

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

**Unaudited Financial Statements and Distribution Announcement for the Third Quarter
and Financial Period from 1 January 2017 to 30 September 2017**

Table of Contents

Item No.	Description	Page
-	Introduction	2
-	Summary of OUE C-REIT Group Results	2
1(a)	Consolidated Statement of Total Return and Distribution Statement	3-6
1(b)(i)	Statements of Financial Position	7-9
1(b)(ii)	Aggregate Amount of Borrowings and Debt Securities for OUE C-REIT Group	10
1(c)	Consolidated Statement of Cash Flows	11-12
1(d)(i)	Statements of Changes in Unitholders' Funds	13-18
1(d)(ii)	Details of Any Changes in Units	19
2 & 3	Audit Statement	19
4 & 5	Changes in Accounting Policies	19
6	Earnings per Unit and Distribution per Unit	20
7	Net Asset Value per Unit and Net Tangible Asset per Unit	21
8	Review of the Performance	21-22
9	Variance between Actual and Forecast Results	22
10	Outlook and Prospects	22-23
11 & 12	Distribution	24
13	General Mandate relating to Interested Person Transactions	24
14	Confirmation pursuant to Rule 705(5) of the Listing Manual	24
15	Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual	25

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

Introduction

OUE Commercial Real Estate Investment Trust (“OUE C-REIT”) was constituted by a trust deed dated 10 October 2013 (as amended) entered into by OUE Commercial REIT Management Pte. Ltd. as the Manager of OUE C-REIT (the “Manager”) and DBS Trustee Limited as the Trustee of OUE C-REIT (the “Trustee”).

OUE C-REIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 27 January 2014. The principal investment strategy of OUE C-REIT is to invest, directly or indirectly, in a portfolio of income-producing real estate 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 currently comprises three prime commercial properties located in Singapore and Shanghai:

- One Raffles Place: Integrated commercial development comprising two Grade-A office towers and a retail mall strategically located in the heart of Singapore’s central business district in Raffles Place. OUE C-REIT holds One Raffles Place (“ORP”) through its 83.33% interest in OUB Centre Limited (“OUBC”). As OUBC owns 81.54% of the beneficial interest in ORP, OUE C-REIT has an effective interest of 67.95% in ORP.
- OUE Bayfront: Premium Grade-A office building with ancillary retail facilities located between the new Marina Bay downtown and Raffles Place, within Singapore’s central business district.
- Lippo Plaza: Grade-A commercial building located along Huai Hai Middle Road in the Huangpu district, one of Shanghai’s established core commercial districts. OUE C-REIT has 91.2% strata ownership of Lippo Plaza.

Summary of OUE C-REIT Group Results

	3Q 2017 ⁽¹⁾ (S\$'000)	3Q 2016 ⁽²⁾ (S\$'000)	Change (%)	YTD Sep 2017 ⁽¹⁾ (S\$'000)	YTD Sep 2016 ⁽²⁾ (S\$'000)	Change (%)
Revenue	43,273	44,184	(2.1)	132,303	132,786	(0.4)
Net property income	34,076	35,328	(3.5)	103,487	103,811	(0.3)
Amount available for distribution to Unitholders	17,795	17,214	3.4	52,270	51,989	0.5
Distribution per Unit (“DPU”) (cents)	1.15	1.32	(12.9)	3.53	4.00	(11.8)

Footnotes:

- (1) The current period results of OUE C-REIT’s foreign subsidiaries are translated using the SGD:CNY rate of 1:4.905 for 3Q 2017 and 1:4.897 for YTD September 2017.
- (2) The prior period results of OUE C-REIT’s foreign subsidiaries are translated using the SGD:CNY rate of 1:4.919 for 3Q 2016 and 1:4.794 for YTD September 2016.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

1(a) Consolidated Statement of Total Return and Distribution Statement

<u>Statement of Total Return</u>	Note	3Q 2017 ⁽¹⁾ (S\$'000)	3Q 2016 ⁽²⁾ (S\$'000)	Change (%)	YTD Sep 2017 ⁽¹⁾ (S\$'000)	YTD Sep 2016 ⁽²⁾ (S\$'000)	Change (%)
Revenue		43,273	44,184	(2.1)	132,303	132,786	(0.4)
Property operating expenses		(9,197)	(8,856)	3.9	(28,816)	(28,975)	(0.5)
Net property income		34,076	35,328	(3.5)	103,487	103,811	(0.3)
Other income	1	878	608	44.4	2,309	2,070	11.5
Amortisation of intangible asset		(1,113)	(1,117)	(0.4)	(3,339)	(3,353)	(0.4)
Manager's management fees	2	(2,409)	(3,126)	(22.9)	(7,115)	(8,999)	(20.9)
Trustee's fee		(140)	(138)	1.4	(415)	(412)	0.7
Other expenses		(483)	(300)	61.0	(1,416)	(1,192)	18.8
Finance income		1,505	1,578	(4.6)	3,149	1,656	90.2
Finance costs		(11,925)	(15,729)	(24.2)	(37,112)	(43,270)	(14.2)
Net finance costs	3	(10,420)	(14,151)	(26.4)	(33,963)	(41,614)	(18.4)
Foreign exchange differences		98	8	N/M	(235)	(664)	(64.6)
Total return for the period before tax		20,487	17,112	19.7	59,313	49,647	19.5
Tax expense	4	(4,107)	(4,376)	(6.1)	(13,044)	(12,747)	2.3
Total return for the period		16,380	12,736	28.6	46,269	36,900	25.4
Attributable to:							
Unitholders and Convertible Perpetual Preferred Units ("CPPU") holder		14,566	11,020	32.2	40,494	31,634	28.0
Non-controlling interests		1,814	1,716	5.7	5,775	5,266	9.7
Total return for the period		16,380	12,736	28.6	46,269	36,900	25.4
Distribution Statement							
Total return for the period attributable to Unitholders and CPPU holder		14,566	11,020	32.2	40,494	31,634	28.0
Less: Amount reserved for distribution to CPPU holder		(1,387)	(1,382)	0.4	(4,114)	(4,117)	(0.1)
Distribution adjustments	5	4,616	7,576	(39.1)	15,890	24,472	(35.1)
Amount available for distribution for the period		17,795	17,214	3.4	52,270	51,989	0.5
Comprising:							
Taxable income		7,163	7,280	(1.6)	20,880	22,771	(8.3)
Tax exempt income		6,693	8,747	(23.5)	20,320	18,670	8.8
Unitholders' contributions		3,939	1,187	N/M	11,070	10,548	4.9
		17,795	17,214	3.4	52,270	51,989	0.5

