



Investor Presentation for Citi ASEAN Investor Conference

12 June 2014

Important Notice

Standard Chartered Securities (Singapore) Pte. Limited, CIMB Bank Berhad, Singapore Branch and Oversea-Chinese Banking Corporation Limited were the joint global coordinators and issue managers for the initial public offering of OUE Commercial REIT.

This presentation shall be read in conjunction with OUE Commercial REIT's financial results announcement dated 8 May 2014 published on SGXNet.

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This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

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

Agenda

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

Overview of OUE C-REIT

About OUE C-REIT	<ul style="list-style-type: none"> ■ OUE C-REIT is a Singapore real estate investment trust listed on the Mainboard of Singapore Exchange Securities Trading Limited with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for commercial purposes ■ OUE C-REIT is managed by OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of OUE Limited
Quality Portfolio	<ul style="list-style-type: none"> ■ OUE C-REIT's portfolio has a total asset value of about S\$1.6 billion comprising : <u>OUE Bayfront</u>, a prime Grade A office building located at Collyer Quay between the Marina Bay downtown and Raffles Place in Singapore; and <u>Lippo Plaza</u>, a Grade A commercial building located in Huangpu, one of Shanghai's established core CBD location
Strong Sponsor	<ul style="list-style-type: none"> ■ Committed Sponsor in OUE Limited which has a 47.8% stake in OUE C-REIT ■ Right of First Refusal over more than 1 million sq ft NLA of commercial space ■ Sponsor has proven track record in real estate ownership and operations ■ Leverage on Sponsor's asset enhancement and redevelopment expertise
Market Capitalisation and Yield	<ul style="list-style-type: none"> ■ S\$688.5 million based on closing price of S\$0.795 as at 31 March 2014 ■ Annualised distribution yield of 7.2% based on closing price of S\$0.795 per Unit

Premium Portfolio of Assets

OUE Bayfront



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

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

OUE Bayfront	
GFA (sq m)	46,774.6
NLA (sq m)	Office: 35,551.7
	Retail: 1,830.1
	Overall: 37,381.8
Committed Occupancy as at 31 Mar 2014	Office : 100.0%
	Retail : 100.0%
	Overall : 100.0%
Number of Car Park Lots	245
Valuation at 30 September 2013	S\$1,135m
Land Use Right Expiry	OUE Bayfront & OUE Tower:
	99 yrs from 12 November 2007
	OUE Link: 15 yrs from 26 March 2010
	Underpass: 99 yrs from 7 January 2002
Completion Year	2011

Vantage Position in Singapore's CBD

Location within the Singapore CBD

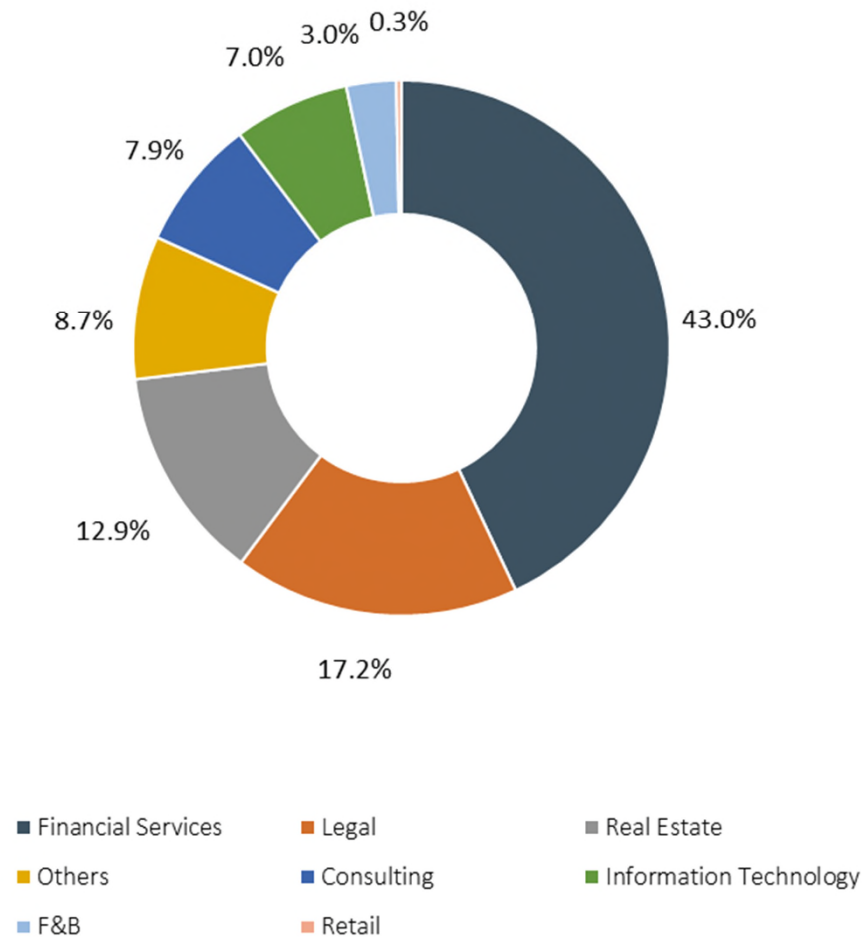


Landmark commercial property

- ✓ One of the latest premium office buildings located at Collyer Quay between the new Marina Bay downtown and Raffles Place
- ✓ Excellent connectivity and convenient access to major transportation network
 - Convenient access to Raffles Place MRT station
 - Within walking distance to the recently completed Downtown MRT station, which serves the Downtown line
 - Convenient access to expressways such as the Ayer Rajah Expressway, the new Marina Coastal Expressway, the Kallang-Paya Lebar Expressway and the East Coast Parkway, providing swift access to Changi Airport and the city centre
- ✓ Panoramic views of Marina Bay

Diversified and High Quality Tenant Base

OUE Bayfront Gross Rental Income by Trade Sector¹



¹ For the month of March 2014

Premium Portfolio of Assets

Lippo Plaza



- Grade-A 36 storey commercial building located in the commercial district of Huangpu in Central Shanghai and used for office and retail purposes
- Also comprises 3 basement levels consisting of commercial space and car park lots, but excludes (i) Unit 2 in Basement 1, (ii) the 12th, 13th, 15th and 16th floors, and (iii) 4 car park lots
- OUE C-REIT owns approximately 90% of Lippo Plaza by GFA

Lippo Plaza	
GFA (sq m)	58,521.5
NLA (sq m)	Office: 33,538.6
	Retail: 5,693.4
	Overall: 39,232.0
Committed Occupancy as at 31 Mar 2014	Office : 95.9%
	Retail : 99.7%
	Overall : 96.5%
Number of Car Park Lots	168
Valuation at 30 September 2013	RMB2,337m / RMB39,934 psm (S\$478.6m) ¹
Land Use Right Expiry	50 yrs from 2 July 1994
Completion Year	1999

