

PRESS RELEASE
For Immediate Release

**OUE C-REIT's FY2015 Distribution 22.2% Higher YoY,
4Q 2015 DPU Exceeded Circular Forecast by 20.4%**

Key Highlights:

- 4Q 2015 distribution per unit ("DPU") exceeded Circular Forecast¹ by 20.4%
- FY2015 amount available for distribution of S\$56.1 million is 22.2% higher than the Prior Period² due to better performance at OUE Bayfront and Lippo Plaza, and contribution from newly acquired One Raffles Place
- Steady and high occupancy levels as well as positive rental reversions across portfolio
- Secured renewals and new leases for more than 25% of portfolio leases due in 2016

27 January 2016 – OUE Commercial REIT Management Pte. Ltd., in its capacity as manager (the "Manager") of OUE Commercial REIT ("OUE C-REIT"), is pleased to announce a DPU of 1.36 cents for the financial period 1 October 2015 to 31 December 2015 ("4Q 2015"), which is 20.4% higher than Circular Forecast.

OUE C-REIT completed the acquisition of an 83.33% indirect interest in OUB Centre Limited, which owns a beneficial interest of 81.54% in One Raffles Place on 8 October 2015. This quarter's financial results included contribution from One Raffles Place from the completion date.

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 The Circular Forecast was derived by pro-rating the Forecast Statement of Total Return (Scenario B) as disclosed in the circular dated 1 July 2015 in relation to the acquisition of One Raffles Place (the "Circular")

² Prior Period relates to the period from listing date of 27 January 2014 to 31 December 2014

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Summary of OUE C-REIT's Group Results

Actual vs Circular Forecast

(S\$'000)	4Q 2015		
	Actual	Circular Forecast ^(a)	Change
Gross Revenue	40,344	38,731	+4.2%
Net Property Income	29,678	27,834	+6.6%
Amount Available For Distribution	17,626^(b)	14,560	+21.1%
Distribution Per Unit (Cents)	1.36^(b)	1.13	+20.4%

Actual vs Prior Period

(S\$'000)	4Q 2015	4Q 2014	Change	FY2015	Prior Period ^(c)	Change
Gross Revenue	40,344	19,563	+106.2%	101,038	71,545	+41.2%
Net Property Income	29,678	14,361	+106.7%	75,639	53,830	+40.5%
Amount Available For Distribution	17,626^(b)	12,577	+40.1%	56,118^(b)	45,909	+22.2%
Distribution Per Unit (Cents)	1.36^(b)	1.44	-5.6%	4.38^(b)	5.27	-16.9%
		0.99 ^(d) (restated)	+37.4%		3.63 ^(d) (restated)	+20.7%

Notes:

- The Circular Forecast was derived by pro-rating the Forecast Statement of Total Return (Scenario B) as disclosed in the circular dated 1 July 2015 in relation to the acquisition of One Raffles Place (the "Circular")
- Includes a one-off distribution of capital return of S\$1.3 million in relation to certain expenses which are non-tax deductible from a tax perspective. Excluding this one-off distribution, 4Q 2015 and FY2015 DPU would be 1.26 cents and 4.28 cents respectively
- Prior Period relates to the period from listing date of 27 January 2014 to 31 December 2014
- The DPU for 4Q 2014 and Prior Period have been restated to include the 393,305,817 new Units issued on 4 August 2015 at an issue price of S\$0.555 per unit pursuant to the rights issue ("Rights Issue")

For 4Q 2015, OUE C-REIT's net property income of S\$29.7 million was 6.6% higher than the Circular Forecast due to higher gross revenue arising from better operating performance across the portfolio, augmented by lower utilities costs incurred by OUE Bayfront and One Raffles Place. Due to lower than forecasted finance costs, amount available for distribution for 4Q 2015 was S\$17.6 million, exceeding the Circular Forecast by 21.1%.

For FY2015, OUE C-REIT net property income of S\$75.6 million was 40.5% higher than the Prior Period due to better operating performance by OUE Bayfront and

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Lippo Plaza, and contribution from One Raffles Place from 8 October 2015. Higher finance costs in 2015 compared to 2014 due to higher amount of loans outstanding and higher interest rates during the year resulted in an amount available for distribution of S\$56.1 million, 22.2% higher compared to the Prior Period.

QUE C-REIT pays out its distribution semi-annually, and distribution for the financial period from 1 July 2015 to 31 December 2015 ("2H 2015") is 2.38 cents. With the books closure date being Thursday, 4 February 2016, payment of the distribution can be expected on Monday, 29 February 2016.

As at 31 December 2015, QUE C-REIT's investment properties were assessed by independent valuers to be worth S\$3,403.2 million. This translates to a net asset value per Unit of S\$0.96. QUE C-REIT's portfolio has more than doubled from S\$1,630.6 million a year ago mainly due to the acquisition of One Raffles Place. Excluding One Raffles Place, the value of the IPO portfolio has increased 2.4% from 31 December 2014.

Ms Tan Shu Lin, Chief Executive Officer of the Manager, said, "QUE C-REIT has delivered a strong set of results in FY2015, with double-digit increase in the amount available for distribution achieved compared to the previous year, as well as compared to Circular Forecast. We are pleased that despite the challenging environment, operational performance at QUE Bayfront and Lippo Plaza continued to be solid, with the acquisition of One Raffles Place augmenting the earnings of QUE C-REIT.

