

ONWARD

Strength in Commitment



Important Notice

This presentation should be read in conjunction with the announcements released by OUE Commercial REIT (“OUE C-REIT”) on 28 January 2021 (in relation to its Financial Results for Second Half 2020 and Financial Year ended 31 December 2020).

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Investors should note that they will have no right to request the Manager to redeem their Units while the Units are listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The information and opinions contained in this presentation are subject to change without notice.

Agenda

- Overview
- Key Highlights
- Financial Summary and Capital Management
- Commercial Segment
- Hospitality Segment
- Looking Ahead

Overview



Overview of OUE C-REIT

One of the
Largest Diversified
SGX-listed REITs

Total Assets
S\$6.8 billion⁽¹⁾

7 High quality prime assets
6 properties in Singapore and 1 property in Shanghai



OUE Bayfront



One Raffles Place



OUE Downtown Office



Lippo Plaza



Mandarin Gallery



Mandarin Orchard Singapore



Crowne Plaza Changi Airport

Strong Support
OUE Group
48.0% stake⁽¹⁾

More than
in net lettable area **2.0** mil sq ft
1,640 upscale
hotel rooms



Investment Mandate
✓ Commercial
✓ Hospitality / Hospitality-related

Quality Portfolio

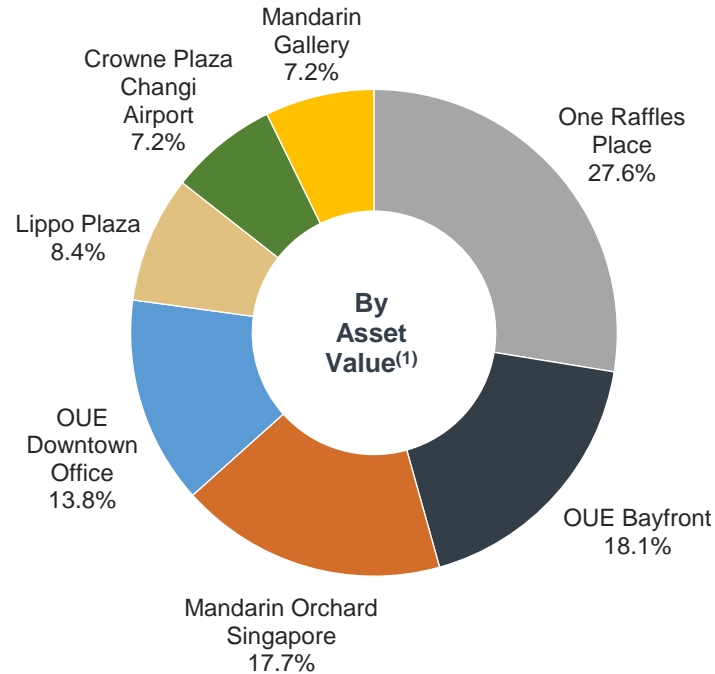
Strategically Located Assets in Prime Business Districts

Singapore			Shanghai
OUE Bayfront	One Raffles Place	OUE Downtown Office	Lippo Plaza
			
<ul style="list-style-type: none">Commercial assets situated in the three key office submarkets in Singapore of Marina Bay, Raffles Place and Shenton Way, where medium term supply is limitedDelivered resilient performance in a challenging operating environment, underpinning OUE C-REIT's revenue contribution			<ul style="list-style-type: none">Benefits from Shanghai's dominant position as a major financial and service hub in China
Mandarin Gallery	Mandarin Orchard Singapore	Crowne Plaza Changi Airport	
			
<ul style="list-style-type: none">Strategically located assets along the prime Orchard Road belt and within the Changi Airport vicinity are well-positioned to benefit from the authorities' focus on Singapore as a key business and leisure destinationHospitality assets to benefit from continued investment in tourism infrastructure across the city, as well as government support for the sector			
<div>Legend</div> <div><div></div> Commercial (Office and/or retail)</div> <div><div></div> Hospitality</div>			

