

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement
for the Third Quarter 2014 and the Financial Period
from 10 October 2013 (Date of Constitution) to 30 September 2014

Table of Contents

Item No.	Description	Page
-	Introduction	2
-	Summary of OUE C-REIT Group Results	3
1(a)	Consolidated Statement of Total Return and Distribution Statement	4-6
1(b)(i)	Statements of Financial Position	7-8
1(b)(ii)	Aggregate Amount of Borrowings and Debt Securities for OUE C-REIT Group	8-9
1(c)	Consolidated Statement of Cash Flows	10-11
1(d)(i)	Statements of Changes in Unitholders' Funds	12
1(d)(ii)	Details of Any Changes in Units	13
2 & 3	Audit Statement	13
4 & 5	Changes in Accounting Policies	13-14
6	Earnings per Unit and Distribution per Unit	14
7	Net Asset Value per Unit	15
8	Review of the Performance	15
9	Variance between Actual and Forecast Results	16-17
10	Outlook and Prospects	18-19
11 & 12	Distribution	19
13	General Mandate relating to Interested Person Transactions	19
14	Confirmation pursuant to Rule 705(5) of the Listing Manual	19-20

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 (collectively, the "Joint Global Coordinators and Issue Managers") for the initial public offering of OUE Commercial Real Estate Investment Trust (the "Offering").

The Joint Global Coordinators and Issue Managers for the Offering assume no responsibility for the contents of this announcement.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

Unaudited Financial Statements Announcement for the Third Quarter 2014 and the Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

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 “**Listing Date**”). 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.

The initial portfolio of OUE C-REIT comprises two prime commercial properties located in Singapore and Shanghai:

- OUE Bayfront: Premium 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 is presenting its financial results for the Third Quarter 2014 and the financial period from 10 October 2013, being the date of constitution of OUE C-REIT, to 30 September 2014.

Distribution Policy

OUE C-REIT distribution policy is to distribute 100.0% of its amount available for distribution to Unitholders for the financial period from 27 January 2014 to 31 December 2014 and the financial year from 1 January 2015 to 31 December 2015. Thereafter the Manager will distribute at least 90.0% of OUE C-REIT’s amount available for distribution with the actual level of distribution to be determined at the discretion of the Board of Directors of the Manager.

Distribution to Unitholders will be made semi-annually based on the half-yearly results of OUE C-REIT and the first distribution after the Listing Date is for the period 27 January 2014 to 30 June 2014. This was paid by the Manager on 2 September 2014.

Unless otherwise stated, all capitalised terms used in this announcement shall have the same meaning as in the prospectus dated 17 January 2014 (the “**Prospectus**”).

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

Summary of OUE C-REIT Group Results

	3Q 2014			27 Jan 2014 ("Listing Date") to 30 Sep 2014		
	Actual ⁽¹⁾ (S\$'000)	Forecast ⁽²⁾ (S\$'000)	Change (%)	Actual ⁽¹⁾ (S\$'000)	Forecast ⁽²⁾ (S\$'000)	Change (%)
Gross revenue	19,493	19,145	1.8	51,982	51,566	0.8
Net property income	14,860	13,981	6.3	39,469	37,820	4.4
Amount available for distribution	12,216	11,840	3.2	33,332	31,998	4.2
Distribution per Unit (cents)	1.40	1.36	2.9	3.83	3.68	4.1

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.919 for 3Q 2014 and 1:4.900 for the period 27 January 2014 to 30 September 2014.
- (2) The Forecast was derived by pro-rating the forecast for 2014 disclosed in the Prospectus. An exchange rate of SGD: CNY 1:4.783 was adopted in the Forecast.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

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

		3Q 2014^{(1),(2)}	10 Oct 2013⁽³⁾ (Constitution Date) to 30 Sep 2014^{(1),(2)}
	Note	(S\$'000)	(S\$'000)
<u>Statement of Total Return</u>			
Gross revenue		19,493	51,982
Property operating expenses		(4,633)	(12,513)
Net property income		14,860	39,469
Other income	1	1,639	5,288
Amortisation of intangible asset		(1,650)	(4,489)
Manager's management fees			
- Base fee		(1,249)	(3,347)
- Performance fee	2	(127)	(255)
Trustee's fee		(80)	(214)
Other expenses		(450)	(1,244)
Finance income		31	65
Finance cost	3	(4,319)	(11,421)
Foreign exchange differences		328	(231)
Net income		8,983	23,621
Net change in fair value of investment properties	4	-	283,077
Total return for the period before tax		8,983	306,698
Tax expense	5	(998)	(41,001)
Total return for the period		7,985	265,697
<u>Distribution Statement</u>			
Total return for the period		7,985	265,697
Distribution adjustments	6	4,231	(232,365)
Amount available for distribution		12,216	33,332
<u>Unitholders' Distribution</u>			
From operations		9,626	26,327
From Unitholders' contributions		2,590	7,005
Total Unitholders' distribution		12,216	33,332

