

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**

**Unaudited Financial Statements and Distribution Announcement for the Second Quarter  
2018 and Financial Period from 1 January 2018 to 30 June 2018**

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**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 was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 27 January 2014. 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. OUE C-REIT’s portfolio currently comprises three prime commercial properties located in Singapore and Shanghai:

- One Raffles Place: Integrated commercial development comprising two Grade-A office towers and a retail mall strategically located in the heart of Singapore’s central business district in Raffles Place. OUE C-REIT holds One Raffles Place (“ORP”) through its 83.33% interest in OUB Centre Limited (“OUBC”). As OUBC owns 81.54% of the beneficial interest in ORP, OUE C-REIT has an effective interest of 67.95% in ORP.
- OUE Bayfront: Premium Grade-A 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 has 91.2% strata ownership of Lippo Plaza.

**Summary of OUE C-REIT Group Results**

	<b>2Q 2018 <sup>(1)</sup></b> <b>(S\$'000)</b>	<b>2Q 2017 <sup>(2)</sup></b> <b>(S\$'000)</b>	<b>Change</b> <b>(%)</b>	<b>1H 2018 <sup>(1)</sup></b> <b>(S\$'000)</b>	<b>1H 2017 <sup>(2)</sup></b> <b>(S\$'000)</b>	<b>Change</b> <b>(%)</b>
Revenue	43,060	44,214	(2.6)	87,155	89,030	(2.1)
Net property income	33,934	34,769	(2.4)	69,211	69,411	(0.3)
Amount available for distribution to Unitholders	16,494	17,833	(7.5)	33,915	34,475	(1.6)
Distribution per Unit (“DPU”) (cents)	1.06	1.15	(7.8)	2.18	2.38	(8.4)

Footnotes:

- (1) The current period results of OUE C-REIT’s foreign subsidiaries are translated using the SGD:CNY rate of 1:4.757 for 2Q 2018 and 1:4.787 for 1H 2018.
- (2) The prior period results of OUE C-REIT’s foreign subsidiaries are translated using the SGD:CNY rate of 1:4.929 for 2Q 2017 and 1:4.892 for 1H 2017.

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

<b>Statement of Total Return</b>	<b>Note</b>	<b>2Q 2018 <sup>(1)</sup> (S\$'000)</b>	<b>2Q 2017 <sup>(2)</sup> (S\$'000)</b>	<b>Change (%)</b>	<b>1H 2018 <sup>(1)</sup> (S\$'000)</b>	<b>1H 2017 <sup>(2)</sup> (S\$'000)</b>	<b>Change (%)</b>
Revenue		43,060	44,214	(2.6)	87,155	89,030	(2.1)
Property operating expenses		(9,126)	(9,445)	(3.4)	(17,944)	(19,619)	(8.5)
<b>Net property income</b>		<b>33,934</b>	<b>34,769</b>	<b>(2.4)</b>	<b>69,211</b>	<b>69,411</b>	<b>(0.3)</b>
Other income	1	1,073	756	41.9	2,029	1,431	41.8
Amortisation of intangible asset		(1,113)	(1,113)	-	(2,226)	(2,226)	-
Manager's management fees	2	(2,456)	(2,367)	3.8	(4,880)	(4,706)	3.7
Trustee's fee		(143)	(137)	4.4	(284)	(275)	3.3
Other expenses		(487)	(446)	9.2	(946)	(933)	1.4
Finance income		1,140	1,336	(14.7)	1,560	1,700	(8.2)
Finance costs		(12,258)	(11,277)	8.7	(24,169)	(25,243)	(4.3)
Net finance costs	3	(11,118)	(9,941)	11.8	(22,609)	(23,543)	(4.0)
Foreign exchange differences		22	(112)	N/M	424	(333)	N/M
<b>Total return for the period before tax</b>		<b>19,712</b>	<b>21,409</b>	<b>(7.9)</b>	<b>40,719</b>	<b>38,826</b>	<b>4.9</b>
Tax expense	4	(4,458)	(4,489)	(0.7)	(9,294)	(8,937)	4.0
<b>Total return for the period</b>		<b>15,254</b>	<b>16,920</b>	<b>(9.8)</b>	<b>31,425</b>	<b>29,889</b>	<b>5.1</b>
<b>Attributable to:</b>							
Unitholders and Convertible Perpetual Preferred Units ("CPPU") holder		13,472	14,951	(9.9)	27,708	25,928	6.9
Non-controlling interests		1,782	1,969	(9.5)	3,717	3,961	(6.2)
<b>Total return for the period</b>		<b>15,254</b>	<b>16,920</b>	<b>(9.8)</b>	<b>31,425</b>	<b>29,889</b>	<b>5.1</b>
<b>Distribution Statement</b>							
Total return for the period attributable to Unitholders and CPPU holder		13,472	14,951	(9.9)	27,708	25,928	6.9
Less: Amount reserved for distribution to CPPU holder		(935)	(1,371)	(31.8)	(1,860)	(2,727)	(31.8)
Distribution adjustments	5	3,957	4,253	(7.0)	8,067	11,274	(28.4)
Amount available for distribution for the period		<b>16,494</b>	<b>17,833</b>	<b>(7.5)</b>	<b>33,915</b>	<b>34,475</b>	<b>(1.6)</b>
Comprising:							
Taxable income		6,662	7,028	(5.2)	13,515	13,717	(1.5)
Tax exempt income		5,679	6,966	(18.5)	11,882	13,627	(12.8)
Unitholders' contributions		4,153	3,839	8.2	8,518	7,131	19.5
		<b>16,494</b>	<b>17,833</b>	<b>(7.5)</b>	<b>33,915</b>	<b>34,475</b>	<b>(1.6)</b>

N/M: Not meaningful

Footnotes:

- (1) The current period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.757 for 2Q 2018 and 1:4.787 for 1H 2018.
- (2) The prior period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.929 for 2Q 2017 and 1:4.892 for 1H 2017.

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**Notes to Consolidated Statement of Total Return and Distribution Statement:**

**(1) Other income**

Other income 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 (the "Deed of Income Support").

**(2) Manager's management fees**

Manager's base management fee is calculated as 0.3% p.a. of the value of the deposited property of OUE C-REIT Group. The Manager has elected to pay 20% of the base management fee in cash, with the balance 80% in the form of new Units for both 1H 2018 and 1H 2017.

