

OUE COMMERCIAL REIT

Investor Presentation for Bangkok Non Deal Roadshow

3-4 November 2016

Important Notice

This presentation shall be read in conjunction with OUE Commercial REIT's Financial Results announcement for 3Q 2016 dated 1 November 2016.

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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 Performance and Capital Management
- Portfolio Performance
- Appendices

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 65.1% 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

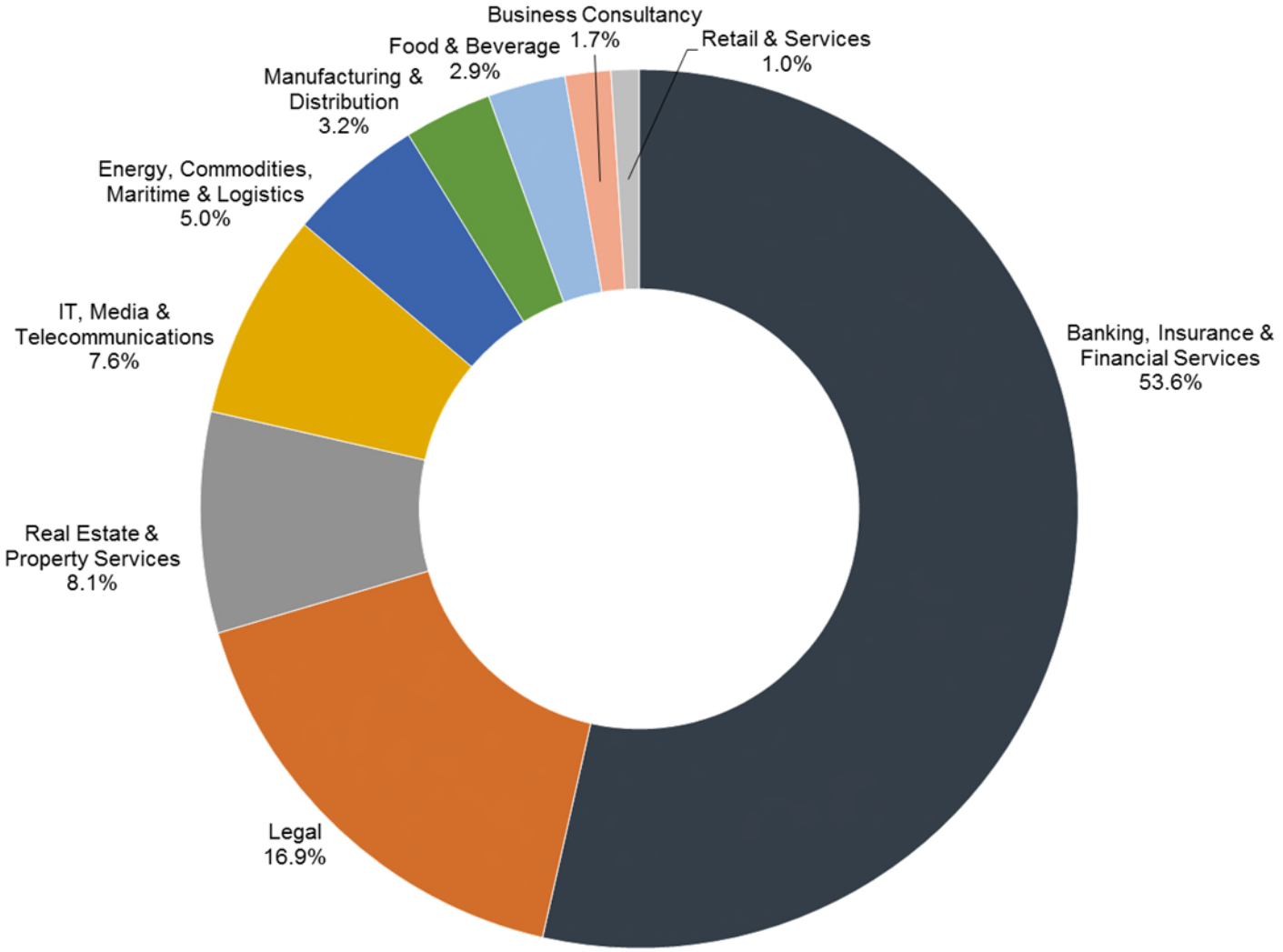
– **OUE Tower :** conserved tower building with panoramic views of the Marina Bay landscape which is currently occupied by a fine dining restaurant

– **OUE Link :** link bridge with retail shops

OUE Bayfront	
GFA (sq m)	46,774.6
NLA (sq m)	Office: 35,334.5 Retail: 1,830.1 Overall: 37,164.6
Committed Occupancy as at 30 Sep 2016	Office: 99.4% Retail: 100.0% Overall: 99.4%
Number of Car Park Lots	245
Valuation (as at 31 Dec 2015)	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

OUE Bayfront – Tenants by Trade Sector



As at September 2016

Premium Portfolio of Assets

One Raffles Place



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

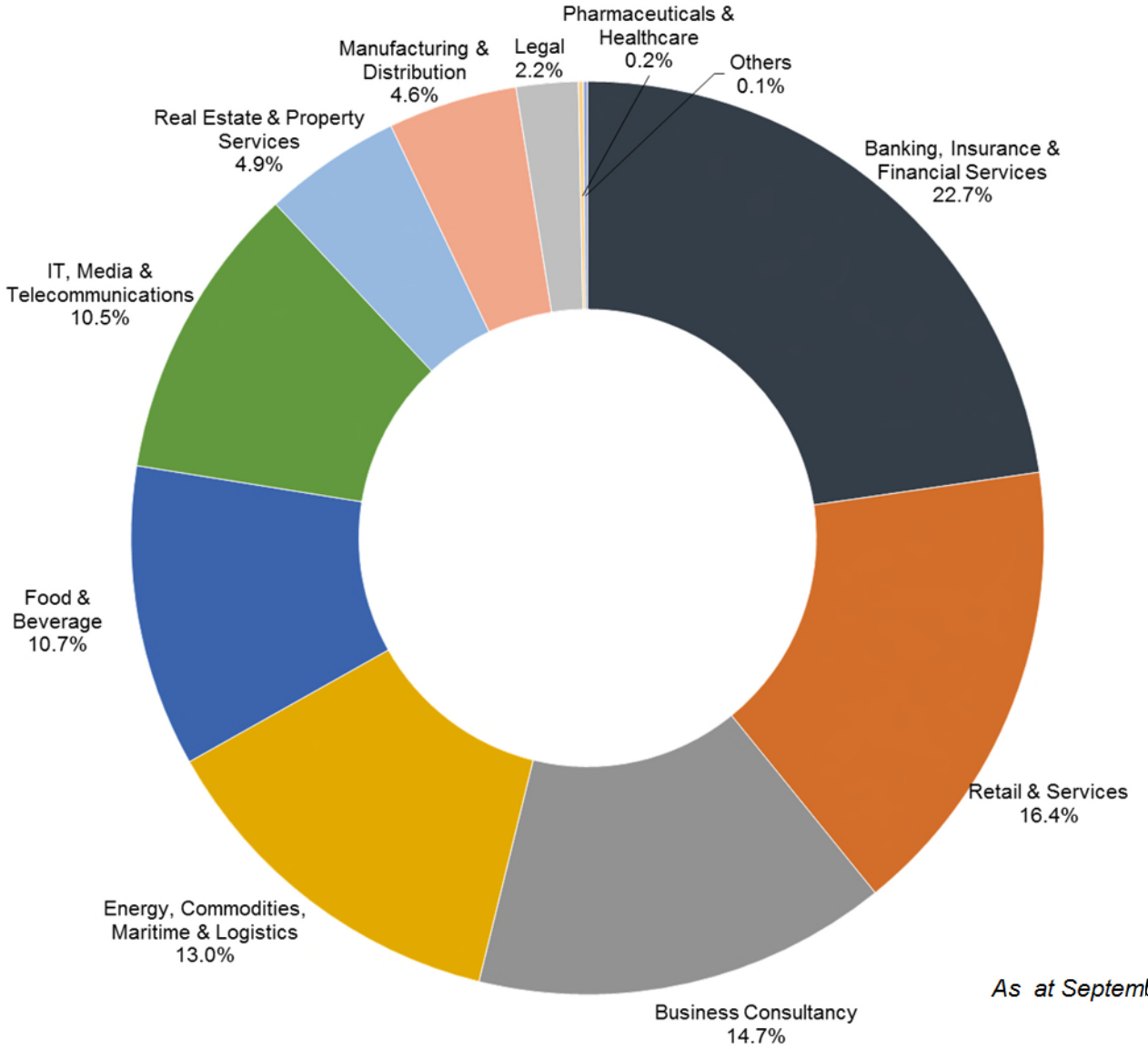
- **Tower 1 :** 62-storey Grade A office with rooftop restaurant and observation deck
- **Tower 2 :** 38-storey Grade A office completed in 2012
- **One Raffles Place Shopping Mall :** six-storey retail podium which is the largest purpose-built mall in Raffles Place
- OUE C-REIT has a 67.95% effective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

One Raffles Place	
GFA (sq m)	119,626.2
Attributable NLA (sq m)	Office (Tower 1): 28,890.7 Office (Tower 2): 27,061.8 Retail: 9,500.2 Overall: 65,452.7
Committed Occupancy as at 30 Sep 2016	Office: 91.7% Retail: 97.5% Overall: 92.7%
Number of Car Park Lots	326
Valuation(1) (as at 31 Dec 2015)	S$1,734.0 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

