



Financial Results for 1st Quarter 2019

9 May 2019

Important Notice

This presentation should be read in conjunction with the announcements released by OUE Commercial Real Estate Investment Trust ("OUE C-REIT") on 9 May 2019 (in relation to its Financial Results for 1st Quarter 2019).

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The information and opinions contained in this presentation are subject to change without notice.

Agenda

- Key Highlights
- Financial Performance and Capital Management
- Portfolio Performance
- Outlook
- Appendices

Financial Highlights

- Net property income in 1Q 2019 of S\$43.6 million increased 23.5% year-on-year (“YoY”) due mainly to a full quarter’s contribution from OUE Downtown Office which was acquired on 1 November 2018
- The drawdown of OUE Downtown Office’s rental support, partially offset by higher interest expenses in 1Q 2019 as a result of higher borrowings, led to amount available for distribution of S\$26.0 million, 49.5% higher YoY. 1Q 2019 DPU was 0.90 cents

Portfolio Performance

- Stable portfolio occupancy of 94.0% as at 31 March 2019
- Positive office rental reversions were achieved across OUE C-REIT’s Singapore portfolio, with higher average office passing rents as at 1Q 2019
- At OUE Bayfront, the average passing office rent was S\$11.65 psf per month as of March 2019; One Raffles Place’s was S\$9.50 psf per month while OUE Downtown Office’s average passing rent was S\$7.00 psf per month. In Shanghai, Lippo Plaza’s average office passing rent was RMB9.97 psm per day

Capital Management

- Aggregate leverage as at 31 March 2019 was stable at 39.4%, with stable weighted average all-in borrowing cost of 3.5% per annum
- As at 31 March 2019, average term of debt was 3.3 years with 71.6% of borrowings on fixed rate basis
- No significant refinancing requirement until 2020

Proposed Merger with OUE Hospitality Trust

- Announced proposed merger with OUE Hospitality Trust by way of a trust scheme of arrangement on 8 April 2019. OUE C-REIT will seek the approval of OUE C-REIT unitholders for the transaction at an extraordinary general meeting to be convened
- The rationale for the proposed merger includes:
 - Creation of one of the largest diversified S-REITs, owning seven properties with total assets of approximately S\$6.8 billion
 - Larger capital base and broadened investment mandate provide flexibility to drive long-term growth; enhanced portfolio diversification with greater resilience
 - DPU accretive to Unitholders on a historical pro forma basis

Financial Performance & Capital Management

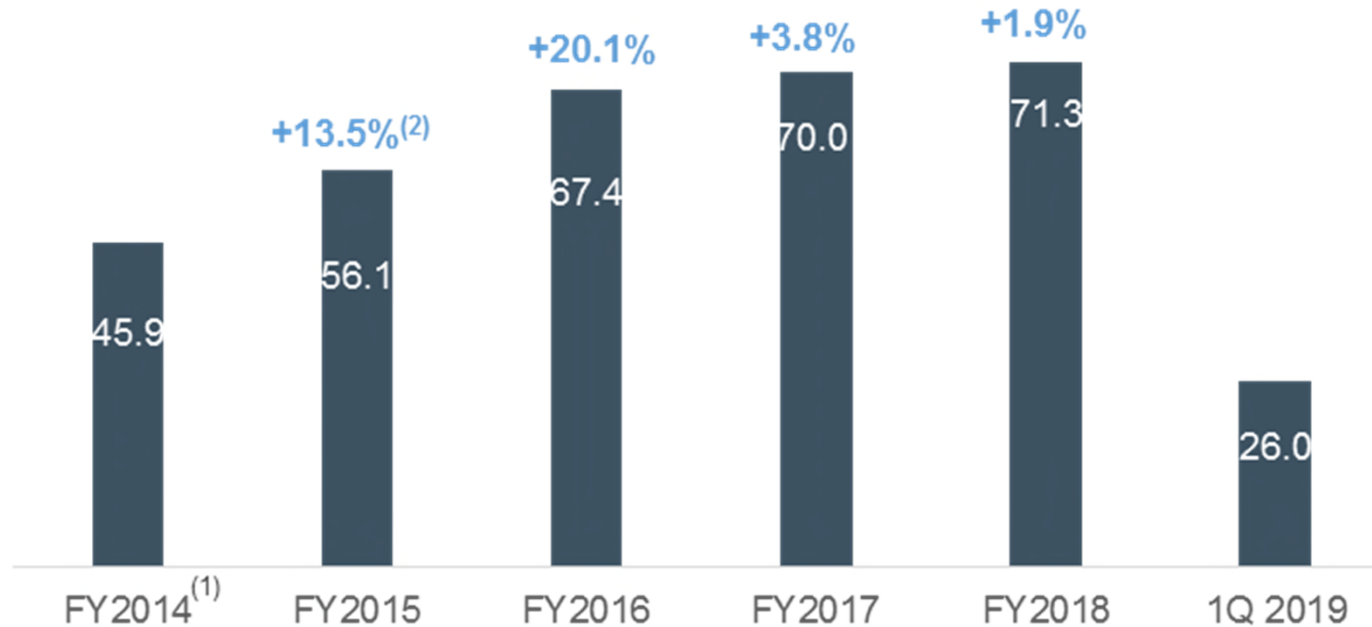


Delivered Sustainable Distribution

Delivered sustainable distribution to Unitholders since IPO

Distribution Since IPO

In S\$ million



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

(2) Growth rate from FY2014 to FY2015 is calculated based on annualised amount available for distribution for the period from OUE C-REIT's listing date of 27 January 2014 to 31 December 2014

1Q 2019 vs 1Q 2018

	1Q 2019	1Q 2018	Change
Revenue (S\$ m)	55.3	44.1	25.5%
Net Property Income (S\$ m)	43.6	35.3	23.5%
Amount Available for Distribution to Unitholders (S\$ m)	26.0	17.4	49.5%
DPU (cents) (actual)	0.90	1.12	-19.6%
DPU (cents) (restated)	-	0.61⁽¹⁾	47.5%

- Net property income of S\$43.6 million in 1Q 2019 increased 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
- The drawdown of OUE Downtown Office's rental support, partially offset by higher interest expenses in 1Q 2019 as a result of higher borrowings, resulted in amount available for distribution of S\$26.0 million, 49.5% higher YoY

1Q 2019 vs 1Q 2018

S\$'000	1Q 2019	1Q 2018	Change (%)
Revenue	55,335	44,095	25.5
Property operating expenses	(11,767)	(8,818)	33.4
Net property income	43,568	35,277	23.5
Other income	4,993	956	NM ⁽¹⁾
Amortisation of intangible assets	(1,548)	(1,113)	39.1
Manager's management fees	(3,164)	(2,424)	30.5
Other expenses	(644)	(600)	7.3
Interest income	274	208	31.7
Interest expense	(14,169)	(10,432)	35.8
Amortisation of debt establishment costs	(1,085)	(1,249)	(13.1)
Net fair value movement of financial derivatives	942	(18)	NM
Foreign exchange differences	59	402	(85.3)
Total return before tax	29,226	21,007	39.1
Tax expense	(4,572)	(4,836)	(5.5)
Total return for period	24,654	16,171	52.5
Non-controlling interests	(1,970)	(1,935)	1.8
CPPU holder distribution	(925)	(925)	-
Distribution adjustments	4,278	4,110	4.1
Amount available for distribution to Unitholders	26,037	17,421	49.5

(1) NM: Not meaningful

Healthy Balance Sheet

S\$ million	As at 31 Mar 2019
Investment Properties	4,504.7
Total Assets	4,581.4
Borrowings	1,723.2
Total Liabilities	1,945.8
Net Assets Attributable to Unitholders	2,032.0
Units in issue and to be issued ('000)	2,866,585
NAV per Unit (S\$)	0.71

Capital Management

- Aggregate leverage as at 31 March 2019 was stable at 39.4%, with weighted average cost of debt of 3.5% per annum
- With 71.6% of debt on fixed rate basis, earnings are mitigated against interest rate fluctuations
- Every 25bps increase in floating interest rates is expected to reduce distribution by S\$1.2 million per annum, or 0.04 cents in DPU

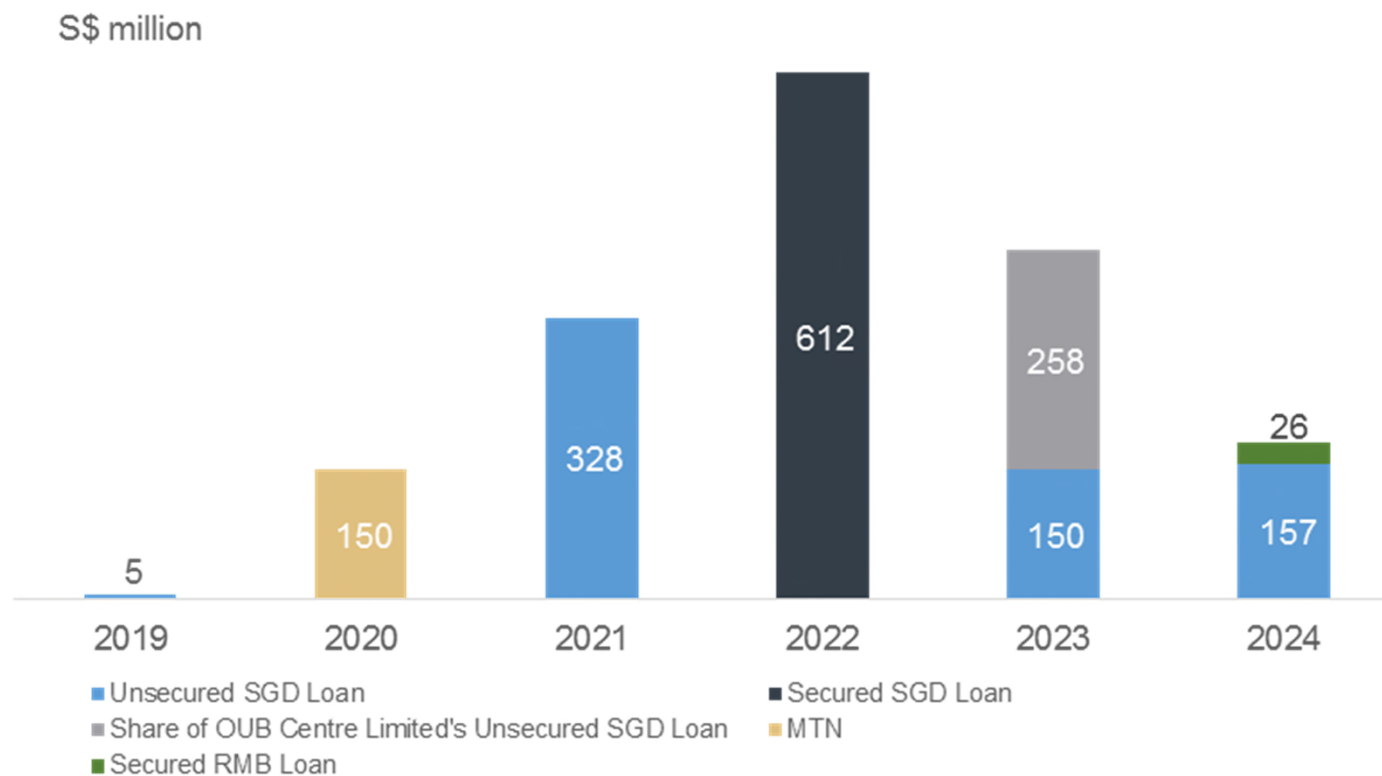
	As at 31 Mar 2019	As at 31 Dec 2018
Aggregate Leverage	39.4%	39.3%
Total debt	S\$1,685m ⁽¹⁾	S\$1,675m ⁽²⁾
Weighted average cost of debt	3.5% p.a.	3.5% p.a.
Average term of debt	3.3 years	3.5 years
% fixed rate debt	71.6%	76.4%
% unsecured debt	62.2%	61.1%
Average term of fixed rate debt	2.1 years	1.7 years
Interest service ratio	3.3x	3.0x

