



Financial Results for 1st Quarter 2017

5 May 2017

Important Notice

This presentation shall be read in conjunction with OUE Commercial REIT's Financial Results announcement for 1Q 2017 dated 5 May 2017.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in OUE Commercial REIT ("Units"). The value of Units and the income 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. as the Manager of OUE Commercial REIT (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 Commercial REIT is not necessarily indicative of the future performance of OUE Commercial REIT.

This presentation may contain forward-looking statements that involve risks and uncertainties. All statements regarding future financial position, operating results, business strategies, plans and future prospects of OUE Commercial REIT are forward-looking statements. 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. These forward-looking statements speak only as at the date of this presentation. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. 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.

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

- Key Highlights
- Financial Performance and Capital Management
- Portfolio Performance
- Outlook
- Appendices

Financial Highlights

- 1Q 2017 revenue of S\$44.8 million was 4.4% higher year-on-year (“YoY”), due to strong performance from all three properties. Accordingly, 1Q 2017 net property income was 4.2% higher YoY at S\$34.6 million
- 1Q 2017 amount available for distribution was S\$16.6 million; 1Q 2017 DPU was 1.23 cents

Portfolio Performance

- In 1Q 2017, committed office occupancy increased at all three properties, lifting portfolio committed occupancy by 1.0 percentage point (“ppt”) quarter-on-quarter (“QoQ”) to 95.8%. OUE Bayfront achieved 100% committed office occupancy, compared to 97.7% a quarter ago, while One Raffles Place’s committed office occupancy continued to improve for the fifth consecutive quarter, edging up 0.8 ppt QoQ and 2.4 ppt YoY to 93.0%. Lippo Plaza’s committed office occupancy increased 1.3 ppt QoQ to 95.8%
- Committed rents for new and renewed Singapore office rents achieved in 1Q 2017 were in line or above the market rent of S\$8.95 psf per month⁽¹⁾
- OUE Bayfront’s average office passing rent was S\$11.67 psf per month, and S\$10.21 psf per month at One Raffles Place. Lippo Plaza’s average office passing rent was 3.5% higher YoY at RMB9.88 psm per day

Capital Management

- On 17 March 2017, the Manager issued 233.3 million new Units to raise S\$150.0 million via a private placement to institutional and local investors. Consequently, OUE C-REIT's aggregate leverage as at 31 March 2017 was 36.2%, compared to 39.8% as at 31 December 2016, thus strengthening its balance sheet and enhancing financial flexibility
- Weighted average cost of debt was 3.4% per annum as at 31 March 2017, with 81.2% of borrowings on fixed rate basis
- With an average term of debt of 3.3 years, OUE C-REIT has no refinancing requirement in 2017
- For 1Q 2017, the Manager has elected to receive 20% of its base management fees in cash, with the balance in Units

Financial Performance & Capital Management

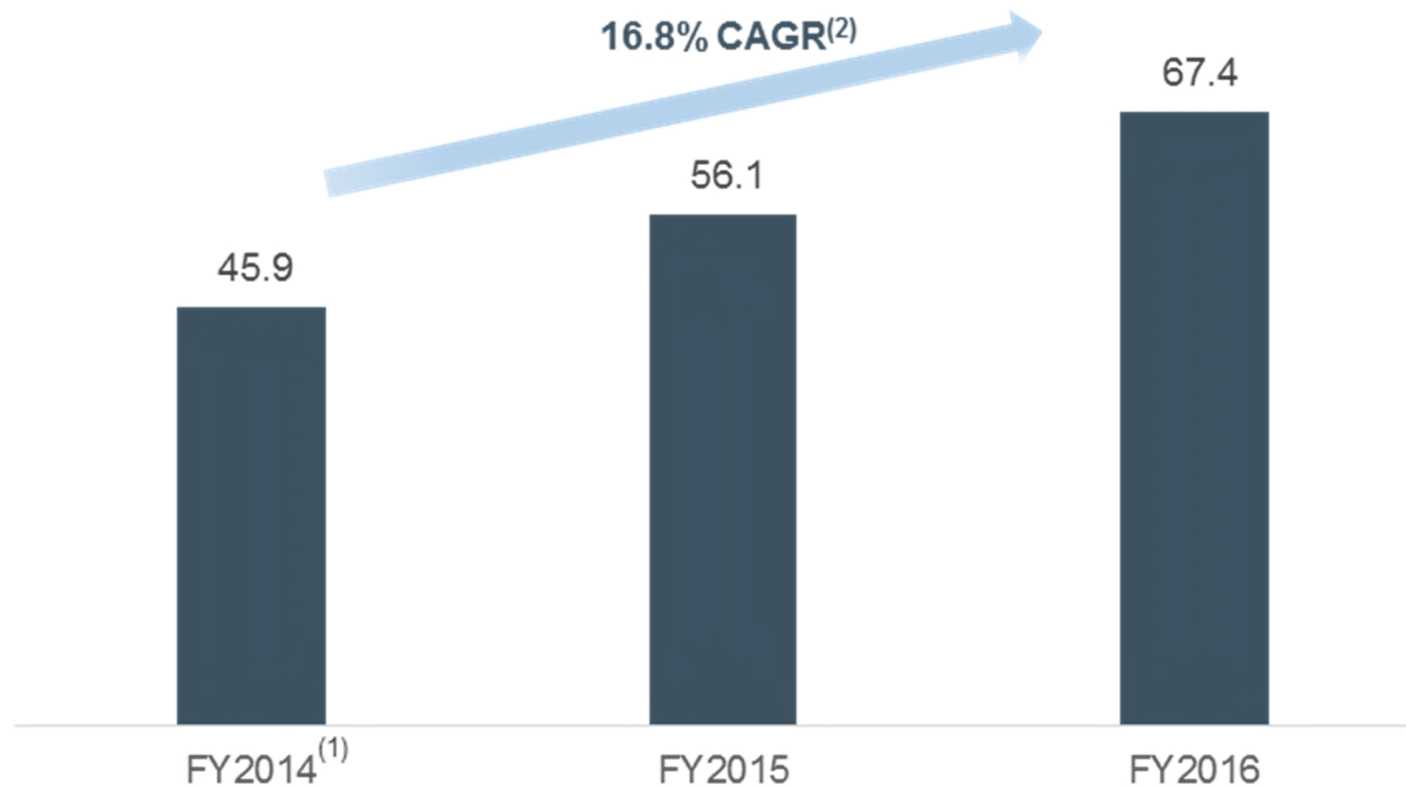


Delivered Sustainable Distribution

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) Compound annual growth rate (CAGR) computed 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 2017 vs 1Q 2016

| | 1Q 2017 | 1Q 2016 | Change |
|--|---------|---------|--------|
| Revenue (S\$m) | 44.8 | 42.9 | +4.4% |
| Net Property Income (S\$m) | 34.6 | 33.3 | +4.2% |
| Amount Available for Distribution to Unitholders (S\$m) | 16.6 | 17.0 | -2.3% |
| DPU (cents) | 1.23 | 1.32 | -6.8% |

- 1Q 2017 revenue was S\$44.8 million, an increase of 4.4% YoY, due to strong performance from all three properties in the portfolio
- Accordingly, net property income of S\$34.6 million was 4.2% higher YoY
- Amount available for distribution of S\$16.6 million in 1Q 2017 was 2.3% lower than a year ago, due mainly to an adjustment for amount set aside for the transfer of China-sourced profits from Lippo Plaza to statutory reserve. This is a prudent measure by the Manager to ensure sustainable distribution to Unitholders

