

OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

**Unaudited Financial Statements and Distribution Announcement for the Third Quarter
2018 and Financial Period from 1 January 2018 to 30 September 2018**

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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.

On 10 September 2018, OUE C-REIT announced the proposed acquisition of the office components of OUE Downtown (the “Acquisition”) and the proposed underwritten and renounceable rights issue of 1,288,438,981 new Units in OUE C-REIT to raise gross proceeds of approximately S\$587.5 million (the “Rights Issue”).

On 28 September 2018, at an extraordinary general meeting of unitholders of OUE C-REIT (the “Unitholders”), approval was obtained for the Acquisition and the Rights Issue. The new Units were issued at an issue price of S\$0.456 per Unit on 30 October 2018 and rank pari passu in all respects with the existing Units in issue and to be issued as at 30 September 2018, including the right to any distributions which may accrue for the financial period from 1 July 2018 to 30 September 2018.

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Summary of OUE C-REIT Group Results

	3Q 2018 ⁽¹⁾ (S\$'000)	3Q 2017 ⁽²⁾ (S\$'000)	Change (%)	YTD Sep 2018 ⁽¹⁾ (S\$'000)	YTD Sep 2017 ⁽²⁾ (S\$'000)	Change (%)
Revenue	41,205	43,273	(4.8)	128,360	132,303	(3.0)
Net property income	32,341	34,076	(5.1)	101,552	103,487	(1.9)
Amount available for distribution to Unitholders	15,875	17,795	(10.8)	49,790	52,270	(4.7)
Distribution per Unit ("DPU") (cents)	0.55	0.62 ⁽⁴⁾	(11.3)	2.73 ⁽³⁾	3.00 ⁽⁴⁾	(9.0)

Footnotes:

- (1) The current period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.985 for 3Q 2018 and 1:4.852 for YTD September 2018.
- (2) The prior 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.
- (3) The 1,288,438,981 new Units issued on 30 October 2018 pursuant to the Rights Issue at an issue price of S\$0.456 per Unit (the "Rights Units") rank pari passu in all respects with the existing Units in issue and to be issued as at 30 September 2018, including the right to any distributions which may accrue for the financial period from 1 July 2018 to 30 September 2018. YTD September 2018 DPU is calculated based on actual 1H 2018 DPU, with 3Q 2018 DPU adjusted for the Rights Units.
- (4) For purpose of comparison, 3Q 2017 DPU has been restated to include the 1,288,438,981 Rights Units issued. YTD September 2017 DPU is calculated based on actual 1H 2017 DPU, with 3Q 2017 DPU adjusted for the Rights Units.

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

Statement of Total Return	Note	3Q 2018 ⁽¹⁾ (S\$'000)	3Q 2017 ⁽²⁾ (S\$'000)	Change (%)	YTD Sep 2018 ⁽¹⁾ (S\$'000)	YTD Sep 2017 ⁽²⁾ (S\$'000)	Change (%)
Revenue		41,205	43,273	(4.8)	128,360	132,303	(3.0)
Property operating expenses		(8,864)	(9,197)	(3.6)	(26,808)	(28,816)	(7.0)
Net property income		32,341	34,076	(5.1)	101,552	103,487	(1.9)
Other income	1	1,198	878	36.4	3,227	2,309	39.8
Amortisation of intangible asset		(1,113)	(1,113)	-	(3,339)	(3,339)	-
Manager's management fees	2	(2,458)	(2,409)	2.0	(7,338)	(7,115)	3.1
Trustee's fee		(143)	(140)	2.1	(427)	(415)	2.9
Other expenses		(393)	(483)	(18.6)	(1,339)	(1,416)	(5.4)
Finance income		1,490	1,505	(1.0)	3,008	3,149	(4.5)
Finance costs		(12,660)	(11,925)	6.2	(36,787)	(37,112)	(0.9)
Net finance costs	3	(11,170)	(10,420)	7.2	(33,779)	(33,963)	(0.5)
Foreign exchange differences		(403)	98	N/M	21	(235)	N/M
Total return for the period before tax		17,859	20,487	(12.8)	58,578	59,313	(1.2)
Tax expense	4	(4,047)	(4,107)	(1.5)	(13,341)	(13,044)	2.3
Total return for the period		13,812	16,380	(15.7)	45,237	46,269	(2.2)
Attributable to:							
Unitholders and Convertible Perpetual Preferred Units ("CPPU") holder		12,132	14,566	(16.7)	39,840	40,494	(1.6)
Non-controlling interests		1,680	1,814	(7.4)	5,397	5,775	(6.5)
Total return for the period		13,812	16,380	(15.7)	45,237	46,269	(2.2)
Distribution Statement							
Total return for the period attributable to Unitholders and CPPU holder		12,132	14,566	(16.7)	39,840	40,494	(1.6)
Less: Amount reserved for distribution to CPPU holder		(945)	(1,387)	(31.9)	(2,805)	(4,114)	(31.8)
Distribution adjustments	5	4,688	4,616	1.6	12,755	15,890	(19.7)
Amount available for distribution for the period		15,875	17,795	(10.8)	49,790	52,270	(4.7)
Comprising:							
Taxable income		6,575	7,163	(8.2)	20,090	20,880	(3.8)
Tax exempt income		5,541	6,693	(17.2)	17,423	20,320	(14.3)
Unitholders' contributions		3,759	3,939	(4.6)	12,277	11,070	10.9
		15,875	17,795	(10.8)	49,790	52,270	(4.7)

