



REITs Symposium 2018

19 May 2018

Important Notice

This presentation shall be read in conjunction with OUE Commercial REIT's Financial Results announcement for 1Q 2018 dated 10 May 2018.

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Investors should note that they will have no right to request the Manager to redeem or purchase 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
- Financial Highlights
- Capital Management
- Portfolio Performance
- Summary

About OUE Commercial REIT

- OUE C-REIT's principal investment strategy is to invest in income-producing real estate which is used primarily for commercial purposes in financial and business hubs in key gateway cities
- With a total assets-under-management of approximately S\$3.5 billion over 2.4 million sq ft of GFA, OUE C-REIT's portfolio comprises
 - **OUE Bayfront**, a premium Grade A office building located at Collyer Quay between the Marina Bay downtown and established financial hub of Raffles Place in Singapore;
 - **One Raffles Place**, an integrated commercial development comprising two Grade A office towers and a retail mall located in the heart of Singapore's central business district at Raffles Place; and
 - **Lippo Plaza**, a Grade A commercial building located in Huangpu, one of Shanghai's established core CBD locations

Premium Portfolio of Assets

OUE Bayfront



GFA (sq m)	46,774.6
NLA (sq m)	Office: 35,298.3; Retail: 1,830.1; Overall: 37,128.4
Committed Occupancy (@ 31 Mar 2018)	Office: 98.2%; Retail: 100.0%; Overall: 98.2%
Valuation (@ 31 Dec 2017)	S\$1,153.0 m (S\$2,885 psf)
Valuation Cap Rate (Office):	3.75%
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

Premium Portfolio of Assets

One Raffles Place



GFA (sq m)	119,626.3
Attributable NLA (sq m)	Office: 56,013.0; Retail: 9,386.0; Overall: 65,399.0
Committed Occupancy (@ 31 Mar 2018)	Office: 97.1%; Retail: 87.4%; Overall: 95.5%
Valuation⁽¹⁾ (@ 31 Dec 2017)	S\$1,773.2 m (S\$2,519 psf)
Valuation Cap Rate (Office):	3.60% - 3.90%
Land Use Right Expiry	Office Tower 1: 841 yrs from 1 Nov 1985; Office Tower 2: 99 yrs from 26 May 1983; Retail: ~75% of NLA is on 99 yrs from 1 Nov 1985
Completion Year	Office Tower 1: 1986; Office Tower 2: 2012; Retail (major refurbishment): 2014

(1) Based on OUB Centre Limited's 81.54% interest in One Raffles Place. OUE C-REIT has an 83.33% indirect interest in OUB Centre Limited held via its wholly-owned subsidiaries

Premium Portfolio of Assets

Lippo Plaza



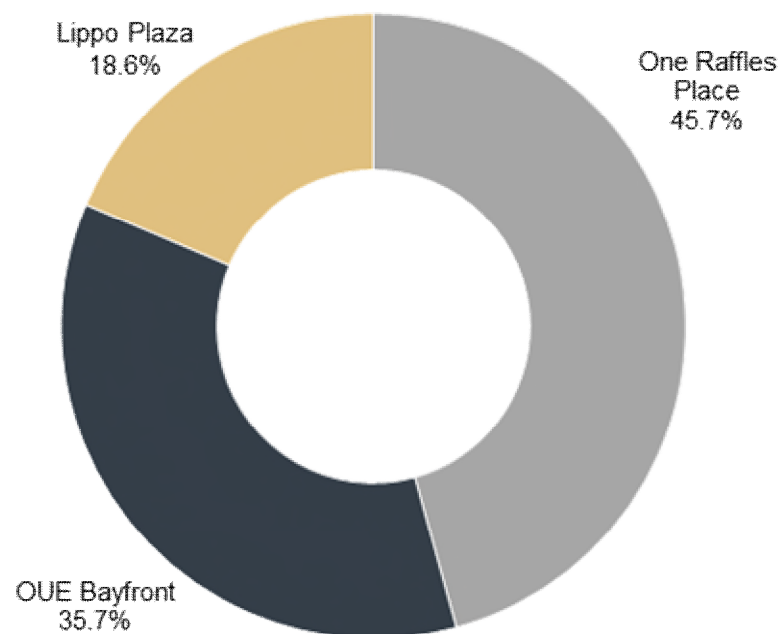
GFA (sq m)	58,521.5
Attributable NLA (sq m)	Office: 33,538.6; Retail: 5,685.9; Overall: 39,224.5
Committed Occupancy (@ 31 Mar 2018)	Office: 99.2%; Retail: 90.4%; Overall: 97.9%
Valuation⁽¹⁾ (@ 31 Dec 2017)	RMB2,887.0 m / RMB49,332 psm (S\$601.1m) ⁽²⁾
Land Use Right Expiry	50 yrs from 2 July 1994
Completion Year	1999; Retail (major refurbishment) : 2010

(1) Based on 91.2% strata ownership of Lippo Plaza

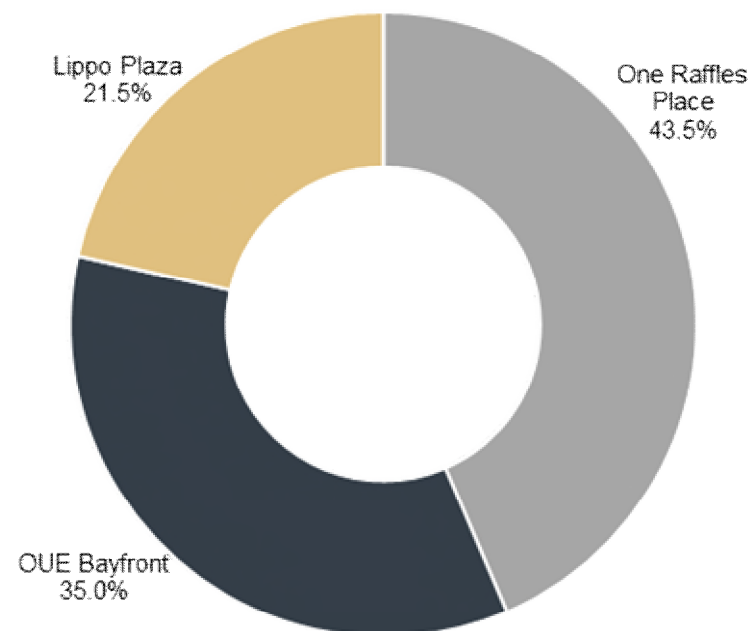
(2) Based on SGD:CNY exchange rate of 1 : 4.803 as at 31 March 2018