N/M: Not meaningful

Footnotes:

- (1) The current period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.905 for 3Q 2017 and 1:4.897 for YTD September 2017.
- (2) The prior period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.919 for 3Q 2016 and 1:4.794 for YTD September 2016.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

Notes to Consolidated Statement of Total Return and Distribution Statement:

(1) Other income

Other income comprises income support relating to the top-up payments from OUE Limited (the "Sponsor") pursuant to the Deed of Income Support dated 9 January 2014 (the "Deed of Income Support").

(2) Manager's management fees

Manager's management fees comprise the following:-

	3Q 2017 (S\$'000)	3Q 2016 (S\$'000)	Change (%)	YTD Sep 2017 (S\$'000)	YTD Sep 2016 (S\$'000)	Change (%)
Base fee	2,409	2,359	2.1	7,115	7,038	1.1
Performance fee	-	767	N/M	-	1,961	N/M
	2,409	3,126	(22.9)	7,115	8,999	(20.9)

N/M: Not meaningful

The Manager has elected to pay 20% of the base management fee in cash, with the balance 80% in the form of new Units for both YTD September 2017 and YTD September 2016.

(3) Net finance costs

Net finance costs comprises the following:

	3Q 2017 (S\$'000)	3Q 2016 (S\$'000)	Change (%)	YTD Sep 2017 (S\$'000)	YTD Sep 2016 (S\$'000)	Change (%)
Finance income						
Interest income	226	14	N/M	451	92	N/M
Ineffective portion of changes in fair value of cash flow hedges	1,223	1,500	(18.5)	2,698	1,500	79.9
Change in fair value of financial derivatives	56	64	(12.5)	-	64	N/M
	1,505	1,578	(4.6)	3,149	1,656	90.2

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

	3Q 2017	3Q 2016	Change	YTD Sep	YTD Sep	Change
	(S\$'000)	(S\$'000)	(%)	2017	2016	(%)
				(S\$'000)	(S\$'000)	
Finance costs						
Borrowing costs	(9,765)	(9,619)	1.5	(28,761)	(29,017)	(0.9)
Amortisation of debt establishment costs	(1,987)	(2,081)	(4.5)	(5,499)	(6,055)	(9.2)
Ineffective portion of changes in fair value of cash flow hedges	-	-	N/M	-	(4,169)	N/M
Change in fair value of financial derivatives	-	-	N/M	(2,326)	-	N/M
Hedging reserve transferred from unitholders' funds	(173)	(4,029)	(95.7)	(526)	(4,029)	(86.9)
	(11,925)	(15,729)	(24.2)	(37,112)	(43,270)	(14.2)
Net finance costs	(10,420)	(14,151)	(26.4)	(33,963)	(41,614)	(18.4)

N/M: Not meaningful

The above includes the following net fair value movements relating to financial derivatives:

	3Q 2017	3Q 2016	Change	YTD Sep	YTD Sep	Change
	(S\$'000)	(S\$'000)	(%)	2017	2016	(%)
				(S\$'000)	(S\$'000)	
Ineffective portion of changes in fair value of cash flow hedges	1,223	1,500	(18.5)	2,698	(2,669)	N/M
Change in fair value of financial derivatives	56	64	(12.5)	(2,326)	64	N/M
Hedging reserve transferred from unitholders' funds	(173)	(4,029)	(95.7)	(526)	(4,029)	(86.9)
Net fair value gain/(loss)	1,106	(2,465)	N/M	(154)	(6,634)	(97.7)

N/M: Not meaningful

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

(4) Tax expense

Tax expense comprises of income tax, deferred tax and withholding tax relating to OUE C-REIT's subsidiaries.

	3Q 2017 (S\$'000)	3Q 2016 (S\$'000)	Change (%)	YTD Sep 2017 (S\$'000)	YTD Sep 2016 (S\$'000)	Change (%)
Current tax						
- Current period	3,488	3,164	10.2	10,467	9,590	9.1
- Under provision in respect of prior period	484	-	N/M	1,269	-	N/M
Deferred tax						
- Current period	531	904	(41.3)	1,867	2,272	(17.8)
- Over provision in respect of prior period	(733)	-	N/M	(1,512)	-	N/M
Withholding tax	337	308	9.4	953	885	7.7
	4,107	4,376	(6.1)	13,044	12,747	2.3

N/M: Not meaningful

(5) Distribution adjustments

Distribution adjustments include non-tax deductible expenses relating to the Manager's management fees payable in the form of Units, fees paid to the Trustee, amortisation of intangible asset, amortisation of debt establishment costs, amortisation of rent-free incentives, fair value movement relating to financial derivatives, tax and subsidiary's statutory reserves and profits adjustments.