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 1:4.985 for 3Q 2018 and 1:4.852 for YTD September 2018.
- (2) The prior 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.

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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 base management fee is calculated as 0.3% p.a. of the value of the deposited property of OUE C-REIT Group. 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 2018 and YTD September 2017.

(3) Net finance costs

Net finance costs comprises the following:

	3Q 2018 (S\$'000)	3Q 2017 (S\$'000)	Change (%)	YTD Sep 2018 (S\$'000)	YTD Sep 2017 (S\$'000)	Change (%)
Finance income						
Interest income	173	226	(23.5)	606	451	34.4
Ineffective portion of changes in fair value of cash flow hedges	988	1,223	(19.2)	2,115	2,698	(21.6)
Change in fair value of financial derivatives	329	56	N/M	287	-	N/M
	1,490	1,505	(1.0)	3,008	3,149	(4.5)
Finance costs						
Borrowing costs	(11,181)	(9,765)	14.5	(32,430)	(28,761)	12.8
Amortisation of debt establishment costs	(1,316)	(1,987)	(33.8)	(3,825)	(5,499)	(30.4)
Change in fair value of financial derivatives	-	-	N/M	-	(2,326)	N/M
Hedging reserve transferred from unitholders' funds	(163)	(173)	(5.8)	(532)	(526)	1.1
	(12,660)	(11,925)	6.2	(36,787)	(37,112)	(0.9)
Net finance costs	(11,170)	(10,420)	7.2	(33,779)	(33,963)	(0.5)

N/M: Not meaningful

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

	3Q 2018 (S\$'000)	3Q 2017 (S\$'000)	Change (%)	YTD Sep 2018 (S\$'000)	YTD Sep 2017 (S\$'000)	Change (%)
Ineffective portion of changes in fair value of cash flow hedges	988	1,223	(19.2)	2,115	2,698	(21.6)
Change in fair value of financial derivatives	329	56	N/M	287	(2,326)	N/M
Hedging reserve transferred from unitholders' funds	(163)	(173)	(5.8)	(532)	(526)	1.1
Net fair value gain/(loss)	1,154	1,106	4.3	1,870	(154)	N/M

N/M: Not meaningful

(4) Tax expense

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

	3Q 2018 (S\$'000)	3Q 2017 (S\$'000)	Change (%)	YTD Sep 2018 (S\$'000)	YTD Sep 2017 (S\$'000)	Change (%)
Current tax						
- Current period	3,433	3,488	(1.6)	11,214	10,467	7.1
- Under provision in respect of prior period	-	484	N/M	-	1,269	N/M
Deferred tax						
- Current period	290	531	(45.4)	1,006	1,867	(46.1)
- Over provision in respect of prior period	-	(733)	N/M	-	(1,512)	N/M
Withholding tax	324	337	(3.9)	1,121	953	17.6
	4,047	4,107	(1.5)	13,341	13,044	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 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, and subsidiary's statutory reserves adjustments.

Please refer to Section 8 on Review of the Performance.

