

OUÉ

COMMERCIAL
REIT

Phillip Securities Webinar

18 August 2021



Important Notice

This presentation should be read in conjunction with the announcements released by OUE Commercial REIT (“OUE C-REIT”) on 29 July 2021 (in relation to its Interim Financial Information for the Six-Month Period Ended 30 June 2021).

This presentation is for information purposes only and does not constitute an invitation, offer or solicitation of any offer to acquire, purchase or subscribe for units in OUE C-REIT (“Units”). The value of Units and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, OUE Commercial REIT Management Pte. Ltd. (the “Manager”), DBS Trustee Limited (as trustee of OUE C-REIT) or any of its affiliates. An investment in the 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.

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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.

The information and opinions contained in this presentation are subject to change without notice.

Agenda

- Overview
- Financial Summary and Capital Management
- Commercial Segment
- Hospitality Segment
- Looking Ahead

Overview of OUE C-REIT

One of the Largest Diversified SGX-listed REITs

Total Assets
S\$5.8 billion⁽¹⁾

7 High quality prime assets
6 properties in Singapore and 1 property in Shanghai



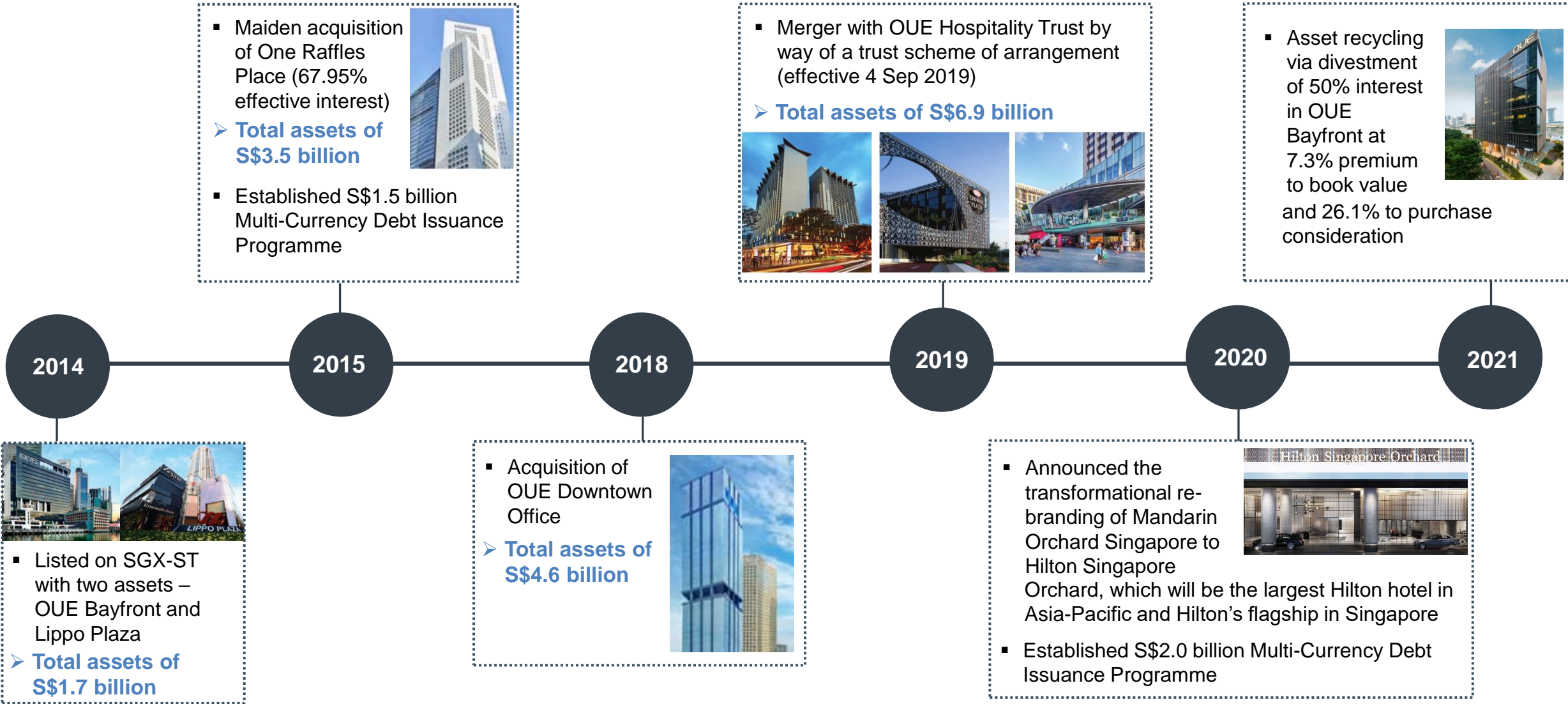
Strong Support
OUE Group
48.1% stake⁽¹⁾

Manage more than **2.0** mil sq ft
in net lettable area
1,640 upscale
hotel rooms

Investment Mandate
✓ Commercial
✓ Hospitality / Hospitality-related

(1) As at 30 June 2021







Milestones Since Listing



(1) Comprising S\$100 million of medium term notes and S\$900 million facilities. The S\$900 million facilities were upsized to S\$978 million upon exercise of greenshoe option in March 2021