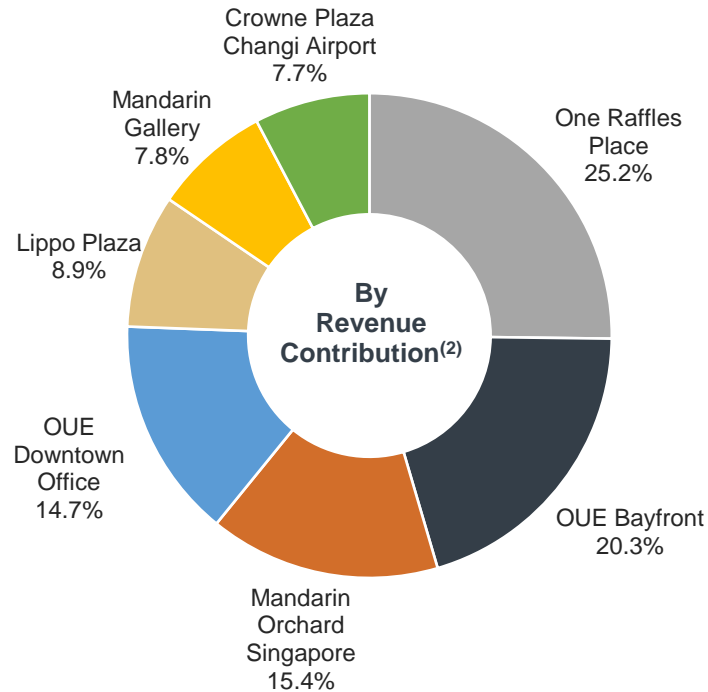
Legend

-  Commercial (Office and/or retail)
-  Hospitality

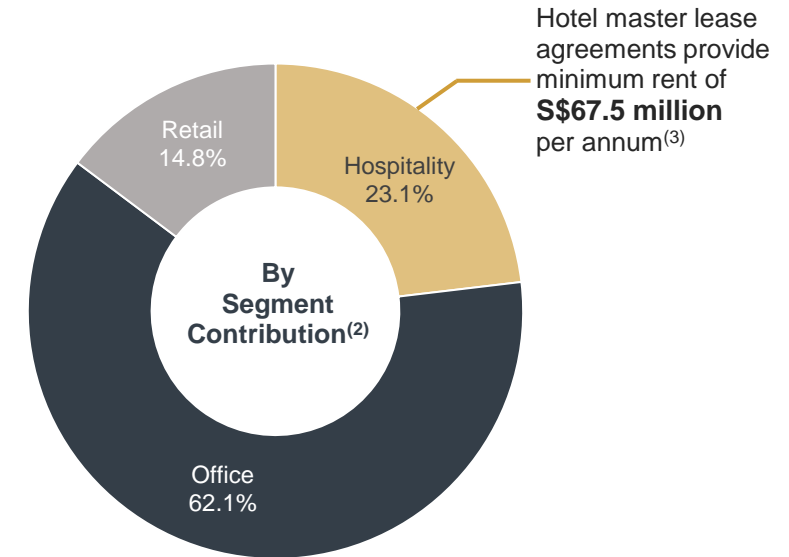
Portfolio Composition



- 91.6% of assets under management in Singapore



- No single asset contributes more than 25.2% to total revenue



- 62.1% of FY 2020 revenue underpinned by the resilient office segment

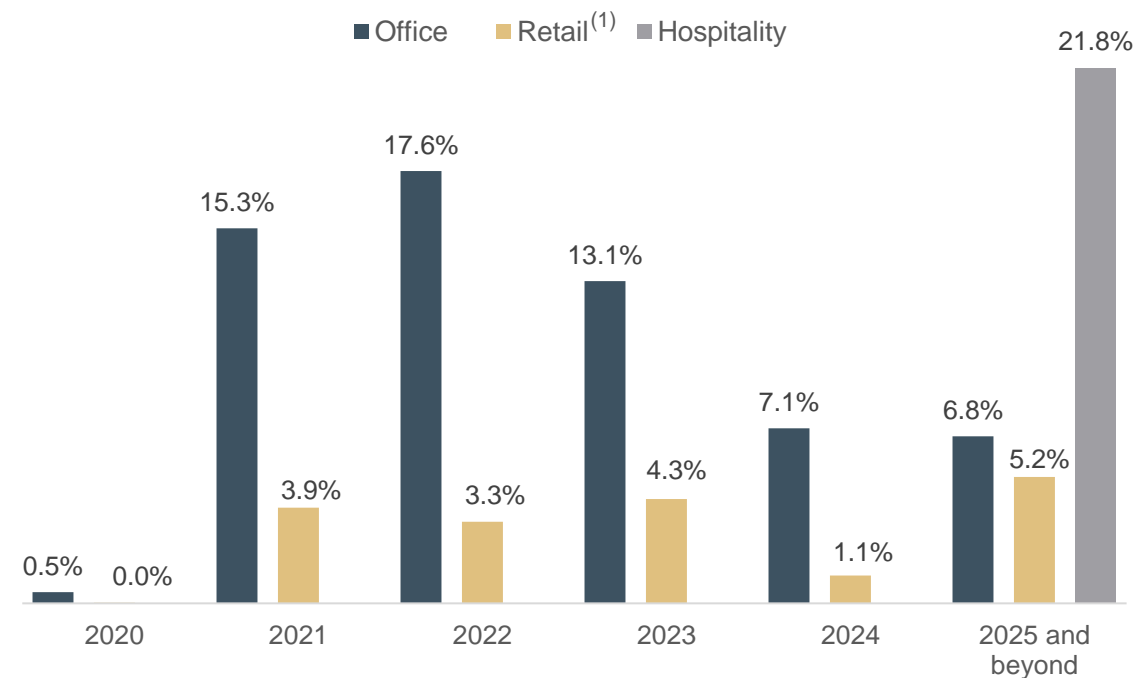
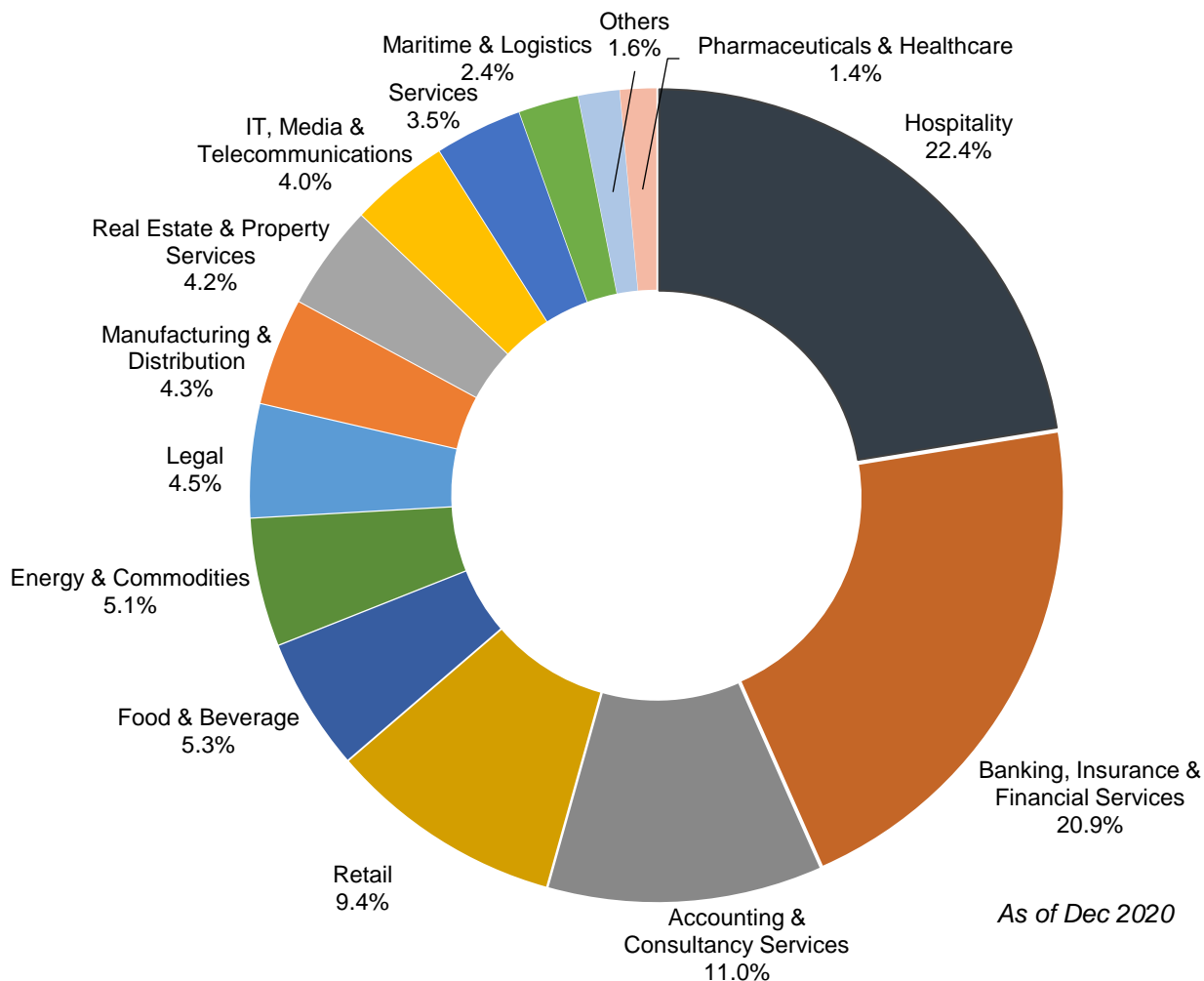
Commercial segment comprises the office and/or retail contribution from OUE Bayfront, One Raffles Place (67.95% effective interest), OUE Downtown Office, Lippo Plaza (91.2% strata interest) and Mandarin Gallery