¹ Based on SGD:CNY exchange rate of 1 : 4.883 as at 31 March 2014

Grade A Building in Prime Commercial District

Map of Shanghai CBD



Immediate Vicinity of the Lippo Plaza Property



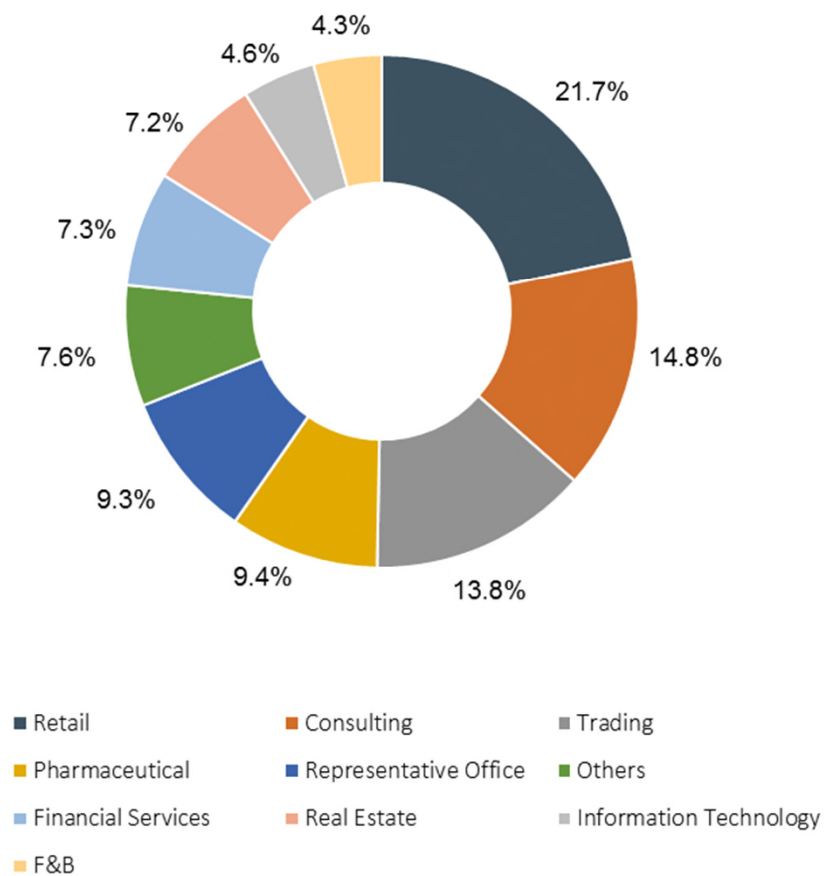
Located Within Shanghai's Established Core CBD

- ✓ Grade-A commercial building located in Huangpu, Central Shanghai, one of the main commercial districts in Puxi
- ✓ The Huaihai Road precinct, in which the Lippo Plaza Property is situated, is a prime retail area in Shanghai
- ✓ Excellent connectivity and convenient access to major transportation network
 - 5 minute walk to South Huangpi Road Metro Station
 - Convenient access to major expressways
- ✓ Main tenants in the area comprise MNCs, financial institutions and state-owned enterprises

Other Office Properties		Other Retail Properties	
1	Hong Kong New World Tower	1	Pacific Department Store
2	Hong Kong Plaza	2	Huaihai Mall
3	Shui On Plaza	3	Infinity Plaza
4	Shanghai Central Plaza	4	K11 mall
5	Shanghai Times Square		
— Metro Line 1			

Diversified Tenant Base

Lippo Plaza Gross Rental Income by Trade Sector¹



¹ For the month of March 2014



Financial Performance & Capital Management

Key Highlights for the Period Ended 31 March 2014

Financial Highlights

- Amount available for distribution of S\$8.6 million¹ and DPU of 1.00 cents are respectively 3.6% and 4.2% ahead of Forecast²
- Driven primarily by higher revenue from Lippo Plaza and lower finance costs

Capital Management

- Aggregate leverage of 40.8% with average term of debt of 3.65 years
- About 50.3% of interest rate exposure is fixed for the next 3.78 years
- Average cost of debt of 2.47%

Portfolio Performance

- Renewed about 37% of leases expiring in 2014 with average office rental reversions of 13.9% at OUE Bayfront and 9.2% at Lippo Plaza
- Committed portfolio occupancy improved to 98.2%
- Portfolio weighted average lease to expiry of 2.8 years by gross rental income

¹ OUE C-REIT was incorporated on 10 October 2013 but was dormant until its listing on the Main Board of the Singapore Exchange Securities Trading Limited on 27 January 2014 ("Listing Date"). Amount available for distribution is for the period from 27 January 2014 to 31 March 2014

² Forecast for the period was derived by pro-rating the forecast for 2014 as disclosed in the prospectus dated 17 January 2014 (the "Prospectus")

Actual vs Forecast

For the period 27 Jan 2014¹ to 31 Mar 2014

	Actual	Forecast ²	Change
Gross Revenue (S\$m)	13.8	13.7	+1.0%
Net Property Income (S\$m)	10.3	10.2	+1.4%
Amount Available for Distribution (S\$m)	8.6	8.3	+3.6%
DPU (cents)	1.00	0.96	+4.2%

- Higher gross revenue due to higher income from Lippo Plaza
- Amount available for distribution was 3.6% higher than Forecast due to higher revenue and lower finance costs arising from a lower loan quantum outstanding than estimated in the Forecast

¹ QUE C-REIT was incorporated on 10 October 2013 but was dormant until Listing Date

² Forecast for the period was derived by pro-rating the forecast for 2014 as disclosed in the Prospectus

Actual vs Forecast

For the period 27 Jan 2014¹ to 31 Mar 2014

S\$'000	Actual	Forecast ²	Change (%)
Gross revenue	13,819	13,687	1.0
Less property operating expenses	(3,502)	(3,517)	(0.4)
Net property income	10,317	10,170	1.4
Other income	1,257	1,133	10.9
Amortisation of income support	(1,189)	(1,189)	-
Manager's management fees ³	(892)	(902)	(1.1)
Net non-property expenses	(399)	(526)	(24.1)
Finance costs ⁴	(2,882)	(3,200)	(9.9)
Foreign exchange differences	(255)	-	NM ⁷
Total return before tax	5,957	5,486	8.6
Taxation	(39,038)	(39,465)	(1.1)
Net change in fair value of investment properties ⁵	283,077	285,144	(0.7)
Total return after tax	249,996	251,165	(0.5)
Distribution adjustments ⁶	(241,353)	(242,825)	(0.6)
Amount available for distribution to Unitholders	8,643	8,340	3.6

¹ OUE C-REIT was incorporated on 10 October 2013 but was dormant until Listing Date

² Forecast for the period was derived by pro-rating the forecast for 2014 as disclosed in the Prospectus

³ Includes accrual for performance fee for the period ended 31 March 2014, calculated as 25% of DPU growth over Forecast

⁴ Lower than Forecast due mainly to lower loan quantum outstanding than estimated in Forecast

⁵ Relates to the difference between the independent valuations as at 30 September 2013 and the acquisition costs of the investment properties

⁶ Includes non-tax deductible expenses, management fees paid in Units, trustee fees, change in fair value of investment properties, amortization of debt establishment costs and amortization of income support