(1) Based on SGD:CNY exchange rate of 1:4.958 as at 31 March 2019 and includes OUE C-REIT's share of OUB Centre Limited's loan

(2) Based on SGD:CNY exchange rate of 1:5.018 as at 31 December 2018 and includes OUE C-REIT's share of OUB Centre Limited's loan

No significant refinancing requirement until 2020

Debt Maturity Profile as at 31 March 2019

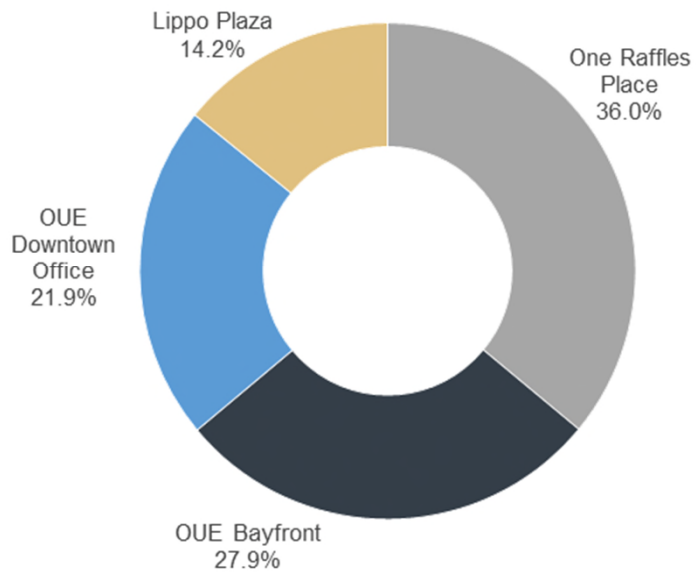




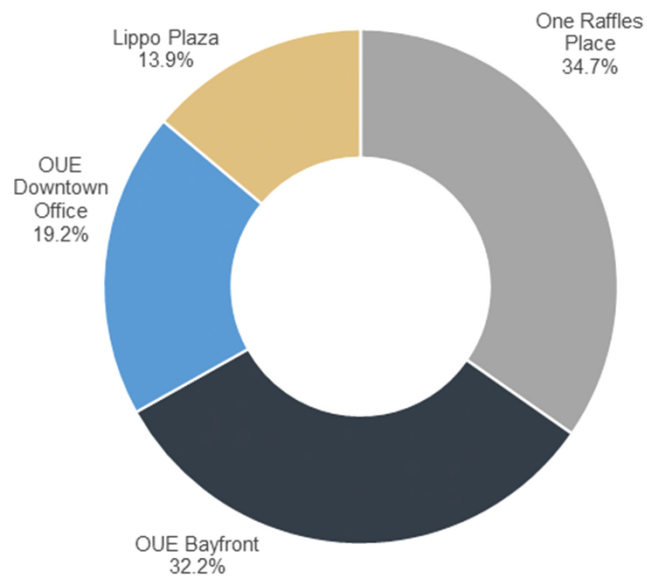
Portfolio Performance

Portfolio Composition

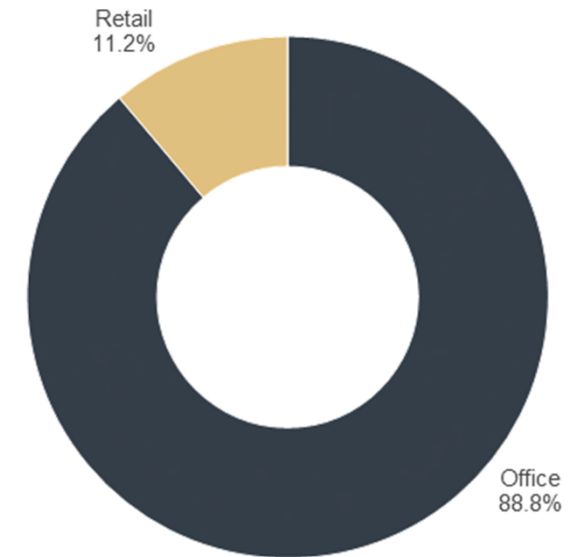
By Asset Value⁽¹⁾



By Revenue Contribution⁽²⁾



By Segment Income⁽²⁾



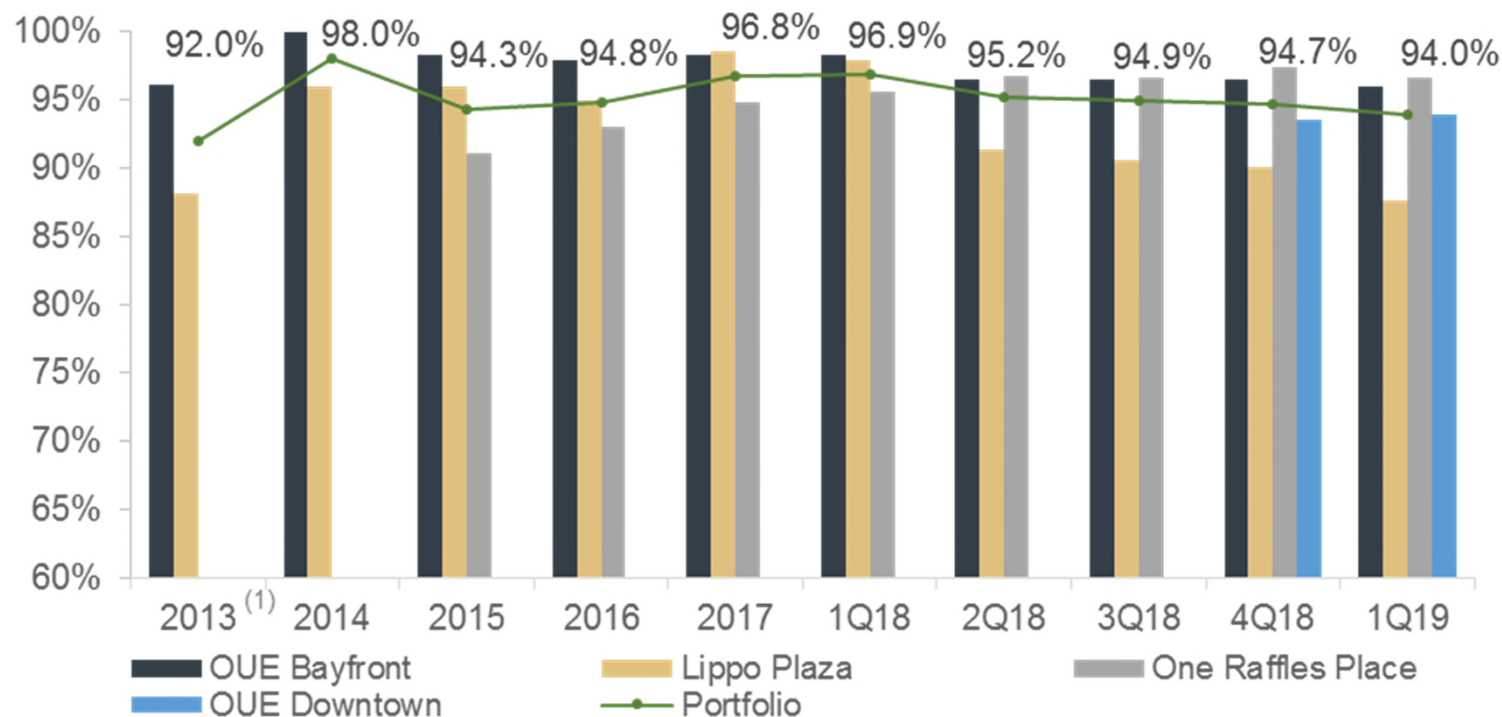
(1) Based on independent valuations as at 31 December 2018 and OUE C-REIT's proportionate interest in One Raffles Place

(2) For 1Q 2019 based on OUE C-REIT's attributable interest in One Raffles Place

Resilient and Stable Portfolio

- Stable portfolio committed occupancy of 94.0% as at 31 March 2019
- Lippo Plaza’s overall committed occupancy as at 31 March 2019 was 87.6% due mainly to lower committed retail occupancy. Committed office occupancy remains above market at 90.4%