One Raffles Place – Tenants by Trade Sector



As at September 2016

Premium Portfolio of Assets
Lippo Plaza



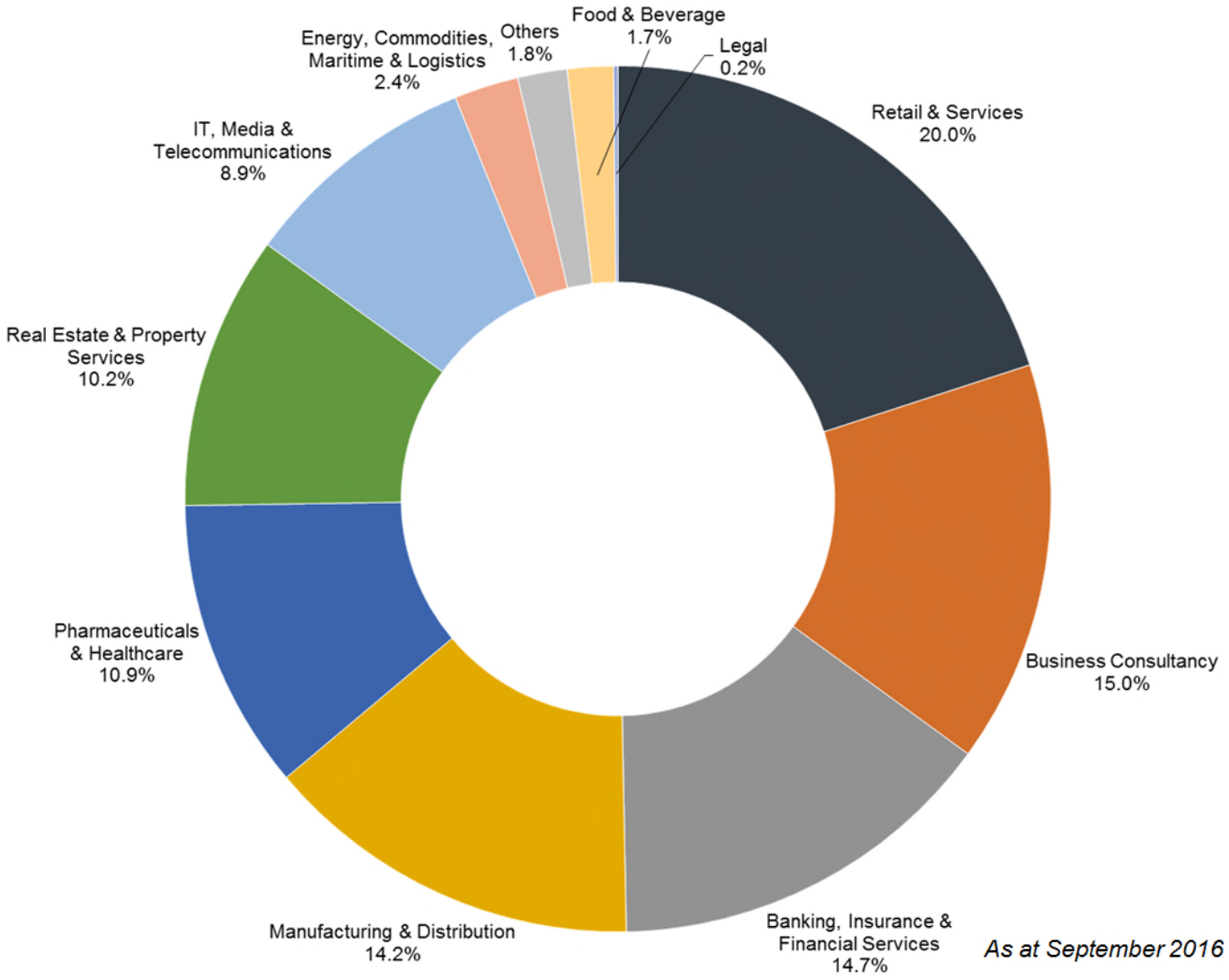
- Located on Huaihai Zhong Road within the Huangpu district in the Puxi area of downtown Shanghai
- Grade-A 36 storey commercial building with a three-storey retail podium and basement carpark
- OUE C-REIT has 91.2% strata ownership of Lippo Plaza

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 30 Sep 2016	Office: 91.3% Retail: 98.1% Overall: 92.3%
Number of Car Park Lots	168
Valuation(1) (as at 31 Dec 2015)	RMB2,401.0 m / RMB41,028 psm (S$490.3m)(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 : 4.897 as at 30 September 2016

Premium Portfolio of Assets

Lippo Plaza – Tenants by Trade Sector



As at September 2016

Financial Performance & Capital Management

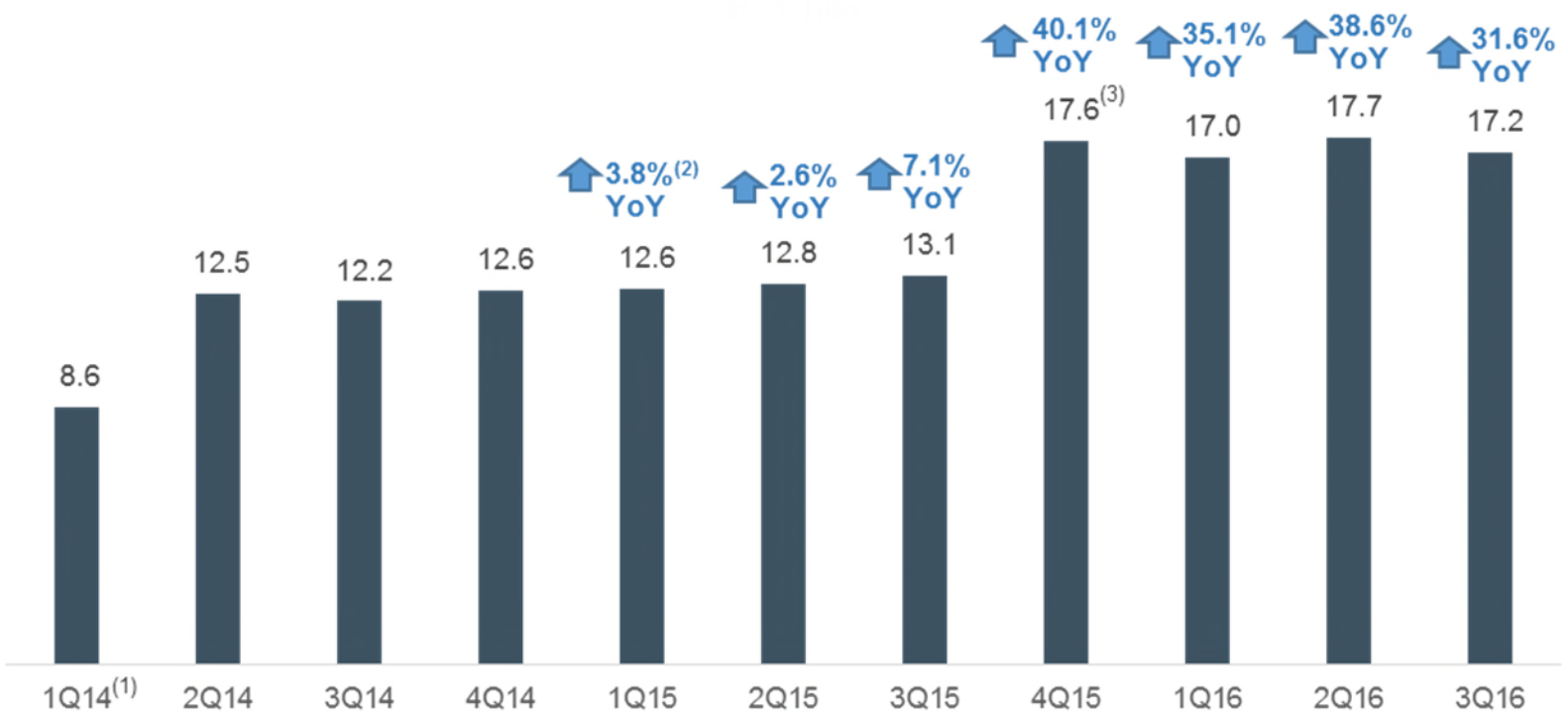




Consistent Growth in Distribution

Delivered consistent year-on-year growth in distribution to Unitholders

Distribution Since IPO



(1) Period commencing from OUE C-REIT's listing date of 27 January 2014 to 31 March 2014
(2) For a meaningful comparison, the amount available for distribution for the period 27 January 2014 to 31 March 2014 of S$8.6 million was extrapolated to a full quarter in the computation of the year-on-year growth in distribution for 1Q 2015
(3) Includes a one-off distribution of capital return of S$1.3 million in relation to certain expenses which are non-tax deductible from a tax perspective

3Q 2016 vs 3Q 2015

	3Q 2016	3Q 2015	Change
Gross Revenue (S$m)	44.2	20.6	+114.4%
Net Property Income (S$m)	35.3	15.6	+127.0%
Amount Available for Distribution (S$m)	17.2(1)	13.1	+31.6%
DPU (cents)	1.32	1.02	+29.4%

- Higher gross revenue of S$44.2 million was mainly due to contribution from One Raffles Place acquired on 8 October 2015, as well as improved performance at OUE Bayfront and Lippo Plaza
- 3Q 2016 organic growth in net property income of OUE Bayfront and Lippo Plaza continued to be healthy at 8.5% YoY
- As a result, 3Q 2016 net property income increased to S$35.3 million, from S$15.6 million in 3Q 2015
- As 3Q 2016 finance costs were higher due to higher amount of loans outstanding as well as higher interest rates, amount available for distribution was S$17.2 million, 31.6% higher YoY

(1) Excludes amount reserved for distribution to convertible perpetual preferred units ("CPPU") holder

3Q 2016 vs 3Q 2015

S$'000	3Q 2016	3Q 2015	Change (%)
Gross revenue	**44,184**	**20,606**	**114.4**
Property operating expenses	(8,856)	(5,045)	75.5
Net property income	**35,328**	**15,561**	**127.0**
Other income	608	1,744	(65.1)
Amortisation of intangible asset	(1,117)	(1,046)	6.8
Manager's management fees	(3,126)	(1,446)	NM(1)
Net non-property expenses	(438)	(268)	63.4
Net finance costs	(11,686)	(4,474)	NM
Net change in fair value of financial derivatives	(2,465)	(977)	NM
Foreign exchange differences	8	227	(96.5)
Total return before tax	**17,112**	**9,321**	**83.6**
Tax expense	(4,376)	(1,286)	NM
Total return for period	**12,736**	**8,035**	**58.5**
Non-controlling interests	(1,716)	-	NM
CPPU holder distribution	(1,382)	-	NM
Distribution adjustments	7,576	5,046	50.1
Amount available for distribution to Unitholders	**17,214**	**13,081**	**31.6**

(1) NM: Not meaningful

YTD Sep 2016 vs YTD Sep 2015

	YTD Sep 2016	YTD Sep 2015	Change
Gross Revenue (S$m)	132.8	60.7	+118.8%
Net Property Income (S$m)	103.8	46.0	+125.9%
Amount Available for Distribution (S$m)	52.0(1)	38.5	+35.1%
DPU (cents)	4.00	3.02	+32.5%

- Higher YTD Sep 2016 gross revenue of S$132.8 million was achieved mainly due to contribution from One Raffles Place which was acquired on 8 October 2015, as well as improved performance at OUE Bayfront and Lippo Plaza.
- YTD Sep 2016 organic growth in net property income of OUE Bayfront and Lippo Plaza was 10.1% YoY
- As a result, YTD Sep 2016 net property income was S$103.8 million, increasing from S$46.0 million in YTD Sep 2015
- As YTD Sep 2016 finance costs were higher due to higher amount of loans outstanding as well as higher interest rates, the amount available for distribution was S$52.0 million, 35.1% higher YoY