Please refer to Section 8 on Review of the Performance.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

(b)(i) Statements of Financial Position

Note	Group			Trust		
	30 Sep 2017 ⁽¹⁾ (S\$'000)	31 Dec 2016 ⁽²⁾ (S\$'000)	Change (%)	30 Sep 2017 (S\$'000)	31 Dec 2016 (S\$'000)	Change (%)
Non-current assets						
	552	486	13.6	-	-	-
Plant and equipment						
1	3,402,526	3,408,535	(0.2)	1,146,175	1,146,000	0.0
Investment properties						
2	5,864	9,203	(36.3)	5,864	9,203	(36.3)
Intangible asset						
	-	-	-	1,393,472	1,400,935	(0.5)
Investments in subsidiaries						
	84	309	(72.8)	-	-	-
Trade and other receivables						
3	-	315	N/M	-	288	N/M
Financial derivatives						
	3,409,026	3,418,848	(0.3)	2,545,511	2,556,426	(0.4)
Current assets						
Trade and other receivables	20,789	11,302	83.9	2,087	2,820	(26.0)
4	48,961	29,278	67.2	19,523	3,107	N/M
Cash and cash equivalents						
	69,750	40,580	71.9	21,610	5,927	N/M
Total assets						
	3,478,776	3,459,428	0.6	2,567,121	2,562,353	0.2
Non-current liabilities						
Borrowings	926,901	961,949	(3.6)	749,354	636,553	17.7
5	-	-	-	150,000	-	N/M
Loan from a subsidiary						
6	38,749	39,196	(1.1)	12,555	12,084	3.9
Trade and other payables						
3	13,134	7,747	69.5	11,788	6,440	83.0
Financial derivatives						
	65,927	66,267	(0.5)	-	-	-
Deferred tax liabilities						
	1,044,711	1,075,159	(2.8)	923,697	655,077	41.0
Current liabilities						
Borrowings	283,793	341,796	(17.0)	-	341,796	N/M
5	57,147	57,590	(0.8)	15,784	16,319	(3.3)
Trade and other payables						
3	835	43	N/M	356	43	N/M
Financial derivatives						
7	14,359	15,962	(10.0)	-	-	-
Current tax liabilities						
	356,134	415,391	(14.3)	16,140	358,158	(95.5)
Total liabilities						
	1,400,845	1,490,550	(6.0)	939,837	1,013,235	(7.2)
Net assets						
	2,077,931	1,968,878	5.5	1,627,284	1,549,118	5.0
Represented by:						
Unitholders' funds	1,319,256	1,206,751	9.3	1,097,897	1,018,353	7.8
8	529,387	530,765	(0.3)	529,387	530,765	(0.3)
CPPU holder's funds						
9	229,288	231,362	(0.9)	-	-	-
Non-controlling interests						
10	2,077,931	1,968,878	5.5	1,627,284	1,549,118	5.0

N/M: Not meaningful

Footnotes:

- (1) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 30 September 2017 are translated using the SGD:CNY rate of 1:4.880.
- (2) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 31 December 2016 are translated using the SGD:CNY rate of 1:4.815.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

Notes to Statements of Financial Position:

(1) Investment properties

Investment properties are carried at the last fair market value based on independent valuations as at 31 December 2016, with additions made in 2017. The decrease was due mainly to depreciation of the CNY against the SGD between December 2016 and September 2017.

(2) Intangible asset

Intangible asset represents the unamortised income support receivable by OUE C-REIT from the Sponsor pursuant to the Deed of Income Support.

(3) Financial derivatives

Financial derivatives represent the fair value of the interest rate swaps ("IRS") entered to hedge the floating interest rate exposure of OUE C-REIT Group's borrowings. The movement for the financial period from December 2016 to September 2017 was due to net unfavourable changes in the fair value of the IRS during the period.

(4) Trade and other receivables – Current

The Group's trade and other receivables increased as compared to December 2016 mainly due to additional prepayments relating to maintenance work. At the Trust level, trade and other receivable decreased mainly due to the settlement of income support receivable from the Sponsor as at December 2016, in the current year.

(5) Borrowings – Non-current and Current

The Group's total borrowings decreased as compared to December 2016 mainly due to partial prepayments of loans with private placement proceeds. In September 2017, S\$150.0 million notes were issued through the Trust's wholly owned subsidiary, OUE CT Treasury Pte. Ltd., proceeds of which were largely utilised for prepayment of Trust level's loans.

During the year, the Trust also refinanced the maturing loans with a new 5-year loan facility, resulting in an increase in the non-current borrowings due and corresponding decrease in current borrowings. This is partially offset by the reclassification of a term loan due in September 2018 to current borrowings.

(6) Loan from a subsidiary

At the Trust level, the loan from subsidiary as at 30 September 2017 relates to the above note proceeds on-lent by OUE CT Treasury Pte. Ltd. to the Trust.

(7) Current tax liabilities

The decrease in current tax liabilities is mainly due to lower net tax provision for YTD September 2017, offset partially by reclassification from deferred to current tax liabilities.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

(8) Unitholders' funds

The increase in unitholders' funds is mainly due to the S\$150.0 million gross private placement proceeds received from the issue of 233,281,400 Units on 17 March 2017, and profits for the year. This is offset partially by year-to-date distributions paid to Unitholders, the net unfavourable movement in the fair value reserve of the IRS as at 30 September 2017 and the depreciation of the CNY against the SGD from 31 December 2016 to 30 September 2017.

(9) CPPU holder's funds

On 8 October 2015, 550.0 million CPPUs amounting to S\$550.0 million were issued to Clifford Development Pte. Ltd. (a wholly-owned subsidiary of OUE Limited), the vendor of OUE C-REIT's wholly-owned subsidiary, Beacon Property Holdings Pte. Ltd., as partial satisfaction of the purchase consideration for the acquisition of ORP. The CPPU holder is entitled to a coupon distribution of 1.0% per annum.

(10) Non-controlling interests

OUE C-REIT holds an 83.33% indirect interest in OUBC. Non-controlling interests represent the equity in OUBC that is not attributable to OUE C-REIT Group.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

1 (b)(ii) Aggregate Amount of Borrowings and Debt Securities for OUE C-REIT Group

The Group's borrowings comprises secured loan and revolving credit facilities of three to eight years and a three-year unsecured notes.