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(b)(i) Statements of Financial Position

	Note	Group			Trust		
		30 Sep 2018 ⁽¹⁾ (S\$'000)	31 Dec 2017 ⁽²⁾ (S\$'000)	Change (%)	30 Sep 2018 (S\$'000)	31 Dec 2017 (S\$'000)	Change (%)
Non-current assets							
Plant and equipment		409	512	(20.1)	-	-	-
Investment properties	1	3,502,764	3,515,148	(0.4)	1,153,000	1,153,000	-
Intangible asset	2	1,412	4,751	(70.3)	1,412	4,751	(70.3)
Investments in subsidiaries		-	-	-	1,368,506	1,376,992	(0.6)
Trade and other receivables		204	290	(29.7)	-	-	-
Financial derivatives	3	523	-	N/M	415	-	N/M
		3,505,312	3,520,701	(0.4)	2,523,333	2,534,743	(0.5)
Current assets							
Trade and other receivables	4	10,068	12,555	(19.8)	2,163	2,919	(25.9)
Cash and cash equivalents		32,569	40,314	(19.2)	11,458	19,948	(42.6)
Financial derivatives	3	68	-	N/M	68	-	N/M
		42,705	52,869	(19.2)	13,689	22,867	(40.1)
Total assets		3,548,017	3,573,570	(0.7)	2,537,022	2,557,610	(0.8)
Non-current liabilities							
Borrowings	5	1,355,115	748,319	81.1	852,310	571,521	49.1
Loan from a subsidiary		-	-	-	149,556	149,372	0.1
Trade and other payables	6	36,089	38,489	(6.2)	12,302	12,186	1.0
Financial derivatives	3	2,689	10,705	(74.9)	2,689	9,754	(72.4)
Deferred tax liabilities		83,518	84,152	(0.8)	-	-	-
		1,477,411	881,665	67.6	1,016,857	742,833	36.9
Current liabilities							
Borrowings	5	31,893	514,016	(93.8)	29,900	198,783	(85.0)
Trade and other payables	6	54,698	157,268	(65.2)	15,034	116,177	(87.1)
Financial derivatives	3	429	487	(11.9)	272	166	63.9
Current tax liabilities		12,605	16,052	(21.5)	-	-	-
		99,625	687,823	(85.5)	45,206	315,126	(85.7)
Total liabilities		1,577,036	1,569,488	0.5	1,062,063	1,057,959	0.4
Net assets							
		1,970,981	2,004,082	(1.7)	1,474,959	1,499,651	(1.6)
Represented by:							
Unitholders' funds	7	1,376,874	1,407,285	(2.2)	1,114,014	1,137,760	(2.1)
CPPU holder's funds	8	360,945	361,891	(0.3)	360,945	361,891	(0.3)
Non-controlling interests	9	233,162	234,906	(0.7)	-	-	-
		1,970,981	2,004,082	(1.7)	1,474,959	1,499,651	(1.6)

N/M: Not meaningful

Footnotes:

- (1) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 30 September 2018 are translated using the SGD:CNY rate of 1:5.015.
- (2) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 31 December 2017 are translated using the SGD:CNY rate of 1:4.902.

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Notes to Statements of Financial Position:

(1) Investment properties

Investment properties are carried at the latest fair market value based on independent valuations as at 31 December 2017, with additions made in 2018. The decrease was due largely to depreciation of the CNY against the SGD between 31 December 2017 and 30 September 2018.

(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 31 December 2017 to 30 September 2018 was due to net favourable changes in the fair value of the IRS during the period.

(4) Trade and other receivables – Current

At the Group and Trust level, the decrease in trade and other receivables was mainly due to settlement of recoverable, including income support receivable from Sponsor as at 31 December 2017.

(5) Borrowings – Non-current and Current

The Group’s and Trust’s total borrowings increased as compared to 31 December 2017 mainly due to loan drawdown for partial CPPU redemption in January 2018. During the quarter, loans due within a year has been re-financed resulting in the reclassification from current to non-current.

(6) Trade and other payables – Non-current and Current

In December 2017, an irrevocable notice was issued to redeem 100.0 million CPPUs. Redemption was completed in January 2018, resulting in the decrease in the Group’s and Trust’s trade and other payables as compared to 31 December 2017.

(7) Unitholders’ funds

The decrease in unitholders’ funds is mainly due to distributions paid to Unitholders in March 2018 and September 2018, and the depreciation of the CNY against the SGD from 31 December 2017 to 30 September 2018. This is offset partially by profits for the financial period and net favourable movement in the fair value reserve of IRS as at 30 September 2018.

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(8) 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.

To-date, 175.0 million CPPUs were redeemed, with a balance of 375.0 million CPPUs remain outstanding as at 30 September 2018.

(9) 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.

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

The Group's borrowings comprises secured and unsecured loans of up to eight years tenors, and a three-year unsecured notes.