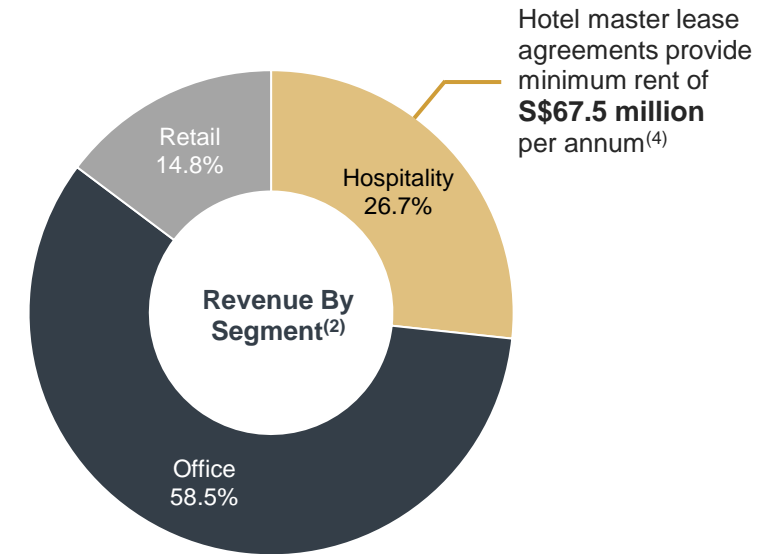
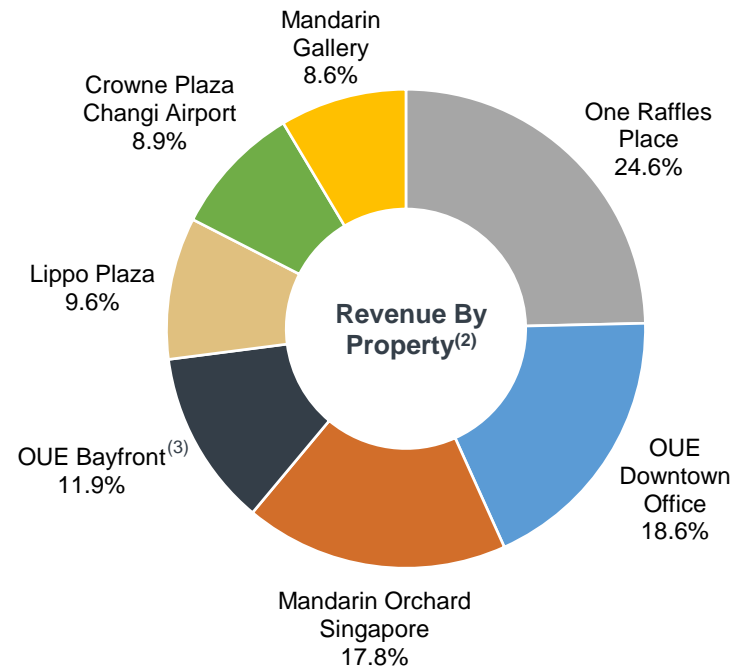
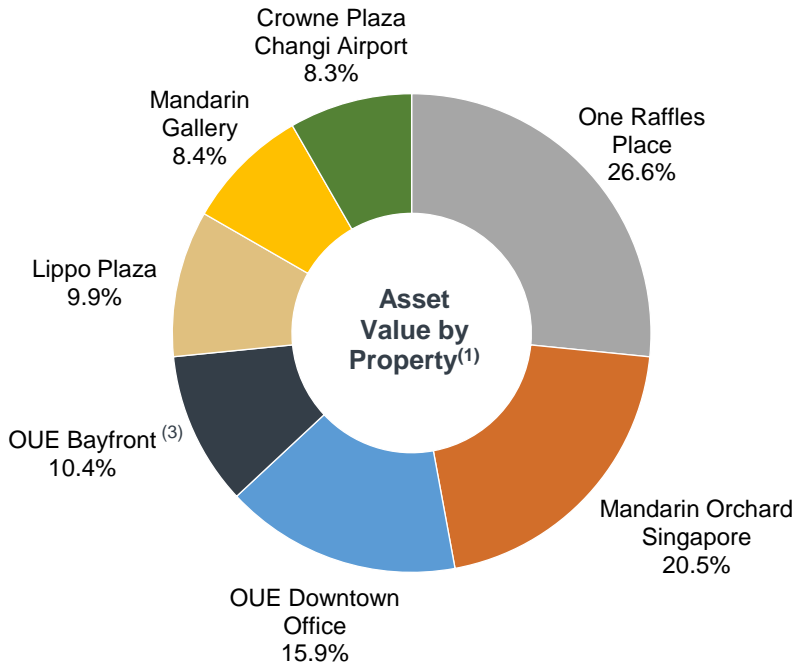
Quality Portfolio

Strategically Located Assets in Prime Business Districts

Singapore			Shanghai
<p>OUE Bayfront⁽¹⁾</p>  <ul style="list-style-type: none"> Commercial assets situated in the three key office submarkets in Singapore of Marina Bay, Raffles Place and Shenton Way, where medium term supply is limited Delivered resilient performance in a challenging operating environment, underpinning OUE C-REIT's revenue contribution 	<p>One Raffles Place</p> 	<p>OUE Downtown Office</p> 	<p>Lippo Plaza</p>  <ul style="list-style-type: none"> Benefits from Shanghai's dominant position as a major financial and service hub in China
<p>Mandarin Gallery</p>  <ul style="list-style-type: none"> Strategically located assets along the prime Orchard Road belt and within the Changi Airport vicinity are well-positioned to benefit from the authorities' focus on Singapore as a key business and leisure destination Hospitality assets to benefit from continued investment in tourism infrastructure across the city, as well as government support for the sector 	<p>Mandarin Orchard Singapore</p> 	<p>Crowne Plaza Changi Airport</p> 	<p><i>Legend</i></p> <ul style="list-style-type: none"> Commercial (Office and/or retail) Hospitality

(1) OUE C-REIT's interest in OUE Bayfront is 50% post its partial divestment on 31 March 2021