**(3) Net finance costs**

Net finance costs comprises the following:

	<b>2Q 2018</b> <b>(S\$'000)</b>	<b>2Q 2017</b> <b>(S\$'000)</b>	<b>Change</b> <b>(%)</b>	<b>1H 2018</b> <b>(S\$'000)</b>	<b>1H 2017</b> <b>(S\$'000)</b>	<b>Change</b> <b>(%)</b>
<b>Finance income</b>						
Interest income	225	180	25.0	433	225	92.4
Ineffective portion of changes in fair value of cash flow hedges	829	1,156	(28.3)	1,127	1,475	(23.6)
Change in fair value of financial derivatives	86	-	N/M	-	-	N/M
	<b>1,140</b>	<b>1,336</b>	<b>(14.7)</b>	<b>1,560</b>	<b>1,700</b>	<b>(8.2)</b>
<b>Finance costs</b>						
Borrowing costs	(10,817)	(9,423)	14.8	(21,249)	(18,996)	11.9
Amortisation of debt establishment costs	(1,260)	(1,353)	(6.9)	(2,509)	(3,512)	(28.6)
Change in fair value of financial derivatives	-	(330)	N/M	(42)	(2,382)	(98.2)
Hedging reserve transferred from unitholders' funds	(181)	(171)	5.8	(369)	(353)	4.5
	<b>(12,258)</b>	<b>(11,277)</b>	<b>8.7</b>	<b>(24,169)</b>	<b>(25,243)</b>	<b>(4.3)</b>
<b>Net finance costs</b>	<b>(11,118)</b>	<b>(9,941)</b>	<b>11.8</b>	<b>(22,609)</b>	<b>(23,543)</b>	<b>(4.0)</b>

N/M: Not meaningful

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The above includes the following net fair value movements relating to financial derivatives:

	<b>2Q 2018</b> <b>(S\$'000)</b>	<b>2Q 2017</b> <b>(S\$'000)</b>	<b>Change</b> <b>(%)</b>	<b>1H 2018</b> <b>(S\$'000)</b>	<b>1H 2017</b> <b>(S\$'000)</b>	<b>Change</b> <b>(%)</b>
Ineffective portion of changes in fair value of cash flow hedges	829	1,156	(28.3)	1,127	1,475	(23.6)
Change in fair value of financial derivatives	86	(330)	N/M	(42)	(2,382)	(98.2)
Hedging reserve transferred from unitholders' funds	(181)	(171)	5.8	(369)	(353)	4.5
Net fair value gain/(loss)	734	655	12.1	716	(1,260)	N/M

N/M: Not meaningful

**(4) Tax expense**

Tax expense comprises of income tax, deferred tax and withholding tax relating to OUE CREIT's subsidiaries.

	<b>2Q 2018</b> <b>(S\$'000)</b>	<b>2Q 2017</b> <b>(S\$'000)</b>	<b>Change</b> <b>(%)</b>	<b>1H 2018</b> <b>(S\$'000)</b>	<b>1H 2017</b> <b>(S\$'000)</b>	<b>Change</b> <b>(%)</b>
Current tax						
- Current period	3,715	3,596	3.3	7,781	6,979	11.5
- Under provision in respect of prior period	-	6	N/M	-	785	N/M
Deferred tax						
- Current period	364	575	(36.7)	716	1,336	(46.4)
- Over provision in respect of prior period	-	-	-	-	(779)	N/M
Withholding tax	379	312	21.5	797	616	29.4
	4,458	4,489	(0.7)	9,294	8,937	4.0

N/M: Not meaningful

**(5) Distribution adjustments**

Distribution adjustments include non-tax deductible expenses relating to the Manager's management fees payable in Units, fees paid to the Trustee, amortisation of intangible asset, amortisation of debt establishment costs, amortisation of rent-free incentives, fair value movement relating to financial derivatives, and subsidiary's statutory reserves adjustments.

Please refer to Section 8 on Review of the Performance.

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**(b)(i) Statements of Financial Position**

Note	Group			Trust		
	30 Jun 2018 <sup>(1)</sup> (S\$'000)	31 Dec 2017 <sup>(2)</sup> (S\$'000)	Change (%)	30 Jun 2018 (S\$'000)	31 Dec 2017 (S\$'000)	Change (%)
<b>Non-current assets</b>						
	447	512	(12.7)	-	-	-
1	3,532,721	3,515,148	0.5	1,153,000	1,153,000	-
2	2,525	4,751	(46.9)	2,525	4,751	(46.9)
	-	-	-	1,376,992	1,376,992	-
	233	290	(19.7)	-	-	-
3	186	-	N/M	186	-	N/M
	3,536,112	3,520,701	0.4	2,532,703	2,534,743	(0.1)
<b>Current assets</b>						
4	10,460	12,555	(16.7)	4,171	2,919	42.9
	34,268	40,314	(15.0)	1,972	19,948	(90.1)
3	93	-	N/M	93	-	N/M
	44,821	52,869	(15.2)	6,236	22,867	(72.7)
<b>Total assets</b>						
	3,580,933	3,573,570	0.2	2,538,939	2,557,610	(0.7)
<b>Non-current liabilities</b>						
5	849,225	748,319	13.5	672,556	571,521	17.7
	-	-	-	149,498	149,372	0.1
	38,296	38,489	(0.5)	12,428	12,186	2.0
3	3,144	10,705	(70.6)	3,144	9,754	(67.8)
	86,932	84,152	3.3	-	-	-
	977,597	881,665	10.9	837,626	742,833	12.8
<b>Current liabilities</b>						
5	514,336	514,016	0.1	211,646	198,783	6.5
6	56,165	157,268	(64.3)	16,536	116,177	(85.8)
3	727	487	49.3	442	166	N/M
	16,707	16,052	4.1	-	-	-
	587,935	687,823	(14.5)	228,624	315,126	(27.4)
<b>Total liabilities</b>						
	1,565,532	1,569,488	(0.3)	1,066,250	1,057,959	0.8
<b>Net assets</b>						
	2,015,401	2,004,082	0.6	1,472,689	1,499,651	(1.8)
<b>Represented by:</b>						
7	1,422,057	1,407,285	1.0	1,110,829	1,137,760	(2.4)
8	361,860	361,891	(0.0)	361,860	361,891	(0.0)
9	231,484	234,906	(1.5)	-	-	-
	2,015,401	2,004,082	0.6	1,472,689	1,499,651	(1.8)

N/M: Not meaningful

Footnotes:

- (1) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 30 June 2018 are translated using the SGD:CNY rate of 1:4.764.
- (2) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 31 December 2017 are translated using the SGD:CNY rate of 1:4.902.

