

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2016**  
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**Introduction**

OUE Commercial Real Estate Investment Trust ("OUE C-REIT") was constituted by a trust deed dated 10 October 2013 (as amended) entered into by OUE Commercial REIT Management Pte. Ltd. as the Manager of OUE C-REIT (the "Manager") and DBS Trustee Limited as the Trustee of OUE C-REIT (the "Trustee").

OUE C-REIT is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 27 January 2014. The principal investment strategy of OUE C-REIT is to invest, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs within and outside of Singapore, as well as real estate-related assets. OUE C-REIT's portfolio currently comprises three prime commercial properties located in Singapore and Shanghai:

- One Raffles Place: Integrated commercial development comprising two Grade-A office towers and a retail mall strategically located in the heart of Singapore's central business district in Raffles Place. OUE C-REIT holds One Raffles Place ("ORP") through its 83.33% interest in OUB Centre Limited ("OUBC"). As OUBC owns 81.54% of the beneficial interest in ORP, OUE C-REIT has an effective interest of 67.95% in ORP.
- OUE Bayfront: Premium Grade-A office building with ancillary retail facilities located between the new Marina Bay downtown and Raffles Place, within Singapore's central business district.
- Lippo Plaza: Grade-A commercial building located along Huai Hai Middle Road in the Huangpu district, one of Shanghai's established core commercial districts. OUE C-REIT has 91.2% strata ownership of Lippo Plaza.

**Summary of OUE C-REIT Group Results**

	<b>1Q 2016 <sup>(1)</sup> (S\$'000)</b>	<b>1Q 2015 <sup>(1)</sup> (S\$'000)</b>	<b>Change (%)</b>
Gross revenue	42,914	20,411	N/M
Net property income	33,255	15,707	N/M
Amount available for distribution	17,041 <sup>(2)</sup>	12,617	35.1
Distribution per Unit ("DPU") (cents)	1.32	0.99 <sup>(3),(4)</sup>	33.3

N/M: Not meaningful

**Footnotes:**

- (1) The results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.658 for 1Q 2016 and 1:4.583 for 1Q 2015.
- (2) Excludes amount reserved for distribution to convertible perpetual preferred units ("CPPU") holder.
- (3) The number of Units entitled for distribution and DPU have been restated to include the 393,305,817 new Units issued on 4 August 2015 at an issue price of S\$0.555 per Unit as such Units were entitled to the amount available for distribution in respect of 1Q 2015.
- (4) The DPU for 1Q 2015 based on the number of Units entitled for distribution as at 31 March 2015 is 1.44 cents.

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

<b>Statement of Total Return</b>	<b>Note</b>	<b>1Q 2016 <sup>(1)</sup> (S\$'000)</b>	<b>1Q 2015 <sup>(1)</sup> (S\$'000)</b>	<b>Change (%)</b>
Gross revenue		42,914	20,411	N/M
Property operating expenses		(9,659)	(4,704)	N/M
<b>Net property income</b>		33,255	15,707	N/M
Other income	1	703	1,798	(60.9)
Amortisation of intangible asset		(1,118)	(1,047)	6.8
Manager's base management fee	2	(2,345)	(1,262)	85.8
Trustee's fee		(138)	(80)	72.5
Other expenses		(566)	(439)	28.9
Finance income		49	155	(68.4)
Finance costs	3	(13,750)	(4,682)	N/M
Foreign exchange differences		(396)	489	N/M
<b>Total return for the period before tax</b>		15,694	10,639	47.5
Tax expense	4	(3,911)	(1,331)	N/M
<b>Total return for the period</b>		11,783	9,308	26.6
<b>Attributable to:</b>				
Unitholders and CPPU holder		9,965	9,308	7.1
Non-controlling interests		1,818	-	N/M
<b>Total return for the period</b>		11,783	9,308	26.6
<b>Distribution Statement</b>				
Total return for the period attributable to Unitholders and CPPU holder		9,965	9,308	7.1
Less: Amount reserved for distribution to CPPU holder		(1,367)	-	N/M
Distribution adjustments	5	8,443	3,309	N/M
<b>Amount available for distribution for the period</b>		17,041	12,617	35.1
<b>Comprising:</b>				
From operations		7,680	9,489	(19.1)
From Unitholders' contributions		9,361	3,128	N/M
		17,041	12,617	35.1

N/M: Not meaningful

Footnote:

- (1) The results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.658 for 1Q 2016 and 1:4.583 for 1Q 2015.