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.919 for 3Q 2014 and 1:4.900 for the period 27 January 2014 to 30 September 2014.
- (2) No comparative Consolidated Statement of Total Return and Distribution Statement has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.
- (3) OUE C-REIT was incorporated on 10 October 2013 but was dormant until the Listing Date where it completed the acquisition of OUE Bayfront and Lippo Plaza. As such, the financial statements of OUE C-REIT incorporate the performance of its property portfolio from the Listing Date.

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.

(2) Manager's management fees – Performance fee

Manager's Performance fee, calculated as 25% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

For financial year 2014, given there is no preceding financial year for OUE C-REIT, the difference in DPU shall be the difference in actual DPU with the forecast DPU from the Forecast. The Forecast was derived by pro-rating the forecast for 2014 disclosed in the Prospectus. This performance fee was accrued for the period 3Q 2014 and for the period 27 January 2014 to 30 September 2014.

(3) Finance cost

Finance cost comprises of the following:

	3Q 2014	10 Oct 2013 (Constitution Date) to 30 Sep 2014
	(S\$'000)	(S\$'000)
Borrowing costs	3,214	8,456
Amortisation of debt establishment costs	1,105	2,965
Finance cost	4,319	11,421

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

(4) Net change in fair value of investment properties

Net change in fair value of investment properties relate to the difference between OUE C-REIT Group acquisition costs and the independent valuations as at 30 September 2013.

(5) Tax expense

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

(6) Distribution adjustments

	3Q 2014	10 Oct 2013 (Constitution Date) to 30 Sep 2014
	(S\$'000)	(S\$'000)
<u>Distribution adjustments</u>		
- Net change in fair value of investment properties	-	(283,077)
- Amortisation of intangible asset	1,650	4,489
- Amortisation of debt establishment costs	1,043	2,800
- Management base fee paid/payable in Units	1,249	3,347
- Management performance fee payable in Units	127	255
- Trustee's fees	80	214
- Deferred tax expense	341	39,202
- Foreign exchange differences	(328)	234
- Other items	69	171
Net distribution adjustments	4,231	(232,365)

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

1(b)(i) Statements of Financial Position

		Group 30 Sep 2014 <small>(1),(2)</small>	Trust 30 Sep 2014⁽²⁾
	Note	S\$'000	S\$'000
Non-current assets			
Investment properties		1,584,388	1,102,000
Investment in subsidiary		-	265,363
Intangible asset	1	28,511	28,511
Plant and equipment		50	-
Financial derivatives	2	576	576
		1,613,525	1,396,450
Current assets			
Trade and other receivables		2,632	4,347
Cash and cash equivalents		34,787	7,650
		37,419	11,997
Total assets		1,650,944	1,408,447
Non-current liabilities			
Loans and borrowings		644,004	582,095
Trade and other payables		15,373	10,622
Deferred tax liabilities		38,609	-
Financial derivatives	2	1,251	1,251
		699,237	593,968
Current liabilities			
Trade and other payables		29,620	11,202
Loans and borrowings		163	-
Current tax payable		3,752	-
		33,535	11,202
Total liabilities		732,772	605,170
Net assets attributable to Unitholders		918,172	803,277
Represented by:			
Unitholders' funds		918,172	803,277

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the closing SGD: CNY rate of 1:4.845.
- (2) No comparative Statements of Financial Position as at preceding financial period end i.e. 31 December 2013 has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

Notes to Statements of Financial Position:

(1) Intangible asset

Intangible asset represents the unamortised income support receivable by OUE C-REIT under the income support arrangement with OUE Limited in relation to OUE Bayfront.

(2) Financial derivatives

Financial derivatives represent the fair value of the interest rate swaps entered to hedge floating interest rate risk on the OUE C-REIT Group's borrowings.

