

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**  
**Table of Contents**

<b>Item No.</b>	<b>Description</b>	<b>Page</b>
-	Introduction	2-3
-	Summary of OUE C-REIT Group Results	3
1(a)	Consolidated Statement of Total Return and Distribution Statement	4-6
1(b)(i)	Statements of Financial Position	7-9
1(b)(ii)	Aggregate Amount of Borrowings and Debt Securities for OUE C-REIT Group	10-11
1(c)	Consolidated Statement of Cash Flows	12
1(d)(i)	Statements of Changes in Unitholders' Funds	13-16
1(d)(ii)	Details of Any Changes in Units	16
2 & 3	Audit Statement	16
4 & 5	Changes in Accounting Policies	17
6	Earnings per Unit and Distribution per Unit	17
7	Net Asset Value per Unit and Net Tangible Asset per Unit	18
8	Review of the Performance	18-19
9	Variance between Actual and Forecast Results	19
10	Outlook and Prospects	19-21
11 & 12	Distribution	22
13	General Mandate relating to Interested Person Transactions	22
14	Confirmation pursuant to Rule 705 (5) of the Listing Manual	22
15	Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual	23

## **OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**

### **Unaudited Financial Statements Announcement for the First Quarter 2020**

---

#### **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 (including real estate used primarily for office and/or retail purposes) in financial and business hubs and hospitality and/or hospitality-related purposes, within and outside of Singapore, as well as real estate-related assets.

On 4 September 2019, OUE C-REIT completed its merger with OUE Hospitality Trust (“OUE H-Trust”) (comprising OUE Hospitality Real Estate Investment Trust (“OUE H-REIT”) and OUE Hospitality Business Trust) (the “Merger”) by way of a trust scheme of arrangement (the “Trust Scheme”).

Following the completion of the Merger, OUE H-Trust was delisted from SGX-ST and is now an unlisted sub-trust of OUE C-REIT. OUE H-REIT was renamed OUE Hospitality Sub-Trust (“OUE H-Sub-Trust”). The OUE C-REIT Manager has replaced OUE Hospitality REIT Management Pte. Ltd. as manager of OUE H-Sub-Trust.

OUE C-REIT’s portfolio currently comprises 7 high quality prime 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.
- OUE Downtown Office: The Grade A office space at OUE Downtown, a recently refurbished mixed-used development with Grade A offices, a retail podium and serviced residences located at Shenton Way in Singapore.
- Mandarin Gallery: High-end retail mall with 152-metre frontage situated along Orchard Road, Singapore and is the preferred location for flagship stores of international brands.
- Mandarin Orchard Singapore: A renowned upscale hotel with strong brand recognition and has won numerous internationally recognised awards and accolades. With 1,077 rooms, Mandarin Orchard Singapore is the largest hotel located in the heart of Orchard Road.

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

---

- Crowne Plaza Changi Airport: An airport hotel situated within the vicinity of passenger terminals of Singapore Changi Airport and is connected to Jewel Changi Airport via a pedestrian bridge from Terminal 3. The 563-room hotel is managed by Intercontinental Hotels Group and has been named the World's Best Airport Hotel for 5 consecutive years.

OUE C-REIT's distribution policy is to distribute at least 90% of its taxable income, on a semi-annual basis, with the actual level of distribution to be determined at the Manager's discretion. The Manager will review OUE C-REIT's financial results for 1Q 2020 and 2Q 2020 in totality to determine the actual level of distribution for 1H 2020, taking into consideration the constantly evolving situation of the COVID-19 pandemic and its impact on OUE C-REIT to ensure the portfolio remains resilient during this unprecedented challenging times.

**Summary of OUE C-REIT Group Results**

	<b>1Q 2020 <sup>(1)</sup> (S\$'000)</b>	<b>1Q 2019 <sup>(1)</sup> (S\$'000)</b>	<b>Change (%)</b>
Revenue	77,734	55,335	40.5
Net property income	62,076	43,568	42.5
Amount available for distribution to Unitholders	37,630	26,037	44.5
Distribution to Unitholders	- <sup>(2)</sup>	26,037	NM

NM: not meaningful

Footnotes:

- (1) The results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.993 for 1Q 2020 and 1:4.973 for 1Q 2019.
- (2) OUE C-REIT's distribution policy is to distribute at least 90% of its taxable income, on a semi-annual basis, with the actual level of distribution to be determined at the Manager's discretion. The Manager will review OUE C-REIT's financial results for 1Q 2020 and 2Q 2020 in totality to determine the actual level of distribution for 1H 2020.