Portfolio Composition



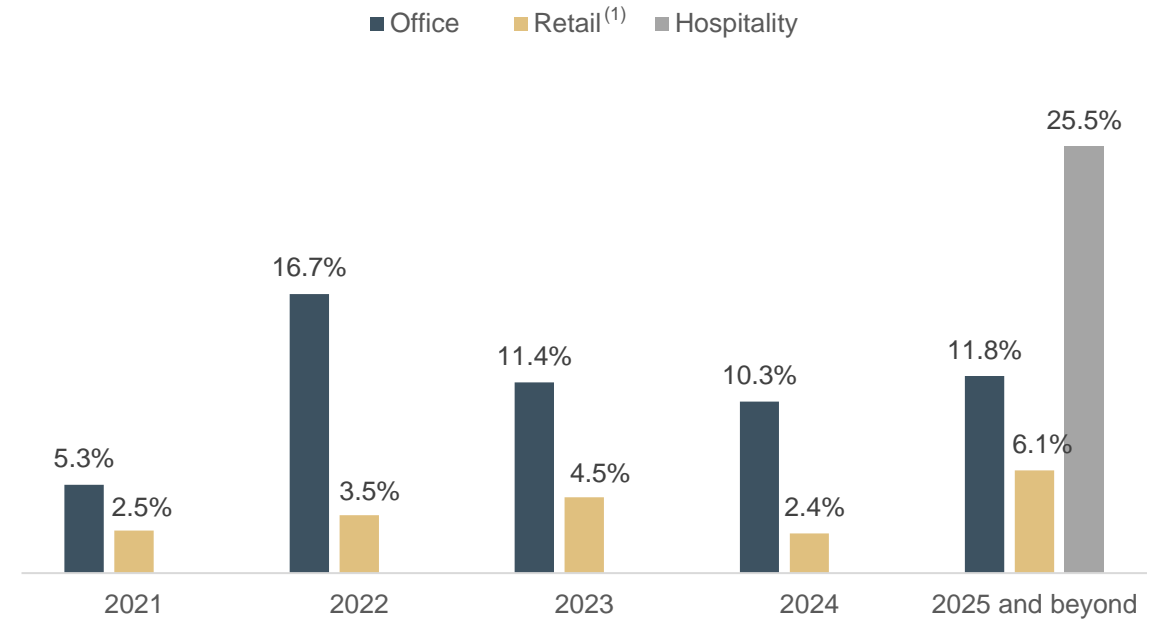
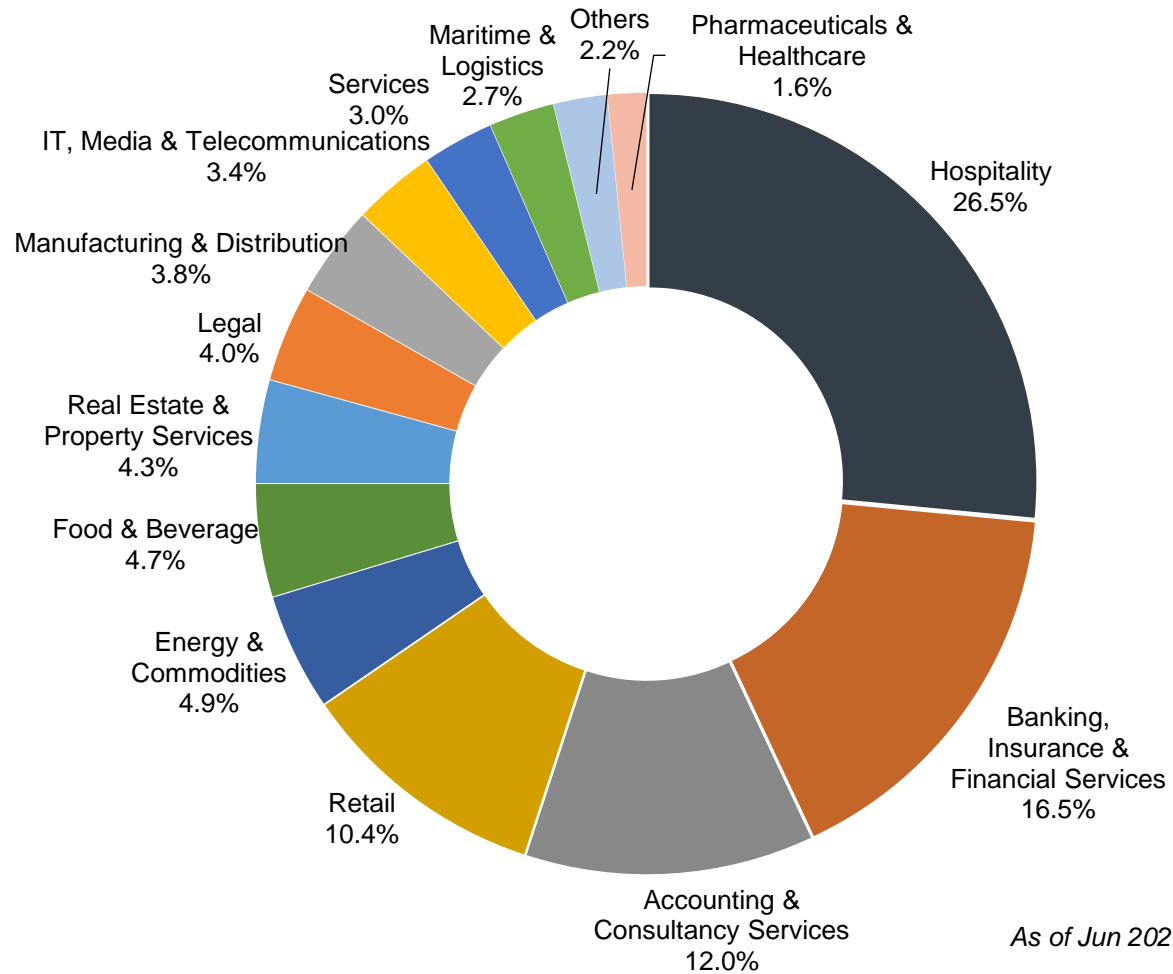
■ ~90% of assets under management in Singapore

■ No single asset contributes more than 24.6% to the portfolio revenue

■ 58.5% of portfolio contribution is underpinned by the office segment

(1) Based on independent valuations as at 31 December 2020 and OUE C-REIT's proportionate interest in the respective properties as at 30 June 2021, assuming SGD:CNY exchange rate of 1:4.805 as at 30 June 2021
 (2) Based on 2Q 2021 revenue and OUE C-REIT's proportionate interest in the respective properties
 (3) OUE C-REIT's interest in OUE Bayfront is 50% post completion of partial divestment on 31 March 2021
 (4) Mandarin Orchard Singapore and Crowne Plaza Changi Airport's master lease agreements are subject to a minimum rent of S\$45.0 million and S\$22.5 million per annum respectively, totalling S\$67.5 million per annum

Tenant Base and Portfolio Lease Expiry Profile



WALE⁽²⁾ of 3.6 years by Gross Rental Income

As at 30 Jun 2021

Note: Tenant by trade sector and lease expiry profile is based on gross rental income (excluding provision of rental rebates and turnover rent), and OUE C-REIT's proportionate interest in the respective properties

(1) Refers to contribution from Mandarin Gallery and all other retail components within OUE C-REIT's portfolio

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

Sustainability Commitment



Climate Resilience

- Committed to **improving energy efficiency of portfolio** to align with low carbon emissions strategy
 - ✓ **Green mark rating achieved** for all commercial properties and Mandarin Orchard Singapore
 - ✓ **Continued to achieve reductions¹ in portfolio intensity levels** of energy consumption and greenhouse gas emissions compared to base year 2017



Water Efficiency

- Committed to **prudent water management** to mitigate water security challenges due to climate change
 - ✓ All Singapore properties are certified as **Water Efficient Buildings** by the Public Utilities Board
 - ✓ **Continued to achieve reductions¹ in portfolio intensity levels** of water consumption compared to base year 2017



Fair Employment Practices

- Committed to **a fair and inclusive workplace** and **investing in employees' continual learning**
 - ✓ **Women comprise 75%** of employees in senior management
 - ✓ Target to achieve **25 training hours** per employee per year