	30 Sep 2017 ⁽¹⁾ (S\$'000)	31 Dec 2016 ⁽²⁾ (S\$'000)
Secured borrowings		
Amount repayable within one year, or on demand	283,793	341,796
Amount repayable after one year	777,589	961,949
Total secured borrowings	1,061,382	1,303,745
Unsecured borrowings		
Amount repayable after one year	149,312	-
Total borrowings ⁽³⁾	1,210,694	1,303,745

Footnotes:

- (1) The borrowings of OUE C-REIT's foreign subsidiaries as at 30 September 2017 are translated using the SGD:CNY rate of 1:4.880.
- (2) The borrowings of OUE C-REIT's foreign subsidiaries as at 31 December 2016 are translated using the SGD:CNY rate of 1:4.815.
- (3) The borrowings are net of unamortised balance of transaction costs.

Details of any collaterals

The Group secured borrowings are collateralised by:-

- investment properties with a total carrying amount of S\$1,664.0 million;
- assignment of insurance policies on the above investment properties;
- assignment of all rights, titles, benefits and interests in connection with the sale and tenancy agreements, tenancy deposits/proceeds, sales deposits/proceeds, property management agreements and the receivables of certain properties;
- assignment of all rights, titles, benefits and interests in connection with the Deed of Income Support over OUE Bayfront;
- a debenture incorporating a fixed charge over book debts, charged accounts, goodwill, intellectual property and plant and machinery in connection with OUE Bayfront and floating charge over generally all of the present and future assets of the Trust in connection with OUE Bayfront;
- first priority fixed charge over the shares of certain subsidiaries; and
- the account control or charge over certain bank accounts of the Trust and certain subsidiaries.

Unsecured Medium Term Notes

In August 2015, OUE C-REIT, through its wholly-owned subsidiary, established a S\$1.5 billion Multicurrency Debt Issuance Programme (the "Programme"). Under the Programme, OUE C-REIT may from time to time issue notes ("Notes") and/or perpetual securities ("Perpetual") in series or tranches. On 5 September 2017, unsecured three-year notes of S\$150.0 million have been issued under the Programme.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

1 (c) Consolidated Statement of Cash Flows

Note	3Q 2017 (S\$'000)	3Q 2016 (S\$'000)	YTD Sep 2017 (S\$'000)	YTD Sep 2016 (S\$'000)
Cash flows from operating activities				
Total return for the period	16,380	12,736	46,269	36,900
Adjustments for:				
Amortisation of intangible asset	1,113	1,117	3,339	3,353
Depreciation of plant and equipment	57	53	156	154
Manager's fees paid/payable in Units	1,927	2,271	5,692	7,208
Finance costs	11,925	15,729	37,112	43,270
Finance income	(1,505)	(1,578)	(3,149)	(1,656)
Loss on disposal of plant and equipment	12	-	14	-
Tax expense	4,107	4,376	13,044	12,747
Operating income before working capital changes	34,016	34,704	102,477	101,976
Changes in working capital:				
Trade and other receivables	(3,605)	(384)	(9,236)	2,565
Trade and other payables	2,679	(405)	4,990	4,095
Cash generated from operating activities	33,090	33,915	98,231	108,636
Tax paid	(6,960)	(3,451)	(14,239)	(7,991)
Net cash from operating activities	26,130	30,464	83,992	100,645
Cash flow from investing activities				
Additions to plant and equipment	(192)	(11)	(236)	(15)
Payment for capital expenditure on investment properties	(882)	(39)	(7,118)	(292)
Interest received	226	14	451	92
Net cash used in investing activities	(848)	(36)	(6,903)	(215)
Cash flows from financing activities				
Distribution paid to Unitholders	(21,230)	(34,710)	(66,821)	(65,399)
Distribution paid to CPPU holder	(2,727)	(2,735)	(5,492)	(4,016)
Distribution paid to non-controlling interest	-	-	(7,600)	(10,000)
Interest paid	(9,979)	(10,988)	(28,873)	(30,406)
Proceeds from issuance of Units	1	-	150,000	-
Proceeds from issuance of Notes	2	150,000	-	150,000
Payment of transaction costs related to the issue of Units	1	-	(906)	-
Proceeds from borrowings	25,700	62,355	706,200	141,855
Payment of transaction costs related to borrowings	-	-	(10,405)	-
Repayment of borrowings	(152,200)	(44,355)	(943,200)	(131,255)
Movement in restricted cash	-	970	-	1,719
Net cash used in financing activities	(10,436)	(29,463)	(57,097)	(97,502)
Net increase in cash and cash equivalents				
Cash and cash equivalents at beginning of the period	14,846	965	19,992	2,928
Effect of exchange rate fluctuations on cash held	33,988	24,456	29,278	24,149
	127	612	(309)	(1,044)
Cash and cash equivalents at end of the period	48,961	26,033	48,961	26,033

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

Notes to Consolidated Statement of Cash Flows:

- (1) Gross proceeds of S\$150.0 million was pursuant to the private placement completed in March 2017. Transaction costs of S\$0.9 million relating to the issue were paid from the gross proceeds received. The remaining proceeds have been utilised to partially repay OUE C-REIT's secured term loan due in 2018 and revolving loan facility.
- (2) On 5 September 2017, the Group issued S\$150.0 million notes due 5 September 2020 pursuant to the S\$1.5 billion Multicurrency Debt Issuance Programme. The net proceeds has largely been utilised for prepayment of the OUE C-REIT's secured term loan due in 2018 and revolving loan facility.
- (3) For purpose of the Consolidated Statement of Cash Flows, the Group's cash and cash equivalents comprise the following:

	30 Sep 2017 (S\$'000)	30 Sep 2016 (S\$'000)
Bank and cash balances	12,317	20,283
Short-term deposits	36,644	5,750
Cash and cash equivalents	48,961	26,033

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

1 (d)(i) Statements of Changes in Unitholders' Funds

Group	Unitholders	CPPU	Total	Non-	Total
3Q 2017	(S\$'000)	holder	(S\$'000)	controlling	(S\$'000)
		(S\$'000)	(S\$'000)	interests	
				(S\$'000)	
					(S\$'000)
Net assets attributable to owners at 1 July 2017	1,320,923	530,727	1,851,650	227,422	2,079,072
Operations					
Total return for the period	14,566	-	14,566	1,814	16,380
Less: Amount reserved for distribution to CPPU holder	(1,387)	1,387	-	-	-
Net increase in net assets resulting from operations	13,179	1,387	14,566	1,814	16,380
Transactions with owners					
Contributions by and distributions to owners					
Issue of new Units					
- Manager's fees paid/payable in Units	1,927	-	1,927	-	1,927
Distribution paid to Unitholders	(21,269)	-	(21,269)	-	(21,269)
Distribution paid to CPPU holder	-	(2,727)	(2,727)	-	(2,727)
Net decrease in net assets resulting from transactions with owners	(19,342)	(2,727)	(22,069)	-	(22,069)
Movement in foreign currency translation reserve	2,452	-	2,452	-	2,452
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	1,883	-	1,883	40	1,923
Hedging reserve transferred to statement of total return	161	-	161	12	173
Net movement in hedging transactions	2,044	-	2,044	52	2,096
Net assets attributable to owners at 30 September 2017	1,319,256	529,387	1,848,643	229,288	2,077,931

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

1 (d)(i) Statements of Changes in Unitholders' Funds (cont'd)

Group	Unitholders	CPPU	Total	Non-	Total
YTD September 2017	(S\$'000)	holder	(S\$'000)	controlling	(S\$'000)
Net assets attributable to owners		(S\$'000)	(S\$'000)	interests	(S\$'000)
at 1 January 2017				(S\$'000)	
Operations					
Total return for the period	40,494	-	40,494	5,775	46,269
Less: Amount reserved for distribution to CPPU holder	(4,114)	4,114	-	-	-
Net increase in net assets resulting from operations	36,380	4,114	40,494	5,775	46,269
Transactions with owners					
Contributions by and distributions to owners					
Issue of new Units					
- Private placement	150,000	-	150,000	-	150,000
- Manager's fees paid/payable in Units	5,692	-	5,692	-	5,692
Issue costs	(906)	-	(906)	-	(906)
Distributions paid to Unitholders	(66,860)	-	(66,860)	-	(66,860)
Distributions paid to CPPU holder	-	(5,492)	(5,492)	-	(5,492)
Dividends paid	-	-	-	(7,600)	(7,600)
Net increase/(decrease) in net assets resulting from transactions with owners	87,926	(5,492)	82,434	(7,600)	74,834
Movement in foreign currency translation reserve	(5,710)	-	(5,710)	-	(5,710)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	(6,582)	-	(6,582)	(284)	(6,866)
Hedging reserve transferred to statement of total return	491	-	491	35	526
Net movement in hedging transactions	(6,091)	-	(6,091)	(249)	(6,340)
Net assets attributable to owners at 30 September 2017	1,319,256	529,387	1,848,643	229,288	2,077,931

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

1 (d)(i) Statements of Changes in Unitholders' Funds (cont'd)

Trust 3Q 2017	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)
Net assets attributable to owners at 1 July 2017	1,115,787	530,727	1,646,514
Operations			
Total return for the period	1,056	-	1,056
Less: Amount reserved for distribution to CPPU holder	(1,387)	1,387	-
Net (decrease)/increase in net assets resulting from operations	(331)	1,387	1,056
Transactions with owners			
Contributions by and distributions to owners			
Issue of new Units			
- Manager's fees paid/payable in Units	1,927	-	1,927
Distribution paid to Unitholders	(21,269)	-	(21,269)
Distribution paid to CPPU holder	-	(2,727)	(2,727)
Net decrease in net assets resulting from transactions with owners	(19,342)	(2,727)	(22,069)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	1,682	-	1,682
Hedging reserve transferred to statement of total return	101	-	101
Net movement in hedging transactions	1,783	-	1,783
Net assets attributable to owners at 30 September 2017	1,097,897	529,387	1,627,284

Trust YTD September 2017	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)
Net assets attributable to owners at 1 January 2017	1,018,353	530,765	1,549,118
Operations			
Total return for the period	580	-	580
Less: Amount reserved for distribution to CPPU holder	(4,114)	4,114	-
Net (decrease)/increase in net assets resulting from operations	(3,534)	4,114	580
Transactions with owners			
Contributions by and distributions to owners			
Issue of new Units			
- Private placement	150,000	-	150,000
- Manager's fees paid/payable in Units	5,692	-	5,692
Issue costs	(906)	-	(906)
Distributions paid to Unitholders	(66,860)	-	(66,860)
Distributions paid to CPPU Holder	-	(5,492)	(5,492)
Net increase/(decrease) in net assets resulting from transactions with owners	87,926	(5,492)	82,434
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	(5,163)	-	(5,163)
Hedging reserve transferred to statement of total return	315	-	315
Net movement in hedging transactions	(4,848)	-	(4,848)
Net assets attributable to owners at 30 September 2017	1,097,897	529,387	1,627,284

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

1 (d)(i) Statements of Changes in Unitholders' Funds (cont'd)