	30 Sep 2018 ⁽¹⁾ (S\$'000)	31 Dec 2017 ⁽²⁾ (S\$'000)
Secured borrowings		
Amount repayable within one year, or on demand	1,993	494,516
Amount repayable after one year	697,897	598,947
Total secured borrowings	699,890	1,093,463
Unsecured borrowings		
Amount repayable within one year, or on demand	29,900	19,500
Amount repayable after one year	657,218	149,372
Total unsecured borrowings	687,118	168,872
Total borrowings ⁽³⁾	1,387,008	1,262,335

Footnotes:

- (1) The borrowings of OUE C-REIT's foreign subsidiaries as at 30 September 2018 are translated using the SGD:CNY rate of 1:5.015.
- (2) The borrowings of OUE C-REIT's foreign subsidiaries as at 31 December 2017 are translated using the SGD:CNY rate of 1:4.902.
- (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\$1,728.8 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; and
- the account control or charge over certain bank accounts of the Trust and certain subsidiary.

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.

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1 (c) Consolidated Statement of Cash Flows

Note	3Q 2018 (S\$'000)	3Q 2017 (S\$'000)	YTD Sep 2018 (S\$'000)	YTD Sep 2017 (S\$'000)
Cash flows from operating activities				
Total return for the period	13,812	16,380	45,237	46,269
Adjustments for:				
Amortisation of intangible asset	1,113	1,113	3,339	3,339
Depreciation of plant and equipment	45	57	134	156
Manager's fees paid/payable in Units	1,966	1,927	5,870	5,692
Finance costs	12,660	11,925	36,787	37,112
Finance income	(1,490)	(1,505)	(3,008)	(3,149)
Loss on disposal of plant and equipment	-	12	-	14
Tax expense	4,047	4,107	13,341	13,044
Operating income before working capital changes	32,153	34,016	101,700	102,477
Changes in working capital:				
Trade and other receivables	433	(3,605)	2,579	(9,236)
Trade and other payables	(7,719)	2,679	(9,519)	4,990
Cash generated from operating activities	24,867	33,090	94,760	98,231
Tax paid	(7,571)	(6,960)	(15,639)	(14,239)
Net cash from operating activities	17,296	26,130	79,121	83,992
Cash flow from investing activities				
Additions to plant and equipment	(16)	(192)	(42)	(236)
Payment for capital expenditure on investment properties	(362)	(882)	(1,139)	(7,118)
Interest received	173	226	606	451
Net cash used in investing activities	(205)	(848)	(575)	(6,903)
Cash flows from financing activities				
Distributions paid to Unitholders	(33,784)	(21,230)	(69,205)	(66,821)
Distributions paid to CPPU holder	(1,860)	(2,727)	(4,255)	(5,492)
Distribution paid to non-controlling interest	-	-	(7,200)	(7,600)
Interest paid	(5,769)	(9,979)	(26,689)	(28,873)
Proceeds from issue of Units	1	-	-	150,000
Proceeds from issue of Notes	2	150,000	-	150,000
Payment of transaction costs related to the issue of Units	1	-	-	(906)
Proceeds from borrowings	552,000	25,700	682,000	706,200
Payment of transaction costs related to borrowings	(4,867)	-	(4,867)	(10,405)
Redemption of CPPUs	3	-	(100,000)	-
Repayment of borrowings	(523,497)	(152,200)	(555,638)	(943,200)
Net cash used in financing activities	(17,777)	(10,436)	(85,854)	(57,097)
Net (decrease)/increase in cash and cash equivalents				
	(686)	14,846	(7,308)	19,992
Cash and cash equivalents at beginning of the period	34,268	33,988	40,314	29,278
Effect of exchange rate fluctuations on cash held	(1,013)	127	(437)	(309)
Cash and cash equivalents at end of the period	4	32,569	48,961	32,569
				48,961

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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 relating to the issue were paid from the gross proceeds received. The balance proceeds had been utilised to partially prepay 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) On 2 January 2018, the redemption of 100.0 million CPPUs (amounting to S\$100.0 million) was completed.
- (4) For purpose of the Consolidated Statement of Cash Flows, the Group's cash and cash equivalents comprise the following:

	30 Sep 2018 (S\$'000)	30 Sep 2017 (S\$'000)
Bank and cash balances	7,333	12,317
Short-term deposits	25,236	36,644
Cash and cash equivalents	32,569	48,961