Portfolio Committed Occupancy

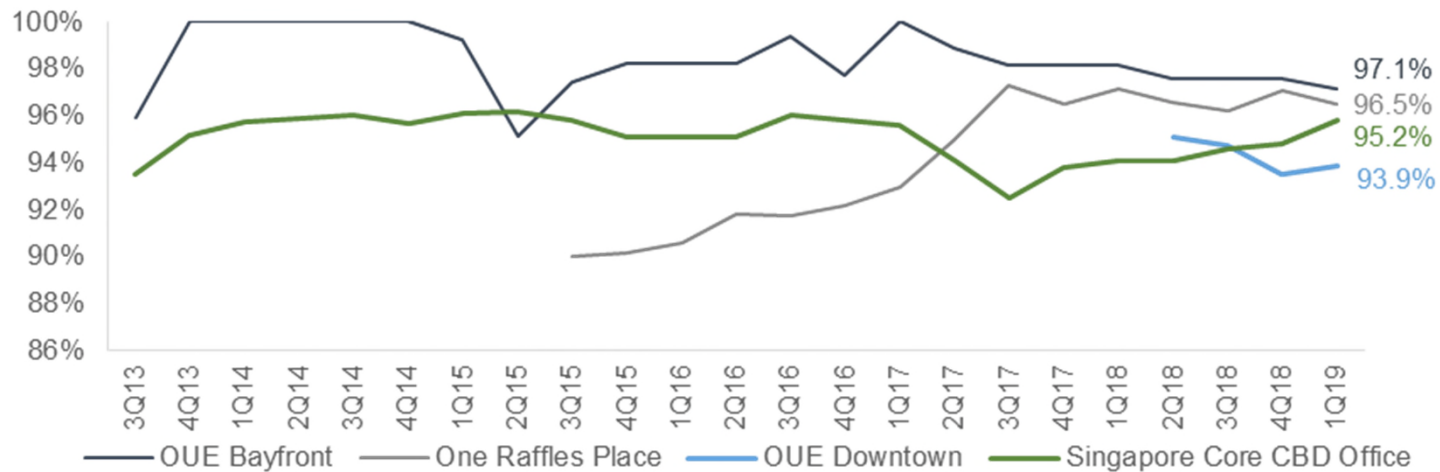


(1) Proforma committed occupancy as at 30 September 2013 as disclosed in OUE C-REIT’s Prospectus dated 17 January 2014

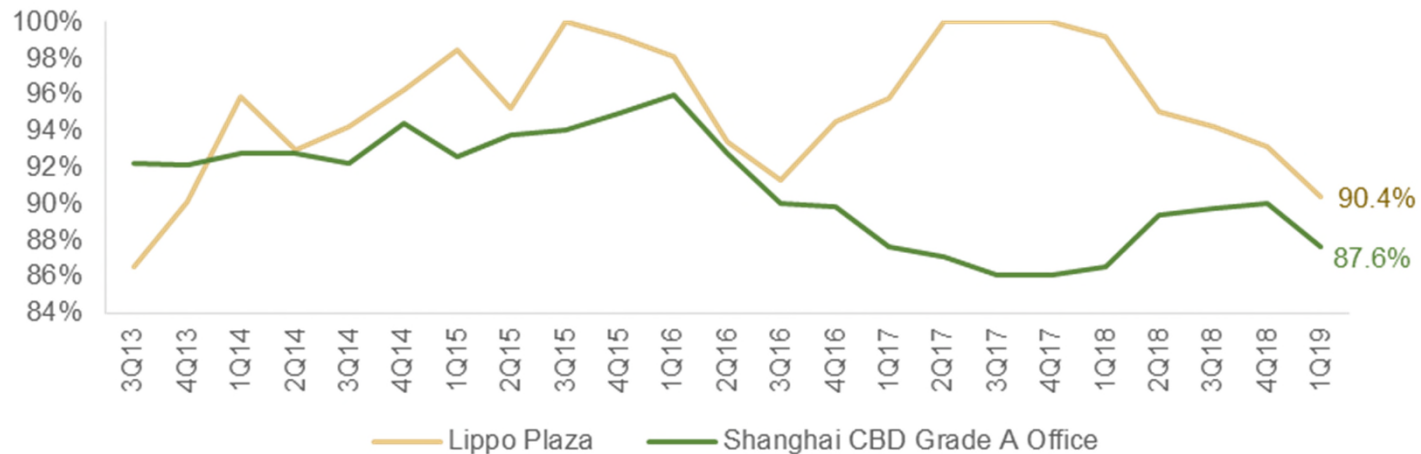
Healthy Office Occupancy

Committed office occupancy continues to be in line with or above market

Singapore



Shanghai



Committed Office Rents In Line Or Above Market

1Q 2019	Average Expired Rents	Committed Rents ⁽¹⁾	Sub-market	Comparable Sub-market Rents	
				Colliers ⁽²⁾	Savills ⁽³⁾
Singapore					
OUE Bayfront	-(4)	S\$13.00 – S\$14.30	New Downtown/ Marina Bay	S\$11.33	S\$12.55
One Raffles Place	S\$9.86	S\$10.30 – S\$11.20	Raffles Place	S\$9.97	S\$9.98
OUE Downtown	S\$6.88	S\$8.00 – S\$8.85	Shenton Way/ Tanjong Pagar	S\$9.53	S\$8.68 – S\$9.04
Shanghai					
Lippo Plaza	RMB9.48	RMB9.00 – RMB11.50	Puxi	RMB9.55	RMB10.26

- OUE C-REIT's properties continued to achieve committed rents which were in line with or above their respective market rents
- Renewal rents in 1Q 2019 for the Singapore properties continued to be higher than preceding rents, as market rental growth continued to be positive

(1) Committed rents for renewals and new leases

(2) Source: Colliers Singapore Office Quarterly 4Q 2018 for Singapore comparable sub-market rents; Colliers Shanghai Office Property Market Overview 1Q 2019 for Shanghai comparable sub-market rents

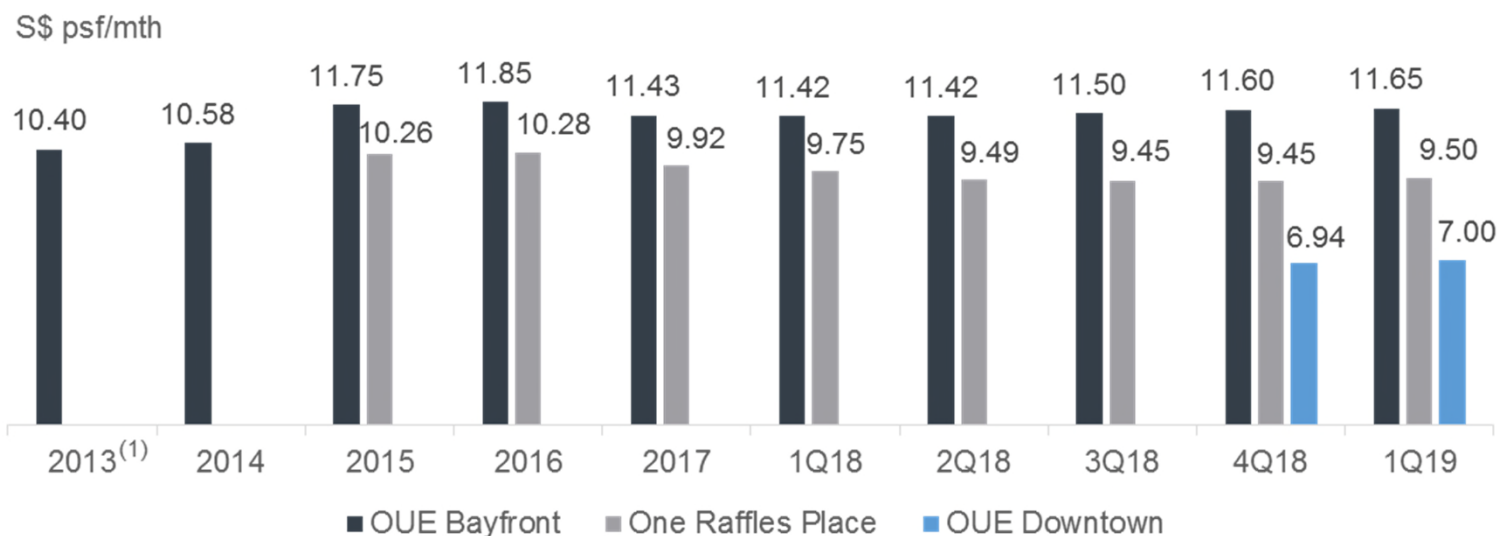
(3) Source: Savills Singapore Office Briefing 4Q 2018 for Singapore comparable sub-market rents; Savills Shanghai Grade A Office Market Update 1Q 2019 for Shanghai comparable sub-market rents

(4) There were no leases expiring in 1Q 2019 for OUE Bayfront

Note: For reference, CBRE Research's 1Q 2019 Grade A Singapore office rent is S\$11.15 psf/mth. Sub-market rents are not published

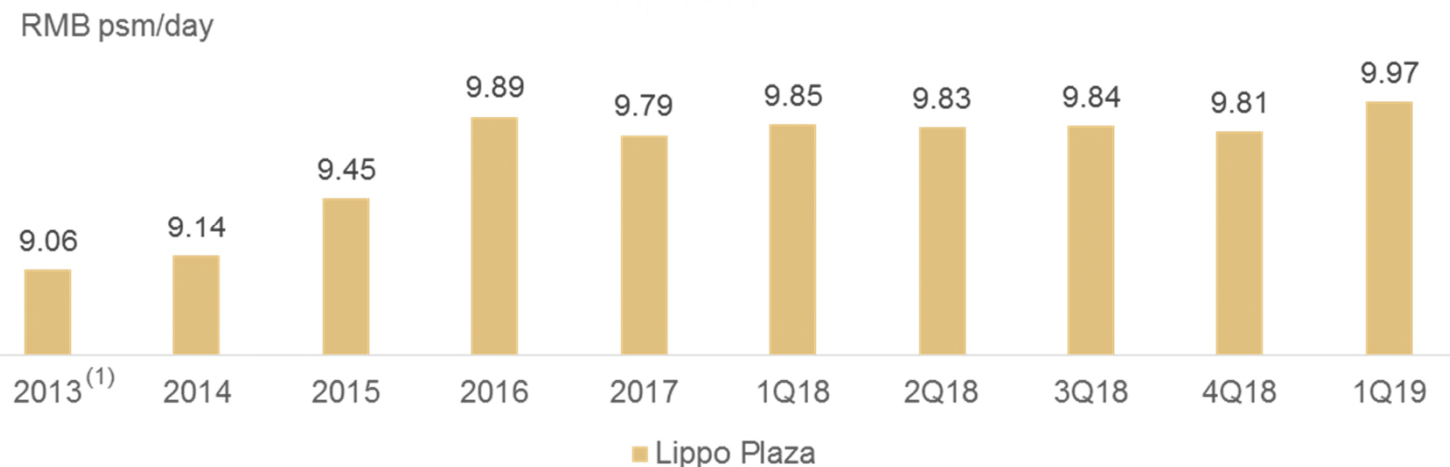
Average Passing Office Rents

Singapore



- Average passing office rent for all three Singapore properties improved as at 1Q 2019, due to positive rental reversions in the previous quarters