Group	Unitholders	CPPU	Total	Non-	Total
3Q 2016	(S\$'000)	holder	(S\$'000)	controlling	(S\$'000)
		(S\$'000)	(S\$'000)	interests	(S\$'000)
				(S\$'000)	
Net assets attributable to owners at 1 July 2016	1,179,715	530,735	1,710,450	226,142	1,936,592
Operations					
Total return for the period	11,020	-	11,020	1,716	12,736
Less: Amount reserved for distribution to CPPU holder	(1,382)	1,382	-	-	-
Net increase in net assets resulting from operations	9,638	1,382	11,020	1,716	12,736
Transactions with owners					
Contributions by and distributions to owners					
Issue of new Units					
- Manager's fees paid/payable in Units	2,271	-	2,271	-	2,271
Distribution paid to Unitholders	(34,710)	-	(34,710)	-	(34,710)
Distribution paid to CPPU Holder	-	(2,735)	(2,735)	-	(2,735)
Net decrease in net assets resulting from transactions with owners	(32,439)	(2,735)	(35,174)	-	(35,174)
Movement in foreign currency translation reserve	(182)	-	(182)	-	(182)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	(3,034)	-	(3,034)	(115)	(3,149)
Hedging reserve transferred to statement of total return	3,690	-	3,690	339	4,029
Net movement in hedging transactions	656	-	656	224	880
Net assets attributable to owners at 30 September 2016	1,157,388	529,382	1,686,770	228,082	1,914,852

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

1 (d)(i) Statements of Changes in Unitholders' Funds (cont'd)

Group	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)	Non- controlling interests (S\$'000)	Total (S\$'000)
YTD September 2016					
Net assets attributable to owners at 1 January 2016	1,233,064	529,281	1,762,345	232,909	1,995,254
Operations					
Total return for the period	31,634	-	31,634	5,266	36,900
Less: Amount reserved for distribution to CPPU holder	(4,117)	4,117	-	-	-
Net increase in net assets resulting from operations	27,517	4,117	31,634	5,266	36,900
Transactions with owners					
Contributions by and distributions to owners					
Issue of new Units					
- Manager's fees paid/payable in Units	7,208	-	7,208	-	7,208
Distributions paid to Unitholders	(65,399)	-	(65,399)	-	(65,399)
Distributions paid to CPPU Holder	-	(4,016)	(4,016)	-	(4,016)
Dividends paid	-	-	-	(10,000)	(10,000)
Net decrease in net assets resulting from transactions with owners	(58,191)	(4,016)	(62,207)	(10,000)	(72,207)
Movement in foreign currency translation reserve	(26,107)	-	(26,107)	-	(26,107)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	(22,585)	-	(22,585)	(432)	(23,017)
Hedging reserve transferred to statement of total return	3,690	-	3,690	339	4,029
Net movement in hedging transactions	(18,895)	-	(18,895)	(93)	(18,988)
Net assets attributable to owners at 30 September 2016	1,157,388	529,382	1,686,770	228,082	1,914,852

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

1 (d)(i) Statements of Changes in Unitholders' Funds (cont'd)

Trust 3Q 2016	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)
Net assets attributable to owners at 1 July 2016	1,046,830	530,735	1,577,565
Operations			
Total loss for the period	(1,467)	-	(1,467)
Less: Amount reserved for distribution to CPPU holder	(1,382)	1,382	-
Net (decrease)/increase in net assets resulting from operations	(2,849)	1,382	(1,467)
Transactions with owners			
<i>Contributions by and distributions to owners</i>			
Issue of new Units			
- Manager's fees paid/payable in Units	2,271	-	2,271
Distribution paid to Unitholders	(34,710)	-	(34,710)
Distribution paid to CPPU Holder	-	(2,735)	(2,735)
Net decrease in net assets resulting from transactions with owners	(32,439)	(2,735)	(35,174)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	(2,459)	-	(2,459)
Hedging reserve transferred to statement of total return	1,994	-	1,994
Net movement in hedging transactions	(465)	-	(465)
Net assets attributable to owners at 30 September 2016	1,011,077	529,382	1,540,459

Trust YTD September 2016	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)
Net assets attributable to owners at 1 January 2016	1,047,484	529,281	1,576,765
Operations			
Total return for the period	44,333	-	44,333
Less: Amount reserved for distribution to CPPU holder	(4,117)	4,117	-
Net increase in net assets resulting from operations	40,216	4,117	44,333
Transactions with owners			
<i>Contributions by and distributions to owners</i>			
Issue of new Units			
- Manager's fees paid/payable in Units	7,208	-	7,208
Distributions paid to Unitholders	(65,399)	-	(65,399)
Distributions paid to CPPU holder	-	(4,016)	(4,016)
Net decrease in net assets resulting from transactions with owners	(58,191)	(4,016)	(62,207)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	(20,426)	-	(20,426)
Hedging reserve transferred to statement of total return	1,994	-	1,994
Net movement in hedging transactions	(18,432)	-	(18,432)
Net assets attributable to owners at 30 September 2016	1,011,077	529,382	1,540,459

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

1 (d)(ii) Details of Any Changes in Units (Group and Trust)

	3Q 2017 ('000)	3Q 2016 ('000)	YTD Sep 2017 ('000)	YTD Sep 2016 ('000)
Units in issue:				
At the beginning of the period	1,538,596	1,292,335	1,297,832	1,285,799
Issue of new Units relating to:				
- Manager's fees paid in Units	2,661	2,801	10,143	9,337
- Private placement	-	-	233,282	-
At the end of the period	1,541,257	1,295,136	1,541,257	1,295,136
Units to be issued:				
Manager's fee payable in Units	2,756	5,035	2,756	5,035
At the end of the period	1,544,013	1,300,171	1,544,013	1,300,171

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by OUE C-REIT's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The accounting policies and methods of computation adopted in the preparation of the financial statements for the current report financial year are consistent with those described in the audited financial statements for the financial year ended 31 December 2016.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

6 Earnings per Unit and Distribution per Unit

Earnings per Unit attributable to Unitholders (“EPU”)

