



Annual General Meeting

24 April 2018

Important Notice

This presentation shall be read in conjunction with OUE Commercial REIT's Financial Results announcement for FY2017 dated 31 January 2018.

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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 Highlights
- Capital Management
- Portfolio Performance
- Summary

About OUE Commercial REIT

- OUE C-REIT's principal investment strategy is to invest in income-producing real estate which is used primarily for commercial purposes in financial and business hubs in key gateway cities

- With a total assets-under-management of approximately S\$3.5 billion over 2.4 million sq ft of GFA, OUE C-REIT's portfolio comprises
 - **OUE Bayfront**, a premium Grade A office building located at Collyer Quay between the Marina Bay downtown and established financial hub of 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 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

Premium Portfolio of Assets

OUE Bayfront



GFA (sq m)	46,774.6
NLA (sq m)	Office: 35,298.3; Retail: 1,830.1; Overall: 37,128.4
Committed Occupancy (@ 31 Dec 2017)	Office: 98.2%; Retail: 100.0%; Overall: 98.2%
Valuation (@ 31 Dec 2017)	S\$1,153.0 m (S\$2,885 psf)
Valuation Cap Rate (Office):	3.75%
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



GFA (sq m)	119,626.3
Attributable NLA (sq m)	Office: 56,013.0; Retail: 9,386.0; Overall: 65,399.0
Committed Occupancy (@ 31 Dec 2017)	Office: 96.5%; Retail: 86.4%; Overall: 94.9%
Valuation⁽¹⁾ (@ 31 Dec 2017)	S\$1,773.2 m (S\$2,519 psf)
Valuation Cap Rate (Office):	3.60% - 3.90%
Land Use Right Expiry	Office Tower 1: 841 yrs from 1 Nov 1985; Office Tower 2: 99 yrs from 26 May 1983; Retail: ~75% of NLA is on 99 yrs from 1 Nov 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



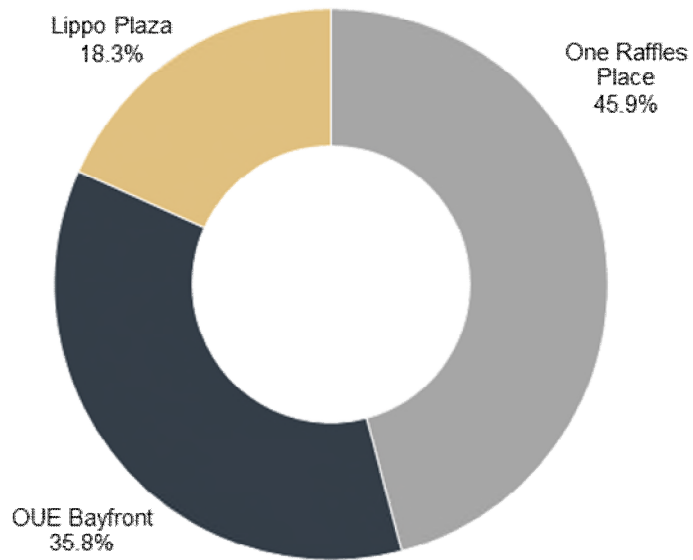
GFA (sq m)	58,521.5
Attributable NLA (sq m)	Office: 33,538.6; Retail: 5,685.9; Overall: 39,224.5
Committed Occupancy (@ 31 Dec 2017)	Office: 100.0%; Retail: 90.4%; Overall: 98.6%
Valuation⁽¹⁾ (@ 31 Dec 2017)	RMB2,887.0 m / RMB49,332 psm (S\$588.9m) ⁽²⁾
Land Use Right Expiry	50 yrs from 2 July 1994
Completion Year	1999; Retail (major refurbishment) : 2010

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

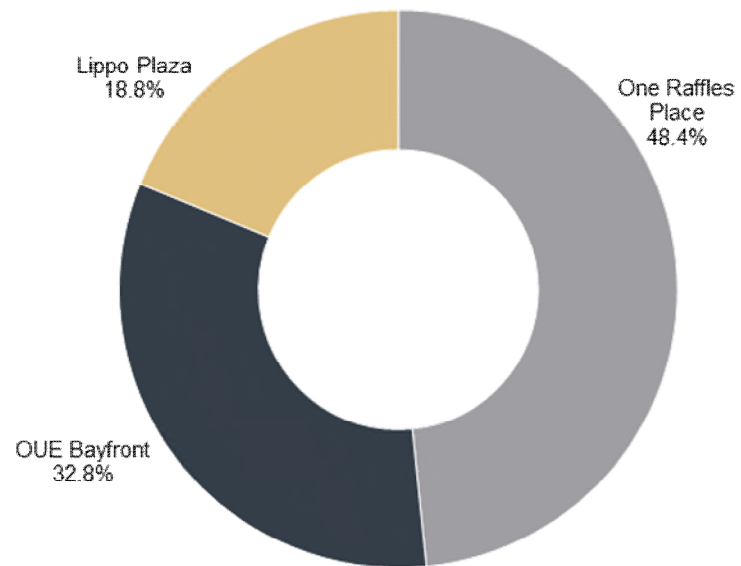
(2) Based on SGD:CNY exchange rate of 1 : 4.902 as at 31 December 2017