(1) Excludes amount reserved for distribution to CPPU holder

YTD Sep 2016 vs YTD Sep 2015

S$'000	YTD Sep 2016	YTD Sep 2015	Change (%)
Gross revenue	**132,786**	**60,694**	**118.8**
Property operating expenses	(28,975)	(14,733)	96.7
Net property income	**103,811**	**45,961**	**125.9**
Other income	2,070	6,193	(66.6)
Amortisation of intangible asset	(3,353)	(3,140)	6.8
Manager's management fees	(8,999)	(3,968)	NM(1)
Net non-property expenses	(1,604)	(1,259)	27.4
Net finance costs	(34,980)	(13,586)	NM
Net change in fair value of financial derivatives	(6,634)	(977)	NM
Foreign exchange differences	(664)	453	NM
Total return before tax	**49,647**	**29,677**	**67.3**
Tax expense	(12,747)	(3,937)	NM
Total return for period	**36,900**	**25,740**	**43.4**
Non-controlling interests	(5,266)	-	NM
CPPU holder distribution	(4,117)	-	NM
Distribution adjustments	24,472	12,752	91.9
Amount available for distribution to Unitholders	**51,989**	**38,492**	**35.1**

(1) NM: Not meaningful

Healthy Balance Sheet

S$ million	As at 30 Sep 2016
Investment Properties	3,370.7
Total Assets	3,419.3
Loans and borrowings	1,318.4
Total Liabilities	1,504.5
Net Assets Attributable to Unitholders	1,157.4

Units in Issue ('000)	1,300,171
NAV per Unit (S$)	0.89

Capital Management

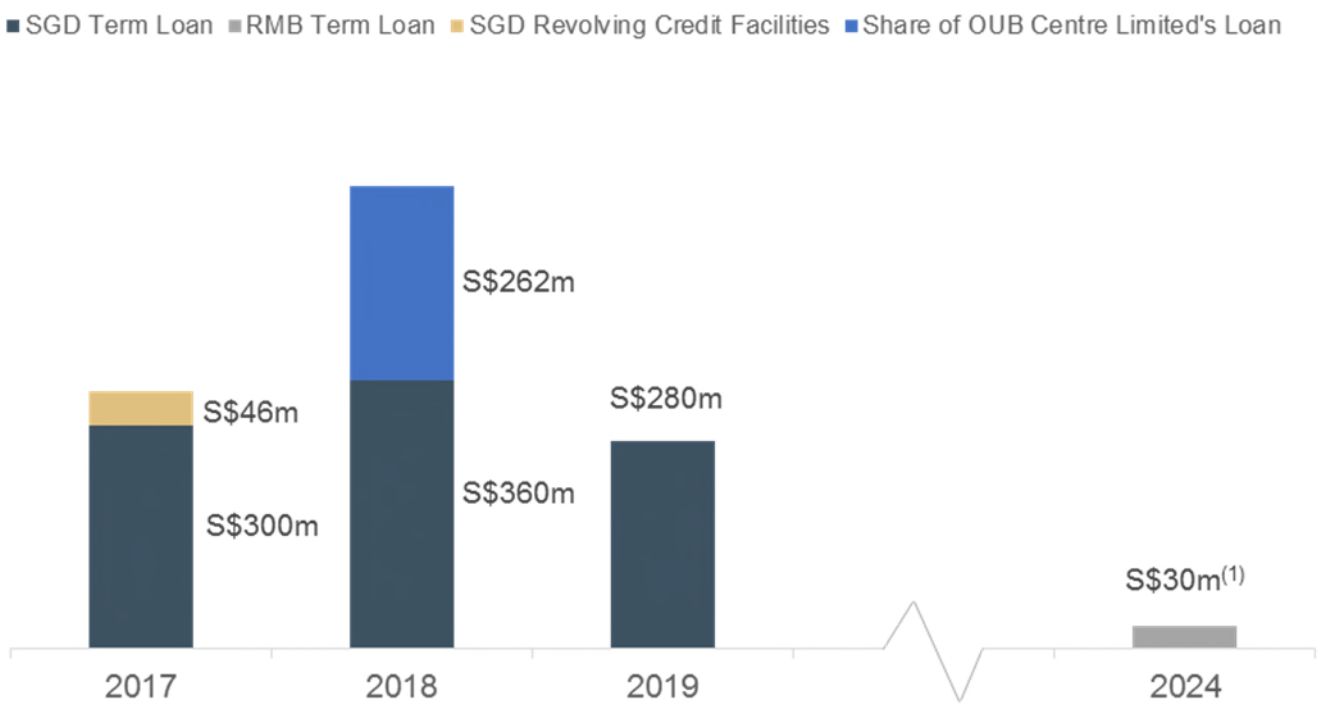
Every 25bps increase in floating interest rates is expected to reduce distribution by S$0.7 million per annum, or 0.05 cents in DPU

	As at 30 Sep 2016	As at 30 Jun 2016
Aggregate Leverage	40.8%	40.2%
Total debt	S$1,277m(1)	S$1,258m(2)
Weighted average cost of debt(3)	3.4% p.a.	3.5% p.a.
Average term of debt	1.8 years	1.9 years
% fixed rate debt	78.3%	79.5%
Average term of fixed rate debt	2.7 years	2.7 years
Interest service ratio	3.1x	3.2x

(1) Based on SGD:CNY exchange rate of 1:4.897 as at 30 September 2016 and includes OUE C-REIT's share of OUB Centre Limited's loan
(2) Based on SGD:CNY exchange rate of 1:4.895 as at 30 June 2016 and includes OUE C-REIT's share of OUB Centre Limited's loan
(3) Including amortisation of debt establishment costs

Debt Maturity Profile as at 30 Sep 2016

- Refinanced RMB onshore loan maturing in 2017 with a new 8-year term loan
- In advanced negotiations to refinance the balance of loans maturing in 2017



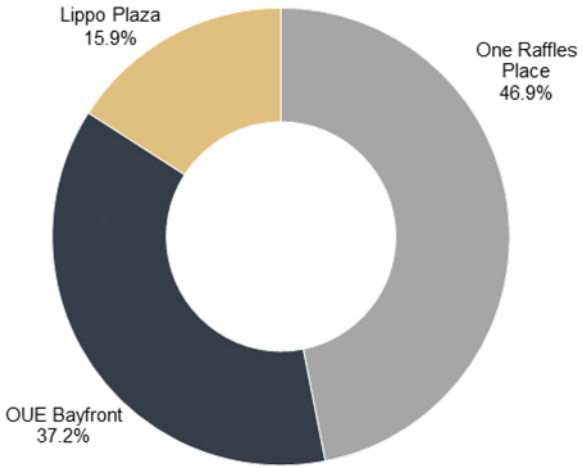
(1) Based on SGD:CNY exchange rate of 1:4.897



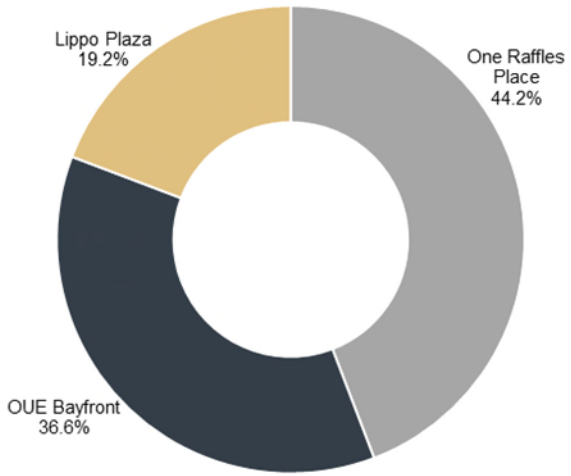
Portfolio Performance

Portfolio Composition

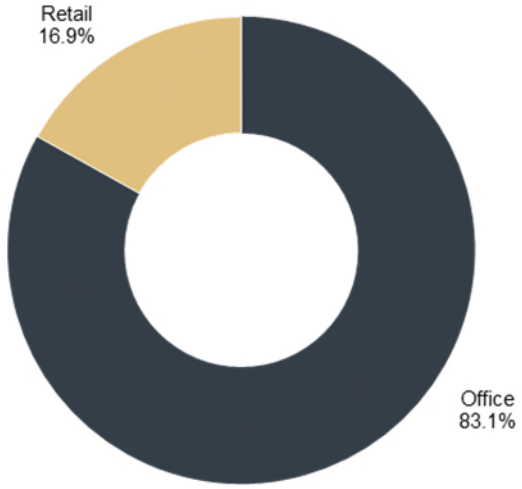
By Asset Value(1)



By Revenue Contribution(2)



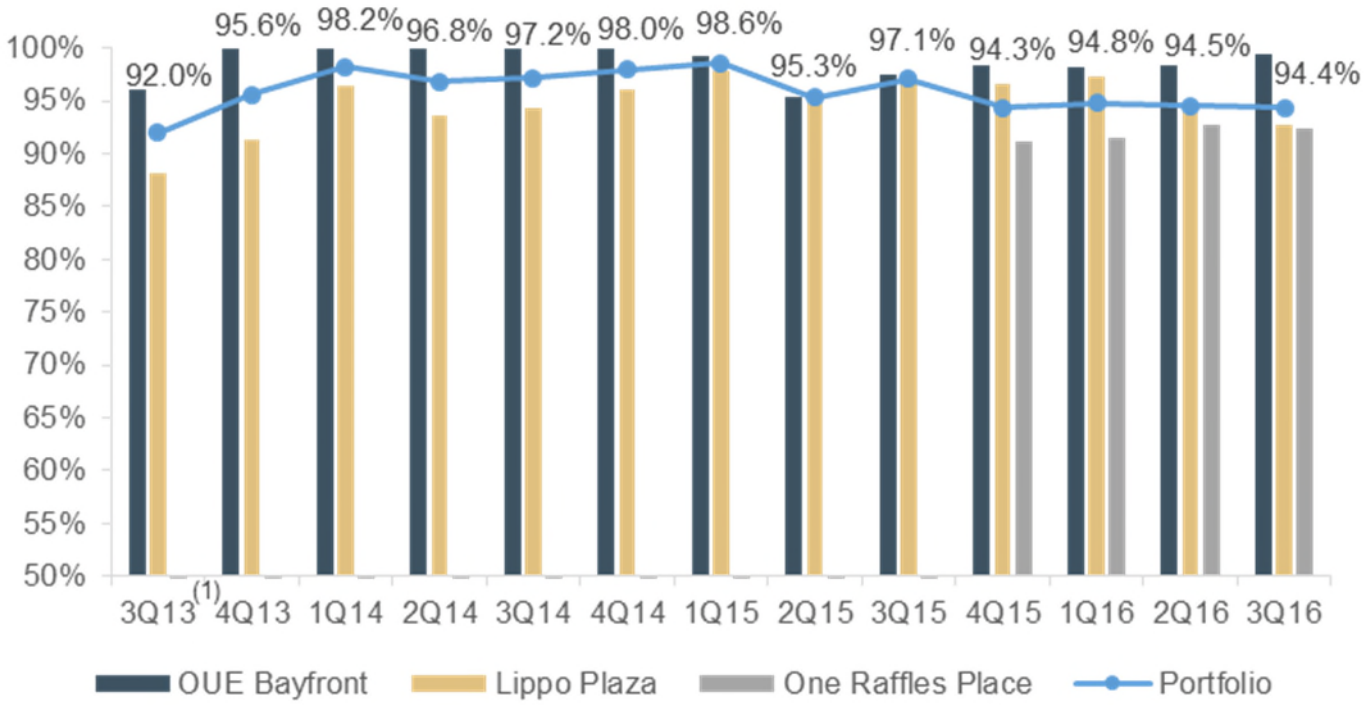
By Segment Revenue(2)