Portfolio Composition

By Asset Value⁽¹⁾



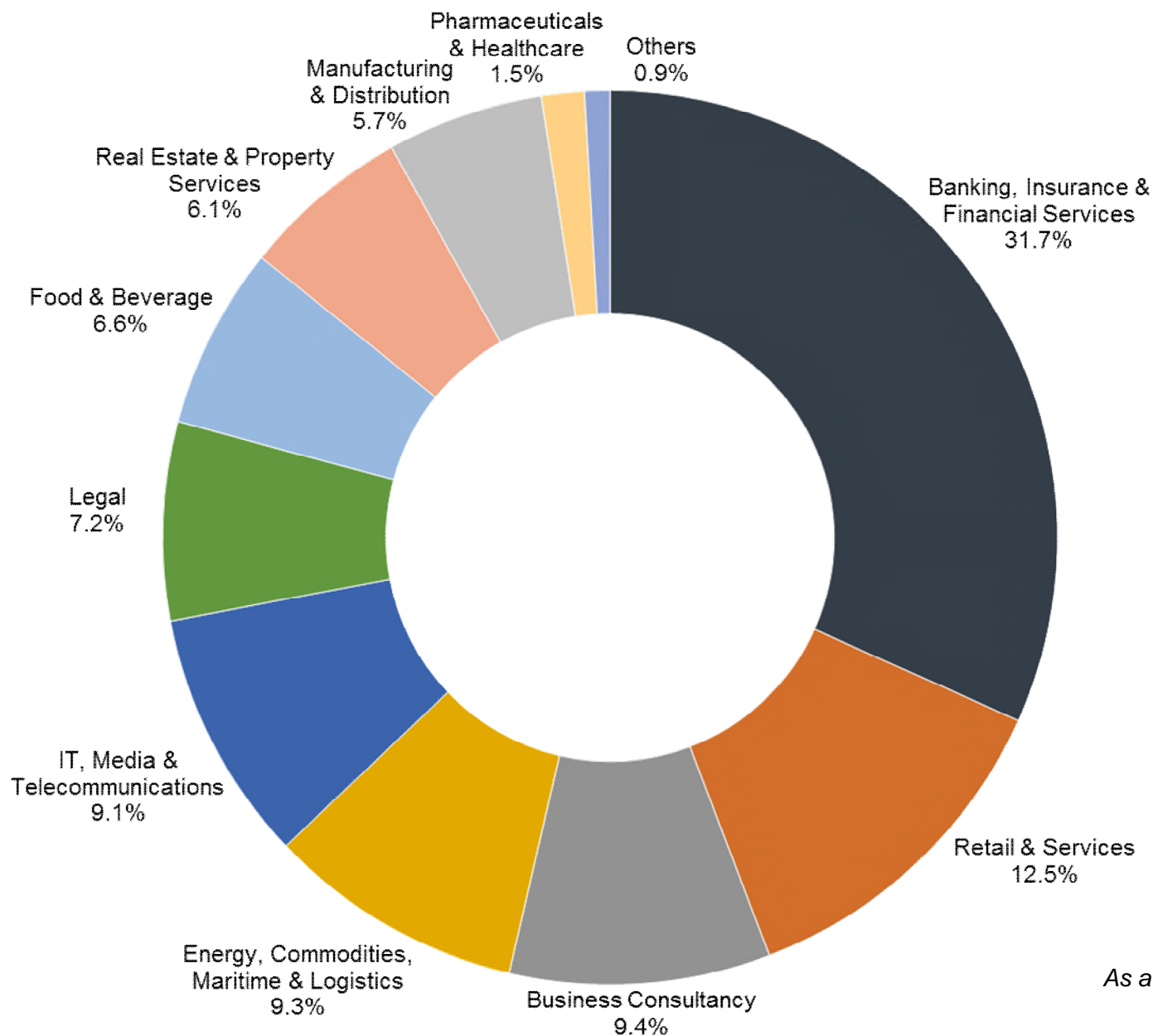
By Revenue Contribution⁽²⁾



(1) Based on independent valuations as at 31 December 2017 and OUE C-REIT's proportionate interest in One Raffles Place

(2) For 1Q 2018 and based on OUE C-REIT's attributable interest in One Raffles Place