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

Group	Unitholders	CPPU	Total	Non-	Total
3Q 2018	(S\$'000)	holder	(S\$'000)	controlling	(S\$'000)
		(S\$'000)		interests	
			(S\$'000)	(S\$'000)	(S\$'000)
Net assets attributable to owners at 1 July 2018	1,422,057	361,860	1,783,917	231,484	2,015,401
Operations					
Total return for the period	12,132	-	12,132	1,680	13,812
Less: Amount reserved for distribution to CPPU holder	(945)	945	-	-	-
Net increase in net assets resulting from operations	11,187	945	12,132	1,680	13,812
Transactions with owners					
Contributions by and distributions to owners					
Issue of new Units					
- Manager's fees paid/payable in Units	1,966	-	1,966	-	1,966
Distribution paid to Unitholders	(33,841)	-	(33,841)	-	(33,841)
Distribution paid to CPPU holder	-	(1,860)	(1,860)	-	(1,860)
Total contributions by and distributions to owners	(31,875)	(1,860)	(33,735)	-	(33,735)
Movement in foreign currency translation reserve	(24,408)	-	(24,408)	-	(24,408)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	(241)	-	(241)	(11)	(252)
Hedging reserve transferred to statement of total return	154	-	154	9	163
Net movement in hedging transactions	(87)	-	(87)	(2)	(89)
Net assets attributable to owners at 30 September 2018	1,376,874	360,945	1,737,819	233,162	1,970,981

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

Group	Unitholders	CPPU	Total	Non-	Total
YTD September 2018	(S\$'000)	holder	(S\$'000)	controlling	(S\$'000)
Net assets attributable to owners		(S\$'000)	(S\$'000)	interests	(S\$'000)
at 1 January 2018				(S\$'000)	(S\$'000)
	1,407,285	361,891	1,769,176	234,906	2,004,082
Operations					
Total return for the period	39,840	-	39,840	5,397	45,237
Less: Amount reserved for distribution to CPPU holder	(2,805)	2,805	-	-	-
Net increase in net assets resulting from operations	37,035	2,805	39,840	5,397	45,237
Transactions with owners					
Contributions by and distributions to owners					
Issue of new Units					
- Manager's fees paid/payable in Units	5,870	-	5,870	-	5,870
Distributions paid to Unitholders	(69,262)	-	(69,262)	-	(69,262)
Distributions paid to CPPU holder	-	(3,751)	(3,751)	-	(3,751)
Dividends paid	-	-	-	(7,200)	(7,200)
Total contributions by and distributions to owners	(63,392)	(3,751)	(67,143)	(7,200)	(74,343)
Movement in foreign currency translation reserve	(10,790)	-	(10,790)	-	(10,790)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	6,238	-	6,238	25	6,263
Hedging reserve transferred to statement of total return	498	-	498	34	532
Net movement in hedging transactions	6,736	-	6,736	59	6,795
Net assets attributable to owners at 30 September 2018	1,376,874	360,945	1,737,819	233,162	1,970,981

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

Trust 3Q 2018	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)
Net assets attributable to owners at 1 July 2018	1,110,829	361,860	1,472,689
Operations			
Total return for the period	36,082	-	36,082
Less: Amount reserved for distribution to CPPU holder	(945)	945	-
Net increase in net assets resulting from operations	35,137	945	36,082
Transactions with owners			
<i>Contributions by and distributions to owners</i>			
Issue of new Units			
- Manager's fees paid/payable in Units	1,966	-	1,966
Distribution paid to Unitholders	(33,841)	-	(33,841)
Distribution paid to CPPU Holder	-	(1,860)	(1,860)
Total contributions by and distributions to owners	(31,875)	(1,860)	(33,735)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	(182)	-	(1812)
Hedging reserve transferred to statement of total return	105	-	105
Net movement in hedging transactions	(77)	-	(77)
Net assets attributable to owners at 30 September 2018	1,114,014	360,945	1,474,959

Trust YTD September 2018	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)
Net assets attributable to owners at 1 January 2018	1,137,760	361,891	1,499,651
Operations			
Total return for the period	36,008	-	36,008
Less: Amount reserved for distribution to CPPU holder	(2,805)	2,805	-
Net increase in net assets resulting from operations	33,203	2,805	36,008
Transactions with owners			
<i>Contributions by and distributions to owners</i>			
Issue of new Units			
- Manager's fees paid/payable in Units	5,870	-	5,870
Distributions paid to Unitholders	(69,262)	-	(69,262)
Distributions paid to CPPU Holder	-	(3,751)	(3,751)
Total contributions by and distributions to owners	(63,392)	(3,751)	(67,143)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	6,116	-	6,116
Hedging reserve transferred to statement of total return	327	-	327
Net movement in hedging transactions	6,443	-	6,443
Net assets attributable to owners at 30 September 2018	1,114,014	360,945	1,474,959

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

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)
Total contributions by and distributions to 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

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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	1,206,751	530,765	1,737,516	231,362	1,968,878
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)
Distribution paid to CPPU holder	-	(5,492)	(5,492)	-	(5,492)
Dividends paid	-	-	-	(7,600)	(7,600)
Total contributions by and distributions to 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