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**Notes to Statements of Financial Position:**

**(1) Investment properties**

Investment properties are carried at the latest fair market value based on independent valuations as at 31 December 2017, with additions made in 2018. The increase was due largely to appreciation of the CNY against the SGD between 31 December 2017 and 30 June 2018.

**(2) Intangible asset**

Intangible asset represents the unamortised income support receivable by OUE C-REIT from the Sponsor pursuant to the Deed of Income Support.

**(3) Financial derivatives**

Financial derivatives represent the fair value of the interest rate swaps (“IRS”) entered to hedge the floating interest rate exposure of OUE C-REIT Group’s borrowings. The movement for the financial period from 31 December 2017 to 30 June 2018 was due to net favourable changes in the fair value of the IRS during the period.

**(4) Trade and other receivables – Current**

At the Group level, the decrease in trade and other receivables was mainly due to settlement of recoverable as at 31 December 2017. Trust level’s receivables increased as a result of higher receivables from subsidiary as at 30 June 2018, as compared to 31 December 2017.

**(5) Borrowings – Non-current and Current**

The Group’s and Trust’s total borrowings increased as compared to 31 December 2017 mainly due to loan drawdown for partial CPPU redemption in January 2018.

**(6) Trade and other payables - Current**

In December 2017, an irrevocable notice was issued to redeem 100.0 million CPPUs. Redemption was completed in January 2018, resulting in the decrease in the Group’s and Trust’s trade and other payables as compared to 31 December 2017.

**(7) Unitholders’ funds**

The increase in unitholders’ funds is mainly due to profits for the financial period, net favourable movement in the fair value reserve of IRS as at 30 June 2018 and the appreciation of the CNY against the SGD from 31 December 2017 to 30 June 2018. This is offset partially by distribution paid to Unitholders in March 2018.

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**(8) CPPU holder's funds**

On 8 October 2015, 550.0 million CPPUs amounting to S\$550.0 million were issued to Clifford Development Pte. Ltd. (a wholly-owned subsidiary of OUE Limited), the vendor of OUE C-REIT's wholly-owned subsidiary, Beacon Property Holdings Pte. Ltd., as partial satisfaction of the purchase consideration for the acquisition of ORP. The CPPU holder is entitled to a coupon distribution of 1.0% per annum.

To-date, 175.0 million CPPUs were redeemed, with a balance of 375.0 million CPPUs remain outstanding as at 30 June 2018.

**(9) Non-controlling interests**

OUE C-REIT holds an 83.33% indirect interest in OUBC. Non-controlling interests represent the equity in OUBC that is not attributable to OUE C-REIT Group.



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

The Group's borrowings comprises secured and unsecured loans of up to eight years tenors, and a three-year unsecured notes.

	<b>30 Jun 2018 <sup>(1)</sup></b> <b>(S\$'000)</b>	<b>31 Dec 2017 <sup>(2)</sup></b> <b>(S\$'000)</b>
<b>Secured borrowings</b>		
Amount repayable within one year, or on demand	482,436	494,516
Amount repayable after one year	699,727	598,947
Total secured borrowings	1,182,163	1,093,463
<b>Unsecured borrowings</b>		
Amount repayable within one year, or on demand	31,900	19,500
Amount repayable after one year	149,498	149,372
Total unsecured borrowings	181,398	168,872
Total borrowings <sup>(3)</sup>	1,363,561	1,262,335

Footnotes:

- (1) The borrowings of OUE C-REIT's foreign subsidiaries as at 30 June 2018 are translated using the SGD:CNY rate of 1:4.764.
- (2) The borrowings of OUE C-REIT's foreign subsidiaries as at 31 December 2017 are translated using the SGD:CNY rate of 1:4.902.
- (3) The borrowings are net of unamortised balance of transaction costs.

Details of any collaterals

The Group secured borrowings are collateralised by:-

- investment properties with a total carrying amount of S\$1,759.1 million;
- assignment of insurance policies on the above investment properties;
- assignment of all rights, titles, benefits and interests in connection with the sale and tenancy agreements, tenancy deposits/proceeds, sales deposits/proceeds, property management agreements and the receivables of certain properties;
- assignment of all rights, titles, benefits and interests in connection with the Deed of Income Support over OUE Bayfront;
- 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 of the present and future assets of the Trust in connection with OUE Bayfront;
- first priority fixed charge over the shares of certain subsidiaries; and
- the account control or charge over certain bank accounts of the Trust and certain subsidiaries.

Unsecured Medium Term Notes

In August 2015, OUE C-REIT, through its wholly-owned subsidiary, established a S\$1.5 billion Multicurrency Debt Issuance Programme (the "Programme"). Under the Programme, OUE C-REIT may from time to time issue notes ("Notes") and/or perpetual securities ("Perpetual") in series or tranches. On 5 September 2017, unsecured three-year notes of S\$150.0 million have been issued under the Programme.

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**1 (c) Consolidated Statement of Cash Flows**