	3Q 2017	3Q 2016	YTD Sep 2017	YTD Sep 2016
Weighted average number of Units	1,541,286,770	1,295,165,066	1,474,538,635	1,292,348,240
Basic EPU (cents)	0.86	0.74	2.47	2.13
Weighted average number of Units ^{(1),(2)}	2,197,996,138	1,951,815,317	2,133,907,841	1,951,815,317
Diluted EPU (cents)	0.66	0.56	1.90	1.62

Footnotes:

- (1) The weighted average number of Units includes the potential Units to be issued (653,983,353 Units) assuming all the CPPUs were converted at S\$0.841 per Unit.
- (2) Subsequent to 30 September 2017, 75.0 million CPPUs were redeemed on 2 November 2017. Assuming the 75.0 million CPPUs were redeemed at the beginning of the reporting period, the diluted EPU would be 0.69 cents for 3Q 2017 and 1.98 cents for YTD September 2017.

550.0 million CPPUs were issued in October 2015 as partial satisfaction of the purchase consideration for the acquisition of ORP. The CPPUs cannot be converted for a period of four years commencing from the date of issue (“Restriction Period”) save in certain limited circumstances and thereafter, not more than one-third of the CPPUs initially issued can be converted in any one year. After the Restriction Period, the CPPUs can be converted into Units at S\$0.841 per Unit and will impact the EPU upon conversion. Upon full conversion, 653,983,353 Units will be issued.

Distribution per Unit attributable to Unitholders (“DPU”)

	3Q 2017	3Q 2016	YTD Sep 2017	YTD Sep 2016
No of Units entitled to distribution	1,544,012,785 ⁽¹⁾	1,297,831,964 ⁽²⁾	1,544,012,785 ⁽¹⁾	1,297,831,964 ⁽²⁾
Distribution per Unit (cents)	1.15	1.32	3.53	4.00

Footnotes:

- (1) Comprises the Units in issue as at 30 September 2017 of 1,541,256,814 and Units to be issued to the Manager as satisfaction of Manager’s base fee payable for 3Q 2017 of 2,755,971.
- (2) Comprises the Units in issue as at 30 September 2016 of 1,295,135,759 and Units to be issued to the Manager as satisfaction of Manager’s base fee payable for 3Q 2016 of 2,696,205.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

7 Net Asset Value per Unit and Net Tangible Asset per Unit attributable to Unitholders

	Group		Trust	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
No of Units in issue and to be issued at end of period/year	1,544,012,785	1,302,598,200	1,544,012,785	1,302,598,200
Net asset value ("NAV") per Unit (S\$)	0.85	0.93	0.71	0.78
Net tangible asset ("NTA") per Unit (S\$)	0.85	0.92	0.71	0.77

The NAV per Unit and NTA per Unit are computed based on the Units in issue and to be issued as at the end of the financial period/year.

8 Review of the Performance

<u>Statement of</u>	3Q 2017 ⁽¹⁾	3Q 2016 ⁽²⁾	Change	YTD Sep	YTD Sep	Change
<u>Total Return</u>	(S\$'000)	(S\$'000)	(%)	2017 ⁽¹⁾	2016 ⁽²⁾	(%)
				(S\$'000)	(S\$'000)	
Revenue	43,273	44,184	(2.1)	132,303	132,786	(0.4)
Property operating expenses	(9,197)	(8,856)	3.9	(28,816)	(28,975)	(0.5)
Net property income	34,076	35,328	(3.5)	103,487	103,811	(0.3)
Other income	878	608	44.4	2,309	2,070	11.5
Amortisation of intangible asset	(1,113)	(1,117)	(0.4)	(3,339)	(3,353)	(0.4)
Manager's management fees	(2,409)	(3,126)	(22.9)	(7,115)	(8,999)	(20.9)
Trustee's fee	(140)	(138)	1.4	(415)	(412)	0.7
Other expenses	(483)	(300)	61.0	(1,416)	(1,192)	18.8
Finance income	1,505	1,578	(4.6)	3,149	1,656	90.2
Finance costs	(11,925)	(15,729)	(24.2)	(37,112)	(43,270)	(14.2)
Net finance costs	(10,420)	(14,151)	(26.4)	(33,963)	(41,614)	(18.4)
Foreign exchange differences	98	8	N/M	(235)	(664)	(64.6)
Total return for the period before tax	20,487	17,112	19.7	59,313	49,647	19.5
Tax expense	(4,107)	(4,376)	(6.1)	(13,044)	(12,747)	2.3
Total return for the period	16,380	12,736	28.6	46,269	36,900	25.4

N/M: Not meaningful

Footnotes:

- (1) The current period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.905 for 3Q 2017 and 1:4.897 for YTD September 2017.
- (2) The prior period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.919 for 3Q 2016 and 1:4.794 for YTD September 2016.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

Review of OUE C-REIT Group's performance 3Q 2017 vs 3Q 2016

3Q 2017 revenue of S\$43.3 million was 2.1% lower compared to prior period due to lower retail rental income in the quarter arising from a lower occupancy at One Raffles Place Shopping Mall as the Manager embarked on rebalancing the tenant and trade mix at the mall.

Higher property tax expenses and leasing commission on the back of significant improvement in office occupancy from the prior period resulted in a 3.5% decline in net property income in 3Q 2017.

Other income was S\$0.3 million higher in 3Q 2017 as compared to 3Q 2016, due to higher income support drawdown in relation to OUE Bayfront from the Sponsor.

In the current quarter, there was an absence of performance fees accrued for 3Q 2017 (vs 3Q 2016: S\$0.8 million) and favorable IRS' fair value movement (3Q 2017: net gain of S\$1.1 million vs 3Q 2016: net loss of S\$2.5 million). The fair value movement in the IRS has no DPU impact.