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

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

<u>Statement of Total Return</u>	Note	1Q 2020 <sup>(1)</sup> (S\$'000)	1Q 2019 <sup>(1)</sup> (S\$'000)	Change (%)
Revenue		77,734	55,335	40.5
Property operating expenses		(15,658)	(11,767)	33.1
<b>Net property income</b>		62,076	43,568	42.5
Other income	1	3,980	4,993	(20.3)
Amortisation of intangible asset		(1,250)	(1,548)	(19.3)
Manager's management fees	2	(4,923)	(3,164)	55.6
Trustee's fee		(370)	(178)	NM
Other expenses		(805)	(466)	72.7
Finance income		1,483	1,540	(3.7)
Finance cost		(24,112)	(15,578)	54.8
Net finance costs	3	(22,629)	(14,038)	61.2
Foreign exchange differences		603	59	NM
<b>Total return for the period before tax</b>		36,682	29,226	25.5
Tax expense	4	(3,789)	(4,572)	(17.1)
<b>Total return for the period</b>		32,893	24,654	33.4
<b>Attributable to:</b>				
Unitholders and CPPU holder		31,085	22,684	37.0
Non-controlling interests		1,808	1,970	(8.2)
<b>Total return for the period</b>		32,893	24,654	33.4
<b><u>Distribution Statement</u></b>				
Total return for the period attributable to Unitholders and CPPU holder		31,085	22,684	37.0
Less: Amount reserved for distribution to CPPU holder		(932)	(925)	0.8
Distribution adjustments	5	7,477	4,278	74.8
Amount available for distribution for the period		37,630	26,037	44.5
Comprising:				
Taxable income		28,970	16,431	76.3
Tax exempt income		5,316	5,910	(10.1)
Unitholders' contribution		3,344	3,696	(9.5)
		37,630	26,037	44.5

NM: Not meaningful

Footnote:

(1) The results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.993 for 1Q 2020 and 1:4.973 for 1Q 2019.

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

**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 and its subsidiary (the "Sponsor Group") pursuant to the Deed of Income Support dated 9 January 2014 and 1 November 2018 (the "Deeds of Income Support"). The income support for OUE Bayfront expired on 26 January 2019.

**(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 1Q 2020 and 1Q 2019.

**(3) Net finance costs**

Net finance costs comprises the following:

	<b>1Q 2020</b> <b>(S\$'000)</b>	<b>1Q 2019</b> <b>(S\$'000)</b>	<b>Change</b> <b>(%)</b>
<b>Finance income</b>			
Interest income	311	274	13.5
Ineffective portion of changes in fair value of cash flow hedges	1,172	1,266	(7.4)
	<b>1,483</b>	<b>1,540</b>	<b>(3.7)</b>
<b>Finance costs</b>			
Borrowing costs	(19,822)	(14,169)	39.9
Amortisation of debt establishment costs	(1,778)	(1,085)	63.9
Change in fair value of financial derivatives	(2,183)	(204)	NM
Hedging reserve transferred from unitholders' funds	(109)	(120)	(9.2)
Finance expense – lease liabilities	(220)	-	NM
	<b>(24,112)</b>	<b>(15,578)</b>	<b>54.8</b>
<b>Net finance costs</b>	<b>(22,629)</b>	<b>(14,038)</b>	<b>61.2</b>

NM: Not meaningful

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

---

**(4) Tax expense**

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

	<b>1Q 2020 (S\$'000)</b>	<b>1Q 2019 (S\$'000)</b>	<b>Change (%)</b>
Current tax			
- Current period	3,240	3,493	(7.2)
- Under provision in respect of prior year	-	428	NM
Deferred tax			
- Current period	257	330	(22.1)
Withholding tax	292	321	(9.0)
	<b>3,789</b>	<b>4,572</b>	<b>(17.1)</b>

NM: 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, finance expense – lease liabilities and subsidiary's statutory reserves adjustments.

Please refer to Section 8 on Review of the Performance.