(1) Based on independent valuations as at 31 December 2015 and OUE C-REIT's proportionate interest in One Raffles Place
(2) For 3Q 2016 and based on OUE C-REIT's attributable interest in One Raffles Place

Resilient and Stable Portfolio

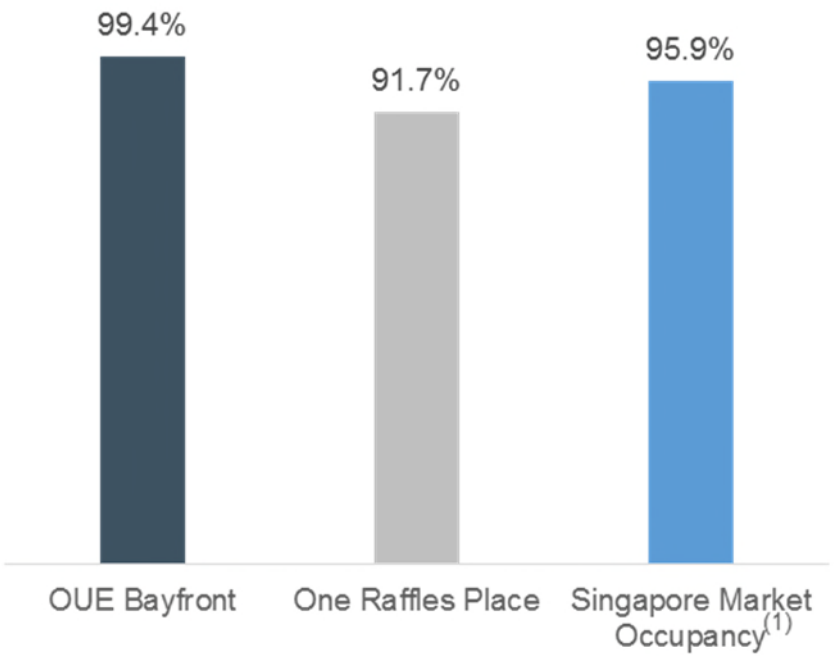
OUE C-REIT's Portfolio Committed Occupancy



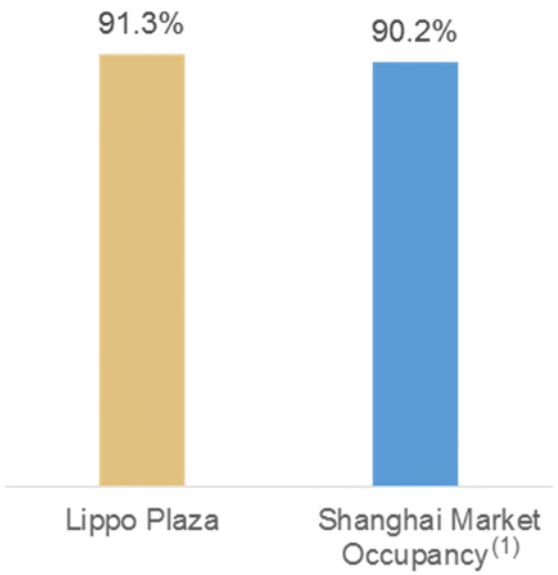
(1) Proforma committed occupancy as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

Office Occupancy In Line with Market

Singapore



Shanghai



(1) Singapore Market Occupancy refers to Core CBD office occupancy for 3Q 2016 according to CBRE Research. Shanghai Market Occupancy refers to Shanghai Grade A office occupancy for 3Q 2016 according to Colliers International Shanghai

Improved Office Passing Rents

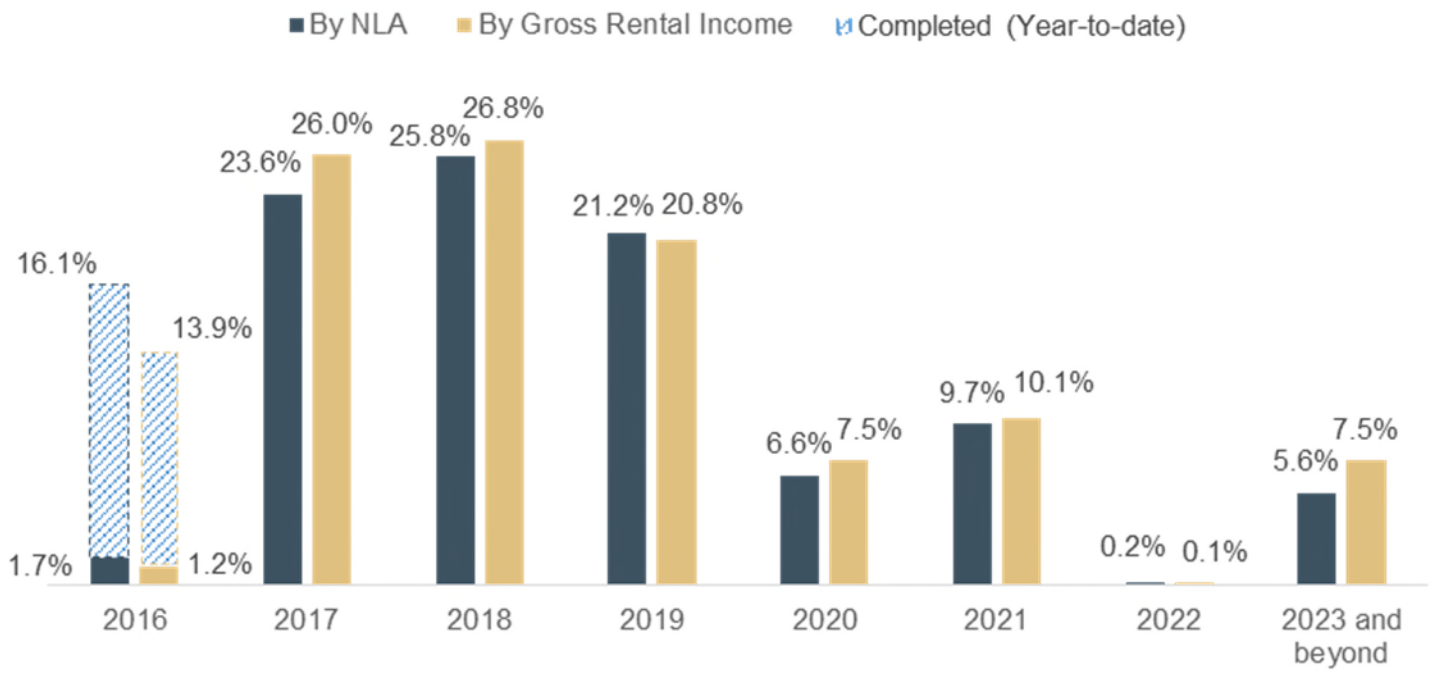
	Rental Reversions[1]		3Q 2016 Committed Rents[2]	Average Passing Rent	
	3Q 2016	YTD Sep 2016		Sep 2016	Sep 2015
OUE Bayfront	-2.2%	1.2%	S$10.40 – S$13.20 psf/mth	S$11.85 psf/mth	S$11.38 psf/mth
One Raffles Place	-3.1%	0.9%	S$6.20[3] – S$10.00 psf/mth	S$10.36 psf/mth	N.A.[4]
Lippo Plaza	13.2%	10.3%	RMB8.55 – RMB11.33 psm/day	RMB9.78 psm/day	RMB9.35 psm/day

- Average passing rent continued to be higher year-on-year, due to positive rental reversions achieved in the prior quarters
- The range of office rents committed at OUE Bayfront in 3Q 2016 is at a premium to the market rent of S$9.30 psf per month[5], despite the negative reversion

(1) Computed based on renewal / reviewed rental rates vs preceding rental rates
(2) Committed rents for renewal leases, reviewed leases and new leases
(3) Due to the leasing of a sub-optimal unit on low floor in 3Q 2016. Excluding this, the lower end of the range is S$8.50 psf per month
(4) OUE C-REIT acquired One Raffles Place on 8 October 2015
(5) CBRE Singapore MarketView 3Q 2016

Lease Expiry Profile - Portfolio

Only 1.2% of OUE C-REIT's gross rental income is due for renewal for balance of 2016, reduced from 15.1% at the start of the year