**Notes to Consolidated Statement of Total Return and Distribution Statement:**

**(1) Other income**

Other income mainly comprises income support relating to the top-up payments from OUE Limited (the "Sponsor") pursuant to the Deed of Income Support dated 9 January 2014 (the "Deed of Income Support").

**(2) Manager's base management fee**

Manager's base management fee is calculated as 0.3% p.a. of the value of the deposited property of OUE C-REIT Group.

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**(3) Finance costs**

Finance costs comprise of the following:

	<b>1Q 2016 (S\$'000)</b>	<b>1Q 2015 (S\$'000)</b>	<b>Change (%)</b>
Borrowing costs	9,525	3,596	N/M
Amortisation of debt establishment costs	1,985	1,086	82.8
Ineffective portion of changes in fair value of cash flow hedges	2,240	-	N/M
Finance cost	13,750	4,682	N/M

N/M: Not meaningful

**(4) Tax expense**

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

	<b>1Q 2016 (S\$'000)</b>	<b>1Q 2015 (S\$'000)</b>	<b>Change (%)</b>
Current tax			
- Current period	3,116	741	N/M
- Under provision in respect of prior period	-	106	N/M
Deferred tax			
- Current period	568	485	17.1
- Over provision in respect of prior period	-	(164)	N/M
Withholding tax	227	163	39.3
	3,911	1,331	N/M

N/M: Not meaningful

**(5) Distribution adjustments**

	<b>1Q 2016 (S\$'000)</b>	<b>1Q 2015 (S\$'000)</b>	<b>Change (%)</b>
Amortisation of intangible asset	1,118	1,047	6.8
Ineffective portion of changes in fair value of cash flow hedges	2,240	-	N/M
Amortisation of debt establishment costs	1,985	1,021	94.4
Manager's fees paid/payable in Units	1,876	1,262	48.7
Trustee's fees	138	80	72.5
Foreign exchange differences	396	(489)	N/M
Deferred tax expense	568	321	76.9
Others	122	67	82.1
Net distribution adjustments	8,443	3,309	N/M

N/M: Not meaningful

Please refer to Section 8 on Review of the Performance.

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**1(b)(i) Statements of Financial Position**

	Note	Group			Trust		
		31 Mar 2016 <sup>(1)</sup> (S\$'000)	31 Dec 2015 <sup>(2)</sup> (S\$'000)	Change (%)	31 Mar 2016 (S\$'000)	31 Dec 2015 (S\$'000)	Change (%)
<b>Non-current assets</b>							
Plant and equipment	1	611	661	(7.6)	-	-	-
Investment properties		3,384,012	3,403,178	(0.6)	1,146,000	1,146,000	-
Intangible asset		12,556	13,674	(8.2)	12,556	13,674	(8.2)
Investments in subsidiaries		-	-	-	1,400,935	1,400,935	-
Trade and other receivables	2	447	493	(9.3)	-	-	-
Financial derivatives		227	6,573	(96.5)	227	6,573	(96.5)
		3,397,853	3,424,579	(0.8)	2,559,718	2,567,182	(0.3)
<b>Current assets</b>							
Trade and other receivables	3	9,541	13,600	(29.8)	2,162	5,862	(63.1)
Financial derivatives	2	223	30	N/M	223	30	N/M
Cash and cash equivalents	4	27,444	25,913	5.9	2,680	5,690	(52.9)
		37,208	39,543	(5.9)	5,065	11,582	(56.3)
<b>Total assets</b>		3,435,061	3,464,122	(0.8)	2,564,783	2,578,764	(0.5)
<b>Non-current liabilities</b>							
Loans and borrowings	5	905,453	1,302,184	(30.5)	631,902	975,011	(35.2)
Trade and other payables	6	42,619	39,277	8.5	13,771	14,051	(2.0)
Financial derivatives	2	13,246	180	N/M	11,436	180	N/M
Deferred tax liabilities		59,343	60,481	(1.9)	-	-	-
		1,020,661	1,402,122	(27.2)	657,109	989,242	(33.6)
<b>Current liabilities</b>							
Loans and borrowings	5	400,115	1,732	N/M	361,589	-	N/M
Trade and other payables	7	56,611	54,060	4.7	16,806	12,757	31.7
Current tax liabilities	8	12,885	10,954	17.6	-	-	-
		469,611	66,746	N/M	378,395	12,757	N/M
<b>Total liabilities</b>		1,490,272	1,468,868	1.5	1,035,504	1,001,999	3.3
<b>Net assets</b>		1,944,789	1,995,254	(2.5)	1,529,279	1,576,765	(3.0)
<b>Represented by:</b>							
Unitholders' funds	9	1,180,965	1,233,064	(4.2)	999,912	1,047,484	(4.5)
CPPU holder's funds	10	529,367	529,281	-	529,367	529,281	-
Non-controlling interests	11	234,457	232,909	0.7	-	-	-
		1,944,789	1,995,254	(2.5)	1,529,279	1,576,765	(3.0)