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

**(b)(i) Statements of Financial Position**

Note	Group			Trust			
	31 Mar 2020 <sup>(1)</sup> (S\$'000)	31 Dec 2019 <sup>(2)</sup> (S\$'000)	Change (%)	31 Mar 2020 (S\$'000)	31 Dec 2019 (S\$'000)	Change (%)	
<b>Non-current assets</b>							
	252	270	(6.7)	-	-	-	
Plant and equipment							
Investment properties	1	6,805,452	6,770,187	0.5	2,093,336	2,093,000	0.0
Intangible asset	2	17,917	19,167	(6.5)	17,917	19,167	(6.5)
Investments in subsidiaries		-	-	-	2,727,742	2,727,742	-
Financial derivatives	3	69	-	NM	-	-	-
Trade and other receivables		4,197	4,139	1.4	-	-	-
		6,827,887	6,793,763	0.5	4,838,995	4,839,909	(0.0)
<b>Current assets</b>							
Trade and other receivables	4	29,034	35,020	(17.1)	5,488	9,331	(41.2)
Cash and cash equivalents		56,126	59,410	(5.5)	5,330	7,297	(27.0)
		85,160	94,430	(9.8)	10,818	16,628	(34.9)
<b>Total assets</b>		6,913,047	6,888,193	0.4	4,849,813	4,856,537	(0.1)
<b>Non-current liabilities</b>							
Borrowings	5	2,098,096	2,111,638	(0.6)	1,320,963	1,323,261	(0.2)
Trade and other payables		48,746	48,258	1.0	19,592	18,280	7.2
Financial derivatives	3	32,375	14,560	NM	13,276	6,780	95.8
Deferred tax liabilities		92,462	87,928	5.2	-	-	-
Lease liability		24,876	24,657	0.9	-	-	-
		2,296,555	2,287,041	0.4	1,353,831	1,348,321	0.4
<b>Current liabilities</b>							
Borrowings	5	596,992	575,489	3.7	21,000	-	NM
Loan from a subsidiary		-	-	-	149,901	149,844	0.0
Trade and other payables		81,746	77,299	5.8	30,573	29,176	4.8
Financial derivatives	3	5,640	2,751	NM	4,320	2,404	79.7
Current tax liabilities	6	18,989	16,411	15.7	-	-	-
Lease liability		1,000	1,000	-	-	-	-
		704,367	672,950	4.7	205,794	181,424	13.4
<b>Total liabilities</b>		3,000,922	2,959,991	1.4	1,559,625	1,529,745	2.0
<b>Net assets</b>		3,912,125	3,928,202	(0.4)	3,290,188	3,326,792	(1.1)
<b>Represented by:</b>							
Unitholders' funds	7	3,302,151	3,318,417	(0.5)	2,929,256	2,964,902	(1.2)
CPPU holder's funds	8	360,932	361,890	(0.3)	360,932	361,890	(0.3)
Non-controlling interests	9	249,042	247,895	0.5	-	-	-
		3,912,125	3,928,202	(0.4)	3,290,188	3,326,792	(1.1)

NM: Not meaningful

Footnotes:

- (1) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 31 March 2020 are translated using the SGD:CNY rate of 1:4.885.
- (2) The statements of financial position of OUE C-REIT's foreign subsidiaries as at 31 December 2019 are translated using the SGD:CNY rate of 1:5.171.

**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 2019, with additions made in 2020. The increase was due largely to appreciation of the CNY against the SGD between 31 December 2019 and 31 March 2020.

**(2) Intangible asset**

Intangible asset represents the unamortised income support receivable by OUE C-REIT from the Sponsor Group pursuant to the Deeds of Income Support relating to OUE Downtown Office.

**(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 2019 to 31 March 2020 was due to net changes in the fair value of the IRS during the period.

**(4) Trade and other receivables – Current**

At the Group level, trade and other receivables decreased compared to 31 December 2019. This is mainly due to decrease in trade receivables as a result of lower revenue from the hospitality segment and lower income support receivable for OUE Downtown Office.

At the Trust level, the decrease was mainly due to lower income support receivable for OUE Downtown Office.

**(5) Borrowings – Non-current and Current**

The Group’s and Trust’s total borrowings increased slightly as compared to 31 December 2019 mainly due to additional loan drawdowns.

**(6) Current tax liabilities**

The increase in current tax liabilities is mainly due to tax provision for 1Q 2020.



**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

---

**(7) Unitholders' funds**

The decrease in unitholders' funds is mainly due to distribution paid to Unitholders in March 2020 and net movement in the fair value reserve of IRS as at 31 March 2020. This is offset partially by profits for the financial period, new Units issued for base fees payable in Units, and the appreciation of the CNY against the SGD from 31 December 2019 to 31 March 2020.

**(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 had been redeemed, with a balance of 375.0 million CPPUs remain outstanding as at 31 March 2020.

**(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.

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

**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.

	<b>31 Mar 2020<sup>(1)</sup></b> <b>(S\$'000)</b>	<b>31 Dec 2019<sup>(2)</sup></b> <b>(S\$'000)</b>
<b>Secured borrowings</b>		
Amount repayable within one year, or on demand	426,091	425,645
Amount repayable after one year	1,140,703	1,139,563
Total secured borrowings	1,566,794	1,565,208
<b>Unsecured borrowings</b>		
Amount repayable within one year, or on demand	170,901	149,844
Amount repayable after one year	957,393	972,075
Total unsecured borrowings	1,128,294	1,121,919
Total borrowings <sup>(3)</sup>	2,695,088	2,687,127

OUE C-REIT Group's aggregate leverage was 40.2% as at 31 March 2020. The interest coverage ratio stood at 2.9 times<sup>(4)</sup> at of 31 March 2020.

