PRESS RELEASE
For Immediate Release

OUE C-REIT Achieved 1Q 2019 Distribution of S$26.0 million, 49.5% Increase YoY

Key Highlights:

- Net property income of S$43.6 million in 1Q 2019 was 23.5% higher year-on-year ("YoY"), primarily due to a full quarter's contribution from the office components of OUE Downtown ("OUE Downtown Office") which were acquired in November 2018
- 1Q 2019 amount available for distribution of S$26.0 million, 49.5% increase YoY, translating to distribution per unit ("DPU") of 0.90 cents
- Positive operational performance driven by committed portfolio occupancy of 94.0% as at 31 March 2019, with positive rental reversions across the Singapore portfolio
- Stable aggregate leverage ratio of 39.4% as at 31 March 2019, with no significant refinancing requirements until 2020

9 May 2019 – OUE Commercial REIT Management Pte. Ltd., in its capacity as manager (the "Manager") of OUE Commercial Real Estate Investment Trust ("OUE C-REIT"), wishes to announce an amount available for distribution of S$26.0 million for the financial period from 1 January 2019 to 31 March 2019 ("1Q 2019"), representing an increase of 49.5% YoY. The financial results included a full quarter's contribution from OUE Downtown Office, which was acquired on 1 November 2018.

1Q 2019 DPU was 0.90 cents, translating to a distribution yield of 6.9% based on OUE C-REIT's unit closing price of S$0.52 as at 29 March 2019, being the last trading day of 1Q 2019.

Summary of OUE C-REIT's Group Results

(S$'000)	1Q 2019	1Q 2018	Change (%)
Revenue	**55,335**	44,095	25.5
Net Property Income	**43,568**	35,277	23.5
Amount Available For Distribution	**26,037**	17,421	49.5
DPU (Cents)	**0.90**	1.12	(19.6)
		0.61[1] (restated)	47.5

Net property income in 1Q 2019 was S$43.6 million, an increase of 23.5% YoY due primarily to a full quarter's contribution from OUE Downtown Office which was acquired on 1 November 2018, augmented by one-off income from OUE Bayfront and One Raffles Place.

With the drawdown of OUE Downtown Office's rental support, partially offset by higher interest expenses in 1Q 2019 as a result of higher borrowings, amount available for distribution in 1Q 2019 was S$26.0 million, 49.5% higher YoY.

Ms Tan Shu Lin, Chief Executive Officer of the Manager, said, "We are pleased to report a strong set of 1Q 2019 results for OUE C-REIT. With a full quarter's contribution from OUE Downtown Office which was acquired on 1 November 2018, 1Q 2019 net property income was 23.5% higher YoY. Operational performance remains positive, with stable committed occupancy and higher average passing office rents across OUE C-REIT's portfolio of properties.

As at 31 March 2019, committed office occupancy at both OUE Bayfront and One Raffles Place remained healthy at 97.1% and 96.5% respectively, ahead of Singapore's core CBD occupancy of 95.2%. As rental income is underpinned by income support at OUE Downtown Office, the Manager continued to pursue a strategy of maximising rents while optimising occupancy. Committed occupancy as

[1] For the purpose of comparison, 1Q 2018 DPU has been restated to include the 1,288,438,981 Units issued on 30 October 2018 pursuant to the rights issue.

at 31 March was 93.9%, an increase of 0.4 percentage points ("ppt") quarter-on-quarter ("QoQ").

With Singapore CBD Grade A office rents maintaining their upward trajectory, OUE C-REIT's Singapore properties continued to achieve positive rental reversions for the lease renewals committed in 1Q 2019.

Lippo Plaza's committed office occupancy of 90.4% as at 1Q 2019 was ahead of overall Shanghai CBD Grade A market occupancy of 87.6% as at 1Q 2019, while committed rents continued to be in line with or higher than market rates.

The Manager will continue to focus its efforts on proactive asset management, as well as maintain a prudent and disciplined stance towards capital management, so as to deliver stable and sustainable returns for OUE C-REIT unitholders ("Unitholders")."

Healthy Operational Performance

As at 31 March 2019, OUE Bayfront's committed office occupancy was 97.1%, ahead of the Singapore CBD office market occupancy rate of 95.2%. Committed rents for new office leases achieved in 1Q 2019 ranged from S$13.00 psf per month to S$14.30 psf per month, significantly outperforming office market rents of S$11.15 psf per month. Consequently, average passing office rent for the property continued to rise, from S$11.60 psf per month a quarter ago to S$11.65 psf per month as of March 2019.