(1) Based on independent valuations as at 31 December 2020 and SGD:CNY exchange rate of 1:4.912 as at 31 December 2020

(2) For FY 2020

(3) Mandarin Orchard Singapore and Crowne Plaza Changi Airport's master lease agreements are subject to a minimum rent of S\$45.0 million and S\$22.5 million per annum respectively, totalling S\$67.5 million per annum

Tenant Base and Lease Expiry Profile – All Segments



WALE⁽²⁾ of 3.4 years by Gross Rental Income

As at 31 Dec 2020

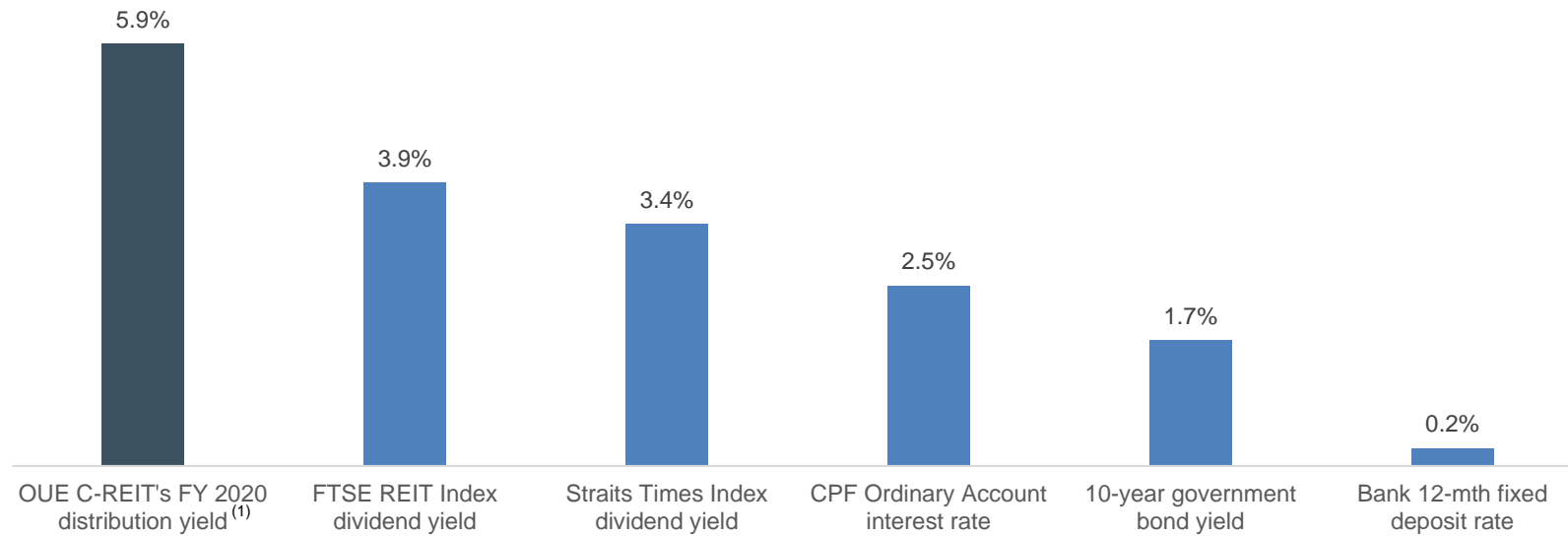
Note: Tenant by trade sector is based on gross rental income excluding any provisions of rental rebates

(1) Refers to contribution from Mandarin Gallery and all other retail components within OUE C-REIT's portfolio

(2) "WALE" refers to the weighted average lease term to expiry. Based on committed tenancies and excludes turnover rent

Distribution Yield

OUE C-REIT's distribution yield is 412 bps above the 10-year government bond yield



As at 31 Mar 2021

Source: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities

(1) OUE C-REIT's distribution yield based on FY 2020 distribution per unit of 2.43 cents and Unit closing price as at 20 April 2021 of S\$0.415

Key Highlights



Key Highlights

FY 2020 Financial Highlights

Net Property Income	Distribution to Unitholders	Distribution per Unit	NAV per Unit (as at 31 Dec 2020)
S\$231.9m	S\$132.8m	2.43 cents	S\$0.59
FY 2019: S\$205.0 m	FY 2019: S\$123.2 m	FY 2019: 3.31 cents	As at 31 Dec 2019: S\$0.62

FY 2020 Portfolio Performance

Commercial Segment⁽¹⁾
Committed Occupancy

92.5%

Singapore Office
FY 2020 Rental Reversions

5.3% - 20.1%

Portfolio WALE
by Gross Rental Income

3.4 years

Capital Management as at 31 Dec 2020

Aggregate Leverage	Weighted Average Cost of Debt	Average Term of Debt	S\$1.0bn new facilities ⁽²⁾ obtained to refinance debt maturing in 2020 and 2021
41.2%	3.0%	2.3 years	
4Q 2019: 40.3%	4Q 2019: 3.4%	4Q 2019: 2.2 years	

(1) Commercial segment comprises OUE Bayfront, One Raffles Place (67.95% effective interest), office components of OUE Downtown ("OUE Downtown Office"), Lippo Plaza (91.2% strata interest) and Mandarin Gallery

(2) Comprising S\$100 million of medium term notes and S\$900 million facilities. The S\$900 million facilities were upsized to S\$978 million upon exercise of greenshoe option as announced on 23 March 2021