Footnotes:

(1) The borrowings of OUE C-REIT's foreign subsidiaries as at 31 March 2020 are translated using the SGD:CNY rate of 1:4.885.

(2) The borrowings of OUE C-REIT's foreign subsidiaries as at 31 December 2019 are translated using the SGD:CNY rate of 1:5.171.

(3) The borrowings are net of unamortised balance of transaction costs.

(4) Interest coverage ratio is calculated based on guidance under Monetary Authority of Singapore's Code on Collective Investment Schemes, Property Funds Appendix 6 (last revised on 16 April 2020).

Details of any collaterals

The Group secured borrowings are collateralised by:-

- investment properties with a total carrying amount of S\$3,507.5 million;
- assignment of insurance policies on the above investment properties, except public liability insurance;
- 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 any master lease, entered into by OUE H-Sub-Trust and lease or tenancy deposits/proceeds in connection with such master lease in respect of Mandarin Orchard Singapore;
- 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, Mandarin Orchard Singapore and Mandarin Gallery; and
- the account control or charge over certain bank accounts of the Trust and certain subsidiary.

Unsecured Medium Term Notes

In April 2014, OUE H-Sub-Trust, through its wholly-owned subsidiary, established a US\$1.0 billion Guaranteed Euro Medium Term Note Programme (“EMTN Programme”). Under the EMTN Programme, OUE H-Sub-Trust, through its subsidiary, may from time to time issue the notes in series or tranches. As at 31 March 2020, no notes have been issued under the EMTN Programme.

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

In March 2020, OUE C-REIT, through its wholly-owned subsidiary, established a S\$2.0 billion Multicurrency Debt Issuance Programme (the “2020 Programme”). Under the 2020 Programme, OUE C-REIT may from time to time issue notes and perpetual securities in series or tranches. As at 31 March 2020, no notes have been issued under the 2020 Programme.

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

**1 (c) Consolidated Statement of Cash Flows**

Note	1Q 2020 (S\$'000)	1Q 2019 (S\$'000)
<b>Cash flows from operating activities</b>		
Total return for the period	32,893	24,654
Adjustments for:		
Amortisation of intangible asset	1,250	1,548
Depreciation of plant and equipment	27	46
Manager's fees paid/payable in Units	3,939	2,531
Finance costs	24,112	15,578
Finance income	(1,483)	(1,540)
Tax expense	3,789	4,572
Operating income before working capital changes	64,527	47,389
Changes in working capital:		
Trade and other receivables	5,978	(1,090)
Trade and other payables	5,239	5,283
<b>Cash generated from operating activities</b>	75,744	51,582
Tax paid	(1,398)	(1,171)
<b>Net cash from operating activities</b>	74,346	50,411
<b>Cash flow from investing activities</b>		
Additions to plant and equipment	(1)	(2)
Payment for capital expenditure on investment properties	(3,054)	(5,082)
Interest received	311	266
<b>Net cash used in investing activities</b>	(2,744)	(4,818)
<b>Cash flows from financing activities</b>		
Distribution paid to Unitholders	(58,663)	(37,081)
Distributions paid to CPPU holder	(1,890)	(1,890)
Interest paid	(21,447)	(14,712)
Proceeds from borrowings	27,000	32,480
Repayment of borrowings	(22,202)	(24,005)
<b>Net cash used in financing activities</b>	(77,202)	(45,208)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(5,600)	385
Cash and cash equivalents at beginning of the period	59,410	37,074
Effect of exchange rate fluctuations on cash held	2,316	285
<b>Cash and cash equivalents at end of the period</b>	56,126	37,744
1		

**Notes to Consolidated Statement of Cash Flows:**

- (1) For purpose of the Consolidated Statement of Cash Flows, the Group's cash and cash equivalents comprise the following:

	31 Mar 2020 (S\$'000)	31 Mar 2019 (S\$'000)
Bank and cash balances	14,433	32,815
Short-term deposits	41,693	4,929
Cash and cash equivalents	56,126	37,744