⁷ NM: Not meaningful

Balance Sheet as at 31 March 2014

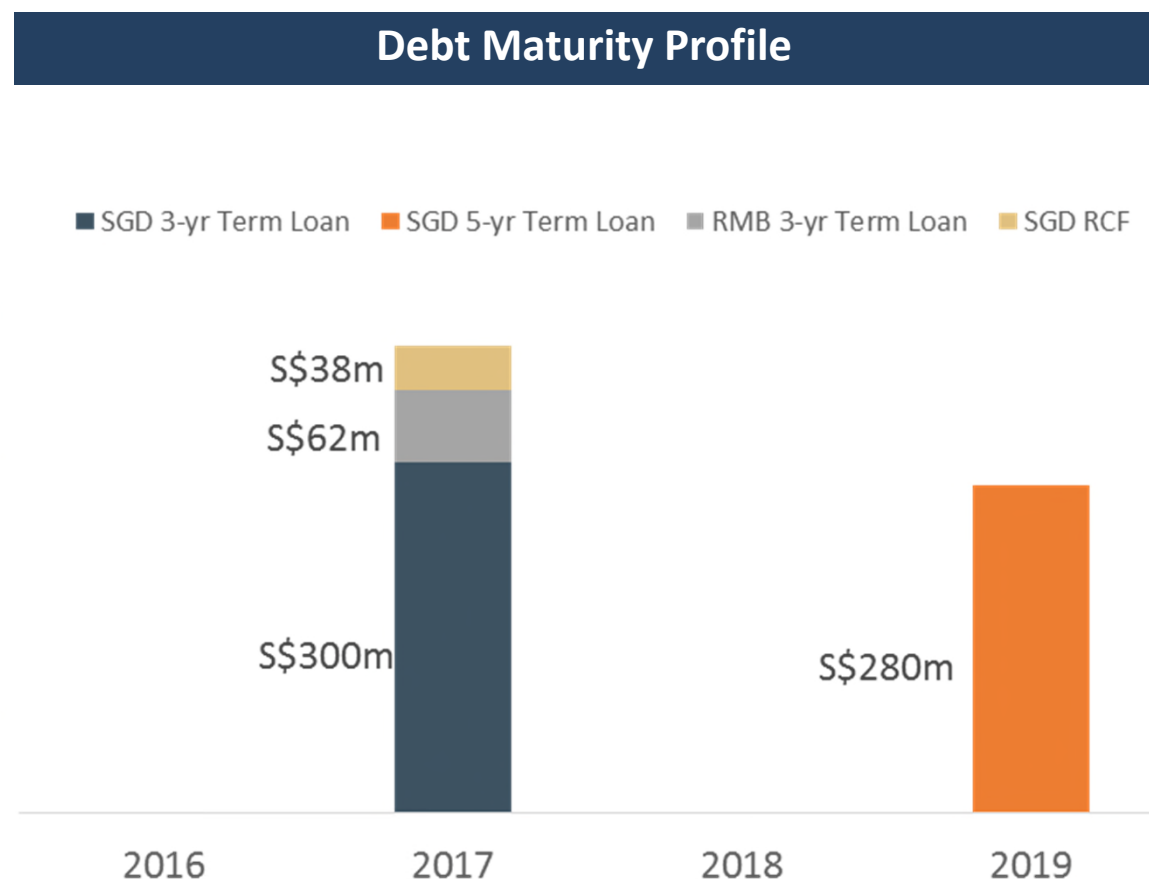
S\$'000

Investment properties	1,580,618
Non-current assets	32,696
Current assets	54,549
Total Assets	1,667,863
Interest-bearing borrowings	665,572
Non-current liabilities	51,003
Current liabilities	33,354
Total Liabilities	749,929
Net Assets	917,934
Units in Issue ('000)	867,125
NAV per Unit	S\$1.06

Capital Management

As at 31 March 2014

Aggregate Leverage	40.8%
Total debt¹	S\$680m comprising - S\$618m - RMB305m
Average cost of debt²	2.47%
Average term of debt	3.65 years
% fixed rate debt	50.3%
Average term of fixed rate debt	3.78 years
Interest service ratio	3.9 x



¹ Based on SGD:CNY exchange rate of 1:4.883

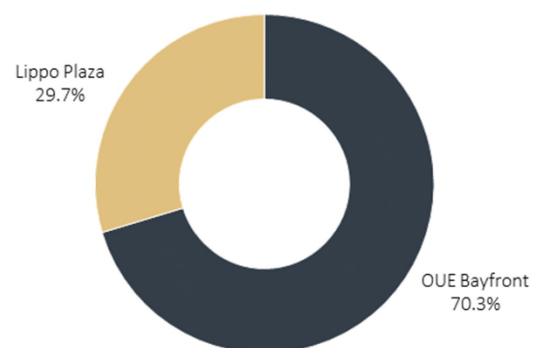
² Including amortization of debt establishment costs



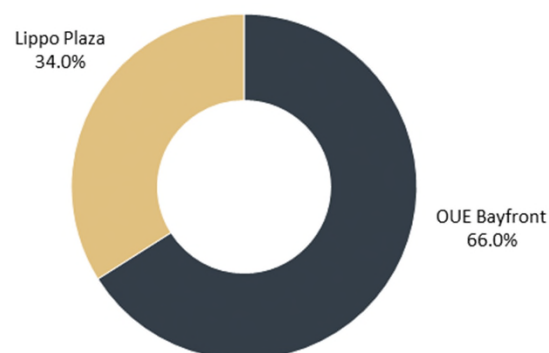
Portfolio Performance

Portfolio Composition

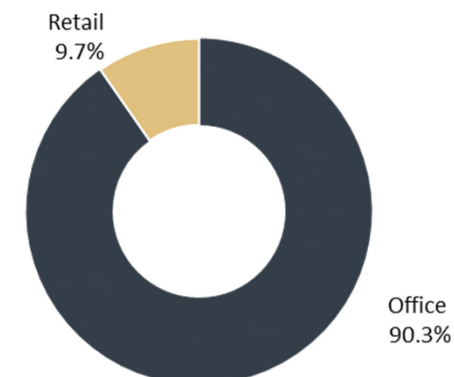
By Asset Value¹



By Gross Rental Income²



By Segment Revenue²



¹ Based on independent valuations as at 30 September 2013 and SGD:CNY exchange rate of 1:4.883

² For the period from 27 January 2014 to 31 March 2014 and based on SGD:CNY exchange rate of 1:4.808

Improved Portfolio Occupancy

	30 Sep 2013	31 Dec 2013	31 Mar 2014	Market
OUE Bayfront	96.1%	100.0%	100.0%	95.7% ¹
Lippo Plaza	88.2%	91.3%	96.5%	92.1% ²
Portfolio	92.0%	95.6%	98.2%	-

¹ For OUE Bayfront, Singapore core CBD office occupancy rate of 95.7% is used as market comparative.
Source : CBRE, Press Release 31 March 2014

² For Lippo Plaza, Shanghai CBD grade A office occupancy rate of 92.1% is used as market comparative.
Source : Colliers International, Shanghai Office Property Market Update 1Q2014

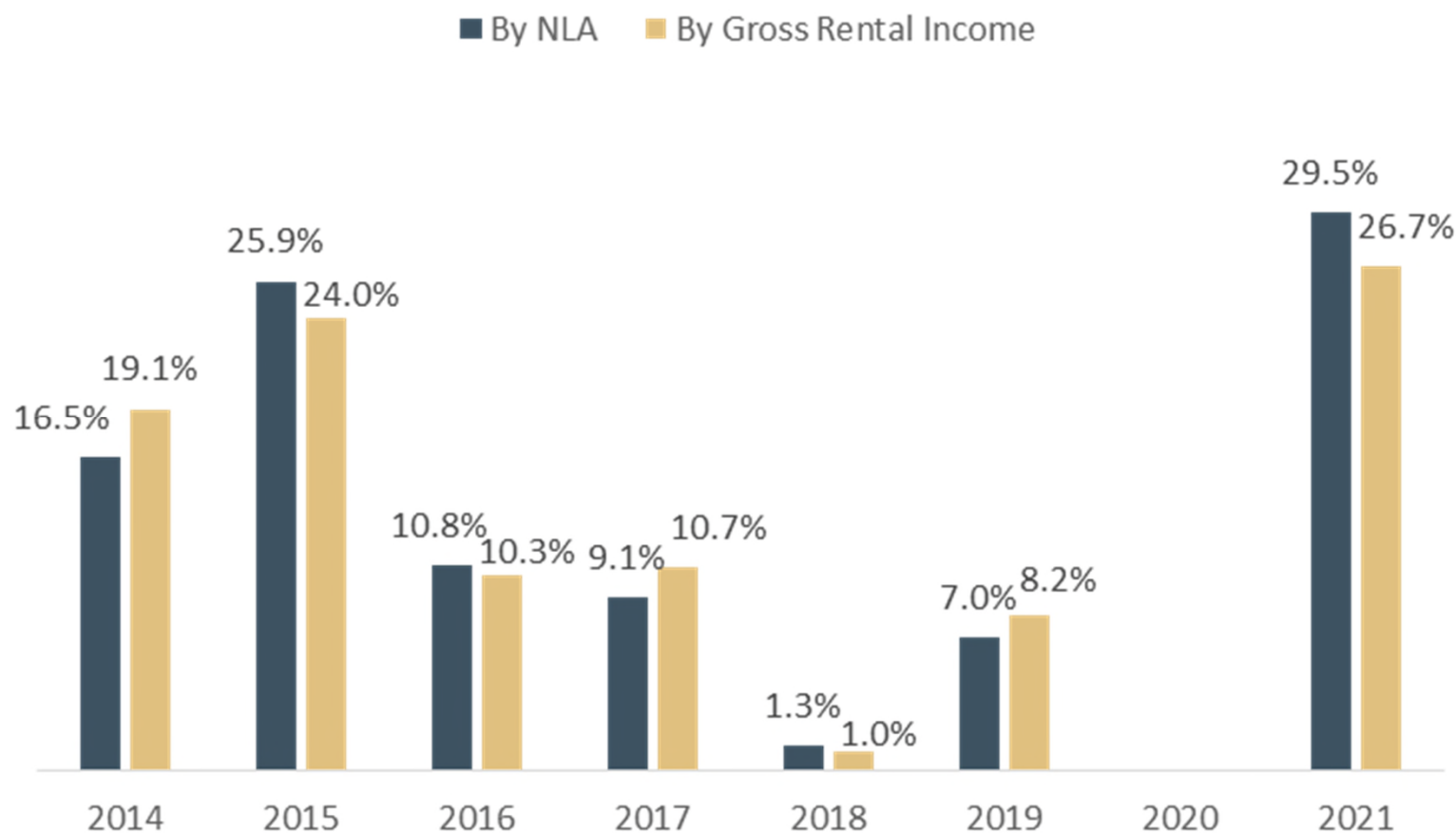
Positive Rental Reversions for Office Leases