Divestment of 50% Interest in OUE Bayfront to Fund Managed by Allianz Real Estate



- Divestment completed on 31 March 2021
- Agreed value of S\$1,267.5 million or S\$3,170 per sq ft represents
 - 7.3% premium over book value
 - 26.1% premium over purchase consideration in 2014
- Estimated net divestment proceeds of S\$262.6 million



Active portfolio management of assets that have optimised performance to enhance value for Unitholders



Realise value of capital appreciation while maintaining 50% stake in premium Grade A office building and exposure to Singapore office market



Opportunity to optimise capital structure and increase financial flexibility

Financial Performance & Capital Management



FY 2020 Financial Performance

	FY 2020 (S\$m)	FY 2019 (S\$m)	YoY Change (%)
Revenue	292.0	257.3	13.5
Net property income	231.9	205.0	13.1
Amount available for distribution	143.8	124.7	15.3
Ongoing working capital requirements	(6.0)	(1.5)	NM
Distribution retained	(5.0)	-	NM
Distribution to Unitholders	132.8	123.2	7.8
Distribution per Unit (cents)	2.43	3.31	(26.6)

- Net property income in FY 2020 of S\$231.9 million was 13.1% higher year-on-year (“YoY”) due to contribution from the merger with OUE Hospitality Trust (“Merger”) which completed in September 2019. The increase was partially offset by rental rebates of approximately S\$18.3 million to tenants.
- In view of uncertainties posed by the COVID-19 situation and to preserve financial flexibility, OUE C-REIT has retained S\$11.0 million of capital distribution in FY 2020, of which S\$6.0 million pertains to ongoing working capital requirements relating to the hotel segment.
- Consequently, FY 2020 amount to be distributed was S\$132.8 million, 7.8% higher YoY. FY 2020 DPU was 2.43 cents compared to FY 2019 DPU of 3.31 cents, due to the enlarged unit base as a result of the Merger

Valuation as at 31 December 2020

- Valuation decreased 3.2% YoY to S\$6,524.8 million as at 31 December 2020, due mainly to lower valuations for the hotel and retail segments of the portfolio
- Capitalisation rate for Singapore office remain unchanged. Valuation decline due to subdued rental growth outlook

	S\$ million		Change (%)
	As at 31 Dec 2020	As at 31 Dec 2019	
OUE Bayfront	1,181.0	1,181.0	-
One Raffles Place ⁽¹⁾	1,799.7	1,862.0	(3.3)
OUE Downtown Office	900.0	912.0	(1.3)
Lippo Plaza	545.6 ⁽²⁾ (RMB 2,680.0 m)	570.5 ⁽³⁾ (RMB 2,950.0 m)	(4.4)
Mandarin Gallery	473.0	493.0	(4.1)
Mandarin Orchard Singapore	1,157.0	1,228.0	(5.8)
Crowne Plaza Changi Airport	468.5	497.0	(5.7)
Total	6,524.8	6,743.5	(3.2)

(1) Based on OUB Centre Limited's 81.54% interest in One Raffles Place. OUE C-REIT has an 83.33% indirect interest in OUB Centre Limited

(2) Based on independent valuation as at 31 December 2020 and SGD:CNY exchange rate of 1:4.912

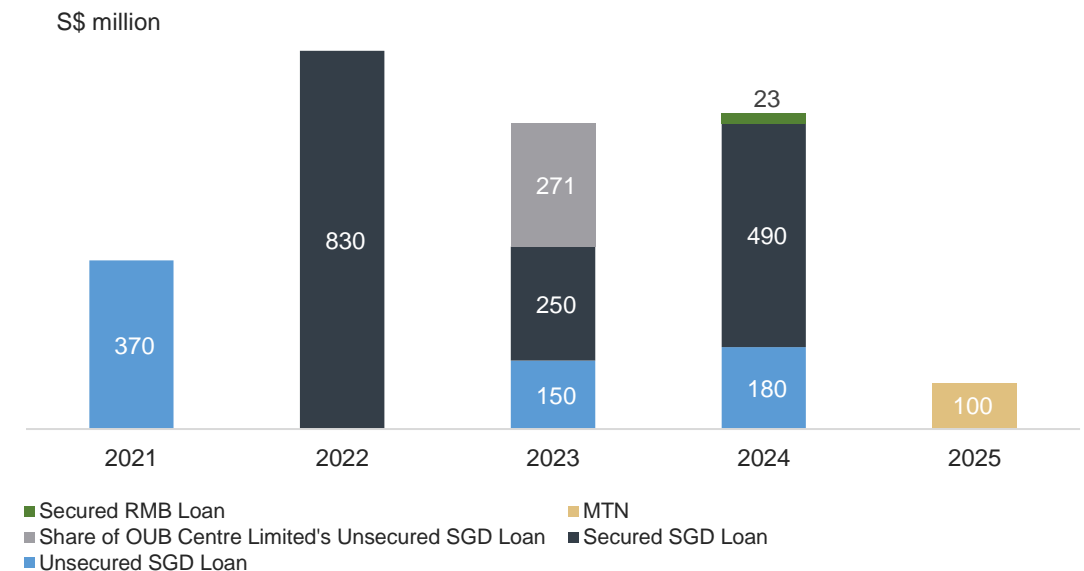
(3) Based on independent valuation as at 31 December 2019 and SGD:CNY exchange rate of 1:5.171

Capital Management

- Issued S\$100 million medium term notes in June 2020 for refinancing requirements
- Obtained S\$900 million of facilities in December 2020, of which S\$450 million was utilised to refinance debt due in December 2021 ahead of maturity. The facilities were subsequently upsized to S\$978 million in March 2021
- ~14% of debt remains due for refinancing in 2021
- Term of debt increased to 2.3 years as at 31 December 2020; average cost of debt lower at 3.0% per annum

	As at 31 Dec 2020	As at 31 Dec 2019
Aggregate Leverage	41.2%	40.3%
Total debt	S\$2,664m ⁽¹⁾	S\$2,648m ⁽²⁾
Weighted average cost of debt	3.0% p.a.	3.4% p.a.
Average term of debt	2.3 years	2.2 years
% fixed rate debt	68.1%	75.0%
Average term of fixed rate debt	1.9 years	1.9 years
Interest coverage ratio⁽³⁾	2.7x	2.9x

Debt Maturity Profile as at 31 December 2020



(1) Based on SGD:CNY exchange rate of 1:4.912 as at 31 December 2020 and includes OUE C-REIT's share of OUB Centre Limited's loan