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

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

<b>Group 1Q 2020</b>	<b>Unitholders (S\$'000)</b>	<b>CPPU holder (S\$'000)</b>	<b>Total (S\$'000)</b>	<b>Non- controlling interests (S\$'000)</b>	<b>Total (S\$'000)</b>
<b>Net assets attributable to owners at 1 January 2020</b>	3,318,417	361,890	3,680,307	247,895	3,928,202
<b>Operations</b>					
Total return for the period	31,085	-	31,085	1,808	32,893
Less: Amount reserved for distribution to CPPU holder	(932)	932	-	-	-
<b>Net increase in net assets resulting from operations</b>	30,153	932	31,085	1,808	32,893
<b>Transactions with owners</b>					
<b><i>Contributions by and distributions to owners</i></b>					
Issue of new Units					
- Manager's fees paid/payable in Units	3,939	-	3,939	-	3,939
Distribution paid to Unitholders	(59,317)	-	(59,317)	-	(59,317)
Distribution paid to CPPU holder	-	(1,890)	(1,890)	-	(1,890)
<b>Total contributions by and distributions to owners</b>	(55,378)	(1,890)	(57,268)	-	(57,268)
<b>Movement in foreign currency translation reserve</b>	27,814	-	27,814	-	27,814
<b>Hedging transactions</b>					
Effective portion of change in fair value of cash flow hedges	(20,367)	-	(20,367)	(717)	(21,084)
Hedging reserve transferred to statement of total return	1,512	-	1,512	56	1,568
<b>Net movement in hedging transactions</b>	(18,855)	-	(18,855)	(661)	(19,516)
<b>Net assets attributable to owners at 31 March 2020</b>	3,302,151	360,932	3,663,083	249,042	3,912,125

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

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

<b>Trust 1Q 2020</b>	<b>Unitholders (S\$'000)</b>	<b>CPPU holder (S\$'000)</b>	<b>Total (S\$'000)</b>
<b>Net assets attributable to owners at 1 January 2020</b>	2,964,902	361,890	3,326,792
<b>Operations</b>			
Total return for the period	29,700	-	29,700
Less: Amount reserved for distribution to CPPU holder	(932)	932	-
<b>Net increase in net assets resulting from operations</b>	<b>28,768</b>	<b>932</b>	<b>29,700</b>
<b>Transactions with owners</b>			
<b><i>Contributions by and distributions to owners</i></b>			
Issue of new Units			
- Manager's fees paid/payable in Units	3,939	-	3,939
Distribution paid to Unitholders	(59,317)	-	(59,317)
Distribution paid to CPPU Holder	-	(1,890)	(1,890)
<b>Net decrease in net assets resulting from transactions with owners</b>	<b>(55,378)</b>	<b>(1,890)</b>	<b>(57,268)</b>
<b>Hedging transactions</b>			
Effective portion of change in fair value of cash flow hedges	(9,853)	-	(9,853)
Hedging reserve transferred to statement of total return	817	-	817
<b>Net movement in hedging transactions</b>	<b>(9,036)</b>	<b>-</b>	<b>(9,036)</b>
<b>Net assets attributable to owners at 31 March 2020</b>	<b>2,929,256</b>	<b>360,932</b>	<b>3,290,188</b>

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

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

<b>Group</b>	<b>Unitholders</b>	<b>CPPU</b>	<b>Total</b>	<b>Non-</b>	<b>Total</b>
<b>1Q 2019</b>	<b>(S\$'000)</b>	<b>holder</b>	<b>(S\$'000)</b>	<b>controlling</b>	<b>(S\$'000)</b>
		<b>(S\$'000)</b>		<b>interests</b>	
			<b>(S\$'000)</b>	<b>(S\$'000)</b>	<b>(S\$'000)</b>
<b>Net assets attributable to owners at 1 January 2019</b>	2,038,092	361,890	2,399,982	240,743	2,640,725
<b>Operations</b>					
Total return for the period	22,684	-	22,684	1,970	24,654
Less: Amount reserved for distribution to CPPU holder	(925)	925	-	-	-
<b>Net increase in net assets resulting from operations</b>	<b>21,759</b>	<b>925</b>	<b>22,684</b>	<b>1,970</b>	<b>24,654</b>
<b>Transactions with owners</b>					
<b>Contributions by and distributions to owners</b>					
Issue of new Units					
- Manager's fees paid/payable in Units	2,531	-	2,531	-	2,531
Distribution paid to Unitholders	(37,081)	-	(37,081)	-	(37,081)
Distribution paid to CPPU holder	-	(1,890)	(1,890)	-	(1,890)
<b>Total contributions by and distributions to owners</b>	<b>(34,550)</b>	<b>(1,890)</b>	<b>(36,440)</b>	<b>-</b>	<b>(36,440)</b>
<b>Movement in foreign currency translation reserve</b>	<b>5,673</b>	<b>-</b>	<b>5,673</b>	<b>-</b>	<b>5,673</b>
<b>Hedging transactions</b>					
Effective portion of change in fair value of cash flow hedges	1,270	-	1,270	21	1,291
Hedging reserve transferred to statement of total return	(275)	-	(275)	(19)	(294)
<b>Net movement in hedging transactions</b>	<b>995</b>	<b>-</b>	<b>995</b>	<b>2</b>	<b>997</b>
<b>Net assets attributable to owners at 31 March 2019</b>	<b>2,031,969</b>	<b>360,925</b>	<b>2,392,894</b>	<b>242,715</b>	<b>2,635,609</b>

