

PRESS RELEASE
For Immediate Release

OUE Commercial REIT Exceeds Forecast¹ for 5th Consecutive Quarter

Key Highlights:

- 1Q 2015 DPU of 1.44 cents exceeds Forecast by 2.9%
- Achieved high portfolio committed occupancy of 98.6% as at 31 March 2015, with committed occupancy rate of 99.3% and 97.9% for OUE Bayfront and Lippo Plaza respectively
- Positive rental reversions from office renewals of 37.3% for OUE Bayfront and 12.2% for Lippo Plaza in 1Q 2015

6 May 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 January 2015 to 31 March 2015 (“1Q 2015”), 2.9% higher than the Forecast for the same period. This is the fifth consecutive quarter of outperformance since OUE C-REIT’s initial public offering on 27 January 2014.

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.

¹The Forecast was derived from the Projection for 2015 as disclosed in OUE C-REIT’s initial public offering prospectus dated 17 January 2014 (the “Prospectus”)

Summary of OUE C-REIT's Group Results

S\$'000	Actual 1Q 2015	Forecast 1Q 2015	Change	Prior Period² (27 Jan 2014 to 31 Mar 2014)	Change
Gross Revenue	20,411	19,080	+7.0%	13,819	+47.7%
Net Property Income	15,707	14,010	+12.1%	10,317	+52.2%
Amount Available for Distribution	12,617	12,252	+3.0%	8,643	+46.0%
Distribution Per Unit (Cents)	1.44	1.40	+2.9%	1.00	+44.0%

OUÉ C-REIT delivered gross revenue of S\$20.4 million in 1Q 2015, outperforming Forecast by 7.0%. This was due to better-than-expected occupancy and higher rental reversions achieved at both OUE Bayfront and Lippo Plaza. Net property income of S\$15.7 million was 12.1% higher than Forecast due to higher gross revenue achieved, as well as lower utilities and maintenance expenses incurred. 1Q 2015 amount available for distribution of S\$12.6 million exceeded Forecast by 3.0%.

Ms Tan Shu Lin, Chief Executive Officer of the Manager, said, "We are pleased that OUE C-REIT has continued to outperform its Forecast and that we commenced the financial year with a strong set of results. Our properties continued to enjoy high levels of occupancy and strong rental reversions due to their premium positioning and quality specifications. Portfolio committed occupancy increased from 98.0% a quarter ago to 98.6% as at 31 March 2015, and office renewal rates achieved at OUE Bayfront and Lippo Plaza were respectively 37.3% and 12.2% higher than preceding rents.

We will continue with our pro-active asset management strategy to drive portfolio performance, and remain focused on delivering stable and sustainable returns for our Unitholders."

² The Prior Period comparative information relates to the financial period from Listing Date of 27 January 2014 to 31 March 2014.

Strong Operational Performance

OUÉ Bayfront's committed office occupancy as at 31 March 2015 was 99.2%, comparing favourably to core CBD occupancy in Singapore of 96.1%. There was a rental uplift of 37.3% on the office leases renewed during the quarter with rents for new and renewal leases in the range of S\$11.60 psf per month to S\$14.50 psf per month. The average office passing rent increased to S\$10.60 psf per month. With the lease commitments secured in 1Q 2015, OUÉ Bayfront's 2015 lease expiry measured by gross rental income has reduced from 15.7% at the start of the financial year to 7.4% as at 31 March 2015.

As a result of the Manager's pro-active leasing efforts, committed office occupancy at Lippo Plaza continued to rise, increasing 2.2 percentage points from 96.2% as at 31 December 2014, to a high of 98.4% as at 31 March 2015. This is significantly higher than the Shanghai Puxi submarket occupancy of 90.9%. Furthermore, rental rates were not compromised in achieving the higher occupancy at Lippo Plaza. Rental reversions on office renewals in 1Q 2015 were 12.2%, with office rents for new and renewal leases in the range of RMB9.00 psm per day to RMB11.30 psm per day. Average passing office rent rose to RMB9.18 psm per day.

Prudent Capital Management

The Manager continues to adopt a prudent and proactive stance towards capital management. OUÉ C-REIT's aggregate leverage was 38.6% as at 31 March 2015. Average cost of debt increased slightly to 2.88% per annum, up from 2.81% per annum in the previous quarter due to higher interest rates. As at 31 March 2015, 72.5% of OUÉ C-REIT's interest rate exposure is fixed for the next 2.94 years. With an average term to maturity for its debt of 2.68 years, OUÉ C-REIT has no refinancing requirement until 2017.

Outlook

According to CBRE, Singapore's CBD Core occupancy rate rose by 0.4 percentage points ("ppt") to 96.1% quarter-on-quarter ("QoQ") as at 31 March 2015. Consequently, CBD Grade A office rents rose by 1.8% QoQ to S\$11.40 psf per

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month. Island-wide net office absorption was 123,800 sq ft in 1Q 2015, driven primarily by tenants upgrading to better quality developments. With limited new office space in the pipeline over the next 12 months, vacancy levels are expected to remain low, which is positive for the rental outlook in 2015. This is expected to benefit leasing activities at OUE Bayfront.

As at 1Q 2015, despite overall Shanghai CBD Grade A office vacancy rising 1.8 ppt QoQ to 7.4% while average market rents increased 2.3% QoQ to RMB9.5 psm per day, according to Colliers International. While demand remained stable, the completion of new office developments during the quarter expanded total office stock by an additional 158,360 sq m, resulting in the increased vacancy rate. In the Puxi office submarket, though Grade A vacancy edged up 0.8 ppt QoQ to 9.1%, rents rose 1.4% QoQ to about RMB9.0 psm per day. In view of additional new supply coming on-stream in Puxi in 2015, coupled with potential competition from new supply in decentralised areas, the rental outlook is expected to be subdued.

Barring any unforeseen event and unexpected 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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About OUE Commercial REIT

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

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 USA. 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\$2.0 billion as at 31 March 2015. OUE has an experienced management team and 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.

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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.