Portfolio Composition

By Asset Value⁽¹⁾

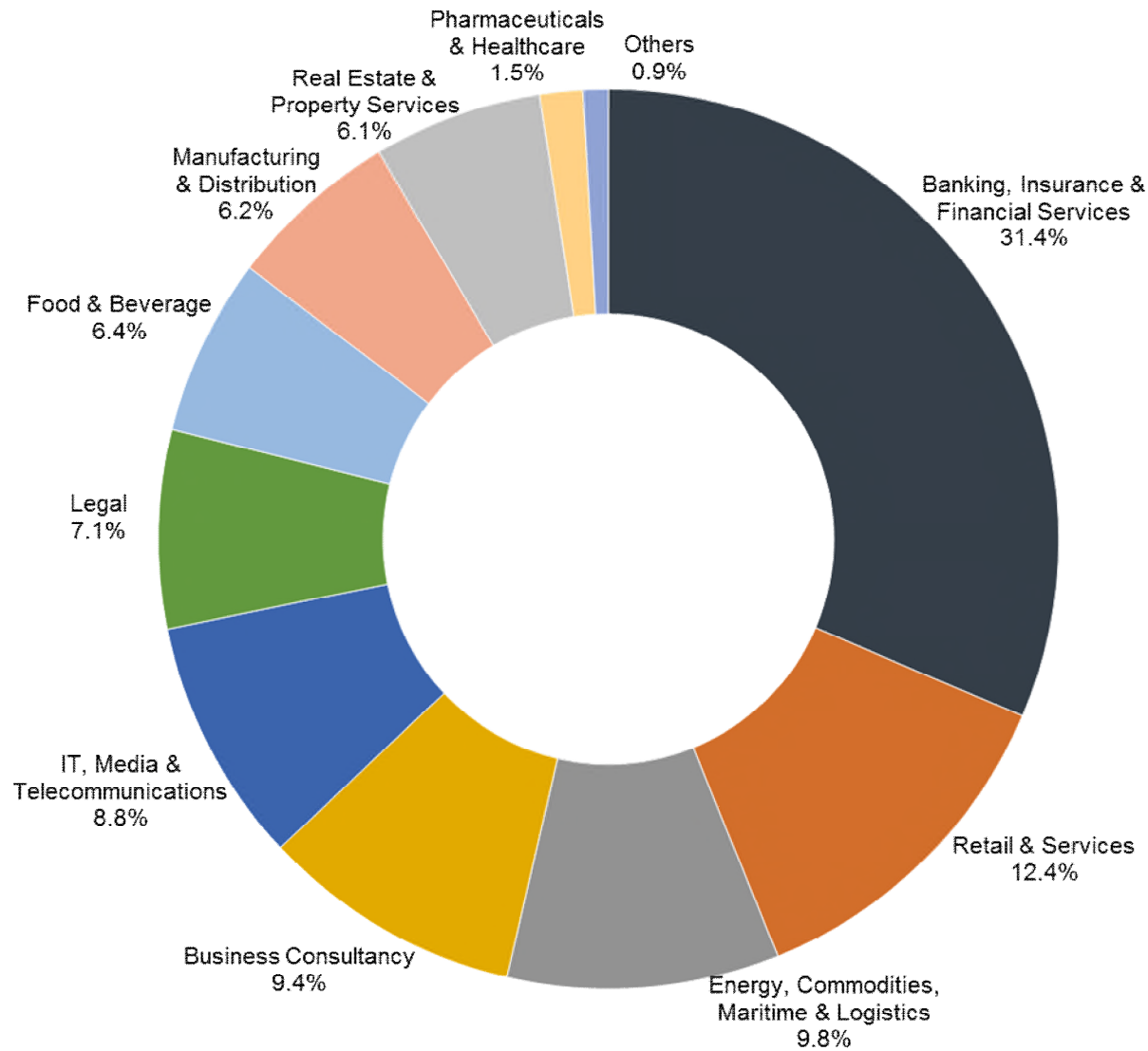


By Revenue Contribution⁽²⁾



(1) Based on independent valuations as at 31 December 2017 and OUE C-REIT's proportionate interest in One Raffles Place
(2) For FY2017 and based on OUE C-REIT's proportionate interest in One Raffles Place

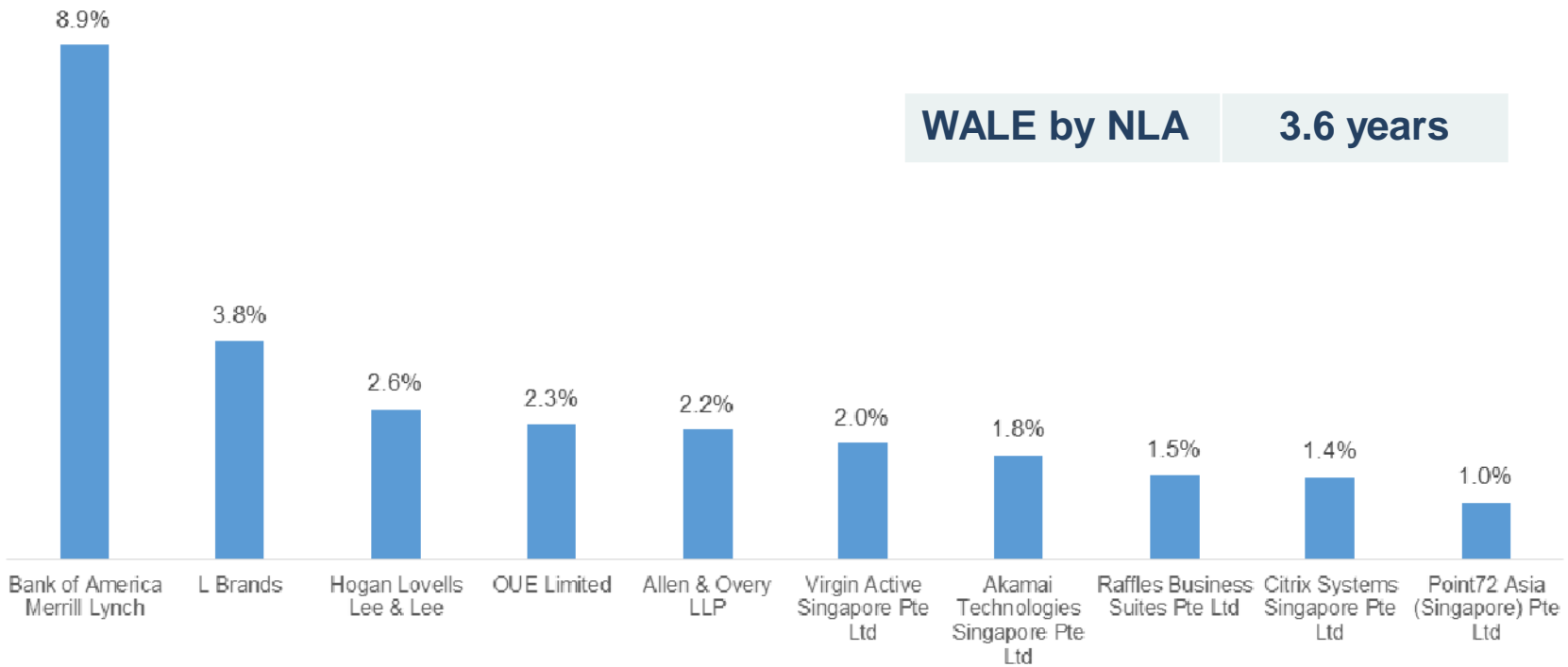
Well-Diversified Portfolio Tenant Base



As at December 2017

Quality and Diversified Tenant Base

Top 10 tenants contribute approximately 27.5% of gross rental income



As at 31 Dec 2017

Financial Highlights



FY2017 Highlights

Assets-Under-
Management

S\$3.5 billion

Distribution Per Unit

4.67 cents

Aggregate Leverage
(As at 31 December 2017)

37.3%

Net Asset Value
(As at 31 December 2017)

