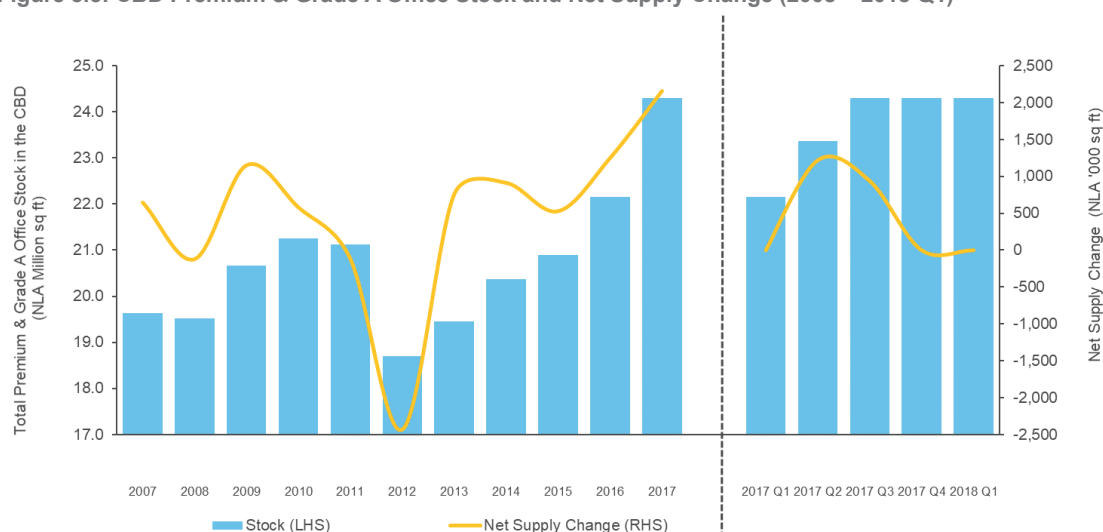
While these growth areas are envisioned to accommodate a growing share of the city-state's future office development in the future, they are not expected to compete directly with the CBD Premium & Grade A office market as they are anticipated to cater primarily to back office functions and local-oriented service occupiers. As such, the CBD is expected to remain Singapore's primary Premium & Grade A office location for the foreseeable future.

3.2 CBD Office Market Supply

According to the URA, the Singapore CBD Premium & Grade A office stock totalled 24.3 million sq ft as at Q1 2018. From 2007 to Q1 2018, the CBD office stock grew by nearly 4.7 million sq ft of NLA, averaging about 466,000 sq ft of new supply per annum. In 2016 and 2017, over 3.4 million sq ft of new office space was delivered to the CBD submarket, the largest new supply of the past decade.

As shown in figure 3.5, in 2017, net new supply totalled 2.16 million sq ft, up from the 1.25 million sq ft witnessed in 2016. The new supply in 2017 was almost entirely attributed to two office projects: Marina One West and East Towers (1.88 million sq ft) and UIC Centre – 5 Shenton Way (276,000 sq ft), both of which were completed in the second and third quarters of the year. In Q1 2018, no new office space was completed.

Figure 3.5: CBD Premium & Grade A Office Stock and Net Supply Change (2008 – 2018 Q1)

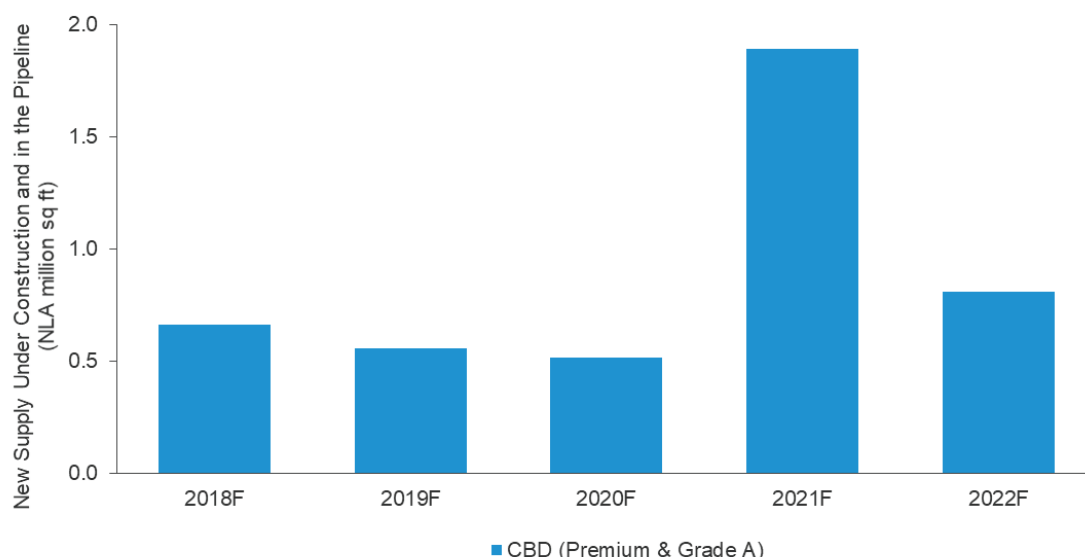


Source: Colliers International

Details of the Premium & Grade A office projects under construction or in the development pipeline as of Q1 2018 are presented in the table and chart below.

Figure 3.6: Premium & Grade A Office Projects Under Construction and in the Pipeline (Q1 2018)

Building Name	Est. Year of Completion	Est. Office NLA (sq ft)	Submarket	Developer	Address
Frasers Tower	2018	663,000	Shenton Way / Tanjong Pagar	FC Commercial Trustee Pte Ltd	182 Cecil Street
Funan	2019	204,000	City Hall	HSBC Institutional Trust Services (Singapore) Limited	109 North Bridge Road
Park Mall	2019	352,000	Orchard Road	Park Mall Pte Ltd	9 Penang Road
ASB Tower	2020	515,000	Shenton Way / Tanjong Pagar	Southernwood Property Pte Ltd	79 Robinson Road
CapitaSpring	2021	635,000	Raffles Place / New Downtown	CL Office Trustee Pte Ltd/Glory SR Trustee Pte Ltd	88 Market Street
Central Boulevard Site(GLS)	2021	1,260,000	Raffles Place / New Downtown	Wealthy Link Pte Ltd	Central Boulevard
Beach Road Site (GLS)	2022	808,000	Beach Road	GLL Prosper Pte Ltd & GLL Thrive Pte Ltd (GuocoLand)	Beach Road
Total		4,437,000			



Source: Colliers International

As of Q1 2018, there is an estimated 4.4 million sq ft of Premium & Grade A office space across seven projects under construction or in the pipeline within the CBD. This total new supply is expected to be completed gradually between 2018 and 2022, averaging circa 887,000 sq ft per year, which is considerably lower than the 1.12 million sq ft of new supply completed from 2013 to 2017. The bulk of the new supply (60% or approximately 2.7 million sq ft) is expected to come to market in 2021 and 2022. Approximately 40% (or 1.7 million sq ft) of this new supply is expected to be delivered over the next three years, including the 663,000 sq ft Frasers Tower on Cecil Street by the end of 2018. As such, the amount of new Premium & Grade A office supply in the CBD will be modest relative to that of past five years.

3.3 CBD Office Market Demand and Occupancy

During 2016 and 2017, amidst the largest wave of new office completions in the past decade, new supply temporarily exceeded demand, leading to downward pressure on occupancy levels. The Premium & Grade A office occupancy rate within the CBD decreased from 96.5% in 2015 to 93.0% in 2016. Occupancy declined even further to reach a seven-year low of 91.5% in Q3 2017 as a result of an additional 2.1 million sq ft of new office space entering the market. Nevertheless, as the new space was absorbed, occupancy improved to 91.8% in Q4 2017 and accelerated its upward trend into 2018. As of Q1 2018, the occupancy rate stood at 94.2%, on par with the 10-year average, confirming the solid recovery of the Premium & Grade A CBD office market.

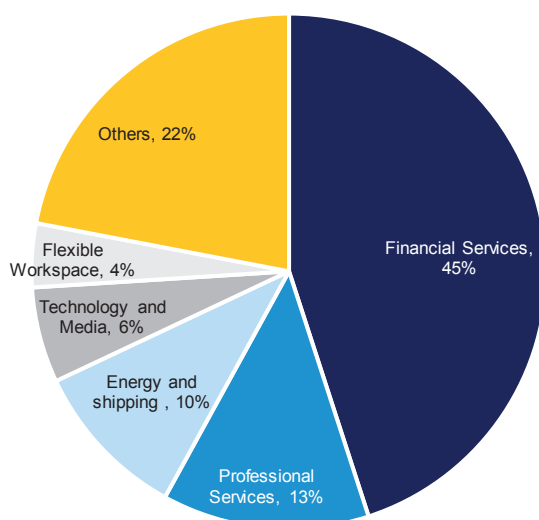
Net absorption of Premium & Grade A CBD office space increased significantly from circa 440,000 sq ft in 2016 to 1.745 million sq ft during 2017, well above the 10-year average annual absorption of 295,000 sq ft in the Premium & Grade A office segment. This was mainly due to new projects being completed and improved market sentiment among major occupiers. Particularly strong levels of absorption were recorded in Q2 2017

(916,000 sq ft) and in Q3 2017 (482,000 sq ft), as new projects came on-stream and the Singapore economy recovered from the slowdown of 2016.

Since the beginning of the recovery, the market has experienced both healthy levels of pre-commitment for new build properties and stronger leasing activity for existing office properties. For example, by Q3 2017, Guoco Tower in Shenton Way / Tanjong Pagar achieved a 99% take-up rate within 12 months of its completion in September 2016; DUO Tower in the Beach Road submarket was reportedly 60% leased within a few months from its completion date; and Marina One surpassed 70% in commitments upon completion. We note this trend is largely being driven by existing occupiers either looking to increase their existing floor space and a flight-to-quality. The latter is more so prevalent amongst banking, financial services, and professional services companies seeking to move up from existing lower grade office spaces to Premium & Grade A office space.

Overall, the service sector is the primary source of occupier demand for Premium & Grade A office space in Singapore's CBD. As of Q1 2018, financial services occupied 45% of Premium & Grade A office space in the CBD, the largest share of any tenant types. Professional services firms, at 13% of the total occupied space, accounted for the second largest office footprint, followed by energy and shipping firms with 10% of the total stock.

Figure 3.7: Tenant Profile in CBD Premium & Grade A Office Space (Q1 2018)



Source: Colliers International

While only occupying 6.0% of the total office space in the Premium & Grade A segment, technology and media firms are currently one of the largest sources of expansionary demand in the market as both large international tech firms and local start-ups expand their footprint in the CBD.