Shanghai

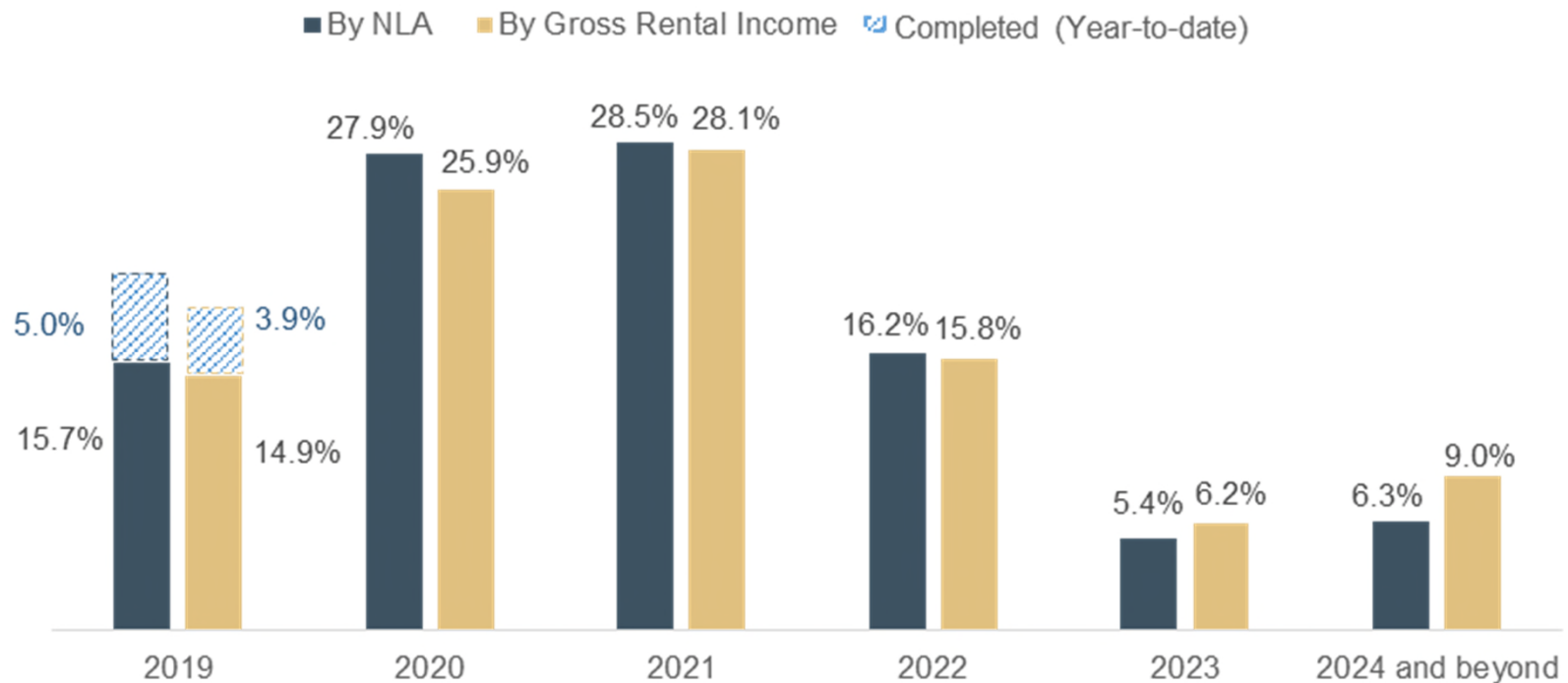


- Average passing office rent at Lippo Plaza was RMB9.97 psm/day as of March 2019

(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

14.9% of OUE C-REIT's portfolio gross rental income is due for renewal for the balance of 2019



WALE⁽¹⁾ of 2.2 years by NLA⁽²⁾ and 2.3 years by Gross Rental Income

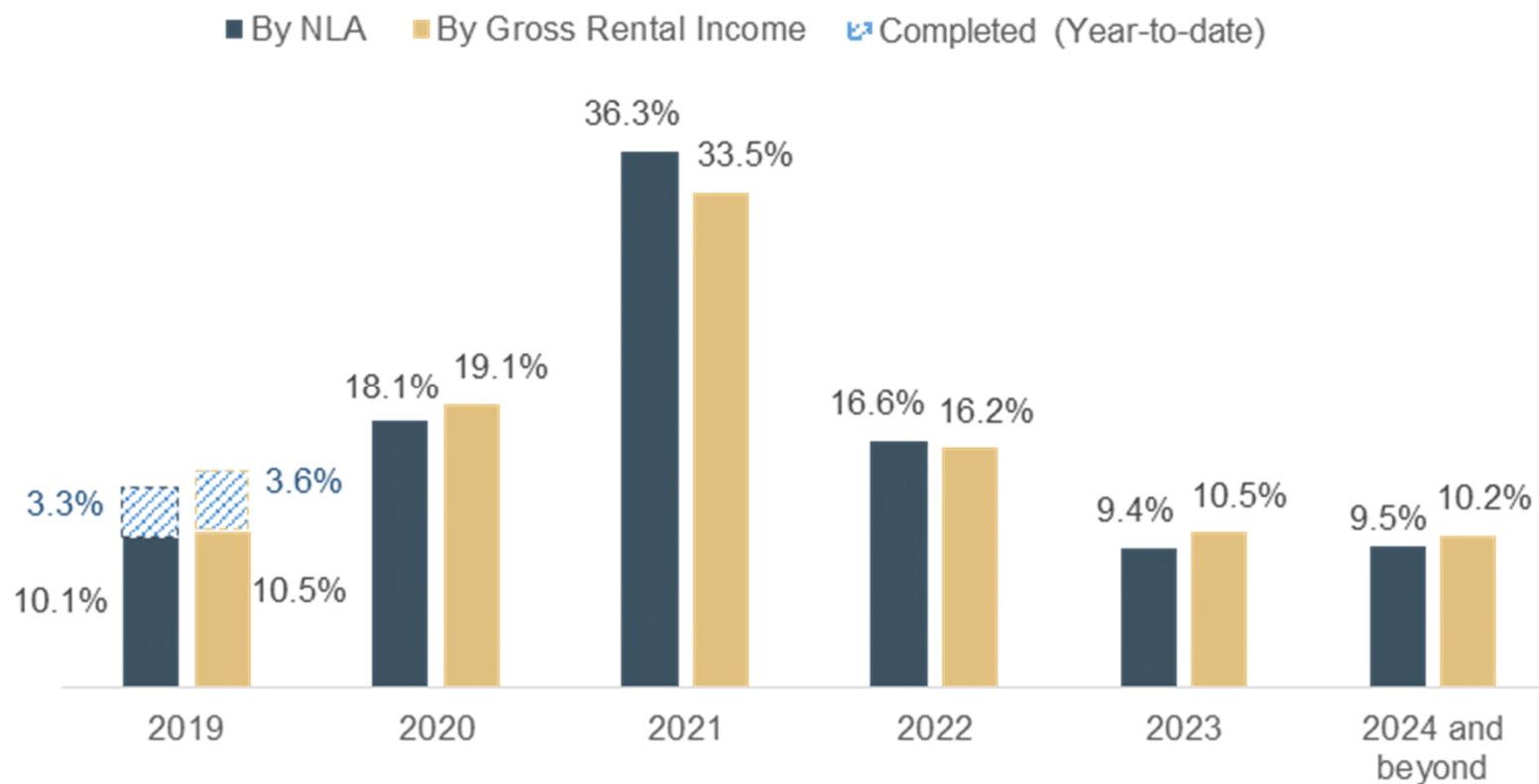
As at 31 Mar 2019

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

(2) "NLA" refers to net lettable area

Lease Expiry Profile - OUE Bayfront

- Well-positioned to benefit from a rising Singapore office market, with 29.6% of OUE Bayfront's gross rental income due for renewal in 2019 and 2020
- WALE by gross rental income improved to 2.7 years, from 2.3 years a quarter ago