Note	2Q 2018 (S\$'000)	2Q 2017 (S\$'000)	1H 2018 (S\$'000)	1H 2017 (S\$'000)
<b>Cash flows from operating activities</b>				
Total return for the period	15,254	16,920	31,425	29,889
Adjustments for:				
Amortisation of intangible asset	1,113	1,113	2,226	2,226
Depreciation of plant and equipment	45	50	89	99
Manager's fees paid/payable in Units	1,965	1,894	3,904	3,765
Finance costs	12,258	11,277	24,169	25,243
Finance income	(1,140)	(1,336)	(1,560)	(1,700)
Loss on disposal of plant and equipment	-	2	-	2
Tax expense	4,458	4,489	9,294	8,937
Operating income before working capital changes	33,953	34,409	69,547	68,461
Changes in working capital:				
Trade and other receivables	1,294	(3,893)	2,146	(5,631)
Trade and other payables	(2,208)	180	(1,800)	2,311
<b>Cash generated from operating activities</b>	<b>33,039</b>	<b>30,696</b>	<b>69,893</b>	<b>65,141</b>
Tax paid	(6,394)	(5,751)	(8,068)	(7,279)
<b>Net cash from operating activities</b>	<b>26,645</b>	<b>24,945</b>	<b>61,825</b>	<b>57,862</b>
<b>Cash flow from investing activities</b>				
Additions to plant and equipment	(1)	(44)	(26)	(44)
Payment for capital expenditure on investment properties	(258)	(78)	(777)	(6,236)
Interest received	225	180	433	225
<b>Net cash (used in)/from investing activities</b>	<b>(34)</b>	<b>58</b>	<b>(370)</b>	<b>(6,055)</b>
<b>Cash flows from financing activities</b>				
Distributions paid to Unitholders	(68)	(13,026)	(35,421)	(45,591)
Distributions paid to CPPU holder	-	-	(2,395)	(2,765)
Distribution paid to non-controlling interest	(7,200)	(7,600)	(7,200)	(7,600)
Interest paid	(9,195)	(9,875)	(20,920)	(18,894)
Proceeds from issue of Units	1	-	-	150,000
Payment of transaction costs related to the issue of Units	1	(126)	-	(906)
Proceeds from borrowings	7,000	15,500	130,000	680,500
Payment of transaction costs related to loan and borrowings	-	-	-	(10,405)
Redemption of CPPUs	2	-	(100,000)	-
Repayment of borrowings	(14,000)	(9,500)	(32,141)	(791,000)
<b>Net cash used in financing activities</b>	<b>(23,463)</b>	<b>(24,627)</b>	<b>(68,077)</b>	<b>(46,661)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>				
	3,148	376	(6,622)	5,146
Cash and cash equivalents at beginning of the period	30,935	33,586	40,314	29,278
Effect of exchange rate fluctuations on cash held	185	26	576	(436)
<b>Cash and cash equivalents at end of the period</b>	<b>34,268</b>	<b>33,988</b>	<b>34,268</b>	<b>33,988</b>

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**Notes to Consolidated Statement of Cash Flows:**

- (1) Gross proceeds of S\$150.0 million was pursuant to the private placement completed in March 2017. Transaction costs relating to the issue were paid from the gross proceeds received. The balance proceeds had been utilised to partially repay OUE C-REIT's secured term loan due in 2018 and revolving loan facility.
- (2) On 1 December 2017, an irrevocable redemption notice was issued to redeem 100.0 million CPPUs (amounting to S\$100.0 million), the redemption was completed on 2 January 2018.
- (3) For purpose of the Consolidated Statement of Cash Flows, the Group's cash and cash equivalents comprise the following:

	<b>30 Jun 2018 (S\$'000)</b>	<b>30 Jun 2017 (S\$'000)</b>
Bank and cash balances	10,130	6,458
Short-term deposits	24,138	27,530
Cash and cash equivalents	34,268	33,988

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

<b>Group</b>	<b>Unitholders</b>	<b>CPPU</b>	<b>Total</b>	<b>Non-</b>	<b>Total</b>
<b>2Q 2018</b>	<b>(S\$'000)</b>	<b>holder</b>	<b>(S\$'000)</b>	<b>controlling</b>	<b>(S\$'000)</b>
<b>Net assets attributable to owners</b>		<b>(S\$'000)</b>		<b>interests</b>	
<b>at 1 April 2018</b>	1,401,859	360,925	1,762,784	(S\$'000)	1,999,663
<b>Operations</b>					
Total return for the period	13,472	-	13,472	1,782	15,254
Less: Amount reserved for distribution to CPPU holder	(935)	935	-	-	-
<b>Net increase in net assets resulting from operations</b>	<b>12,537</b>	<b>935</b>	<b>13,472</b>	<b>1,782</b>	<b>15,254</b>
<b>Transactions with owners</b>					
<b>Contributions by and distributions to owners</b>					
Issue of new Units					
- Manager's fees paid/payable in Units	1,965	-	1,965	-	1,965
Dividends paid	-	-	-	(7,200)	(7,200)
<b>Total contributions by and distributions to owners</b>	<b>1,965</b>	<b>-</b>	<b>1,965</b>	<b>(7,200)</b>	<b>(5,235)</b>
<b>Movement in foreign currency translation reserve</b>	<b>3,943</b>	<b>-</b>	<b>3,943</b>	<b>-</b>	<b>3,943</b>
<b>Hedging transactions</b>					
Effective portion of change in fair value of cash flow hedges	1,584	-	1,584	11	1,595
Hedging reserve transferred to statement of total return	169	-	169	12	181
<b>Net movement in hedging transactions</b>	<b>1,753</b>	<b>-</b>	<b>1,753</b>	<b>23</b>	<b>1,776</b>
<b>Net assets attributable to owners at 30 June 2018</b>	<b>1,422,057</b>	<b>361,860</b>	<b>1,783,917</b>	<b>231,484</b>	<b>2,015,401</b>

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

<b>Group</b>	<b>Unitholders</b>	<b>CPPU</b>	<b>Total</b>	<b>Non-</b>	<b>Total</b>
<b>1H 2018</b>	<b>(S\$'000)</b>	<b>holder</b>	<b>(S\$'000)</b>	<b>controlling</b>	<b>(S\$'000)</b>
<b>Net assets attributable to owners</b>		<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>interests</b>	<b>(S\$'000)</b>
<b>at 1 January 2018</b>				<b>(S\$'000)</b>	
	1,407,285	361,891	1,769,176	234,906	2,004,082
<b>Operations</b>					
Total return for the period	27,708	-	27,708	3,717	31,425
Less: Amount reserved for distribution to CPPU holder	(1,860)	1,860	-	-	-
<b>Net increase in net assets resulting from operations</b>	<b>25,848</b>	<b>1,860</b>	<b>27,708</b>	<b>3,717</b>	<b>31,425</b>
<b>Transactions with owners</b>					
<b>Contributions by and distributions to owners</b>					
Issue of new Units					
- Manager's fees paid/payable in Units	3,904	-	3,904	-	3,904
Distribution paid to Unitholders	(35,421)	-	(35,421)	-	(35,421)
Distribution paid to CPPU holder	-	(1,891)	(1,891)	-	(1,891)
Dividends paid	-	-	-	(7,200)	(7,200)
<b>Total contributions by and distributions to owners</b>	<b>(31,517)</b>	<b>(1,891)</b>	<b>(33,408)</b>	<b>(7,200)</b>	<b>(40,608)</b>
<b>Movement in foreign currency translation reserve</b>	<b>13,618</b>	<b>-</b>	<b>13,618</b>	<b>-</b>	<b>13,618</b>
<b>Hedging transactions</b>					
Effective portion of change in fair value of cash flow hedges	6,479	-	6,479	36	6,515
Hedging reserve transferred to statement of total return	344	-	344	25	369
<b>Net movement in hedging transactions</b>	<b>6,823</b>	<b>-</b>	<b>6,823</b>	<b>61</b>	<b>6,884</b>
<b>Net assets attributable to owners at 30 June 2018</b>	<b>1,422,057</b>	<b>361,860</b>	<b>1,783,917</b>	<b>231,484</b>	<b>2,015,401</b>