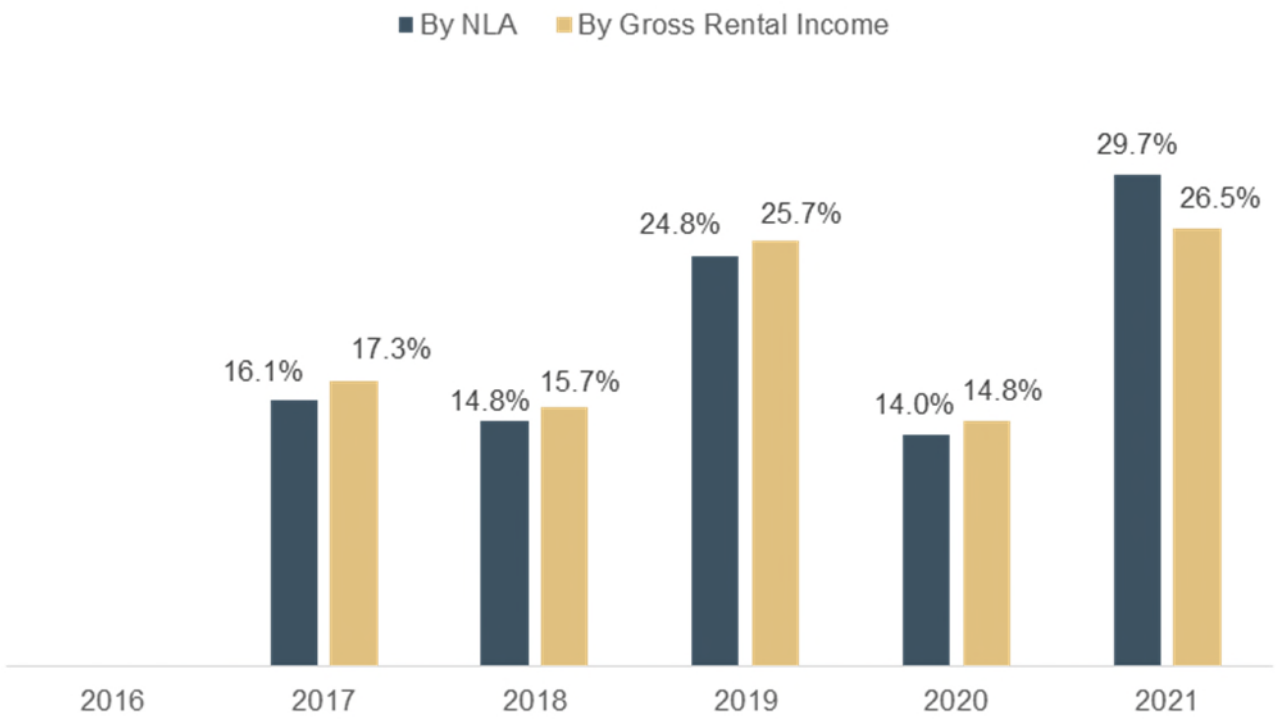
WALE(1) of 2.6 years by NLA(2) and 2.7 years by Gross Rental Income

As at 30 Sep 2016

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

Lease Expiry Profile - OUE Bayfront

Completed the renewal of all expiring office leases in 2016. More than 65% of OUE Bayfront's gross rental income is due only in 2019 and beyond

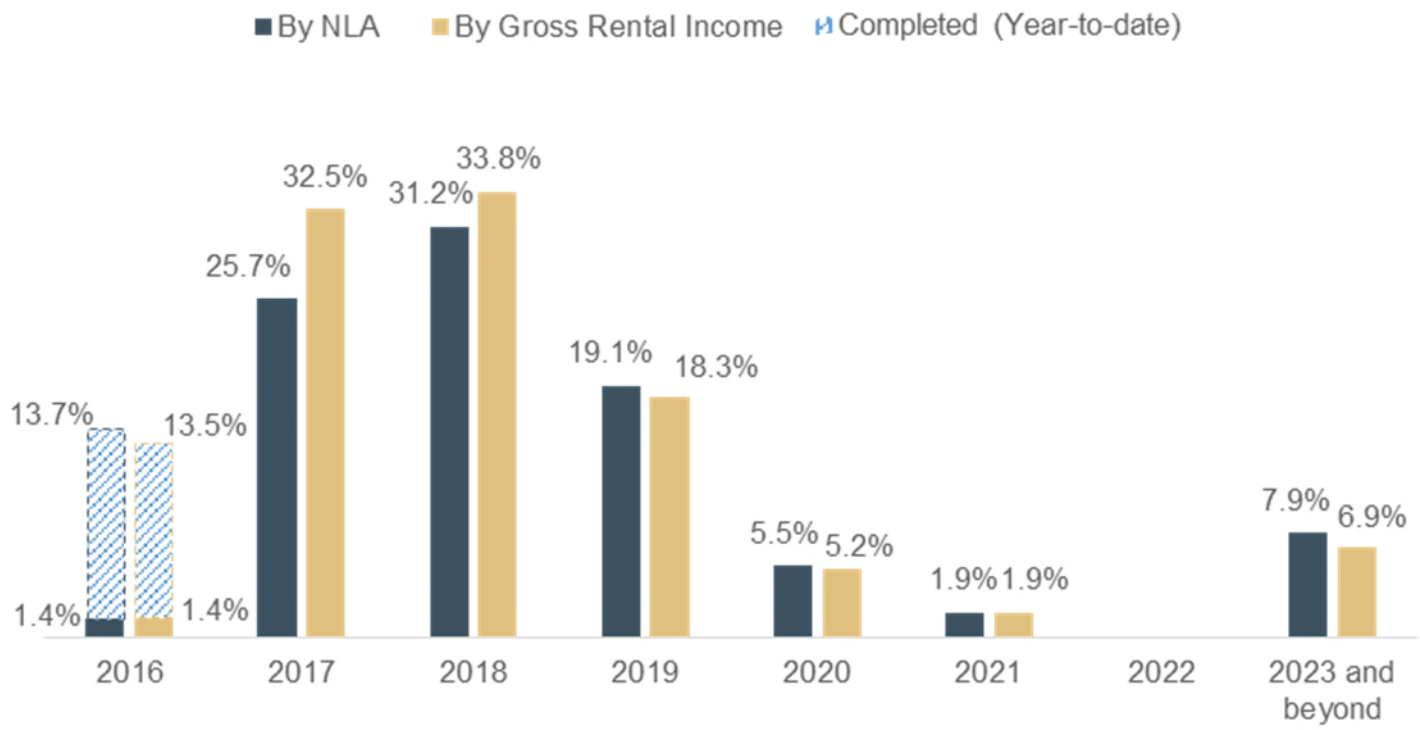


WALE of 3.2 years by NLA and 3.1 years by Gross Rental Income

As at 30 Sep 2016

Lease Expiry Profile - One Raffles Place

Approximately 45.3% of 2017 renewals by gross rental income is attributable to retail income as One Raffles Place Shopping Mall was re-opened after a major refurbishment in 2014

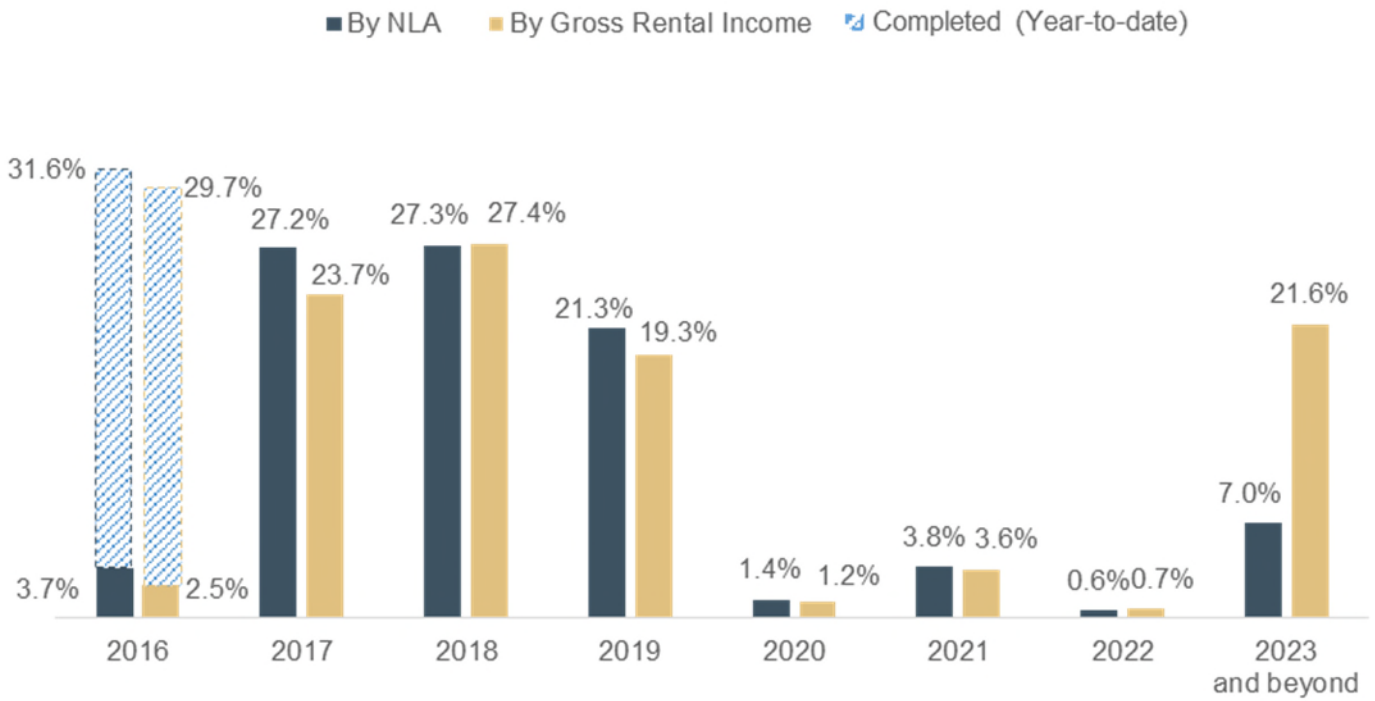


WALE of 2.3 years by NLA and 2.1 years by Gross Rental Income

As at 30 Sep 2016

Lease Expiry Profile - Lippo Plaza

Significantly increased the weighted average lease expiry to 3.6 years by gross rental income compared to 1.6 years[1] a year ago, with leases that extend beyond 2023