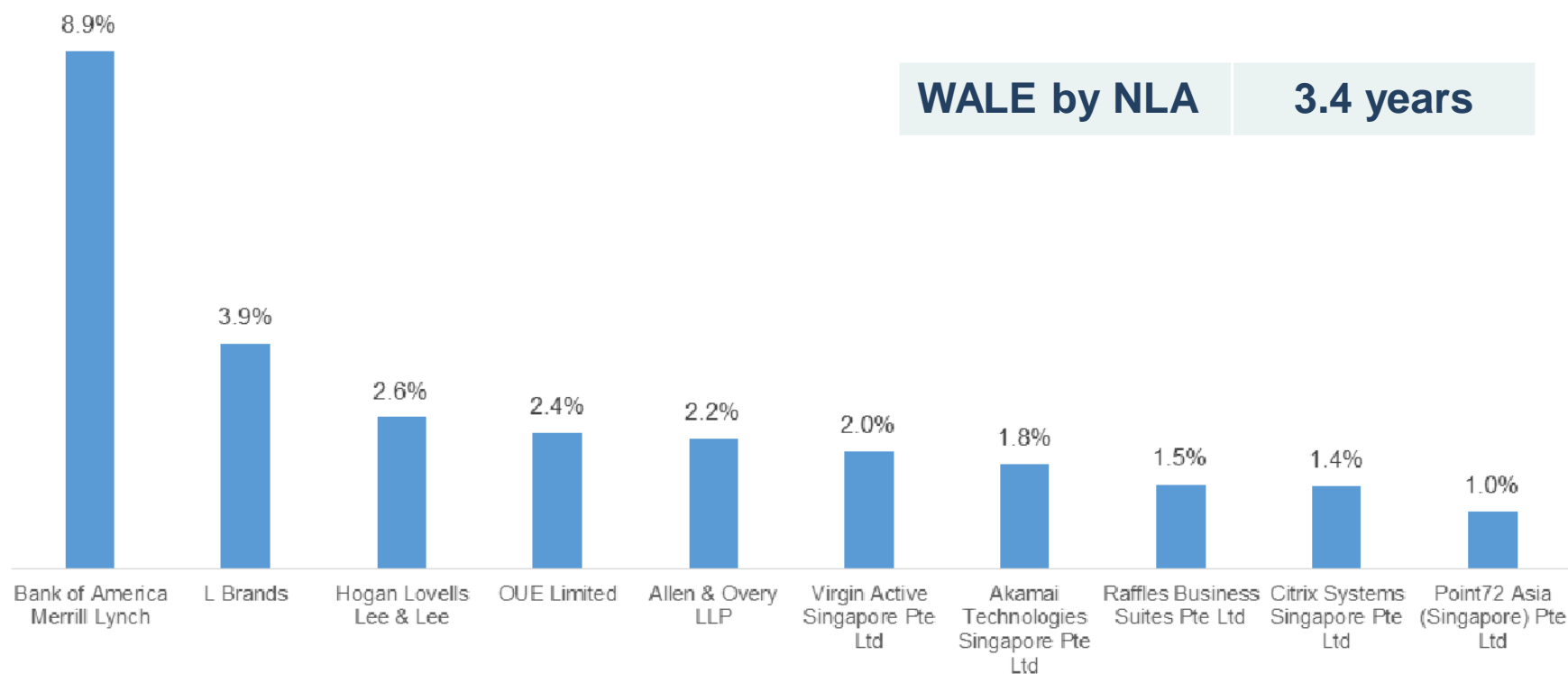
Well-Diversified Portfolio Tenant Base



As at March 2018

Quality and Diversified Tenant Base

Top 10 tenants contribute approximately 27.7% of gross rental income



As at 31 Mar 2018

Financial Highlights

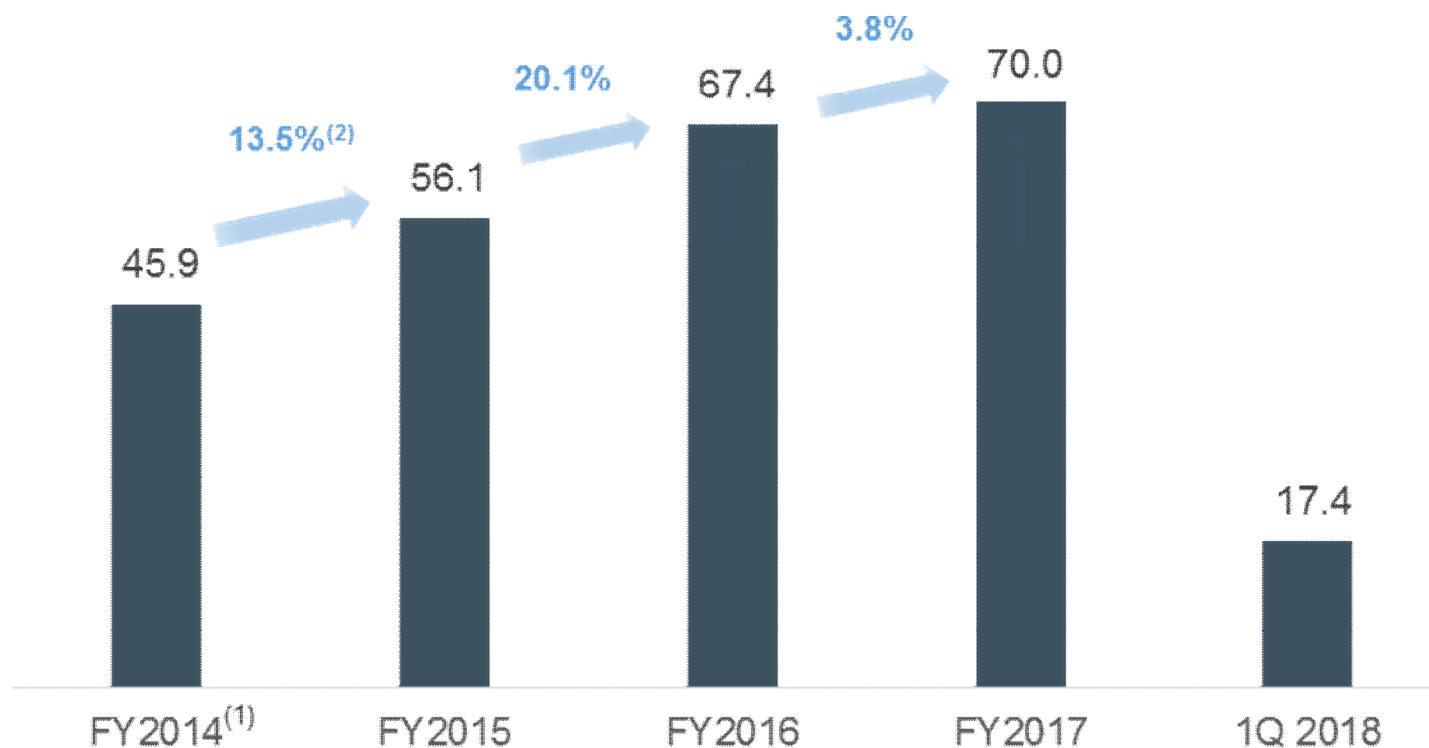


Delivered Sustainable Distribution

Delivered sustainable distribution to Unitholders since IPO

Distribution Since IPO

In S\$ million



(1) Period commencing from OUE C-REIT's listing date of 27 January 2014 to 31 December 2014

(2) FY2014-FY2015 growth rate calculated on the basis of annualised amount available for distribution for the period from OUE C-REIT's listing date of 27 January 2014 to 31 December 2014

1Q 2018 Highlights

Revenue

S\$44.1 million

Distribution Per Unit

1.12 cents

Aggregate Leverage
(As at 31 March 2018)

40.5%

Net Property Income

S\$35.3 million

Annualised
Distribution Yield

6.3%⁽¹⁾

Fixed Rate Debt
(As at 31 March 2018)

73.7%

Amount Available for
Distribution

S\$17.4 million

Portfolio Committed
Occupancy
(As at 31 March 2018)