1Q 2017 vs 1Q 2016

| S\$'000 | 1Q 2017 | 1Q 2016 | Change (%) |
|---|---------------|---------------|-------------------|
| Revenue | 44,816 | 42,914 | 4.4 |
| Property operating expenses | (10,174) | (9,659) | 5.3 |
| Net property income | 34,642 | 33,255 | 4.2 |
| Other income | 675 | 703 | (4.0) |
| Amortisation of intangible asset | (1,113) | (1,118) | (0.4) |
| Manager's management fees | (2,339) | (2,345) | (0.3) |
| Other expenses | (625) | (704) | (11.2) |
| Finance income | 364 | 49 | NM ⁽¹⁾ |
| Finance costs | (13,966) | (13,750) | 1.6 |
| Foreign exchange differences | (221) | (396) | (44.2) |
| Total return before tax | 17,417 | 15,694 | 11.0 |
| Tax expense | (4,448) | (3,911) | 13.7 |
| Total return for period | 12,969 | 11,783 | 10.1 |
| Non-controlling interests | (1,992) | (1,818) | 9.6 |
| CPPU holder distribution | (1,356) | (1,367) | (0.8) |
| Distribution adjustments | 7,021 | 8,443 | (16.8) |
| Amount available for distribution to Unitholders | 16,642 | 17,041 | (2.3) |

(1) NM: Not meaningful

Healthy Balance Sheet

| S\$ million | As at 31 Mar 2017 |
|---|--------------------------|
| Investment Properties | 3,397.8 |
| Total Assets | 3,453.3 |
| Loans and borrowings | 1,178.4 |
| Total Liabilities | 1,368.0 |
| Net Assets Attributable to Unitholders | 1,322.8 |
| Units in issue and to be issued ('000) | 1,538,596 |
| NAV per Unit (S\$) | 0.86 |

Capital Management

- Aggregate leverage improved to 36.2% as at 31 March 2017 from 39.8% a quarter ago, with a longer average term of debt of 3.3 years compared to 1.5 years as at 31 December 2016
- With 81.2% of debt on fixed rate basis, every 25bps increase in floating interest rates is expected to reduce distribution by S\$0.5 million per annum, or 0.03 cents in DPU

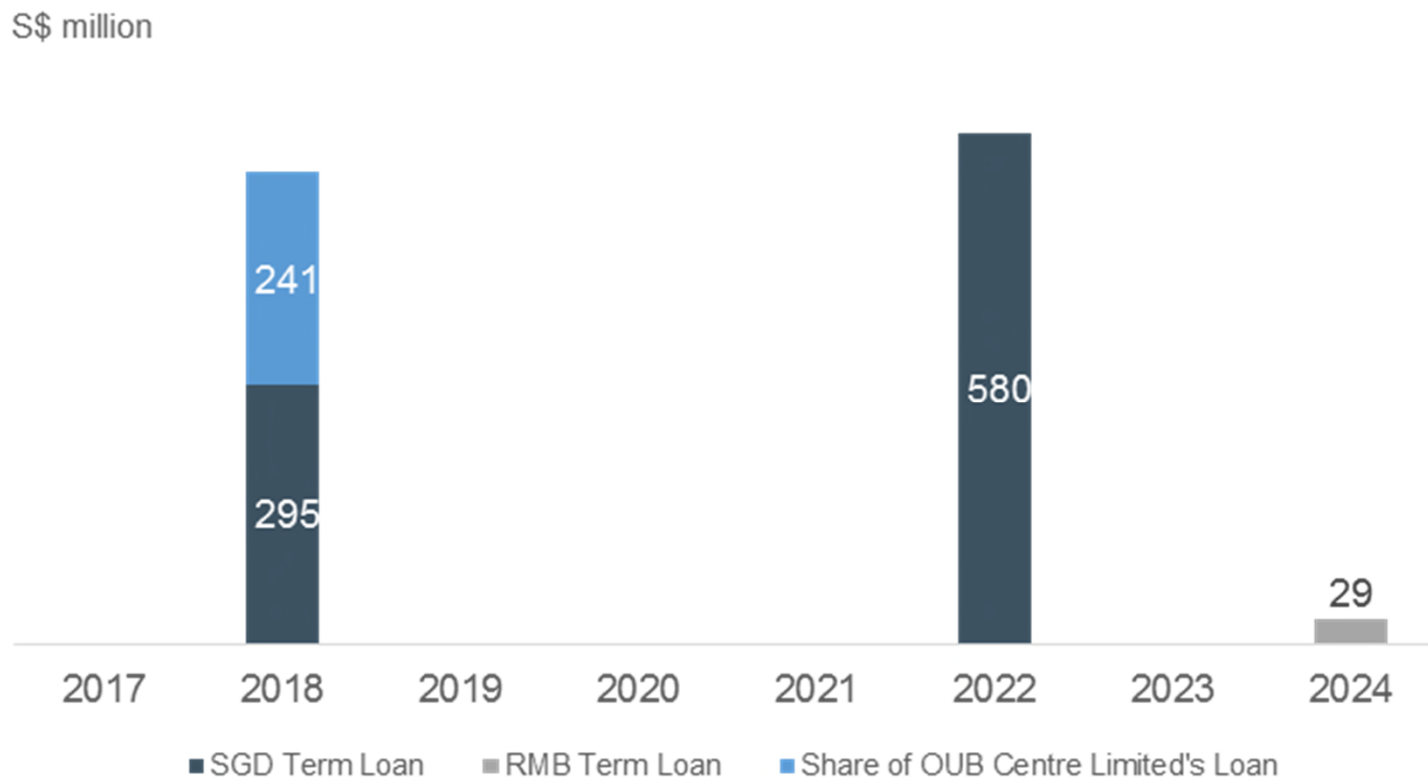
| | As at 31 Mar 2017 | As at 31 Dec 2016 |
|--|--------------------------|--------------------------|
| Aggregate Leverage | 36.2% | 39.8% |
| Total debt | S\$1,145m ⁽¹⁾ | S\$1,261m ⁽²⁾ |
| Weighted average cost of debt | 3.4% p.a. | 3.6% p.a. |
| Average term of debt | 3.3 years | 1.5 years |
| % fixed rate debt | 81.2% | 79.3% |
| Average term of fixed rate debt | 2.5 years | 2.5 years |
| Interest service ratio | 3.2x | 3.1x |

(1) Based on SGD:CNY exchange rate of 1:4.919 as at 31 March 2017 and includes OUE C-REIT's share of OUB Centre Limited's loan

(2) Based on SGD:CNY exchange rate of 1:4.815 as at 31 December 2016 and includes OUE C-REIT's share of OUB Centre Limited's loan

Debt Maturity Profile as at 31 Mar 2017

- In January 2017, refinanced Singapore dollar loans due in 2017 and 2019 with a 5-year facility maturing in 2022
- Utilised net proceeds of S\$148.5 million from the private placement to prepay part of term loan due in 2018 and revolving loan facility
- No refinancing requirement in 2017



Portfolio Performance

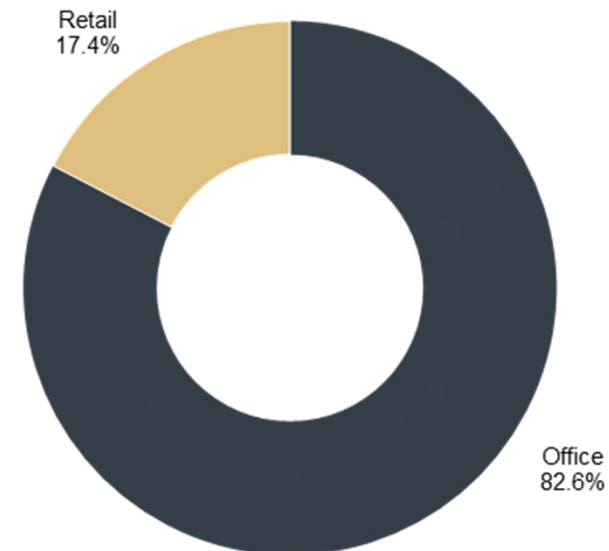
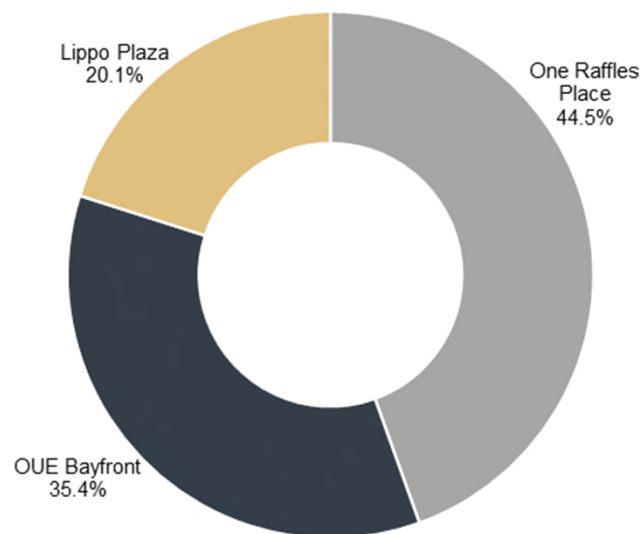
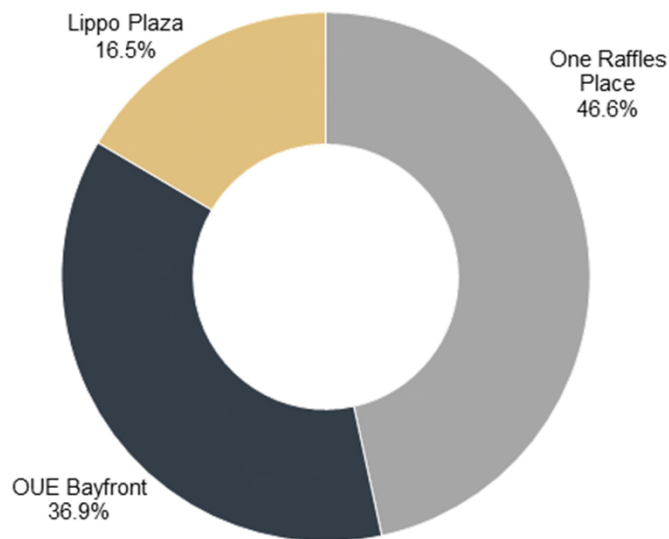