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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)
Total contributions by and distributions to 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)
Total contributions by and distributions to 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

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

	3Q 2018 ('000)	3Q 2017 ('000)	YTD Sep 2018 ('000)	YTD Sep 2017 ('000)
Units in issue:				
At the beginning of the period	1,549,496	1,538,596	1,544,013	1,297,832
Issue of new Units relating to:				
- Manager's fees paid in Units	2,840	2,661	8,323	10,143
- Private placement	-	-	-	233,282
At the end of the period	1,552,336	1,541,257	1,552,336	1,541,257
Units to be issued:				
Manager's fee payable in Units	3,256	2,756	3,256	2,756
At the end of the period	1,555,592	1,544,013	1,555,592	1,544,013

On 30 October 2018, OUE C-REIT issued 1,288,438,981 new Units pursuant to the Rights Issue. The new Units rank pari passu with the existing Units in issue and to be issued as at 30 September 2018, including the right to any distributions which may accrue for the financial period from 1 July 2018 to 30 September 2018. Details of the Rights Issue are set out on page 2 of this announcement. Including the new Units, a total of 2,844,030,877 Units is entitled to 3Q 2018 distributions.

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

Except as disclosed in item 5 below, the accounting policies and methods of computation adopted in the preparation of the financial statements for the current report financial period are consistent with those described in the audited financial statements for the financial year ended 31 December 2017.

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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

The Group has adopted new Financial Reporting Standards in Singapore (“FRS”) and interpretation effective for the financial period from 1 January 2018 as follows:

- i. FRS 115 *Revenue from Contracts with Customers*
- ii. FRS 109 *Financial Instruments*

FRS 115 establishes a comprehensive framework for determining whether how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specific criteria are met. FRS 109 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets and new general hedge accounting requirements.

The Group does not expect a significant impact on the financial statements. Accordingly, comparative financial information presented in this set of announcement has not been restated.

6 Earnings per Unit and Distribution per Unit

Earnings per Unit attributable to Unitholders (“EPU”)

	3Q 2018 ⁽¹⁾	3Q 2017	
		As restated ⁽¹⁾	As previously reported
Weighted average number of Units	1,762,717,851	1,750,131,127	1,541,286,770
Basic EPU (cents)	0.63	0.75	0.86
Weighted average number of Units ⁽²⁾	2,290,556,874	2,522,027,188	2,197,996,138
Diluted EPU (cents)	0.53	0.58	0.66

	YTD Sep 2018 ⁽¹⁾	YTD Sep 2017	
		As restated ⁽¹⁾	As previously reported
Weighted average number of Units	1,759,555,457	1,674,338,620	1,474,538,635
Basic EPU (cents)	2.10	2.17	2.47
Weighted average number of Units ⁽²⁾	2,290,556,874	2,449,254,927	2,133,907,841
Diluted EPU (cents)	1.74	1.65	1.90

Footnotes:

- (1) The weighted average number of Units and EPU have been adjusted to reflect the bonus element in the new Units issued pursuant to the Rights Issue on 30 October 2018.
- (2) The weighted average number of Units includes the weighted average potential Units to be issued assuming all the remaining CPPUs were converted at S\$0.7154 per Unit, being the adjusted conversion price on the date of the issue of the Rights Units on 30 October 2018 (“Adjusted Conversion Price”).

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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\$0.841¹ per Unit and will impact the EPU upon conversion.

As at 30 September 2018, a total of 375.0 million CPPUs remain convertible. Assuming that the remaining 375.0 million CPPUs are fully converted, 445,897,741 Units² will be issued. As at 30 September 2017, a total of 550.0 million CPPUs remained convertible, and if fully converted, 653,983,353 Units³ will be issued.

Footnotes:

- (1) The conversion price has been adjusted to S\$0.7154 for each CPPU on 30 October 2018, upon the issue of Rights Units on the same date.
- (2) Assuming the units are converted at a conversion price of S\$0.841 per Unit. The units will be 524,182,276 based on the Adjusted Conversion Price.
- (3) Assuming the units are converted at a conversion price of S\$0.841 per Unit. The units will be 768,800,671 based on the Adjusted Conversion Price.