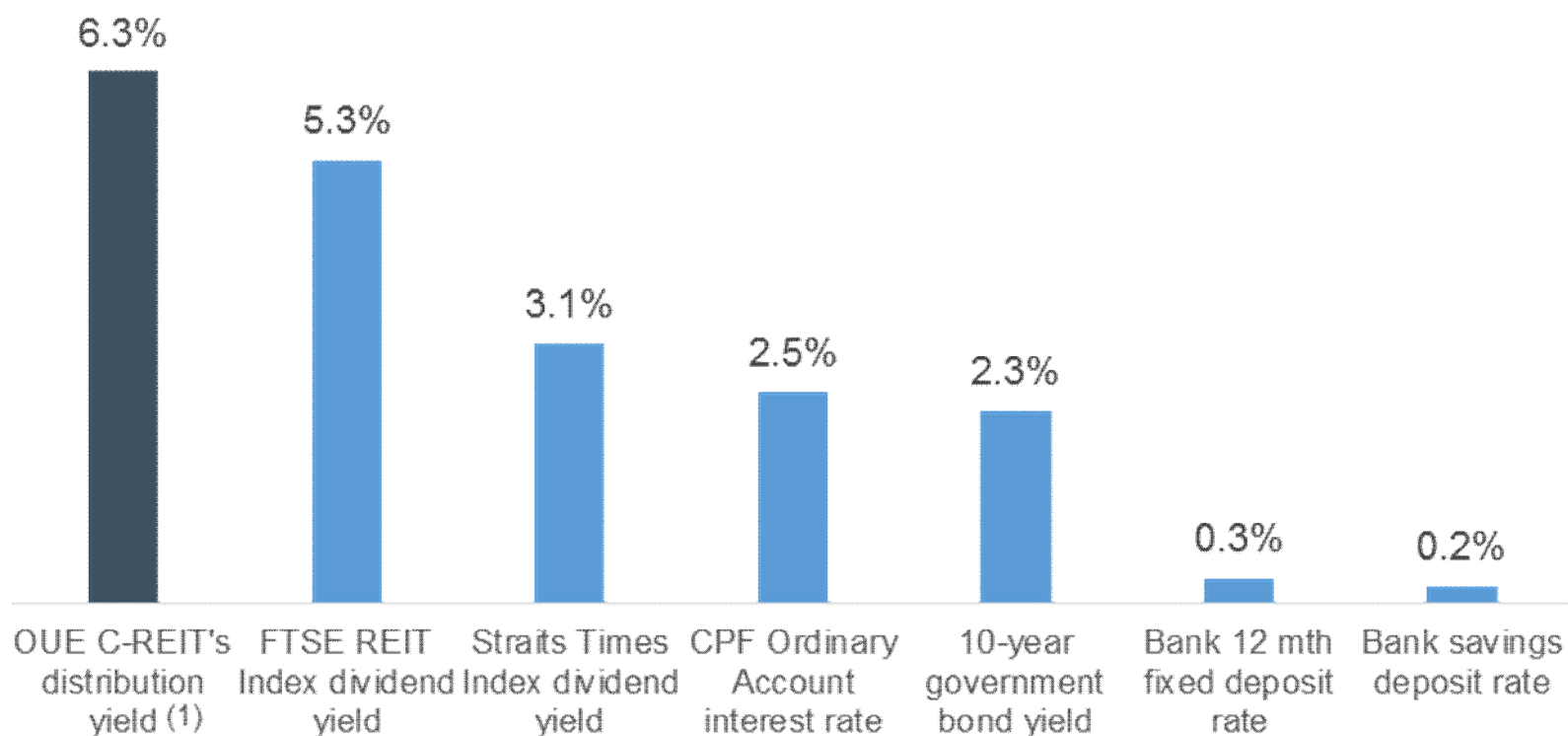
96.9%

AEI at One Raffles
Place Shopping Mall;
entry of co-working
operator Spaces as
anchor tenant

(1) Based on annualised 1Q 2018 distribution per Unit and Unit closing price as at 11 May 2018 of S\$0.720

Attractive Distribution Yield

OUE C-REIT's distribution yield is 400bp above the 10-year government bond yield



As at 29 Mar 2018

Source: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities

(1) Based on annualised distribution per unit for 1Q 2018 and Unit closing price as at 11 May 2018 of S\$0.720

Capital Management



Valuation as at 31 Dec 2017

Valuations higher across portfolio supported by improved property cashflows

	Valuation as at 31 December 2017 ⁽¹⁾ (S\$ m)	Valuation as at 31 December 2016 ⁽²⁾ (S\$ m)	Change
OUE Bayfront	1,153.0	1,146.0	0.6%
One Raffles Place ⁽³⁾	1,773.2	1,738.3	2.0%
Lippo Plaza	588.9 (RMB 2,887.0 m)	524.2 (RMB 2,524.0 m)	12.3%

(1) Based on independent valuations as at 31 December 2017 and SGD:CNY exchange rate of 1:4.902

(2) Based on independent valuations as at 31 December 2016 and SGD:CNY exchange rate of 1:4.815

(3) Based on OUB Centre's 81.54% interest in One Raffles Place. OUE C-REIT has an 83.33% indirect interest in OUB Centre Limited

(4) Not applicable. Valuation of Lippo Plaza was conducted based on Discounted Cashflow Approach and Direct Comparison Approach only

Capital Management

- With 73.7% of debt on fixed rate basis, earnings are mitigated against interest rate fluctuations
- Every 25bps increase in floating interest rates is expected to reduce distribution by S\$0.9 million per annum, or 0.06 cents in DPU

	As at 31 Mar 2018	As at 31 Dec 2017
Aggregate Leverage	40.5%	37.3%
Total debt	S\$1,329m ⁽¹⁾	S\$1,221m ⁽²⁾
Weighted average cost of debt	3.4% p.a.	3.5% p.a.
Average term of debt	2.6 years	2.7 years
% fixed rate debt	73.7%	84.3%
Average term of fixed rate debt	1.9 years	2.0 years
Interest service ratio	3.3x	3.4x

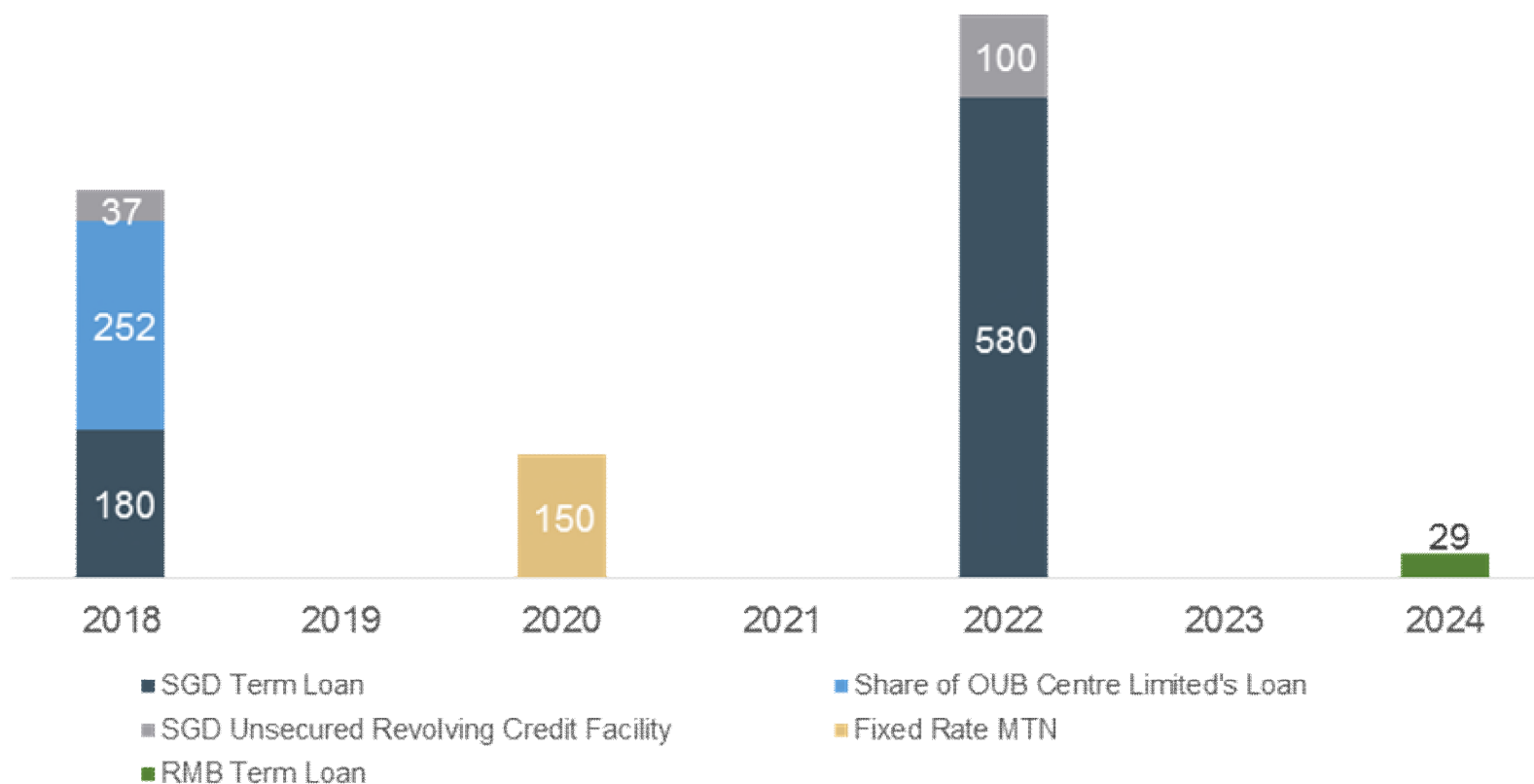
(1) Based on SGD:CNY exchange rate of 1:4.803 as at 31 March 2018 and includes OUE C-REIT's share of OUB Centre Limited's loan