(2) Based on SGD:CNY exchange rate of 1:5.157 as at 31 December 2019 and includes OUE C-REIT's share of OUB Centre Limited's loan

(3) Interest coverage ratio as prescribed under Appendix 6 of the Monetary Authority of Singapore's Code on Collective Investment Schemes (last revised on 16 April 2020). Interest coverage ratio as at 31 December 2019 restated on same basis for comparison only

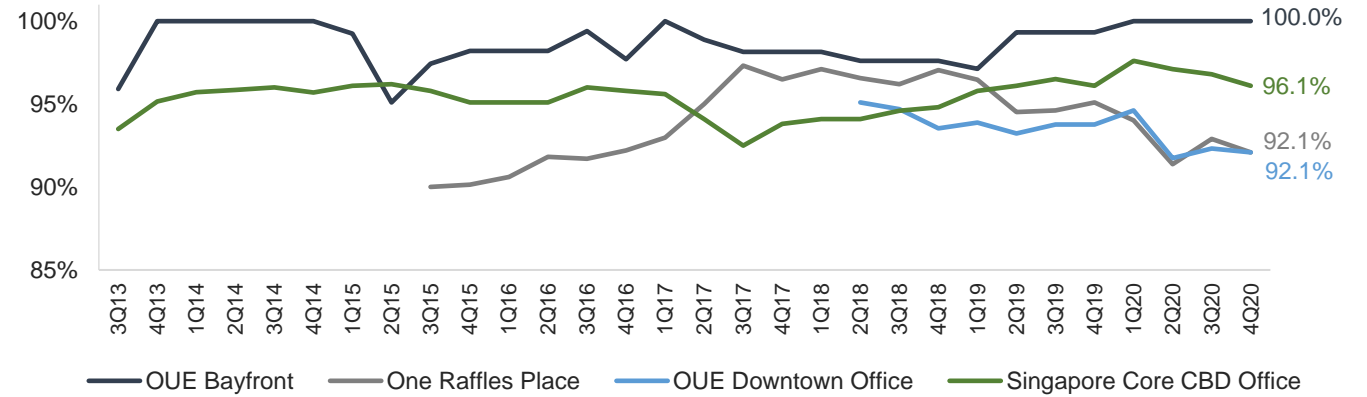
Commercial Segment



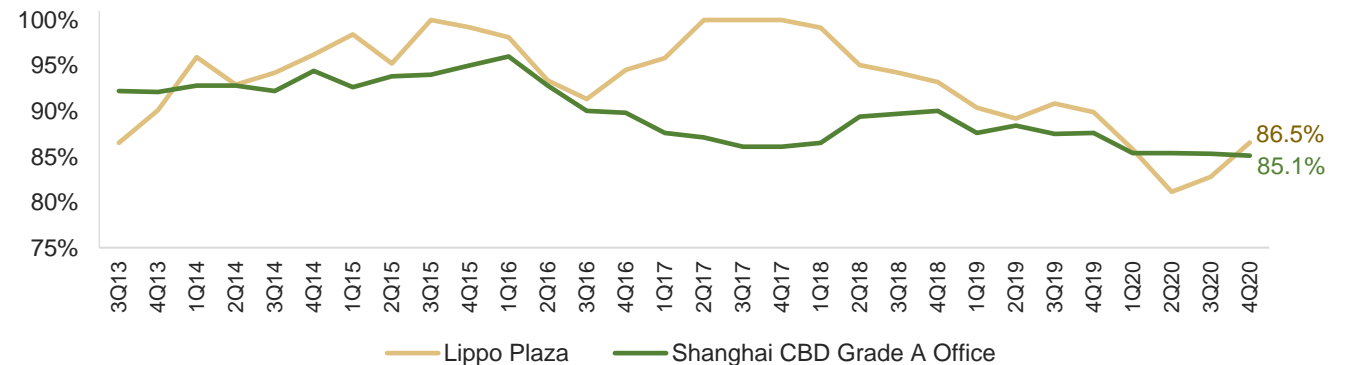
Office Segment Occupancy

- OUE Bayfront maintained 100% committed office occupancy in FY 2020, demonstrating resilience amidst a challenging operating environment
- Committed office occupancy for One Raffles Place and OUE Downtown Office was lower at 92.1% due to dampened office leasing momentum given weaker economic outlook due to COVID-19

Singapore



Shanghai



FY 2020 Committed and Average Office Rents

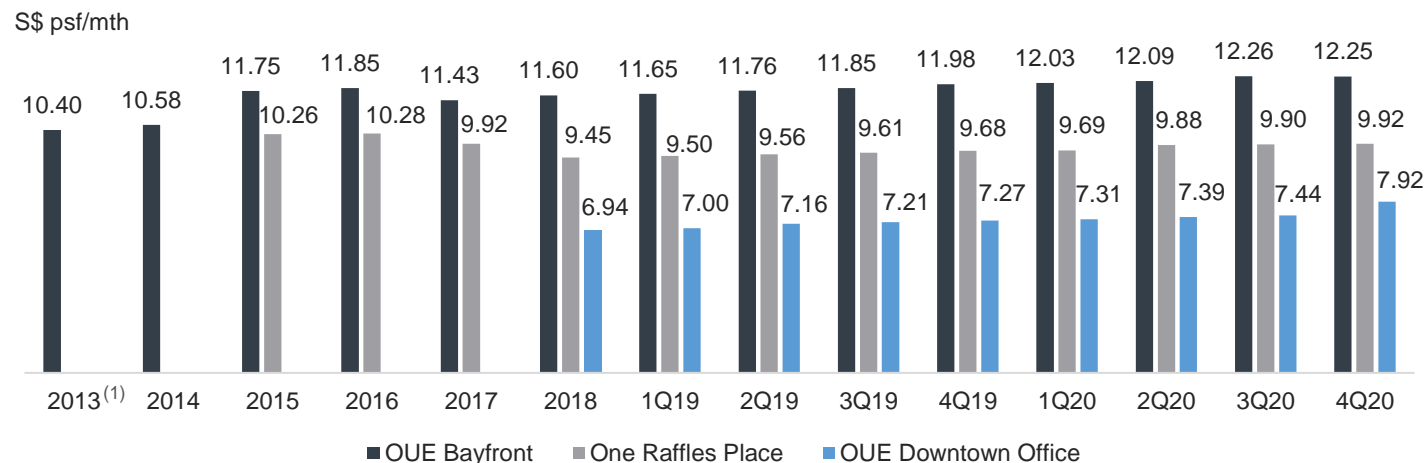
- Singapore office properties continued to enjoy positive rental reversions ranging from 5.3% to 20.1% in FY 2020