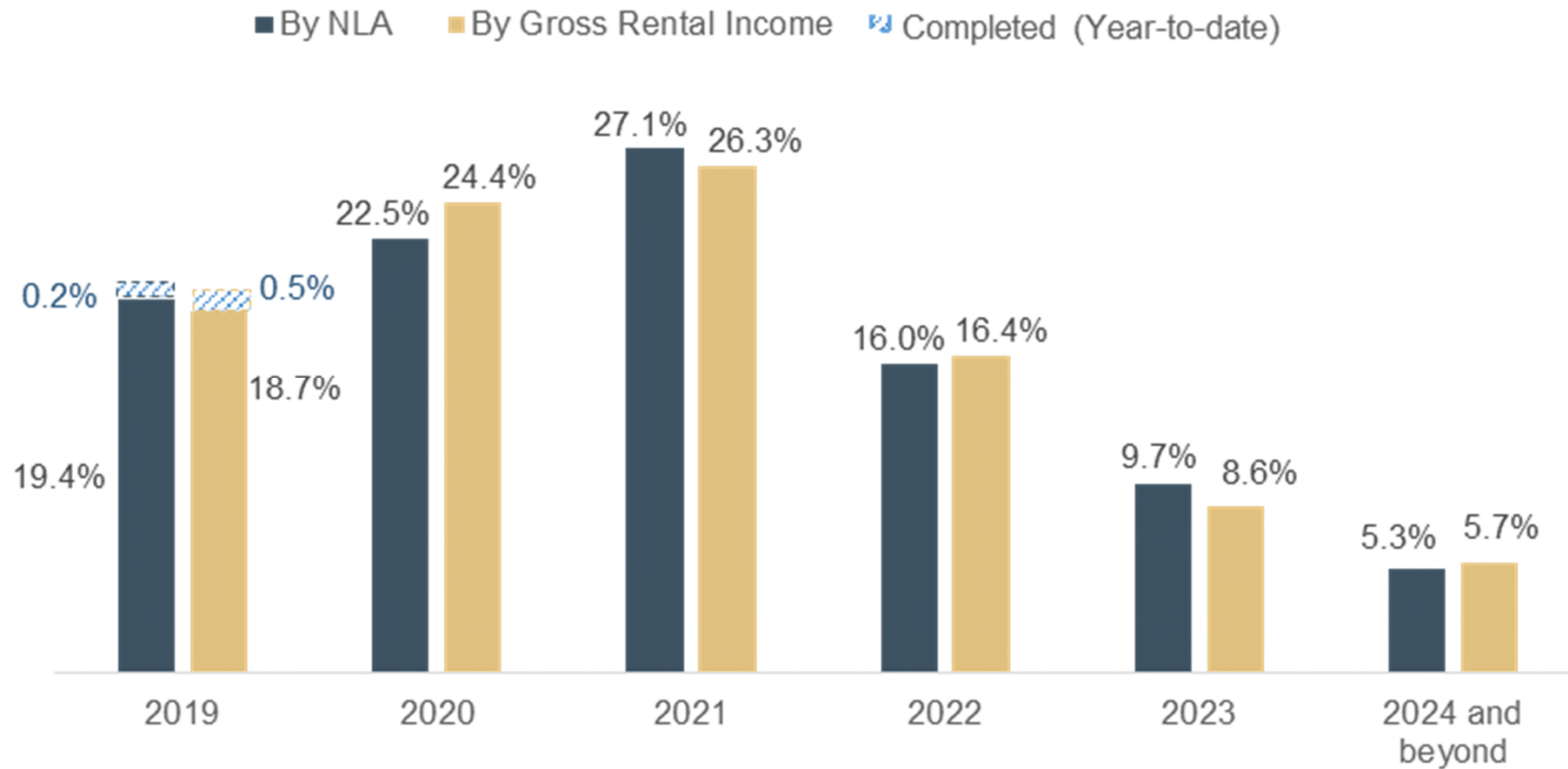


WALE of 2.7 years by NLA and Gross Rental Income

As at 31 Mar 2019

Lease Expiry Profile - One Raffles Place

Approximately 43.1% of gross rental income due for renewal in 2019 and 2020, with expiring rents below current market rents

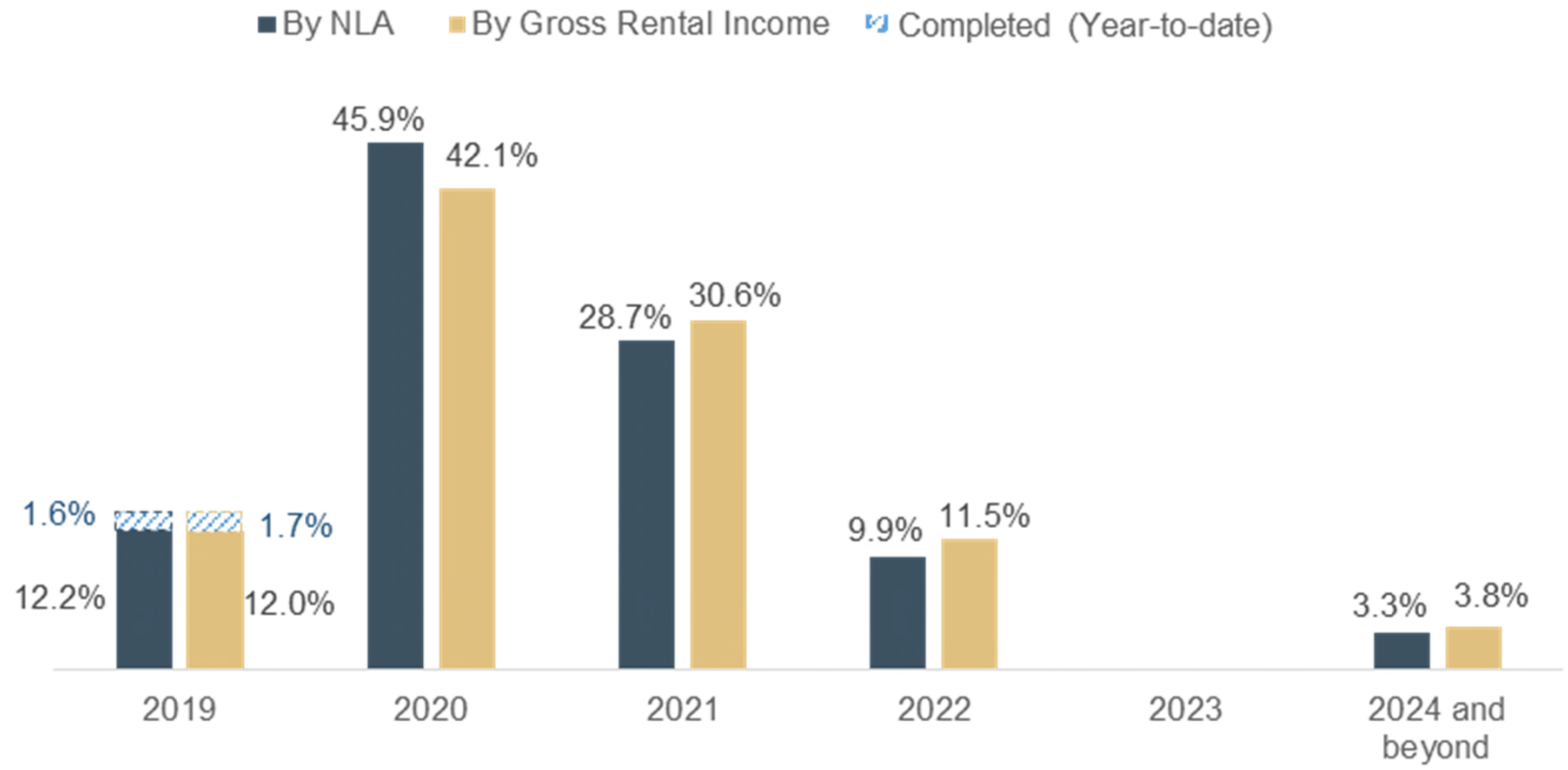


WALE of 2.2 years by NLA and by Gross Rental Income

As at 31 Mar 2019

Lease Expiry Profile - OUE Downtown Office

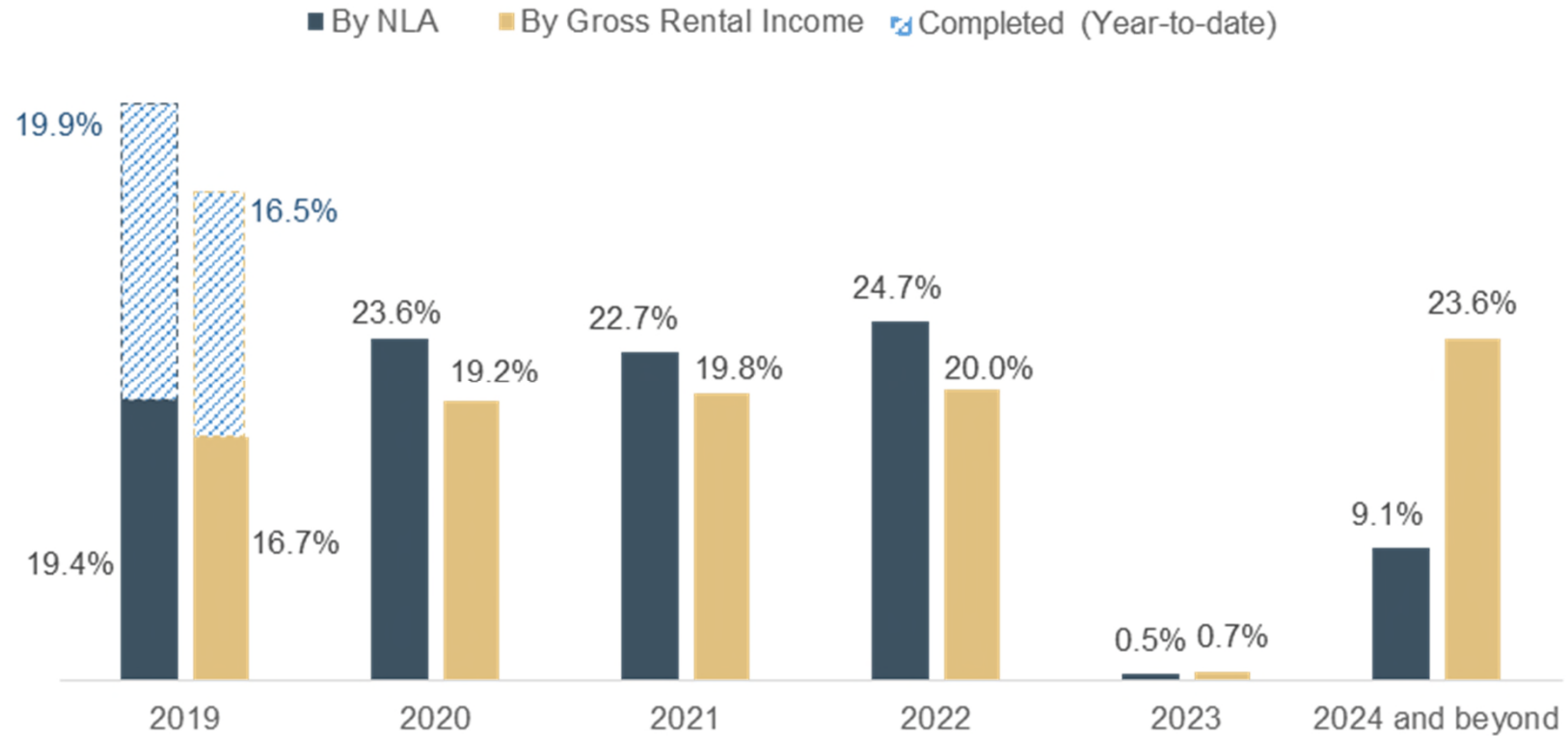
Rental revenue for OUE Downtown Office enjoys downside protection from income support arrangement