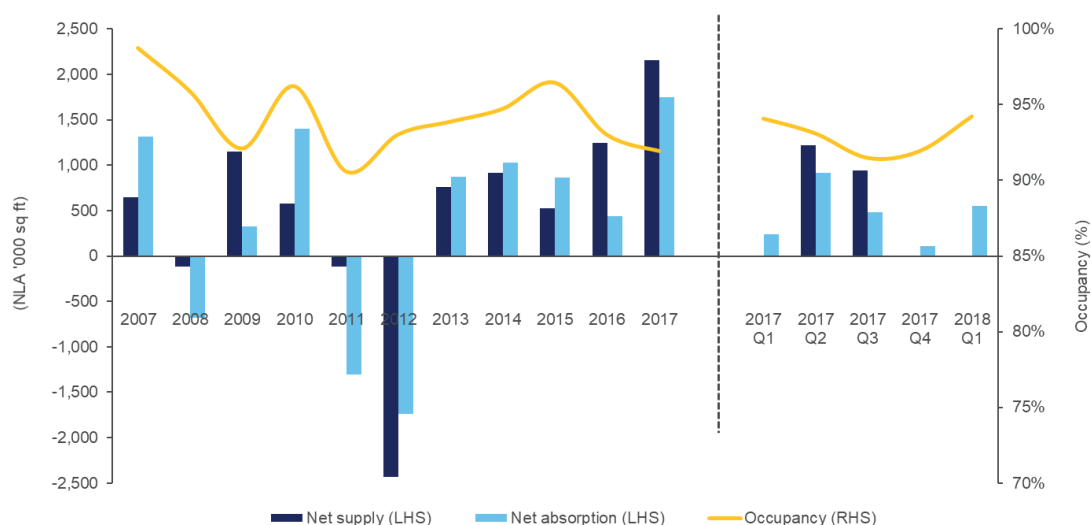
We note that the technology sector continues its growth trajectory, mainly driven by software and cloud computing firms navigating from their explosive growth stage. For instance, artificial intelligence start-up, Appier, doubled its space take-up within Asia Square Tower 1 to 4,000 sq ft and software company, Cloudera,

relocated to One Raffles Place Tower 2 (18,000 sq ft) from a serviced office. Similarly, Ultimate Software, a cloud-based technology firm, took up 8,000 sq ft at One George Street in a growth-driven relocation requirement from a serviced office. Amazon was also in expansion mode, taking up an additional 15,000 sq ft at Capital Square.

Law firms were also a solid source of expansionary demand across the Premium & Grade A office CBD market, with several prominent deals during Q1 2018, including 15,000 sq ft of additional space by Reed Smith at Ocean Financial Centre, and a 7,000 sq ft expansion by Baker McKenzie Wong Leow within Marina Bay Financial Centre Tower 1.

Looking forward, Colliers International expects expansionary demand to rise further among major technology and legal companies as companies pursue their hiring plans, thereby increasing headcounts. Further, it is likely that in the short term, given this positive outlook, firms may seek to move earlier to secure potentially lower rents and/or higher incentives before the recovery firmly takes hold.

Figure 3.8: Net Supply, Absorption & Occupancy Rate within the Singapore CBD (2007 – Q1 2018)



Source: URA and Colliers International

Against this backdrop, overall demand for Premium & Grade A CBD office space is expected to remain strong over the next five years. This is on the back of moderate but sustained GDP growth, increased employment, strong demand for newly built office space and growth in key office-occupier industries. Furthermore, based on the strong levels of pre-commitment currently observed for projects under development, Colliers International forecasts absorption, averaging approximately 893,000 sq ft per year, to match the net new anticipated supply of circa 887,000 sq ft per year over the next five years.

Based on projected supply and demand trends, Colliers International's forecasts of key performance indicators for the CBD Premium & Grade A office market over the next five years are shown in Figure 3.8. Colliers

International expects occupancy to increase 1.6% to 95.8% at the end of 2018, before decreasing slightly by 0.8% to 95.0% in 2019 and by 0.7% to circa 94.3% in 2020 as new office supply enters the market. In 2021 and 2022, occupancy rates are expected to decline only slightly to 93.0% and 93.3% as strong demand is anticipated to offset most of the new supply.

Figure 3.9: CBD Premium & Grade A Office Forecasts (2018 - 2022)

	2018	2019	2020	2021	2022
Office Stock (in millions of sq ft)	25.0	25.5	26.0	27.9	28.7
Net New Supply (in millions of sq ft)	0.70	0.60	0.50	1.90	0.80
Net Absorption (in millions of sq ft)	1.60	0.30	0.30	1.40	0.84
Occupancy Rate (%)	95.8%	95.0%	94.3%	93.0%	93.3%

Source: Colliers International

3.4 CBD Office Rents

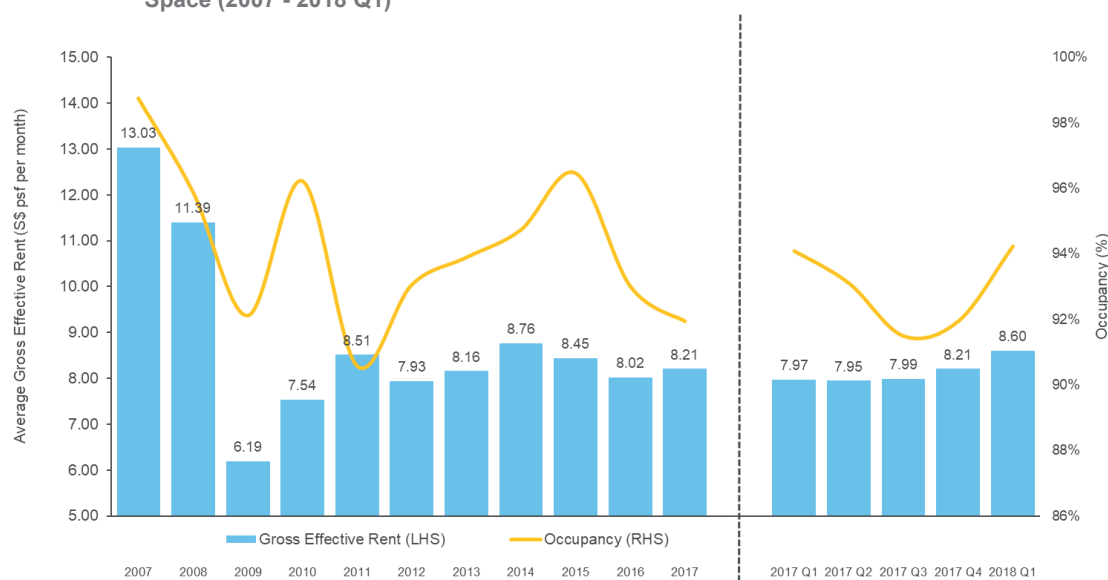
Average gross effective office rents¹ for Premium & Grade A space in the CBD market have remained within the S\$7.50 to S\$8.80 psf per month range since the end of the global financial crisis in 2010. Over the past five years, gross effective rents in the CBD grew by an average annual rate of 0.68% as occupiers remained cost-conscious on the back of modest GDP growth, the deceleration of China's economic expansion, and the appreciation of the Singapore dollar against major international currencies. Furthermore, the significant amount of new office supply delivered during 2016 and 2017 had a dampening effect on effective rents as landlords offered more competitive rental rates to attract and retain tenants. The average gross effective office rent in the CBD declined 3.4% from S\$8.80 psf per month in 2014 to S\$8.50 psf per month in 2015. This decreased by a further 5.9% in 2016, hitting a low of S\$8.00 psf per month as landlords resorted to discounting to attract and retain tenants.

Gross effective office rents remained under continued downward pressure in 2017. However, they stabilised and bottomed out by year-end and even recorded a modest recovery. As occupancy improved, gross effective rents recorded healthy gains across the CBD. While companies continue to be cost-conscious and explore ways to optimise their space utilisation, suitable office space has become scarcer in the CBD as a result of improved occupancy. In particular, there is a growing shortage of readily available large floor plates in premium CBD buildings. As such, lease negotiations are gradually shifting in favour of landlords as good quality space becomes less readily available across the CBD, translating into higher asking rents and reduced incentives to tenants.

In Q4 2017, gross effective rents for Premium & Grade A office space have ranged between S\$7.18 and S\$9.83 psf per month, averaging S\$8.20 psf per month. In Q1 2018, this range had moved upwards to S\$7.60 and S\$10.49 psf per month, averaging S\$8.60 psf per month. This represented a QoQ growth rate of approximately 4.9%, the strongest growth momentum witnessed over the past five years.

¹ The lease rates figures provided in this report refer to the average rent payable for full-floor leases located on a mid-floor level over the lease term after accounting for incentives such as rent-free periods.

Figure 3.10: Average Gross Effective Rents and Occupancy for Premium & Grade A CBD Office Space (2007 - 2018 Q1)



Source: Colliers International

As shown in Figure 3.11, Colliers International forecasts that average gross effective rents should increase from circa S\$9.00 psf per month by the end of 2018 to circa S\$9.30 to S\$9.90 psf per month by the end of 2019. This will be underpinned by reduced vacancy rates, and stronger demand associated with accelerating local and global economic growth. Average rents are expected to moderate slightly, to a range of between S\$9.00 and S\$9.50 psf per month in 2020 as new supply (see list of projects shown in Figure 3.5 above) enters the market. However, this slowdown is expected to be temporary, as rapid absorption of the new supply is anticipated. Average gross effective rents are therefore expected to trend upward again thereafter, to reach a range of circa S\$9.50 and S\$10.00 psf per month by the end of 2022.

Figure 3.11: Average Gross Effective Rent Forecast for Premium & Grade A CBD Office Space (2018 - 2022)

	2018	2019	2020	2021	2022
Average Gross Effective Rents (S\$ psf per month)	9.00 - 9.30	9.30 - 9.90	9.00 - 9.50	9.25 - 9.75	9.50 - 10.00

Source: Colliers International

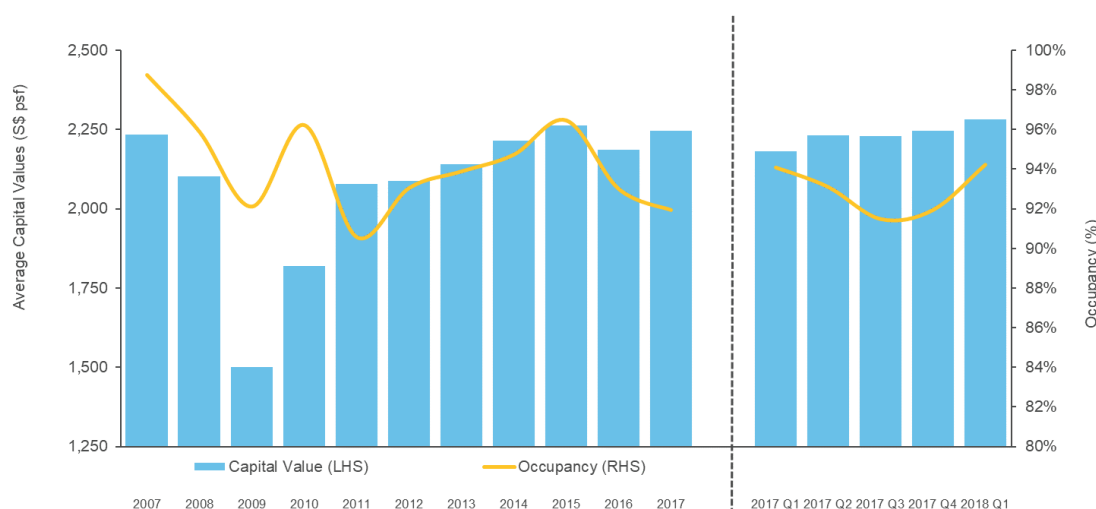
3.5 CBD Office Capital Values

Capital Values

Capital values of Premium & Grade A CBD office buildings² have increased steadily, after the fall out of the global financial crisis from 2011 to Q1 2018, appreciating by a compound annual growth rate (CAGR) of 1.3%. This performance was achieved despite fluctuations in office occupancy and rents during the same period, as investors maintained strong interest for prime assets amid the low interest rate environment.