	FY 2020 Range of Committed Office Rents ⁽¹⁾	Average Office Passing Rents as of Dec 2020
Singapore		
OUE Bayfront	S\$10.80 – S\$15.30 psf per month	S\$12.25 psf per month
One Raffles Place	S\$8.00 – S\$11.50 psf per month	S\$9.92 psf per month
OUE Downtown Office	S\$7.30 – S\$9.20 psf per month	S\$7.92 psf per month
Shanghai		
Lippo Plaza	RMB5.50 – RMB10.90 psm per day	RMB9.39 psm per day

(1) Committed rents for renewals and new lease

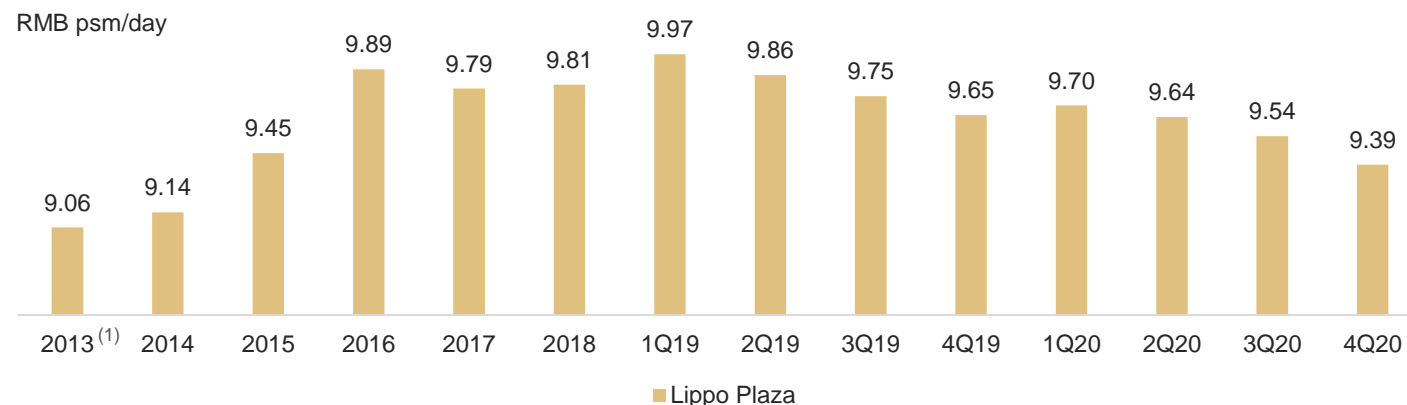
Average Office Passing Rents

Singapore



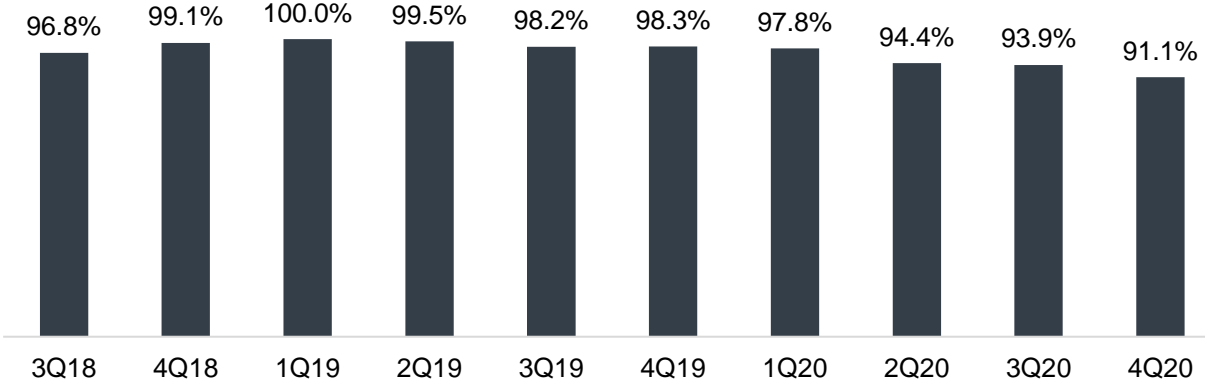
- Average passing rents for Singapore office segment are higher YoY due to positive rental reversions. OUE Downtown Office passing rent increased 8.9% YoY to S\$7.92 psf due to a significant lease renewal

Shanghai



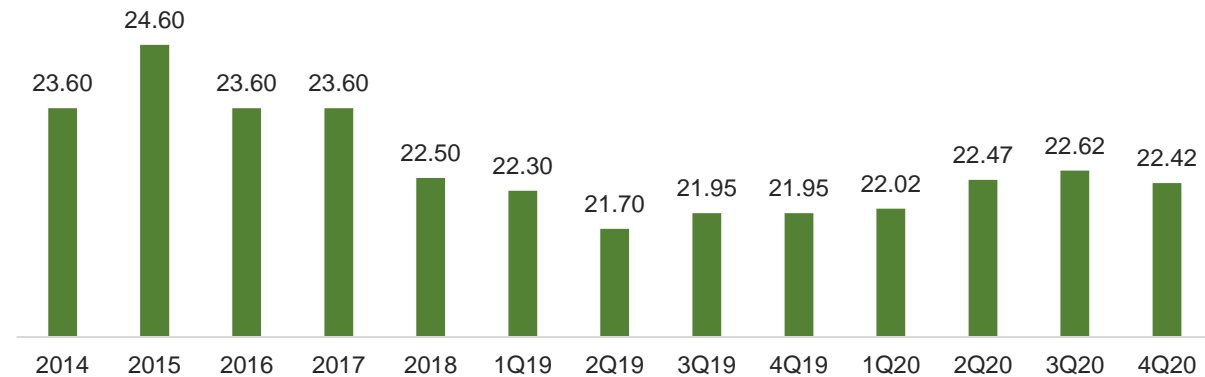
- Average passing office rent for Lippo Plaza declined to RMB9.39 psm/day due to intense leasing competition amidst significant office supply

