

PRESS RELEASE
For Immediate Release

OUE Commercial REIT's First Distribution of 2.43 Cents Exceeds Forecast by 4.7%

2Q 2014 Highlights:

- Net property income of S\$14.3 million is 4.6% ahead of Forecast¹
- Distribution per Unit of 1.43 cents is 5.1% higher than Forecast; declaring first distribution of 2.43 cents per Unit which is 4.7% higher than Forecast
- Positive rental reversions from office renewals at OUE Bayfront of 6.1% and 4.3% for Lippo Plaza

30 July 2014 – OUE Commercial REIT Management Pte. Ltd., the Manager of OUE Commercial REIT (“OUE C-REIT”), is pleased to announce an amount available for distribution of S\$12.5 million for the financial period 1 April 2014 to 30 June 2014 (“2Q 2014”). This represents a 5.5% increase over the Forecast for the same period. 2Q 2014 distribution per Unit (“DPU”) achieved is 1.43 cents, 5.1% higher than Forecast. Based on OUE C-REIT’s closing price on 30 June 2014 of S\$0.80 and 2Q 2014 DPU, this translates to an annualised distribution yield of 7.2%.

Standard Chartered Securities (Singapore) Pte. Limited, CIMB Bank Berhad, Singapore Branch and Oversea-Chinese Banking Corporation Limited were the joint global coordinators and issue managers for the initial public offering of OUE C-REIT (the “Issue Managers”).

The Issue Managers assume no responsibility for the contents of this press release.

¹ As disclosed in OUE C-REIT’s initial public offering prospectus dated 17 January 2014 (the “Prospectus”).

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Net property income in 2Q 2014 was 4.6% ahead of Forecast, due primarily to lower utilities and maintenance expenses incurred. The amount available for distribution exceeded the Forecast by 5.5%, augmented by lower trust expenses and finance costs.

For the financial period 27 January 2014 (listing date) to 30 June 2014, an amount available for distribution of S\$21.1 million was achieved, resulting in a DPU of 2.43 cents, which was 4.7% higher than Forecast.

OUÉ C-REIT pays its distribution to Unitholders on a semi-annual basis. With the books closure date on Thursday, 7 August 2014, payment of OUÉ C-REIT's first distribution of 2.43 cents per Unit can be expected on Tuesday, 2 September 2014.

Summary of OUÉ C-REIT's Group Results

	2Q 2014			27 Jan 2014 to 30 Jun 2014 ²		
	Actual	Forecast ³	Change	Actual	Forecast ³	Change
Gross Revenue (S\$'000)	18,670	18,734	-0.3%	32,489	32,421	+0.2%
Net Property Income (S\$'000)	14,292	13,669	+4.6%	24,609	23,839	+3.2%
Amount available for distribution (S\$'000)	12,473	11,818	+5.5%	21,116	20,158	+4.8%
Distribution Per Unit (Cents)	1.43	1.36	+5.1%	2.43	2.32	+4.7%

Ms Tan Shu Lin, Chief Executive Officer of the Manager, said, "We are pleased to announce a strong first distribution for OUÉ C-REIT of 2.43 cents per Unit. 2Q 2014 rental reversions at both properties were positive, with OUÉ Bayfront and Lippo Plaza achieving renewal rents that were respectively 6.1% and 4.3% higher than preceding rents for their office renewals. Overall, average passing rent for the office

² OUÉ C-REIT was incorporated on 10 October 2013 but was dormant until its listing on the Main Board of the Singapore Exchange Securities Trading Limited on 27 January 2014 ("Listing Date").

³ Forecast for the period was derived by pro-rating the forecast for 2014 as disclosed in the Prospectus.

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portfolio at OUE Bayfront increased to S\$10.66 per square foot (“psf”) per month as at 30 June 2014 from S\$10.61 psf per month as at 31 March 2014. At Lippo Plaza, the average passing office rent remained stable at RMB9.11 per square metre (“psm”) per day as at 30 June 2014.