N/M: Not meaningful

Footnotes:

- (1) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 31 March 2016 are translated using the SGD:CNY rate of 1:4.764.
- (2) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 31 December 2015 are translated using the SGD:CNY rate of 1:4.589.

**Notes to Statements of Financial Position:**

**(1) Intangible asset**

Intangible asset represents the unamortised income support receivable by OUE C-REIT from the Sponsor pursuant to the Deed of Income Support. The decrease was due to the amortisation of the intangible assets.

**(2) Financial derivatives**

Financial derivatives represent the fair value of the interest rate swaps ("IRS") entered to hedge the floating interest rate exposure of OUE C-REIT Group's borrowings. The movement for the financial period from December 2015 to March 2016 was due to net unfavourable changes in the fair value of the IRS as at 31 March 2016 and the fair value of IRS entered into during the period.

**(3) Trade and other receivables – Current**

The decrease in the Group's and Trust's trade and other receivables is mainly due to receipt of income support for the period 1 July 2015 to 31 December 2015 from the Sponsor in 1Q 2016.

**(4) Cash and cash equivalents**

The decrease in the Trust's cash and cash equivalents is mainly due to the payment of the distribution to Unitholders in February 2016.

**(5) Loans and borrowings**

The decrease in the Group's and Trust's non-current loans and borrowings and the increase in the Group's and Trust's current loans and borrowings is mainly due to the reclassification of certain loans and borrowings from non-current to current as they are due for refinancing within the next 12 months.

**(6) Trade and other payables – Non-current**

The increase in the Group's non-current trade and other payables is mainly due to the reclassification of tenants' security deposits from current to non-current as a result of lease renewal.

**(7) Trade and other payables - Current**

The increase in the Group's and Trust's current trade and other payables is mainly due to interest payable accrued in the quarter and rental income received in advance. The increase is partly offset by the reclassification of tenants' security deposits from current to non-current trade and other payables (see note (6) above).

**(8) Current tax liabilities**

The increase in current tax payable is mainly due to the better performance of Lippo Plaza and ORP, resulting in a higher current tax provision. This increase is offset by the payment of prior year's tax liability of Lippo Plaza.

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**(9) Unitholders' funds**

The decrease in unitholders' funds is mainly due to the distributions paid to Unitholders in February 2016, the net unfavourable movement in the fair value reserve of the IRS as at 31 March 2016 and the depreciation of the CNY against the SGD from 31 December 2015 to 31 March 2016.

**(10) CPPU holder's funds**

On 8 October 2015, 550.0 million CPPUs amounting to S\$550.0 million were issued to Clifford Development Pte. Ltd. ("Clifford") (a wholly-owned subsidiary of OUE Limited, the vendor of Beacon), as partial satisfaction of the purchase consideration for the acquisition of ORP. The CPPU holder is entitled to a coupon distribution of 1.0% per annum. The CPPUs have been recognised at its fair value of S\$528.0 million on issuance.

**(11) Non-controlling interests**

OUE C-REIT holds an 83.33% indirect interest in OUBC. Non-controlling interests represent the equity in OUBC that is not attributable to OUE C-REIT Group.