Portfolio Composition

By Asset Value⁽¹⁾

By Revenue Contribution⁽²⁾

By Segment Revenue⁽²⁾

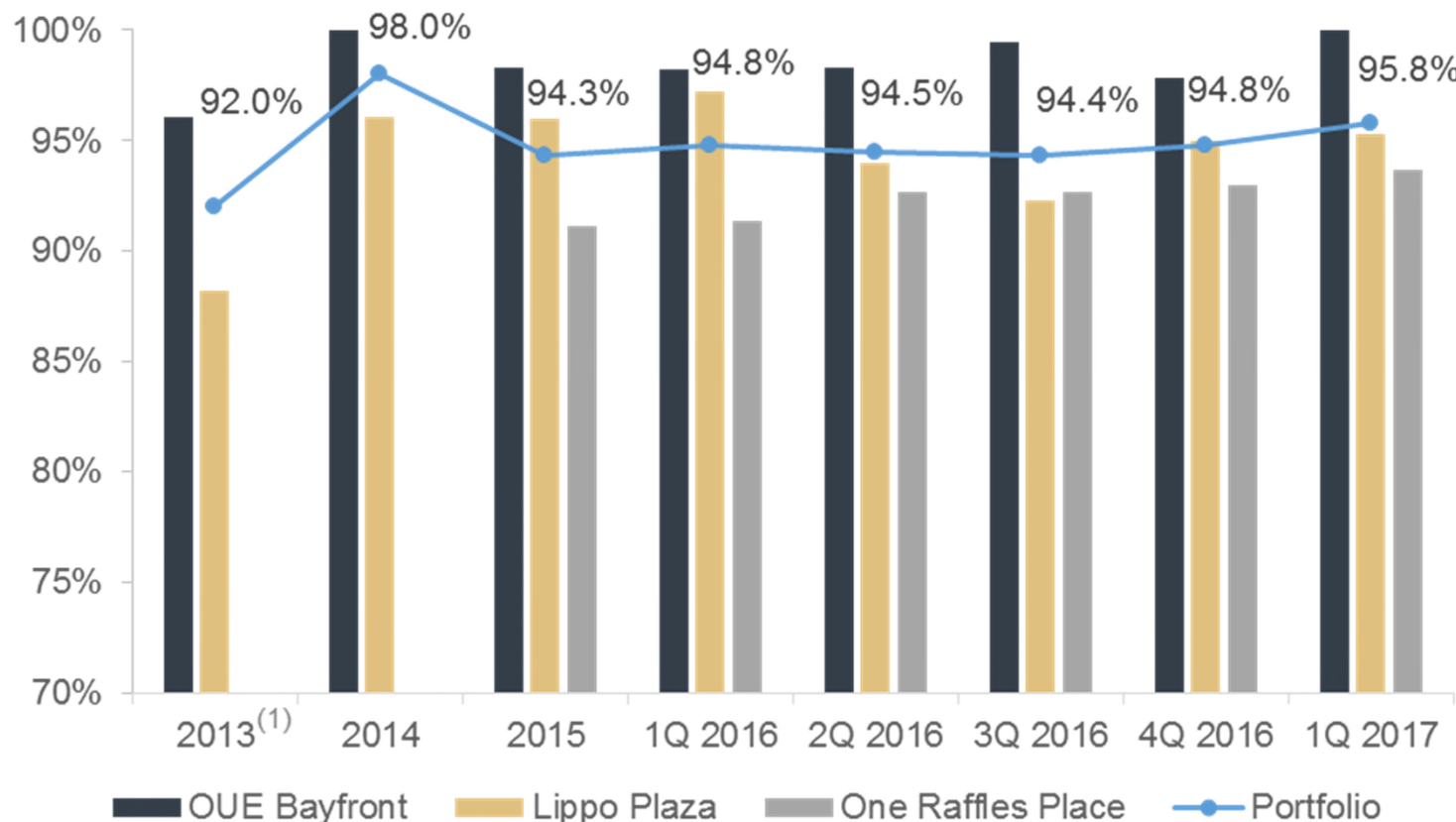


(1) Based on independent valuations as at 31 December 2016 and OUE C-REIT's proportionate interest in One Raffles Place
 (2) For 1Q 2017 and based on OUE C-REIT's attributable interest in One Raffles Place

Resilient and Stable Portfolio

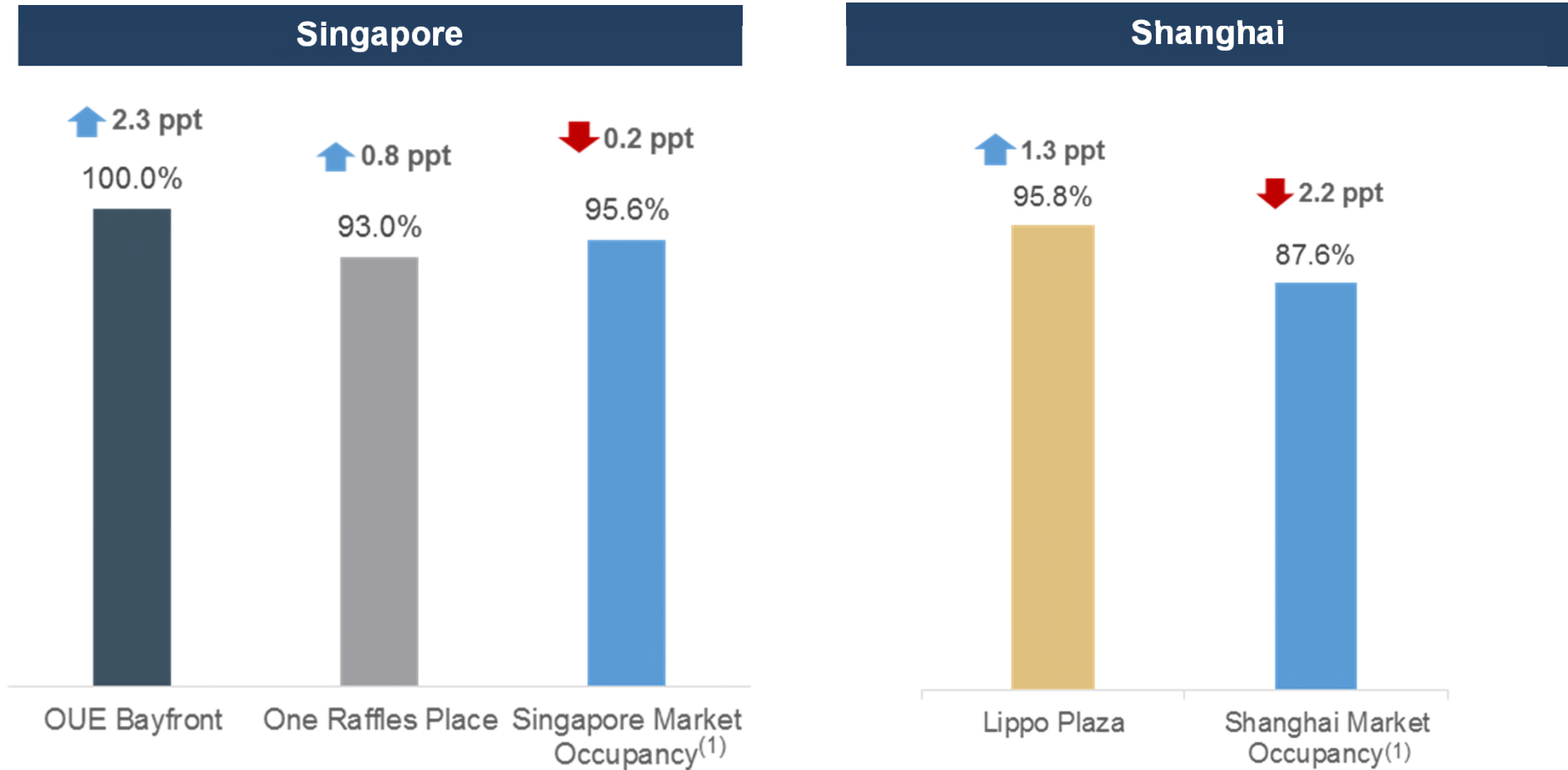
One Raffles Place achieved five consecutive quarters of increase in committed occupancy since acquisition in October 2015