	Renewal rates vs preceding rents	Committed rents ¹	Passing rent for property
OUE Bayfront	13.9%	S\$10.50 – S\$12.50 psf/mth	S\$10.61 psf/mth
Lippo Plaza	9.2%	RMB8.00 – RMB11.00 psm/day	RMB9.10 psm/day

¹ Committed rents for both renewal leases and new leases

Lease Expiry Profile as at 31 March 2014

OUE Bayfront



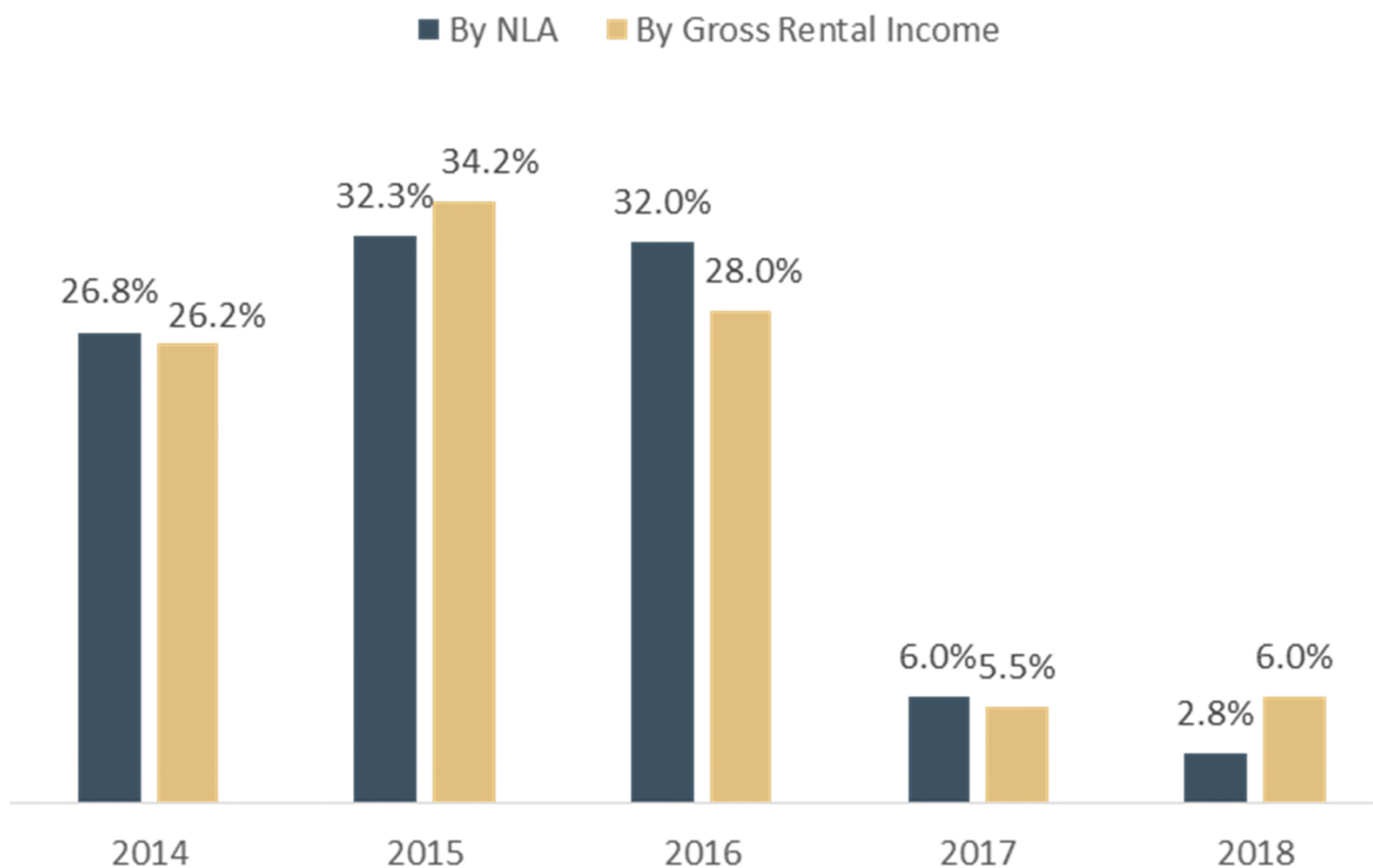
WALE¹ of 3.6 years by NLA² and 3.5 years by Gross Rental Income