Committed office occupancy at One Raffles Place was 96.5% as at 31 March 2019. With committed office rents for new and renewed leases ranging from S$10.30 psf per month to S$11.20 psf per month in 1Q 2019, the property continued to enjoy positive rental reversions against expiring rents of S$9.86 psf per month during the quarter. Average passing office rent rose from S$9.45 psf per month a quarter ago to S$9.50 psf per month as of March 2019.

With the completion of the asset enhancement initiative works at One Raffles Place Shopping Mall and the progressive completion of renovations by incoming tenants, visitors to the mall now enjoy a wider range of food and beverage options, as well as services. The anchor tenant, co-working operator Spaces, is also in the process of completing its fit-out and is expected to commence operations in 3Q 2019.

OUE Downtown Office's committed office occupancy was 93.9% as at 31 March 2019, 0.4 ppt higher QoQ against 31 December 2019. The range of rents for new leases and renewals committed in 1Q 2019 was S$8.00 psf per month to S$8.85 psf per month, against expiring rents in the quarter of S$6.88 psf per month and average passing office rents of S$7.00 psf per month as of March 2019.

In Shanghai, Lippo Plaza's committed office occupancy eased 2.8 ppt QoQ to 90.4% as at 31 March 2019 as demand softened on the back of a subdued economy. Nevertheless, Lippo Plaza's committed office occupancy remained ahead of Shanghai CBD Grade A occupancy, which declined 2.4 ppt QoQ to 87.6% as at 1Q 2019. The range of committed rents for new and renewed office leases in 1Q 2019 was RMB9.00 psm per day to RMB11.50 psm per day. Average passing office rent was RMB9.97 psm per day for March 2019.

At the portfolio level, approximately 14.9% of OUE C-REIT's gross rental income is due for renewal in 2019, with a further 25.9% of gross rental income due in 2020.

Proposed Merger with OUE Hospitality Trust

On 8 April 2019, the managers of both OUE C-REIT and OUE Hospitality Trust ("OUE H-Trust") issued a joint announcement on the proposed merger of OUE C-REIT and OUE H-Trust by way of a trust scheme of arrangement.

OUE C-REIT will seek the approval of OUE C-REIT Unitholders for the transaction at an extraordinary meeting to be convened. More details on the transaction will be available in the circular to unitholders to be despatched in due course.

Prudent Capital Management

In line with the Manager's prudent and proactive approach to capital management, OUE C-REIT's aggregate leverage ratio as at 31 March 2019 remained stable at 39.4%. As at 31 March 2019, 71.6% of borrowings were on a fixed rate basis with weighted average cost of debt remaining stable at 3.5% per annum. The average term of debt as at 31 March 2019 was 3.3 years, with no significant refinancing requirement until 2020.

For 2019, the Manager has elected to receive 20% of its base management fees to be paid in cash, with the balance in units of OUE C-REIT ("Units"), to align with its objective of delivering sustainable and stable DPU to Unitholders.

Outlook

According to CBRE, leasing activity in the Singapore CBD was stable, driven by technology and co-working sectors, which led to higher Grade A core CBD occupancy of 95.2% as at 1Q 2019, up 0.3 ppt QoQ. Grade A CBD core office rents rose 3.2% QoQ in 1Q 2019 to S$11.15 psf per month in the seventh consecutive quarter of growth, representing a 24.6% increase from the previous trough in 2017. Consequently, the gap between market rents and expiring rents at OUE C-REIT's Singapore properties has narrowed significantly. Given the benign medium term supply outlook, we continue to expect positive operational performance in 2019.

According to Colliers International, Shanghai CBD Grade A office occupancy declined 2.4 ppt QoQ to 87.6% as at 1Q 2019, as demand softened on the back of slower economic growth. With increased competition for tenants amid higher office supply, Shanghai CBD Grade A office rents edged down 0.4% QoQ to RMB10.32 psm per day as at 1Q 2019. In Puxi, Grade A office occupancy fell 2.8 ppt QoQ to 89.7% as at 1Q 2019, with rents 0.1% higher QoQ at RMB 9.55 psm per day.

With a significant amount of new office supply scheduled to enter the Shanghai market in 2019, coupled with softer demand from a slower economy, rental growth is expected to be subdued in the near-term. As supply abates in the longer term from 2020, stable demand is expected to underpin steady rental growth.

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About OUE Commercial REIT

OUE C-REIT is a Singapore real estate investment trust listed on the Main Board of Singapore Exchange Securities Trading Limited (the "SGX-ST"). It was established 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 (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 comprises OUE Bayfront, One Raffles Place and OUE Downtown Office in Singapore, as well as Lippo Plaza in Shanghai, with a total assets under management of approximately S$4.5 billion.

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 is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and the United States. 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 March 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 Bowsprit Capital Corporation Limited, the manager of First REIT, Singapore's first healthcare real estate investment trust in October 2018.

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. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in the 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.