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 In Line with Market



(1) Singapore Market Occupancy refers to Core CBD office occupancy for 1Q 2017 according to CBRE Research. Shanghai Market Occupancy refers to Shanghai Grade A office occupancy as at 1Q 2017 according to Colliers International Shanghai

Committed Office Rents In Line with Market

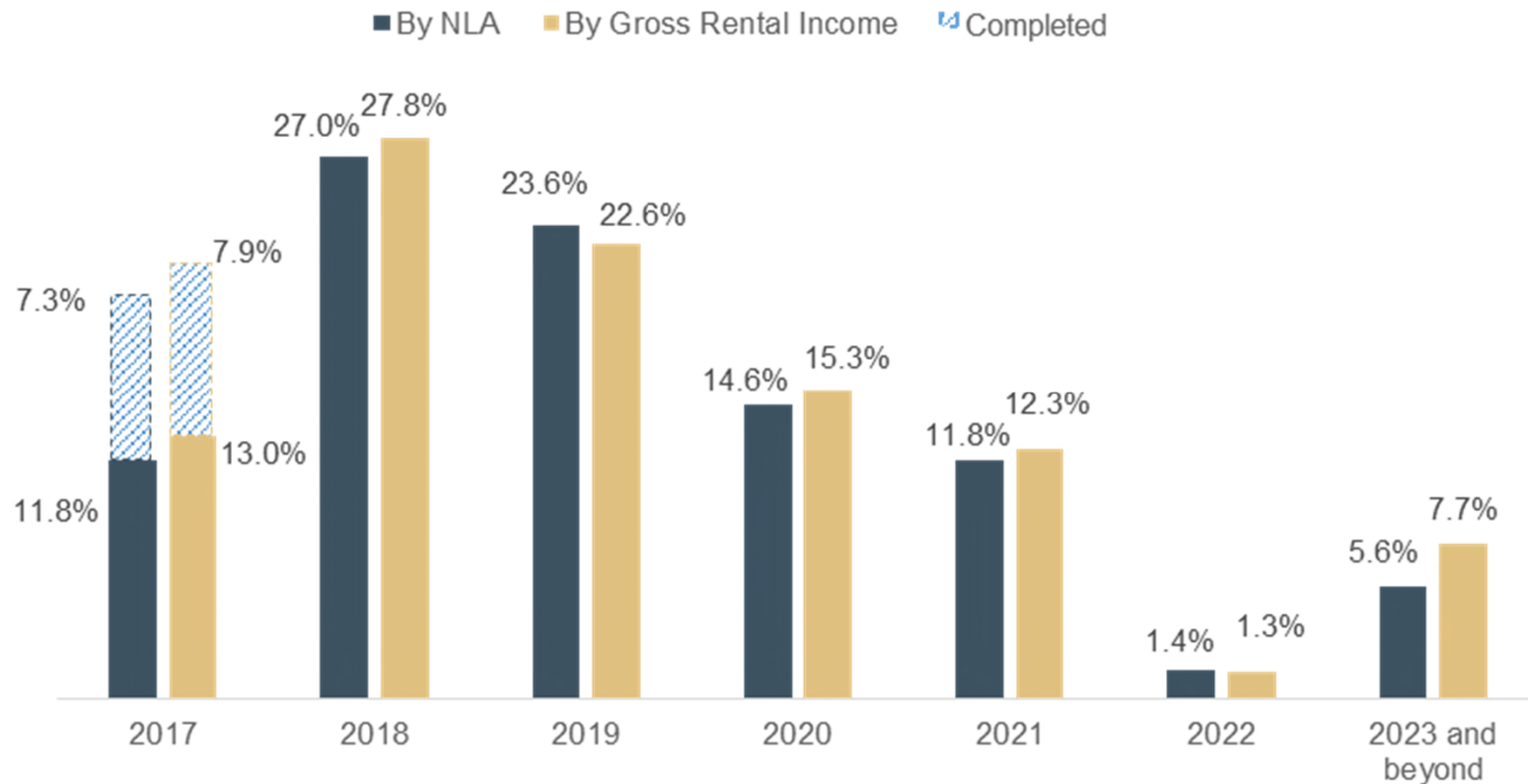
| 1Q 2017 | Average Expired Rents | Committed Rents ⁽¹⁾ | Average Passing Rent | |
|-------------------|-----------------------|--------------------------------|----------------------|------------------|
| | | | Mar 2017 | Mar 2016 |
| OUE Bayfront | S\$11.41 psf/mth | S\$10.00 – S\$11.70 psf/mth | S\$11.67 psf/mth | S\$11.82 psf/mth |
| One Raffles Place | S\$11.38 psf/mth | S\$8.00 – S\$10.20 psf/mth | S\$10.21 psf/mth | S\$10.27 psf/mth |
| Lippo Plaza | RMB9.17 psm/day | RMB8.00 – RMB11.30 psm/day | RMB9.88 psm/day | RMB9.55 psm/day |

- The average of new and renewal office rents committed at OUE Bayfront and One Raffles Place in 1Q 2017 were at a premium to the market office rent of S\$8.95 psf per month⁽²⁾, although some renewals were committed at rents below expiring rates
- Lippo Plaza continued to enjoy positive rental reversion in 1Q 2017 while average passing office rent in March 2017 continued to increase, improving 3.5% YoY to RMB9.88 psm per day