(2) Based on SGD:CNY exchange rate of 1:4.902 as at 31 December 2017 and includes OUE C-REIT's share of OUB Centre Limited's loan

Debt Maturity Profile as at 31 Mar 2018

- In advanced negotiations to complete 2018 refinancing ahead of maturity in 2H 2018
- Refinancing is on unsecured terms which is expected to improve OUE C-REIT's credit profile and financial flexibility

In S\$ million

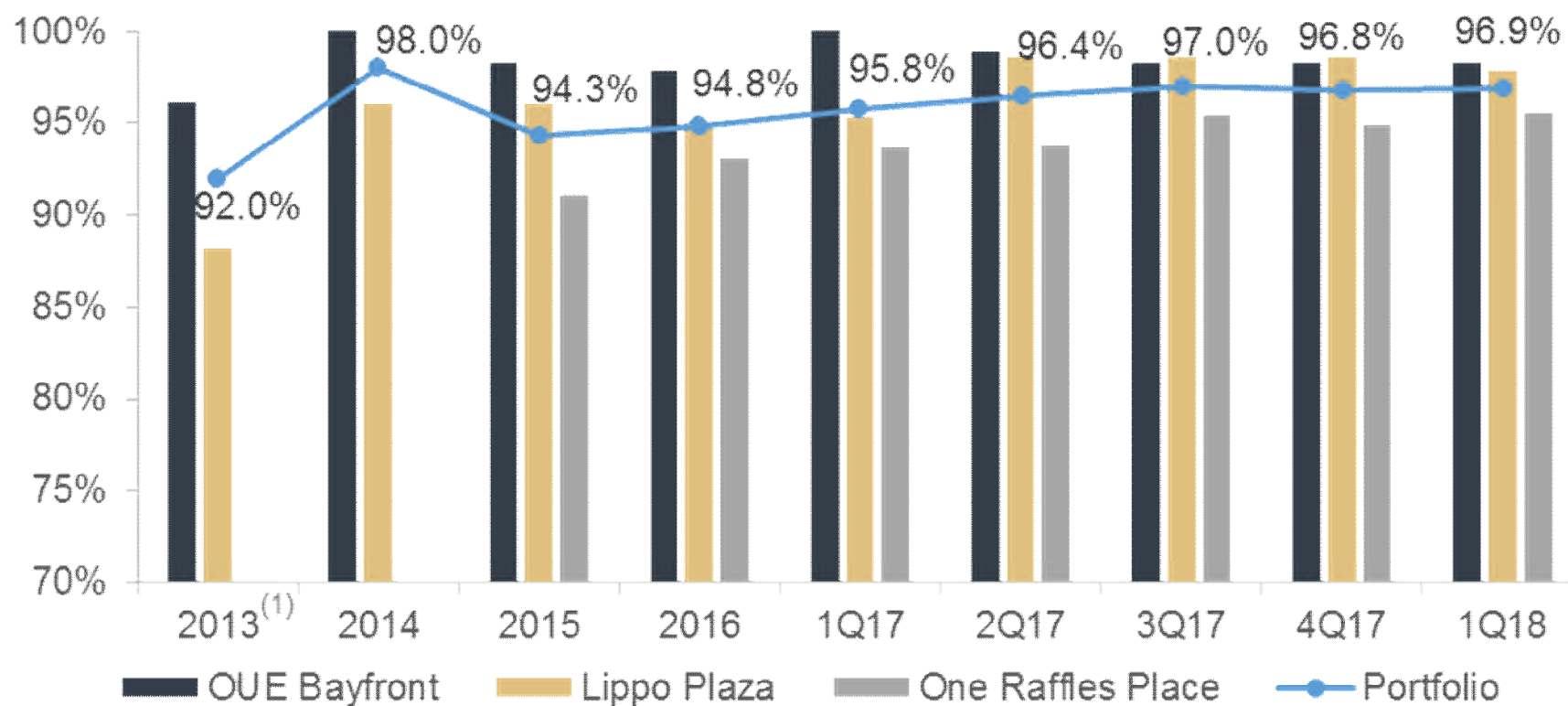


Portfolio Performance



Resilient and Stable Portfolio

OUE C-REIT's Portfolio Committed Occupancy



(1) Proforma committed occupancy as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

