



(a real estate investment trust constituted on 10 October 2013 under the laws of the Republic of Singapore)

RESPONSE TO SGX QUERIES

OUE Commercial REIT Management Pte. Ltd., as manager of OUE Commercial Real Estate Investment Trust (“**OUE C-REIT**”, and the manager of OUE C-REIT, the “**Manager**”), sets out its response to the queries raised by the Singapore Exchange Securities Trading Limited on 18 August 2021 in relation to OUE C-REIT's interim financial information for the six-month period ended 30 June 2021 (“**1H2021**”) dated 29 July 2021, as follows:

Question:

It was disclosed in the 1H2021 Financial Statements that the Group reported a decrease in the “Trade and other receivables” financial statement line item under its non-current assets from S\$4,046,000 as at 31 December 2020 to S\$3,894,000 as at 30 June 2021. The Group also reported an increase in the “Trade and other receivables” financial statement line item under its current assets from S\$30,548,000 as at 31 December 2020 to S\$30,819,000 as at 30 June 2021.

In this regard, please disclose:

- (a) A breakdown of the Group's trade and other receivables in its current assets and non-current assets;
- (b) The nature and breakdown of the Group's other receivables in its current assets and non-current assets;
- (c) The underlying transactions and terms of the transactions (including contract sum) and payment terms of the underlying contracts;
- (d) Aging of the Group's trade receivables in its current assets and non-current assets; and
- (e) The Group's plans to recover these trade and other receivables.

Manager's Response:

(a)-(c) Please see the breakdown of the Group's trade and other receivables:

| | Group | |
|--|--------------------|--------------------|
| | 30 Jun 2021 | 31 Dec 2020 |
| | S\$'000 | S\$'000 |
| Current | | |
| Trade receivables from: | | |
| - other related parties | 5,625 | 5,634 |
| - third parties | 7,578 | 9,586 |
| | 13,203 | 15,220 |
| Less: Allowance for doubtful receivables | (559) | (1,792) |
| | 12,644 | 13,428 |
| Other receivables from: | | |
| - other related parties | 7,288 | 7,107 |
| - third parties | 7,528 | 7,154 |
| | 14,816 | 14,261 |
| Deposits | 309 | 322 |
| | 27,769 | 28,011 |
| Prepayments | 3,050 | 2,537 |
| | 30,819 | 30,548 |
| Non-current | | |
| Deposits | 3,826 | 3,826 |
| Prepayments | 68 | 220 |
| | 3,894 | 4,046 |

Trade receivables from related parties mainly relate to receivables from the master lessees of Mandarin Orchard Singapore and Crowne Plaza Changi Airport. Trade receivables from third parties are amounts owing from tenants. Generally, trade receivables have payment terms of 30 days.

Other receivables from related parties relate to income support receivable on OUE Downtown Office with payment terms of 60 days. Other receivables from third parties mainly relate to recoverable from a third party on asset enhancement works completed in One Raffles Place of S\$5,800,000 (2020: S\$6,000,000).

(d) The aging of trade receivables that were not impaired at the reporting date is as follows:

| | Group | |
|-----------------------|--------------------|--------------------|
| | 30 Jun 2021 | 31 Dec 2020 |
| | S\$'000 | S\$'000 |
| Not past due | 6,671 | 8,331 |
| Past due 0 – 30 days | 2,080 | 1,776 |
| Past due 31 – 90 days | 2,613 | 1,901 |
| Past due over 90 days | 1,280 | 1,420 |
| | 12,644 | 13,428 |

- (e) The Group actively monitors the trade receivables with the respective property managers to follow up with tenants for payments. As part of the standard operating procedures, letter of reminders and letter of demands are sent to tenants who have long overdue receivables. The Group has collected security deposits from its tenants, and for those trade receivables that have exceeded the security deposits and the Group has assessed that there is a collection risk, allowance for doubtful receivables have been provided for.

The Group has assessed the other receivables and does not consider that there are any risks in collection as the counterparties have strong credit standing.

By Order of the Board
Kelvin Chua
Company Secretary

OUE Commercial REIT Management Pte. Ltd.
(Registration Number: 201327018E)
(as manager of OUE Commercial Real Estate Investment Trust)

20 August 2021

IMPORTANT NOTICE

The value of the 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, DBS Trustee Limited (as trustee of OUE C-REIT) or any of their respective 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. Holders of Units (“Unitholders”) should note that they will have no right to request that the Manager redeem or purchase their Units for so long as the Units are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). It is intended that Unitholders 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.