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

ANNUAL GENERAL MEETING ON 28 APRIL 2021

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

OUE Commercial REIT Management Pte. Ltd., as manager of OUE Commercial Real Estate Investment Trust ("**OUE C-REIT**", and the manager of OUE C-REIT, the "**Manager**"), refers to:

(a) OUE C-REIT's notice of annual general meeting ("**AGM**") dated 6 April 2021; and

(b) the accompanying general announcement released on 6 April 2021 setting out, *inter alia*, the alternative arrangements relating to attendance at the AGM via electronic means.

The Manager wishes to inform that the responses to all substantial and relevant questions which have been submitted by unitholders of OUE C-REIT ("**Unitholders**") shall be published in this announcement. The Manager also wishes to inform Unitholders that it has consolidated the questions received from Unitholders and has made editorial amendments to some of the questions to ensure that the meaning of each of the questions is clear. For the avoidance of doubt, the editorial amendments do not change the meaning of the questions.

Please refer to **Annex A** hereto for the list of substantial and relevant questions, and the Manager's responses to these questions.

By Order of the Board
Kelvin Chua
Company Secretary

OUE Commercial REIT Management Pte. Ltd.
(Registration Number: 201327018E)
(as manager of OUE Commercial Real Estate Investment Trust)

27 April 2021

ANNEX A

LIST OF SUBSTANTIAL AND RELEVANT QUESTIONS AND RESPONSES

1	**It is disappointing that the distribution per unit ("DPU") has dropped by about 26% despite the merger which increased the revenue and net property income ("NPI") by about 13%. What steps will the management take to increase the DPU going forward?**
	Amount to be distributed for the financial year ended 31 December 2020 ("FY 2020") was 7.8% higher year-on-year ("YoY") at S$132.8 million. However, FY 2020 DPU of 2.43 cents was 26.6% lower due to the enlarged unit base as a result of the merger with OUE Hospitality Trust in 2019 (the "Merger"). OUE C-REIT began 2020 with a strong and well-diversified portfolio on the back of the successful Merger, supported by the positive outlook for the commercial and hospitality segments. However, the COVID-19 pandemic has severely disrupted businesses due to the various measures implemented to contain the outbreak. In FY 2020, OUE C-REIT provided approximately S$18.3 million in rental rebates to support eligible tenants and help cushion the impact of the business disruption. The restrictions on inbound visitors to Singapore due to the pandemic have also significantly impacted the demand for OUE C-REIT's hotel properties. Consequently, revenue from the hospitality segment in FY 2020 was S$67.5 million, which was the minimum rent under the master lease arrangements of the hotel properties. Challenges in OUE C-REIT's operating environment remain in the immediate future. The Manager will continue to focus on proactive asset management to drive occupancy and rents, as well as prudent capital management to maintain financial flexibility. Even as we tackle the challenges posed by the pandemic, we are committed to the long-term goal of creating value and sustainable growth for Unitholders. Hence, we are capitalising on the weak hospitality operating environment to re-brand Mandarin Orchard Singapore to Hilton Singapore Orchard. It is a timely opportunity to undertake this asset enhancement initiative to strengthen the hotel's competitive positioning for the expected recovery in the hospitality sector when Singapore relaxes its border control measures. When the hotel reopens in early 2022, the transformational re-branding will feature new income-generating spaces, refurbished rooms and revamped food & beverage offerings, which is in line with the Manager's proactive asset management approach to create value and enhance organic growth. The minimum rent of S$45.0 million per annum under Mandarin Orchard Singapore's master lease arrangement will provide downside protection throughout the phased renovation and ramping-up period.
2	**Will there be further acquisitions to boost up revenue, NPI and DPU in the near future?** **Any planned M&A activities on the card? If any, will it be overseas assets for diversification purpose?** **What does management plan to do to put the REIT back on the growth track?**
	The Manager continually evaluates value-adding acquisition opportunities to enhance sustainable returns for Unitholders. OUE C-REIT's investment mandate is to invest in commercial (including office and/or retail) properties in financial and business hubs, and hospitality assets. The mandate continues to be global. As such, the Manager aims to pursue investment opportunities in key gateway