At the end of 2017, average capital values were S\$2,245 psf, up 2.7% YoY compared to the S\$2,186 psf achieved in 2016. In Q1 2018, capital values have continued their upward trajectory with average values achieved reaching circa S\$2,281 psf, a 1.6% increase QoQ.

Figure 3.12: Capital Value vs Occupancy - Premium & Grade A CBD Office Space (2007-Q1 2018)



Source: Colliers International

Looking ahead, Colliers International expects capital values of Premium & Grade A office space to continue to increase at an average annual growth rate of approximately 1.5% over the next five years. This is in line with the average annual appreciation observed between 2011 and 2017.

Limited new supply, improved occupancy and higher rents are expected to off-set risks associated with rising interest rates in the medium term, with capital values unlikely to be materially impacted and yield spreads expected to compress further. As such, capital values are therefore expected to increase from about S\$2,282 psf by the end of 2018, to S\$2,315 psf in 2019, with this gradually increasing to S\$2,418 psf by 2022.

² The valuation-based methodology is used to derive capital values from a basket of representative properties located in the CBD area.

Figure 3.13: Capital Value Forecast for Premium & Grade A CBD Office Space (2018 – 2022)

	2018	2019	2020	2021	2022
Capital Values (S\$ psf)	2,282	2,315	2,349	2,383	2,418
Capital Values Growth YoY (%)	1.6%	1.5%	1.5%	1.5%	1.5%

Source: Colliers International

Yields

The average net yield of Premium & Grade A CBD office space remained relatively stable within the 3.50% to 3.75% range since 2009 though there has been a slight downward trend since 2015. Investor appetite for prime assets, Singapore's status as a gateway market and the limited inventory of available assets for sale in the Singapore CBD are some of the factors underpinning the recent compression of yields, with this set to continue in the short to medium term.

Figure 3.14: Yield Spread of Premium & Grade A Office in CBD Submarket (2007 – Q1 2018)



Source: Colliers International and Monetary Authority of Singapore (MAS)

3.6 CBD Premium & Grade A Office Market Outlook

Premium & Grade A CBD Office Demand and Occupancy

Demand for CBD office space is expected remain strong over the next five years supported by moderate but sustained GDP growth, sustained demand for newly built premium CBD office space and growth in key office-occupier industries. Occupancy rates, already robust at over 94.0%, are expected to remain relatively stable over the foreseeable future, as strong demand for new space is anticipated to offset the upcoming new supply. Occupancy is expected to increase 1.6% to 95.8% at the end of 2018, before decreasing slightly by 0.8% to 95.0% in 2019 and by 0.7% to circa 94.3% in 2020 as limited new office supply will enter the market during these years. When new supply hits the market in 2021 and 2022, occupancy rates are expected to decline slightly to 93.0% in 2021 and 93.3% in 2022 as the new supply is absorbed.

Premium & Grade A CBD Office Rents

On the back of stable occupancy and strong economic fundamentals, average gross effective rents of Premium & Grade A CBD office space are expected to increase to a range of between S\$9.00 and S\$9.30 psf per month in 2018, rising further to S\$9.30 to S\$9.90 psf per month by the end of 2019. In 2020, rents are expected to soften slightly to between S\$9.00 to S\$9.50 psf per month given the anticipated new supply. This slowdown is however expected to be temporary, and rents are expected to trend upward again thereafter to reach a range between S\$9.50 and S\$10.00 psf per month by the end of 2022. Strong demand for new Premium & Grade A space in the CBD and the rapid absorption expected at these projects is expected to sustain rental growth in these two years.

Premium & Grade A CBD Office Capital Values

Capital values of Premium & Grade A CBD office space are expected to continue growing at an average growth rate of approximately 1.5% per annum. This is in line with the historical average annual average growth rate observed between 2011 and 2017. This will be supported by improved occupancy and higher rents, despite the outlook in the global interest rate environment and its potential impact on investment yields. As Singapore remains a gateway investment market within Asia, investors are expected to maintain their appetite for prime assets. As such, at least in the short term, no material impact is anticipated on Premium & Grade A office capital values, as increases in interest rates are expected to be small and gradual. Colliers International expects yield spreads to continue to compress, with average capital values of Premium & Grade A CBD office space to increase from circa S\$2,282 psf by the end of 2018, to S\$2,315 psf in 2019, and gradually reaching S\$2,418 psf by 2022.

4. Shenton Way / Tanjong Pagar Office Submarket

The Properties are located within the Shenton Way / Tanjong Pagar submarket, which forms part of Singapore's CBD. In this section of the report, we provide recent trends and outlook for the Shenton Way / Tanjong Pagar submarket, and in particular the Premium & Grade A office market.

4.1 Shenton Way / Tanjong Pagar Office Supply

According to the URA, the completed (all grades) office stock in the Shenton Way / Tanjong Pagar submarket totalled 11.8 million sq ft as at Q1 2018, accounting for 13.8% of the total island-wide office supply. Over the past ten years, just under two million sq ft of new all-grade office space was completed in the Shenton Way / Tanjong Pagar submarket, averaging about 200,000 sq ft per year. This was a result of the URA Master Plan 2014 which encouraged rezoning for mixed-use and office redevelopments in the area. Recent Premium & Grade A office completions include Guoco Tower (890,000 sq ft) in Q3 2016, and the UIC Building (276,000 sq ft) at 5 Shenton Way in Q2 2017.

Approximately 1.2 million sq ft of new office space is expected to be completed in this submarket between 2018 and 2022, including 663,000 sq ft at Frasers Tower in Q2 2018 and 515,000 sq ft at ASB Tower in 2020. However, given that circa 80% of the office space at Frasers Tower has already been pre-committed, the remaining unabsorbed net new supply is expected to total about 670,000 sq ft from 2019 to 2022, or an average of about 167,000 sq ft per year. This is much lower than the average new office space supply of 233,000 sq ft per annum recorded over the past five years.

Details of the two upcoming office projects in the Shenton Way / Tanjong Pagar submarket are provided in the following table.

Figure 4.1: Major Known Upcoming Projects in Shenton Way / Tanjong Pagar Submarket (as at Q1 2018)*

Development Name/Description	Location	Developer	Estimated NLA of Commercial Component (sq ft)	Estimated Year of Completion	Est. Pre-Leased Space
Frasers Tower	Cecil Street / Telok Ayer Street	FC Commercial Trustee Pte Ltd (Frasers Centrepoin)	663,000	2018	80%
ASB Tower ¹	79 Robinson Road	Southernwood Property Pte Ltd	515,000	2020	0% ¹

Source: URA, Colliers International

Note: *Refers to projects with estimated NLA of at least 300,000 sq ft.

¹Currently not being marketed given uncertainty on completion date.

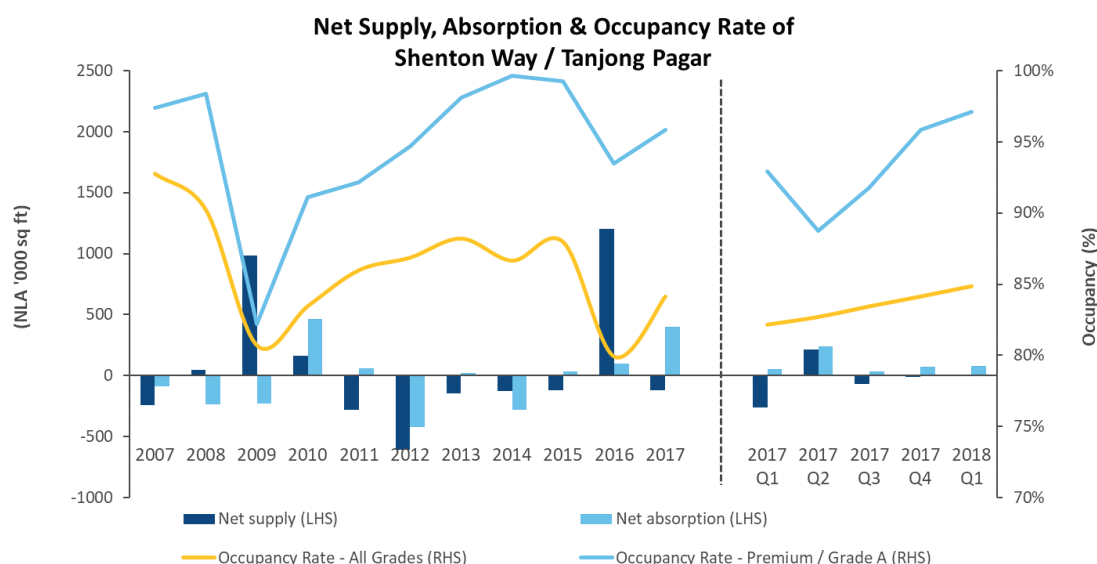
4.2 Shenton Way / Tanjong Pagar Office Demand and Occupancy

As shown in Figure 4.2, the Premium & Grade A office segment fared better than the overall office stock in the Shenton Way / Tanjong Pagar submarket since the post-financial crisis recovery in 2010, with an average occupancy rate of about 95.5%. In comparison, the total all-grade stock averaged an occupancy rate of 85.4%

during the same period. The robust performance of the Premium & Grade A office segment is underpinned by the flight-to-quality trend, as major occupiers increasingly prefer newer good quality building over ageing lower-grade buildings. In particular, older and lower-grade office buildings in the Shenton Way / Tanjong Pagar submarket saw a notable dip in occupancy as occupiers relocated to new office buildings completed in the past three years.

Occupancy for all-grade office space in this submarket started to decline significantly from 88% in 2015 down to 79.9% in 2016, followed by an improvement to 84.2% by the end of 2017. This sharp drop in overall occupancy could however, be attributed to the time lag between the completion of the new office developments and occupiers' physical occupation of their new office premises, rather than a lack of demand.

Figure 4.2: Net New Supply and Occupancy Rate of All Grade and Premium & Grade A Office Space in Shenton Way / Tanjong Pagar Submarket (2007 – Q1 2018)



Source: URA and Colliers International

Since the recovery from the global financial crisis in 2010, Premium & Grade A office space in the Shenton Way / Tanjong Pagar submarket maintained strong occupancy levels. This was despite the completion of new office supply and slowdown of the Singapore economy. Occupancy for Premium & Grade A office space in the Shenton Way / Tanjong Pagar Way area declined from a record level of 99.2% in 2015, to 93.5% in 2016, before increasing again to 95.8% by the end of Q4 2017. In Q1 2018, occupancy for Premium & Grade A office within this submarket stood at a healthy 97.1% as landlords successfully attracted tenants, once again underpinning the strong occupier demand for quality office space in the submarket.

Demand has primarily come from tech and legal firms as well as co-working operators in the Shenton Way / Tanjong Pagar submarket. In Q2 2017, growing co-working space operators further expanded their footprint, such as the Working Capitol Group, which leased 11 floors in 140 Robinson Road (Crown at Robinson)

amounting to 55,000 sq ft, and Just Office which took up 40,000 sq ft over two floors in UIC Building.

Since 2017, as the flight-to-quality trend continued, absorption of office space in new developments has remained healthy. The 890,000 sq ft Guoco Tower achieved a 99% take-up rate by Q3 2017, and the newly completed UIC Building was 97% leased as at June 2018, with committed rents in the range of S\$10.80 to S\$11.80 psf per month, and S\$9.00 to S\$9.50 psf per month respectively. Fuelling this demand were office expansions and relocations by professional services companies within their existing locations in Shenton Way / Tanjong Pagar submarket in Q3 2017. For example, Arup, a global design, engineering and business consultancy, signed on 38,000 sq ft at Frasers Tower and would relocate from its existing location in Keppel Towers in Tanjong Pagar.