S\$0.91 per Unit

Distribution Yield

6.5%⁽¹⁾

Fixed Rate Debt
(As at 31 December 2017)

84.3%

Weighted Average
Lease Expiry
(By Gross Rental Income as at
31 December 2017)

2.6 years

Portfolio Committed
Occupancy
(As at 31 December 2017)

96.8%

New and Renewed Leases
Committed
(For 2017)

418,000 sq ft

(1) OUE C-REIT's distribution yield based on FY2017 distribution per unit of 4.67 cents and Unit closing price as at 19 April 2018 of S\$0.715

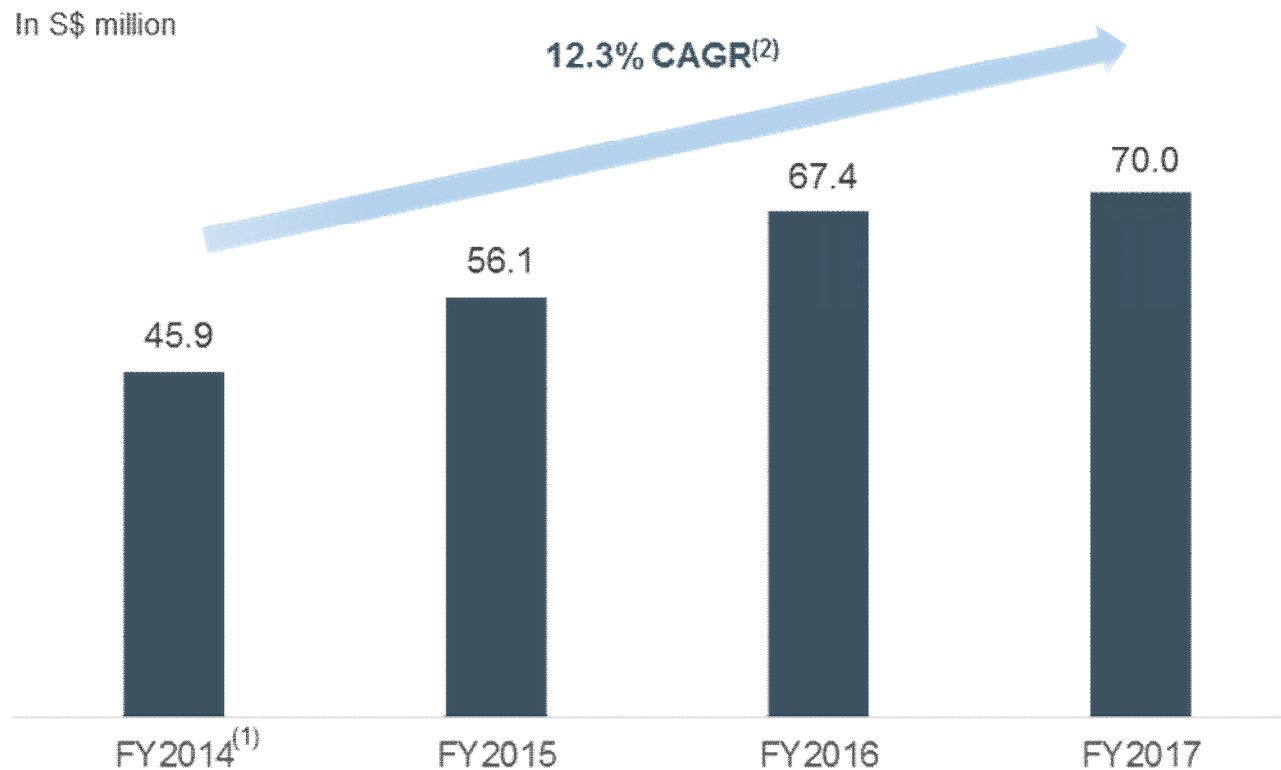
FY2017 vs FY2016

	FY2017	FY2016	Change
Revenue (S\$m)	176.3	177.8	-0.9%
Net Property Income (S\$m)	138.2	138.6	-0.3%
Amount Available for Distribution to Unitholders (S\$m)	70.0	67.4	+3.8%
DPU (cents)	4.67	5.18	-9.8%

- FY2017 revenue was slightly lower YoY at S\$176.3 million due to absence of one-off income in the current period
- With lower property operating expenses, net property income of S\$138.2 million was marginally lower YoY
- Due to the absence of performance fees as well as higher income support drawn, FY2017 amount available for distribution of S\$70.0 million was 3.8% higher YoY
- DPU was 9.8% lower due to a larger unit base from the equity placement completed in March 2017