Consequently, total return for 3Q 2017 increased 28.6% to S\$16.4 million, as compared to S\$12.7 million in 3Q 2016.

Review of OUE C-REIT Group's performance YTD September 2017 vs YTD September 2016

On a YTD basis, net property income decreased marginally by 0.3% year-on-year. This is mainly due to lower one-off income recognised in the current period, mitigated partially by improvement in the rental income as compared to the prior period.

YTD September 2017 total return increased 25.4% year-on-year to S\$46.3 million (YTD September 2016: S\$36.9 million), attributed mainly to lower management fees and net finance costs. Management fees was higher in the prior year due to S\$2.0 million of performance fee accrued. Borrowing costs was lower with the partial prepayment of loans from private placement proceeds in March 2017. The unfavorable fair value movement in the IRS for the current period of S\$0.2 million was lower compared to YTD September 2016 (S\$6.6 million). Fair value movement in the IRS has no DPU impact.

9 Variance between Actual and Forecast Results

OUE C-REIT has not made any forecast.

10 Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Singapore

According to advance estimates by the Ministry of Trade and Industry ("MTI"), Singapore's economy grew 4.6%⁽¹⁾ year-on-year ("YoY") in 3Q 2017, improving from the

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

2.9% growth in the previous quarter. The strong growth was driven by the manufacturing sector, which expanded 15.5% YoY, compared to 8.2% in 2Q 2017. The services industries grew 2.6% YoY in 3Q 2017, similar to the rate of growth in the previous quarter, largely supported by the finance & insurance, wholesale & retail trade and transportation & storage sectors. The MTI in August narrowed the GDP growth forecast of 1.0% to 3.0% for 2017, to 2.0% to 3.0%.

CBD Grade A office rents rose 1.7% quarter-on-quarter (“QoQ”) to S\$9.10 psf per month⁽²⁾ in 3Q 2017, the first increase in 10 quarters. Net absorption was 409,723 sq ft with mainly mid-sized leasing transactions, driven by relocations within the banking and finance, oil & gas and engineering sectors to newly completed office developments. New and expansionary demand was limited to the co-working and technology sectors. Core CBD office occupancy corrected 1.6 percentage points (“ppt”) QoQ to 92.5%, with the completion of a new office project.

While Singapore office rents appear to have bottomed on the back of stronger economic fundamentals and more positive market sentiment, underlying occupier demand remains uncertain. OUE C-REIT’s rental income in 2018 may be impacted by the full-year impact of negative rental reversions of leases committed in 2017. However, this is mitigated by the downside protection of rental revenue at OUE Bayfront from the income support arrangement which will expire only in 2019. Further, the 2018 revenue base at One Raffles Place would have improved due to the notable increase in committed office occupancy achieved in 2017. Depending on the pace of recovery in spot rents, negative rental reversions may potentially continue into the next year.

China

China’s 3Q 2017 GDP growth was 6.8%⁽³⁾, slowing slightly from the 6.9% growth recorded in the previous quarter. While policymakers’ efforts to curb property speculation and credit expansion was expected to temper growth, GDP growth continued to be healthy and broad-based. Exports and factory production continued to be firm, while September retail sales growth was robust at 10.3% YoY. With 2017 GDP growth target of around 6.5%, the strong growth achieved year-to-date provides substantial buffer for authorities to push through with structural reforms and rein in excess capacity, to shift towards a more sustainable growth path.

According to Colliers International, Shanghai CBD Grade A office occupancy as at 3Q 2017 declined 1.0 ppt QoQ to 86.1%⁽⁴⁾, due to significant new office completions of 204,000 sq m during the quarter. Consequently, Shanghai CBD Grade A office rents as at 3Q 2017 fell 3.4% QoQ to RMB10.15 psm per day, given the competition to retain tenants. In Puxi, Grade A office occupancy as at 3Q 2017 fell 2.3 ppt to 85.3%, with rents 1.5% QoQ lower at RMB 9.14 psm per day.

⁽¹⁾ Singapore Ministry of Trade and Industry Press Release, 13 October 2017

⁽²⁾ CBRE, Singapore MarketView 3Q 2017

⁽³⁾ National Bureau of Statistics of China Press Release, 19 October 2017

⁽⁴⁾ Colliers International Shanghai Office Research & Forecast Report 3Q 2017

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

11 Distribution

(a) Current financial period

Any distribution declared for the current financial period?

No.

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the corresponding period of the immediate preceding financial period?

No.

12 If no distribution has been declared / recommended, a statement to that effect

Not applicable.

13 If OUE C-REIT has obtained a general mandate from Unitholders for interested person transactions, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no interested person transactions mandate has been obtained, a statement to that effect.

OUE C-REIT did not obtain a general mandate from Unitholders for interested person transactions.

14 Confirmation pursuant to Rule 705(5) of the Listing Manual

We, on behalf of the Directors of OUE Commercial REIT Management Pte. Ltd. (as Manager of OUE C-REIT), hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Manager which may render the unaudited financial results of OUE C-REIT Group for the period from 1 January 2017 to 30 September 2017 to be false or misleading in any material respect.

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

15 Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

We, on behalf of the Directors of OUE Commercial REIT Management Pte. Ltd. (as Manager of OUE C-REIT), hereby confirm that the undertakings from all its directors and executive officer as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

On behalf of the Board of the Manager

Christopher Williams
Chairman and Non-Executive Director

Tan Shu Lin
Chief Executive Officer and Executive Director

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements and Distribution Announcement for the Third Quarter
And Financial Period from 1 January 2017 to 30 September 2017

This 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.

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.

By Order of the Board

Ng Ngai
Company Secretary

OUE Commercial REIT Management Pte. Ltd.
(as Manager of OUE Commercial Real Estate Investment Trust)
(Company registration no. 201327018E)

2 November 2017