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

	30 Sep 2014⁽¹⁾ (\$'000)
Secured borrowings	
Amount repayable within one year, or on demand	165
Amount repayable after one year	656,639
Less: Debt establishment costs ⁽²⁾	(12,637)
Total secured borrowings	644,167
Unsecured borrowings	-
Total borrowings	644,167

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the closing SGD: CNY rate of 1:4.845.
- (2) Debt establishment costs are amortised over the tenure of the respective loan facilities.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

Details of any collaterals

The OUE C-REIT Group has a total credit facilities of approximately S\$746.0 million comprising (1) S\$580.0 million term loan facilities, (2) S\$100.0 million revolving credit facility and (3) RMB320.0 million term loan facility. Approximately S\$656.8 million of the facilities were utilised as at 30 September 2014.

The S\$580.0 million term loan facilities and S\$100.0 million revolving credit facility are secured by:

- (a) a registered first legal mortgage over OUE Bayfront;
- (b) legal assignment of all insurance save in respect of the third party liability insurance including workmen's compensation taken in respect of OUE Bayfront;
- (c) assignment of all rights, titles, benefits and interest in connection with any lease or tenancy agreement, lease or tenancy deposit/proceeds, sales agreements, sales deposits/proceeds, deed of income support and property management agreements in respect of OUE Bayfront; and
- (d) 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 present and future assets of OUE C-REIT in connection with OUE Bayfront.

The RMB320.0 million term loan facility is secured by:

- (a) a first priority mortgage over Lippo Realty (Shanghai) Limited's (the "PRC Company") right, title and interests in Lippo Plaza;
- (b) the account control over certain bank accounts of the PRC Company;
- (c) an assignment of the rights under the property management agreement, insurance policies save in respect of third party liability insurance; and
- (d) a first priority pledge over receivables from Lippo Plaza including all monetary rights, title, claims and interest, present and future, actual and contingent arising from any existing and future tenancy agreements with respect to Lippo Plaza.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

1 (c) Consolidated Statement of Cash Flows

	3Q 2014⁽¹⁾	10 Oct 2013 (Constitution Date) to 30 Sep 14⁽¹⁾
Note	(S\$'000)	(S\$'000)
Cash flows from operating activities		
Total return for the period	7,985	265,697
Adjustments for:		
Manager's management fees paid/payable in Units	1,376	3,602
Finance income	(31)	(65)
Finance cost	4,319	11,421
Depreciation	1	4
Loss on disposal on plant and equipment	5	5
Amortisation of intangible asset	1,650	4,489
Net change in fair value of investment properties	-	(283,077)
Tax expense	998	41,001
Operating income before working capital changes	16,303	43,077
Changes in working capital:		
Trade and other receivables	2,250	(2,247)
Trade and other payables	3,240	27,598
Cash generated from operating activities	21,793	68,428
Tax paid	(500)	(983)
Net cash from operating activities	21,293	67,445
Cash flow from investment activities		
Acquisition of subsidiaries, net of cash acquired	-	(127,664)
Additions to investment properties	-	(30)
Acquisition of investment property	-	(658,600)
Proceeds from sale of plant and equipment	4	4
Interest received	31	65
Net cash (used in)/ from investing activities	35	(786,225)
Cash flows from financing activities		
Proceeds from issue of Units	-	346,400
Payment of transaction costs related to the issue of Units	(30)	(16,217)
Interest paid	(3,145)	(6,153)
Proceeds from borrowings	14,000	696,379
Repayment of borrowings	(3,080)	(229,911)
Payment of transaction costs related to loans and borrowings	-	(15,624)
Distribution paid	(21,108)	(21,108)
Movement in restricted cash	-	(2,218)
Net cash (used in)/ from financing activities	(13,363)	751,548
Net increase in cash and cash equivalents	7,965	32,768
Cash and cash equivalents at beginning of the period	24,202	-
Effect of exchange rate fluctuations on cash held	384	(217)
Cash and cash equivalents at end of the period	32,551	32,551

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

Footnote:

- (1) No comparative Consolidated Statement of Cash Flows has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

Notes to Consolidated Statement of Cash Flows:

