PRESS RELEASE
For Immediate Release

OUE C-REIT Announces 3Q 2021 Amount Available for Distribution of S$30.2 million

- Commercial segment committed occupancy improved slightly to 92.0% as at 30 September 2021 despite slower leasing momentum in 3Q 2021
- Hospitality segment RevPAR was S$92 in 3Q 2021; relaunch of Hilton Singapore Orchard in 1Q 2022 to ride on expected recovery in the Singapore hospitality sector
- Included into the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index) in September 2021
- Post quarter-end, obtained maiden S$540 million sustainability-linked loan for refinancing; extended the pro forma average term of debt to 3.3 years with no debt due until December 2022

2 November 2021 – OUE Commercial REIT Management Pte. Ltd., in its capacity as manager (the “Manager”) of OUE Commercial Real Estate Investment Trust (“OUE C-REIT”), announced today key financial and operational updates for the financial period 1 July 2021 to 30 September 2021 (“3Q 2021”).

Net property income for 3Q 2021 was S$46.2 million, 17.1% lower year-on-year (“YoY”) mainly due to the deconsolidation of OUE Bayfront’s performance post the divestment of a 50% interest in the property on 31 March 2021, partially offset by lower rental rebates and property expenses. Due to lower interest expense and including the share of joint venture results of OUE Bayfront, amount available for distribution in 3Q 2021 was S$30.2 million, 7.5% lower YoY.

OUE COMMERCIAL REIT MANAGEMENT PTE. LTD.
Company Registration No. 201327018E
333 Orchard Road, #33-01, Singapore 238867
T +65 6809 8700 F +65 6809 8701 www.ouect.com

Summary of OUE C-REIT's Group Results

(S$'000)	3Q 2021	3Q 2020	Change (%)
Revenue	**58,473**	70,915	(17.5)
Net Property Income	**46,228**	55,763	(17.1)
Share of Joint Venture Results	**3,966**	-	NM
Amount Available for Distribution(1)	**30,231**	32,673	(7.5)

Note:

NM: Not meaningful

(1) Net of working capital requirements in relation to the hospitality segment.

Ms Tan Shu Lin, Chief Executive Officer of the Manager, said, "We are pleased to report a stable operating performance for the office properties in Singapore despite a slowdown in leasing activity due to the recurrent tightening of safe management measures over 3Q 2021. In October, OUE C-REIT secured its maiden S$540 million sustainability-linked loan in line with ongoing commitment to our sustainability targets and to reduce the environmental impact of the portfolio. The refinancing of existing borrowings with this new facility will extend OUE C-REIT's average term of debt to 3.3 years on a pro forma basis, resulting in a well-spread out debt maturity profile with no debt due until December 2022."

"OUE C-REIT's recent inclusion in the FTSE EPRA Nareit Global Real Estate Index has also enhanced its visibility and investability amongst global investors. We will continue to focus on proactive asset management and maintain prudence and discipline in capital management, to deliver stable and sustainable returns to Unitholders," added Ms Tan.

Commercial Segment – Resilient Portfolio

Notwithstanding the slower leasing momentum in 3Q 2021 due to the tightening of safe management measures, OUE C-REIT's commercial segment committed occupancy edged up 0.3 percentage points ("ppt") quarter-on-quarter ("QoQ") to 92.0% as at 30 September 2021 due to improved office occupancies in both Singapore and Shanghai. In particular, Lippo Plaza saw committed office occupancy increase 0.6 ppt to 89.1%, above the overall Shanghai Grade A office occupancy of 87.2% on the back of strong leasing demand in the Shanghai Central Business District's ("CBD") Grade A office market. Committed Singapore office occupancy improved 0.3 ppt QoQ to 92.6%.

Mandarin Gallery's committed occupancy declined 2.2 ppt QoQ to 87.4%, with committed occupancy at 93.3% including short-term leases. While the tightened social restrictions for Singapore in 3Q 2021 had dampened prime retail leasing sentiment, the vacancy increase was also partly attributable to ongoing repositioning of certain spaces to increase the food & beverage offering to enhance the tenant mix and strengthen the appeal of Mandarin Gallery for shoppers. Shopper traffic and tenant sales in September 2021 were approximately 70% and 60% of pre-COVID levels respectively.

As businesses continue to be impacted by the imposition of stricter safe management measures, approximately S$1.1 million of rental rebates were provided in 3Q 2021, a lower quantum than in previous quarters. With the further extension of stricter safe management measures under Singapore's Stabilisation Phase in 4Q 2021, the Manager will continue to monitor the situation closely and provide support where necessary.

Hospitality Segment – Positioned to ride recovery

Asset enhancement works for the re-branding of Mandarin Orchard Singapore is ongoing, with the property to relaunch in 1Q 2022 as Hilton's flagship hotel in Singapore and its largest in Asia-Pacific. The Main Tower of the hotel, which remains open throughout the renovation period, continued to be supported by local demand from staycations and workers affected by border shutdowns. Revenue per available room ("RevPAR") in 3Q 2021 declined slightly to S$68, 5.5% lower QoQ, on the absence of Stay-Home Notice business which ceased in June and lower volume of staycation bookings compared to the previous quarter.