Looking ahead, demand for the Premium & Grade A office space in the Shenton Way / Tanjong Pagar submarket is expected to remain robust in the coming years. Absorption, estimated at about 250,000 sq ft per year on average, is anticipated to slightly outweigh the new supply, expected to average approximately 235,000 sq ft per year. As a result, occupancy rates for Premium & Grade A office space are expected to remain elevated at circa 95% to 98.5% in the short to medium term.

Figure 4.3: Key Premium & Grade A Office Market Forecast Indicators for Shenton Way / Tanjong Pagar Submarket (2018 – 2022)

	2018	2019	2020	2021	2022
Net New Supply (in millions of sq ft)	0.7	0.0	0.5	0.0	0.0
Net Absorption (in millions of sq ft)	0.6	0.1	0.4	0.1	0.1
Occupancy Rate (%)	95.0%	97.5%	94.1%	96.3%	98.5%

Source: Colliers International

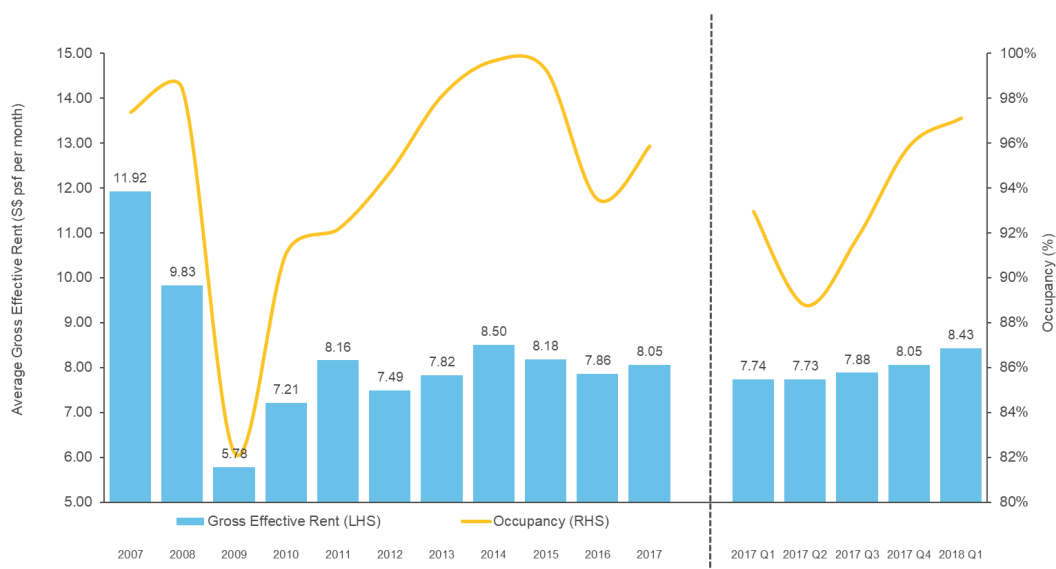
4.3 Shenton Way / Tanjong Pagar Premium & Grade A Office Rents

Underpinned by high occupancy and sustained occupier demand for quality office space, gross effective rents for Premium & Grade A office space in the Shenton Way / Tanjong Pagar submarket began to trend upward in the second half of 2017, with rents improving further in 2018. As shown in the following figure, average gross effective office rents³ for Premium & Grade A space in the Shenton Way / Tanjong Pagar submarket have increased from circa S\$7.20 psf per month in 2010 to S\$8.05 psf per month at the end of 2017, an average growth of 1.6% per annum during the 7-year period.

Gross effective rents increased by 4.7% from Q4 2017 to Q1 2018 to reach S\$8.43 psf per month, the highest QoQ increase, and the highest rent level of the past five years. YoY rental growth was 8.9% in Q1 2018 compared to Q1 2017, a faster pace than the growth rate of 7.9% recorded for the entire CBD during the corresponding period.

³ The lease rates figures provided in this report refer to the average rent payable for full-floor leases located on a mid-floor level over the lease term after accounting for incentives such as rent-free periods.

Figure 4.4: Monthly Gross Effective Rent of Premium & Grade A Office Space in Shenton Way / Tanjong Pagar Submarket (2007 – Q1 2018)



Source: Colliers International

The improvements in occupancy and rents registered in the submarket are generally in line with the broader CBD Premium & Grade A office market and are supported by the strong economic fundamentals of key office-occupier service sectors, including finance & insurance, and tighter office market leasing conditions. Further, as good quality space becomes less readily available, lease negotiations are expected to shift in favour of landlords, translating into higher asking rents and reduced incentives offered to tenants.

As such, rental growth momentum for the Premium & Grade A office space in the Shenton Way / Tanjong Pagar submarket is expected to continue over the next few years. Colliers International forecasts an average annual growth rate of approximately 2.0% to 2.5% given the reduced available supply, improved economic fundamentals, and employment growth across the key office-occupier sectors. Therefore, average gross effective rents are expected to increase from circa S\$8.40 to S\$9.00 psf per month by the end of 2018, to circa S\$9.30 to S\$9.75 psf per month by 2022 and S\$9.50 to S\$10.25 psf per month by 2023.

Figure 4.5: Premium & Grade A Office Rents Forecast for Shenton Way / Tanjong Pagar Submarket (2018 – 2023)

	2018	2019	2020	2021	2022	2023
Average Gross Effective Rents (S\$ psf per month)	8.40 - 9.00	8.75 - 9.15	8.90 - 9.30	9.10 - 9.50	9.30 - 9.75	9.50 - 10.25

Source: Colliers International

4.4 Shenton Way / Tanjong Pagar Premium & Grade A Office Capital Values

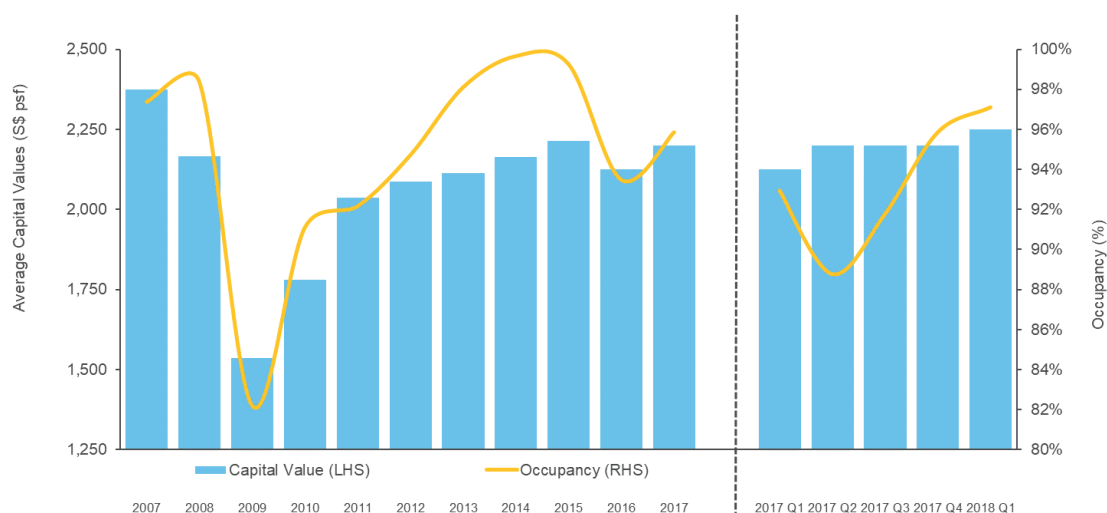
Capital Values

Capital values of Premium & Grade A office buildings⁴ in the Shenton Way / Tanjong Pagar submarket have appreciated faster than those in the broader CBD market over the past seven years, despite the slight decrease in occupancy and rents in recent years. Since 2011, capital values of Premium & Grade A office properties in the Shenton Way / Tanjong Pagar submarket appreciated by 3.0% CAGR, higher than the 1.3% rate witnessed in the broader CBD market during the same period.

Besides macroeconomic and investment fundamentals, such as the investor interest for prime assets, the low interest rate environment and the role of Singapore as a gateway investment market, strong capital value growth in the Shenton Way / Tanjong Pagar submarket was also underpinned by the catalyst effect of recent landmark developments. The completion of prime office developments in recent years, such as Guoco Tower, now the tallest building in the city-state, OUE Downtown as well as new residential and hospitality projects, raised the profile of the submarket as one of Singapore's most attractive investment locations.

During 2017, average Premium & Grade A capital values were circa S\$2,200 psf, a 3.5% increase YoY from the S\$2,125 psf registered in 2016. In Q1 2018, capital values have continued their upward trajectory as yields spreads continue to compress. Capital values for Premium & Grade A office were up 2.3% QoQ, increasing to S\$2,250 psf at the end of Q1 2018.

Figure 4.6: Average Capital Value of Premium & Grade A Office Space in Shenton Way / Tanjong Pagar Submarket (2007 – Q1 2018)



Source: Colliers International

⁴ The valuation-based methodology is used to derive capital values from a basket of representative properties located in the submarket.

Looking ahead, Colliers International expects capital values of Premium & Grade A office space in the Shenton Way / Tanjong Pagar submarket to increase by an average annual growth rate of approximately 1.5%, in line with the outlook for the wider CBD market. Capital values are forecast to increase from about S\$2,250 psf by the end of 2018, to S\$2,284 psf in 2019, and to gradually reach S\$2,388 psf by 2022. This forecast is based on the expectation that improved occupancy and higher rents in the submarket over the next few years will offset the risk of further rises in interest rates which could otherwise cause investment yields to widen.

Figure 4.7: Premium & Grade A Office Capital Value Forecast for Shenton Way / Tanjong Pagar Submarket (2018-2022)

	2018	2019	2020	2021	2022
Capital Values (S\$ psf)	2,250	2,284	2,318	2,353	2,388
Capital Values Growth YoY (%)	2.3%	1.5%	1.5%	1.5%	1.5%

Source: Colliers International

Yields

Prime office yields in the Shenton Way / Tanjong Pagar submarket are around 3.5% - 4.0% as of Q1 2018 based on recent office sales transactions, broadly in line with the prime office yield of 3.5% - 3.75% in the wider CBD area. It is expected that office yields will slowly widen as the interest rates and bond yields increase over the medium to long term. As previously mentioned, the widening of the office investment yields will likely occur gradually over a longer period of time and are unlikely to materially impact capital values in the Shenton Way / Tanjong Pagar submarket in the short term.

4.5 Shenton Way / Tanjong Pagar Office Tenant Profiles

As of Q1 2018, key office tenants in the Shenton Way / Tanjong Pagar submarket are mainly global companies from the financial services, banking, technology and media, trading, and commercial services industries/sectors. In particular, technology and media companies are increasing their presence in this submarket. For example, approximately 37% of the space in Guoco Tower in Tanjong Pagar has been leased by technology and media companies, including Agoda, Dentsu, Aegis Network and Palo Alto Networks.

4.6 Shenton Way / Tanjong Pagar Office Investment

A total of 18 major office sales transactions, including 12 direct comparable leasehold properties and 6 freehold properties, were recorded in and around the Shenton Way / Tanjong Pagar submarket since 2013, as shown in Figure 4.8. Transacted prices recorded from 2013 to 2018 for leasehold office properties ranged between S\$1,665 to S\$2,900 psf depending on the location, remaining number of years remaining on the leasehold and the age of the property. The average price of the leasehold office properties was S\$2,134 psf during the five-year period.