- (1) 432,999,999 Units amounting to S\$346.4 million were issued to Clifford Development Pte Ltd, a wholly owned subsidiary of OUE Limited and the vendor of OUE Bayfront, as partial satisfaction of the purchase consideration for the property (“Consideration Units”).
- (2) An aggregate of 433,000,000 Units amounting to S\$346.4 million were issued on Listing Date.
- (3) Transaction costs relating to the issue of Units were paid out from the gross proceeds from the Offering. Such costs were incurred in accordance with pages 102 and 103 of the Prospectus. With the payment of these transaction costs, the gross proceeds of the Offering have been materially disbursed.
- (4) For purpose of the Consolidated Statement of Cash Flows, the OUE C-REIT Group cash and cash equivalents comprise the following:

	30 Sep 2014 (S\$'000)
Bank and cash balances	21,399
Fixed deposit	13,388
Cash and cash equivalents at end of the period	34,787
Less: Restricted cash	(2,236)
Cash and cash equivalents	32,551

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

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

	Group		Trust	
	3Q 2014 ⁽¹⁾ (S\$'000)	10 Oct 2013 (Constitution Date) to 30 Sep 2014 ⁽¹⁾ (S\$'000)	3Q 2014 ⁽¹⁾ (S\$'000)	10 Oct 2013 (Constitution Date) to 30 Sep 2014 ⁽¹⁾ (S\$'000)
Balance at beginning of the financial period	918,089	- ⁽²⁾	816,051	- ⁽²⁾
Operations				
Total return for the period	7,985	265,697	5,427	145,101
Net increase in net assets resulting from operations	7,985	265,697	5,427	145,101
Unitholders' transactions				
Issue of new Units				
- Initial public offering	-	346,400	-	346,400
- Consideration Units	-	346,400	-	346,400
- Manager's management fees paid/payable in Units	1,376	3,602	1,376	3,602
Issue expenses	-	(16,442)	-	(16,442)
Distribution paid to Unitholders	(21,108)	(21,108)	(21,108)	(21,108)
Net increase in net assets resulting from Unitholders' transactions	(19,732)	658,852	(19,732)	658,852
Movement in foreign currency translation reserve	10,299	(5,701)	-	-
Hedging transactions				
Effective portion of change in fair value of cash flow hedge	1,531	(676)	1,531	(676)
Net decrease in net assets resulting from hedging transactions	1,531	(676)	1,531	(676)
Total Unitholders' funds as at end of the period	918,172	918,172	803,277	803,277

Footnotes:

(1) No comparative Statements of Changes in Unitholders' Funds has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

(2) Less than S\$1,000

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

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

	3Q 2014 ⁽¹⁾ ('000)	10 Oct 2013 (Constitution Date) to 30 Sep 2014 ⁽¹⁾ ('000)
Units in issue:		
At the beginning of the financial period	867,105	- ⁽²⁾
Issue of new units relating to:		
- Initial public offering	-	433,000
- Consideration Units	-	433,000
- Manager's management fee paid in Units	1,528	2,633
At end of period	868,633	868,633
Units to be issued:		
Manager's management fee payable in Units	1,884	1,884
At the end of the period	870,517	870,517

Footnotes:

(1) No comparative for Details of Any Changes in Units has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

(2) Less than 1,000 Units

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 period are consistent with those described in the Prospectus.

In addition, OUE C-REIT Group adopted various new standards, amendments to standards and interpretations which do not have a significant impact on the financial statements.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

- 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.

- 6 Earnings per Unit and Distribution per Unit**

	3Q 2014⁽¹⁾	10 Oct 2013 (Constitution Date) to 30 Sep 2014⁽¹⁾
Weighted average number of units ('000)	868,812	867,473
Earning per unit (" EPU ") - Basic and Diluted Basic and Diluted ⁽²⁾ (Cents)	0.92	30.63
Number of Units entitled to distribution ('000)	870,197	870,197
Distribution per unit (" DPU ") ⁽³⁾ (Cents)	1.40	3.83

Footnotes:

- (1) No comparative for EPU and DPU has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.
- (2) The computation of basic EPS is based on the weighted average number of Units of 868,811,708 for 3Q 2014 and 867,472,891 for the period ended 30 September 2014 comprising:
- (i) The weighted average number of Units in issue for 3Q 2014 and for the period ended 30 September 2014; and
 - (ii) The weighted average number of Units to be issued to the Manager as satisfaction of Manager's base fees for 3Q 2014 and Manager's performance fees for the period from 27 January 2014 to 30 September 2014.