¹ WALE: Weighted average lease term to expiry

² NLA: Net lettable area

Lease Expiry Profile as at 31 March 2014

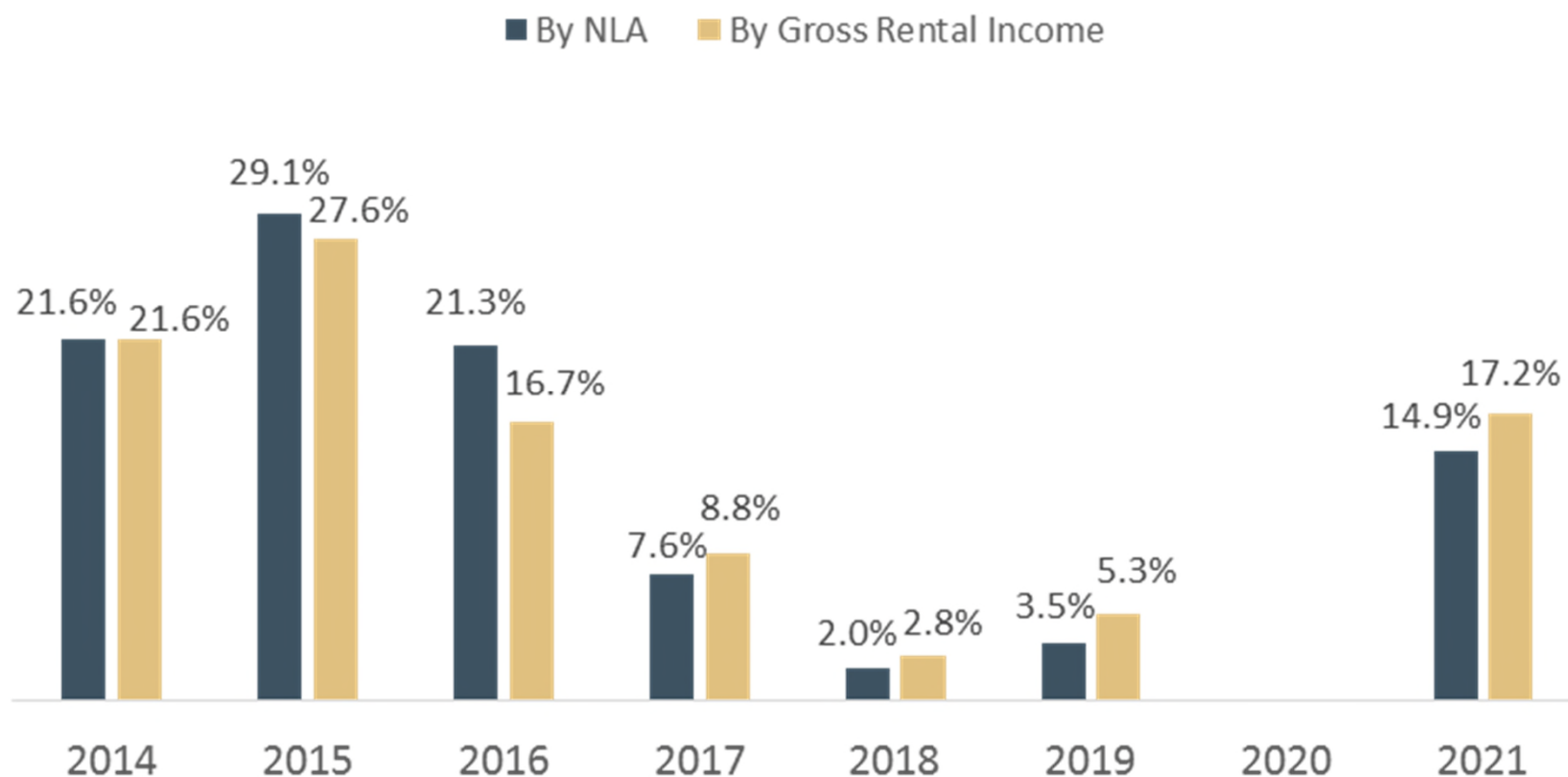
Lippo Plaza



WALE of 1.6 years by both NLA and Gross Rental Income

Lease Expiry Profile as at 31 March 2014

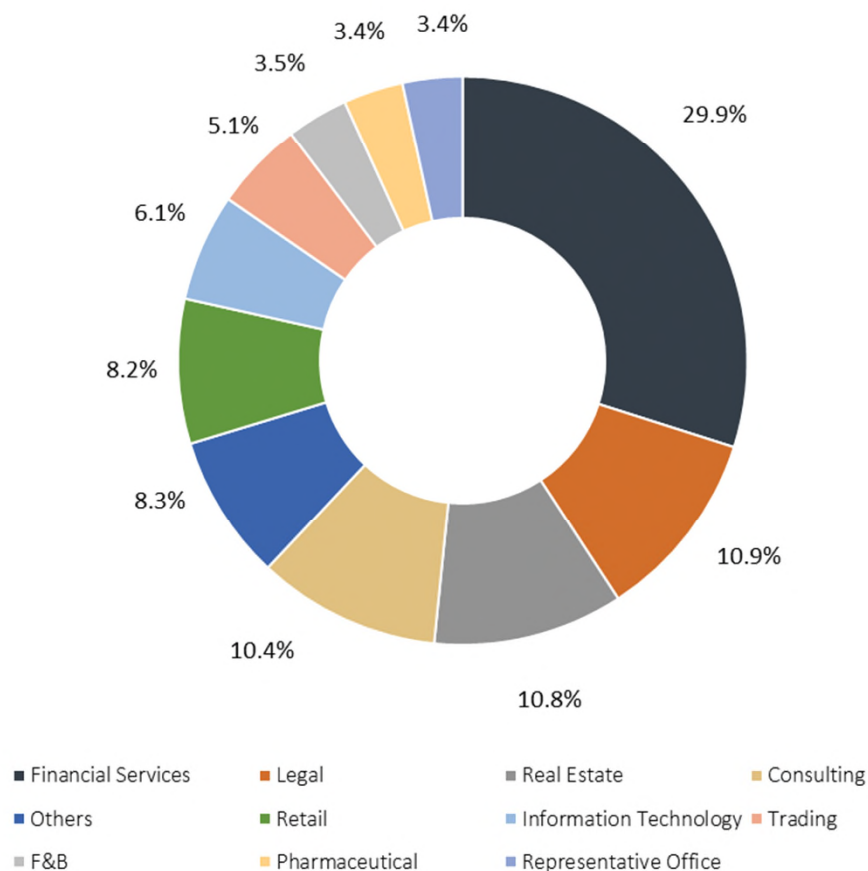
Portfolio



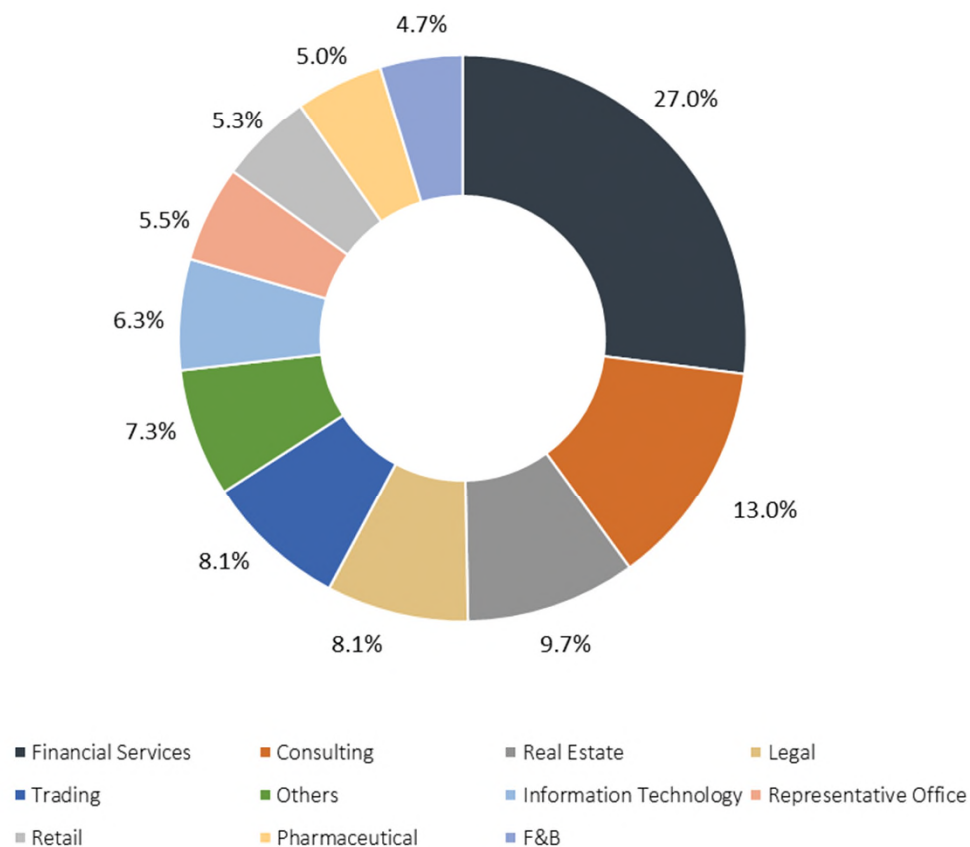
WALE of 2.6 years by NLA and 2.8 years by Gross Rental Income