Innovation & Service Quality

- Committed to **leveraging on technology** to **improve our buildings performance** and **service quality**
 - ✓ Adopted new innovations, as well as **smart and contactless technology** to meet the increased focus on a **clean and safe environment and to better serve tenants' needs**
 - ✓ Achieved **92.2% tenant satisfaction rate** in FY 2020 for four commercial properties in Singapore and Shanghai

(1) FY 2020 reductions in energy and water consumption levels may be partially attributed to decreased business activities due to the COVID-19 pandemic

Financial Summary & Capital Management



1H 2021 Financial Performance

	1H 2021 (S\$m)	1H 2020 (S\$m)	YoY Change (%)
Revenue	133.5	142.0	(6.0)
Net Property Income	109.0	112.5	(3.1)
Share of Joint Venture Results	4.1	-	NM
Amount Available for Distribution⁽¹⁾	67.2	65.3	3.0
Amount to be Distributed	67.2	54.5 ⁽²⁾	23.4
Distribution per Unit (cents)	1.23	1.00	23.0

- With 50% interest in OUE Bayfront divested on 31 March 2021, performance of OUE Bayfront is no longer consolidated and is recognised as share of joint venture results. Consequently, net property income was 3.1% lower YoY at S\$109.0 million, partially offset by lower rental rebates and property expenses
- Due to lower interest expense and including income contribution from OUE Bayfront, amount available for distribution was 3.0% higher YoY at S\$67.2 million. 1H 2021 DPU of 1.23 cents was 23.0% higher YoY due to absence of retention of distribution

NM: Not meaningful

(1) Net of retention for working capital requirements relating to the hospitality segment

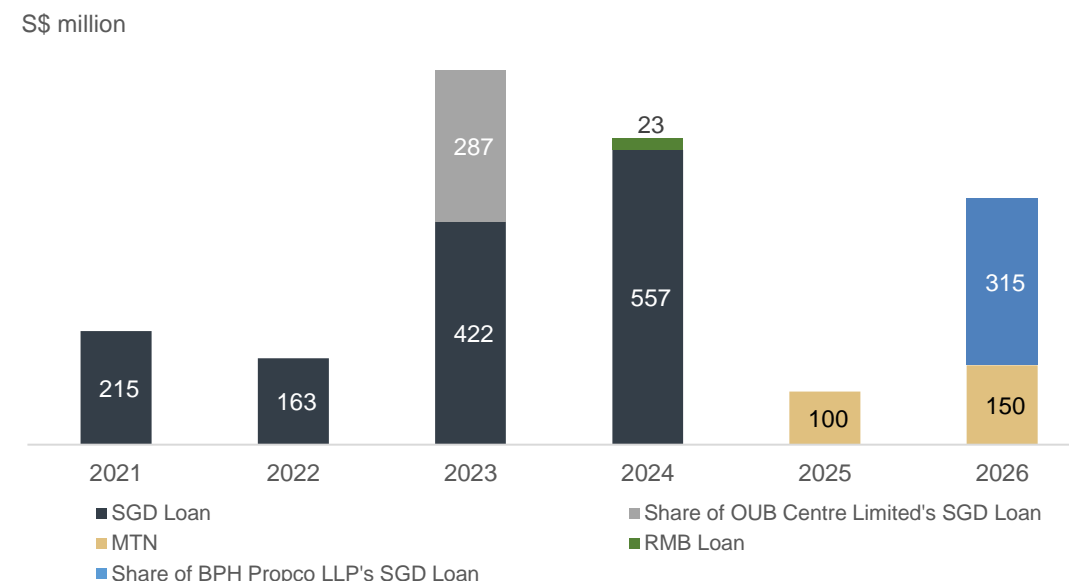
(2) S\$10.8 million of distribution was retained in 1H 2020 to preserve financial flexibility due to the uncertainties posed by the COVID-19 pandemic

Capital Management

- Net proceeds from divestment of 50% interest in OUE Bayfront utilised to redeem S\$155 million convertible perpetual preferred units and pare down debt. Consequently, aggregate leverage was lower at 38.0% as at 30 June 2021
- Due to our refinancing activities in the past year, including the issuance of S\$150 million 3.95% fixed rate notes due 2026 on 2 June 2021, average term of debt improved to 2.9 years as at 30 June 2021

	As at 30 Jun 2021	As at 30 Jun 2020
Aggregate Leverage	38.0%	40.1%
Total debt	S\$2,232m ⁽¹⁾	S\$2,644m ⁽²⁾
Weighted average cost of debt	3.2% p.a.	3.1% p.a.
Average term of debt	2.9 years	1.8 years
% fixed rate debt	82.2%	80.7%
Interest coverage ratio⁽³⁾	2.7x	2.8x

Debt Maturity Profile as at 30 June 2021



(1) Based on SGD:CNY exchange rate of 1:4.805 as at 30 June 2021 and includes OUE C-REIT's share of OUB Centre Limited's loan and BPH PropCo LLP's loan

(2) Based on SGD:CNY exchange rate of 1:5.092 as at 30 June 2020 and includes OUE C-REIT's share of OUB Centre Limited's loan

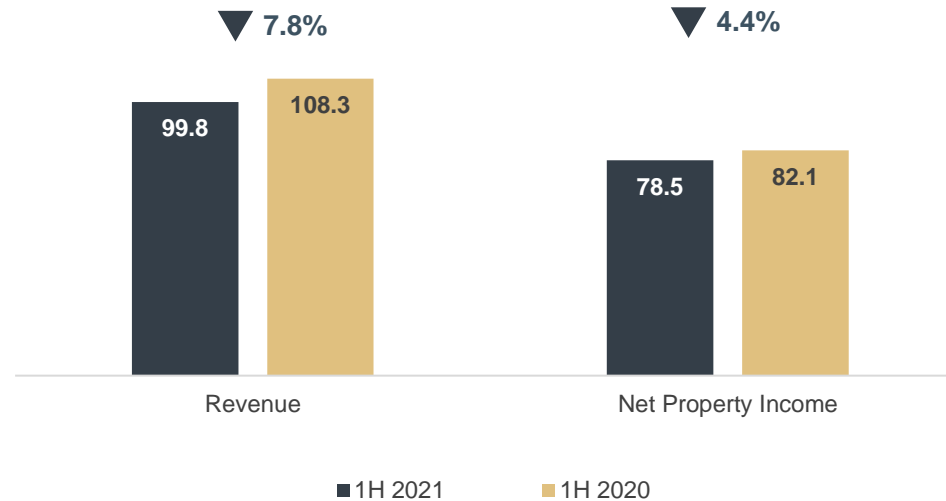
(3) Interest coverage ratio as prescribed under Appendix 6 of the Monetary Authority of Singapore's Code on Collective Investment Schemes (last revised on 16 April 2020 and updated on 29 May 2020). Based on earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation) over interest expense and borrowing-related fees, on a trailing 12-month basis.