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

(2) CBRE Singapore MarketView 1Q 2017

Lease Expiry Profile - Portfolio



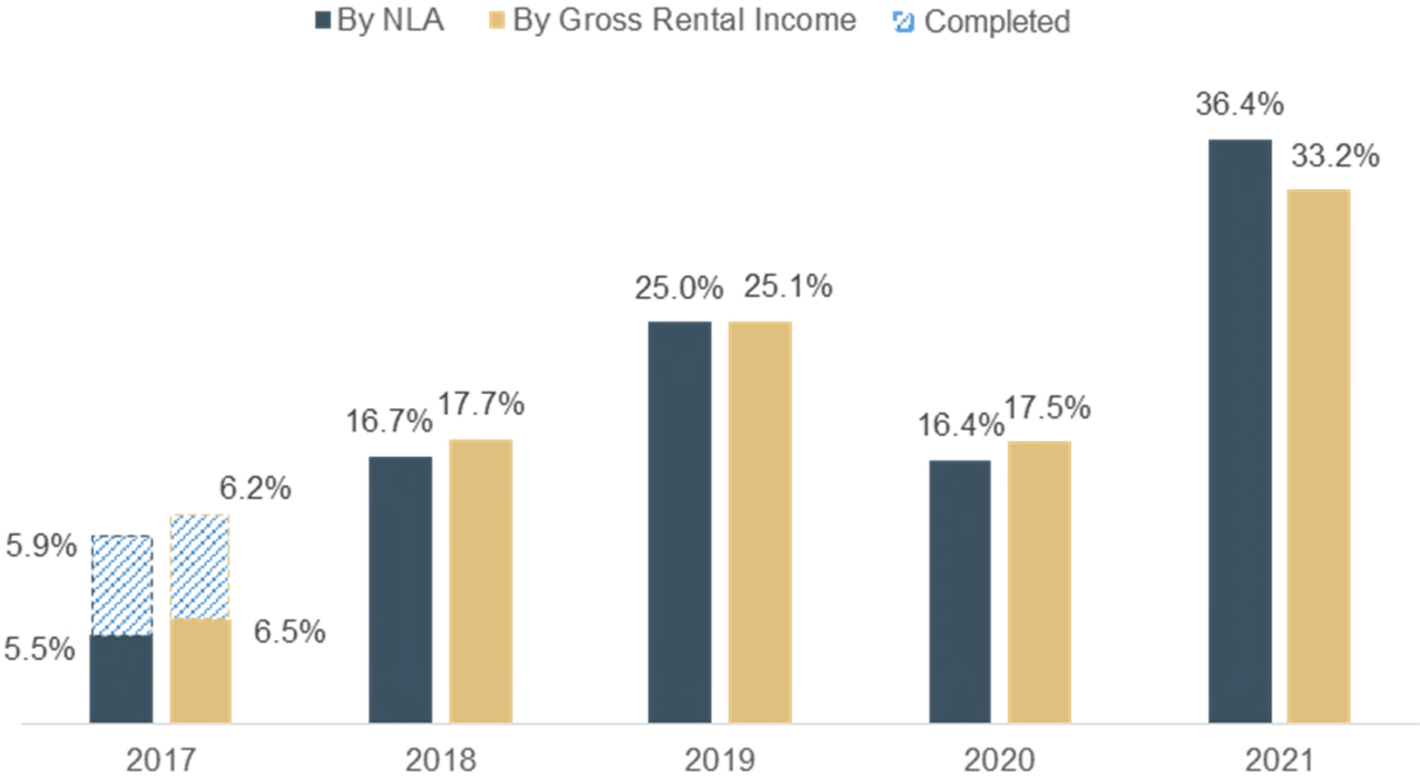
WALE⁽¹⁾ of 2.5 years by NLA⁽²⁾ and 2.2 years by Gross Rental Income

As at 31 Mar 2017

(1) "WALE" refers to the weighted average lease term to expiry
 (2) "NLA" refers to net lettable area

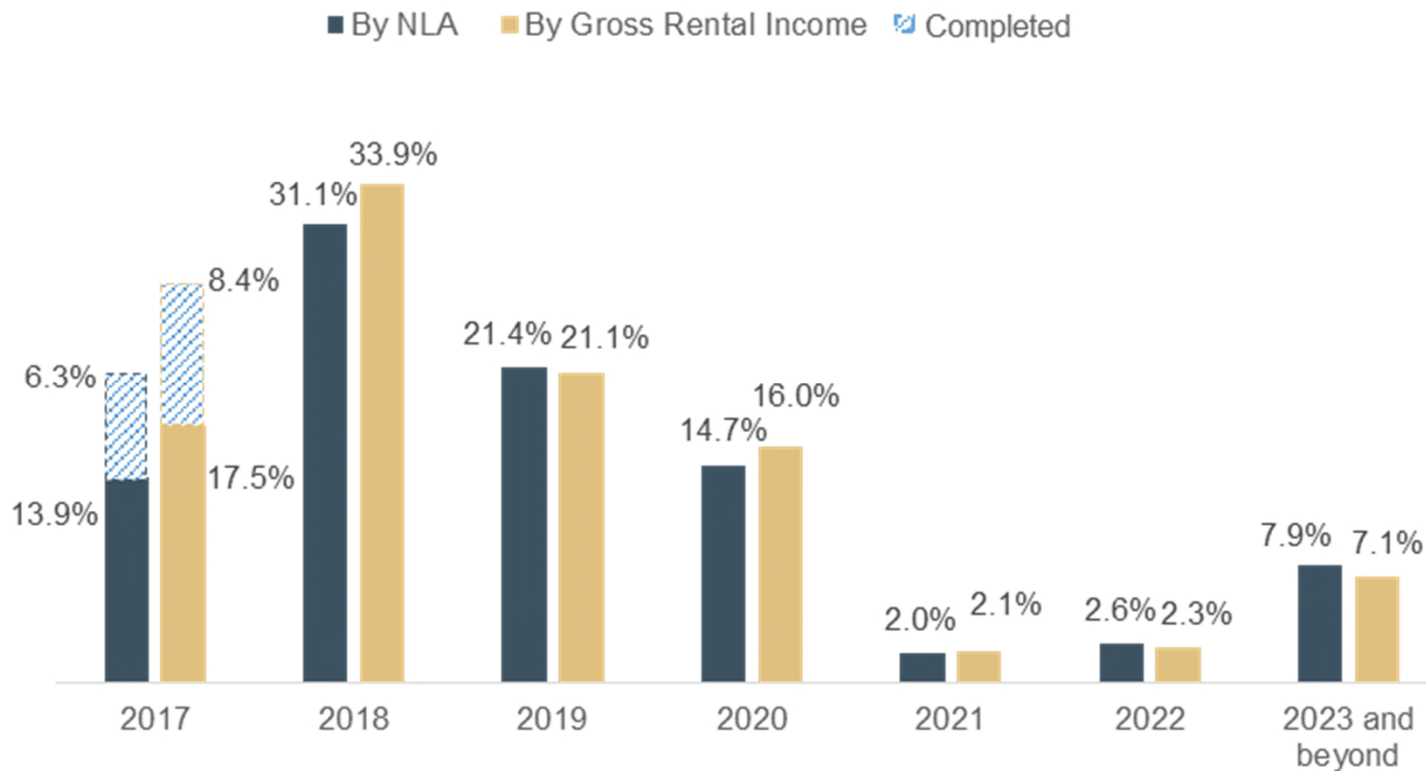
Lease Expiry Profile - OUE Bayfront

- More than 75% of OUE Bayfront’s gross rental income is due in 2019 and beyond
- In advanced negotiation to forward renew about 28.0% of 2018 expiries by gross rental income