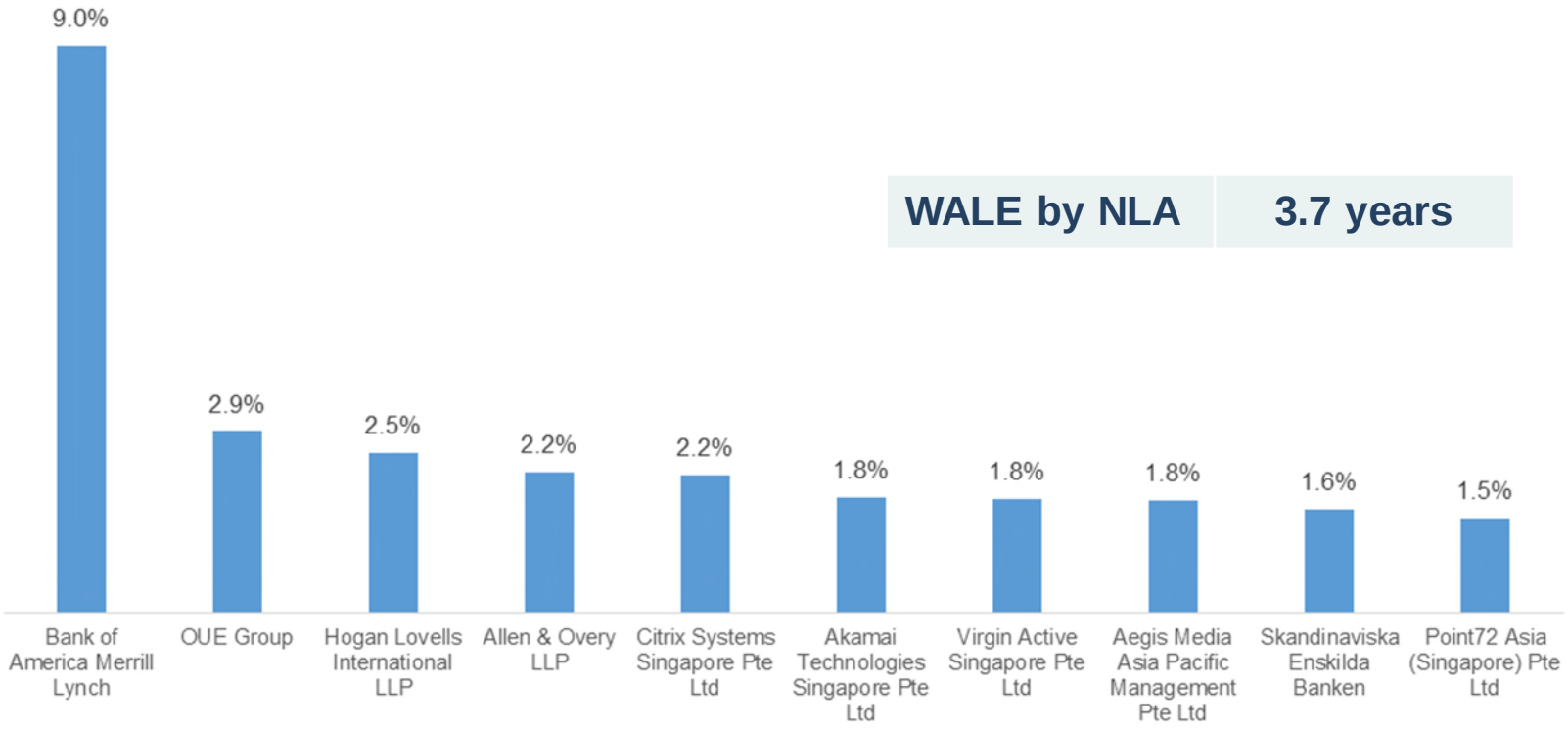
WALE of 2.5 years by NLA and 3.6 years by Gross Rental Income

As at 30 Sep 2016

(1) Based on OUE C-REIT's 3Q 2015 results presentation dated 11 November 2015

Quality and Diversified Tenant Base

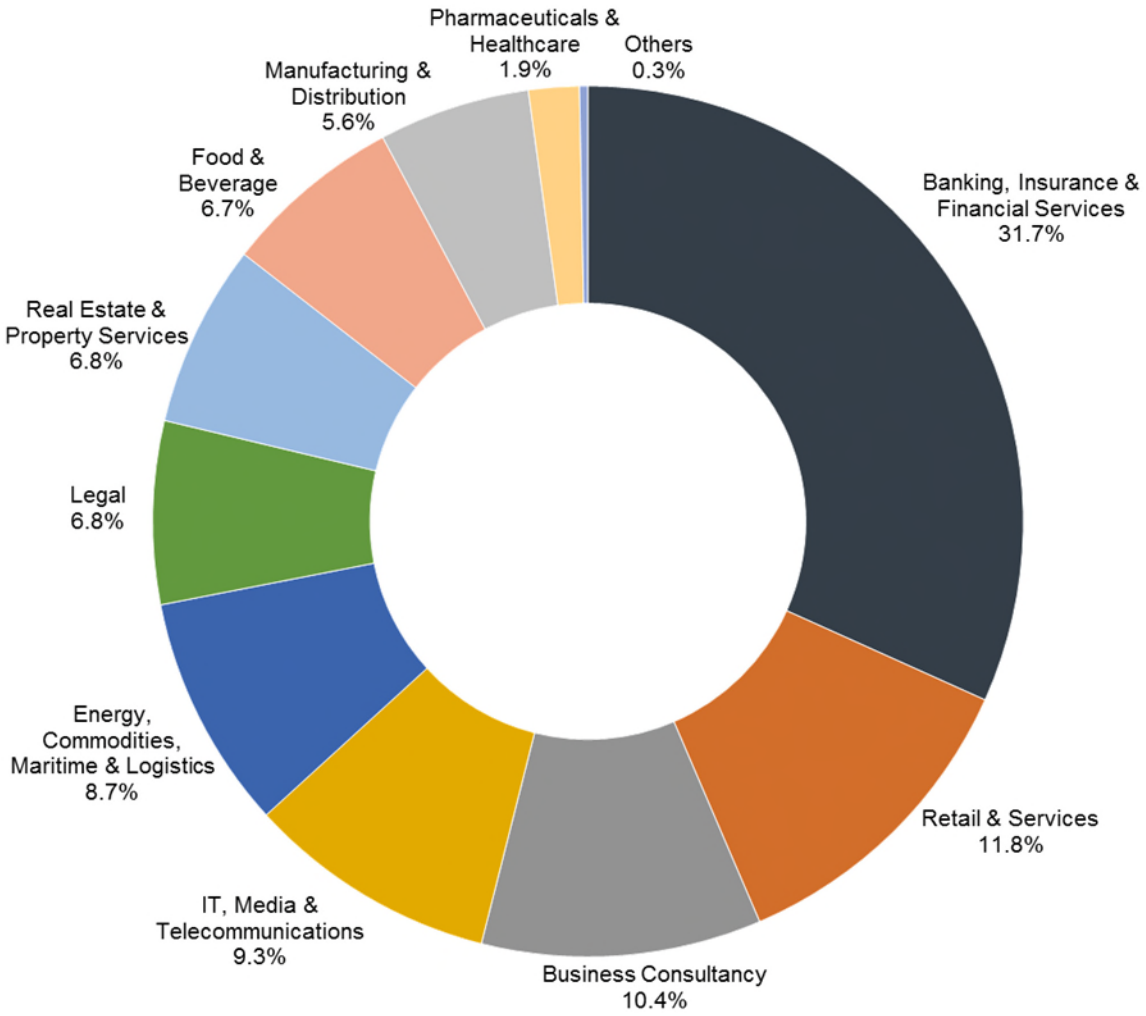
Top 10 tenants contribute approximately 27.3% of gross rental income



WALE by NLA	3.7 years

As at 30 Sep 2016

Diversified Tenant Base



As at September 2016

Appendices

- Singapore Office Market
- Shanghai Office Market



Overview of Singapore Office Sector

✓**Singapore's CBD**

– Comprises traditional areas of Raffles Place, Shenton Way/Robinson Road/Cecil Street as well as Marina Bay

– Many established global financial institutions and headquarters of MNCs are located in Marina Bay and Raffles Place, while Shenton Way/Robinson Road/Cecil Street is popular with professional services companies and other financial, insurance and real estate companies

✓**Historical supply-demand conditions**

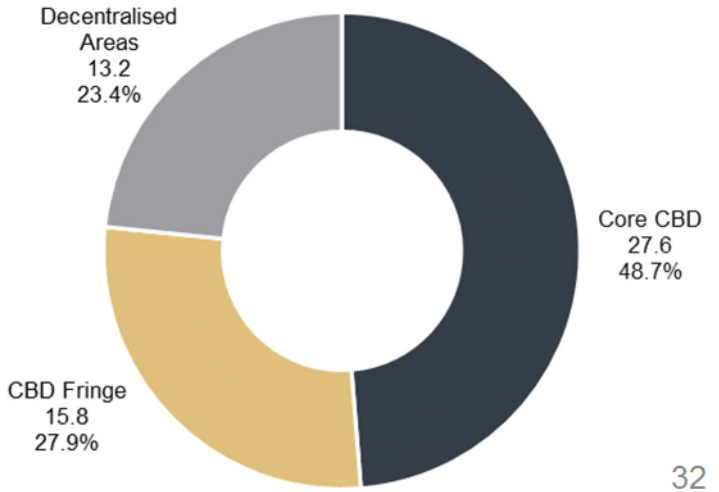
– Annual island-wide demand for office space from 2004 – 2014 was about 1.4 million sq ft, compared to annual supply of 1.1 million sq ft over the same period. For 2015, island-wide demand was about 670,000 sq ft due to a contraction in demand from financial services, as well as the energy & commodities sectors.

CBD Office Locations (Singapore)



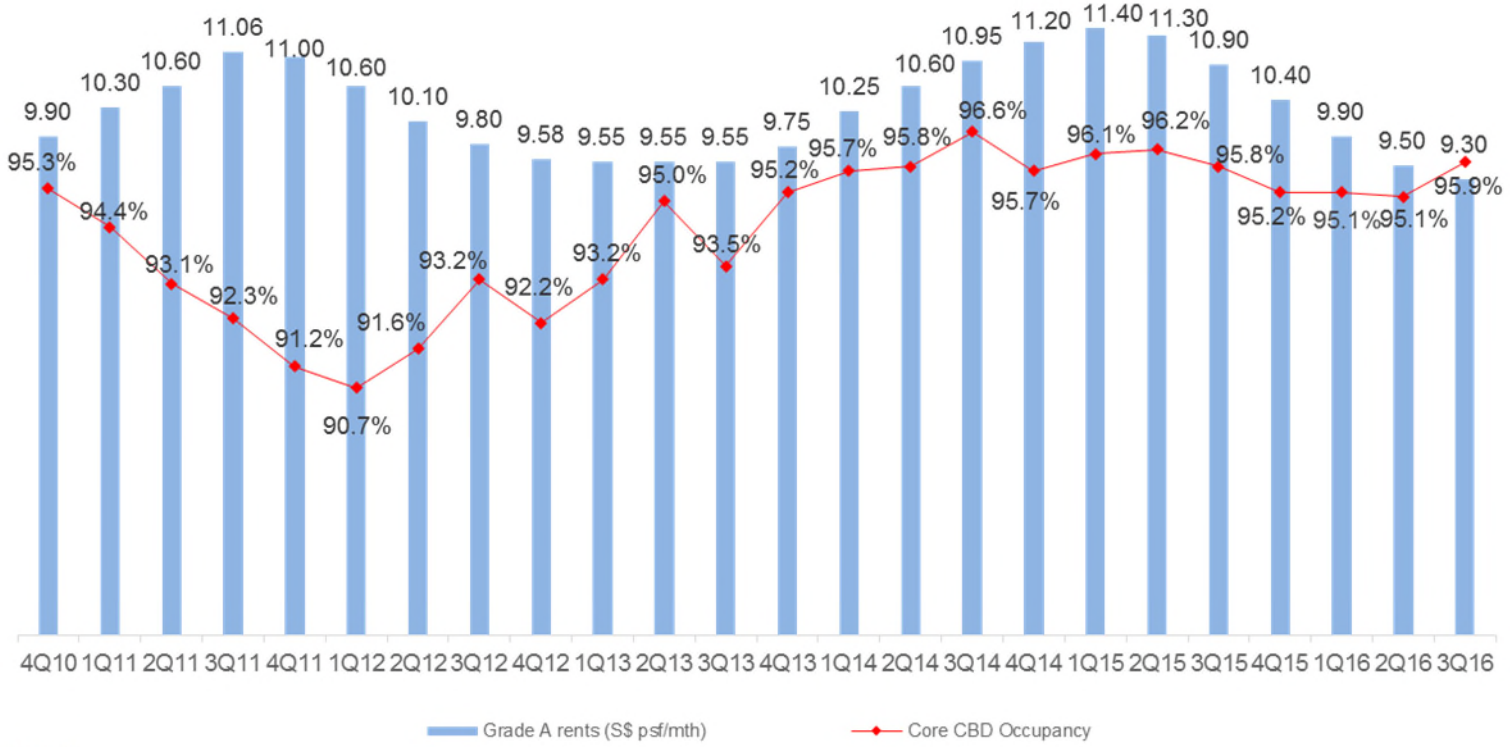
(1) CBRE Pte Ltd, 3Q 2016

Breakdown of Office Stock in Singapore (million sq ft)(1)