	cities given their strong real estate fundamentals and stable growth potential, in order to provide attractive cash flows and capital growth to Unitholders.
3	**What are the steps taken to enhance OUE C-REIT's portfolio resilience amid elevated volatility across economies, industries and currencies movements?** **The renovation of Mandarin Orchard Singapore will cost S$90 million and include new meeting spaces to cater to MICE events. Is this the best time to carry out the re-branding especially with the continued restrictions on events and meetings, and that business travel will take some time to return to pre-COVID-19 levels?**
	The Manager is committed to and has undertaken various strategies to enhance the resilience of OUE C-REIT as part of our mission to deliver stable distributions and provide sustainable long-term growth in returns to Unitholders. OUE C-REIT's merger with OUE Hospitality Trust in 2019 has created a well-diversified portfolio of high quality, strategically located landmark properties across the office, retail and hospitality segments of Singapore and Shanghai. This has reduced the concentration risk associated with exposure to any single property segment or asset, improving OUE C-REIT's income resilience. With the Singapore government continuing to invest in new tourism infrastructure to position Singapore for the progressive recovery in global tourism, we believe that the long-term outlook for the Singapore hospitality segment remains favourable. The commitment by the Singapore Tourism Board to enhance and strengthen Orchard Road's position as a must-visit lifestyle destination for all international visitors bodes well for our property, which is located right in the heart of Singapore's premier shopping and entertainment district. Amidst the outbreak of the COVID-19 pandemic in 2020, we have prioritised the re-branding of Mandarin Orchard Singapore to Hilton Singapore Orchard in order to future-proof OUE C-REIT's hotel portfolio and enhance portfolio resilience. Asset enhancement works will be carried out in phases throughout 2021 and upon its relaunch in early 2022, the property will be the largest Hilton hotel in the Asia-Pacific and Hilton's flagship in Singapore, featuring enhanced Meetings, Incentives, Conventions and Exhibitions facilities, refurbished rooms and revamped food and beverage offerings. The re-branding leverages on Hilton's strong brand recognition as well as its global sales and distribution network, enhancing the property's competitive advantage amongst other upper upscale hotels along Orchard Road. In January 2021, the Manager announced the divestment of a 50% interest in the OUE Bayfront property to a fund managed by Allianz Real Estate, which was completed on 31 March 2021. The agreed property value of S$1,267.5 million represented a premium of 7.3% over the property's book value and 26.1% over the purchase consideration at listing. In retaining a 50% stake, OUE C-REIT continues to maintain significant exposure to the Singapore office market, which has demonstrated resilience amidst a challenging operating landscape. The net proceeds from the divestment provides OUE C-REIT the opportunity to optimise its capital structure for sustainability and increases its financial flexibility to consider value-enhancing options to drive further returns for Unitholders where funds can potentially be utilised to pare down debt, undertake accretive acquisitions of higher yielding assets or asset enhancement initiatives, redeem convertible perpetual preferred units, commence a DPU-accretive unit buy-back programme to enhance long-term returns and/or distribute as capital gains. Despite the operating challenges posed by the COVID-19 pandemic, we continue to focus on proactive asset management to sustain portfolio occupancy and rents by prioritising tenant retention, including adopting flexible leasing strategies where feasible to support occupiers' space requirements. To enhance the quality and marketability of OUE C-REIT's properties, we have also undertaken operational and service quality enhancements, especially given the increased focus on a clean and safe environment for the health and well-being of building occupiers. Examples of enhancements include the installation of ultraviolet light germicidal systems to further improve our buildings' indoor air quality, as well

	as more frequent cleaning of premises. Exercising prudent and disciplined capital management through cost containment and cash conservation to maintain financial flexibility is also a core focus. The Manager will also continue to diversify funding sources and proactively refinance borrowings ahead of maturity to extend OUE C-REIT's debt maturity profile and optimise borrowing costs. Appropriate hedging strategies to manage interest rate volatility and foreign exchange exposure where feasible have also been adopted. We believe OUE C-REIT's high-quality property portfolio will continue to yield a resilient performance, supported by our track record and expertise in ensuring the optimal performance of assets and prudent capital management to achieve sustainable revenue and net property income.
4	**With the divestment of a 50% stake in OUE Bayfront, what will be the impact on revenue, NPI and DPU?**
	Assuming the divestment was completed on 1 January 2020, and the proceeds were used to pay the divestment related costs and repay loans, the pro forma impact for the financial year ended 31 December 2020 would be a decrease in the DPU from 2.43 Singapore cents to 2.33 Singapore cents. On the same basis post-divestment, OUE Bayfront would contribute approximately 10.0% to OUE C-REIT's portfolio valuation as at 31 December 2020. OUE C-REIT's performance will remain underpinned largely by the office segment, which has demonstrated resilience in a challenging operating environment.
5	**Can management provide guidance on the dividend policy going forward, after the divestment of 50% of OUE Bayfront and post the completion of the Mandarin Orchard Singapore re-branding?**
	OUE C-REIT's dividend policy is to distribute at least 90% of its taxable income, on a semi-annual basis, with the actual level of distribution to be determined at the Manager's discretion. As OUE C-REIT has adopted semi-annual reporting since May 2020, the Manager will review OUE C-REIT's financial results semi-annually to determine the actual level of distribution. Since the fourth quarter of 2019, the Manager has retained S$1.5 million each quarter for working capital requirements in relation to the hospitality segment, and will continue this practice.
6	**With the divestment of OUE Bayfront, can management share the definite use of these funds going forward?** **In the 18 January announcement (on the divestment of the OUE Bayfront property), the redemption of CPPU was listed as one of the options to utilize the proceeds from the sale. Could the board make explicitly clear to unitholders whether the redemption of CPPU is last in priority on the list? Why is it not last in priority on the list?**
	The Manager is reviewing the various options available to deploy the net proceeds from the divestment, with the aim of optimising OUE C-REIT's capital structure and increasing financial flexibility. The net proceeds could potentially be used to pare down debt, undertake accretive acquisitions of higher yielding assets or asset enhancement initiatives, redeem convertible perpetual preferred units, commence a DPU accretive unit buy-back programme to enhance long-term returns to Unitholders and to distribute as capital gains. In determining the optimal use of the proceeds, we will take into consideration the impact on OUE C-REIT's capital structure, funding requirements, as well as opportunities available for growth on the horizon. Hence, the final use of the proceeds may involve a combination of