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

	<b>31 Mar 2016 <sup>(1)</sup></b> <b>(S\$'000)</b>	<b>31 Dec 2015 <sup>(2)</sup></b> <b>(S\$'000)</b>
Secured borrowings		
Amount repayable within one year, or on demand	402,723	1,743
Amount repayable after one year	918,000	1,319,327
Less: Debt establishment costs <sup>(3)</sup>	(15,155)	(17,154)
Total secured borrowings	1,305,568	1,303,916
Unsecured borrowings	-	-
Total borrowings	1,305,568	1,303,916

Footnotes:

- (1) The borrowings of OUE C-REIT's foreign subsidiaries as at 31 March 2016 are translated using the SGD:CNY rate of 1:4.764.
- (2) The borrowings of OUE C-REIT's foreign subsidiaries as at 31 December 2015 are translated using the SGD:CNY rate of 1:4.589.
- (3) Debt establishment costs are amortised over the tenure of the respective loan facilities.

**Details of any collaterals**

As at 31 March 2016, the Group's loans and borrowings outstanding amounted to S\$1,274.4 million which includes the proportionate share of loans and borrowings in OUBC.

The Group has put in place the following credit facilities:

- (i) term loan facilities of \$580.0 million comprising (a) a five-year term loan facility of \$280.0 million and (b) a three-year term loan facility of \$300.0 million;
- (ii) a three-year revolving credit facility of \$100.0 million;
- (iii) a three-year term loan facility of \$360.0 million;
- (iv) a three-year term loan and revolving credit facility of \$370.0 million;
- (v) a three-year onshore term loan facility of RMB184.5 million.

The Group's secured bank loans are secured on the following:

- investment properties with a total carrying amount of \$1,650.0 million;
- assignment of insurance policies on the above investment properties;
- assignment of all rights, titles, benefits and interests in connection with the sale and tenancy agreements, tenancy deposits/proceeds, sales deposits/proceeds, property management agreements and the receivables of certain properties;
- assignment of all rights, titles, benefits and interests in connection with the Deed of Income Support over OUE Bayfront;
- a debenture incorporating a fixed charge over book debts, charged accounts, goodwill, intellectual property and plant and machinery in connection with OUE Bayfront and floating charge over generally all of the present and future assets of the Trust in connection with OUE Bayfront;
- first priority fixed charge over the shares of certain subsidiaries; and
- the account control or charge over certain bank accounts of the Trust and certain subsidiaries.

**Unsecured Medium Term Notes**

In August 2015, OUE C-REIT, through its wholly-owned subsidiary, established a S\$1.5 billion Multicurrency Debt Issuance Programme (the "Programme"). Under the Programme, OUE C-REIT may from time to time issue notes ("Notes") and/or perpetual securities ("Perpetual") in series or tranches. As at 31 March 2016, no Notes and/or Perpetual have been issued under the Programme.



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**1(c) Consolidated Statement of Cash Flows**

	<b>Note</b>	<b>1Q 2016 (S\$'000)</b>	<b>1Q 2015 (S\$'000)</b>
<b>Cash flows from operating activities</b>			
Total return for the period		11,783	9,308
Adjustments for:			
Amortisation of intangible asset		1,118	1,047
Depreciation of plant and equipment		51	2
Manager's fees paid/payable in Units		1,876	1,262
Finance costs		13,750	4,682
Finance income		(49)	(155)
Tax expense		3,911	1,331
Operating income before working capital changes		32,440	17,477
Changes in working capital:			
Trade and other receivables		4,121	2,300
Trade and other payables		4,497	(730)
<b>Cash generated from operating activities</b>		<b>41,058</b>	<b>19,047</b>
Tax paid		(1,244)	(411)
<b>Net cash from operating activities</b>		<b>39,814</b>	<b>18,636</b>
<b>Cash flow from investing activities</b>			
Additions to plant and equipment		(2)	(2)
Payment for capital expenditure on investment properties		(117)	(204)
Interest received		49	155
<b>Net cash used in investing activities</b>		<b>(70)</b>	<b>(51)</b>
<b>Cash flows from financing activities</b>			
Distribution paid to Unitholders		(30,689)	(24,777)
Distribution paid to CPPU holder		(1,281)	-
Interest paid		(6,652)	(3,607)
Proceeds from borrowings		20,500	14,000
Repayment of borrowings		(19,376)	(3,086)
<b>Net cash used in financing activities</b>		<b>(37,498)</b>	<b>(17,470)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,246</b>	<b>1,115</b>
Cash and cash equivalents at beginning of the period		24,149	28,736
Effect of exchange rate fluctuations on cash held		(651)	1,193
<b>Cash and cash equivalents at end of the period</b>	<b>1</b>	<b>25,744</b>	<b>31,044</b>