The adjusted price, assuming a fresh 99-year leasehold and new building conditions, is shown on Figure 4.8 to facilitate the comparison between office properties of different leasehold tenures. Table 4.9 shows major office sales transactions in other submarkets within the CBD market since 2013, for comparison purposes.

Figure 4.8: Direct Comparable Properties - Investment Sales Transactions of Office Developments in and around Shenton Way / Tanjong Pagar Submarket (2013 – 2018 YTD)*

Transacted Date	Development Name	Address	Price on NLA / Strata Area (\$\$ psf)	Adjusted Price Assuming Fresh 99-Year Lease (\$\$ psf)**	Transacted Price (\$\$ million)	Estimated NLA / Strata Area (sq ft)	Tenure	Purchaser	Seller
Leasehold									
Jun-14	Cecil House	139 Cecil St, 069539	2,169	2,564	110.0	50,704	99 years leasehold from 1981 (62 years remaining)	Shentoncil Pte Ltd (comprises Vibrant Group Limited (fka Freight Links Express) and DB2 Group)	Ececil Pte Ltd
Jul-14	Anson House	72 Anson Road, 079911	2,252	2,402	172.0	76,362	99 years leasehold from 1997 (78 years remaining)	SEB	CBRE Global Investors (fka ING Real Estate)
Jan-15	AXA Tower	8 Shenton Way, 068811	1,731	2,031	1,170.0	675,742	99 Years leasehold from 1982 (63 years remaining)	Raffles AXA Tower Pte Limited (Perennial Real Estate Holdings Ltd-led consortium, Perennial Real Estate, HPRY Holdings Ltd, Low Keng Huat)	BlackRock
Jun-15	The Spazio	158 Cecil Street, 069545	2,087	2,449	240.0	115,000	99 Years leasehold from 1982 (63 years remaining)	Mr Denis Jen	Alpha Core Plus Real Estate Fund
Nov-15	CPF Building	79 Robinson Road, 068897	1,698	2,200	550.0	324,000	99 Years leasehold from Jan 1968 (49 years remaining)	Southernwood Property, a fully-owned unit of Southernwood Holding, which in turn is a fully-owned unit of Ascendas Land (Singapore)	CPF Board
Apr-16	78 Shenton Way (50% Stake)	78 Shenton Way, 079120	1,665	1,940	301.5	362,199	99 Years leasehold from 1983 (64 years remaining)	Alpha Investment Partners	Commerz Real of Germany
Sep-16	DB2 Land Building (60% stake)	139 Cecil St, 069539	2,035	2,406	84.0	41,278	99 Years leasehold from 1981 (62 years remaining)	Ze Qi Investment Holdings Pte Ltd (Subsidiary of Shanghai Hengda Group)	Shentoncil Pte. Ltd (JV Vibrant Group and DB2 Group)
Nov-16	Robinson 77	77 Robinson Road, 068896	1,810	1,963	530.8	293,269	99 Years leasehold from 1994 (75 years remaining)	CLSA Capital Partners	SEB ImmoInvest Fund
Feb-17	GSH Plaza (Office component)	20 Cecil St, 049705	2,900	3,237	663.7	228,873	99 years leasehold from 1989 (70 years remaining)	Five Seasons XXII Pte Ltd (subsidiary of Fullshare Holdings Pte Ltd)	GSH Corporation (51%), Vibrant DB2 (35%), TYJ Group (14%)
May-17	One George Street	1 George Street, 049145	2,650	2,738	591.6	446,473	99 years leasehold from 2003 (85 years remaining)	One George Street Limited Liability Partnership (OGS LLP) (50% CCT & 50% OGS (II) Ltd owned)	CCT
Feb-17	PwC Building	8 Cross Street, Singapore 048424	2,100	2,253	747.0	355,704	99 years leasehold from 1996 (77 years remaining)	Manulife Financial Corporation (Indirect subsidiary)	DBS Bank Ltd
Jun-18	Twenty Anson	20 Anson Rd, 079912	2,505	2,558	516.0	206,000	99-Year Leasehold expiring in 22 Nov 2106 (88 years remaining)	(an unrelated third party, believed to be a foreign private equity fund)	CapitaLand Mall Trust

Figure 4.8: Direct Comparable Properties - Investment Sales Transactions of Office Developments in and around Shenton Way / Tanjong Pagar Submarket (2013 – 2018 YTD)* (Continued)

Transacted Date	Development Name	Address	Price on NLA / Strata Area (\$\$ psf)	Adjusted Price Assuming 99-Year Lease (\$\$ psf)**	Transacted Price (\$\$ million)	Estimated NLA / Strata Area (sq ft)	Tenure	Purchaser	Seller
Freehold									
May-13	135 Cecil Street	135 Cecil Street, 069536	2,191	2,103	182.0	83,076	Freehold	Indonesian tycoon Tahir, founder of the Mayapada group	Alpha Core Real Estate Fund, managed by Keppel Land unit Alpha Investment Partners
Jun-13	Robinson Point	39 Robinson Road, 068911	2,579	2,476	348.9	135,270	Freehold	Tuan Sing Holdings Limited	Sun Venture
Jan-14	50% Stake in Finexis Building	108 Robinson Rd, 068900	2,300	2,208	123.8	53,830	Freehold	An offshore fund managed by Singapore-based Sin Capital Partners (David Shin)	A partnership between Singapore-based Buxani Group and offshore investors advised by Mukesh Valabhji of Seychelles-based Capital Management Group (CMG).
Aug-15	Former Aviva Building	137 Cecil St, 069537	3,109	2,985	210.0	67,550	Freehold	Chinese businessman with the family name Zhou from Shanghai	Cheong Sim Lam
Sep-16	110 Robinson Road	110 Robinson Road, 068901	3,169	3,042	45.1	14,233	Freehold	Indonesian tycoon Tahir, founder of the Mayapada group	OCBC Properties
Apr-18	MYP Plaza	135 Cecil Street, 069536	3,000	2,880	247.0	82,334	Freehold	Affiliated to Filipino billionaire Lucio Tan's group of companies	MYP

*Major Office Investment Sales Transactions are selected based on transactions higher than S\$45 million.

** This figure is provided to allow like-for-like price comparison between office properties of different land tenures within the submarket. This is an indicative market value psf of NLA should the residual tenure of the land for each property be reset - or in the case of freehold properties, converted - to a fresh 99-year leasehold tenure. The estimate, provided for comparison purposes only, is calculated by referencing the residual tenure of the land at the time of acquisition, and adjusting the price psf of NLA for each property using the Singapore Land Authority's Bala's table of discounted values (see Appendix 1).

Source: URA Realis/SISV Realink/Colliers International Singapore Research

Figure 4.9: Other Major Investment Sales Transactions of Office Developments in the CBD (2013-2018 YTD)

Transacted Date	Development Name	Address	Price on NLA / Strata Area (\$\$ psf)	Adjusted Price Assuming Fresh 99 Years Lease (\$\$psf)**	Transacted Price (\$\$ million)	Estimated NLA / Strata Area (sq ft)	Tenure	Purchaser	Seller
99-Year Leasehold									
Jan-14	OUE Bayfront	50 Collyer Quay, 049321	\$2,498	\$2,551	\$1,005.0	402,374	99-year leasehold from 12 Nov 2007 (88 years remaining)	OUE Commercial REIT Pte. Ltd.	Clifford Development Pte Ltd
May-14	Prudential Tower	30 Cecil St, 049712	\$2,316	\$2,484	\$512.0	221,080	99 years leasehold from 1996 (77 years remaining)	A consortium comprising KOP Limited, Lian Beng Group, KSH Holdings and Centurion Global	K-REIT
Jun-14	Equity Plaza	20 Cecil Street, 049705	\$2,181	\$2,435	\$550.0	252,135	99 years leasehold from 1989 (70 years remaining)	Plaza Ventures (comprising GSH Corp, Vibrant DB2 and TYJ Group)	Keppel Land and its fund management arm Alpha Investment Partners
Sep-14	1/3 stake in Marina Bay Financial Centre Tower 3	12 Marina Boulevard, 018982	\$2,790	\$2,849	\$1,248.0	1,341,980	99-Yrs from March 2007 (88 years remaining)	K-REIT	Keppel Land
Jun-15	One Raffles Place (acquiring 83.33% in OUB Centre which owns 81.54% of ORP)	1 Raffles Place, 048616	\$2,398	\$2,754	\$1,429.2	877,086	Tower 2: 99 years from 1 Nov 1985 (66 years remaining)	OUE Commercial REIT Pte. Ltd.	OUE Limited
Jun-15	PWC Building (30% Stake)	8 Cross Street, 048424	\$1,892	\$1,996	\$150.0	355,704	99 years leasehold from 1999 (80 years remaining)	DBS Bank Ltd	CapitaLand Investments Pte Ltd
May-16	CapitaGreen (Divestment of 50% stake in Trust)	138 Market Street, 048946	\$2,276	\$2,827	\$800.3	703,000	99 years leasehold from 1973 (55 years remaining)	CapitaCommercial Trust	CapitaLand Ltd
May-16	CapitaGreen (Divestment of 10% stake in Trust)	138 Market Street, 048946	\$2,276	\$2,827	\$160.1	703,000	99 years leasehold from 1973 (55 years remaining)	CapitaCommercial Trust	Mitsubishi Estate Asia P/L
Jun-16	Asia Square Tower 1	8 Marina View, 018960	\$2,704	\$2,762	\$3,380.0	1,250,001	99 years leasehold from 2007 (88 years remaining)	Qatar Investment Authority	Blackrock
Dec-16	Capital Square (50% stake)	21 Church Street, 049481	\$2,450	\$2,628	\$475.5	388,215	99 years leasehold from 1996 (77 years remaining)	ARA	Alpha Investment Partners
Sep-17	Asia Square Tower 2 (Office)	12 Marina View, 018961	\$2,689	\$2,737	\$2,094.0	778,719	99 years leasehold from 2008 (89 years remaining)	CapitaLand Commercial Trust (CCT)	BlackRock Asia Property Fund III L.P.
Dec-17	Chevron House	30 Raffles Place, 048622	\$2,526	\$2,820	\$660.0	261,272	99 years leasehold from 1989 (70 years remaining)	Oxley Holdings	Deka Singapore A Pte Ltd

Figure 4.9: Other Major Investment Sales Transactions of Office Developments in the CBD (2013-2018 YTD)
(Continued)

Transacted Date	Development Name	Address	Price on NLA / Strata Area (\$ psf)	Adjusted Price Assuming Fresh 99 Years Lease (\$psf)**	Transacted Price (\$ million)	Estimated NLA / Strata Area (sq ft)	Tenure	Purchaser	Seller
999-year Leasehold									
Jan-13	16 Collyer Quay (fka Hitachi Tower) (51% stake)	16 Collyer Quay, 049318	2,371	2,276	336.6	141,962	999 Yrs	NTUC Income	Private Entity owned by funds managed by affiliates of Goldman Sachs and an indirect subsidiary of Goldman Sachs
Jun-15	One Raffles Place (83.33% in OUB Centre which owns 81.54% of ORP)	1 Raffles Place, 048616	2,398	2,302	1,429.2	877,086	Tower 1: 841 years from 1 Nov 1985	OUE Commercial REIT Pte. Ltd.	OUE Limited
Jun-16	Straits Trading Building	9 Battery Road, 049910	3,520	3,379	560.0	158,897	999-year	MYP Ltd (SG registered)	Sun Ventures
Aug-18 (Upcoming)	55 Market Street	55 Market Street 048941	3,020	2,899	216.8	71,796	999-year	Undisclosed party	Frasers Commercial Trust (FCOT)

*Major Office Investment Sales Transactions are selected based on transactions higher than S\$45 million.