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

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

Trust 1Q 2019	Unitholders (S\$'000)	CPPU holder (S\$'000)	Total (S\$'000)
<b>Net assets attributable to owners at 1 January 2019</b>	1,724,337	361,890	2,086,227
<b>Operations</b>			
Total return for the period	9,100	-	9,100
Less: Amount reserved for distribution to CPPU holder	(925)	925	-
<b>Net increase in net assets resulting from operations</b>	8,175	925	9,100
<b>Transactions with owners</b>			
<b>Contributions by and distributions to owners</b>			
Issue of new Units			
- Manager's fees paid/payable in Units	2,531	-	2,531
Distribution paid to Unitholders	(37,081)	-	(37,081)
Distribution paid to CPPU Holder	-	(1,890)	(1,890)
<b>Net decrease in net assets resulting from transactions with owners</b>	(34,550)	(1,890)	(36,440)
<b>Hedging transactions</b>			
Effective portion of change in fair value of cash flow hedges	1,168	-	1,168
Hedging reserve transferred to statement of total return	(180)	-	(180)
<b>Net movement in hedging transactions</b>	988	-	988
<b>Net assets attributable to owners at 31 March 2019</b>	1,698,950	360,925	2,059,875

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

	1Q 2020 ( '000)	1Q 2019 ( '000)
<b>Units in issue:</b>		
At the beginning of the period	5,385,398	2,855,978
Issue of new Units relating to:		
- Manager's fees paid in Units	7,061	5,611
At the end of the period	5,392,459	2,861,589
<b>Units to be issued:</b>		
Manager's fee payable in Units	12,425	4,996
At the end of the period	5,404,884	2,866,585

**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.



**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

**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 financial period are consistent with those described in the audited financial statements for the financial year ended 31 December 2019.

**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.

**6 Earnings per Unit and Distribution per Unit**

**Earnings per Unit attributable to Unitholders ("EPU")**

	<b>1Q 2020</b>	<b>1Q 2019</b>
Weighted average number of Units	5,392,595,902	2,861,644,574
Basic EPU (cents)	0.56	0.76
Weighted average number of Units <sup>(1)</sup>	5,929,066,714	3,390,767,681
Diluted EPU (cents)	0.52	0.67

Footnotes:

(1) The weighted average number of Units includes the weighted average new Units to be issued assuming all the remaining CPPUs were converted at the conversion price of S\$0.7154 per Unit

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\$0.7154 per Unit and will impact the EPU upon conversion.

As at 31 March 2020, a total of 375.0 million CPPUs remain convertible. Assuming that these CPPUs are fully converted, 524,182,276 new Units will be issued.

**Distribution per Unit attributable to Unitholders ("DPU")**

	<b>1Q 2020</b>	<b>1Q 2019</b>
No of Units entitled to distribution	5,404,884,438 <sup>(1)</sup>	2,866,585,405 <sup>(2)</sup>
Distribution per Unit (cents)	- <sup>(3)</sup>	0.90

Footnotes:

- (1) Comprises the Units in issue as at 31 March 2020 of 5,392,459,363 and Units to be issued to the Manager as satisfaction of Manager's base fee payable for 1Q 2020 of 12,425,075.
- (2) Comprises the Units in issue as at 31 March 2019 of 2,861,589,059 and Units to be issued to the Manager as satisfaction of Manager's base fee payable for 1Q 2019 of 4,996,346.
- (3) OUE C-REIT's distribution policy is to distribute at least 90% of its taxable income, on a semi-annual basis, with the actual level of distribution to be determined at the Manager's discretion. The Manager will review OUE C-REIT's financial results for 1Q 2020 and 2Q 2020 in totality to determine the actual level of distribution for 1H 2020.

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

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

	Group		Trust	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
No of Units in issue and to be issued at end of period/year	5,404,884,438	5,392,459,363	5,404,884,438	5,392,459,363
Net asset value ("NAV") per Unit (S\$)	0.61	0.62	0.54	0.55
Net tangible asset ("NTA") per Unit (S\$)	0.61	0.61	0.54	0.55