WALE of 1.9 years by NLA and by Gross Rental Income

As at 31 Mar 2019

Lease Expiry Profile - Lippo Plaza

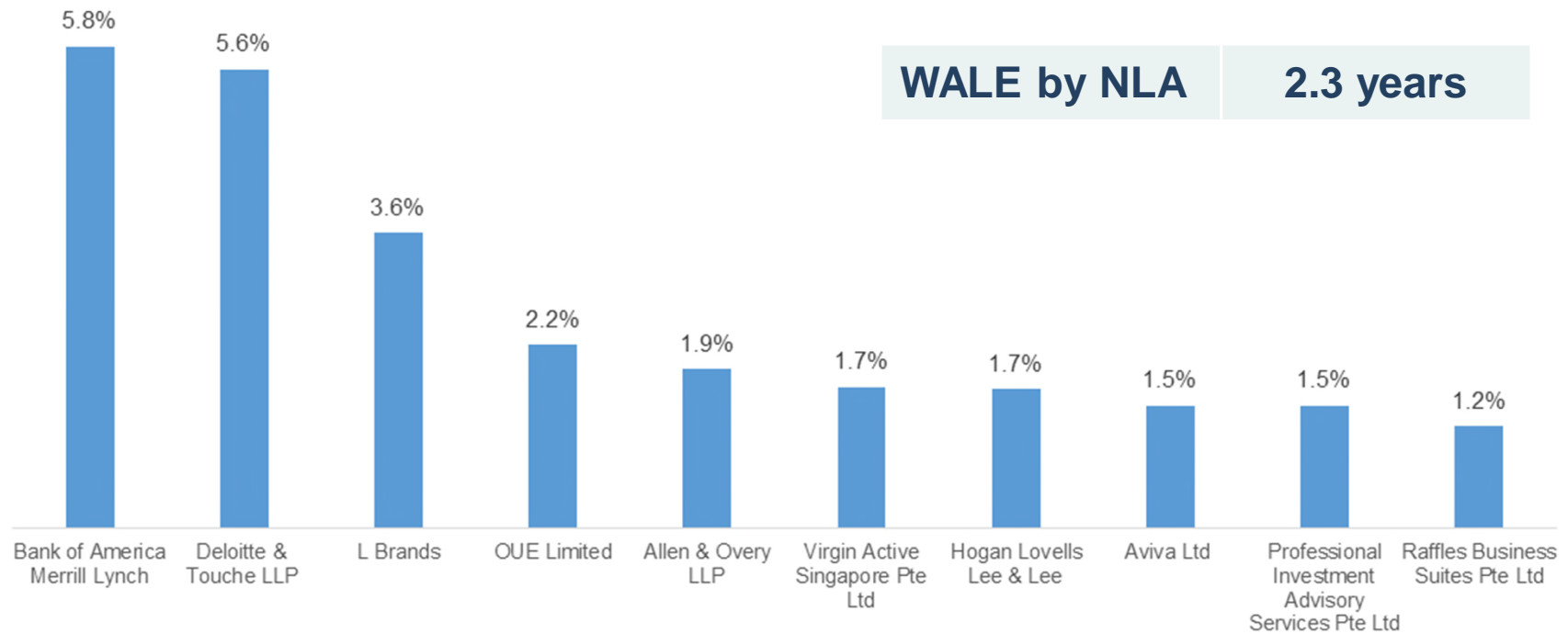


WALE of 2.4 years by NLA and 3.1 years by Gross Rental Income

As at 31 Mar 2019

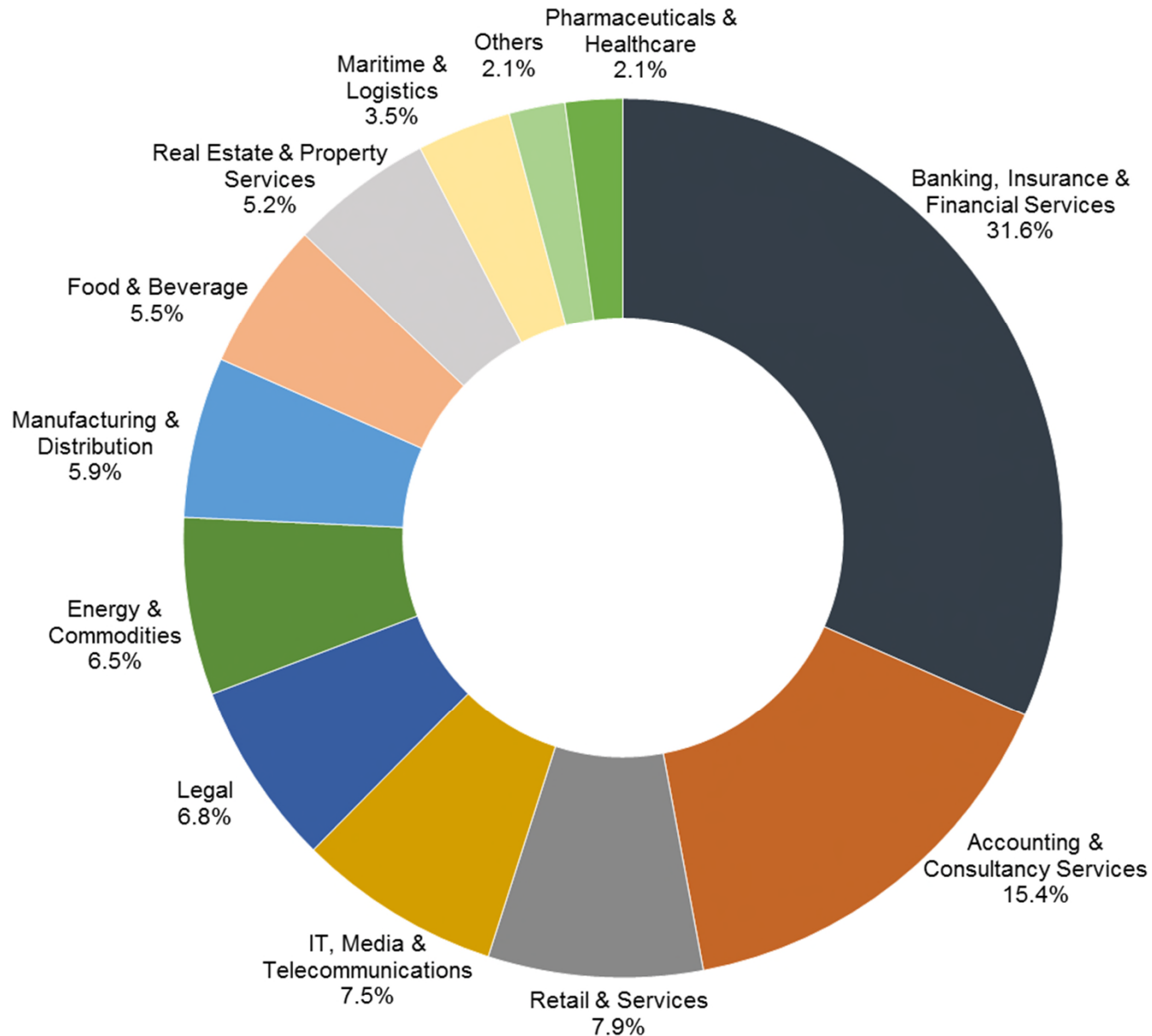
Quality and Diversified Tenant Base

Top 10 tenants contribute approximately 26.7% of gross rental income



As at 31 Mar 2019

Well-Diversified Portfolio Tenant Base



As at Mar 2019

Outlook



- Singapore’s 1Q 2019 GDP growth slowed slightly to 1.3%⁽¹⁾ in 1Q 2019, based on advance estimates by the Ministry of Trade and Industry (“MTI”), from 1.9% in the previous quarter. While the overall outlook remains cautious given Singapore’s small and open economy, policy stimulus from China and stable monetary policy by global central banks are expected to provide the backdrop for a pick-up in growth performance in the latter half of 2019. The official 2019 GDP growth forecast is maintained at between 1.5% and 3.5%
- According to CBRE, Grade A CBD core office rents rose 3.2%⁽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. Leasing activity 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 percentage points (“ppt”) QoQ
- Given the benign medium term supply outlook and the narrowing of the gap between market rents and expiring rents in OUE C-REIT’s Singapore properties, we continue to expect positive operational performance in 2019

(1) Ministry of Trade and Industry Press Release, 12 April 2019

(2) CBRE, Singapore Market View, 1Q 2019

- China's 1Q 2019 GDP growth was 6.4%⁽¹⁾, at the same pace of growth as 4Q 2018. The economy showed recent signs of stabilisation after being impacted by weaker business and consumer sentiment on the back of the trade conflict with the US. The stabilisation of the Chinese economy is expected to continue, underpinned by government-led infrastructure spending, with further stimulus measures to bolster consumption spending in the pipeline
- According to Colliers International, Shanghai CBD Grade A office occupancy declined 2.4 ppt QoQ to 87.6%⁽²⁾ 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 expected in 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

(1) National Bureau of Statistics of China Press Release, 17 April 2019

(2) Colliers International, Shanghai Office Property Market Overview 1Q 2019

Appendices

- Overview of OUE C-REIT
- OUE C-REIT's Portfolio
- Singapore Office Market
- Shanghai Office Market



Overview of OUE C-REIT

About OUE C-REIT

- OUE C-REIT is a Singapore real estate investment trust listed on the Main Board of Singapore Exchange Securities Trading Limited with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for commercial purposes
- OUE C-REIT is managed by OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of OUE Limited

Quality Portfolio

OUE C-REIT's S\$4.5 billion portfolio comprises :

- **OUE Bayfront**, a premium Grade A office building located at Collyer Quay between the Marina Bay downtown and Raffles Place in Singapore;
- **One Raffles Place**, an integrated commercial development comprising two Grade A office towers and a retail mall located in the heart of the Singapore's CBD at Raffles Place;
- **OUE Downtown Office**, the Grade A office space at OUE Downtown, a recently refurbished mixed-use development with Grade A offices, a six-storey mall and serviced residences located at Shenton Way in Singapore; and
- **Lippo Plaza**, a Grade A commercial building located in Huangpu, one of Shanghai's established core CBD locations