** This figure is provided to allow like-for-like price comparison between office properties of different land tenures within the CBD. This is an indicative market value psf of NLA should the residual tenure of the land for each property be reset - or in the case of 999-year leasehold properties, converted - to a fresh 99-year leasehold tenure. The estimate, provided for comparison purposes only, is calculated by referencing the residual tenure of the land at the time of acquisition, and adjusting the price psf of NLA for each property using the Singapore Land Authority's Bala's table of discounted values (see Appendix 1). For the purpose of restated price estimate, 999-leasehold tenure is considered as a form of freehold tenure, as such the same rates of discounted values apply.

Source: URA Realis/SISV Realink/Colliers International Singapore Research

4.7 Shenton Way / Tanjong Pagar Prime/Grade A Office Market Outlook

Demand and Occupancy

Demand for the Premium & Grade A office space in Shenton Way / Tanjong Pagar submarket is expected to remain robust over the next few years amid strong absorption, pre-commitment for new builds, and expansionary demand from financial, legal, tech and co-working space occupiers. This will be underpinned by the continued good performance of the overall Singapore economy. As such, occupancy is expected to remain at its historically high levels ranging between 95% and 98% over the short to medium term.

Rents

Given the continued high occupancy levels, and general improvement in the overall Singapore office market, landlords in the Shenton Way / Tanjong Pagar submarket are expected to continue commanding rent premiums going forward. In particular, strong demand for quality space and the rapid absorption of new supply are expected to sustain higher rents. As such, rents are expected to continue to increase in the short to medium term reaching between S\$8.40 and S\$9.00 psf per month in 2018, circa S\$8.75 to S\$9.15 psf per month in 2019, and circa S\$9.50 to S\$10.25 psf per month by 2023.

Capital Values

Despite anticipated upward pressure on interest rates in the near term, capital values of Premium & Grade A office space in the Shenton Way / Tanjong Pagar submarket are expected to continue moving upwards. This is underpinned by increases in both occupancy and rental rates, and continued investor interest for prime assets, with yields remaining compressed. Capital values are expected to increase by approximately 1.5% per year, in line with the wider CBD area, reaching circa S\$2,388 psf by 2022.

Beyond 2022

Looking ahead beyond 2022, the Shenton Way / Tanjong Pagar submarket is well-positioned to reap the long-term benefits of major planned infrastructure and master-planning projects in and around the submarket. The construction of three new MRT stations, including the Prince Edward station to be located at Shenton Way and Keppel Road, by 2025 will close the Circle Line loop by connecting Harbourfront with Marina Bay via Shenton Way / Tanjong Pagar, improve connectivity, and raise the profile of the submarket as a prime CBD office district.

Furthermore, the URA Master Plan 2014 also includes a preliminary redevelopment vision for the Greater Southern Waterfront - a 1,000-hectare waterfront area comprising the City and Pasir Panjang port terminals – into a new cutting-edge “live, work and play” quarter envisioned to become the extension of the Singapore CBD. This long-term master-planning and development project – expected to start no earlier than 2030 – will positively consolidate the Shenton Way / Tanjong Pagar area as a gateway location between the core CBD, Marina Bay and the Greater Southern Waterfront. The inauguration of the new MRT stations, and the materialisation of the URA vision for the Greater Southern Waterfront is expected to positively impact occupancy, rents and capital values of Premium & Grade A office space in the Shenton Way / Tanjong Pagar submarket.

5. Limiting Conditions of This Report

The content of this report is for information only and should not be relied upon as a substitute for professional advice, which should be sought from Colliers International prior to acting in reliance upon any such information.

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Appendix

Figure I: SLA's Bala's Table of Leasehold Values as a Percentage of Freehold Value

Term of Years	Percentage (%) of Freehold Value	Term of Years	Percentage (%) of Freehold Value	Term of Years	Percentage (%) of Freehold Value
1	3.8	37	66.2	73	87.5
2	7.5	38	67.0	74	88.0
3	10.9	39	67.7	75	88.5
4	14.1	40	68.5	76	89.0
5	17.1	41	69.2	77	89.5
6	19.9	42	69.8	78	90.0
7	22.7	43	70.5	79	90.5
8	25.2	44	71.2	80	91.0
9	27.7	45	71.8	81	91.4
10	30.0	46	72.4	82	91.8
11	32.2	47	73.0	83	92.2
12	34.3	48	73.6	84	92.6
13	36.3	49	74.1	85	92.9
14	38.2	50	74.7	86	93.3
15	40.0	51	75.2	87	93.6
16	41.8	52	75.7	88	94.0
17	43.4	53	76.2	89	94.3
18	45.0	54	76.7	90	94.6
19	46.6	55	77.3	91	94.8
20	48.0	56	77.9	92	95.0
21	49.5	57	78.5	93	95.2
22	50.8	58	79.0	94	95.4
23	52.1	59	79.5	95	95.6
24	53.4	60	80.0	96	95.7
25	54.6	61	80.6	97	95.8
26	55.8	62	81.2	98	95.9
27	56.9	63	81.8	99	96.0
28	58.0	64	82.4		
29	59.0	65	83.0		
30	60.0	66	83.6		
31	61.0	67	84.2		
32	61.9	68	84.5		
33	62.8	69	85.4		
34	63.7	70	86.0		
35	64.6	71	86.5		
36	65.4	72	87.0		

Source: Singapore Land Authority

Contact Details:

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PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ELIGIBLE UNITHOLDERS

1. INTRODUCTION

- 1.1** Eligible Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. This Offer Information Statement and its accompanying documents will not be despatched to Ineligible Unitholders. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Eligible Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.

- 1.2** The Rights Entitlements are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Trust Deed and the instructions in the ARE.

The number of Rights Entitlements allotted to each Eligible Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Eligible Depositors have been credited by CDP with the Rights Entitlements as indicated in the ARE. Eligible Depositors may accept their Rights Entitlements in full or in part and are eligible to apply for Excess Rights Units under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Entitlements and payment for Excess Rights Units are set out in the Offer Information Statement as well as the ARE.

- 1.3** If an Eligible Depositor wishes to accept his Rights Entitlements specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Units in addition to the Rights Entitlements allotted to him, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Eligible Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units may be rejected.

For and on behalf of the Manager, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if this ARE is not accurately completed and signed or if the "Free Balance" of your Securities Account is not credited with, or is credited with less than, the relevant number of Rights Units accepted as at the last date and time for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST, as the case may be, (in each case) AT HIS/THEIR OWN RISK or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ELIGIBLE DEPOSITOR MAY ACCEPT HIS RIGHTS ENTITLEMENTS SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS UNITS EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK AS DESCRIBED BELOW. WHERE AN ELIGIBLE DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Units and/or excess Rights Units in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Units and/or excess Rights Units in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Manager and CDP shall be entitled to process each application submitted for the acceptance of Rights Entitlements, and where applicable, application of Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Eligible Depositor, on its own, without regard to any other application and payment that may be submitted by the same Eligible Depositor. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Units.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Eligible Depositors or their renouneees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Entitlements or (if applicable) to apply for Excess Rights Units will appear on the ATM screens of the respective Participating Banks. Please refer to **Appendix F** of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ELIGIBLE DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ELIGIBLE DEPOSITOR WHO HAS ACCEPTED THE RIGHTS ENTITLEMENTS BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS UNITS BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE MANAGER AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE MANAGER AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

If the Eligible Depositor wishes to accept the Rights Entitlements and (if applicable) apply for Excess Rights Units through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Units provisionally allotted to him which he wishes to accept and the number of Excess Rights Units applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for:
 - (i) by hand to **OUE COMMERCIAL REIT MANAGEMENT PTE. LTD., AS MANAGER OF OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588**; or
 - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **OUE COMMERCIAL REIT MANAGEMENT PTE. LTD., AS MANAGER OF OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The payment for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for at the Rights Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to **"CDP – OUE C-REIT RIGHTS ISSUE ACCOUNT"** and crossed **"NOT NEGOTIABLE, A/C PAYEE ONLY"** with the name and Securities Account number of the Eligible Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept Rights Entitlements and (if applicable) apply for Excess Rights Units through the SGX-SSH Service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Manager to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the Rights Entitlements accepted by the Eligible Depositor and (if applicable) the Excess Rights Units applied for by the Eligible Depositor, the attention of the Eligible Depositor is drawn to paragraphs 1.3 and 5.2 of this **Appendix D** which set out the circumstances and manner in which the Manager and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Manager's behalf whether under the ARE, the ARS or any other application form for Rights Units in relation to the Rights Issue.

2.5 Acceptance of Part of Rights Entitlements and Trading of Rights Entitlements

An Eligible Depositor may choose to accept his Rights Entitlements specified in the ARE in full or in part. If an Eligible Depositor wishes to accept part of his Rights Entitlements and trade the balance of his Rights Entitlements on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Entitlements which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his Rights Entitlements by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his Rights Entitlements may be sold as soon as dealings therein commence on the SGX-ST.

Eligible Depositors who wish to trade all or part of their Rights Entitlements on the SGX-ST during the "nil-paid" rights trading period should note that the Rights Entitlements will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Units, or any other board lot size which the SGX-ST may require. Such Eligible Depositors may start trading in their Rights Entitlements as soon as dealings therein commence on the SGX-ST. Eligible Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the "nil-paid" rights trading period.

2.6 Sale of Rights Entitlements

The ARE need not be forwarded to the purchasers of the Rights Entitlements ("**Purchasers**") as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Manager, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the Rights Entitlements may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Unit Registrar, for the period up to **5.00 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

Purchasers should also note that if they make any purchase on or around the last trading day of the "nil-paid" rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Units. You may obtain a copy from CDP. Alternatively, you may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH RIGHTS ENTITLEMENTS ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS UNITS REPRESENTED BY THE RIGHTS ENTITLEMENTS PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE RIGHTS ENTITLEMENTS ON THEIR BEHALF.

2.7 Renunciation of Rights Entitlements

Eligible Depositors who wish to renounce in full or in part their Rights Entitlements in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of Rights Entitlements which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three Market Days to effect such renunciation, Eligible Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Manager, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his Rights Entitlements. The last date and time for acceptance of the Rights Entitlements and payment for the Rights Units by the renounee is **5.00 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) (if acceptance is made through CDP) or **9.30 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) (if acceptance is made through an ATM of a Participating Bank).

2.8 Acceptance/Application using CPF Funds

Unitholders participating under the CPFIS – Ordinary Account must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units, if they have previously bought their Units using their CPF Funds.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks to enable them to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

2.9 Acceptance/Application using SRS Funds

Unitholders with SRS Accounts must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies will need to instruct the relevant approved banks in which they hold their SRS Accounts (“**SRS Bank**”) to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf and make sure that they have sufficient funds in their SRS Accounts to pay for the number of Rights Units (including, if applicable, the Excess Rights Units) for which they intend to subscribe. They may also partially accept their Rights Entitlements and/or instruct their respective brokers to sell their Rights Entitlements held under their SRS Accounts during the “nil-paid” rights trading period on the SGX-ST.