As at 31 December 2015, committed office occupancy at QUE Bayfront and Lippo Plaza was 98.2% and 99.2% respectively, reflecting the resilience of the properties. When combined with One Raffles Place at a committed office occupancy of 90.1%, portfolio committed occupancy remained healthy at 94.3%. As a testament to the prime positioning of our properties, QUE C-REIT continued to achieve committed rents which are higher than expiring rents. Office rental reversions in 4Q 2015 were positive across the portfolio, with QUE Bayfront and One Raffles Place in Singapore

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seeing 19.9% and 11.8% uplift in renewed and reviewed office rents respectively, while Lippo Plaza saw a 9.7% increase. OUE C-REIT will enjoy the full impact of these positive rent reversions in 2016.

Following the acquisition of an effective 67.95% indirect interest in One Raffles Place in October 2015, the reliance of OUE C-REIT's income stream on any single property has reduced significantly, thereby enhancing its diversification."

Strong Operational Performance

Committed office occupancy at OUE Bayfront increased to 98.2% as at 31 December 2015 from 97.4% as at 30 September 2015 as more space previously vacated from the non-renewal of a major lease was taken up. The average passing office rent for OUE Bayfront grew 11.1% year-on-year to S\$11.75 psf per month for December 2015 from S\$10.58 psf per month a year ago due to positive rental reversions. Renewal office rents achieved in 4Q 2015 were 19.9% higher than preceding rents and 23.4% higher for FY2015. Committed rents in 4Q 2015 for new and renewed office leases ranged from S\$10.00 psf per month to S\$14.50 psf per month.

As at 31 December 2015, One Raffles Place's committed office occupancy was 90.1%. Office renewal rents saw an uplift of 11.8% in 4Q 2015, with new and renewed leases ranging from S\$9.00 psf per month to S\$11.50 psf per month. Average passing office rent for December 2015 was S\$10.26 psf per month.

Lippo Plaza's committed office occupancy of 99.2% as at 31 December 2015 continued to outperform the overall Shanghai CBD Grade A occupancy of 95.0%, as well as Puxi Grade A CBD occupancy of 94.9%. The range of committed rents for new and renewed office leases achieved in 4Q 2015 was RMB9.15 psm per day to RMB11.00psm per day. Office rental reversion for 4Q 2015 was 9.7% and for FY2015 was 10.5%, with the average passing office rent increasing 3.4% year-on-year to RMB9.45 psm per day for December 2015.

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In focusing our efforts to deliver stable financial performance, the Manager has proactively secured renewals and new leases for more than 25% of portfolio leases due in 2016. As a result, 15.1% of OUE C-REIT's gross rental income is due for renewal in 2016 as at 31 December 2015. Further, in view of the new CBD office supply completing in Singapore in second half of 2016, the Manager has also termed-out OUE Bayfront's lease expiry profile, such that more than 60% of the property's gross rental income is due for renewal only in 2019 and beyond.

Asset Enhancement Initiatives

The Manager commenced asset enhancement initiatives at Lippo Plaza to maintain and enhance its positioning as a prime commercial building. Upgrading works to revitalise and refresh the lift lobbies, as well as common areas and restrooms started in 4Q 2015, with two floors out of 36 completed to-date. As Lippo Plaza's committed office occupancy rate is 99.2%, the refurbishments will be undertaken in phases so as to minimise disruption to tenants. Completion is expected by mid-2016.

Prudent Capital Management

On the capital management front, OUE C-REIT's aggregate leverage was 40.1% as at 31 December 2015, with an average cost of debt of 3.45% per annum. About 63.8% of OUE C-REIT's interest rate exposure is hedged into fixed rates, with an average term of fixed rate debt of 3.20 years as at 31 December 2015.

In view of the rising interest rate environment, the Manager has entered into further interest rate swaps post 4Q 2015 and increased the proportion of fixed rate borrowings to about 69.0%. Consequently, the average cost of debt is expected to increase to 3.48% per annum.

Outlook

Core CBD office occupancy in Singapore as at the end of 4Q 2015 was 95.1%, falling 0.7 percentage points ("ppt") quarter-on-quarter ("QoQ"), with CBD Grade A office rents declining for the second consecutive quarter by 4.6% QoQ to S\$10.40

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psf per month, according to CBRE. While the current low vacancy is expected to continue in the near-term, completions of new office developments from 2H 2016 is expected to impact vacancy and rents.

According to Colliers International, Shanghai CBD Grade A office vacancy declined 1.0 ppt QoQ to 5.0% as at 4Q 2015, the lowest level since 3Q 2008. As a result CBD Grade A rents in Shanghai rose 2.3% QoQ to RMB10.1 psm per day. In line with the overall market, Grade A office vacancy in Puxi declined 2.1 ppt to 5.1% as at 4Q 2015, with rents rising 1.7% QoQ to about RMB9.4 psm per day. In view of further new supply coming on-stream in 2016, the overall Shanghai vacancy rate may increase in the coming quarters and hence the rental outlook is expected to be subdued.

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About OUE Commercial REIT

OUE C-REIT is a Singapore real estate investment trust listed on the Main Board 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 comprises OUE Bayfront and One Raffles Place in Singapore, as well as Lippo Plaza in Shanghai, with a total assets-under-management of approximately S\$3.4 billion as at 31 December 2015.

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 United States. 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.

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.