Delivered Sustainable Distribution

Delivered sustainable distribution to Unitholders since IPO

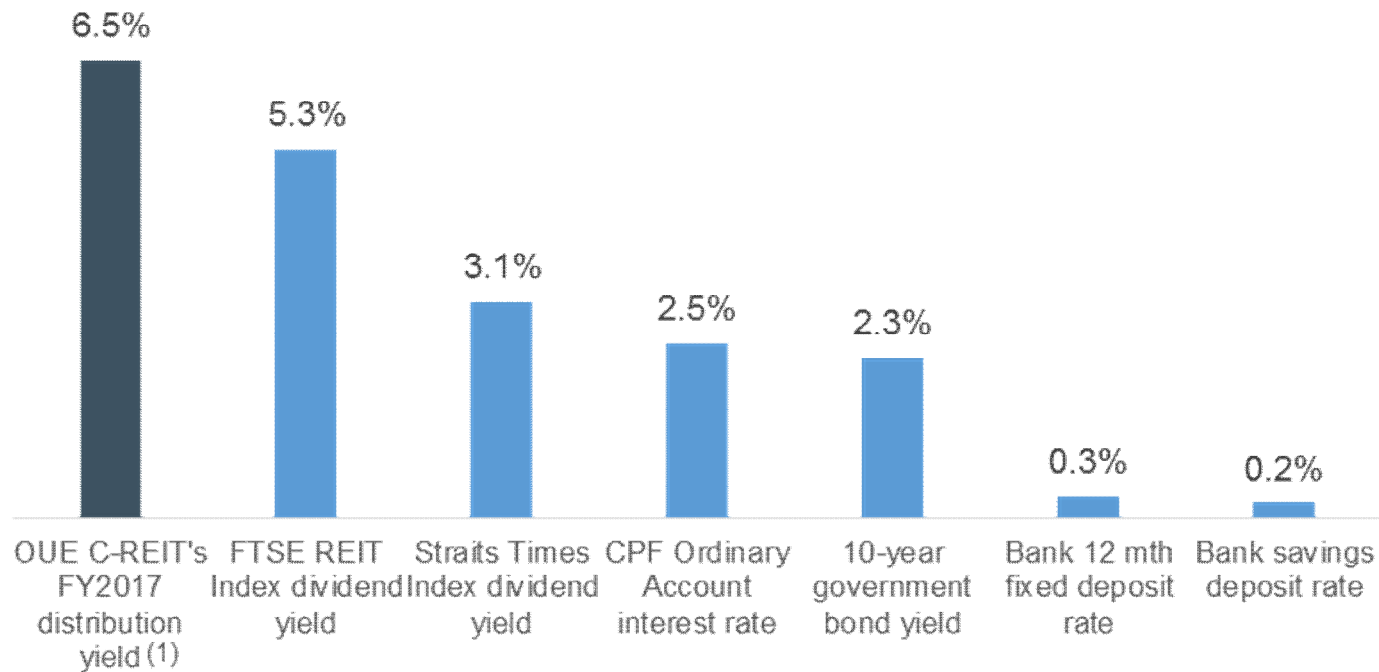


(1) Period commencing from OUE C-REIT's listing date of 27 January 2014 to 31 December 2014

(2) FY2014-FY2017 compound annual growth rate (CAGR) calculated 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

Attractive Distribution Yield

OUE C-REIT's distribution yield is 420bp above the 10-year government bond yield



As at 29 Mar 2018

Source: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities

(1) OUE C-REIT's distribution yield based on FY2017 distribution per unit of 4.67 cents and Unit closing price as at 19 April 2018 of S\$0.715

Capital Management



Valuation as at 31 Dec 2017

Valuations higher across portfolio supported by improved property cashflows

	Valuation as at 31 December 2017 ⁽¹⁾ (S\$ m)	Valuation as at 31 December 2016 ⁽²⁾ (S\$ m)	Change
OUE Bayfront	1,153.0	1,146.0	0.6%
One Raffles Place ⁽³⁾	1,773.2	1,738.3	2.0%
Lippo Plaza	588.9 (RMB 2,887.0 m)	524.2 (RMB 2,524.0 m)	12.3%

(1) Based on independent valuations as at 31 December 2017 and SGD:CNY exchange rate of 1:4.902

(2) Based on independent valuations as at 31 December 2016 and SGD:CNY exchange rate of 1:4.815

(3) Based on OUB Centre's 81.54% interest in One Raffles Place. OUE C-REIT has an 83.33% indirect interest in OUB Centre Limited

(4) Not applicable. Valuation of Lippo Plaza was conducted based on Discounted Cashflow Approach and Direct Comparison Approach only

Capital Management

- Raised S\$150 million from an equity placement in March 2017 to strengthen OUE C-REIT's balance sheet
- To ensure a sustainable capital structure, redeemed S\$175 million of convertible perpetual preferred units ("CPPUs"), reducing the amount of CPPUs outstanding to mitigate future DPU dilution from potential conversion of CPPUs into new Units

	As at 31 Dec 2017	As at 31 Dec 2016
Aggregate Leverage	37.3%	39.8%
Total debt	S\$1,221m ⁽¹⁾	S\$1,261m ⁽²⁾
Weighted average cost of debt	3.5% p.a.	3.4% p.a.
Average term of debt	2.7 years	1.5 years
% fixed rate debt	84.3%	79.3%
Average term of fixed rate debt	2.0 years	2.5 years
Interest service ratio	3.2x	3.1x

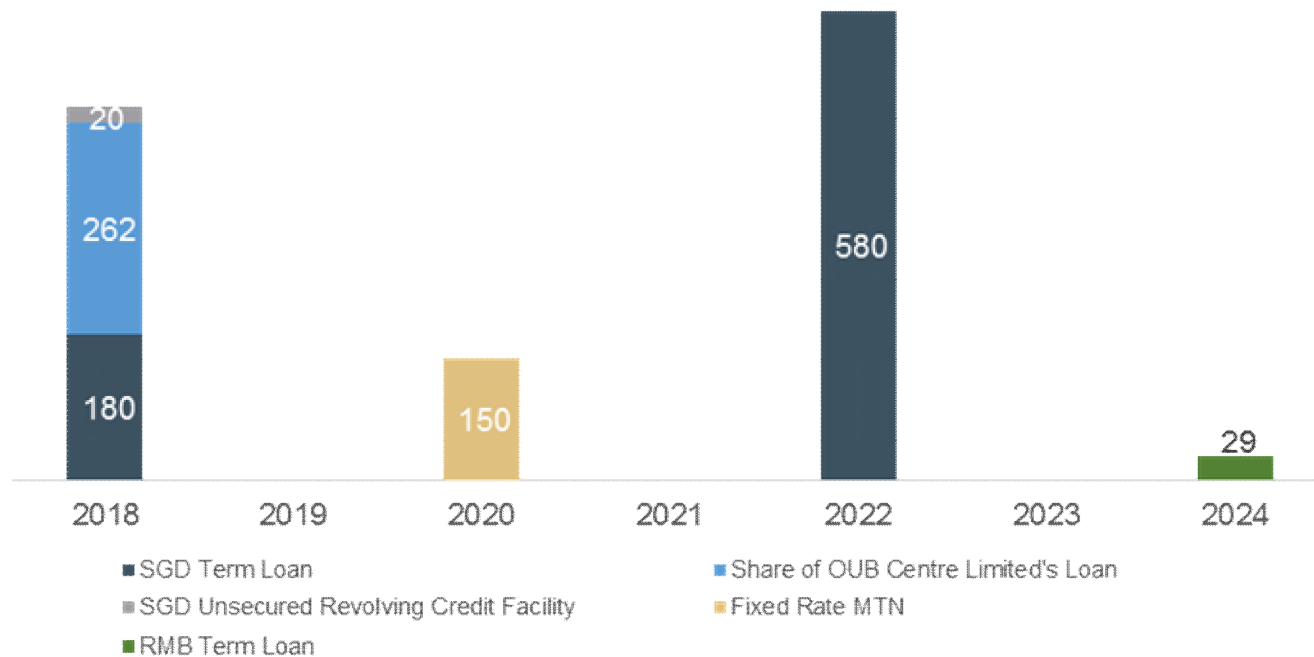
(1) Based on SGD:CNY exchange rate of 1:4.902 as at 31 December 2017 and includes OUE C-REIT's share of OUB Centre Limited's loan

(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 Dec 2017

- Successfully diversified funding sources in September 2017 via a S\$150 million 3.03% fixed rate notes issuance maturing in 2020 which saw strong take up
- Already in active negotiations to complete 2018 refinancing ahead of maturity in 2H 2018