The Diluted EPU is the same as the Basic EPU as there is no dilutive instrument in issue at the end of the period.

- (3) The computation of the DPU is based on the number of Units entitled to distribution of 870,196,843. This comprises:
- (i) The number of Units in issue as at 30 September 2014 of 868,632,843; and
 - (ii) The Units to be issued to the Manager as satisfaction of Manager's base fee payable for 3Q 2014 of 1,564,000.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

7 Net Asset Value per Unit

	Group 30 Sep 2014⁽¹⁾	Trust 30 Sep 2014⁽¹⁾
Number of Units in issue and to be issued at end of period ('000)	870,517	870,517
Net asset value (" NAV ") per Unit (S\$)	1.05	0.92

Footnote:

(1) No comparative for Net Asset Value per Unit has been prepared as OUE C-REIT was dormant since its constitution to the Listing Date.

The NAV per Unit is computed based on the Units in issue and to be issued as at 30 September 2014 of 870,516,856.

8 Review of the Performance

Please refer to section 9 on the review of Actual performance against the Forecast.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

9 Variance between Actual and Forecast Results

	3Q 2014			27 Jan 2014 to 30 Sep 2014		
	Actual ⁽¹⁾ (S\$'000)	Forecast ⁽¹⁾ (S\$'000)	Change (%)	Actual ^{(1),(2)} (S\$'000)	Forecast ⁽¹⁾ (S\$'000)	Change (%)
Gross revenue	19,493	19,145	1.8	51,982	51,566	0.8
Property operating expenses	(4,633)	(5,164)	(10.3)	(12,513)	(13,746)	(9.0)
Net property income	14,860	13,981	6.3	39,469	37,820	4.4
Other income	1,639	2,084	(21.4)	5,288	5,466	(3.3)
Amortisation of intangible asset	(1,650)	(1,650)	-	(4,489)	(4,489)	-
Manager's management fees						
- Base fee	(1,249)	(1,260)	(0.9)	(3,347)	(3,420)	(2.1)
- Performance fee	(127)	-	N/M	(255)	-	N/M
Trustee's fee	(80)	(81)	(1.2)	(214)	(219)	(2.3)
Other expenses	(450)	(644)	(30.1)	(1,244)	(1,756)	(29.2)
Finance income	31	-	N/M	65	-	N/M
Finance cost	(4,319)	(4,441)	(2.7)	(11,421)	(12,083)	(5.5)
Foreign exchange differences	328	-	N/M	(231)	-	N/M
Net income	8,983	7,989	12.4	23,621	21,319	10.8
Net change in fair value of investment properties	-	-	-	283,077	285,144	(0.7)
Total return for the period before tax	8,983	7,989	12.4	306,698	306,463	0.1
Tax expense	(998)	(886)	12.6	(41,001)	(41,113)	(0.3)
Total return for the period	7,985	7,103	12.4	265,697	265,350	0.1
<u>Distribution Statement</u>						
Total return for the period	7,985	7,103	12.4	265,697	265,350	0.1
Distributions adjustments	4,231	4,737	(10.7)	(232,365)	(233,352)	(0.4)
Amount available for distribution to Unitholders	12,216	11,840	3.2	33,332	31,998	4.2

N/M: Not meaningful, NA: Not applicable

Footnotes:

- (1) The Actual results of OUE C-REIT's foreign subsidiaries are translated using the average SGD: CNY rate of 1:4.919 for 3Q 2014 and 1:4.900 for the period 27 January 2014 to 30 September 2014 whereas the exchange rate of 1:4.783 was adopted in the Forecast.
- (2) As OUE C-REIT was dormant since its constitution to Listing Date, the amount available for distribution relates to the period from the Listing Date to 30 September 2014.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

Review of the Performance

3Q 2014

Gross revenue of S\$19.5 million was 1.8% higher than Forecast of S\$19.1 million due mainly to better occupancy and rental reversions than budgeted. Property operating expenses of S\$4.6 million was 10.3% lower than Forecast of S\$5.2 million mainly due to lower utilities and maintenance costs incurred.

As a result, net property income was S\$14.9 million, 6.3% higher than Forecast of S\$14.0 million.