Commercial Segment



Commercial Segment Performance - 1H 2021

(S\$ million)

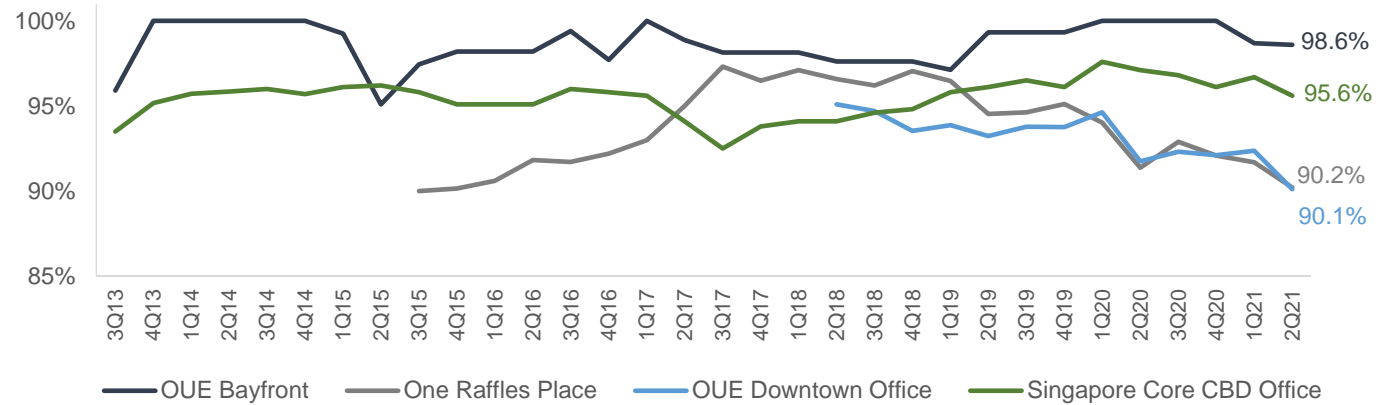


- The lower YoY revenue and net property income in 1H 2021 was due to the recognition of contribution from OUE Bayfront as share of joint venture results, following the divestment of a 50% interest on 31 March 2021. OUE Bayfront income contribution in 1H 2021 was S\$4.1 million
- The decrease in net property income was partially mitigated by lower rental rebates and property expenses
- Approximately S\$6.2 million of rental rebates were extended to retail tenants in 1H 2021, as those dependent on short-term visitors and office-based employees continued to face challenges

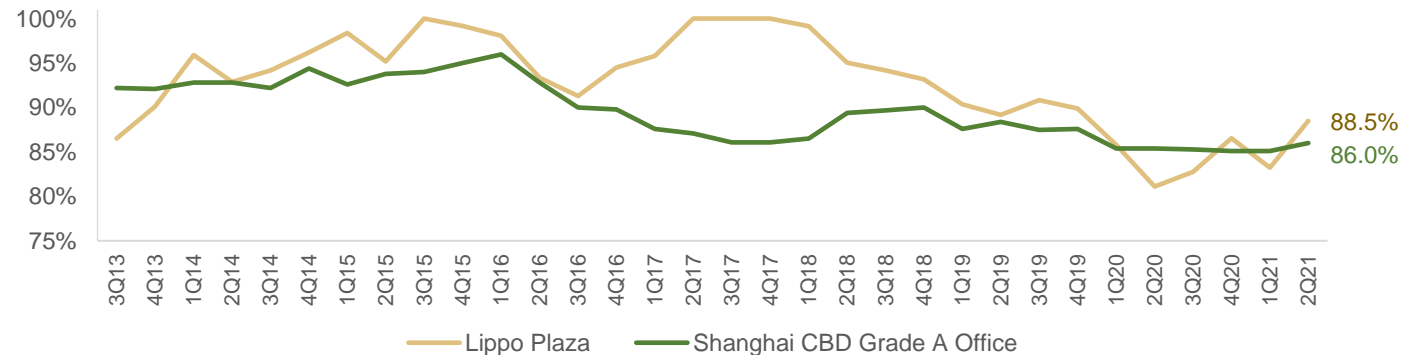
Office Segment Occupancy

- OUE Bayfront’s committed office occupancy as at 30 June 2021 maintained at 98.6%, ahead of the wider market
- Due to occupiers’ focus on cost efficiency and right-sizing in view of continued economic uncertainties, committed office occupancy at One Raffles Place declined 1.5 ppt QoQ to 90.2%. OUE Downtown Office’s committed occupancy declined 2.3 ppt QoQ to 90.1%
- Lippo Plaza’s committed office occupancy increased significantly by 5.3 ppt QoQ to 88.5%, ahead of the wider market on the back of strong leasing demand, supported by the Manager’s continued focus on prioritising occupancy

Singapore



Shanghai



Committed and Average Office Rents

- Rental reversions for Singapore office properties in 2Q 2021 ranged from -5.7% to 2.2% due to relatively higher-than-market expiring rents.

2Q 2021	Average Expired Rents	Committed Rents ⁽¹⁾	Sub-market	Comparable Sub-market Rents	
				Colliers ⁽²⁾	Savills ⁽³⁾
Singapore					
OUE Bayfront	S\$10.79	S\$10.98 – S\$13.20	New Downtown/ Marina Bay	S\$11.23	S\$12.25
One Raffles Place	S\$10.14	S\$9.20 – S\$10.80	Raffles Place	S\$9.60	S\$9.53
OUE Downtown Office	S\$8.10	S\$7.50 – S\$8.50	Shenton Way/ Tanjong Pagar	S\$9.94	S\$8.43 – S\$8.61
Shanghai					
Lippo Plaza	RMB9.31	RMB6.86 – RMB11.00	Puxi	RMB8.54	RMB9.60 ⁽⁴⁾

(1) Committed rents for renewals and new leases

(2) Source: Colliers Singapore Office Quarterly 2Q 2021 for Singapore comparable sub-market rents; Colliers Shanghai Property Market Research & Forecast Report 1Q 2021 for Shanghai comparable sub-market rents