Strong Sponsor

- Committed Sponsor in OUE Group which has a 56.2% stake in OUE C-REIT
- Sponsor has proven track record in real estate ownership and operations
- Leverage on Sponsor's asset enhancement and redevelopment expertise

Premium Portfolio of Assets

OUE Bayfront



GFA (sq m)	46,774.6
NLA (sq m)	Office: 35,298.3; Retail: 1,830.1; Overall: 37,128.4
Committed Occupancy (@ 31 Mar 2019)	Office: 97.1%; Retail: 74.4%; Overall: 96.0%
Valuation (@ 31 Dec 2018)	S\$1,173.1 m (S\$2,935 psf)
Valuation Cap Rate (Office):	3.625%
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

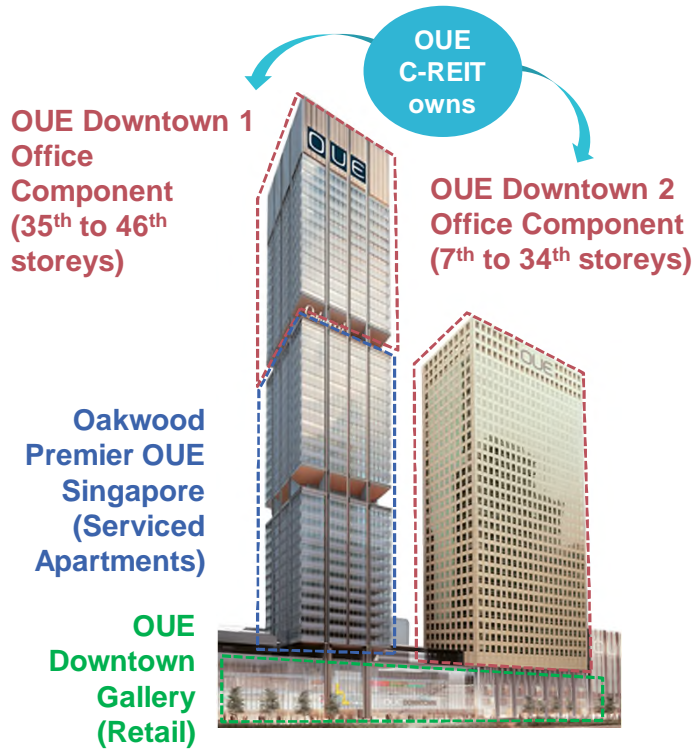


GFA (sq m)	119,626.3
Attributable NLA (sq m)	Office: 57,043.1; Retail: 9,227.4; Overall: 66,270.5
Committed Occupancy (@ 31 Mar 2019)	Office: 96.5%; Retail: 97.5%; Overall: 96.6%
Valuation⁽¹⁾ (@ 31 Dec 2018)	S\$1,813.5 m (S\$2,542 psf)
Valuation Cap Rate (Office):	3.50% - 3.70%
Land Use Right Expiry	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 OUE 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

OUE Downtown Office



GFA (sq m)	69,922.0
Attributable NLA (sq m)	Office: 49,239.0
Committed Occupancy (@ 31 Mar 2019)	Office: 93.9%
Valuation⁽¹⁾ (@ 31 Dec 2018)	S\$920.0 m (S\$1,736 psf)
Valuation Cap Rate (Office):	4.00%
Land Use Right Expiry	99 yrs from 19 July 1967
Completion Year	OUE Downtown 1: 1974; OUE Downtown 2: 1994; Major refurbishment : 2017

(1) Valuation without income support

Premium Portfolio of Assets

Lippo Plaza



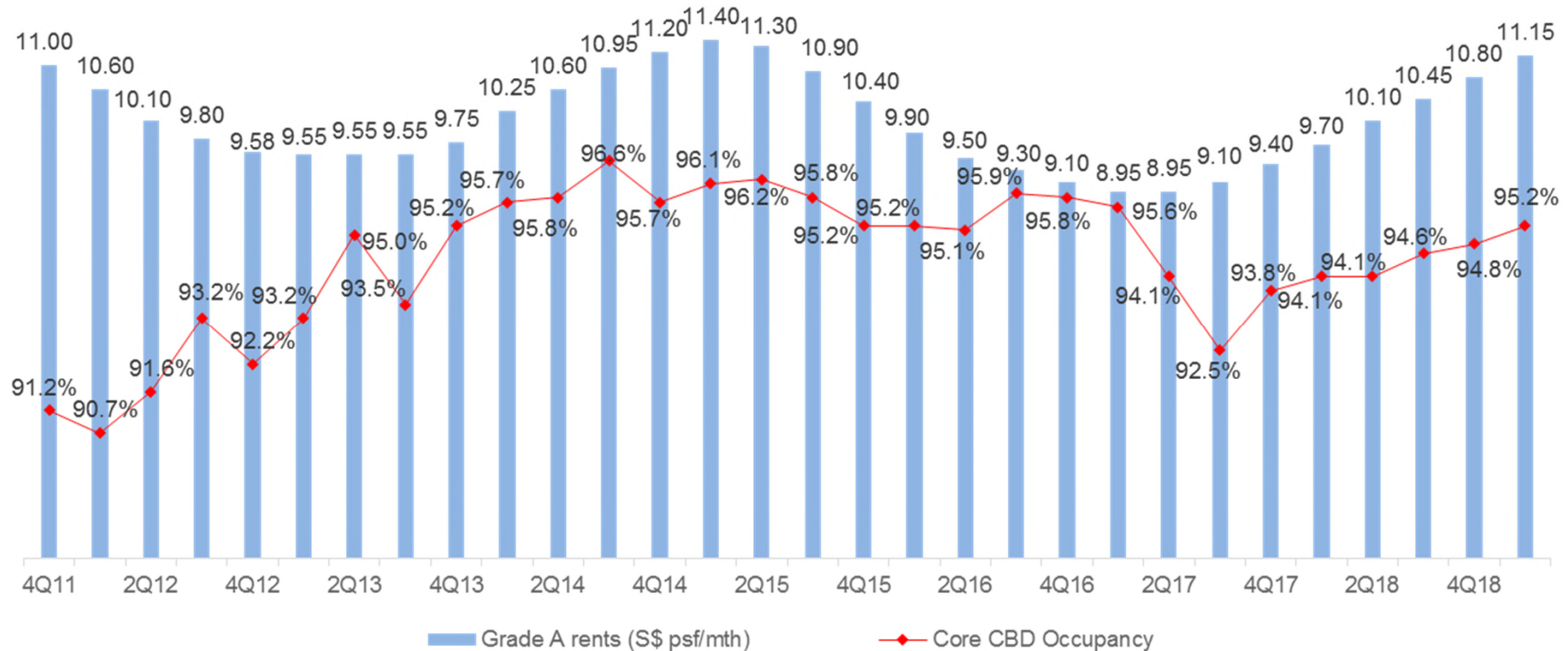
GFA (sq m)	58,521.5
Attributable NLA (sq m)	Office: 33,538.6; Retail: 5,685.9; Overall: 39,224.5
Committed Occupancy (@ 31 Mar 2019)	Office: 90.4%; Retail: 72.0%; Overall: 87.6%
Valuation⁽¹⁾ (@ 31 Dec 2018)	RMB2,950.0 m / RMB50,409 psm (S\$595.0 million) ⁽²⁾
Land Use Right Expiry	50 yrs from 2 July 1994
Completion Year	Office : 1999; Retail (major refurbishment) : 2010

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

(2) Based on SGD:CNY exchange rate of 1 :4.958 as at 31 March 2019

Singapore Office Market

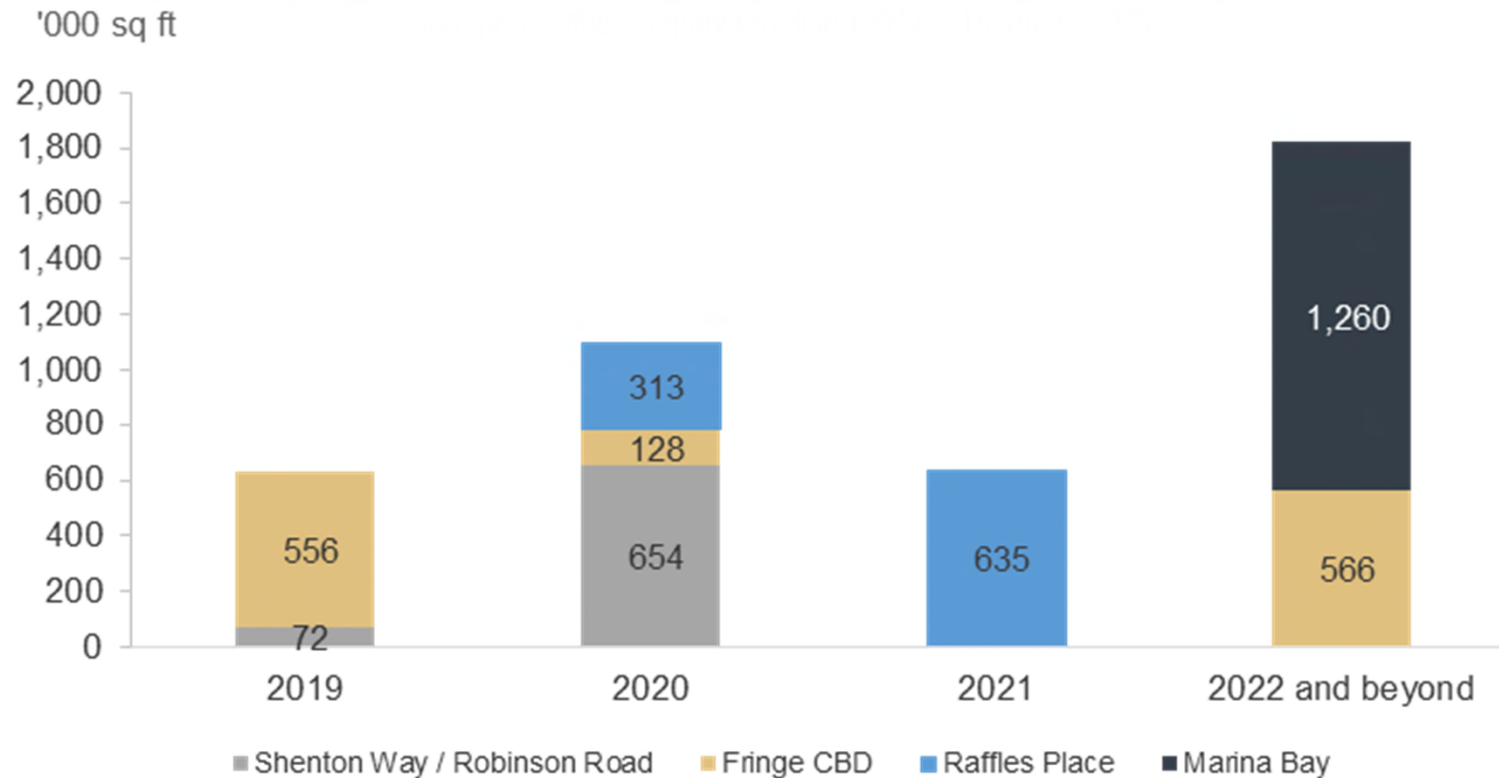
- Core CBD office occupancy rose 0.3 ppt QoQ to 95.2% as at 1Q 2019, on stable demand supported by technology and co-working sectors
- Grade A CBD core office rents rose 3.2% QoQ in 1Q 2019, for the seventh consecutive quarter, to S\$11.15 psf per month



