

PRESS RELEASE
For Immediate Release

OUE Commercial REIT's FY2014¹ Distribution per Unit of 5.27 Cents Exceeds Forecast by 4.4%

Key Highlights:

- 4Q 2014 amount available for distribution of S\$12.6 million is 5.5% ahead of Forecast²
- 4Q 2014 distribution per Unit ("DPU") of 1.44 cents is 5.1% higher than Forecast; FY2014 DPU of 5.27 cent is 4.4% above Forecast
- Achieved high portfolio occupancy of 98.0%, with occupancy rate of 100.0% and 96.0% for OUE Bayfront and Lippo Plaza respectively
- Positive rental reversions from office renewals during 4Q 2014 of 39.9% for OUE Bayfront and 7.1% for Lippo Plaza

26 January 2015 – OUE Commercial REIT Management Pte. Ltd. (the "Manager"), the Manager of OUE Commercial REIT ("OUE C-REIT"), is pleased to announce a DPU of 1.44 cents for the financial period 1 October 2014 to 31 December 2014 ("4Q 2014"), 5.1% higher than the Forecast for the same period. For the financial period 27 January 2014 ("Listing Date") to 31 December 2014 ("FY2014"), DPU was 5.27 cents, exceeding Forecast by 4.4%. Based on OUE C-REIT's closing price on 31 December 2014 of S\$0.805, this translates to an annualised distribution yield of 7.0%.

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 Refers to the financial period 27 January 2014 ("Listing Date") to 31 December 2014.

² Forecast for the period was derived by pro-rating the forecast for 2014 as disclosed in OUE C-REIT's initial public offering prospectus dated 17 January 2014 (the "Prospectus").

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QUE C-REIT delivered gross revenue of S\$71.5 million in FY2014, 3.6% increase over the Forecast. This was due to better-than-expected occupancy and rental reversions achieved at both QUE Bayfront and Lippo Plaza. Net property income of S\$53.8 million was 7.0% ahead of Forecast due primarily to higher gross revenue achieved, augmented by lower utilities expenses incurred. The amount available for distribution of S\$45.9 million in FY2014 exceeded the Forecast by 4.5%.

QUE C-REIT pays out its distribution semi-annually, and its second distribution for the financial period from 1 July 2014 to 31 December 2014 ("2H 2014") is 2.84 cents. With the books closure date on Tuesday, 3 February 2015, payment of the distribution can be expected on Friday, 27 February 2015.

QUE C-REIT's total asset value, comprising QUE Bayfront and Lippo Plaza, has been assessed by independent valuers to be S\$1,630.6 million as at 31 December 2014, translating to net asset value per Unit of S\$1.10.

Summary of QUE C-REIT's Group Results

(S\$'000)	2H 2014	4Q 2014			Period from 27 Jan 2014 to 31 Dec 2014 ³		
	Actual	Actual	Forecast ⁴	Change	Actual	Forecast ⁴	Change
Gross Revenue	39,056	19,563	17,474	+12.0%	71,545	69,040	+3.6%
Net Property Income	29,221	14,361	12,499	+14.9%	53,830	50,319	+7.0%
Amount Available for Distribution	24,793	12,577	11,916	+5.5%	45,909	43,914	+4.5%
Distribution Per Unit (Cents)	2.84	1.44	1.37	+5.1%	5.27	5.05	+4.4%

³ QUE 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").

⁴ Forecast for the period was derived by pro-rating the forecast for 2014 as disclosed in the Prospectus.

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Ms Tan Shu Lin, Chief Executive Officer of the Manager, said, "We are pleased that OUE C-REIT has delivered yet another strong performance for 4Q 2014 and a solid set of results for FY2014. This reflects the Manager's proactive asset management initiatives to drive operating performance at OUE Bayfront and Lippo Plaza. Portfolio occupancy rose to 98.0% as at 31 December 2014 from 97.2% a quarter ago, as Lippo Plaza improved its occupancy from 94.4% to 96.0% while OUE Bayfront maintained full occupancy. For FY2014, office renewal rates achieved at OUE Bayfront and Lippo Plaza were respectively 14.9% and 6.0% higher than preceding rents.