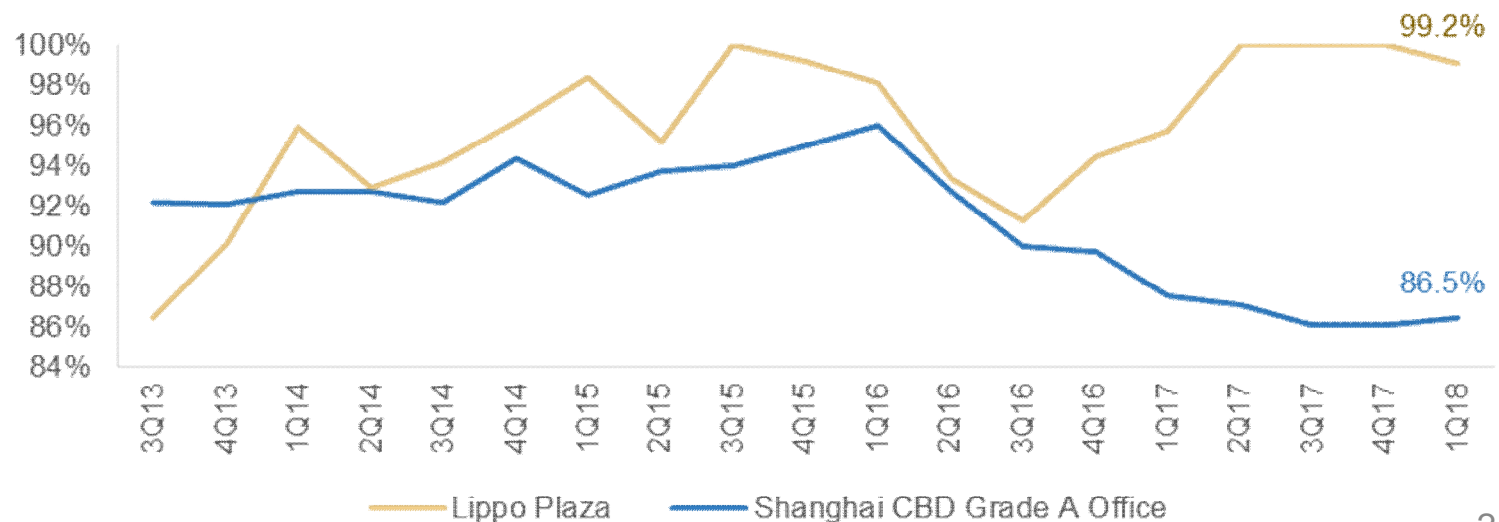
Office Occupancy Higher Than Market

- All three properties continued to achieve above market office occupancy

Singapore



Shanghai



Committed Office Rents Above Market

1Q 2018	Committed Rents ⁽¹⁾	Market Rents	Average Passing Rents for Mar 2018
OUE Bayfront	S\$11.30 – S\$13.90 psf/mth	S\$9.70 psf/mth ⁽²⁾	S\$11.42 psf/mth
One Raffles Place	S\$9.70 – S\$11.00 psf/mth	S\$9.70 psf/mth ⁽²⁾	S\$9.75 psf/mth
Lippo Plaza	RMB9.70 – RMB11.30 psm/day	RMB9.31 psm/day ⁽³⁾	RMB9.85 psm/day

- Average of new and renewal office rents committed across the portfolio at a premium to their respective market office rents

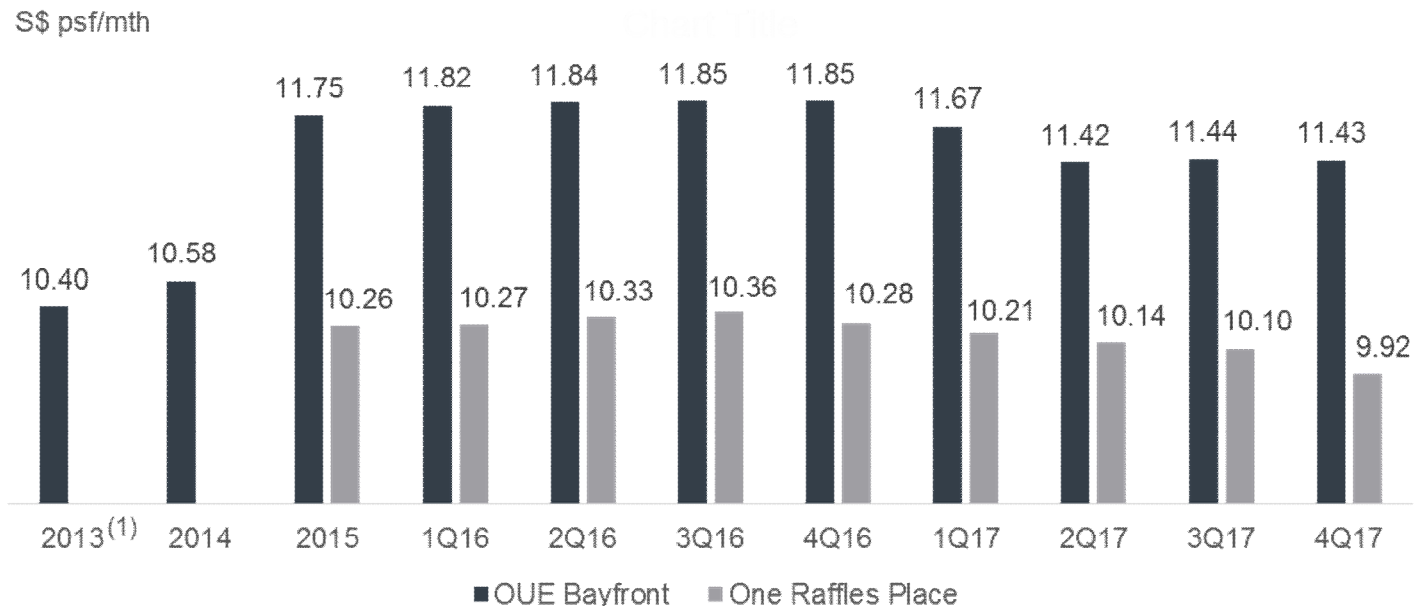
(1) Committed rents for renewals, rent reviews (if any) and new leases

(2) Refers to Grade A CBD Core office rents in Singapore. Source: CBRE Singapore MarketView 1Q 2018

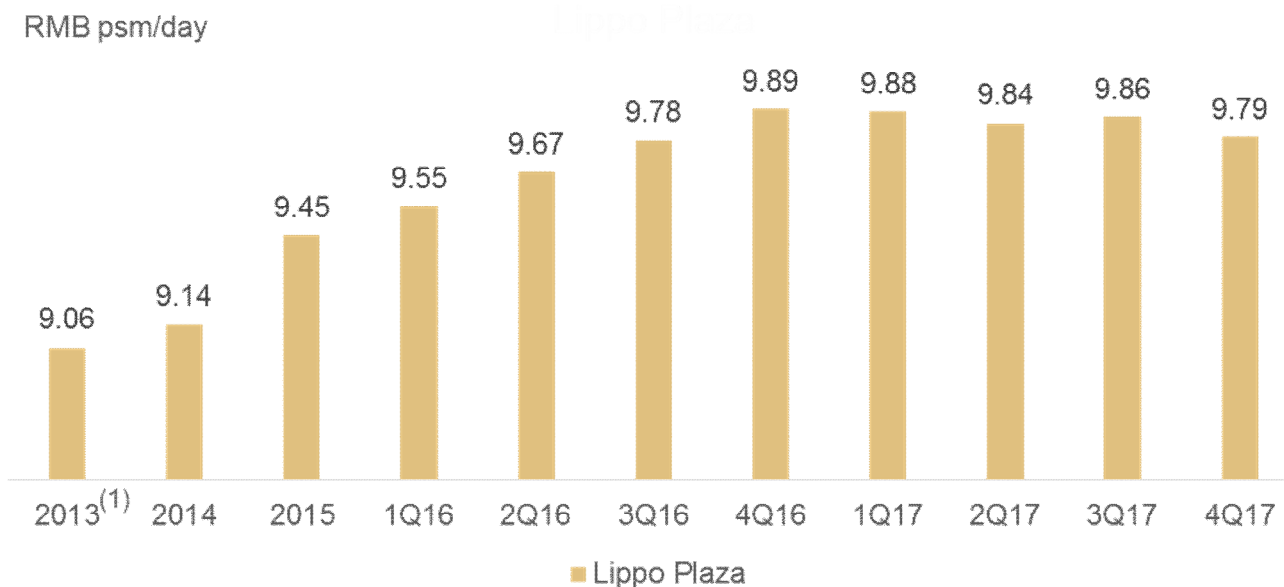
(3) Refers to CBD Grade A office rents in Puxi. Source: Colliers International Shanghai Office Research & Forecast Report 1Q 2018