**Note to Consolidated Statement of Cash Flows:**

- (1) For purpose of the Consolidated Statement of Cash Flows, the Group's cash and cash equivalents comprise the following:

	<b>31 Mar 2016 (S\$'000)</b>	<b>31 Mar 2015 (S\$'000)</b>
Bank and cash balances	20,524	30,216
Fixed deposits	6,920	3,272
Cash and cash equivalents at end of the year	27,444	33,488
Less: Restricted cash	(1,700)	(2,444)
Cash and cash equivalents	25,744	31,044

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

<b>Group</b>	<b>Unitholders</b>	<b>CPPU</b>	<b>Total</b>	<b>Non-</b>	<b>Total</b>
<b>1Q 2016</b>	<b>(S\$'000)</b>	<b>holder</b>	<b>(S\$'000)</b>	<b>controlling</b>	<b>(S\$'000)</b>
<b>Net assets attributable to owners at 1 January 2016</b>	1,233,064	529,281	1,762,345	232,909	1,995,254
<b>Operations</b>					
Total return for the period	9,965	-	9,965	1,818	11,783
Less: Amount reserved for distribution to CPPU holder	(1,367)	1,367	-	-	-
<b>Net increase in net assets resulting from operations</b>	8,598	1,367	9,965	1,818	11,783
<b>Transactions with owners</b>					
<b><i>Contributions by and distributions to owners:</i></b>					
Issue of new Units					
- Manager's fees paid/payable in Units	1,876	-	1,876	-	1,876
Distribution paid to Unitholders	(30,689)	-	(30,689)	-	(30,689)
Distribution paid to CPPU holder	-	(1,281)	(1,281)	-	(1,281)
<b>Net decrease in net assets resulting from transactions with owners</b>	(28,813)	(1,281)	(30,094)	-	(30,094)
<b>Movement in foreign currency translation reserve</b>	(15,175)	-	(15,175)	-	(15,175)
<b>Hedging transactions</b>					
Effective portion of change in fair value of cash flow hedges	(16,709)	-	(16,709)	(270)	(16,979)
<b>Net assets attributable to owners at 31 March 2016</b>	1,180,965	529,367	1,710,332	234,457	1,944,789

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

<b>Trust</b>	<b>Unitholders</b>	<b>CPPU</b>	<b>Total</b>
<b>1Q 2016</b>	<b>(S\$'000)</b>	<b>holder</b>	<b>(S\$'000)</b>
<b>Net assets attributable to owners at 1 January 2016</b>	1,047,484	529,281	1,576,765
<b>Operations</b>			
Total loss for the period	(2,033)	-	(2,033)
Less: Amount reserved for distribution to CPPU holder	(1,367)	1,367	-
<b>Net decrease in net assets resulting from operations</b>	(3,400)	1,367	(2,033)
<b>Transactions with owners</b>			
<b><i>Contributions by and distributions to owners</i></b>			
Issue of new Units			
- Manager's fees paid/payable in Units	1,876	-	1,876
Distribution paid to Unitholders	(30,689)	-	(30,689)
Distribution paid to CPPU holder	-	(1,281)	(1,281)
<b>Net decrease in net assets resulting from transactions with owners</b>	(28,813)	(1,281)	(30,094)
<b>Hedging transactions</b>			
Effective portion of change in fair value of cash flow hedges	(15,359)	-	(15,359)
<b>Net assets attributable to owners at 31 March 2016</b>	999,912	529,367	1,529,279