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**

<b>Statement of Total Return</b>	<b>1Q 2020 <sup>(1)</sup> (S\$'000)</b>	<b>1Q 2019 <sup>(1)</sup> (S\$'000)</b>	<b>Change (%)</b>
Revenue	77,734	55,335	40.5
- Commercial <sup>(2)</sup>	60,859	55,335	10.0
- Hospitality <sup>(3)</sup>	16,875	-	NM
Property operating expenses	(15,658)	(11,767)	33.1
- Commercial <sup>(2)</sup>	(13,757)	(11,767)	16.9
- Hospitality <sup>(3)</sup>	(1,901)	-	NM
<b>Net property income</b>	<b>62,076</b>	<b>43,568</b>	<b>42.5</b>
- Commercial <sup>(2)</sup>	47,102	43,568	8.1
- Hospitality <sup>(3)</sup>	14,974	-	NM
Other income	3,980	4,993	(20.3)
Amortisation of intangible asset	(1,250)	(1,548)	(19.3)
Manager's management fees	(4,923)	(3,164)	55.6
Trustee's fee	(370)	(178)	NM
Other expenses	(805)	(466)	72.7
Finance income	1,483	1,540	(3.7)
Finance costs	(24,112)	(15,578)	54.8
Net finance costs	(22,629)	(14,038)	61.2
Foreign exchange differences	603	59	NM
<b>Total return for the period before tax</b>	<b>36,682</b>	<b>29,226</b>	<b>25.5</b>
Tax expense	(3,789)	(4,572)	(17.1)
<b>Total return for the period</b>	<b>32,893</b>	<b>24,654</b>	<b>33.4</b>

NM: Not meaningful

Footnotes:

- (1) The results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.993 for 1Q 2020 and 1:4.973 for 1Q 2019.
- (2) Commercial comprised One Raffles Place, OUE Bayfront, Lippo Plaza, OUE Downtown Office and Mandarin Gallery.
- (3) Hospitality comprised Mandarin Orchard Singapore and Crowne Plaza Changi Airport.

### **Review of OUE C-REIT Group's performance 1Q 2020 vs 1Q 2019**

1Q 2020 revenue of S\$77.7 million and net property income of S\$62.1 million were 40.5% and 42.5% respectively higher compared to that achieved in 1Q 2019. The Commercial segment recorded higher revenue and net property income mainly due to the inclusion of income from Mandarin Gallery upon completion of the Merger in September 2019. Revenue and net property income from the Hospitality segment was contributed by Mandarin Orchard Singapore and Crowne Plaza Changi Airport upon completion of the Merger in September 2019.

The Merger also resulted in higher manager's management fees, trustee fee and other expenses.

Other income for current quarter decreased to S\$4.0 million as there was a decrease in income support in relation to OUE Downtown Office and income support in relation to OUE Bayfront expired in January 2019.

Net finance cost increased S\$8.6 million mainly attributable to higher interest cost of S\$5.6 million and change in fair value of financial derivatives of S\$2.0 million, resulting from inclusion of OUE H-Trust's finance costs and higher level of borrowings (including loan drawdown for the Merger).

Total return recorded for 1Q 2020 was S\$32.9 million, higher than the total return of S\$24.7 million in 1Q 2019.

### **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

Based on advance estimates by the Ministry of Trade and Industry ("MTI"), Singapore's economy contracted by 2.2% in 1Q 2020, against the 1.0% growth in the previous quarter<sup>(1)</sup>. On a quarter-on-quarter ("QoQ") seasonally-adjusted annualised basis, the economy shrank by 10.6%, a sharp pullback from the 0.6% QoQ growth in the previous quarter. The manufacturing sector continued to contract in 1Q 2020, albeit at a slower pace of 0.5% on a year-on-year ("YoY") basis as compared to the 2.3% contraction in 4Q 2019. Growth in the services sector declined by 3.1% YoY in 1Q 2020, a reversal of the 1.5% growth in 4Q 2019. The official growth forecast was downgraded twice, in February and in March, in consideration of the rapidly evolving COVID-19 situation and the resultant sharp deterioration in the external and domestic economic environment. MTI's 2020 GDP growth is projected to be between -4.0% and -1.0%.

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

---

According to CBRE, against the backdrop of limited vacancy and net absorption of 193,509 sq ft, core CBD Grade A occupancy tightened 1.5 percentage points (“ppt”) QoQ in 1Q 2020 to 97.6%<sup>(2)</sup>. After 10 straight quarters of rental growth, core CBD Grade A office rents slipped 0.4% QoQ to S\$11.50 psf per month. While the supply of new Grade A office space in the medium-term is limited, both occupancy and office rents are expected to come under pressure, in view of business uncertainty in the current economic climate and concerns over the back-filling of secondary vacancy in office buildings. OUE C-REIT’s Singapore office portfolio contributed approximately 53.1% to 1Q 2020 revenue. OUE C-REIT’s portfolio of high-quality and strategically located office properties are expected to continue to achieve committed rents which are in line with or above market rents. As expiring rents are below current market rents, operating performance is expected to remain resilient.