Distribution per Unit attributable to Unitholders (“DPU”)

	3Q 2018	3Q 2017	
		As restated	As previously reported
No of Units entitled to distribution	2,844,030,877 ⁽¹⁾	2,832,451,766 ⁽²⁾	1,544,012,785 ⁽³⁾
Distribution per Unit (cents)	0.55	0.62 ⁽⁵⁾	1.15

	YTD Sep 2018	YTD Sep 2017	
		As restated	As previously reported
No of Units entitled to distribution	2,844,030,877 ⁽¹⁾	2,832,451,766 ⁽²⁾	1,544,012,785 ⁽³⁾
Distribution per Unit (cents)	2.73 ⁽⁴⁾	3.00 ⁽⁵⁾	3.53

Footnotes:

- (1) Comprises the Units in issue and to be issued as at 30 September 2018 of 1,555,591,896 Units (note 1(d)(ii)) and 1,288,438,981 new Units issued pursuant to the Rights Issue on 30 October 2018.
- (2) The number of Units entitled for distribution have been restated to include the 1,288,438,981 new Units issued pursuant to the Rights Issue on 30 October 2018.
- (3) 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.
- (4) The Rights Units issued on 30 October 2018 rank pari passu in all respects with the existing Units in issue and to be issued as at 30 September 2018, including the right to any distributions which may accrue for the financial period from 1 July 2018 to 30 September 2018. YTD September 2018 DPU is calculated based on actual 1H 2018 DPU, with 3Q 2018 DPU adjusted for the Rights Units. Should 1H 2018 DPU be adjusted for the bonus element in the Rights Units, YTD September 2018 DPU would be 2.47 cents.
- (5) For purpose of comparison, the restated YTD September 2017 DPU is calculated based on 1H 2017 DPU with 3Q 2017 DPU adjusted for the Rights Units. The DPU for 3Q 2017 and YTD September 2017 based on the number of Units entitled to distribution, adjusted for the bonus element in the Rights Units, as of those dates are 1.01 cents and 2.98 cents respectively.

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

	Group		Trust	
	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
No of Units in issue and to be issued at end of period/year	1,555,591,896	1,546,769,007	1,555,591,896	1,546,769,007
Net asset value ("NAV") per Unit (S\$)	0.89	0.91	0.72	0.74
Net tangible asset ("NTA") per Unit (S\$)	0.88	0.91	0.72	0.73

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

Statement of Total Return	3Q 2018 ⁽¹⁾ (S\$'000)	3Q 2017 ⁽²⁾ (S\$'000)	Change (%)	YTD Sep 2018 ⁽¹⁾ (S\$'000)	YTD Sep 2017 ⁽²⁾ (S\$'000)	Change (%)
Revenue	41,205	43,273	(4.8)	128,360	132,303	(3.0)
Property operating expenses	(8,864)	(9,197)	(3.6)	(26,808)	(28,816)	(7.0)
Net property income	32,341	34,076	(5.1)	101,552	103,487	(1.9)
Other income	1,198	878	36.4	3,227	2,309	39.8
Amortisation of intangible asset	(1,113)	(1,113)	-	(3,339)	(3,339)	-
Manager's management fees	(2,458)	(2,409)	2.0	(7,338)	(7,115)	3.1
Trustee's fee	(143)	(140)	2.1	(427)	(415)	2.9
Other expenses	(393)	(483)	(18.6)	(1,339)	(1,416)	(5.4)
Finance income	1,490	1,505	(1.0)	3,008	3,149	(4.5)
Finance costs	(12,660)	(11,925)	6.2	(36,787)	(37,112)	(0.9)
Net finance costs	(11,170)	(10,420)	7.2	(33,779)	(33,963)	(0.5)
Foreign exchange differences	(403)	98	N/M	21	(235)	N/M
Total return for the period before tax	17,859	20,487	(12.8)	58,578	59,313	(1.2)
Tax expense	(4,047)	(4,107)	(1.5)	(13,341)	(13,044)	2.3
Total return for the period	13,812	16,380	(15.7)	45,237	46,269	(2.2)

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 1:4.985 for 3Q 2018 and 1:4.852 for YTD September 2018.
- (2) The prior 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.

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Review of OUE C-REIT Group's performance 3Q 2018 vs 3Q 2017

3Q 2018 net property income of S\$32.3 million was 5.1% lower compared to S\$34.1 million achieved in 3Q 2017. This was due mainly to lower revenue achieved, partially mitigated by lower utilities cost and maintenance expenses in the current reporting period.

Other income was S\$0.3 million higher in 3Q 2018 compared to 3Q 2017, due to higher income support drawdown in relation to OUE Bayfront from the Sponsor.

Net finance cost increased S\$0.8 million year-on-year mainly attributable to higher interest cost of S\$1.4 million, resulting from higher level of borrowings.

Consequently, total return for 3Q 2018 decreased 15.7% to S\$13.8 million, compared to S\$16.4 million in 3Q 2017.