Unitholders who have insufficient funds in their SRS Accounts to fully accept their Rights Entitlements and/or apply for Excess Rights Units and who have:

- (a) **not reached their SRS contribution cap** may, subject to the SRS contribution cap, deposit cash into their SRS Accounts and (i) instruct their respective SRS Banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf, to the extent of the funds available in their SRS Accounts, and/or (ii) to the extent that there are insufficient funds in their SRS Accounts after the said deposit to fully accept their Rights Entitlements, instruct their respective brokers to sell their Rights Entitlements during the “nil-paid” rights trading period on the SGX-ST.
- (b) **reached their SRS contribution cap** may instruct their respective SRS Banks to (i) accept their Rights Entitlements and (if applicable) apply for Excess Rights Units to the extent of the funds available in their SRS Accounts, and/or (ii) to the extent that there are insufficient funds in their SRS Accounts to fully accept their Rights Entitlements, instruct their respective brokers to sell their Rights Entitlements during the “nil-paid” rights trading period on the SGX-ST.

If a Unitholder instructs the relevant SRS Bank to subscribe for Rights Units and (if applicable) apply for Excess Rights Units offered under the Rights Issue and he does not have sufficient funds in his SRS Account to pay for the number of Rights Units which he intends to subscribe, his acceptance of Rights Entitlements under the Rights Issue and, if applicable, application for Excess Rights Units will be made in part to the extent of the funds available in his SRS Account with the balance rejected.

SRS monies may not be used for the purchase of Rights Entitlements directly from the market.

Any acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units made by the above-mentioned Unitholders directly through CDP, Electronic Applications at ATMs of the Participating Banks, the Unit Registrar and/or the Manager will be rejected.

2.10 Acceptance/Application via Finance Company and/or Depository Agent

Unitholders who hold Units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Any acceptance and (if applicable) application made by the above-mentioned Unitholders directly through CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.

2.11 Return of Surplus Application Monies

In the case of applications for Excess Rights Units, if no Excess Rights Units are allotted to an Eligible Depositor or if the number of Excess Rights Units allotted to an Eligible Depositor is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to the Eligible Depositor without interest or any share of revenue or other benefit arising therefrom within three Market Days after the commencement of trading of the Rights Units, at the Eligible Depositor's own risk by any one or a combination of the following: (i) by crediting the Eligible Depositor's bank account with the relevant Participating Bank if the Eligible Depositor accepts and (if applicable) applies through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Manager, the Joint Lead Managers and Underwriters, and CDP of their obligations, if any, thereunder; or (ii) by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent **BY ORDINARY POST AT THE ELIGIBLE DEPOSITOR'S OWN RISK** to the Eligible Depositor's mailing address as maintained with CDP or in such other manner as the Eligible Depositor may have agreed with CDP for the payment of any cash distributions, if the Eligible Depositor applies through CDP.

3. COMBINATION APPLICATION

In the event that the Eligible Depositor or the Purchaser accepts his Rights Entitlements by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of Electronic Application(s), the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Depositor or the Purchaser shall be regarded as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Entitlements and/or application for Excess Rights Units (including an Electronic Application(s)) in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES

As an illustration, if an Eligible Depositor has 5,000 Units standing to the credit of his Securities Account as at the Books Closure Date, the Eligible Depositor will be provisionally allotted 4,150 Rights Entitlements as set out in his ARE. The Eligible Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives Procedures to be taken

Alternatives	Procedures to be taken
(a) Accept in full his Rights Entitlements and (if applicable) apply for Excess Rights Units	<p>By way of Electronic Application</p> <p>(1) Accept in full his 4,150 Rights Entitlements and (if applicable) apply for Excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 23 October 2018 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or</p> <p>Through CDP</p> <p>(2) complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his 4,150 Rights Entitlements and (if applicable) the number of Excess Rights Units applied for and forward the original signed ARE together with a single remittance for S\$1,892.40 (or, if applicable, such higher amount in respect of the total number of Rights Entitlements accepted and Excess Rights Units applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "CDP – OUE C-REIT RIGHTS ISSUE ACCOUNT" and crossed "NOT NEGOTIABLE, A/C PAYEE ONLY" for the full amount due on acceptance and (if applicable) application, by hand to OUE COMMERCIAL REIT MANAGEMENT PTE. LTD., AS MANAGER OF OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588 or by post, at his own risk, in the self-addressed envelope provided to OUE COMMERCIAL REIT MANAGEMENT PTE. LTD., AS MANAGER OF OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 so as to arrive not later than 5.00 p.m. on 23 October 2018 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager), and with the name and Securities Account number of the Eligible Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.</p>

Alternatives

Procedures to be taken

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

- (b) Accept a portion of his Rights Entitlements, for example 500 of his 4,150 Rights Entitlements, not apply for Excess Rights Units and trade the balance on the SGX-ST

By way of Electronic Application

- (1) Accept 500 of his 4,150 Rights Entitlements by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

Through CDP

- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his 500 of his 4,150 Rights Entitlements, and forward the original signed ARE, together with a single remittance for S\$228.00 in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager). The balance of the 3,650 Rights Entitlements which is not accepted by the Eligible Depositor may be traded on the SGX-ST during the "nil-paid" rights trading period. **Eligible Depositors should note that the Rights Entitlements would be tradable in the ready market, each board lot comprising 100 Rights Entitlements or any other board lot size which the SGX-ST may require.**

- (c) Accept a portion of his Rights Entitlements, for example 500 of his 4,150 Rights Entitlements, not apply for Excess Rights Units and reject the balance.

By way of Electronic Application

- (1) Accept 500 of his 4,150 Rights Entitlements by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

Alternatives

Procedures to be taken

Through CDP

- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of 500 of his 4,150 Rights Entitlements, and forward the original signed ARE, together with a single remittance for S\$228.00 in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager). The balance of his 3,650 Rights Entitlements which is not accepted by the Eligible Depositor will automatically lapse and cease to be available for acceptance by that Eligible Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager), or if an acceptance is not made through CDP by **5.00 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST DATE AND TIME FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS UNITS IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 23 OCTOBER 2018 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS UNITS IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; OR**
- (B) 5.00 P.M. ON 23 OCTOBER 2018 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS UNITS IS MADE THROUGH CDP OR SGX-SSH SERVICE.**

If acceptance and payment for the Rights Entitlements and (if applicable) application for Excess Rights Units and payment in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) or through CDP by **5.00 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) from any Eligible Depositor or Purchaser, the Rights Entitlements shall be deemed to have been declined and shall forthwith lapse and become void, and such Rights Entitlements not so accepted will be used

to satisfy applications for Excess Rights Units, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned by CDP for and on behalf of the Manager to the Eligible Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, **BY ORDINARY POST AT THE ELIGIBLE DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF AN ELIGIBLE DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this **Appendix D**, an Eligible Depositor should note that:

- (a) by accepting his Rights Entitlements and/or applying for Excess Rights Units, he acknowledges that, in the case where the amount of remittance payable to the Manager in respect of his acceptance of the Rights Entitlements and (if applicable) in respect of his application for Excess Rights Units as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Units in relation to the Rights Issue differs from the amount actually received by CDP, the Manager and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Manager's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Units in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Units provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Units. The determination and appropriation by the Manager and CDP shall be conclusive and binding;
- (b) if the Eligible Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Units in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Manager and CDP, in applying the amounts payable for his acceptance of the Rights Units and (if applicable) his application for Excess Rights Units, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Units in relation to the Rights Issue made through CDP; and
- (c) in the event that the Eligible Depositor accepts the Rights Entitlements by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of Electronic Application(s), the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Depositor shall be deemed as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Units (including Electronic Application(s)) in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Units

The Excess Rights Units available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Trust Deed. Applications for Excess Rights Units will, at the Directors' absolute discretion, be satisfied from such Rights Units as are not validly taken up by the Eligible Depositors, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the Rights Entitlements together with the aggregated fractional entitlements to the Rights Units, any unsold Rights Entitlements (if any) of Ineligible Unitholders and any Rights Units that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Manager for more Excess Rights Units than are available, the Excess Rights Units available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of OUE C-REIT. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any). Directors and Substantial Unitholders who have control or influence over OUE C-REIT or the Manager in connection with the day-to-day affairs of OUE C-REIT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units. The Manager reserves the right to refuse any application for Excess Rights Units, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Units allotted to an Eligible Depositor is less than the number of Excess Rights Units applied for, the Eligible Depositor shall be deemed to have accepted the number of Excess Rights Units actually allotted to him.

If no Excess Rights Units are allotted or if the number of Excess Rights Units allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to such Eligible Depositors, without interest or any share of revenue or other benefit arising therefrom, within three Market Days after the commencement of trading of the Rights Units, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such bank being a good discharge to the Manager, the Joint Lead Underwriters and Managers and CDP of their obligations, if any, thereunder, or by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Rights Units through CDP).

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of Rights Entitlements is made by the Eligible Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Units is effected by **9.30 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for at the Rights Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to **"CDP – OUE C-REIT RIGHTS ISSUE ACCOUNT"** and crossed **"NOT NEGOTIABLE, A/C PAYEE ONLY"** with the names and Securities

Account numbers of the Eligible Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **OUE COMMERCIAL REIT MANAGEMENT PTE. LTD., AS MANAGER OF OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **OUE COMMERCIAL REIT MANAGEMENT PTE. LTD., AS MANAGER OF OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m.** on **23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent(s) for the Rights Units is effected by **5.00 p.m. on 23 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager),

the Rights Entitlements will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned by CDP for and on behalf of the Manager to the Eligible Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, **BY ORDINARY POST AT THE ELIGIBLE DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The certificates for the Rights Units and Excess Rights Units will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Units and Excess Rights Units, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Units and Excess Rights Units credited to your Securities Account.

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Units provisionally allotted and credited to an Eligible Depositor's Securities Account. An Eligible Depositor can verify the number of Rights Units provisionally allotted and credited to his Securities Account online if he has registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using his telephone pin ("T-Pin"). Alternatively, an Eligible Depositor may proceed personally to CDP with his identity card or passport to verify the number of Rights Units provisionally allotted and credited to his Securities Account.

It is the responsibility of an Eligible Depositor and/or Purchaser to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Manager and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any

respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Manager accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS UNITS IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. An Eligible Depositor can check the status of his acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units through the CDP Automated Phone Services Hotline number (65) 6535-7511 using his T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' Mandarin
3. Press '1' for 'All CDP account related queries'
4. Press '3' for 'Corporate Actions Announcement and Transactions'
5. Press '2' for your rights application status
6. Enter your 12 digit CDP securities account number
7. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to an Eligible Depositor and/or Purchaser will be sent by **ORDINARY POST** to his mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, an Eligible Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Unit Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST, the Manager and the Joint Lead Managers and Underwriters (the "**Relevant Persons**") for the purpose of facilitating his application for the Rights Units, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

PROCEDURE TO COMPLETE THE ARE/ARS

1. Know your holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Units
currently held by you

XX.XXX

This is your
Unitholding as
at the Books
Closure Date

Units as at
4 October 2018
(Books Closure Date)

This is the date
to determine
your Rights
Entitlements.

Number of Rights
Units provisionally allotted*

XX.XXX

This is your
number of
Rights
Entitlements.

Issue Price

S\$0.456 per Rights Unit

This is the price
that you need to
pay when you
subscribe for
one Rights Unit.

2. Select your application options

B. SELECT YOUR APPLICATION OPTIONS

- 1. ATM** Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by **9.30 p.m. on 23 October 2018**.

Participating Banks are **Oversea-Chinese Banking Corporation Limited, DBS Bank Ltd. (including POSB) and United Overseas Bank Limited**.

This is the last
date and time to
subscribe for
the Rights Units
through ATM
and CDP.