Singapore Office Market

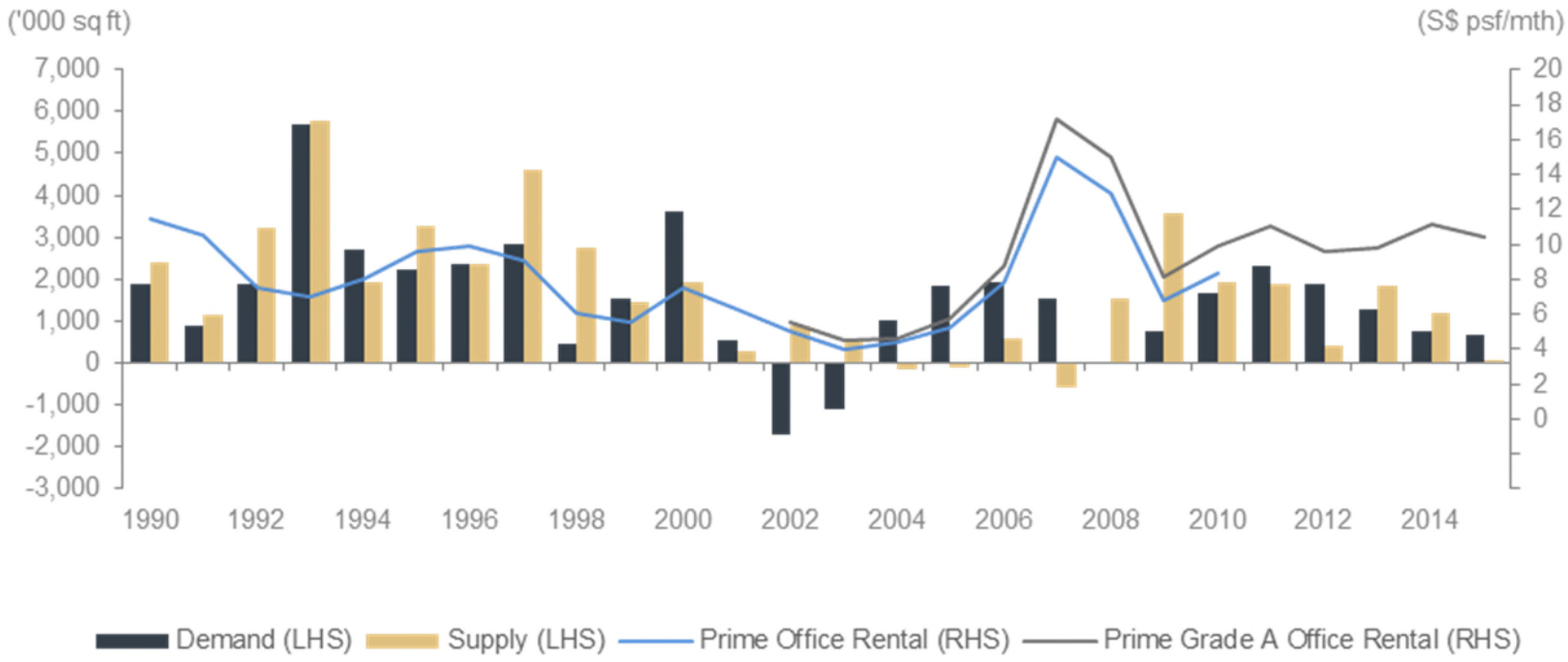
- Core CBD office occupancy ticked up 0.8 ppt QoQ to 95.9% as at 3Q 2016, while Grade A office rents moderated 2.1% QoQ to S$9.30 psf/mth
- Leasing momentum picked up markedly with net absorption turning positive after four consecutive quarters of contraction, however activity continues to mainly be driven by "flight to quality" relocations, and increased pre-commitment levels at new office projects



Source: CBRE

Demand and Supply vs Office Rental

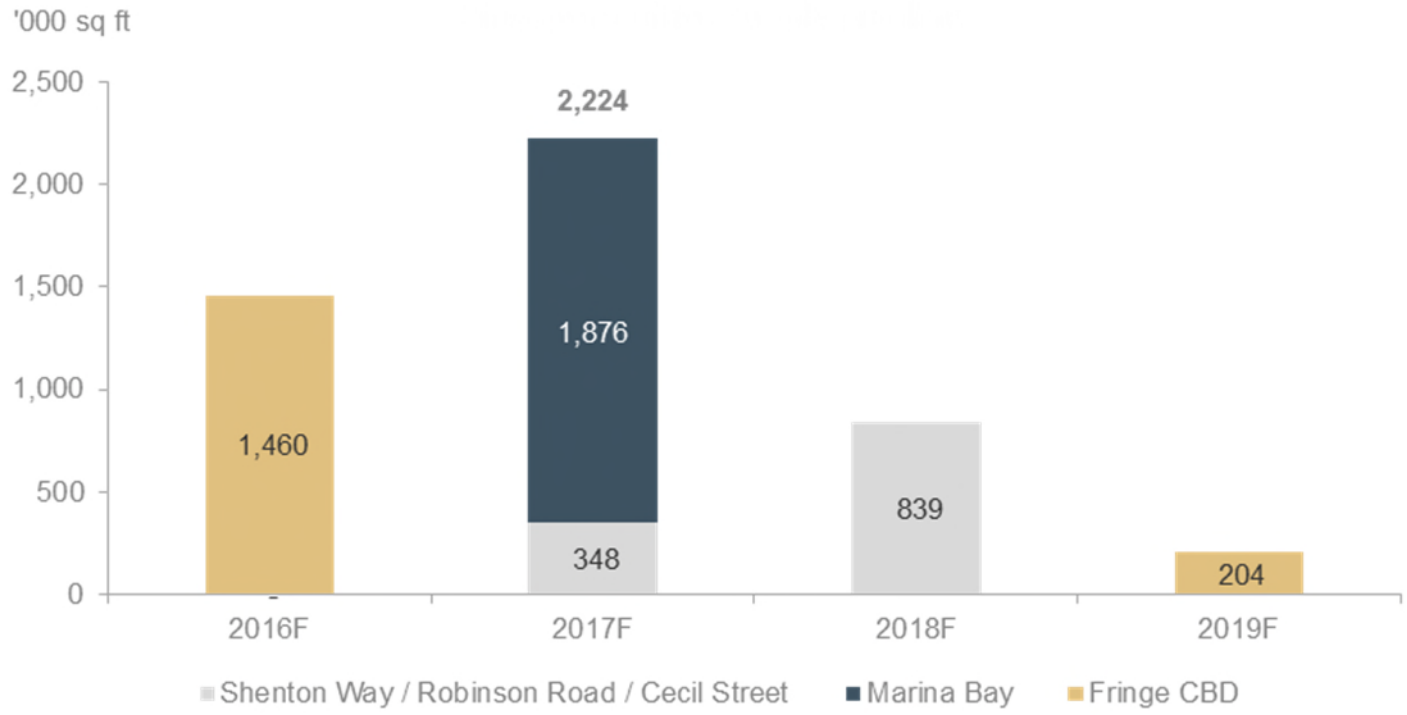
Island-wide Office Demand, Supply vs Office Rental



Source: URA statistics, CBRE Research
2Q11 was the last period where CBRE provided Prime office Rental data. Prime Grade A office rental data not available prior to 1Q02

Known Office Supply Pipeline

Office Supply Pipeline in Singapore's CBD and Fringe CBD (NLA sq ft)



Note: Excluding strata-titled office
Source: CBRE Research, 3Q 2016

Overview of Shanghai Office Sector

✓**Puxi, the traditional business and commercial hub of Shanghai**

– Key office and commercial districts within Puxi are concentrated in the Jing'an, Huangpu and Xuhui areas, which together form the traditional downtown CBD of Shanghai

– Puxi draws international retailers, service providers and MNC headquarters operations due to its good connectivity and excellent amenities, while Pudong's Lujiazui caters to financial institutions due to policy and incentive-driven agglomeration

✓**Historical supply-demand conditions**

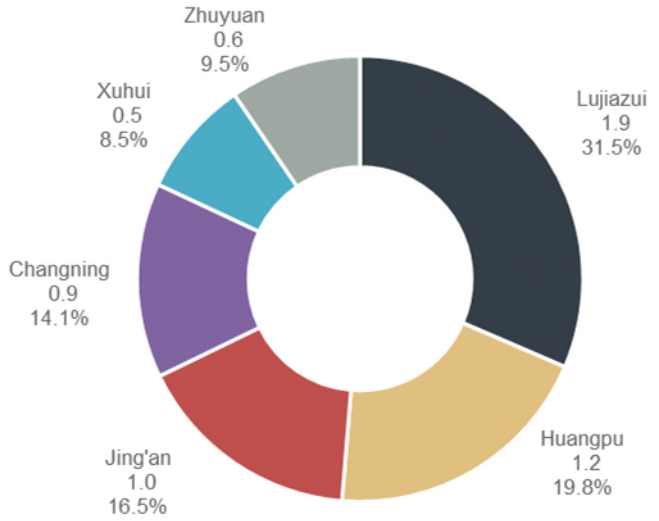
– The six main districts that make up Shanghai core CBD have a total Grade-A office stock of approximately 5.8 million sq m as at 2Q 2016