	<b>Group</b>	<b>Trust</b>
	<b>(S\$'000)</b>	<b>(S\$'000)</b>
<b>1Q 2015</b>		
<b>Net assets attributable to owners at 1 January 2015</b>	957,785	829,611
<b>Operations</b>		
Total return for the period	9,308	6,024
<b>Net increase in net assets resulting from operations</b>	9,308	6,024
<b>Transactions with owners</b>		
<b><i>Contributions by and distributions to owners</i></b>		
Issue of new Units		
- Manager's fees paid/payable in Units	1,262	1,262
Distribution paid to Unitholders	(24,777)	(24,777)
<b>Net increase in net assets resulting from transactions with owners</b>	(23,515)	(23,515)
<b>Movement in foreign currency translation reserve</b>	18,545	-
<b>Hedging transactions</b>		
Effective portion of change in fair value of cash flow hedges	2,129	2,129
<b>Net assets attributable to owners at 31 March 2015</b>	964,252	814,249

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**1 (d)(ii) Details of Any Changes in Units (Group and Trust)**

	<b>1Q 2016 ('000)</b>	<b>1Q 2015 ('000)</b>
<b>Units in issue:</b>		
At the beginning of the financial period	1,285,799	870,197
Manager's fees paid in Units	3,653	2,233
At the end of the period	1,289,452	872,430
<b>Units to be issued:</b>		
Manager's fee payable in Units	2,883	1,583
At the end of the period	1,292,335	874,013

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by OUE C-REIT's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The accounting policies and methods of computation adopted in the preparation of the financial statements for the current report financial year are consistent with those described in the audited financial statements for the financial year ended 31 December 2015.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

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**6 Earnings per Unit and Distribution per Unit**

**Earnings per Unit attributable to Unitholders ("EPU")**

	<b>1Q 2016</b>	<b>1Q 2015</b>	
		<b>Restated <sup>(1)</sup></b>	<b>As previously reported</b>
Weighted average number of Units	1,289,483,251	964,752,431	872,447,487
Basic EPU (cents)	0.67	0.96	1.07
Weighted average number of Units	1,943,466,604 <sup>(2)</sup>	964,752,431	872,447,487
Diluted EPU (cents)	0.51	0.96	1.07

Footnotes:

- (1) The weighted average number of Units and EPU have been adjusted to reflect the bonus element in the 393,305,817 new Units issued on 4 August 2015 at an issue price of \$0.555 per Unit.
- (2) The weighted average number of Units includes the potential Units to be issued assuming all the CPPUs were converted at S\$0.841 per CPPU.

550.0 million CPPUs were issued in October 2015 as partial satisfaction of the purchase consideration for the acquisition of ORP. The CPPUs cannot be converted for a period of four years commencing from the date of issue ("Restriction Period") save in certain limited circumstances and thereafter, not more than one-third of the CPPUs initially issued can be converted in any one year. After the Restriction Period, the CPPUs can be converted into Units at S\$0.841 per Unit and will impact the EPU upon conversion. Upon full conversion, 653,983,353 Units will be issued.

**Distribution per Unit attributable to Unitholders ("DPU")**

	<b>1Q 2016</b>	<b>1Q 2015</b>	
		<b>Restated <sup>(1), (2)</sup></b>	<b>As previously reported</b>
No of Units entitled to distribution	1,292,334,667 <sup>(3)</sup>	1,267,318,745	874,012,928
DPU (cents)	1.32	0.99	1.44

Footnotes:

- (1) The number of Units entitled for distribution and DPU have been restated to include the 393,305,817 new Units issued on 4 August 2015 at an issue price of S\$0.555 per Unit as such Units were entitled to the amount available for distribution in respect of 1Q 2015.
- (2) The DPU for 1Q 2015 based on the number of Units entitled to distribution, adjusted for bonus element in the Rights Issue, is 1.31 cents.
- (3) Comprises the Units in issue and to be issued as at 31 December 2015 of 1,289,451,569 and Units to be issued to the Manager as partial satisfaction of Manager's base management fee payable for 1Q 2016 of 2,883,098.

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**7 Net Asset Value per Unit and Net Tangible Asset per Unit attributable to Unitholders**

	Group		Trust	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
No of Units in issue and to be issued at end of period/year	1,292,334,667	1,289,451,569	1,292,334,667	1,289,451,569
Net asset value ("NAV") per Unit (S\$)	0.91	0.96	0.77	0.81
Net tangible asset ("NTA") per Unit (S\$)	0.90	0.95	0.76	0.80

The NAV per Unit and NTA per Unit are computed based on the Units in issue and to be issued as at the end of the financial period/year (note 1(d)(ii)).