In respect to other income, OUE Bayfront achieved stronger than forecast rental revenue, resulting in the lower drawdown of income support amounting to S\$1.6 million which was 21.4% lower than Forecast of S\$2.1 million.

Other expense of S\$0.5 million was 30.1% lower than Forecast due to lower trust expenses incurred.

Tax expenses of \$1.0 million was 12.6% higher than Forecast of S\$0.9 million mainly due to higher corporate and withholding tax as a result of better than budgeted performance of Lippo Plaza. This is partly offset by lower deferred tax provision.

Net income of S\$9.0 million was 12.4% higher than Forecast mainly due to the higher net property income, lower interest cost and trust expenses incurred.

27 January 2014 to 30 September 2014

Gross revenue of S\$52.0 million was in line with Forecast. Property operating expenses of S\$12.5 million was 9.0% lower than Forecast of S\$13.7 million mainly due to lower utilities and maintenance costs incurred.

As a result, net property income was S\$39.5 million, 4.4% higher than Forecast of S\$37.8 million.

Other expense of S\$1.2 million was 29.2% lower than Forecast due to lower trust expenses incurred.

Finance cost of S\$11.4 million was 5.5% lower than Forecast as the actual loan quantum was lower than the amount estimated to be drawn in the Forecast.

Net income of S\$23.6 million was 10.8% higher than Forecast mainly due to the higher net property income, lower interest cost and trust expenses incurred.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

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

3Q 2014 GDP growth in Singapore remained stable at 2.4%¹ on a year-on-year (“YoY”), based on advance estimates by the Ministry of Trade and Industry (“MTI”). On a seasonally adjusted basis, the economy expanded 1.2% quarter-on quarter (“QoQ”), reversing the 0.1% contraction in the previous quarter. The official 2014 GDP growth forecast was tightened to a range of 2.5% to 3.5%, from 2.0% to 4.0% previously.

According to CBRE², Grade A office rents rose by 3.3% QoQ to S\$10.95 psf per month, in the fourth consecutive quarter of increase. Core CBD occupancy rose 0.8 percentage points (“ppt”) to 96.6% as leasing momentum remained steady with net absorption of 230,000 sq ft in 3Q 2014. Demand was predominantly from expansion by existing tenants and was across diverse trade sectors. Given tighter vacancy levels and limited new supply in the CBD until end 2015, rental growth is expected to remain positive.

China

China’s GDP growth moderated to 7.3%³ YoY in 3Q 2014, from 7.5% in the previous quarter, as the slowdown in the housing market continued to weigh on the economy. The subdued 3Q 2014 economic performance prompted the authorities to step up stimulus to shore up the economy. Fiscal and monetary policies are expected to remain accommodative until economic growth stabilizes.

According to Colliers International Research⁴, overall vacancy in the Shanghai CBD market increased by 0.6 ppt QoQ to 7.8% as at end 3Q 2014 due primarily to two new office completions during the quarter. The average Shanghai CBD office rental was RMB9.2 psm per day, 0.6% higher QoQ, underpinned by better rental growth in Pudong. In Puxi, rents declined modestly by 0.4% QoQ to RMB8.8 psm per day though vacancy decreased 0.4 ppt to 11.0%. The rental outlook is expected to be subdued as further new supply in the market is anticipated.

Outlook for 2014

As core CBD vacancy in Singapore continues to tighten in view of limited new office supply, Grade A office rents are expected to continue to rise. This is positive for OUE Bayfront, which accounts for about 70% of OUE C-REIT’s portfolio. The outlook for Shanghai CBD office is expected to be stable.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

Barring any unforeseen event and any weakening of the economic environment, the Manager expects OUE C-REIT to meet its forecast distribution for financial period 2014.

¹ Ministry of Trade and Industry Press Release, 14 October 2014

² CBRE, Singapore MarketView 3Q14

³ National Bureau of Statistics Press Release, 21 October 2014

⁴ Colliers International Research, Shanghai Office Research and Forecast Report 3Q14

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 distributions declared for the corresponding period of the immediate preceding financial periods?

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 10 October 2013 to 30 September 2014 to be false or misleading in any material respect.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement for the Third Quarter 2014 and the
Financial Period from 10 October 2013 (Date of Constitution) to 30 September 2014

On behalf of the Board of the Manager

Christopher Williams
Chairman

Tan Shu Lin
Chief Executive Officer / Executive Director

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)

31 October 2014