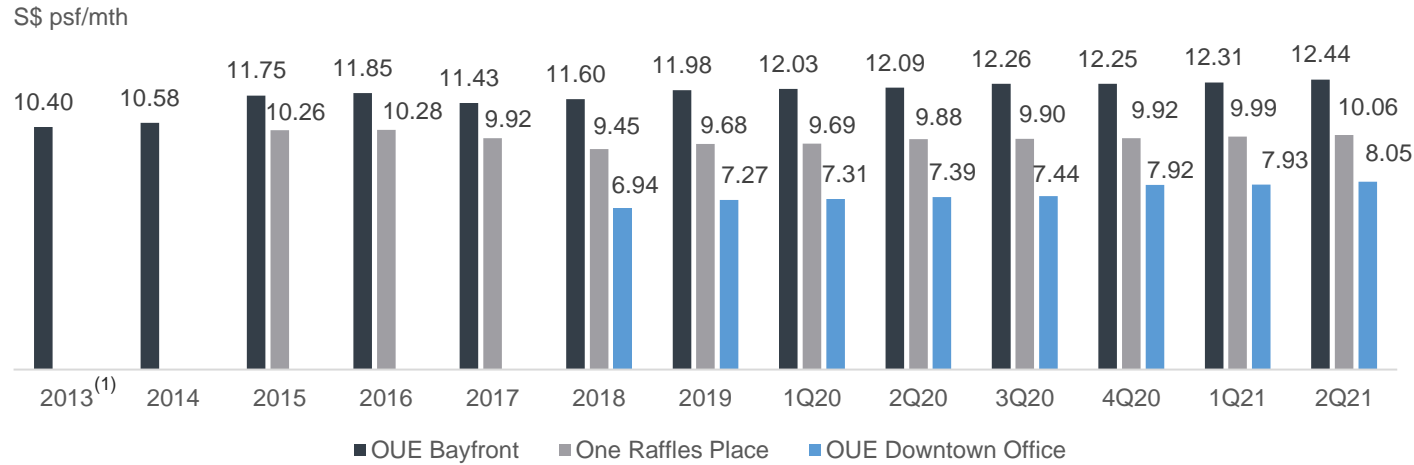
(3) Source: Savills Singapore Office Briefing 2Q 2021 for Singapore comparable sub-market rents; Savills Shanghai Office Market in Minutes Report July 2021 for Shanghai comparable sub-market rents

(4) Shanghai Grade A office rent for prime districts of Nanjing Road West, Huaihai Middle Road and Lujiazui as defined by Savills

Note: For reference, CBRE Research's 2Q 2021 Grade A Singapore office rent is S\$10.50 psf/mth. Sub-market rents are not published

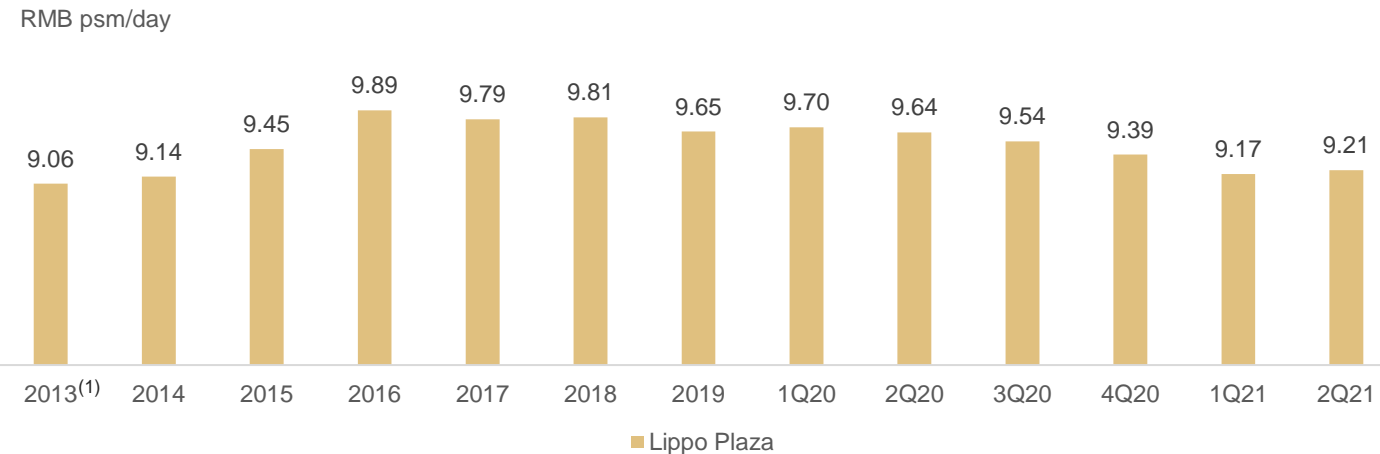
Average Office Passing Rents

Singapore (Office)



- Sustained YoY growth in average passing rents due to positive rental reversions in past consecutive quarters
- OUE Bayfront's average passing rent hit a high of S\$12.44 psf per month. Successful renewal of anchor tenant at higher-than-preceding rents will underpin OUE Bayfront's performance going forward

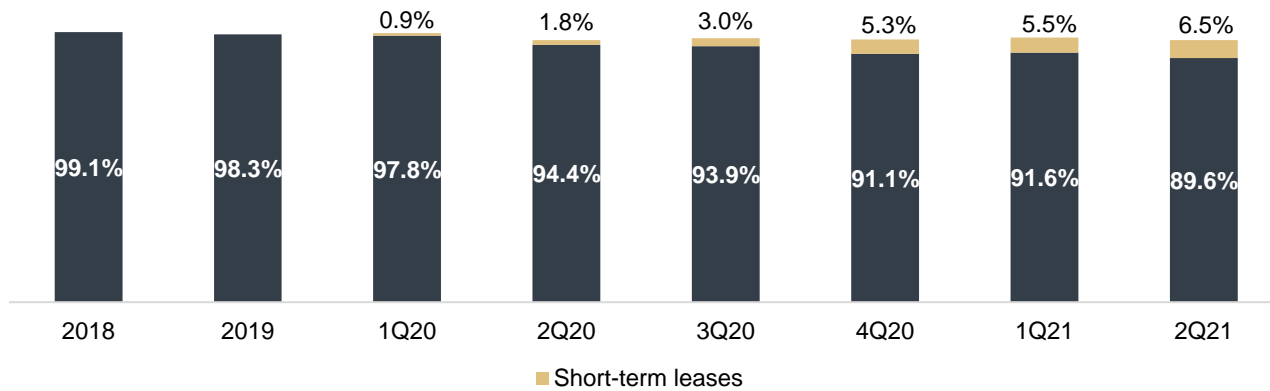
Shanghai (Office)