WALE of 3.0 years by NLA and 2.9 years by Gross Rental Income

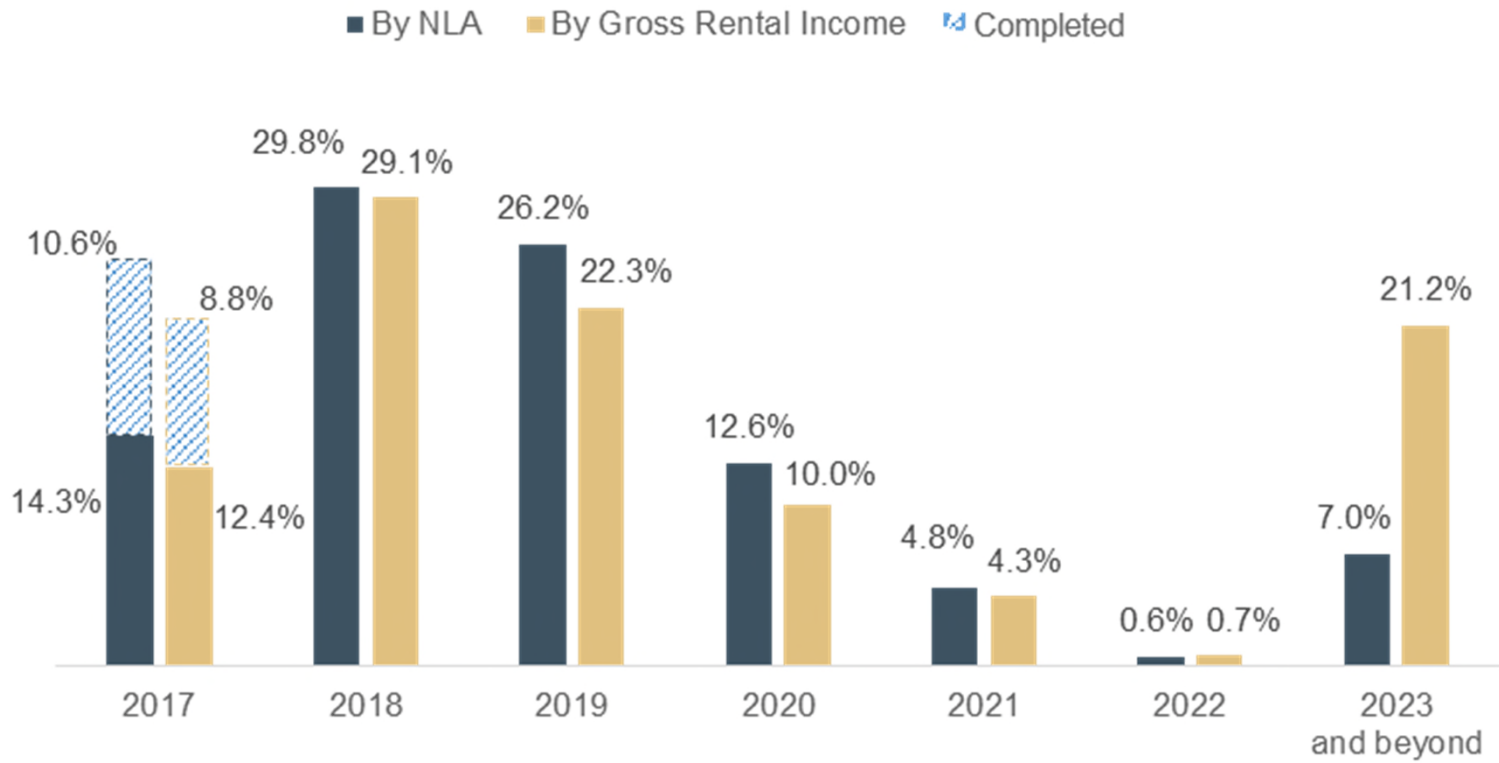
Lease Expiry Profile - One Raffles Place