Average Passing Office Rents

Singapore



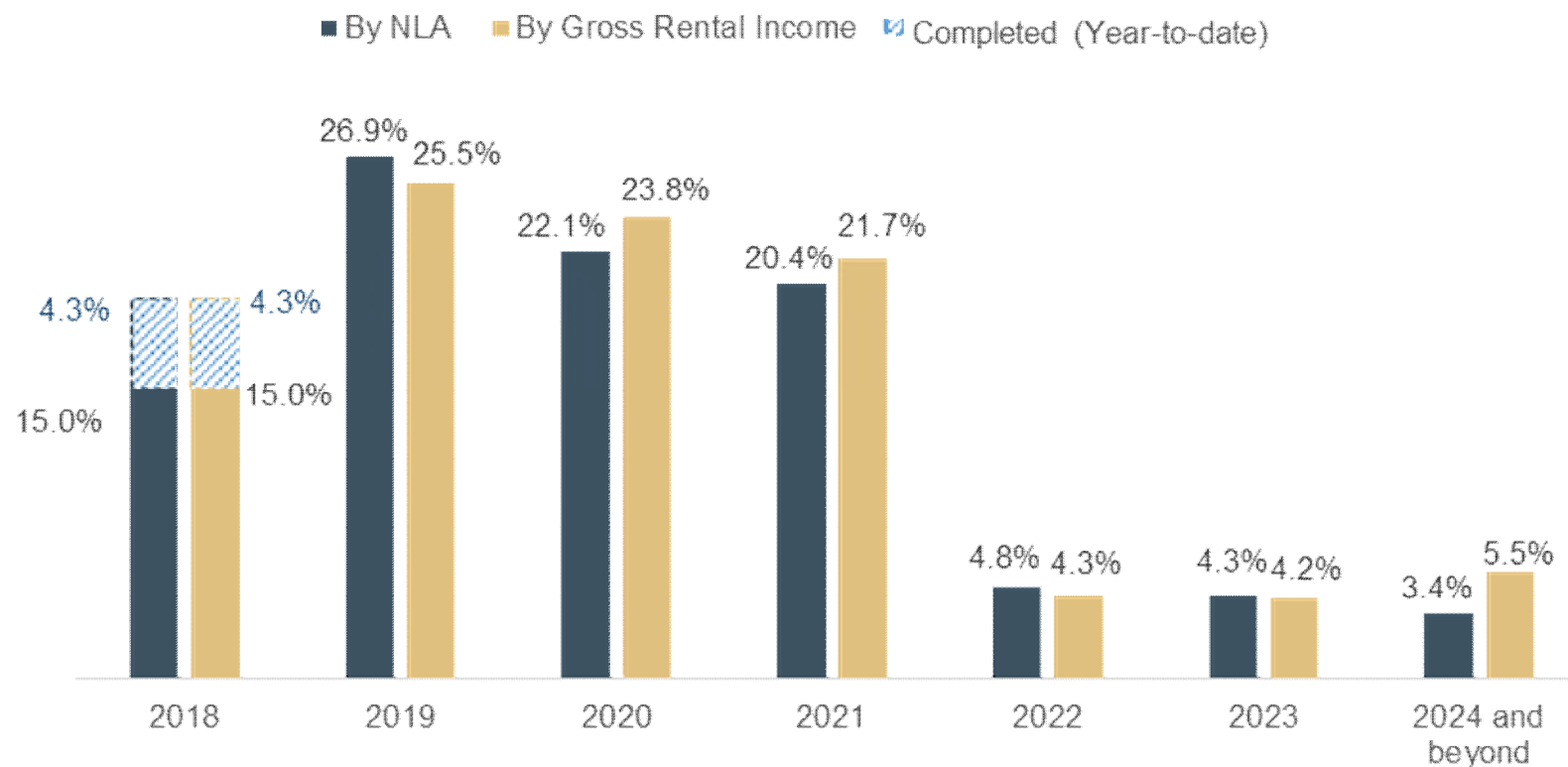
Shanghai



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

Lease Expiry Profile - Portfolio

15.0% of OUE C-REIT's portfolio gross rental income is due for renewal in 2018



WALE⁽¹⁾ of 2.4 years by NLA⁽²⁾ and 2.5 years by Gross Rental Income

As at 31 Mar 2018

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

(2) "NLA" refers to net lettable area

Asset Enhancement at One Raffles Place Shopping Mall

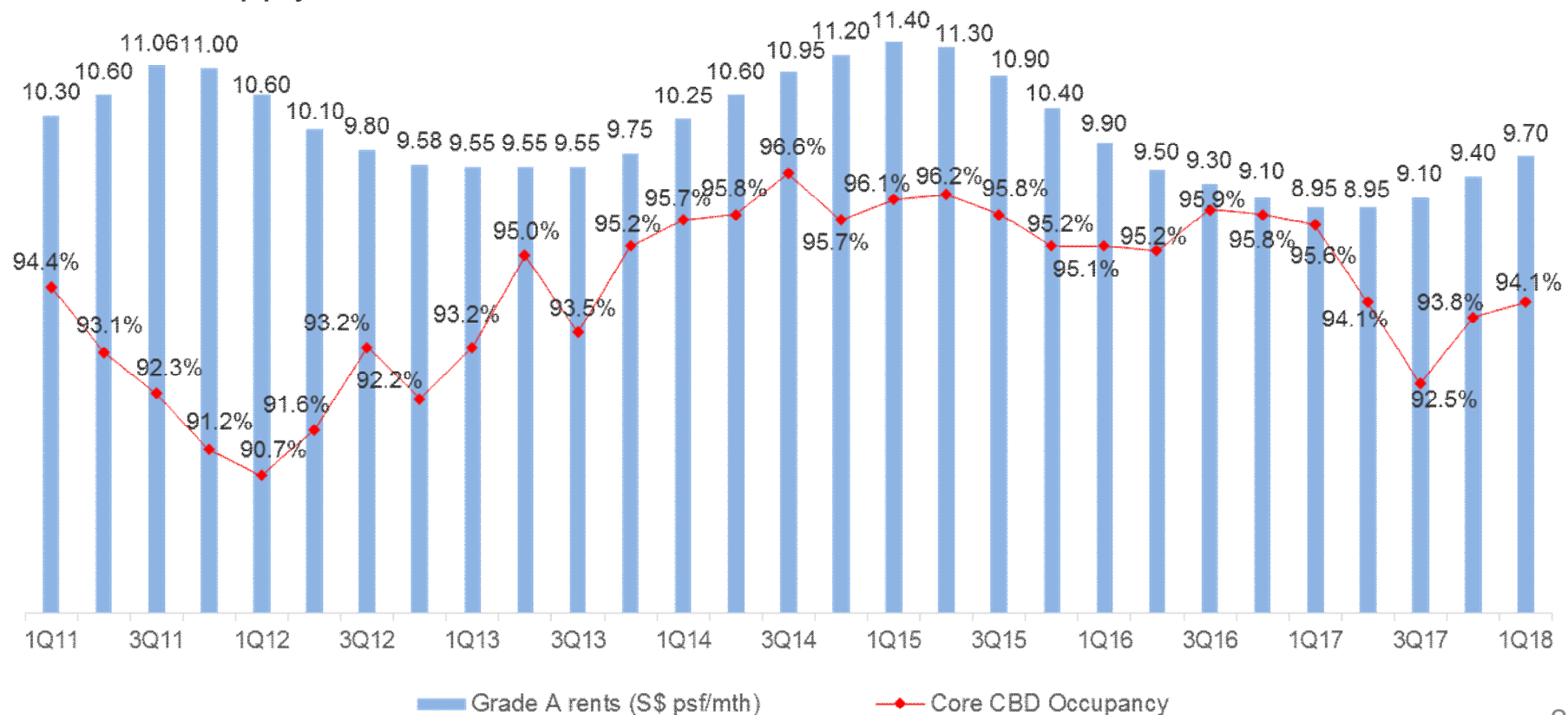
- Asset enhancement initiatives to enhance circulation areas within the mall and create a more inviting and open retail space to commence in mid-2018. These upgrades will help provide a better shopping experience while simultaneously driving the per-square-foot productivity of the mall
- As part of efforts to revitalise the mall with a more diverse and dynamic tenant mix, Spaces, a co-working concept by IWG (the world's leading provider of flexible workspace solutions), will launch its flagship site occupying more than 35,000 sq ft in the mall
- The mall will remain operational during the asset enhancement period, where works will be phased to minimise disruptions
- The cost of the enhancement works is not expected to have a material impact on OUE C-REIT's aggregate leverage