Crowne Plaza Changi Airport continued to serve the air crew and aviation segment due to its proximity to the airport. 3Q 2021 RevPAR for the hotel was S$111. The overall hospitality segment RevPAR for 3Q 2021 was 9.6% lower QoQ at S$92.

Prudent Capital Management

OUE C-REIT's aggregate leverage as at 30 September 2021 was 38.4%, with a weighted average cost of debt of 3.2% per annum.

In October, OUE C-REIT obtained its maiden S$540 million sustainability-linked loan in line with the commitment to reduce the environmental impact of OUE C-REIT's commercial portfolio. With the new facility in place, OUE C-REIT has no refinancing requirements until December 2022 where only S$163 million of debt is due. The average term of debt is expected to lengthen from 2.7 years as at 30 September 2021 to 3.3 years, with the weighted average cost of debt remaining stable at 3.2% per annum.

In line with the objective of delivering long-term sustainability in DPU, the Manager has elected to receive 50% of its base management fees in cash with the balance in Units of OUE C-REIT for 3Q 2021.

Outlook

According to CBRE, office net absorption in Singapore turned positive in 3Q 2021 at ~210,000 square feet ("sq ft"), contributed mainly by the completion of a new office development during the quarter which recorded occupancy of more than 80%. Demand continued to be driven by the technology and non-bank financial services sectors. Due to the increase in office supply, core CBD Grade A occupancy declined 1.1 ppt to 94.5% in 3Q 2021. Nevertheless, core CBD Grade A office rents rose 1.4% QoQ to S$10.65 per square foot ("psf") per month.

Despite potential demand risks as occupiers assess their longer-term space requirements, the limited supply pipeline is expected to support a positive medium-term outlook for Grade A office rents. OUE C-REIT's portfolio of high quality Grade

A Singapore office properties and diversified tenant base is expected to continue to underpin a stable performance.

Singapore has started to progressively roll out quarantine-free travel corridors for vaccinated travellers from countries with low to moderate infection rates. With the relaunch of Hilton Singapore Orchard expected in 1Q 2022, the property will be well-positioned to capture the nascent recovery in the hospitality segment. In addition to modern meetings, incentives, conventions and exhibitions ("MICE") facilities and newly refurbished rooms, Hilton Singapore Orchard will also house fresh dining concepts such as Osteria Mozza, featuring a reinvigorated menu of winning Italian classics from famed American chef Nancy Silverton's original one-Michelin-starred restaurant in Los Angeles. The minimum rent component of S$67.5 million per annum under the master lease arrangements of OUE C-REIT's hotel portfolio will continue to provide significant downside protection for the hospitality segment.

Prime Orchard Road retail rents continued to ease in 3Q 2021, correcting 1.0% QoQ to S$34.20 psf per month in 3Q 2021 according to CBRE, hampered by continued border restrictions, work-from-home as the default working arrangement and other ongoing safe management measures. While retail rents are likely to remain soft for the rest of 2021, the retail sector is set to benefit from the improvement in consumer sentiment and economic activity with the progressive easing of border restrictions and high vaccination rates.

According to Colliers International, demand for Shanghai CBD Grade A office continued to surge in 3Q 2021. Consequently, overall Shanghai CBD Grade A occupancy rose 1.2 ppt QoQ to 87.2% as at 3Q 2021, while CBD Grade A office rents increased 0.6% QoQ to RMB8.99 psm per day. While office demand is expected to continue to track the economic recovery, rental growth is expected to be measured due to the ample supply pipeline.

\- End -

For further information and enquiries, please contact:

Elaine Cheong
OUE Commercial REIT Management Pte. Ltd.
Tel: +65 6809 8704
Email: elaine.cheong@ouect.com

About OUE Commercial REIT

OUE C-REIT is a real estate investment trust listed on the Main Board of Singapore Exchange Securities Trading Limited since 27 January 2014.

OUE C-REIT is one of the largest diversified Singapore REITs with total assets of S$5.8 billion as at 30 June 2021. With seven properties across the commercial and hospitality segments in Singapore and Shanghai, OUE C-REIT's portfolio comprises approximately 2.2 million sq ft of prime office and retail space, and 1,640 upscale hotel rooms.

OUE C-REIT invests in 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, and/or hospitality and/or hospitality-related purposes, as well as real estate-related assets.

OUE C-REIT is managed by OUE Commercial REIT Management Pte. Ltd., which is a wholly-owned subsidiary of OUE Limited.

For more information, please visit www.ouect.com.

About the Sponsor: OUE Limited

OUE Limited (SGX-ST: OUE) is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia.

OUE consistently grows its business by leveraging its brands and proven expertise in developing and managing landmark assets across the commercial, hospitality, retail and residential sectors. In 2017, OUE expanded its portfolio into the healthcare sector with the acquisition of OUE Lippo Healthcare Limited, a listed integrated healthcare services and facilities provider. This was followed by the acquisition of First REIT Management Limited (formerly known as Bowsprit Capital Corporation Limited), the manager of First REIT, Singapore's first healthcare real estate investment trust, in October 2018.

In 2019, OUE expanded into the consumer sector with OUE Restaurants. With its core strategy of investing in and enhancing a stable of distinctive properties, OUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value. For more information, please visit www.oue.com.sg.

IMPORTANT NOTICE

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.

This press 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.