Committed Occupancy⁽¹⁾



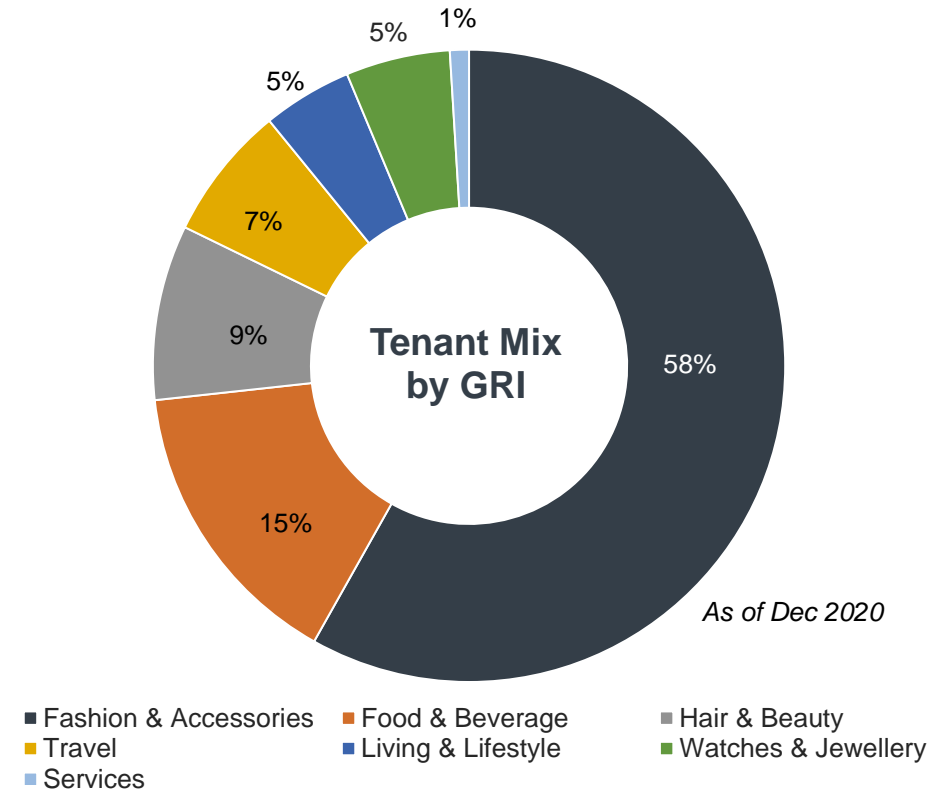
Average Passing Rents

S\$ psf/mth



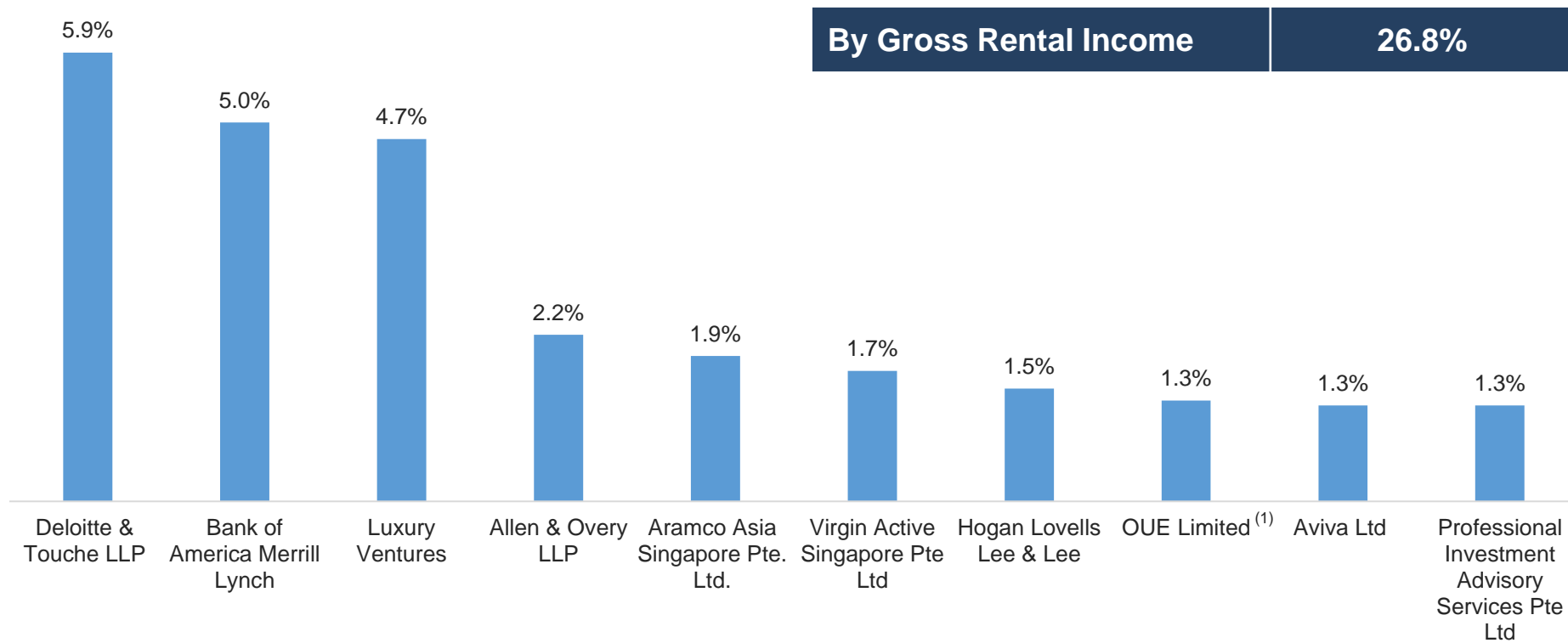
(1) Excludes short-term leases

- Shopper traffic and sales stabilised at approximately 80% and 70% of pre-COVID levels respectively
- The Manager adopted flexible leasing strategies to support tenants' requirements. Including short term leases, committed occupancy is 96.4%