Diversified Tenant Base

Gross Rental Income by Trade Sector¹



NLA by Trade Sector¹



¹ For the month of March 2014. "Others" include manufacturing, logistics, food processing, advertising/publishing and natural resources



Appendices

- Singapore Office Market Overview
- Shanghai Office Market Overview

Overview of Office Sector in Singapore

✓ Singapore's CBD

- Comprises traditional areas of Raffles Place, Shenton Way/Robinson Road/Cecil Street as well as the New Downtown at Marina Bay
- Many established global financial institutions and headquarters of MNCs are located in Marina Bay and Raffles Place, while Shenton Way/Robinson Road/Cecil Street is popular with professional services companies and other financial, insurance and real estate companies

✓ Historical supply-demand conditions

- Annual island-wide demand¹ for office space from 2004 – 2013 was about 1.4 million sq ft, compared to annual supply of 1.1 million sq ft over the same period
- More than 90% of island-wide office supply over the past three years was in the CBD, particularly in Marina Bay, reflecting the rapid development of Marina Bay as the New Downtown
- Demand dynamics in the Singapore CBD have been relatively well-supported in recent years, with 1Q 2014 island-wide demand at a healthy 412,000 sq ft
- Financial & insurances services formed bulk of demand for office space in the Singapore CBD up to 2013

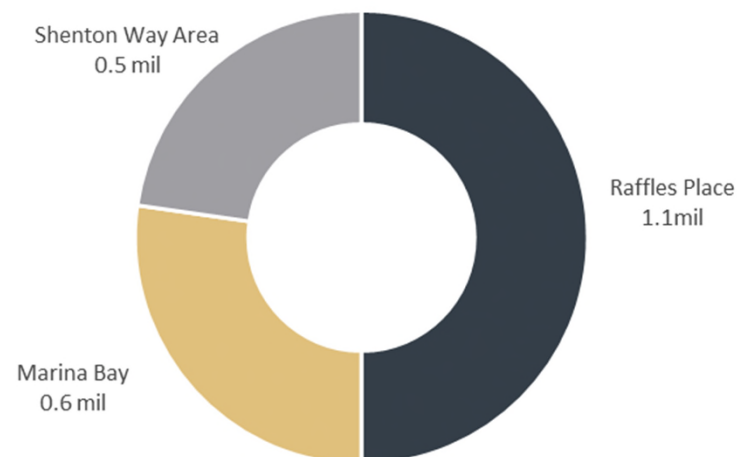
CBD Office Locations (Singapore)



¹ Refers to net absorption of office space in a given year

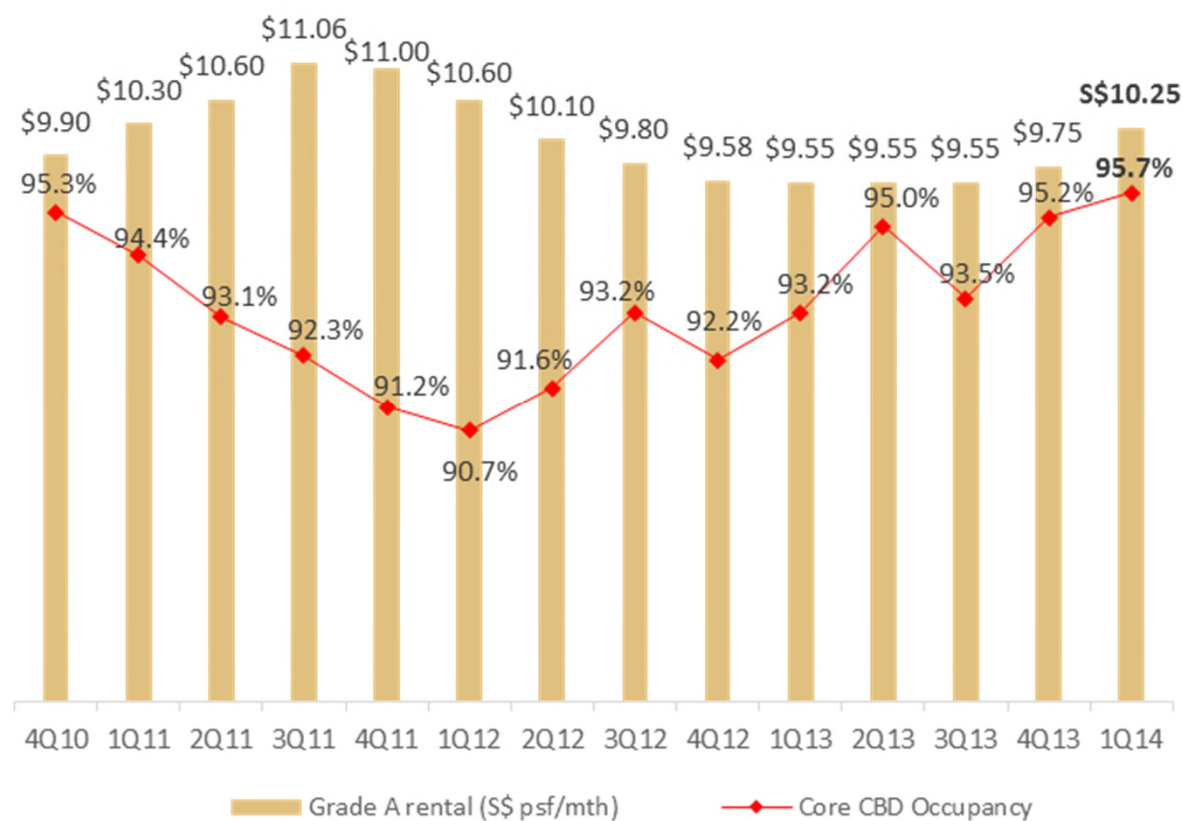
² DTZ Independent Market Research Report,