For the first three months of 2020, international visitor arrivals to Singapore decreased by 43.3% to 2.7 million compared to the same period a year ago<sup>(3)</sup>. The Singapore Tourism Board has projected a decline of 25-30% in tourist arrivals for 2020<sup>(4)</sup>. The decrease was due to the travel restrictions on inbound travellers imposed since the end of January to stem the spread of COVID-19. To mitigate the decline in tourism demand, OUE C-REIT’s hotel properties have sought alternative sources of demand including guests on self-isolation as well as workers affected by border shutdowns. The hotel properties have also implemented various cost containment measures to mitigate the decline in performance. The Singapore Government’s assistance packages such as wage and tax reliefs have also provided some support. Overall, the minimum rent component of S\$67.5 million per annum under the master lease arrangements of OUE C-REIT’s hotel portfolio provides downside protection. For 1Q 2020, the hotel segment contributed 21.7% to revenue.

OUE C-REIT’s Singapore retail portfolio, which contributed approximately 17.1% to 1Q 2020 revenue, has been impacted by the decline in tourist demand and safe-distancing measures in place due to COVID-19. In Singapore, the “circuit breaker” announced by the Government ordering all non-essential trades to close temporarily, initially from 7 April 2020 until 4 May 2020, and subsequently extended until 1 June 2020, will continue to impact on retail tenants’ operations. Prime retail rents in Orchard Road edged down a modest 0.2% QoQ in 1Q 2020 to S\$31.65 psf per month<sup>(2)</sup>. Given the significant business disruption brought about by COVID-19, the retail operating environment is expected to remain challenging.

## China

Due to drastic measures including the total lockdown of entire cities to contain the COVID-19 pandemic, China's economy contracted for the first time in nearly three decades. China's GDP contracted by 6.8% in 1Q 2020<sup>(5)</sup>, a reversal from the 6.0% growth in 4Q 2019. While industrial output fell by a less-than-expected 1.1% YoY, retail sales and fixed asset investments fell by 15.8% and 16.1% YoY respectively in March. While monetary policy has been loosened to support the economy, the easing so far has been more measured than during the global financial crisis. Additional fiscal stimulus to spur infrastructure investment and consumption is expected, but prospects remain uncertain as long as global economic activity remains disrupted due to uncontrolled contagion.

According to Colliers International, office leasing momentum in the Shanghai CBD Grade A market slowed in 1Q 2020, with negative take-up of 12,600 sq m due to economic uncertainties posed by the COVID-19 pandemic. Coupled with new office supply of 167,000 sq m entering the market, CBD Grade A occupancy declined 2.2 ppt QoQ to 85.4%. Due to intense leasing competition, rents corrected 4.2% QoQ to RMB9.68 psm per day<sup>(6)</sup>. Given the significant office supply pipeline which only peaks after 2021, the rental outlook is expected to remain subdued in the near term. At Lippo Plaza, which contributed 8.1% to OUE C-REIT's 1Q 2020 revenue of which the office component accounted for about 80% of the property's revenue, the Manager's priority is to retain tenants and maintain occupancy.

In support of tenants during this challenging period where businesses have been disrupted due to the COVID-19 pandemic, OUE C-REIT has passed on in full the property tax rebates announced by the Singapore Government to all tenants, as well as provided additional relief measures and assistance schemes to tenants across its portfolio of properties. The Manager will continue to monitor the situation closely, and is prepared to introduce further initiatives to support OUE C-REIT's tenants as required.

As the COVID-19 situation is fluid and still evolving, the full impact on OUE C-REIT depends on several factors including the duration of the pandemic, potential for further extension of the circuit breaker or other movement control orders, as well as the trajectory of recovery when the pandemic is under control. The Manager will continue to focus its efforts on proactive asset management, and manage our capital prudently to maintain financial flexibility, so as to preserve sustainable long term returns for Unitholders.

<sup>(1)</sup> Singapore Ministry of Trade and Industry Press Release, 26 March 2020

<sup>(2)</sup> CBRE, Singapore MarketView 1Q 2020

<sup>(3)</sup> Singapore Tourism Board, International Visitor Arrivals Statistics, 15 April 2020

<sup>(4)</sup> Singapore Tourism Board Press Release, 11 February 2020

<sup>(5)</sup> National Bureau of Statistics of China Press Release, 17 April 2020

<sup>(6)</sup> Colliers International, Shanghai Office Property Market Overview, 1Q 2020

**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 2020 to 31 March 2020 to be false or misleading in any material respect.

**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

Lee Yi Shyan

Chairman and Non-Executive Director

Tan Shu Lin

Chief Executive Officer and Executive Director

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Unaudited Financial Statements Announcement for the First Quarter 2020**

---

*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

Jackie Thia  
Company Secretary

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

5 May 2020