WALE of 2.3 years by NLA and 2.2 years by Gross Rental Income

As at 31 Mar 2017

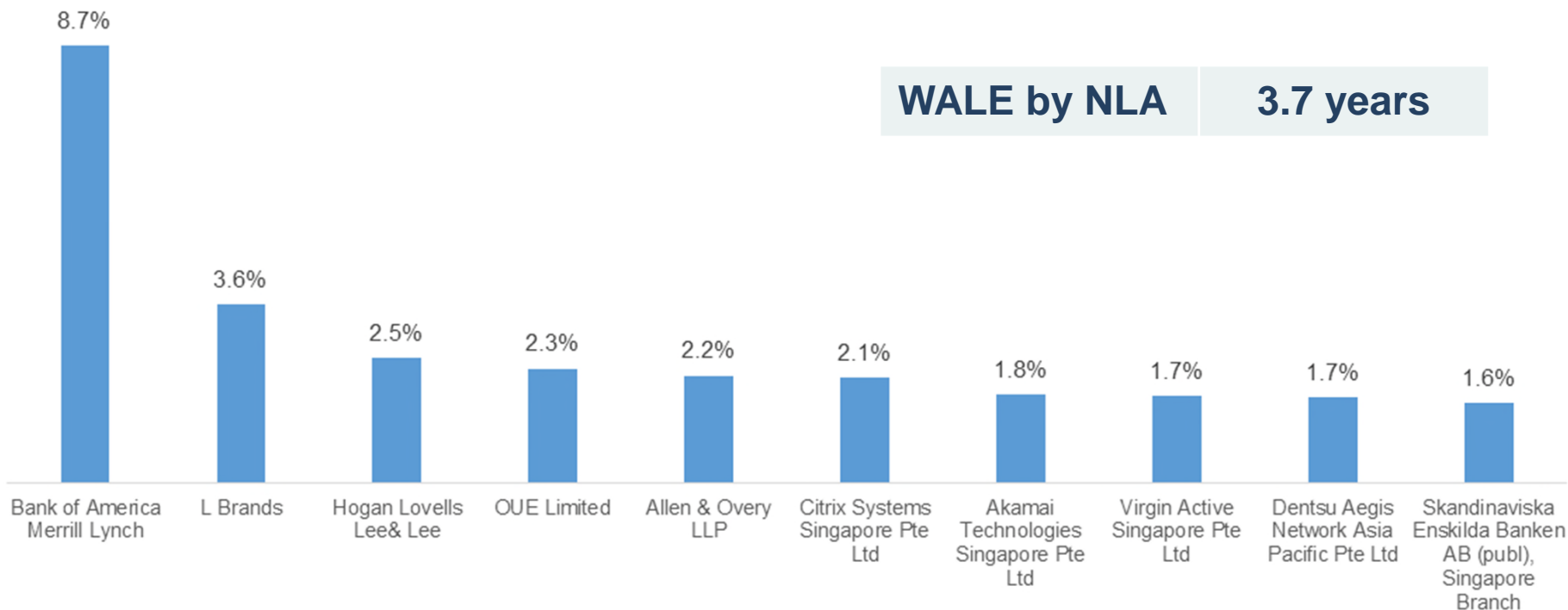
Lease Expiry Profile - Lippo Plaza



WALE of 2.5 years by NLA and 3.4 years by Gross Rental Income

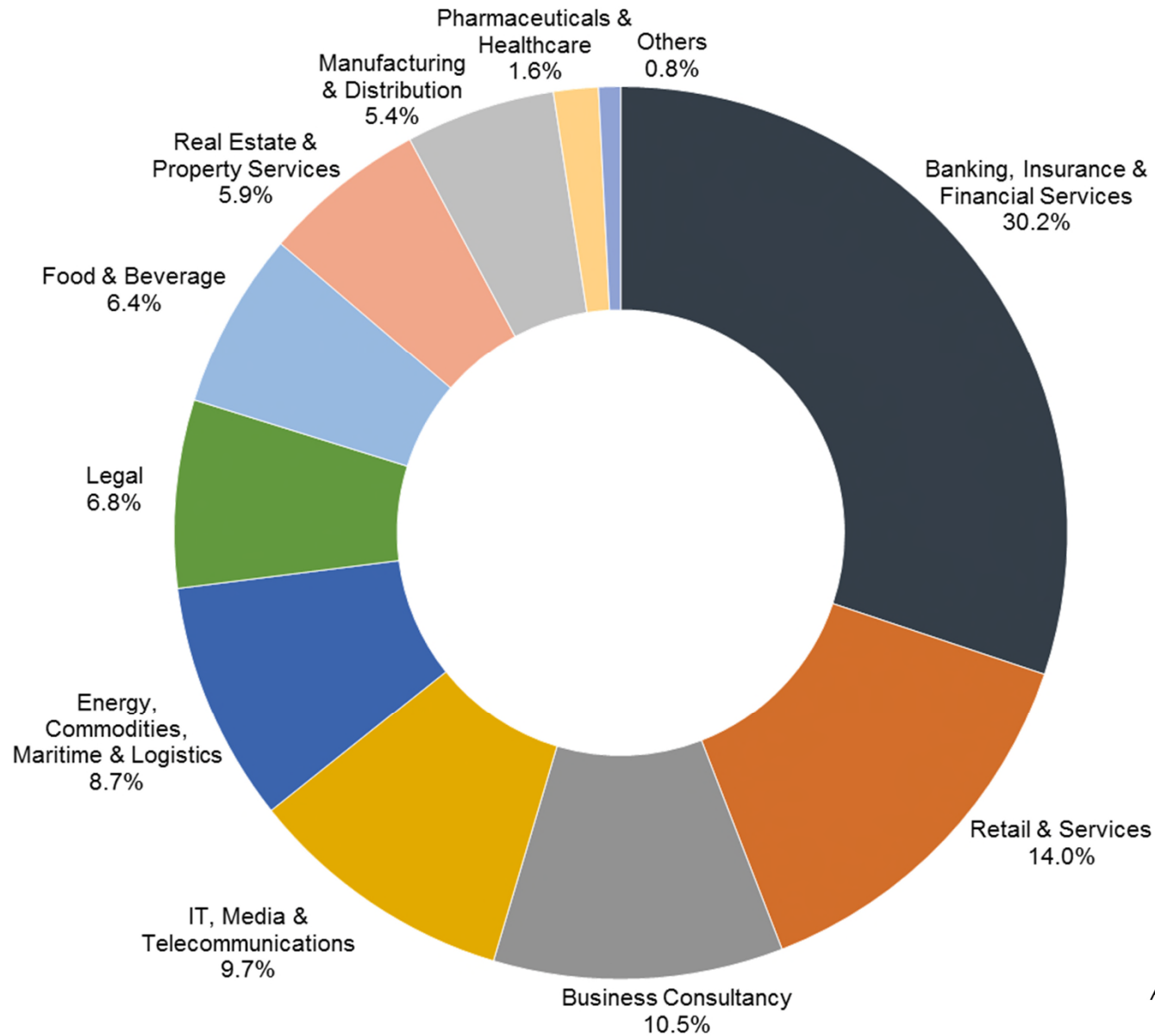
Quality and Diversified Tenant Base

Top 10 tenants contribute approximately 28.2% of gross rental income



As at 31 Mar 2017

Diversified Tenant Base



As at March 2017

Outlook



Singapore

- Singapore's 1Q 2017 GDP growth was 2.5%⁽¹⁾, moderating from the 2.9% achieved in 4Q 2016, according to advance estimates by the Ministry of Trade and Industry ("MTI"). Nonetheless, this is at the higher end of MTI's GDP growth forecast for 2017 of 1.0% to 3.0%
- Core CBD occupancy in Singapore dipped 0.2 ppt QoQ to 95.6%⁽²⁾ with net absorption falling back to negative territory at -47,439 sq ft in 1Q 2017 according to CBRE. The rate of decline in CBD Grade A office rents continued to slow, with rents declining by 1.6% QoQ to S\$8.95 psf per month at 1Q 2017. While pre-commitment levels for projects slated to complete in 2Q 2017 continued to improve, vacancies are expected to rise once occupiers, who are still fulfilling existing lease terms prior to relocation, vacate existing premises in coming quarters
- While the decline in Singapore office rents has slowed, current market rents are still lower than that in 2014, when most of OUE C-REIT's Singapore leases expiring in 2017 were committed. Hence, negative rental reversions for leases due for renewal in 2017 may be expected

(1) Ministry of Trade and Industry Press Release, 13 April 2017

(2) CBRE, Singapore Market View, 1Q 2017

China

- China's 1Q 2017 GDP growth was 6.9%⁽¹⁾, the highest in six quarters and ahead of the 6.8% growth recorded in 4Q 2016. The 2017 GDP growth target was lowered from between 6.5% to 7.0%, to around 6.5%. Growth continued to be investment-led, with higher government infrastructure spending and a housing boom driven by easy credit driving the expansion in output, offsetting the slightly weaker growth in the services sector. Additional property cooling measures as well as a tightening policy bias in recent months are expected to temper excessive credit and rising property prices, with the aim of a more sustainable economy
- According to Colliers International, Shanghai CBD Grade A office rents softened 0.8% QoQ to RMB10.4 psm per day as at 1Q 2017. While demand was strong, occupancy nevertheless declined 2.2 ppt QoQ to 87.6%⁽²⁾ as at 1Q 2017, due to significant new office completions during the quarter which increased stock by 4.8% to 6.4 million sq m. In Puxi, Grade A office occupancy moderated by 1.3 ppt QoQ to 87.2%, with rents also declining 1.4% QoQ to RMB 9.3 psm per day
- In view of further new office supply coming on-stream in Shanghai in 2017, the overall CBD Grade A vacancy rate may continue to increase in the coming quarters and hence the rental outlook continues to be soft

(1) National Bureau of Statistics of China Press Release, 17 April 2017

(2) Colliers International Shanghai Office Research & Forecast Report 1Q 2017, 21 April 2017

Appendices

- Overview of OUE C-REIT
- OUE C-REIT's Portfolio
- Singapore Office Market
- Shanghai Office Market



Overview of OUE C-REIT

About OUE C-REIT

- OUE C-REIT is a Singapore real estate investment trust listed on the Mainboard of Singapore Exchange Securities Trading Limited with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for commercial purposes
- OUE C-REIT is managed by OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of OUE Limited

Quality Portfolio

OUE C-REIT's portfolio comprises :

- **OUE Bayfront**, a premium Grade A office building located at Collyer Quay between the Marina Bay downtown and 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 the 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

Strong Sponsor

- Committed Sponsor in OUE Group which has a 55.4% stake in OUE C-REIT
- Right of First Refusal over 1 million sq ft NLA of commercial space
- Sponsor has proven track record in real estate ownership and operations
- Leverage on Sponsor's asset enhancement and redevelopment expertise

Premium Portfolio of Assets

OUE Bayfront



Located at Collyer Quay in Singapore's CBD, comprising:

- **OUE Bayfront** : 18-storey premium office building with rooftop restaurant premises
- **OUE Tower** : conserved tower building with panoramic views of the Marina Bay landscape which is currently occupied by a fine dining restaurant
- **OUE Link** : link bridge with retail shops

| OUE Bayfront | |
|--|---|
| GFA (sq m) | 46,774.6 |
| NLA (sq m) | Office: 35,342.7 |
| | Retail: 1,830.0 |
| | Overall: 37,172.7 |
| Committed Occupancy as at 31 Mar 2017 | Office: 100.0% Retail: 100.0% Overall: 100.0% |
| Number of Car Park Lots | 245 |
| Valuation (as at 31 Dec 2016) | S\$1,146.0 m |
| 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



Located at Raffles Place in the heart of Singapore's CBD comprising:

- **Tower 1** : 62-storey Grade A office with rooftop restaurant and observation deck
- **Tower 2** : 38-storey Grade A office completed in 2012
- **One Raffles Place Shopping Mall** : six-storey retail podium which is the largest purpose-built mall in Raffles Place
- OUE C-REIT has a 67.95% effective stake

| One Raffles Place | |
|--|--|
| GFA (sq m) | 119,626.3 |
| Attributable NLA (sq m) | Office (Tower 1): 29,045.0 Office (Tower 2): 27,045.0 Retail: 9,500.0 Overall: 65,590.0 |
| Committed Occupancy as at 31 Mar 2017 | Office: 93.0% Retail: 97.1% Overall: 93.6% |
| Number of Car Park Lots | 326 |
| Valuation⁽¹⁾ (as at 31 Dec 2016) | S\$1,738.3 m |
| Land Use Right Expiry | Office Tower 1: 841 yrs from 1 November 1985 Office Tower 2: 99 yrs from 26 May 1983 Retail: ~75% of NLA is on 99 yrs from 1 November 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



- Located on Huaihai Zhong Road within the Huangpu district in the Puxi area of downtown Shanghai
- Grade-A 36 storey commercial building with a three-storey retail podium and basement carpark
- OUE C-REIT has 91.2% strata ownership of Lippo Plaza