- Average passing office rent for Lippo Plaza remained stable at RMB9.21 psm/day

(1) Pro forma average passing rents as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

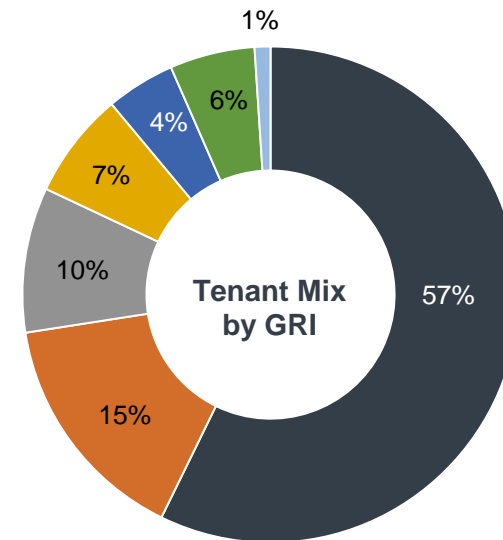
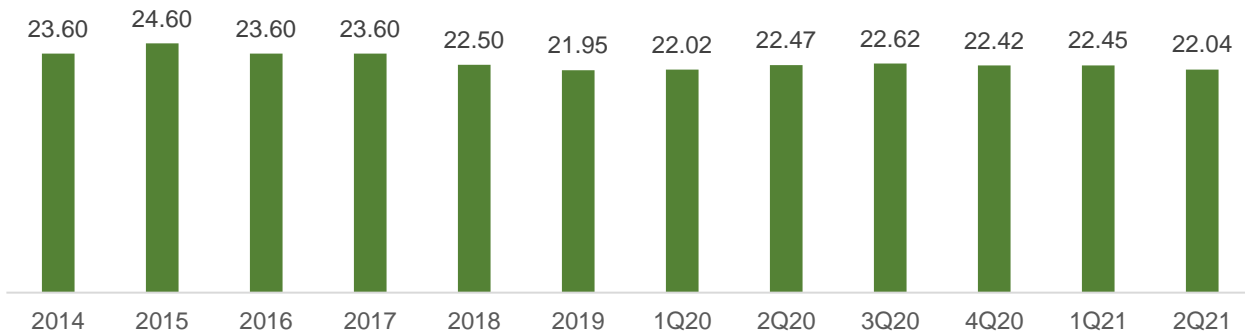
Committed Occupancy



- Including short-term leases to support tenants' space requirements, committed occupancy is 96.1%
- The Manager continues to adopt flexible leasing strategies to sustain occupancy in view of continued headwinds facing the prime retail segment

Average Passing Rents

S\$ psf/mth

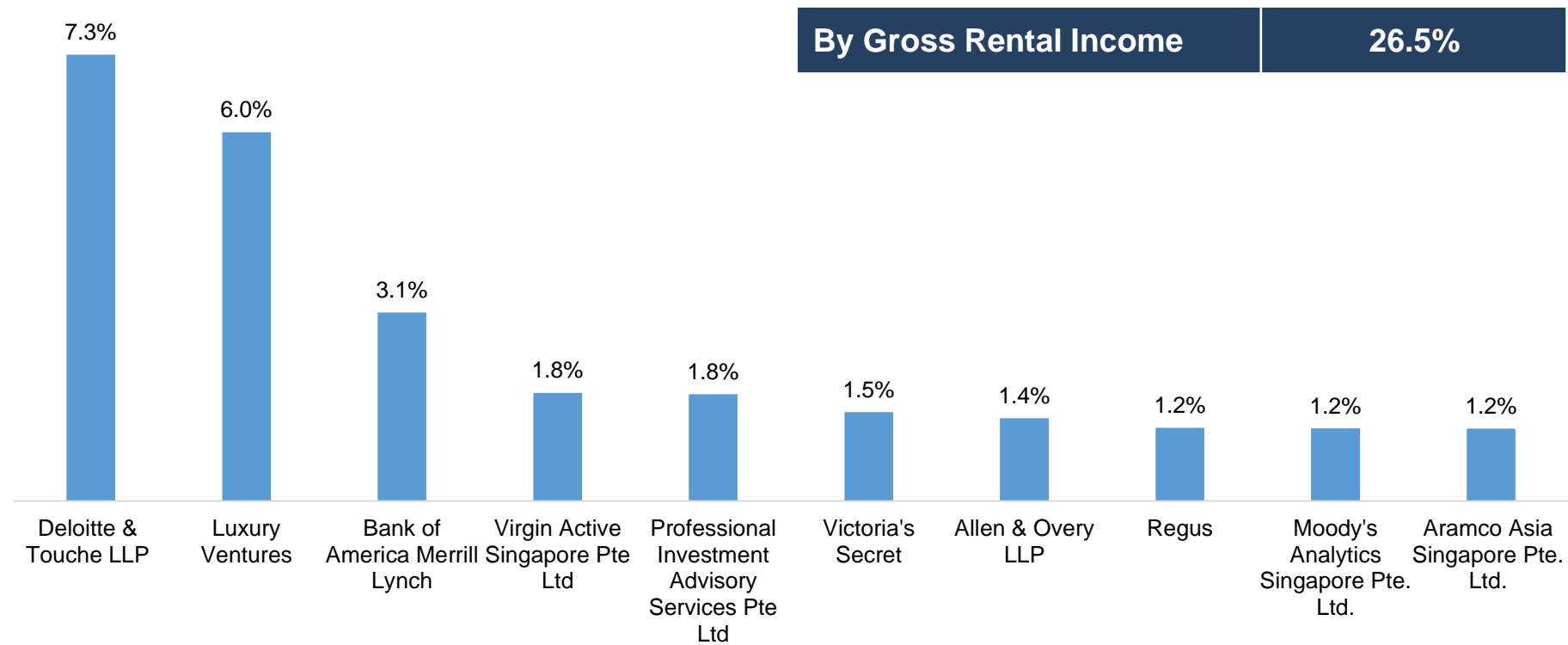


As of Jun 2021

- Fashion & Accessories
- Food & Beverage
- Hair & Beauty
- Travel
- Living & Lifestyle
- Watches & Jewellery
- Services