**8 Review of the Performance**

**Statement of Total Return**

Gross revenue	42,914	20,411	N/M
Property operating expenses	(9,659)	(4,704)	N/M
<b>Net property income</b>	33,255	15,707	N/M
Other income	703	1,798	(60.9)
Amortisation of intangible asset	(1,118)	(1,047)	6.8
Manager's base management fee	(2,345)	(1,262)	85.8
Trustee's fee	(138)	(80)	72.5
Other expenses	(566)	(439)	28.9
Finance income	49	155	(68.4)
Finance costs	(13,750)	(4,682)	N/M
Foreign exchange differences	(396)	489	N/M
<b>Total return for the period before tax</b>	15,694	10,639	47.5
Tax expense	(3,911)	(1,331)	N/M
<b>Total return for the period</b>	11,783	9,308	26.6
<b>Attributable to:</b>			
Unitholders and CPPU holder	9,965	9,308	7.1
Non-controlling interests	1,818	-	N/M
<b>Total return for the period</b>	11,783	9,308	26.6

1Q 2016 <sup>(1)</sup> (S\$'000)	1Q 2015 <sup>(1)</sup> (S\$'000)	Change (%)
42,914	20,411	N/M
(9,659)	(4,704)	N/M
33,255	15,707	N/M
703	1,798	(60.9)
(1,118)	(1,047)	6.8
(2,345)	(1,262)	85.8
(138)	(80)	72.5
(566)	(439)	28.9
49	155	(68.4)
(13,750)	(4,682)	N/M
(396)	489	N/M
15,694	10,639	47.5
(3,911)	(1,331)	N/M
11,783	9,308	26.6
9,965	9,308	7.1
1,818	-	N/M
11,783	9,308	26.6

N/M: Not meaningful

Footnote:

(1) The results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.658 for 1Q 2016 and 1:4.583 for 1Q 2015.

## **Review of OUE C-REIT Group's performance 1Q 2016 vs 1Q 2015**

Higher gross revenue was mainly due to contribution from ORP, which was acquired in October 2015, coupled with improved performance at OUE Bayfront.

Higher property operating expenses was mainly due to the expenses from ORP which was acquired in October 2015 and higher property tax incurred at OUE Bayfront. This was partially offset by lower maintenance costs incurred at Lippo Plaza.

As a result, 1Q 2016 net property income increased to S\$33.3 million from S\$15.7 million in 1Q 2015.

Other income of S\$0.7 million was 60.9% lower, mainly due to lower drawdown of income support as a result of better performance at OUE Bayfront.

Manager's base management fee of S\$2.3 million and Trustee's fee of S\$0.1 million were 85.8% and 72.5% higher respectively, mainly due to higher deposited property as at 31 March 2016 arising from the acquisition of ORP and the increase in fair value of the existing investment properties.

Other expenses in 1Q 2016 was higher mainly due to the write off of cost incurred for the establishment of the S\$1.5 billion Multicurrency Debt Issuance Programme.

Higher finance cost of \$13.8 million was mainly due to higher amount of loans outstanding and higher interest rate in 1Q 2016. The higher amount of loans outstanding was due to the drawdown of new loans to part finance the acquisition of ORP as well as contribution from ORP's finance costs. The increase also included a change in fair value of cash flow hedges of S\$2.2 million resulted from the ineffective hedge of IRS and has no impact on DPU.

Higher tax expenses of S\$3.9 million was mainly due to the inclusion of ORP's tax expenses and higher tax provision as a result of better performance of Lippo Plaza.

## **9 Variance between Actual and Forecast Results**

OUE C-REIT has not made any forecast.

## **10 Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

### Singapore

According to advance estimates by the Ministry of Trade and Industry ("MTI"), Singapore's 1Q 2016 GDP grew by 1.8%<sup>1</sup> year-on-year ("YoY"), at the same pace of growth as the previous quarter. While the manufacturing sector posted a less severe contraction of 2.0% compared to the 6.7% decline in the previous quarter, growth in the services sector also eased in 1Q 2016, growing 1.9% compared to 2.8% in 4Q 2015. MTI's GDP growth forecast for 2016 is between 1.0% and 3.0%.