Known Office Supply Pipeline

Benign office supply outlook for the Singapore core CBD over next 2 years

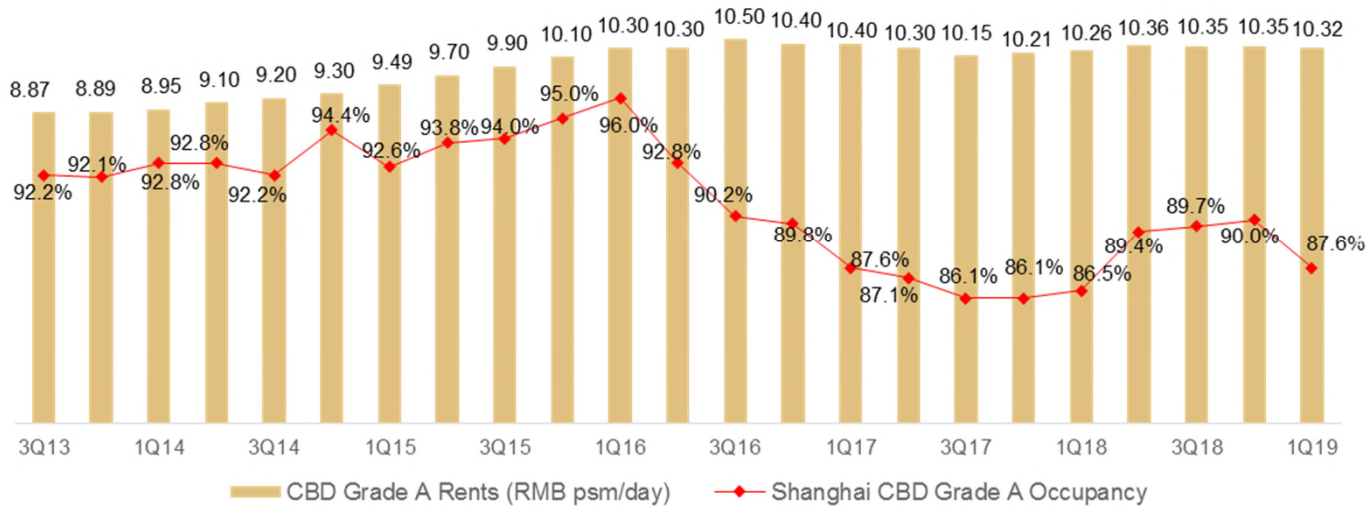
Office Supply Pipeline in Singapore (CBD and Fringe of CBD)



Note: Excluding strata-titled office
 Source: CBRE Research and respective media reports

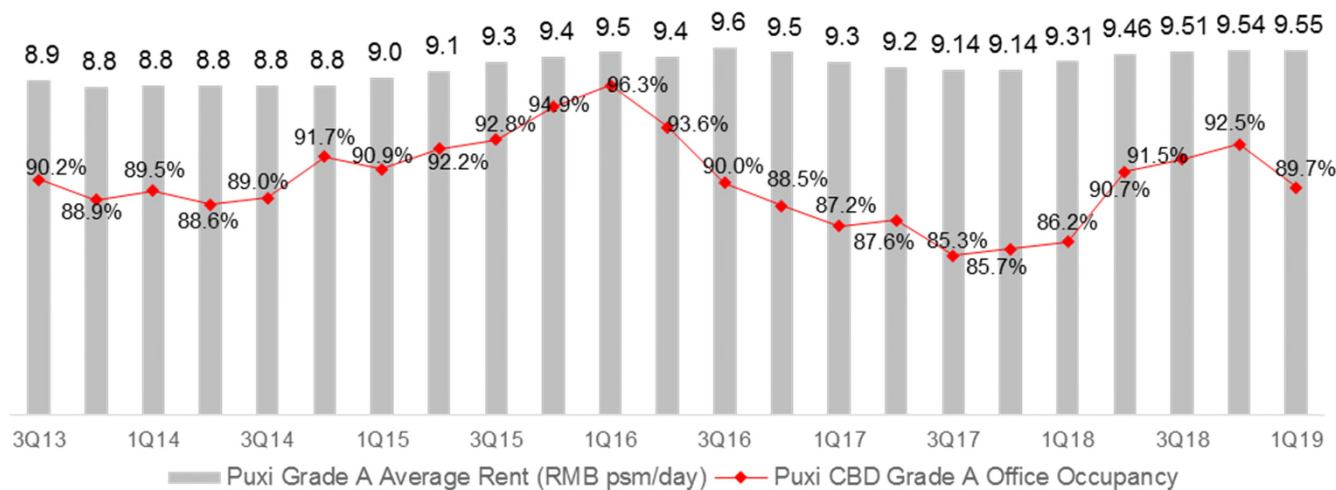
Shanghai Office Market

Shanghai



- Shanghai CBD Grade A office occupancy declined 2.4 ppt QoQ to 87.6% as at 1Q 2019, with rents easing 0.4% QoQ to RMB10.32 psm/day. Puxi Grade A office occupancy fell 2.8 ppt QoQ to 89.7% as at 1Q 2019, with rents 0.1% higher QoQ at RMB9.55 psm/day

Puxi

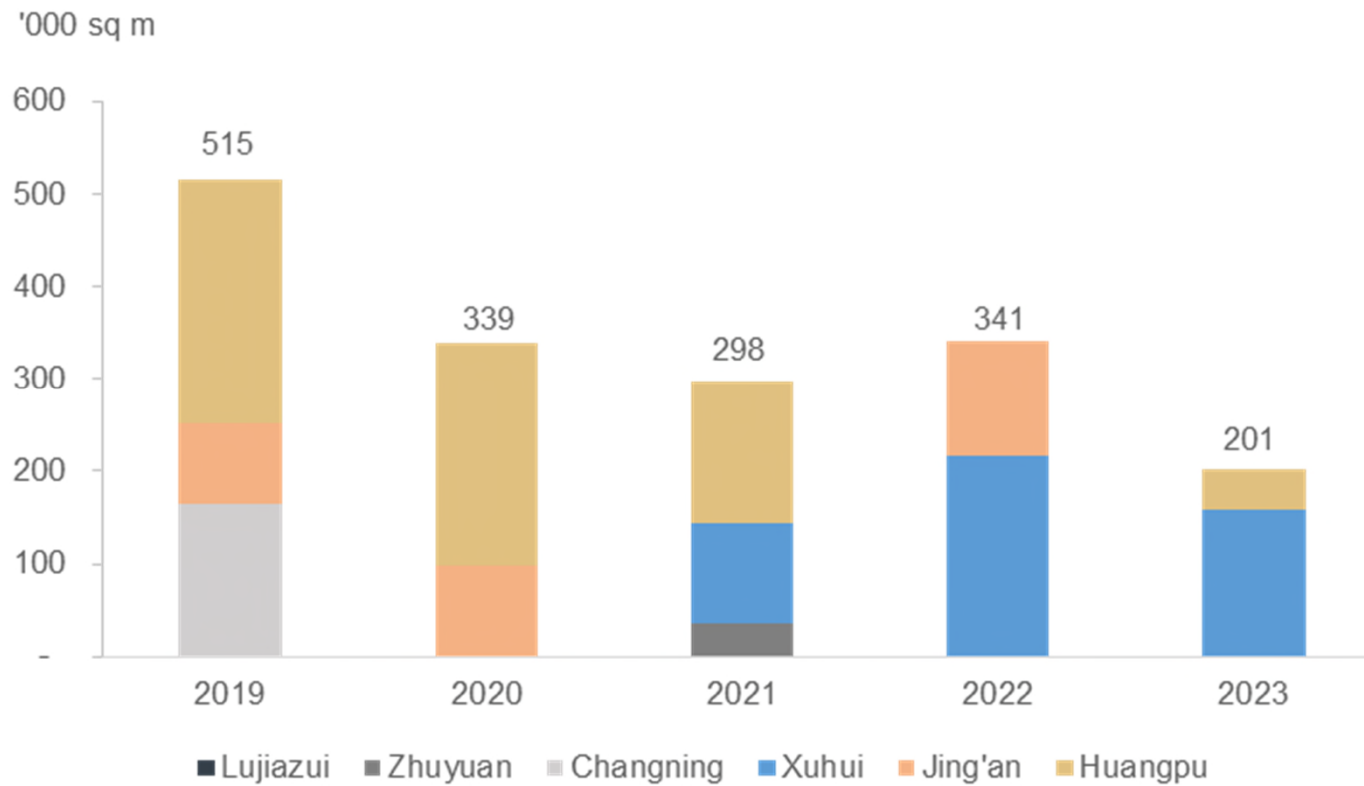


- With a significant amount of new office supply scheduled to enter the Shanghai market in 2019, coupled with softer demand from a slower economy, rental growth is expected to be subdued in the near-term

CBD Grade A Office Supply Pipeline

Shanghai CBD Grade A office supply expected to abate in the longer term from 2020

Office Supply Pipeline in Shanghai CBD



Source: Colliers International Shanghai, 1Q 2019



Thank You