In S\$ million



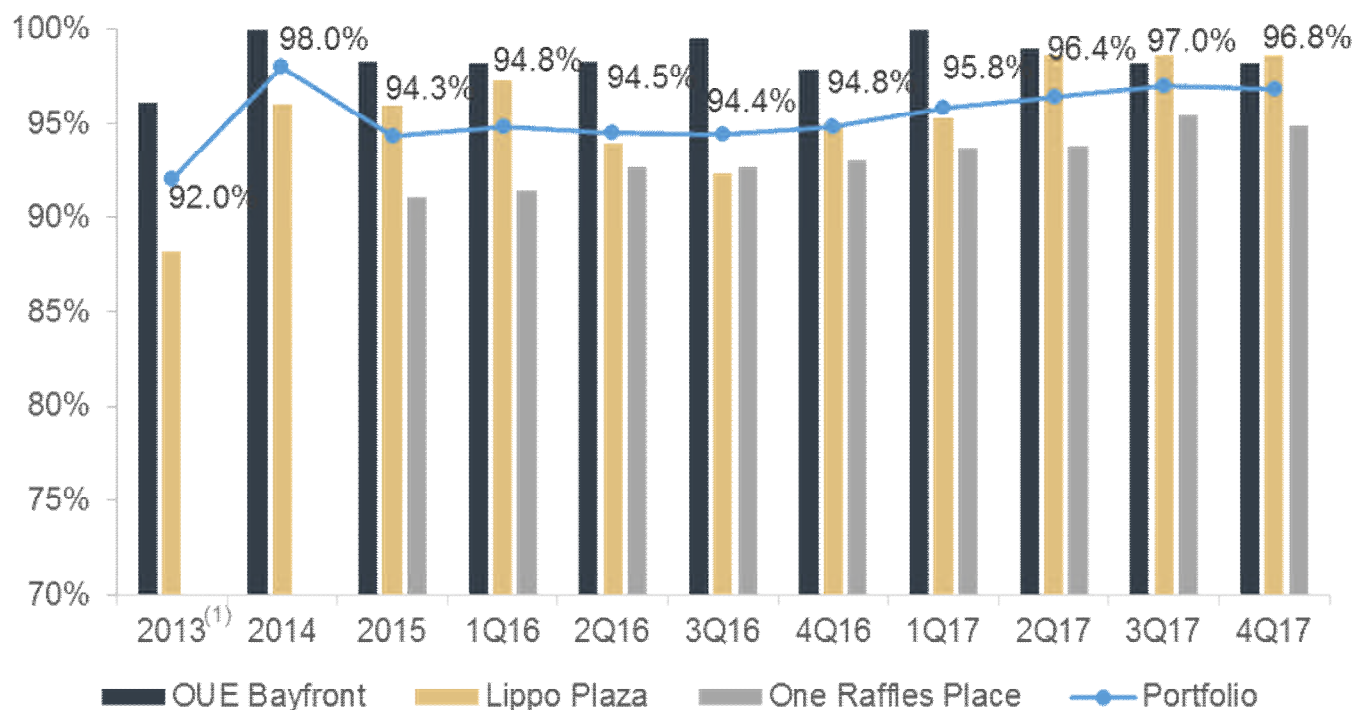
Portfolio Performance



Resilient and Stable Portfolio

All three properties saw increased occupancy in 2017 and achieved above market office occupancy in a challenging leasing market environment

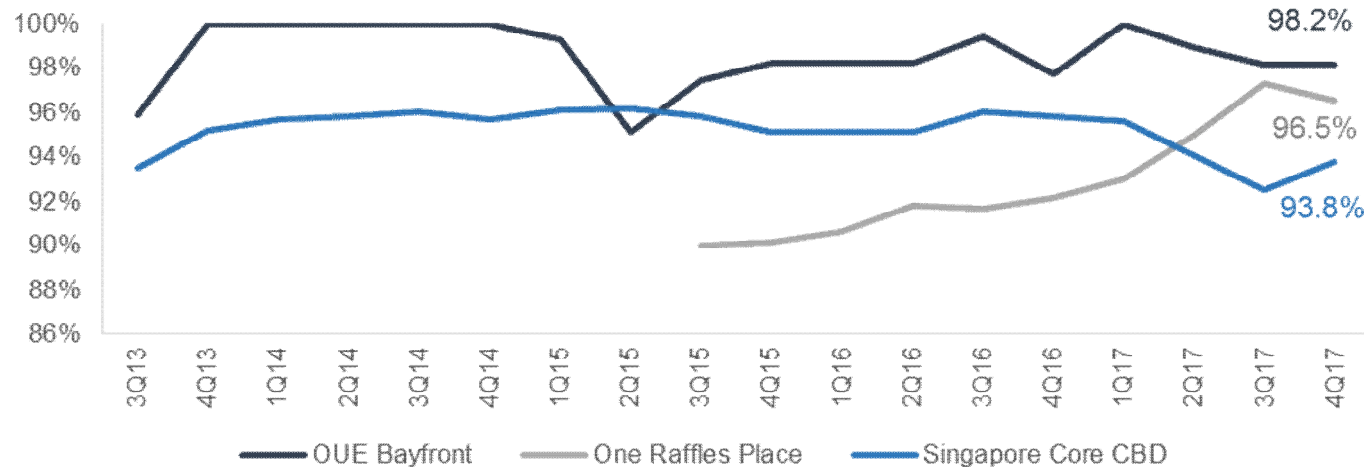
OUE C-REIT's Committed Portfolio Occupancy