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

<b>Trust 2Q 2018</b>	<b>Unitholders (S\$'000)</b>	<b>CPPU holder (S\$'000)</b>	<b>Total (S\$'000)</b>
<b>Net assets attributable to owners at 1 April 2018</b>	1,108,043	360,925	1,468,968
<b>Operations</b>			
Total return for the period	120	-	120
Less: Amount reserved for distribution to CPPU holder	(935)	935	-
<b>Net (decrease)/increase in net assets resulting from operations</b>	(815)	935	120
<b>Transactions with owners</b>			
<b>Contributions by and distributions to owners</b>			
Issue of new Units			
- Manager's fees paid/payable in Units	1,965	-	1,965
<b>Total contributions by and distributions to owners</b>	1,965	-	1,965
<b>Hedging transactions</b>			
Effective portion of change in fair value of cash flow hedges	1,530	-	1,530
Hedging reserve transferred to statement of total return	106	-	106
<b>Net movement in hedging transactions</b>	1,636	-	1,636
<b>Net assets attributable to owners at 30 June 2018</b>	1,110,829	361,860	1,472,689

<b>Trust 1H 2018</b>	<b>Unitholders (S\$'000)</b>	<b>CPPU holder (S\$'000)</b>	<b>Total (S\$'000)</b>
<b>Net assets attributable to owners at 1 January 2018</b>	1,137,760	361,891	1,499,651
<b>Operations</b>			
Total loss for the period	(74)	-	(74)
Less: Amount reserved for distribution to CPPU holder	(1,860)	1,860	-
<b>Net (decrease)/increase in net assets resulting from operations</b>	(1,934)	1,860	(74)
<b>Transactions with owners</b>			
<b>Contributions by and distributions to owners</b>			
Issue of new Units			
- Manager's fees paid/payable in Units	3,904	-	3,904
Distribution paid to Unitholders	(35,421)	-	(35,421)
Distribution paid to CPPU Holder	-	(1,891)	(1,891)
<b>Total contributions by and distributions to owners</b>	(31,517)	(1,891)	(33,408)
<b>Hedging transactions</b>			
Effective portion of change in fair value of cash flow hedges	6,298	-	6,298
Hedging reserve transferred to statement of total return	222	-	222
<b>Net movement in hedging transactions</b>	6,520	-	6,520
<b>Net assets attributable to owners at 30 June 2018</b>	1,110,829	361,860	1,472,689

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

<b>Group</b>	<b>Unitholders</b>	<b>CPPU</b>	<b>Total</b>	<b>Non-</b>	<b>Total</b>
<b>2Q 2017</b>	<b>(S\$'000)</b>	<b>holder</b>	<b>(S\$'000)</b>	<b>controlling</b>	<b>(S\$'000)</b>
		<b>(S\$'000)</b>		<b>interests</b>	
			<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>(S\$'000)</b>
<b>Net assets attributable to owners at 1 April 2017</b>	1,322,757	529,356	1,852,113	233,193	2,085,306
<b>Operations</b>					
Total return for the period	14,951	-	14,951	1,969	16,920
Less: Amount reserved for distribution to CPPU holder	(1,371)	1,371	-	-	-
<b>Net increase in net assets resulting from operations</b>	<b>13,580</b>	<b>1,371</b>	<b>14,951</b>	<b>1,969</b>	<b>16,920</b>
<b>Transactions with owners</b>					
<b>Contributions by and distributions to owners:</b>					
Issue of new Units					
- Manager's fees paid/payable in Units	1,894	-	1,894	-	1,894
Distribution paid to Unitholders	(13,026)	-	(13,026)	-	(13,026)
Dividends paid	-	-	-	(7,600)	(7,600)
<b>Total contributions by and distributions to owners</b>	<b>(11,132)</b>	<b>-</b>	<b>(11,132)</b>	<b>(7,600)</b>	<b>(18,732)</b>
<b>Movement in foreign currency translation reserve</b>	<b>836</b>	<b>-</b>	<b>836</b>	<b>-</b>	<b>836</b>
<b>Hedging transactions</b>					
Effective portion of change in fair value of cash flow hedges	(5,278)	-	(5,278)	(151)	(5,429)
Hedging reserve transferred to statement of total return	160	-	160	11	171
<b>Net movement in hedging transactions</b>	<b>(5,118)</b>	<b>-</b>	<b>(5,118)</b>	<b>(140)</b>	<b>(5,258)</b>
<b>Net assets attributable to owners at 30 June 2017</b>	<b>1,320,923</b>	<b>530,727</b>	<b>1,851,650</b>	<b>227,422</b>	<b>2,079,072</b>

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

<b>Group</b>	<b>Unitholders</b>	<b>CPPU</b>	<b>Total</b>	<b>Non-</b>	<b>Total</b>
<b>1H 2017</b>	<b>(S\$'000)</b>	<b>holder</b>	<b>(S\$'000)</b>	<b>controlling</b>	<b>(S\$'000)</b>
				<b>interests</b>	
				<b>(S\$'000)</b>	<b>(S\$'000)</b>
<b>Net assets attributable to owners at 1 January 2017</b>	1,206,751	530,765	1,737,516	231,362	1,968,878
<b>Operations</b>					
Total return for the period	25,928	-	25,928	3,961	29,889
Less: Amount reserved for distribution to CPPU holder	(2,727)	2,727	-	-	-
<b>Net increase in net assets resulting from operations</b>	<b>23,201</b>	<b>2,727</b>	<b>25,928</b>	<b>3,961</b>	<b>29,889</b>
<b>Transactions with owners</b>					
<b>Contributions by and distributions to owners:</b>					
Issue of new Units					
- Private placement	150,000	-	150,000	-	150,000
- Manager's fees paid/payable in Units	3,765	-	3,765	-	3,765
Issue costs	(906)	-	(906)	-	(906)
Distributions paid to Unitholders	(45,591)	-	(45,591)	-	(45,591)
Distribution paid to CPPU holder	-	(2,765)	(2,765)	-	(2,765)
Dividends paid	-	-	-	(7,600)	(7,600)
<b>Total contributions by and distributions to owners</b>	<b>107,268</b>	<b>(2,765)</b>	<b>104,503</b>	<b>(7,600)</b>	<b>96,903</b>
<b>Movement in foreign currency translation reserve</b>	<b>(8,162)</b>	<b>-</b>	<b>(8,162)</b>	<b>-</b>	<b>(8,162)</b>
<b>Hedging transactions</b>					
Effective portion of change in fair value of cash flow hedges	(8,465)	-	(8,465)	(324)	(8,789)
Hedging reserve transferred to statement of total return	330	-	330	23	353
<b>Net movement in hedging transactions</b>	<b>(8,135)</b>	<b>-</b>	<b>(8,135)</b>	<b>(301)</b>	<b>(8,436)</b>
<b>Net assets attributable to owners at 30 June 2017</b>	<b>1,320,923</b>	<b>530,727</b>	<b>1,851,650</b>	<b>227,422</b>	<b>2,079,072</b>