Outlook and Summary



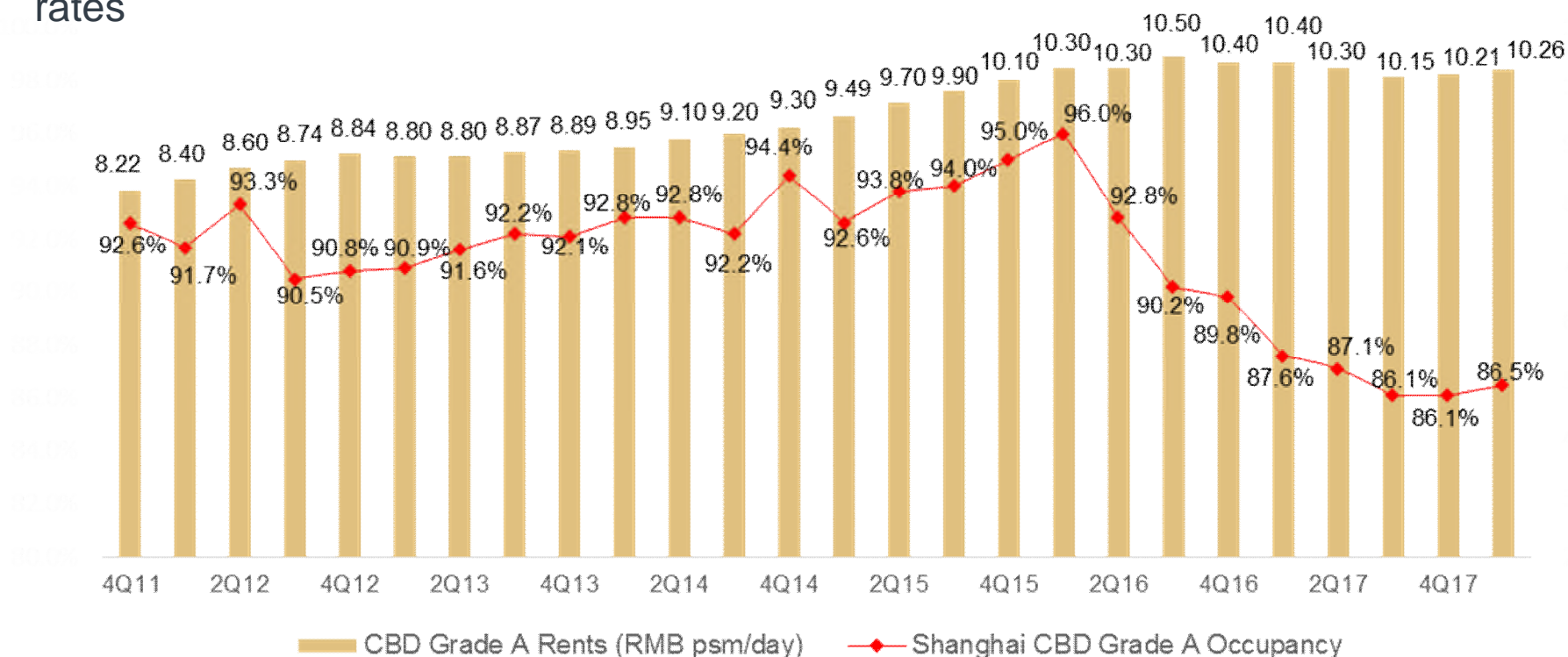
Singapore Office Market

- After eight quarters of rental decline since 2Q 2015 due to unprecedented office supply against an uncertain economic backdrop, CBD Grade A office rents recovered in 3Q 2017
- Core CBD office occupancy improved to 94.1% as at 1Q 2018, with demand supported by co-working operators, oil & gas firms, technology and the insurance sectors
- CBD Grade A office rents continued to rise, up 3.2% QoQ to S\$9.70 psf/mth. The recovery in office rents is expected to continue on the back of firmer economic fundamentals and lower office supply in the medium term



Shanghai Office Market

- Significant new office completions in 2017 resulted in a decline in Shanghai CBD Grade A occupancy
- In 1Q 2018, supported by strong demand from financial and professional services as well as technology sectors, CBD Grade A office occupancy edged up to 86.5%, with rents rising slightly to RMB10.26 psm/day
- Continued significant new office supply is expected in Shanghai over the next two years, before easing in 2020. Nevertheless, firm economic growth is likely to support healthy demand from finance and technology sectors and underpin occupancy as well as rental rates



Summary

- Positive overall rental outlook given office market recovery in Singapore and a stable Shanghai office market
 - ✓ Strategically located, landmark Grade A commercial properties in Singapore are expected to ride on this wave of rent recovery
 - ✓ Lippo Plaza in Shanghai expected to continue to enjoy stable performance
- Large proportion of debt cost is fixed, mitigating interest rate volatility
- Potential acquisition pipeline from Right of First Refusal over the Sponsor's income-producing properties



Thank you