Breakdown of CBD Office Space (sq ft)²



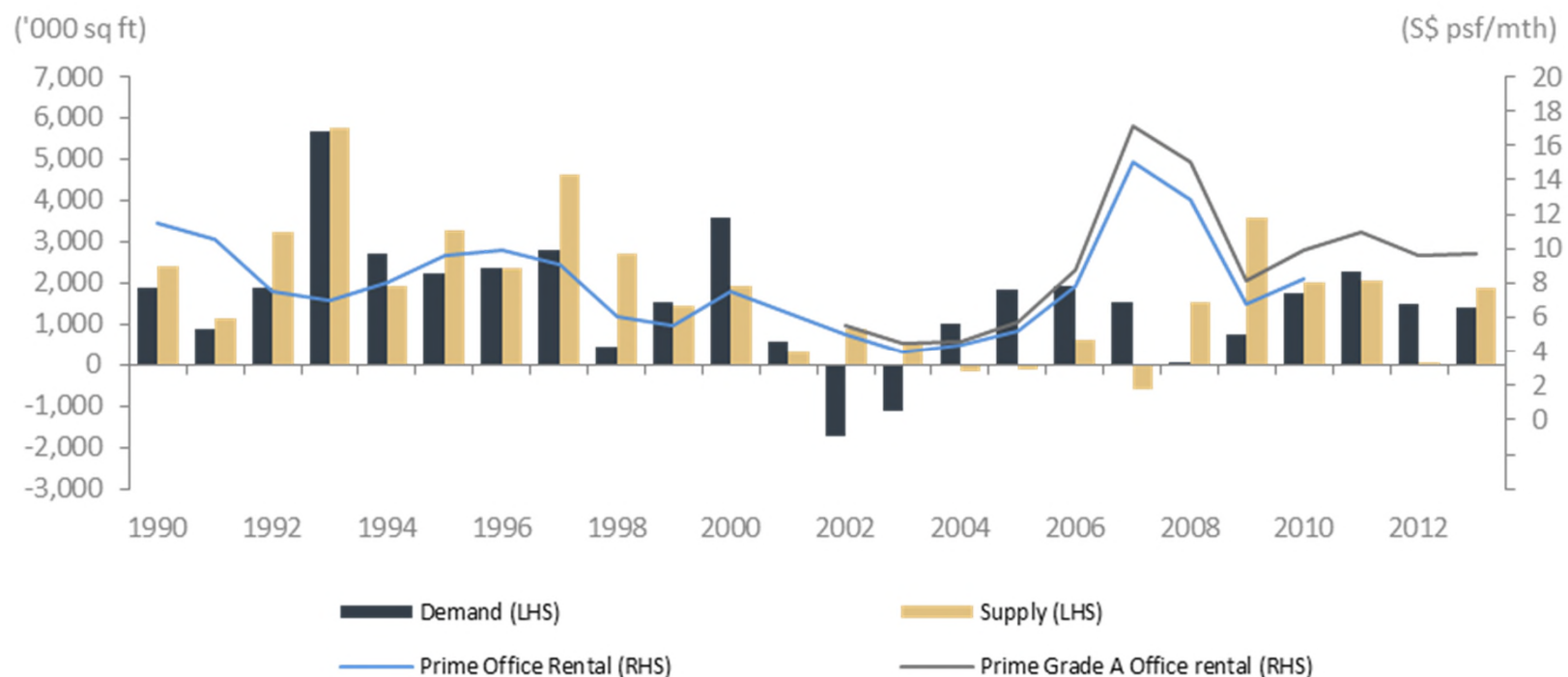
Core CBD Occupancy vs Rents

- Average core CBD occupancy increased to 95.7% as at 1Q 2014
- Grade A office rental rose 5.1% quarter-on-quarter to S\$10.25 psf/mth



Demand and Supply vs Office Rental

Islandwide Office Demand, Supply vs Office Rental

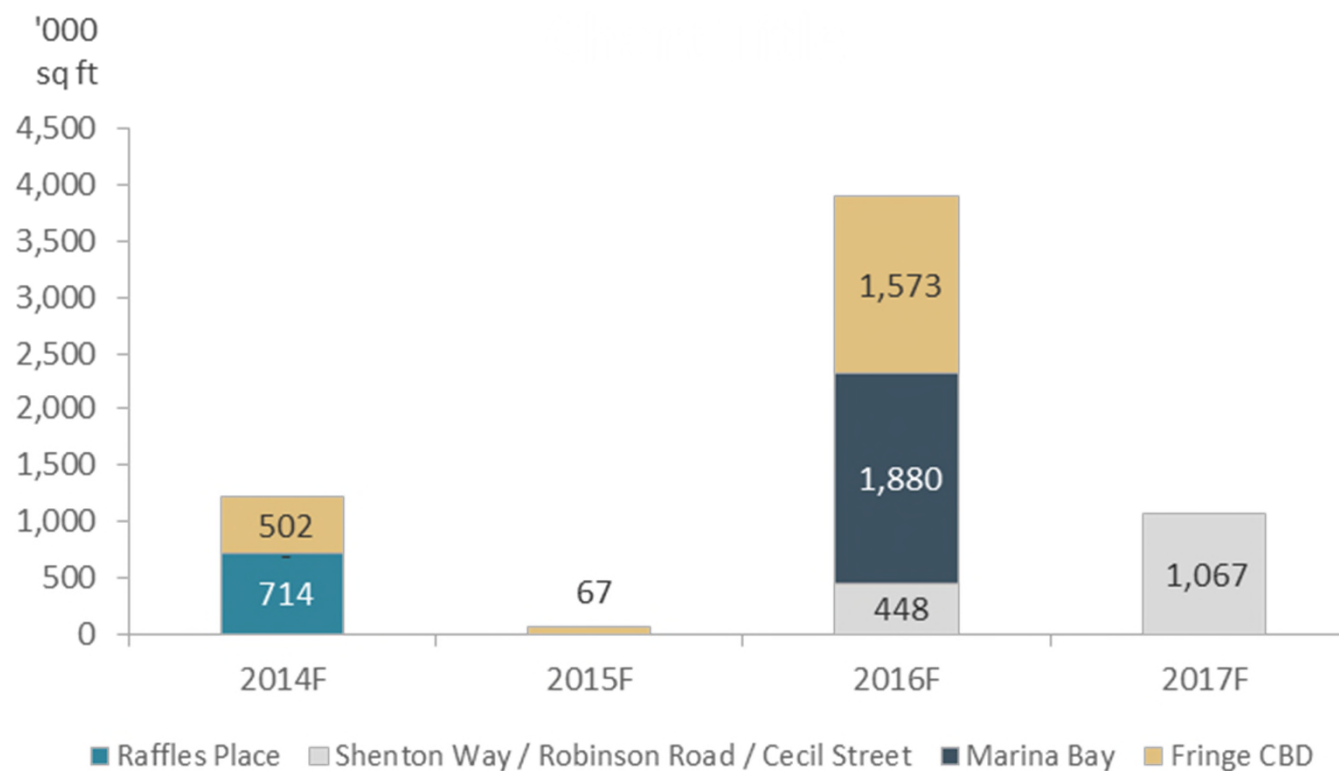


Source: URA statistics, CBRE Research

2Q11 was the last period where CBRE provided Prime office Rental data. Prime Grade A office rental data not available prior to 1Q02.

Known Office Supply Pipeline

Office Supply in Singapore's CBD and Fringe CBD (NLA sq ft)