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

Trust 2Q 2017	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)
<b>Net assets attributable to owners at 1 April 2017</b>	1,130,141	529,356	1,659,497
<b>Operations</b>			
Total return for the period	2,569	-	2,569
Less: Amount reserved for distribution to CPPU holder	(1,371)	1,371	-
<b>Net increase in net assets resulting from operations</b>	1,198	1,371	2,569
<b>Transactions with owners</b>			
<b>Contributions by and distributions to owners</b>			
Issue of new Units			
- Manager's fees paid/payable in Units	1,894	-	1,894
Distribution paid to Unitholders	(13,026)	-	(13,026)
<b>Total contributions by and distributions to owners</b>	(11,132)	-	(11,132)
<b>Hedging transactions</b>			
Effective portion of change in fair value of cash flow hedges	(4,521)	-	(4,521)
Hedging reserve transferred to statement of total return	101	-	101
<b>Net movement in hedging transactions</b>	(4,420)	-	(4,420)
<b>Net assets attributable to owners at 30 June 2017</b>	1,115,787	530,727	1,646,514

Trust 1H 2017	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)
<b>Net assets attributable to owners at 1 January 2017</b>	1,018,353	530,765	1,549,118
<b>Operations</b>			
Total loss for the period	(476)	-	(476)
Less: Amount reserved for distribution to CPPU holder	(2,727)	2,727	-
<b>Net (decrease)/increase in net assets resulting from operations</b>	(3,203)	2,727	(476)
<b>Transactions with owners</b>			
<b>Contributions by and distributions to owners</b>			
Issue of new Units			
- Private placement	150,000	-	150,000
- Manager's fees paid/payable in Units	3,765	-	3,765
Issue costs	(906)	-	(906)
Distributions paid to Unitholders	(45,591)	-	(45,591)
Distribution paid to CPPU Holder	-	(2,765)	(2,765)
<b>Total contributions by and distributions to owners</b>	107,268	(2,765)	104,503
<b>Hedging transactions</b>			
Effective portion of change in fair value of cash flow hedges	(6,845)	-	(6,845)
Hedging reserve transferred to statement of total return	214	-	214
<b>Net movement in hedging transactions</b>	(6,631)	-	(6,631)
<b>Net assets attributable to owners at 30 June 2017</b>	1,115,787	530,727	1,646,514

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

	<b>2Q 2018</b> <b>('000)</b>	<b>2Q 2017</b> <b>('000)</b>	<b>1H 2018</b> <b>('000)</b>	<b>1H 2017</b> <b>('000)</b>
<b>Units in issue:</b>				
At the beginning of the period	1,546,769	1,535,880	1,544,013	1,297,832
Issue of new Units relating to:				
- Manager's fees paid in Units	2,727	2,716	5,483	7,482
- Private placement	-	-	-	233,282
At the end of the period	1,549,496	1,538,596	1,549,496	1,538,596
<b>Units to be issued:</b>				
Manager's fee payable in Units	2,840	2,661	2,840	2,661
At the end of the period	1,552,336	1,541,257	1,552,336	1,541,257

**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**

Except as disclosed in item 5 below, the accounting policies and methods of computation adopted in the preparation of the financial statements for the current report financial period are consistent with those described in the audited financial statements for the financial year ended 31 December 2017.

**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**

The Group has adopted new Financial Reporting Standards in Singapore ("FRS") and interpretation effective for the financial period from 1 January 2018 as follows:

- i. FRS 115 *Revenue from Contracts with Customers*
- ii. FRS 109 *Financial Instruments*

FRS 115 establishes a comprehensive framework for determining whether how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specific criteria are met. FRS 109 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets and new general hedge accounting requirements.

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The Group does not expect a significant impact on the financial statements. Accordingly, comparative financial information presented in this set of announcement has not been restated.

**6 Earnings per Unit and Distribution per Unit**

**Earnings per Unit attributable to Unitholders (“EPU”)**

	<b>2Q 2018</b>	<b>2Q 2017</b>	<b>1H 2018</b>	<b>1H 2017</b>
Weighted average number of Units	1,549,527,410	1,538,625,156	1,548,170,896	1,440,611,406
Basic EPU (cents)	0.81	0.88	1.67	1.61
Weighted average number of Units <sup>(1)</sup>	1,998,233,863	2,195,240,167	1,998,233,863	2,098,576,603
Diluted EPU (cents)	0.67	0.68	1.39	1.24

Footnote:

- (1) The weighted average number of Units includes the weighted average potential Units to be issued assuming all the remaining CPPUs were converted at S\$0.841 per Unit.

550.0 million CPPUs were issued in October 2015 as partial satisfaction of the purchase consideration for the acquisition of ORP. The CPPUs cannot be converted for a period of four years commencing from the date of issue (“Restriction Period”) save in certain limited circumstances and thereafter, not more than one-third of the CPPUs initially issued can be converted in any one year. After the Restriction Period, the CPPUs can be converted into Units at S\$0.841 per Unit and will impact the EPU upon conversion.

As at 30 June 2018, a total of 375.0 million CPPUs remain convertible. Assuming that the remaining 375.0 million CPPUs are fully converted, 445,897,741 Units will be issued. As at 30 June 2017, a total of 550.0 million CPPUs remained convertible, and if fully converted, 653,983,353 Units will be issued.