Top 10 Tenants – Commercial Segment

Top 10 Tenants



As of Dec 2020

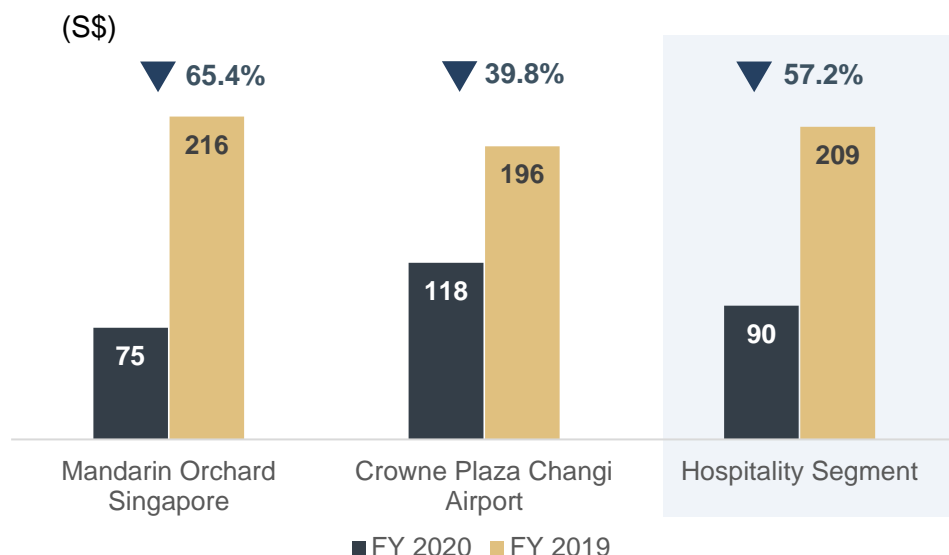
(1) Including the hotel master lease arrangements for Mandarin Orchard Singapore and Crowne Plaza Changi Airport, where OUE Limited is the master lessee, OUE Limited's contribution to the portfolio by gross rental income is 23.5%

Hospitality Segment

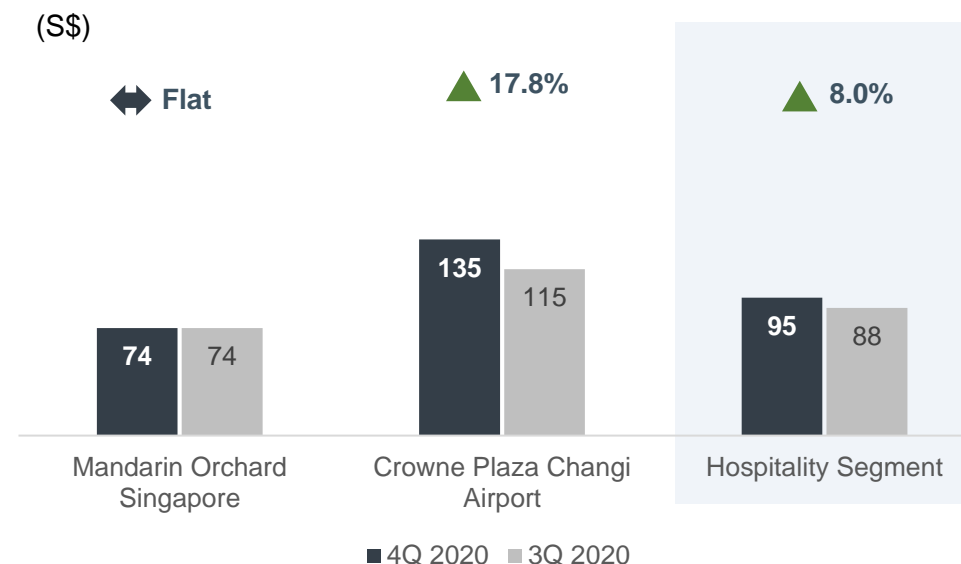


Hospitality RevPAR Performance

FY 2020 vs FY 2019



4Q 2020 vs 3Q 2020



- Due to restrictions on inbound short-term visitors, OUE C-REIT's hotels sought alternative demand sources including workers affected by border shutdowns, travellers serving Stay-Home Notices ("SHN") and local residents for staycations. Mandarin Orchard Singapore's FY 2020 RevPAR declined 65.4% YoY to S\$75, while RevPAR for Crowne Plaza Changi Airport registered a smaller decline of 39.8% to S\$118
- Crowne Plaza Changi Airport performed better as it was able to serve the air crew and aviation segment due to its location in the airport vicinity
- As more flights resumed, additional demand from the air crew segment resulted in higher QoQ RevPAR for Crowne Plaza Changi Airport in 4Q 2020

Re-branding of Mandarin Orchard Singapore to Hilton Singapore Orchard

- Transformational re-branding with addition of new income-generating spaces to drive growth in sustainable returns and value
- Re-branding will allow the hotel to leverage on Hilton's strong brand recognition and global sales & distribution network



- Re-branded hotel set to become Hilton's flagship in Singapore and the largest Hilton hotel in Asia-Pacific

☒ **Income assurance for Unitholders** - Downside protection from master lease throughout phased renovation and ramping-up period

Looking Ahead



Changing Dynamics in Property Landscape



- **Office tenants are focused on cost containment measures.** While technology and financial services sectors are expanding, overall office demand is expected to remain subdued. The limited supply of CBD Grade A office in Singapore will support healthy demand-supply dynamics
- While more employees are returning to the workplace, **hybrid working arrangements** are likely to prevail
- Tenants are increasingly focused on ensuring a **clean and safe environment for employees**, as well as their health and well-being



- **Uncertainty about economic and employment outlook** is expected to continue to weigh on discretionary expenditure
- **Operating environment remains challenging** for retailers relying on short-term visitors and office-based employees
- **Landlords supportive of tenants looking to broaden and pivot their offering** as they adapt to the new norm



- **Limited positive impact to visitor numbers** expected from Singapore's various Safe Travel arrangements including the opening of borders for visitors from selected countries
- Demand in 2021 expected to be driven by **SHNs and domestic tourism**
- Guests are placing **high importance on cleanliness and hygiene**, as well as contactless hotel procedures

Navigating Through 2021



Strengthen portfolio fundamentals to drive organic growth

- ✓ **Proactive asset management** to drive occupancy and rents. Support tenants' evolving space requirements and prioritise retention to sustain occupancy
- ✓ **Operational and service quality enhancements** to respond to the increased focus on health and well-being for employees, visitors and guests



Preserving Cash Flow & Financial Flexibility

- ✓ Focus on **cost management** and **cash conservation**
- ✓ **Proactive and prudent capital management** including optimising capital structure and proactive refinancing



Capitalise on opportunities to enhance value

- ✓ **AEI to create value**
Transformational re-branding of Mandarin Orchard Singapore to Hilton Singapore Orchard to reposition the hotel and capitalise on the eventual recovery in the hospitality sector

Supported by OUE C-REIT's portfolio of high quality and strategically located properties



Thank You