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

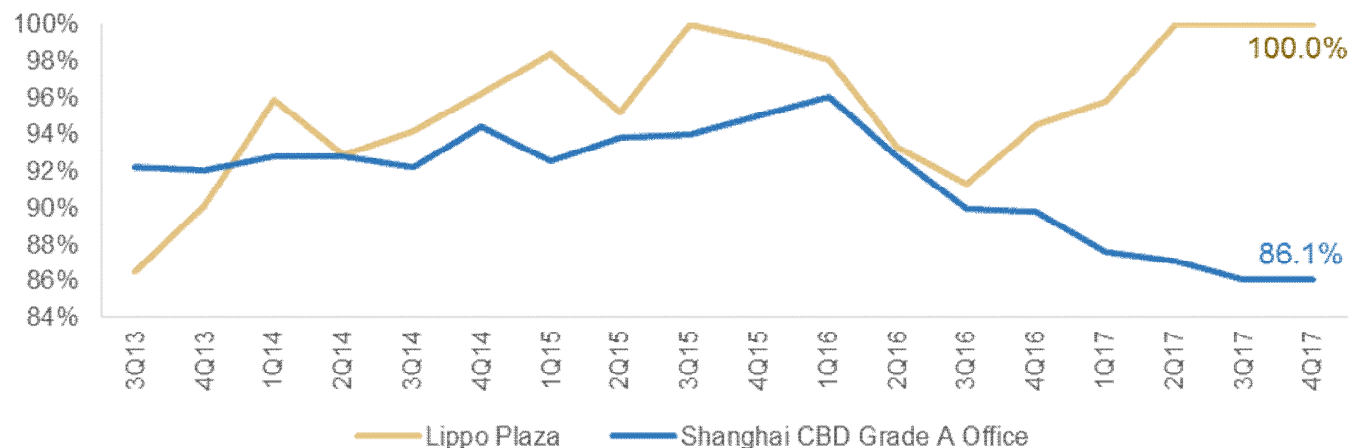
Office Occupancy Higher Than Market

Singapore



- OUE Bayfront maintained above market occupancy despite significant office supply
- One Raffles Place increased committed office occupancy by 6.5 ppt since acquisition; currently enjoys above market occupancy

Shanghai



- Lippo Plaza maintained 100% occupancy in a declining market

Committed Office Rents In Line Or Above Market

FY2017	Range of Committed Rents ⁽¹⁾	Average Passing Rents in Dec 2017
OUE Bayfront	S\$10.00 – S\$14.00 psf per month	S\$11.43 psf per month
One Raffles Place	S\$7.00 ⁽²⁾ – S\$11.80 psf per month	S\$9.92 psf per month
Lippo Plaza	RMB8.00 – RMB12.00 psm per day (S\$4.62 – S\$6.94 psf per month) ⁽³⁾	RMB9.79 psm per day (S\$5.66 psf per month) ⁽³⁾

- The average of new and renewed office rents committed across the portfolio were in line with or at a premium to their respective market office rents
- The average of new and renewed office leases at OUE Bayfront and One Raffles Place in 4Q 2017 was in line with or higher than the market rent of S\$9.40⁽⁴⁾ psf per month
- At Lippo Plaza, new and renewed office leases in 4Q 2017 were higher than the market rent of RMB9.14⁽⁵⁾ psm per day

(1) Committed rents for renewals and new leases

(2) Due to leasing of a sub-optimal unit on low floor. Excluding this, the range of committed rents would be S\$8.00 – S\$11.80 psf / month

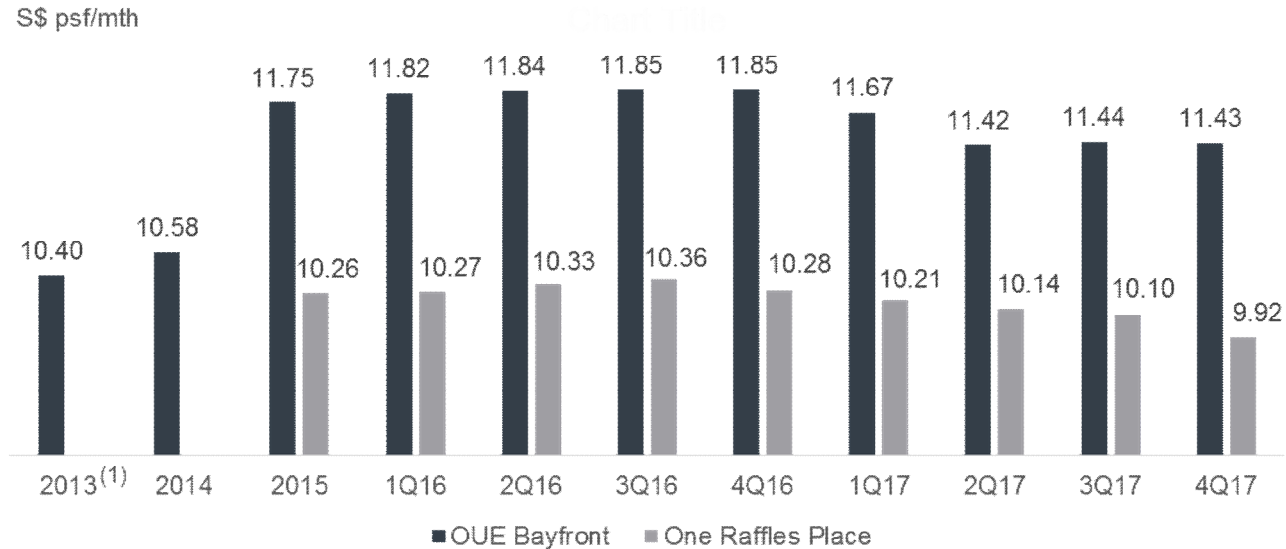
(3) Translated at an SGD:CNY exchange rate of 1:4.888

(4) Refers to CBD Grade A office rents in Singapore. Source: CBRE Singapore MarketView 4Q 2017

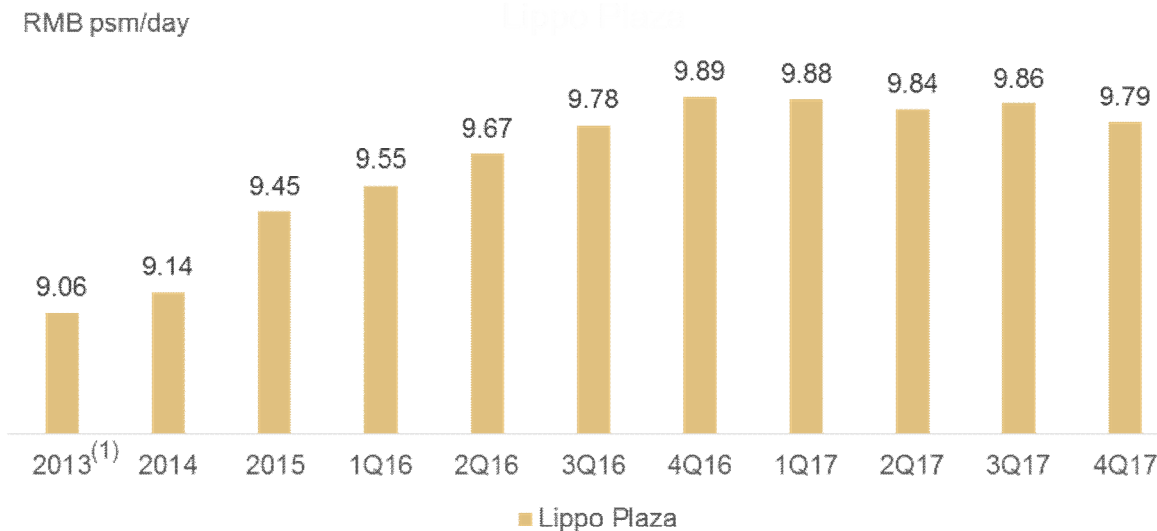
(5) Refers to CBD Grade A office rents in Puxi. Source: Colliers International Shanghai 2017 Review and 2018 Outlook, 23 January 2018