**Distribution per Unit attributable to Unitholders (“DPU”)**

	<b>2Q 2018</b>	<b>2Q 2017</b>	<b>1H 2018</b>	<b>1H 2017</b>
No of Units entitled to distribution	1,552,336,122 <sup>(1)</sup>	1,541,256,814 <sup>(2)</sup>	1,552,336,122 <sup>(1)</sup>	1,541,256,814 <sup>(2)</sup>
Distribution per Unit (cents)	1.06	1.15	2.18	2.38

Footnotes:

- (1) Comprises the Units in issue as at 30 June 2018 of 1,549,496,202 and Units to be issued to the Manager as satisfaction of Manager’s base fee payable for 2Q 2018 of 2,839,920.  
(2) Comprises the Units in issue as at 30 June 2017 of 1,538,595,915 and Units to be issued to the Manager as satisfaction of Manager’s base fee payable for 2Q 2017 of 2,660,899.

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**7 Net Asset Value per Unit and Net Tangible Asset per Unit attributable to Unitholders**

	Group		Trust	
	30 Jun 2018	31 Dec 2017	30 Jun 2018	31 Dec 2017
No of Units in issue and to be issued at end of period/year	1,552,336,122	1,546,769,007	1,552,336,122	1,546,769,007
Net asset value ("NAV") per Unit (S\$)	0.92	0.91	0.72	0.74
Net tangible asset ("NTA") per Unit (S\$)	0.91	0.91	0.71	0.73

The NAV per Unit and NTA per Unit are computed based on the Units in issue and to be issued as at the end of the financial period/year.

**8 Review of the Performance**

<u>Statement of Total Return</u>	2Q 2018 <sup>(1)</sup> (S\$'000)	2Q 2017 <sup>(2)</sup> (S\$'000)	Change (%)	1H 2018 <sup>(1)</sup> (S\$'000)	1H 2017 <sup>(2)</sup> (S\$'000)	Change (%)
Revenue	43,060	44,214	(2.6)	87,155	89,030	(2.1)
Property operating expenses	(9,126)	(9,445)	(3.4)	(17,944)	(19,619)	(8.5)
<b>Net property income</b>	33,934	34,769	(2.4)	69,211	69,411	(0.3)
Other income	1,073	756	41.9	2,029	1,431	41.8
Amortisation of intangible asset	(1,113)	(1,113)	-	(2,226)	(2,226)	-
Manager's management fees	(2,456)	(2,367)	3.8	(4,880)	(4,706)	3.7
Trustee's fee	(143)	(137)	4.4	(284)	(275)	3.3
Other expenses	(487)	(446)	9.2	(946)	(933)	1.4
Finance income	1,140	1,336	(14.7)	1,560	1,700	(8.2)
Finance costs	(12,258)	(11,277)	8.7	(24,169)	(25,243)	(4.3)
Net finance costs	(11,118)	(9,941)	11.8	(22,609)	(23,543)	(4.0)
Foreign exchange differences	22	(112)	N/M	424	(333)	N/M
<b>Total return for the period before tax</b>	19,712	21,409	(7.9)	40,719	38,826	4.9
Tax expense	(4,458)	(4,489)	(0.7)	(9,294)	(8,937)	4.0
<b>Total return for the period</b>	15,254	16,920	(9.8)	31,425	29,889	5.1

N/M: Not meaningful

Footnotes:

- (1) The current period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.757 for 2Q 2018 and 1:4.787 for 1H 2018.
- (2) The prior period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.929 for 2Q 2017 and 1:4.892 for 1H 2017.

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**Review of OUE C-REIT Group's performance 2Q 2018 vs 2Q 2017**

2Q 2018 net property income of S\$33.9 million was 2.4% lower compared to S\$34.8 million achieved in 2Q 2017. This was due mainly to lower retail revenue from One Raffles Place Shopping Mall as a result of transitional vacancy from the departure of an anchor tenant. This lower retail revenue in 2Q 2018 was partially offset by lower utilities cost recorded in the current reporting period.

Other income was S\$0.3 million higher in 2Q 2018 compared to 2Q 2017, due to higher income support drawdown in relation to OUE Bayfront from the Sponsor.

Net finance cost increased S\$1.2 million year-on-year mainly attributable to higher interest cost of S\$1.4 million, resulting from higher level of borrowings.

Consequently, total return for 2Q 2018 decreased 9.8% to S\$15.3 million, compared to S\$16.9 million in 2Q 2017.

**Review of OUE C-REIT Group's performance 1H 2018 vs 1H 2017**

1H 2018 net property income of S\$69.2 million was marginally lower than 1H 2017 by S\$0.2 million. Lower retail revenue, stemming from transitional vacancy from the departure of an anchor tenant at One Raffles Place, was mitigated by lower maintenance expenses and utilities cost in the current reporting period.

Other income was S\$0.6 million higher in 1H 2018 compared to 1H 2017, due to higher income support drawdown in relation to OUE Bayfront from the Sponsor.

Net finance cost decreased S\$0.9 million year-on-year mainly attributable to net IRS's fair value gain of S\$0.7 million in 1H 2018, as compared to S\$1.3 million fair value loss in 1H 2017 and lower debt establishment cost. Both have no DPU impact. This is partially offset by higher interest cost of S\$2.3 million, which was a result of higher level of borrowings.

Consequently, total return for 1H 2018 increased 5.1% to S\$31.4 million, compared to S\$29.9 million in 1H 2017.

**9 Variance between Actual and Forecast Results**

OUE C-REIT has not made any forecast.

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#### 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

Based on advance estimates by the Ministry of Trade and Industry (“MTI”), Singapore’s 2Q 2018 GDP growth was 3.8%<sup>(1)</sup>, moderating from 1Q 2018 growth of 4.3%, but ahead of MTI’s 2018 GDP growth forecast of between 2.5% and 3.5%. Growth in the manufacturing sector slowed to 8.6% YoY, from 9.7% in the previous quarter, driven by the electronics and biomedical manufacturing clusters. The services sector expanded by 3.4% YoY, easing from the 4.0% growth in the previous quarter, supported by finance & insurance and wholesale & retail trade sectors. MTI expects the economy to remain on a steady expansion path, with the key downside risk being further headwinds from US-China trade tensions.

According to CBRE, islandwide net absorption for office space in 2Q 2018 was 503,907 sq ft, due mainly to healthy level of pre-commitment at a newly completed office building. As market fundamentals continued to be strong, core CBD office occupancy remained unchanged at 94.1%<sup>(2)</sup> as at 2Q 2018, with demand supported by co-working operators, technology firms as well as the insurance sector. As a result of the tight vacancy environment, rental growth for Grade A CBD Core office accelerated to 4.1% quarter-on-quarter (“QoQ”) to S\$10.10 psf per month, the fastest pace of growth since 1Q 2014.