- 2. Mail** Complete section below and submit this form to CDP by **5.00 p.m. on 23 October 2018**.

- (i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to "**CDP – OUE C-REIT RIGHTS ISSUE ACCOUNT**" will be accepted
- (ii) Applications using a **PERSONAL CHEQUE, POSTAL ORDER** or **MONEY ORDER** will be rejected
- (iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

You can apply
for your Rights
Units through
ATMs of these
participating
banks.

This is the payee
name to be issued
on your Cashier's
Order where OUE
C-REIT is the
name of the
issuer.

Note: Please refer to the ARE/ARS for the actual holdings, entitlements, Books Closure Date, Rights Issue Price, Closing Date for subscription, list of participating ATM banks and payee name on the Cashier's Order.

3. Declaration

C. DECLARATION

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Units Applied:
(Provisionally Allotted + Excess Rights Units)

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ii. Cashier's Order/Banker's Draft Details:**
(Input 6 digits of CO/BD)

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Signature of Eligible Unitholder(s)

Date _____

Fill in the total number of the Rights Units and Excess Rights Units (for ARE)/ number of Rights Units (for ARS) that you wish to subscribe within the boxes.

Fill in the 6 digits
of the CO/BD number
(e.g. 001764) within
the boxes.

Sign within the box.

Notes:

- (i) If the total number of Rights Units applied exceeds the provisional allotted holdings in your CDP Securities Account as at Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (ii) The total number of Rights Units applied will be based on cash amount stated in your Cashier's Order/Banker's Draft. The total number of Rights Units will be appropriated accordingly if the applied quantity exceeds this amount.
- (iii) Please note to submit one Cashier's Order per application form.

4. Sample of a Cashier's Order

CASHIER'S ORDER

DATE

PAY CDP - RIGHTS ISSUE ACCOUNT

SINGAPORE DOLLARS **SEVEN THOUSAND SIX HUNDRED ONLY**

OR ORDER

S\$ 7,600.00

BANK REF. : 01050B5000052 S1

VALID FOR SIX MONTHS ONLY FROM DATE OF ISSUE

⑆L⑈⑆7171⑈105⑆105099997⑈

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (the **“Electronic Application Steps”**). Please read carefully the terms and conditions set out in this Offer Information Statement, the Electronic Application Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept Rights Entitlements and (if applicable) apply for Excess Rights Units at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Such Eligible Depositors, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved bank, finance company and/or Depository Agent.

Eligible Depositors who have subscribed for or purchased Units under the CPFIS and/or the SRS or hold Units through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the respective approved banks in which they hold their CPFIS accounts and/or SRS Accounts, finance company and/or Depository Agent to do so on their behalf. ANY APPLICATION MADE BY THE ABOVEMENTIONED ELIGIBLE DEPOSITORS DIRECTLY THROUGH CDP OR THROUGH ATMS WILL BE REJECTED. Such Eligible Unitholders who have insufficient funds in their CPF Investment Accounts or SRS Accounts may deposit cash into their CPF Investment Accounts or SRS Accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

All references to “Rights Issue” and “Rights Application” on the ATM screens of the Participating Banks shall mean the offer of Rights Units under the Rights Issue and the acceptance of Rights Entitlements and (if applicable) the application for Excess Rights Units, respectively. All references to “Document” on the ATM screens of the Participating Banks shall mean this Offer Information Statement.

Any reference to the “Applicant” in the terms and conditions for Electronic Applications and the Electronic Application Steps shall mean the Eligible Depositor or the Purchaser who accepts his Rights Entitlements and (if applicable) applies for Excess Rights Units through an ATM of a Participating Bank.

An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks.

Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the **“Transaction Slip”**), confirming the details of his Electronic Application. The Transaction Slip is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units liable to be rejected.

The Electronic Applications shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

- (1) In connection with his Electronic Application, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units under the Rights Issue prior to effecting the Electronic Application and agrees to be bound by the same; and
 - (b) that he authorises CDP to give, provide, divulge, disclose or reveal information pertaining to his Securities Account maintained in CDP's record, including, without limitation, his name(s), his NRIC number(s) or passport number(s), Securities Account number(s), address(es), the number of Units standing to the credit of his Securities Account, the number of Rights Entitlements allotted to him, his acceptance and (if applicable) application for Excess Rights Units and any other information (the "**Relevant Particulars**") to the Manager and any other relevant parties (the "**Relevant Parties**") as CDP may deem fit for the purpose of the Rights Issue and his acceptance and (if applicable) application.

His acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units will not be successfully completed and cannot be recorded as a complete transaction in the ATM unless he presses the "Enter" or "OK" or "Confirm" or "Yes" key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Rights Entitlements and (if applicable) Excess Rights Units using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and accept up to the aggregate of the number of Rights Entitlements allotted and Excess Rights Units applied for as stated on the Transaction Slip or the number of Rights Units standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date. In the event that the Manager decides to allot any lesser number of Excess Rights Units or not to allot any number of Excess Rights Units to the Applicant, the Applicant agrees to accept the decision as conclusive and binding.
- (4) If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM) of the number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for shall signify and shall be treated as his acceptance of the number of Rights Units that may be allotted to him and (if applicable) his application for Excess Rights Units.

- (5) In the event that the Applicant accepts the Rights Entitlements both by way of the ARE and/or the ARS (as the case may be) through CDP and/or by way of Electronic Application through the ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Entitlements which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Entitlements which are standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date, and the aggregate number of Rights Entitlements which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank, and the Manager and/or CDP, in determining the number of Rights Entitlements which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Entitlements, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of the acceptance through the Electronic Application through the ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's application.
- (6) If applicable, in the event that the Applicant applies for Excess Rights Units both by way of ARE through CDP and by Electronic Application through the ATM of a Participating Bank, the Manager and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Excess Rights Units which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Units not exceeding the aggregate number of Excess Rights Units for which he has applied by way of Electronic Application through the ATM of a Participating Bank and by way of ARE through CDP. The Manager and/or CDP, in determining the number of Excess Rights Units which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of Excess Rights Units, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE or by way of Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's application.
- (7) The Applicant irrevocably requests and authorises the Manager to:
- (a) register, or procure the registration of the Rights Units allotted to the Applicant in the name of CDP for deposit into his Securities Account; and
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the full amount or, as the case may be, the balance of the acceptance and/or application monies, should his Electronic Application in respect of the Rights Entitlements accepted and (if applicable) Excess Rights Units applied for, as the case may be, not be accepted or, as the case may be, be accepted in part only by or on behalf of the Manager for any reason, by automatically crediting the Applicant's bank account with the relevant Participating Bank with the relevant amount within three Market Days after the commencement of trading of the Rights Units.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING THE RIGHTS ENTITLEMENTS OR APPLYING FOR EXCESS RIGHTS UNITS AS A NOMINEE OF ANY OTHER PERSON.**

- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager) and any events whatsoever beyond the control of CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager and if, in any such event, CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager do not record or receive the Applicant's Electronic Application by 9.30 p.m. on the Closing Date, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Joint Lead Managers and Underwriters and/or the Manager for any purported acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units, or for any compensation, loss or damage in connection therewith or in relation thereto.
- (10) Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays (excluding public holidays) between **7.00 a.m. and 9.30 p.m.**
- (11) Electronic Applications shall close at **9.30 p.m.** on **23 October 2018** or such other time as the Manager (in consultation with the Joint Lead Managers and Underwriters) may, in its absolute discretion, deem fit in the interests of OUE C-REIT.
- (12) All particulars of the Applicant in the records of the relevant Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify the relevant Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with the relevant Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance and/or application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within three Market Days after the commencement of trading of the Rights Units. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance and/or application monies will be refunded on the same terms.
- (15) In consideration of the Manager arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m.** on **23 October 2018** or such other time or date as the Manager may (in consultation with the Joint Lead Managers and Underwriters), in its absolute discretion, decide, and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document is lodged with the MAS);

- (b) his Electronic Application, the acceptance thereof by the Manager and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the non-exclusive jurisdiction of the Singapore courts;
 - (c) none of the Manager, the Joint Lead Managers and Underwriters or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Manager or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph (9) above or to any cause beyond their respective control;
 - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units;
 - (e) in respect of the Rights Entitlements and (if applicable) the Excess Rights Units for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, a person who is not party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Electronic Application, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Manager will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts the Rights Entitlements, by way of the ARE, the ARS, and/or by way of Electronic Application through ATMs of Participating Banks, the Rights Units and/or Excess Rights Units will be allotted in such manner as the Manager and/or CDP may, in their/its absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within three Market Days after the commencement of trading of the Rights Units by any one or a combination of the following:
- (a) by means of a crossed cheque in Singapore currency sent by ORDINARY POST at his own risk to his mailing address as maintained in the records of CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and

- (b) by crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank a good discharge to the Manager, the Joint Lead Managers and Underwriters and CDP of their obligations, if any, thereunder.
- (19) The Applicant hereby acknowledges that, in determining the total number of Rights Entitlements which the Applicant can validly accept, the Manager and CDP are entitled and the Applicant hereby authorises the Manager and CDP to take into consideration:
- (a) the total number of Rights Entitlements which the Applicant has validly accepted, whether by way of an ARE or any other form of application (including an Electronic Application) for the Rights Units; and
 - (b) the total number of Rights Entitlements allotted to the Applicant and standing to the credit of the "Free Balance" of his Securities Account which is available for acceptance.

Where the total number of Rights Units is in excess of his Rights Entitlements, the Applicant will be deemed to have (i) accepted all his Rights Entitlements and (ii) applied for such number of Excess Rights Units represented by the number of total Rights Units in excess of his Rights Entitlements, (if applicable) on top of the Excess Rights Units which the Applicant has applied for. The Applicant hereby acknowledges that CDP's and the Manager's determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises CDP to accept instructions from the relevant Participating Bank through whom the Electronic Application is made in respect of the Rights Entitlements accepted by the Applicant and (if applicable) the Excess Rights Units which the Applicant has applied for, and such instructions shall be binding and conclusive on the Applicant.
- (21) With regard to any acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS and/or any other application form for the Rights Units in relation to the Rights Issue, or which does not comply with the instructions for Electronic Application, or where the "Free Balance" of the Applicant's Securities Account is credited with less than the relevant number of Rights Units subscribed for as at the Closing Date, or in the case of an application by the ARE, the ARS and/or any other application form for the Rights Units in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such application and payment or otherwise process all remittances at any time after receipt in such manner as it deems fit.
- (22) The Manager and CDP shall be entitled to process each application submitted for the acceptance of Rights Entitlements and (if applicable) application of Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application on its own, without regard to any other application and payment that may be submitted by the Applicant. For the avoidance of doubt, insufficient payment for an application submitted for the acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units.

LIST OF PARTICIPATING BANKS

- Oversea-Chinese Banking Corporation Limited;
- DBS Bank Ltd. (including POSB); and
- United Overseas Bank Limited.

In relation to this Offer Information Statement

Dated 5 October 2018

Directors of OUE Commercial REIT Management Pte. Ltd.
(as manager of OUE Commercial Real Estate Investment Trust)

Mr. Christopher James Williams
Chairman and Non-Independent
Non-Executive Director

Mr. Loh Lian Huat
Audit and Risk Committee Chairman and
Lead Independent Director

Dr. Lim Boh Soon
Independent Director

Ms. Usha Rane Chandradas
Independent Director

Mr. Jonathan Miles Foxall
Non-Independent Non-Executive Director

Ms. Tan Shu Lin
Chief Executive Officer and
Executive Director