Top 10 Tenants – Commercial Segment

Top 10 Tenants⁽¹⁾



As of Jun 2021

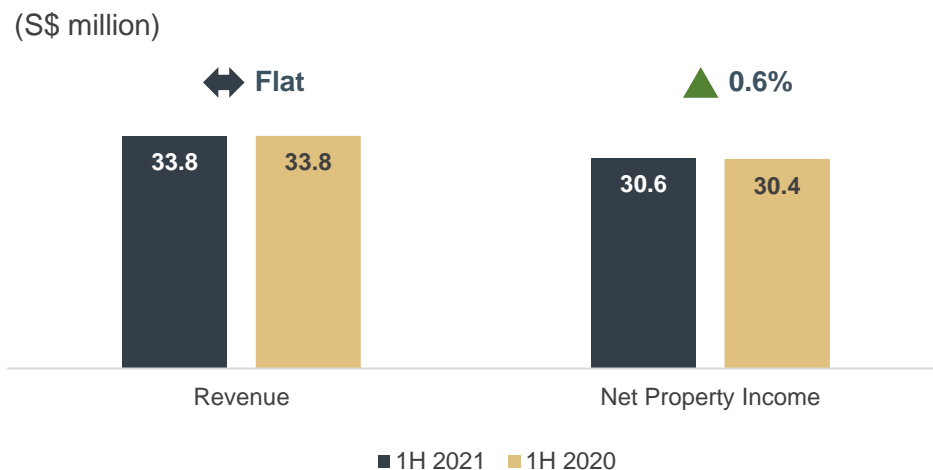
(1) Based on gross rental income (excluding turnover rent), and OUE C-REIT's proportionate interest in the respective properties

Hospitality Segment

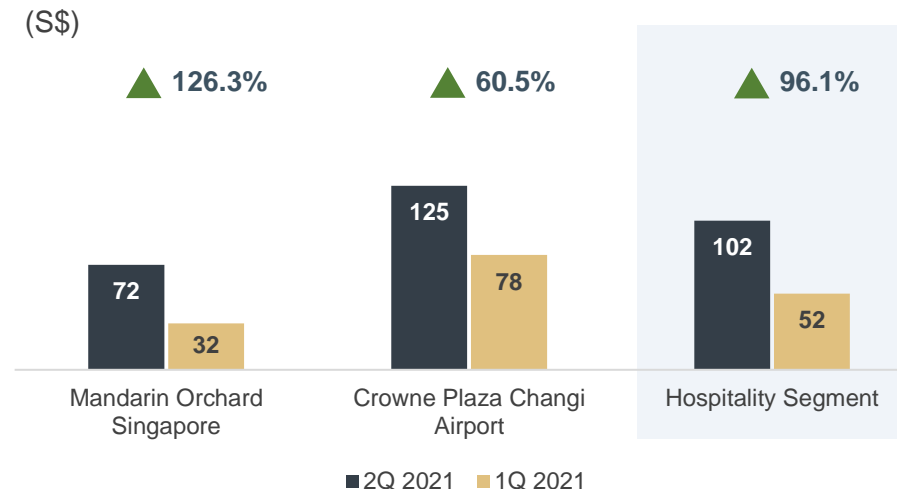


Hospitality Segment Performance

1H 2021 Revenue & NPI



2Q 2021 vs 1Q 2021 RevPAR



- Hospitality segment revenue for 1H 2021 of S\$33.8 million was the minimum rent under the master lease arrangements of the hotel properties. Net property income was slightly higher YoY at S\$30.6 million due to lower property operating expenses
- The Main Tower of Mandarin Orchard Singapore, which remains open throughout the renovation period, was supported by Stay-Home Notice business as well as local staycation bookings in 2Q 2021. As a result, revenue per available room (“RevPAR”) more than doubled QoQ to S\$72. Crowne Plaza Changi Airport RevPAR was 60.5% higher QoQ at S\$125 in 2Q 2021 due to the lower base in 1Q 2021 where the hotel was temporarily closed in January as a precautionary measure to facilitate investigations by the Ministry of Health
- Overall hospitality RevPAR of S\$102 was 96.1% higher QoQ

Re-branding of Mandarin Orchard Singapore

- Renovation works are on track for completion for the relaunch of Hilton Singapore Orchard in January 2022; new hotel is opened for reservations for 2022
- Re-branded hotel set to become Hilton's flagship in Singapore and the largest Hilton hotel in Asia-Pacific

1,080 digital key-enabled and botanically-designed rooms



Two pillarless ballrooms for up to 1,000 guests



- Hilton Singapore Orchard will boast additional meetings, incentives, conventions and exhibitions (“MICE”) facilities, newly refurbished rooms and revamped food and beverage offerings

Income assurance for Unitholders - Downside protection from master lease throughout phased renovation and ramping-up period

Looking Ahead



Navigating Through 2021



Proactive Asset Management & Tenant Engagement

- **Sustaining occupancy** remains a key focus
 - ✓ Continue to monitor business environment closely to recalibrate leasing strategies as suited
 - ✓ Exercise flexibility in lease management and terms to support occupiers' space requirements
 - ✓ Remain supportive of retail tenants as challenges remain. Approximately S\$6.2 million of rental rebates extended in 1H 2021
- **Quality office space** in the three major Singapore office submarkets to meet occupiers' different needs



Preserving Cash Flow & Financial Flexibility

- Focus on **cost management** and **cash conservation**
- **Proactive and prudent capital management** including optimising capital structure, managing refinancing requirements and enhancing financial flexibility
- **Rental collections for portfolio remain healthy** at 95%

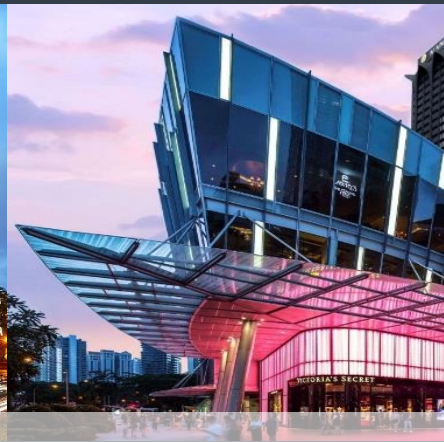


Capitalise on Value-Enhancing Opportunities

- **Transformational re-branding of Mandarin Orchard Singapore to Hilton Singapore Orchard** to reposition the hotel and capitalise on the eventual recovery in the hospitality sector
 - ✓ Property on track to reopen in January 2022 as the largest Hilton hotel in Asia-Pacific and its flagship in Singapore



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Thank You