As a result of our proactive asset management, only about 2.9% of OUE C-REIT’s portfolio by gross rental income is due for renewal for the rest of 2014. Portfolio occupancy as at 30 June 2014 remained healthy at 96.8%. We will continue our proactive leasing strategy to drive portfolio performance, together with our efforts in prudent cost and capital management, to generate stable, long-term returns for our Unitholders.”

Operational Performance

OUE Bayfront continued to maintain full occupancy as at 30 June 2014, comparing favourably to core CBD occupancy of 95.8%. Renewal rents for office leases at OUE Bayfront during 2Q 2014 were 6.1% higher than preceding rents. Committed rents during the quarter for new and renewal leases were in the range of S\$11.50 psf per month to S\$15.20 psf per month.

Renewal rents achieved in 2Q 2014 for Lippo Plaza’s office component were 4.3% higher than preceding rents. This is despite a slight decline in the occupancy to 92.9% as at 30 June 2014 from 95.9% as at 31 March 2014, due to non-renewal of some tenants. However, Lippo Plaza’s office occupancy is in line with the overall Shanghai CBD Grade A occupancy and compares favourably with the Grade A CBD office occupancy of 88.6% in Puxi.

Prudent Capital Management

The Manager continued to adopt a prudent and proactive approach towards capital management. As at 30 June 2014, OUE C-REIT’s aggregate leverage was 39.5%. The average cost of debt of 2.59% per annum increased from 2.47% as at 31 March 2014 as the Manager increased the amount of interest rate swaps to further hedge OUE C-REIT’s interest rate exposure during the quarter. As at 30 June

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2014, 57.6% of OUE C-REIT's interest rate exposure is fixed for the next 3.65 years. With an average term to maturity for its debt of 3.45 years, OUE C-REIT has no refinancing requirement until 2017.

Outlook

In Singapore, leasing activity continued to be steady in 2Q 2014, with a higher level of interest in CBD office space leading to a further reduction in core CBD vacancy to 4.2%. Grade A office rents rose 3.4% to S\$10.60 psf per month as at 30 June 2014, from S\$10.25 psf per month as at 31 March 2014. For the rest of 2014 and 2015, rents are expected to continue to grow given low vacancy levels and limited new supply.

According to Colliers International, 2Q 2014 demand for office space in the Shanghai CBD remained stable, with vacancy remaining unchanged at 7.2%. Despite vacancy in Puxi edging up 0.9 ppt to 11.4%, rents rose modestly by 0.2 ppt QoQ to RMB8.8 psm per day. Given the expected new supply coming on-stream in Puxi for the rest of 2014, and potential competition from the supply in decentralised areas, rental growth is expected to be subdued.

In light of limited new office supply in Singapore core CBD over the next two years, rental rates for Grade A office are expected to continue to rise. This is expected to benefit the lease renewals of OUE C-REIT's property in Singapore (OUE Bayfront), which accounts for about 70% of OUE C-REIT's portfolio.

Barring any unforeseen event and any weakening of the economic environment, the Manager expects OUE C-REIT to meet its forecast distribution for 2014.

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About QUE Commercial Trust

QUE C-REIT is a Singapore real estate investment trust listed on the Mainboard of Singapore Exchange Securities Trading Limited. 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.

QUE C-REIT's initial portfolio comprising QUE Bayfront in Singapore and Lippo Plaza in Shanghai, has a total asset value of about S\$1.6 billion.

QUE C-REIT is managed by QUE Commercial REIT Management Pte. Ltd., which is a wholly-owned subsidiary of QUE Limited.

For more information, please visit www.ouect.com

About the Sponsor : QUE Limited

QUE Limited ("QUE") is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and the U.S.. The group focuses its business across the commercial, hospitality, retail and residential sectors primarily in Singapore. With its core strategy of investing in and enhancing a stable of distinctive properties, QUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value.

QUE is listed on the Main Board of SGX-ST in Singapore with a market capitalization of S\$2.2 billion as at 30 June 2014. QUE has an experienced management team and an established track record of operations dating back to 1964.

For more information, please visit www.oue.com.sg.

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IMPORTANT NOTICE

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.

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.