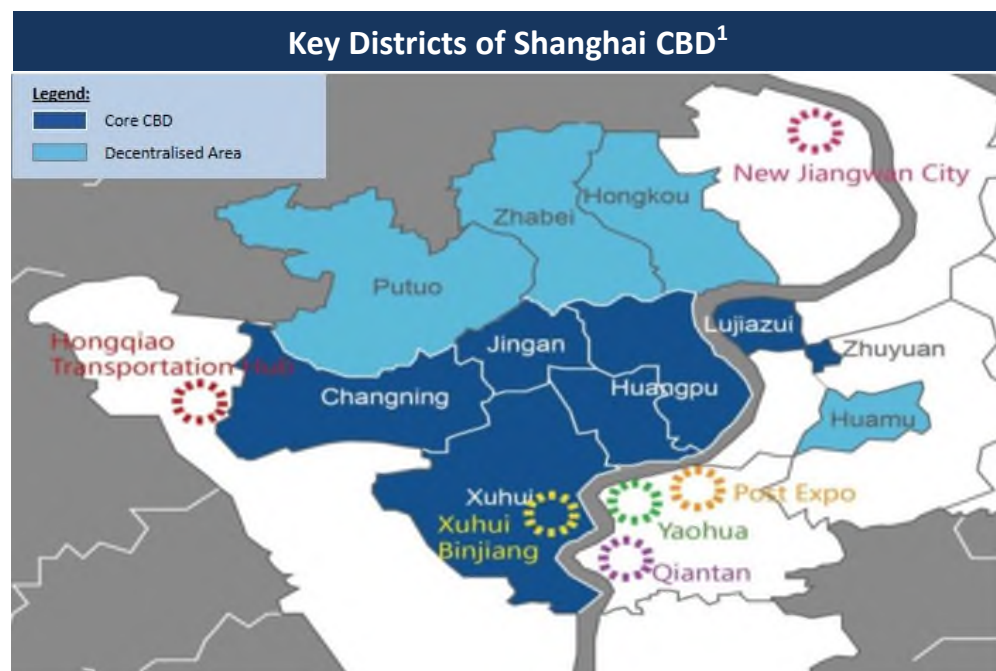
Overview of Office Sector in Shanghai

✓ Puxi, the traditional business and commercial hub of Shanghai

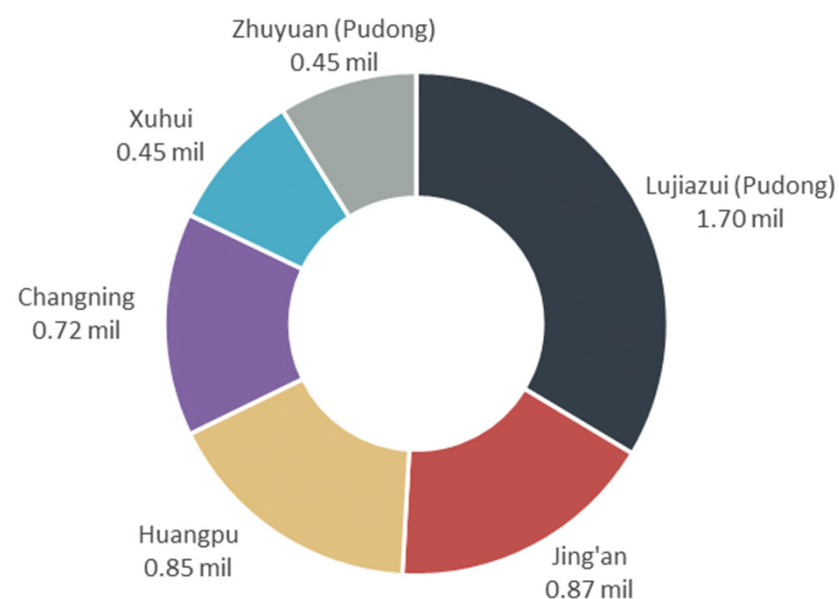
- West of the Huangpu River and one of two main engines (the other being Pudong) driving the continued growth of Shanghai
- Key office and commercial districts within Puxi are concentrated in the Jing'an, Huangpu and Xuhui areas, which together form the traditional downtown CBD of Shanghai
- Puxi will continue to draw international retailers, service providers and MNC headquarters operations due to its good connectivity and excellent amenities, while Pudong's Lujiazui will increasingly cater to financial institutions due to policy and incentive-driven agglomeration

✓ Historical supply-demand conditions

- The six main districts that make up Shanghai core CBD have a total Grade-A office stock of approximately 5.04 million sq m as at 4Q 2013
- Annual net supply in Huangpu averaged 58,000 sq m in the past decade compared to average net demand of 46,000 sq m in the same period



Breakdown of CBD Grade-A office stock in Shanghai (sq m)¹



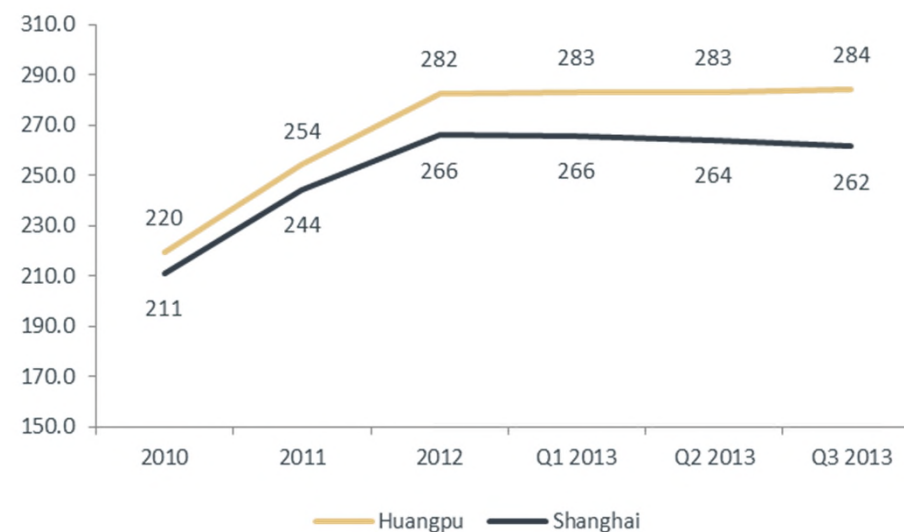
¹ Colliers International Research, as at 4Q13

Average Occupancy and Rental Rates

Average Occupancy in Huangpu

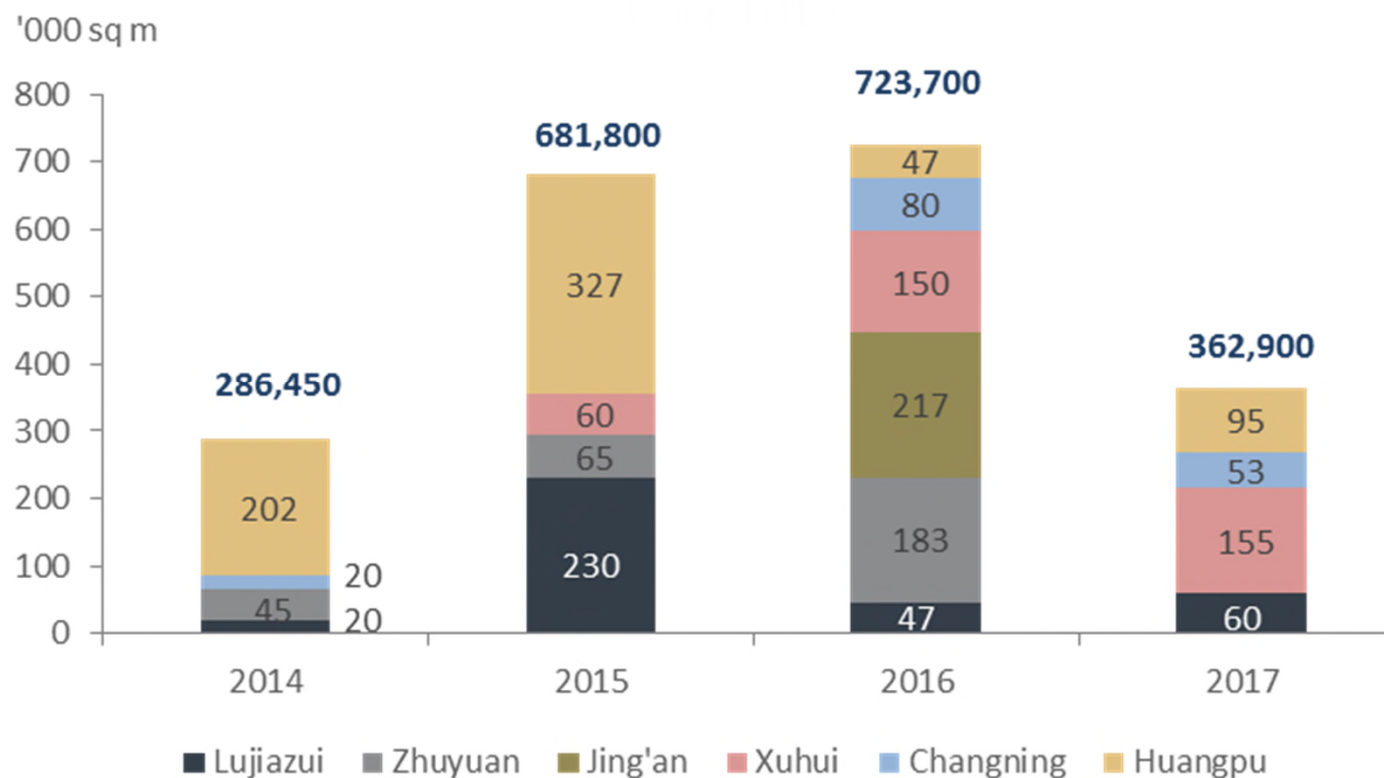


Average Rental Rates in Shanghai and Huangpu (RMB psm/mth)



CBD Grade A Office Supply Pipeline

Office Supply in Shanghai CBD (sq m)





Thank you