Given the pace of recovery in office market rents in the Singapore CBD, OUE Bayfront achieved positive rental reversions for the lease renewals and rent reviews committed in 2Q 2018. At One Raffles Place, due to the narrowing gap between expiring rents and market rents, the extent of negative reversions in 2018 is expected to be less than that in 2017. Further, One Raffles Place’s 2018 revenue base has improved due to the notable increase in committed office occupancy achieved in 2017, thereby mitigating the impact of any negative reversions.

##### China

China’s economy grew 6.7%<sup>(3)</sup> in 2Q 2018, slowing slightly from 6.8% in 1Q 2018 but ahead of the official target of around 6.5%. Given the slowing property market, 1H 2018 fixed asset investment growth of 6.0% was a record low, while June industrial output growth of 6.0% was the lowest growth rate in two years. Growth momentum is expected to continue easing, given the drag from the US-China trade war and the authorities’ commitment to implement tight monetary policy to achieve financial deleveraging.

According to Colliers International, Shanghai CBD Grade A office occupancy increased 2.9 ppt QoQ to 89.4%<sup>(4)</sup> as at 2Q 2018, supported by strong net absorption of 217,000 sq m for the quarter. Major sectors driving demand were finance, professional services, trading, technology, media & telecommunications as well as flexible workspace operators. Consequently, Shanghai CBD Grade A office rents rose 0.8% QoQ to RMB10.36 psm per day as at 2Q 2018. In Puxi, Grade A office occupancy improved 4.5 ppt QoQ to 90.7% as at 2Q 2018, while rents increased 1.6% QoQ to RMB 9.46 psm per day.

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A significant amount of new office supply is expected to enter the Shanghai market over the next two years, before easing in 2020. Nevertheless, healthy demand from the finance and technology sectors are expected to underpin occupancy as well as rental rates in Shanghai.

- (1) Singapore Ministry of Trade and Industry Press Release, 13 July 2018
- (2) CBRE, Singapore MarketView 2Q 2018
- (3) National Bureau of Statistics of China Press Release, 16 July 2018
- (4) Colliers International, Shanghai Office Quarterly 2Q 2018, 30 July 2018

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**11 Distribution**

**(a) Current financial period**

Any distribution declared for the current financial period? Yes

Unitholders

Name of distribution: Distribution for the financial period from 1 January 2018 to 30 June 2018

Distribution type: (i) Taxable income distribution  
(ii) Tax exempt income distribution  
(iii) Capital distribution

Distribution rate: 2.18 cents per Unit comprises:-  
(i) Taxable income distribution: 0.87 cents per Unit  
(ii) Tax exempt income distribution: 0.76 cents per Unit  
(iii) Capital distribution: 0.55 cents per Unit

CPPU Holder

Name of distribution: Distribution for the financial period from 1 January 2018 to 30 June 2018

Distribution rate/ type: S\$1,859,589.04<sup>1</sup> which represents 1% p.a. of CPPU based on the issue price of S\$1.00 per CPPU comprising taxable income distribution, tax exempt income distribution and capital distribution

<sup>1</sup> The CPPU Distribution excludes the special preferred distribution paid to the CPPU Holder on 2 January 2018 pursuant to redemption of the CPPUs made on 2 January 2018. Please refer to OUE C-REIT's announcement on 2 January 2018 for more details



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Tax rate:	<p><u>Taxable income distribution</u> Individuals who receive such distribution as investment income (excluding income received through partnership in Singapore or from the carrying on of a trade, business or profession) will be exempted from tax.</p> <p>Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their respective tax rates unless otherwise exempt.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to their respective CPF and SRS accounts.</p> <p>Qualifying foreign non-individual investors will receive their distribution after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distribution after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status.</p> <p><u>Capital distribution</u> The capital distribution is treated as return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sales of Units, the amount of capital distribution will be applied to reduce the cost base of their Units for Singapore income tax purposes.</p>
Book closure date:	13 August 2018
Date payable:	5 September 2018

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**(b) Corresponding period of the immediately preceding financial year**

Any distribution declared for the corresponding period of the immediate preceding financial period? Yes

Unitholders

Name of distribution: Distribution for the financial period from 17 March 2017 to 30 June 2017<sup>1</sup>

Distribution type: (i) Taxable income distribution  
(ii) Tax exempt income distribution  
(iii) Capital distribution

Distribution rate: 1.38 cents per Unit comprises:-  
(i) Taxable income distribution: 0.55 cents per Unit  
(ii) Tax exempt income distribution: 0.53 cents per Unit  
(iii) Capital distribution: 0.30 cents per Unit

<sup>1</sup> Pursuant to the private placement announcement on 8 March 2017 and completed on 16 March 2017, an Advanced Distribution of 1.00 cents per Unit for the period from 1 January 2017 to 16 March 2017 was paid on 6 June 2017. Total distribution for the financial period from 1 January 2017 to 30 June 2017 amounts to 2.38 cents per Unit.

CPPU Holder

Name of distribution: Distribution for the financial period from 1 January 2017 to 30 June 2017

Distribution rate/ type: S\$2,727,397.26 which represents 1% p.a. of CPPU based on the issue price of S\$1.00 per CPPU comprising taxable income distribution, tax exempt income distribution and capital distribution

Tax rate: Taxable income distribution  
Individuals who receive such distribution as investment income (excluding income received through partnership in Singapore or from the carrying on of a trade, business or profession) will be exempted from tax.

Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their respective tax rates unless otherwise exempt.

Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to their respective CPF and SRS accounts.

Qualifying foreign non-individual investors will receive their distribution after deduction of tax at the rate of 10%.

All other investors will receive their distribution after deduction of tax at the rate of 17%.

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Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status.

Capital distribution

The capital distribution is treated as return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sales of Units, the amount of capital distribution will be applied to reduce the cost base of their Units for Singapore income tax purposes.

Book closure date: 11 August 2017

Date payable: 5 September 2017

**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 1 January 2018 to 30 June 2018 to be false or misleading in any material respect.

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**15 Confirmation pursuant to Appendix 7.7 under Rule 720(1) 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 the undertakings from all its directors and executive officer as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

On behalf of the Board of the Manager

Christopher Williams  
Chairman and Non-Executive Director

Tan Shu Lin  
Chief Executive Officer and Executive Director

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*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)

2 August 2018