Average Passing Office Rents

Singapore



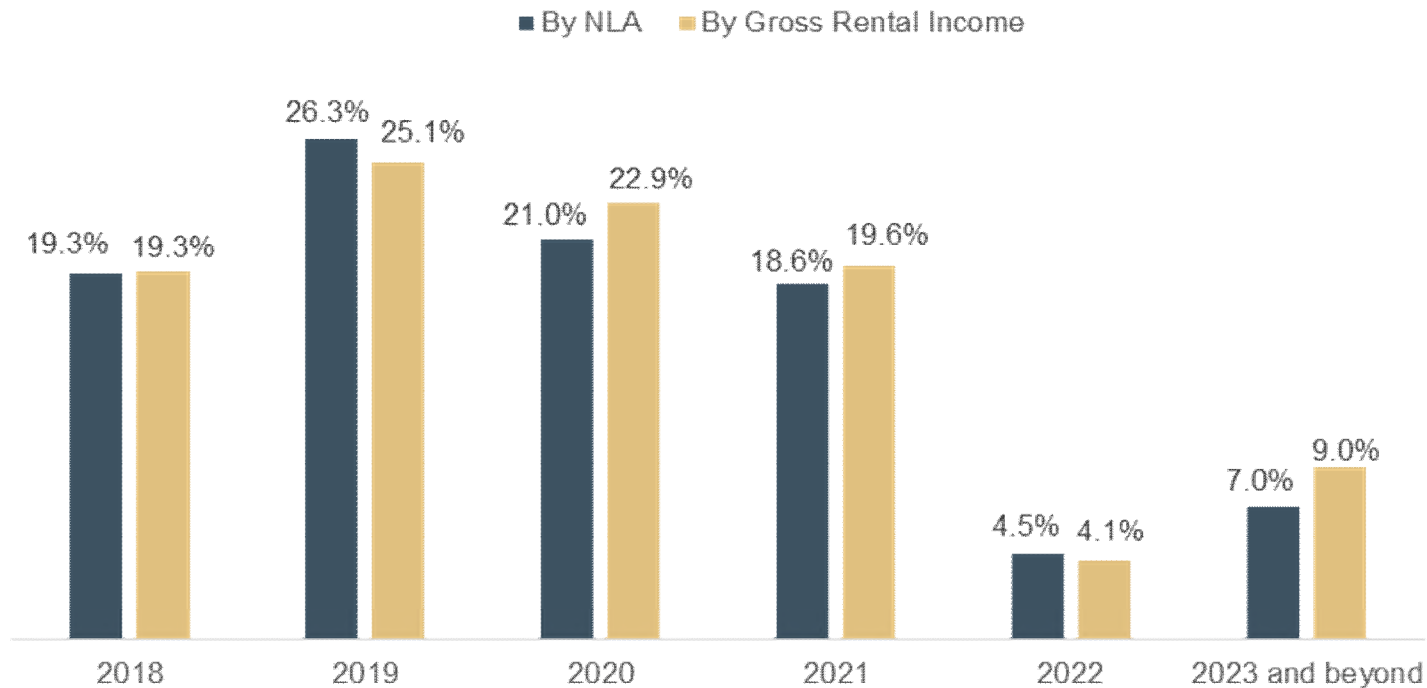
Shanghai



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

Lease Expiry Profile - Portfolio

19.3% of OUE C-REIT's portfolio gross rental income is due for renewal in 2018



WALE⁽¹⁾ of 2.5 years by NLA⁽²⁾ and 2.6 years Gross Rental Income

As at 31 Dec 2017

(1) "WALE" refers to the weighted average lease term to expiry

(2) "NLA" refers to net lettable area

One Raffles Place Tower 1

- Commenced three-year asset enhancement programme in 2016 to upgrade mechanical and engineering equipment
- Completed replacement of air-conditioning chillers in 2017; utility costs expected to reduce from better energy efficiency
- Upgrade of basement lift lobbies also completed; further lift modernisation works planned to improve lift efficiency

One Raffles Place Shopping Mall

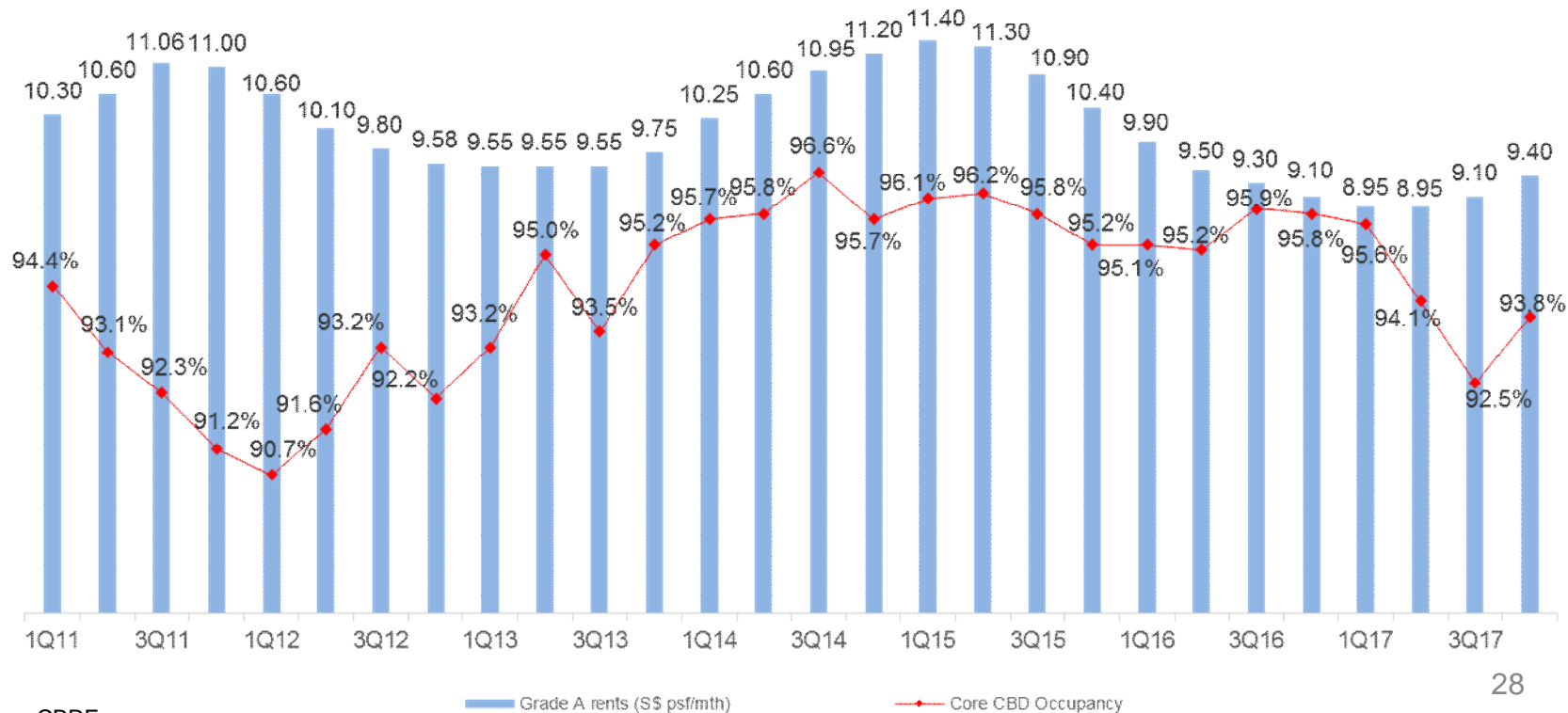
- Asset enhancement works to improve circulation in mall to commence in mid-2018
- As part of efforts to drive a more diverse and dynamic tenant mix, co-working operator occupying more than 35,000 sq ft set to open
- Mall to remain operational during the asset enhancement period, where works will be phased to minimise disruptions to business operations