Due to our proactive asset management, about 25% of OUE C-REIT's leases by net lettable area due in 2015 have already been committed as at 31 December 2014, resulting in 19.8% of portfolio by gross rental income due for renewal in FY2015. We will continue our proactive leasing strategy to drive portfolio performance, together with our efforts in prudent cost and capital management, to generate regular and stable returns for our Unitholders."

Strong Operational Performance

As 31 December 2014, OUE Bayfront maintained its track record of full committed occupancy, comparing favourably to core CBD occupancy in Singapore of 95.7%. It also recorded robust rental reversions where renewal rents for office leases during 4Q 2014 were 39.9% higher than preceding rents. Committed rents during the quarter for new and renewal leases were in the range of S\$12.00 psf per month to S\$13.90 psf per month. For the full year, committed office rents ranged from S\$11.22 psf per month to S\$15.50 psf per month, resulting in rental reversion of 14.9%.

At Lippo Plaza, committed office occupancy improved a notable 2.0 percentage points from 94.2% as at 30 September 2014 to 96.2% as at 31 December 2014, outperforming the Shanghai Puxi submarket occupancy of 91.7%. Committed office rents for new and renewal leases ranged from RMB 8.30 psm per day to

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RMB11.00 psm per day in 4Q 2014, with office rental reversions of 7.1% achieved for the quarter.

Prudent Capital Management

The Manager continued to adopt a prudent and proactive approach towards capital management. As at 31 December 2014, OUE C-REIT's aggregate leverage was 38.3%, lower than the 39.8% reported for the previous quarter. The average cost of debt of 2.81% per annum increased from 2.57% a quarter ago due to additional interest rate swaps entered into by the Manager to further hedge OUE C-REIT's interest rate exposure. As a result, 73.6% of OUE C-REIT's interest rate exposure is fixed for the next 3.19 years as at 31 December 2014. With an average term to maturity for its debt of 2.95 years, OUE C-REIT has no refinancing requirement until 2017.

Outlook

According to CBRE Singapore, Grade A office rents in Singapore rose by 2.3% quarter-on-quarter ("QoQ") to S\$11.20 psf per month by end December 2014, representing a year-on-year ("YoY") increase of 14.9%. Core CBD occupancy dipped 0.9 percentage points ("ppt") to 95.7% as at 31 December 2014, due mainly to the completion of a new office development during the quarter. Island-wide net absorption was 438,000 sq ft in 4Q 2014, and 1.1 million sq ft for the year, with demand driven primarily by tenants upgrading to better quality developments. As new supply in the CBD continues to be limited over the next 18 months, rental growth is expected to remain positive in 2015. This is expected to benefit lease renewals at OUE Bayfront.

As at 4Q 2014, overall Shanghai CBD Grade A office vacancy declined 2.2 ppt QoQ to 5.6% while average market rents increased 0.9% to RMB9.3 psm per day, according to Colliers International. On a YoY basis, overall CBD Grade A office rental growth was 4.6%. While demand remained steady, there were no new office developments completed during the quarter, resulting in the improvement in vacancy. In the Puxi office submarket, though Grade A vacancy also decreased,

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falling 2.7 ppt QoQ to 8.3%, rents remained stable at about RMB8.8 psm per day. In view of the level of new supply coming on-stream in Puxi in 2015, and potential competition from the supply in decentralised areas, the rental outlook is expected to continue to be subdued.

Barring any unforeseen event and any further weakening of the economic environment, the Manager expects OUE C-REIT to meet its forecast amount available for distribution for the financial year ending 2015.

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For further information and enquiries, please contact:

Elaine Cheong
Vice President, Investor Relations
OUE Commercial REIT Management Pte. Ltd.
Tel: +65 6809 8704
Email: elaine.cheong@ouect.com

About OUE Commercial Trust

OUE 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.

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

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About the Sponsor : OUE Limited

OUE Limited (“OUE”) 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, OUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value.

OUE is listed on the Main Board of SGX-ST in Singapore with a market capitalization of S\$1.9 billion as at 31 December 2014. OUE 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.

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.