Review of OUE C-REIT Group's performance YTD September 2018 vs YTD September 2017

YTD September 2018 net property income of S\$101.6 million was S\$1.9 million lower than YTD September 2017 resulting from lower results achieved by the Singapore properties. This was partially mitigated by better results achieved by Lippo Plaza, lower utilities cost and maintenance expense.

Other income was S\$0.9 million higher in the current period, due to higher income support drawdown in relation to OUE Bayfront from the Sponsor.

Net finance cost decreased S\$0.2 million year-on-year mainly attributable to net IRS's fair value gain of S\$1.9 million in the current period, as compared to S\$0.2 million fair value loss in the prior period and lower debt establishment cost. Both have no DPU impact. This is partially offset by higher interest cost of S\$3.7 million, which was a result of higher level of borrowings.

Consequently, total return for YTD September 2018 decreased 2.2% to S\$45.2 million, as compared to S\$46.3 million in the prior period.

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

The Singapore economy grew 2.6%⁽¹⁾ YoY in 3Q 2018, easing from 2Q 2018 growth of 4.1% based on advance estimates by the Ministry of Trade and Industry (“MTI”). On a quarter-on-quarter (“QoQ”) seasonally-adjusted basis, the economy grew by a faster pace of 4.7%, compared to the 1.2% QoQ increase in 2Q 2018. The manufacturing sector expanded by 4.5% YoY in 3Q 2018, from 10.6% in the previous quarter, supported by the electronics, biomedical manufacturing and transport engineering clusters. Growth in the services sector maintained at 2.9% YoY for 3Q 2018, driven by expansion in the finance & insurance, business services and wholesale & retail trade sectors. The pace of expansion is expected to moderate for the rest of the year in light of trade tensions between the US and China, as well as tighter global financial conditions. The MTI maintained its 2018 GDP growth forecast of between 2.5% and 3.5%.

According to CBRE, islandwide net absorption for office space in 3Q 2018 strengthened 20% QoQ to 605,077 sq ft on the back of overall stronger leasing activity and the healthy level of pre-commitment at a newly completed decentralised office property. With diversified demand from sectors such as technology, shipping, insurance as well as European and Asia financial institutions, core CBD office occupancy improved 0.5 percentage points (“ppt”) to 94.6%⁽²⁾ as at 3Q 2018. As vacancy continued to tighten, Grade A CBD core office rents grew 3.5% QoQ to S\$10.45 psf per month.

Given the pace of recovery in office market rents in the Singapore CBD, OUE Bayfront continued to achieve positive rental reversions for the lease renewals and rent reviews committed in 3Q 2018. With One Raffles Place achieving flat rent reversions in 3Q 2018 due to the narrowing gap between expiring rents and market rents, the extent of negative reversions in 2018 is expected to be less than that in 2017.

China

China’s economic growth in 3Q 2018 was 6.5%⁽³⁾, slowing from 6.7% in 2Q 2018 and at the weakest pace since 1Q 2009. The official GDP growth target is around 6.5%. Industrial output growth weakened to 5.8% for September, with consumer spending and infrastructure investment also easing, given higher corporate borrowing costs as a result of continued curbs on excessive debt growth. Given the slowdown in the economy, a weaker stock market and the currency under pressure, policymakers are expected to prioritise reducing the risks to growth by easing fiscal and monetary policy.

According to Colliers International, Shanghai CBD Grade A office occupancy edged up 0.3 ppt QoQ to 89.7%⁽⁴⁾ as at 3Q 2018, supported by stable net demand of 123,000 sq m for the quarter. With 119,000 sq m of new office supply in 3Q 2018, mainly located in Pudong, Shanghai CBD Grade A office rents softened 0.1% QoQ to RMB10.35 psm per day as at 3Q 2018. In Puxi, Grade A office occupancy rose 0.8 ppt QoQ to 91.5% as at 3Q 2018, while rents increased 0.6% QoQ to RMB 9.51 psm per day.

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A significant amount of new office supply is expected to enter the Shanghai market over the next few years. Nevertheless, healthy demand from the finance and technology sectors is expected to underpin occupancy as well as rental rates in Shanghai.

(1) Singapore Ministry of Trade and Industry Press Release, 12 October 2018

(2) CBRE, Singapore MarketView 3Q 2018

(3) National Bureau of Statistics of China Press Release, 19 October 2018

(4) Colliers International, Shanghai Office Quarterly 3Q 2018, 20 October 2018

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 2018 to 30 September 2018 to be false or misleading in any material respect.

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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

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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)

8 November 2018