Outlook and Summary



Singapore Office Market

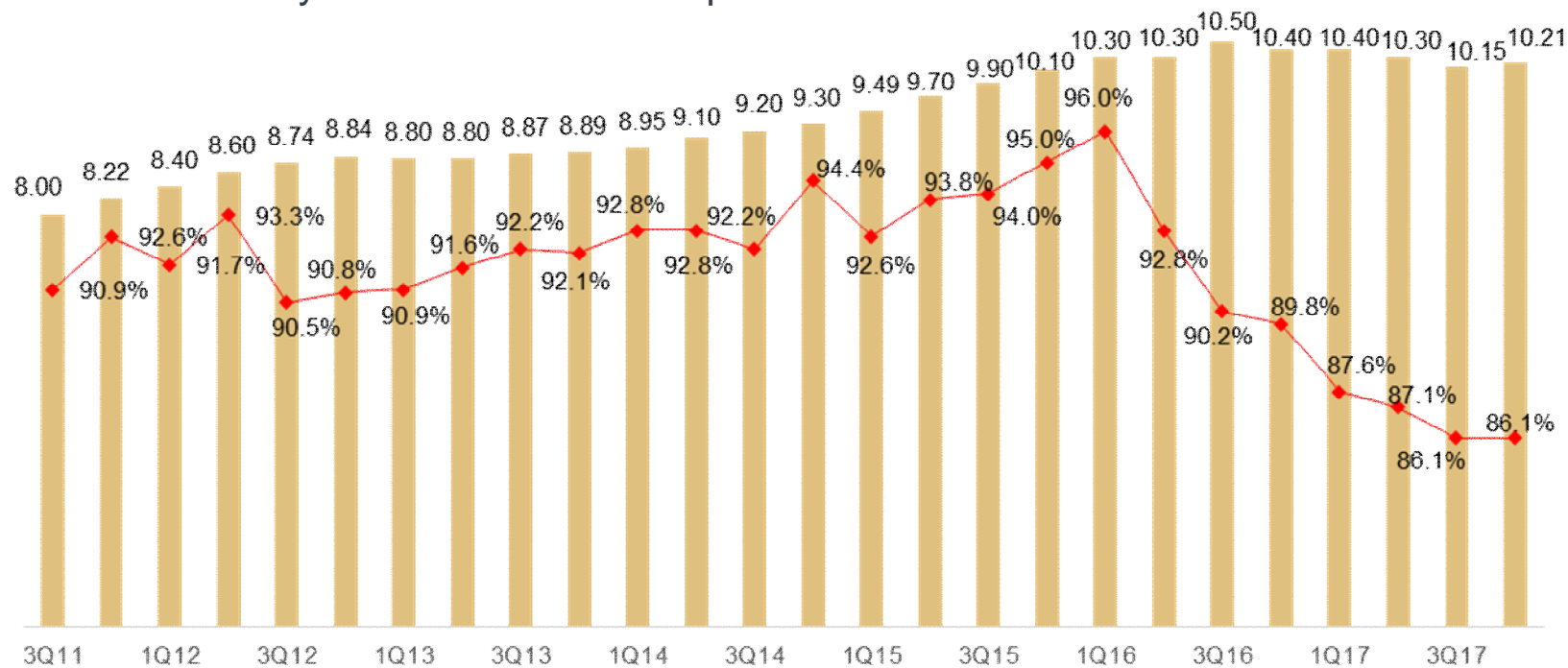
- After eight quarters of rental decline since 2Q 2015 due to unprecedented office supply against an uncertain economic backdrop, CBD Grade A office rents recovered in 3Q 2017
- Core CBD office occupancy improved 1.3 ppt QoQ to 93.8% while rents rose 3.3% QoQ to S\$9.40 psf as at 4Q 2017, on the back of stronger leasing activity driven by co-working and technology sectors
- The recovery in office rents is expected to continue on the back of firmer economic fundamentals and lower office supply in the medium term



Source: CBRE

Shanghai Office Market

- Significant new office completions in 2017 resulted in Shanghai CBD Grade A office occupancy declining to 86.1% as at 4Q 2017
- CBD Grade A office rents remained steady due to strong occupier demand from financial and professional services as well as the technology sectors.
- In 2018, significant new office supply is expected to continue. However, continued strong leasing from financial services and technology sectors is expected to mitigate any significant increase in vacancy rate and rents are expected to remain stable



Summary

- Positive overall rental outlook given office market recovery in Singapore and a stable Shanghai office market
 - ✓ Strategically located, landmark Grade A commercial properties in Singapore are expected to ride on this wave of rent recovery
 - ✓ Lippo Plaza in Shanghai expected to continue to enjoy stable performance
- Significant proportion of debt cost is fixed, mitigating interest rate volatility
- Potential acquisition pipeline from Right of First Refusal over the Sponsor's income-producing properties



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Thank you