	the abovementioned options. The Manager will provide updates where appropriate on the use of the net proceeds from divestment in its future financial results or other announcements on SGXNet.
7	**What is the outlook for the various segments of business given the current situation in Singapore?**
	Office: • While global growth prospects have improved and are expected to provide support for Singapore's ongoing economic recovery, significant uncertainties remain, which could derail overall recovery prospects. Against this backdrop of ongoing uncertainties, occupiers are likely to continue to focus on cost efficiency and right-sizing. Nonetheless, the Grade A office market is expected to lead the recovery in the office sector due to limited Grade A office supply and flight-to-quality trend. OUE C-REIT's high-quality Grade A Singapore office portfolio and diversified tenant base is expected to continue to underpin a stable performance. • In the longer term, while COVID-19 has prompted occupiers to rethink their office footprint and the way they conduct business, the Manager believes that an office environment remains relevant even as more companies implement hybrid working arrangements. The office environment has a key role to play in providing opportunities for collaboration, employee engagement, as well as building company culture and identity. Corporates also continue to value the advantages of having their headquarters located in the central business districts in terms of image and reputation building, proximity to clients and business partners, as well as the excellent connectivity and accessibility. *Retail* • The retail segment is expected to remain weak given the continued structural and operational challenges facing retailers relying on short-term visitors. Uncertainty about the economic and employment outlook may also continue to weigh on discretionary expenditure. • The Manager remains committed to working with tenants, and will adopt flexible leasing strategies to sustain occupancy in view of the continued challenges faced by tenants. *Hospitality* • While Singapore is actively in discussions with numerous countries to open "travel bubbles", the positive impact to visitor numbers is expected to be minimal as long as borders remain closed to tourism. • With the government continuing to invest in new tourism infrastructure to position Singapore for the progressive recovery in global tourism, we believe that the long-term outlook for the hospitality segment remains favourable. Hence, the Manager is capitalising on the current challenging operating environment to re-brand Mandarin Orchard Singapore into Hilton Singapore Orchard to position the property to benefit from the expected recovery in the Singapore hospitality sector when borders are eventually reopened. The minimum rent component under the hotel master lease arrangement for Mandarin Orchard Singapore of S$45.0 million per annum will continue to apply throughout the phased renovation and ramping-up period, which will provide income assurance for Unitholders. Overall, the minimum rent component of S$67.5 million per annum under OUE C-REIT's hotel master lease arrangements will continue to provide significant downside protection.

8	**What is management's view on the new Code of Conduct for Leasing of Retail Premises ("Code of Conduct") and would there be any significant impact on OUE C-REIT?**
	The Code of Conduct sets out leasing guidelines and principles such that fair and balanced lease negotiations can be achieved. The Manager has always strived towards conducting lease negotiations in an open, collaborative manner to achieve the best possible outcomes for both tenants and OUE C-REIT. We believe that the formalisation of the latest market practices under the code, guided by the principles of transparency, fairness, reciprocity and sustainability, will go a long way towards building and maintaining a long term and productive partnership between landlords and tenants. The Code of Conduct is not expected to have a significant impact on OUE C-REIT. Under the Code of Conduct, rent structures must be based on a single rental computation throughout the lease term i.e. the rent structure must not have an "either/or, whichever is higher" formula. While some of OUE C-REIT's tenants in Singapore have a variable gross turnover component in their rental structure, variable rent collected from leases with an "either/or, whichever is higher" formula does not contribute significantly to OUE C-REIT's revenue.
9	**Will the group be recycling some of its assets i.e. sell them and reinvest in more promising segments?**
	In addition to sourcing investment opportunities, the Manager also explores potential divestment opportunities as part of its proactive portfolio management strategy with a view to maximise returns for unitholders. Where appropriate, the Manager will seek to capitalise on opportunities for portfolio reconstitution, by unlocking value from existing assets at an optimal stage of their life cycle, and redeploying divestment proceeds into higher yielding properties or other value-creating opportunities to enhance long-term returns for Unitholders.