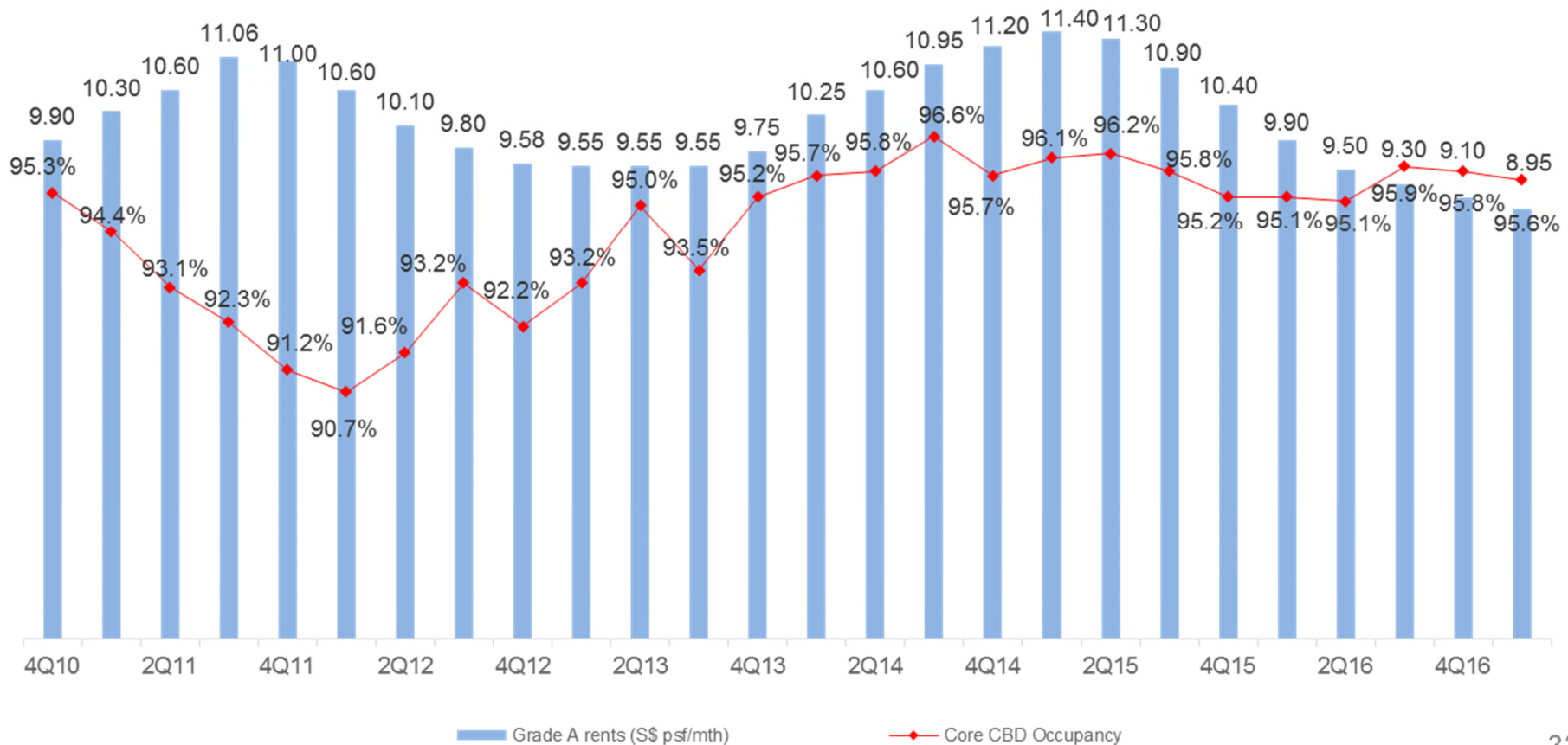
| Lippo Plaza | |
|--|--|
| GFA (sq m) | 58,521.5 |
| Attributable NLA (sq m) | Office: 33,538.6 Retail: 5,685.9 Overall: 39,224.5 |
| Committed Occupancy as at 31 Mar 2017 | Office: 95.8% Retail: 92.3% Overall: 95.3% |
| Number of Car Park Lots | 168 |
| Valuation⁽¹⁾ (as at 31 Dec 2016) | RMB2,524.0 m / RMB43,129 psm (S\$513.1m) ⁽²⁾ |
| Land Use Right Expiry | 50 yrs from 2 July 1994 |
| Completion Year | 1999 |

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

(2) Based on SGD:CNY exchange rate of 1 : 4.919 as at 31 March 2017

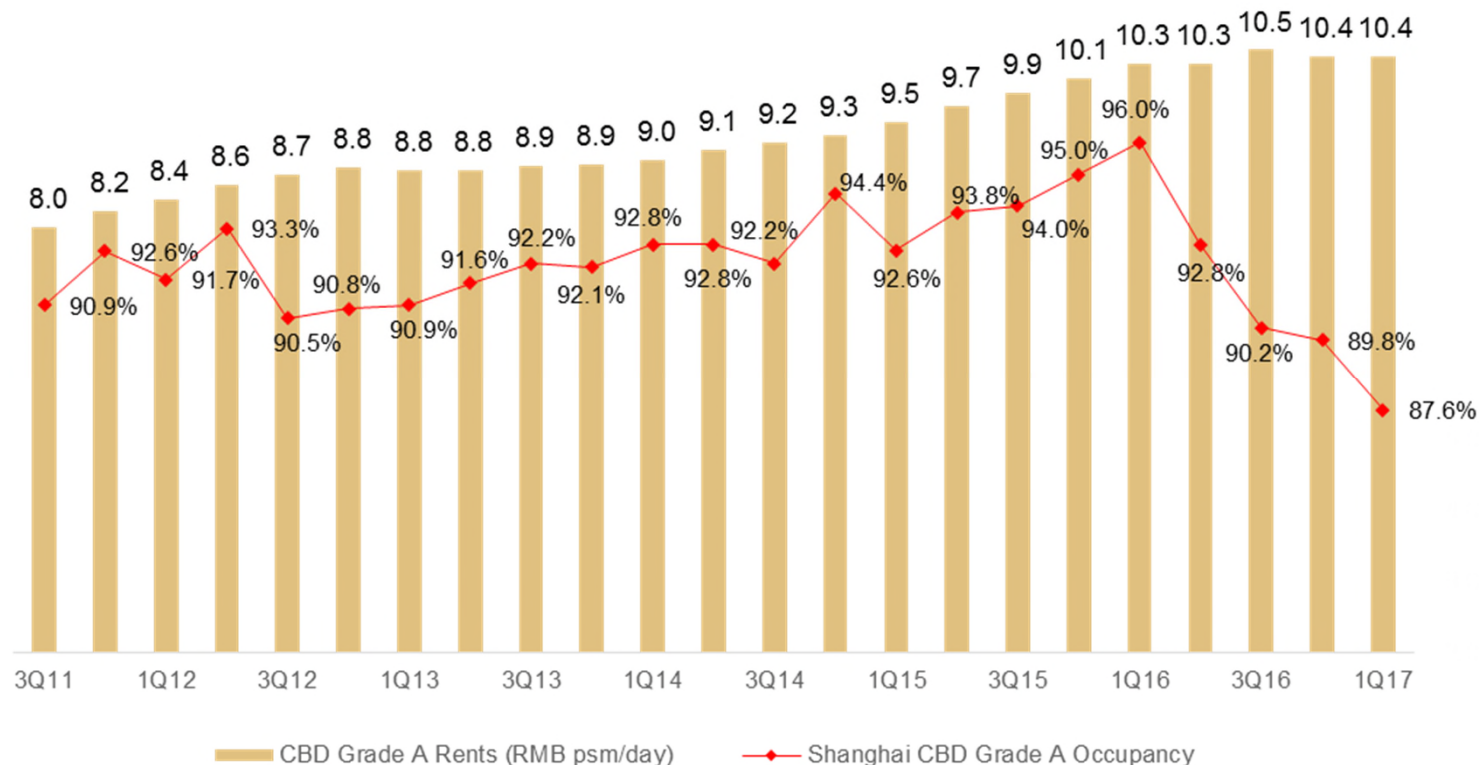
Singapore Office Market

- Core CBD office occupancy moderated 0.2 ppt QoQ to 95.6% as at 1Q 2017, while the rate of decline in Grade A office rents slowed to -1.6% QoQ to S\$8.95 psf/mth
- Vacancy is expected to increase in the coming quarters as occupiers vacate their existing premises upon relocation to the newer office projects coming onstream



Shanghai Office Market

- In 1Q 2017, Shanghai CBD Grade A office rents declined 0.8% QoQ to RMB10.4 psm/day, while CBD Grade A office occupancy fell 2.2 ppt QoQ to 87.6% due to significant new office completions
- In Puxi, Grade A office occupancy moderated by 1.3 ppt QoQ to 87.2%, with rents also declining by 1.4% QoQ to RMB9.3 psm/day





OUE COMMERCIAL
REIT

Thank you