Core CBD office occupancy remained unchanged quarter-on-quarter ("QoQ") at the end of 1Q 2016 at 95.1%<sup>2</sup>, with CBD Grade A office rents declining by 4.8% QoQ to S\$9.90 psf per month, according to CBRE. The sluggish economy weighed on office demand, resulting in a negative net absorption of -133,500 sq ft. Tenant demand from the oil and gas sector continued to be impacted, while occupiers from the information technology, e-commerce, insurance and pharmaceutical sectors remained active. As demand continues to be

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lacklustre, the completion of major new office developments from 3Q 2016 is expected to impact vacancy.

China

China's 1Q 2016 GDP growth was 6.7%<sup>3</sup> YoY, easing from 6.8% growth in the previous quarter and in line with the 6.5% to 7.0% growth target set by the government for 2016. The considerable monetary and fiscal policy loosening by the authorities appears to have stabilised the economy, as growth in industrial production, fixed asset investment as well as retail sales recovered in March 2016. However, longer term sustainability in growth continues to hinge on continued reform from a credit and investment-driven economy to a services-led and consumption-driven one.

As demand remained firm amidst a lack of new completions during the quarter, Shanghai CBD Grade A office vacancy declined 1.0 ppt QoQ to 4.0% as at 1Q 2016, according to Colliers International<sup>4</sup>. Consequently, CBD Grade A office rents in Shanghai rose 1.7% QoQ to RMB10.3 psm per day. In Puxi, average Grade A office rents rose 0.9% QoQ to RMB9.5 psm per day. In view of further new supply coming on-stream in the rest of 2016, the overall Shanghai vacancy rate may increase in the coming quarters and hence the rental outlook is expected to be subdued.

Outlook

OUE C-REIT's portfolio of strategically located Grade A office properties continue to record high occupancy levels which provide stability in income.

In 2016, OUE C-REIT will enjoy a full year's contribution from its effective 67.95% indirect interest in ORP which was acquired in 8 October 2015.

Barring any unforeseen event and unexpected weakening of the economic environment, the Manager expects OUE C-REIT's financial performance to remain stable in 2016.

<sup>1</sup> Ministry of Trade and Industry Press Release, 14 April 2016

<sup>2</sup> CBRE, Singapore MarketView 1Q 2016

<sup>3</sup> National Bureau of Statistics of China Press Release, 15 April 2016

<sup>4</sup> Colliers International, Shanghai Research and Forecast Report 1Q 2016

**11 Distribution**

**(a) Current financial period**

Any distribution declared for the current financial period?  
No

**(b) Corresponding period of the immediately preceding financial year**

Any distribution declared for the corresponding period of the immediate preceding financial period?  
No

**12 If no distribution has been declared / recommended, a statement to that effect**

Not applicable.



- 13 If OUE C-REIT has obtained a general mandate from Unitholders for interested person transactions, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no interested person transactions mandate has been obtained, a statement to that effect.**

OUE C-REIT did not obtain a general mandate from Unitholders for interested person transactions.

- 14 Confirmation pursuant to Rule 705(5) of the Listing Manual**

We, on behalf of the Directors of OUE Commercial REIT Management Pte. Ltd. (as Manager of OUE C-REIT), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Manager which may render the unaudited financial results of OUE C-REIT Group for the period from 1 January 2016 to 31 March 2016 to be false or misleading in any material respect.

- 15 Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual**

We, on behalf of the Directors of OUE Commercial REIT Management Pte. Ltd. (as Manager of OUE C-REIT), hereby confirm that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

On behalf of the Board of the Manager

Christopher Williams  
Chairman and Non-Executive Director

Tan Shu Lin  
Chief Executive Officer and Executive Director

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

*The value of units in OUE C-REIT ("Units") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE C-REIT is not necessarily indicative of the future performance of OUE C-REIT.*

*Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.*

By Order of the Board

Ng Ngai

Company Secretary

**OUE Commercial REIT Management Pte. Ltd.**

(as Manager of OUE Commercial Real Estate Investment Trust)

(Company registration no. 201327018E)

10 May 2016