– Average new supply of Shanghai CBD Grade A office from 2010-2014 was 341,000 sq m, compared to average net demand of 389,000 sq m over the same period. In 2015, net demand was about 420,000 sq m, with net supply of about 400,000 sq m

Key Districts of Shanghai CBD



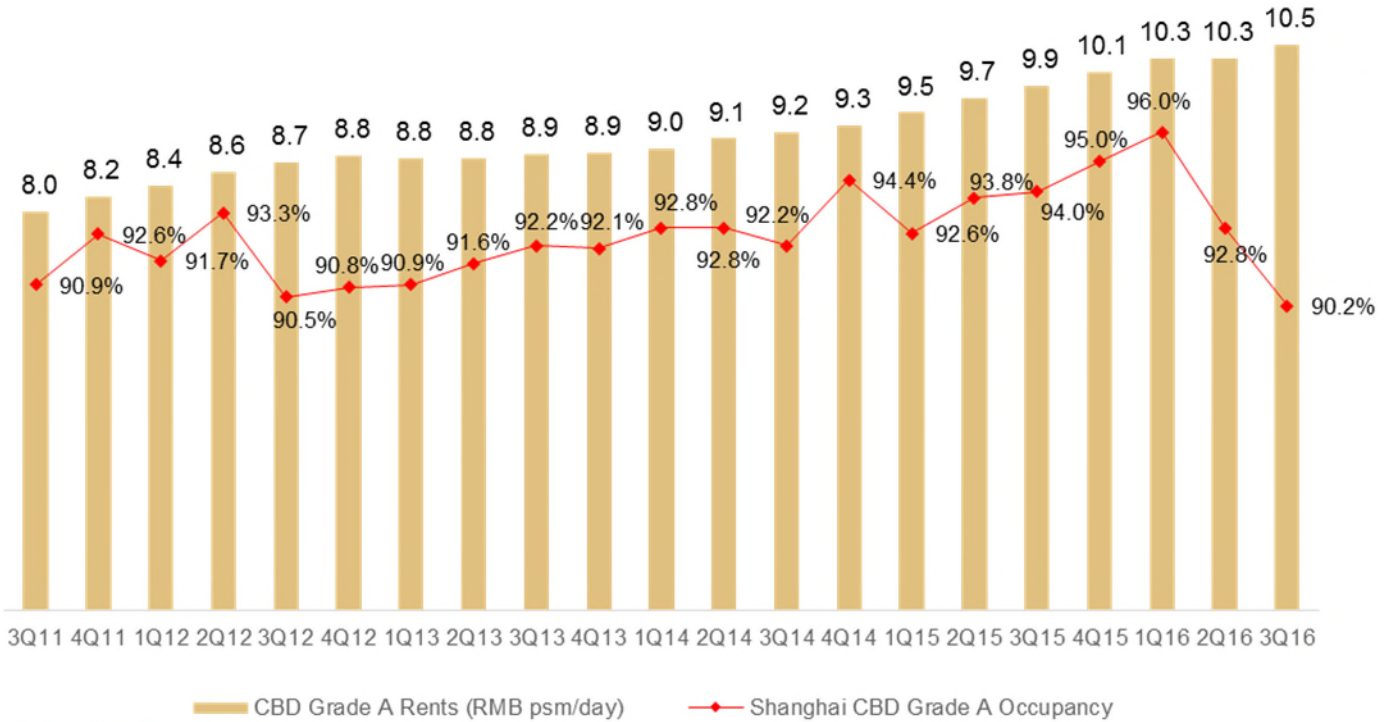
Breakdown of CBD Grade-A office stock (million sq m)[1]



[1] Colliers International Research, 3Q16

Shanghai Office Market

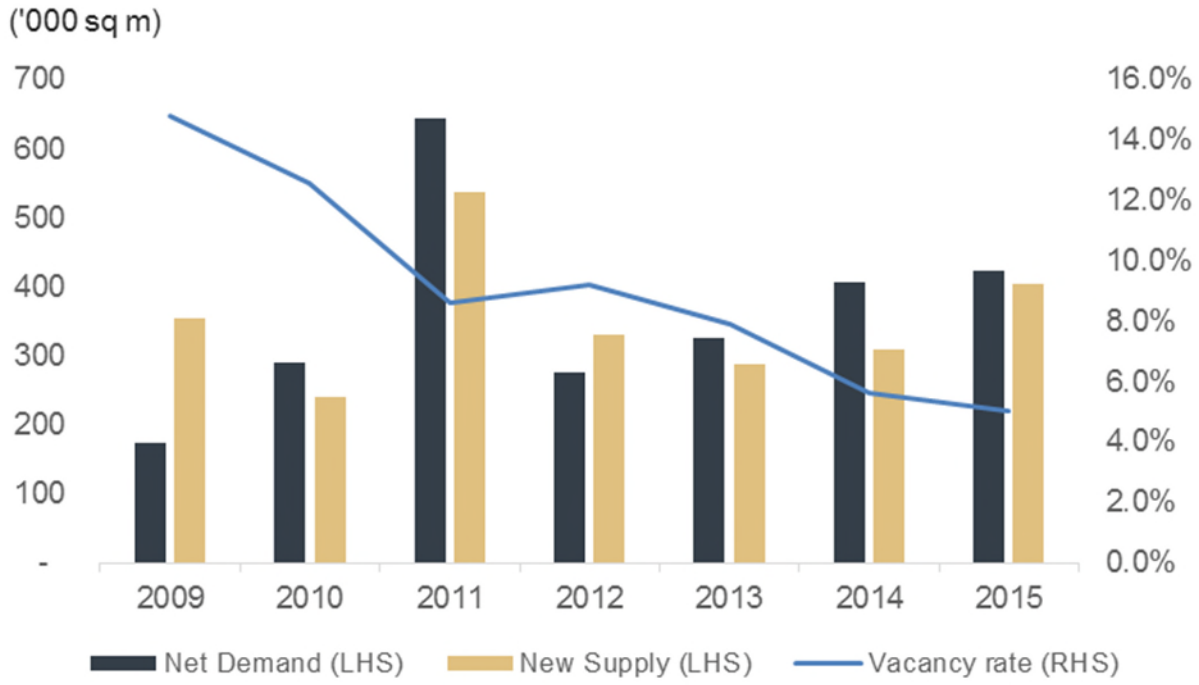
- CBD Grade A office occupancy declined 2.6 ppt QoQ to 90.2% as at 3Q 2016, due to a significant amount of new office completions during the quarter despite net absorption turning positive. Nonetheless, average CBD Grade A office rents increased 2.5% QoQ to RMB10.5 psm/day due to the implementation of value-added tax which was included in the headline rental figures
- In Puxi, occupancy fell 3.5 ppt QoQ to 90.0% as at 3Q 2016, while average rents in Puxi rose 2.1% QoQ to RMB9.6 psm/day



Source: Colliers International

Demand, Supply and Vacancy

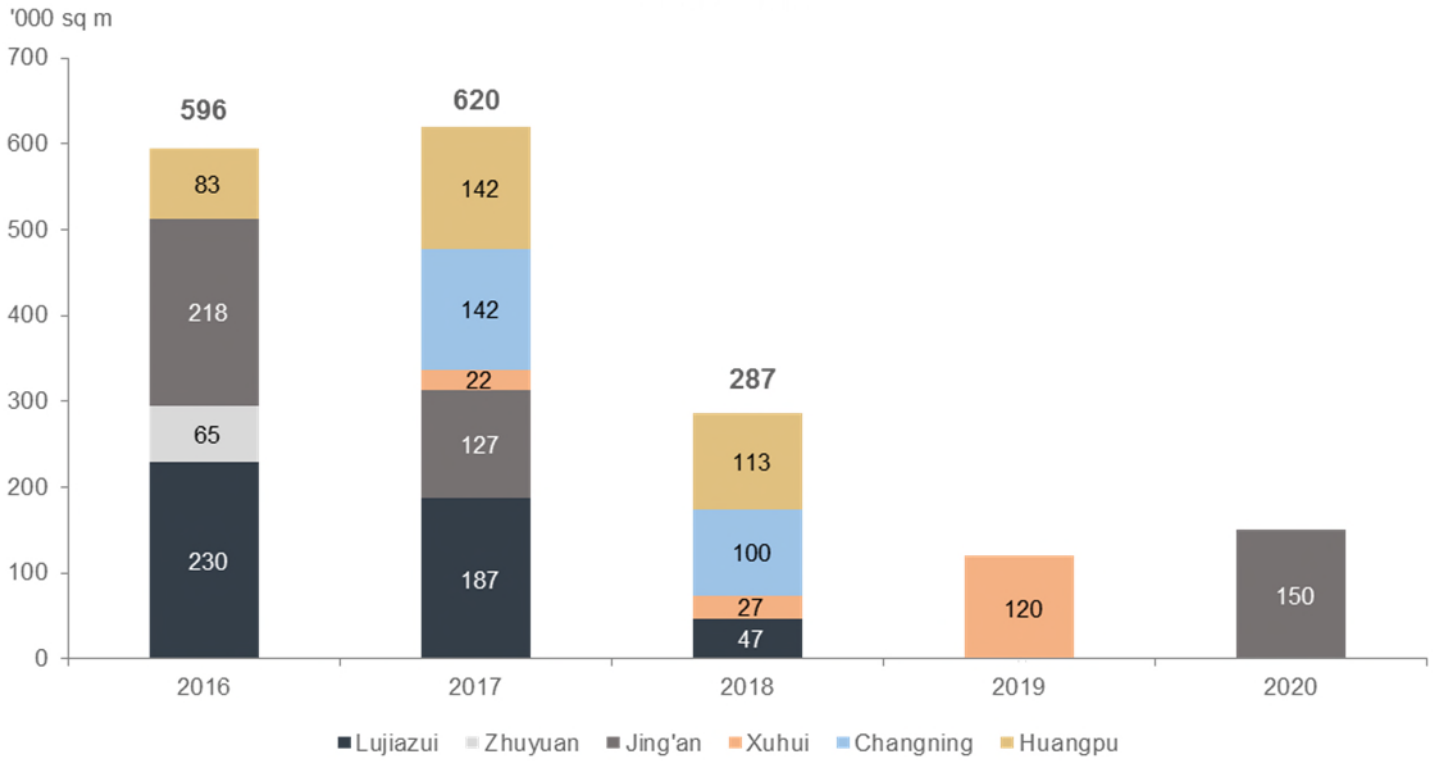
Shanghai CBD Grade A Net Absorption, New Supply and Vacancy Rate



Source: Colliers International

CBD Grade A Office Supply Pipeline

Office Supply Pipeline in Shanghai CBD (sq m)



Source: Colliers International



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Thank you