



(a real estate investment trust constituted on 10 October 2013 under the laws of the Republic of Singapore)

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## MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 28 APRIL 2021

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OUE Commercial REIT Management Pte. Ltd., as manager of OUE Commercial Real Estate Investment Trust ("**OUE C-REIT**", and the manager of OUE C-REIT, the "**Manager**"), wishes to inform unitholders that in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the minutes of the seventh annual general meeting ("**AGM**") of OUE C-REIT which was convened and held by way of electronic means on Wednesday, 28 April 2021 at 2:00 p.m. has been recorded and is attached hereto as **Annex A**.

The Manager had on 27 April 2021 released on SGXNET its responses to substantial and relevant questions received from unitholders relating to the agenda of the AGM.

By Order of the Board  
Kelvin Chua  
Company Secretary

**OUE Commercial REIT Management Pte. Ltd.**  
(Registration Number: 201327018E)  
(as manager of OUE Commercial Real Estate Investment Trust)

27 May 2021

## IMPORTANT NOTICE

The value of the units in OUE C-REIT ("**Units**") and the income derived from them may fall or rise. The Units are not obligations, or deposits in, or guaranteed by the Manager, or DBS Trustee Limited (as trustee of OUE C-REIT). An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the Manager redeems or purchases their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement 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.

**ANNEX A**

**MINUTES OF AGM**

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**

(Company Registration No.: 201327018E)

**MINUTES OF ANNUAL GENERAL MEETING**

HELD AT		ON	TIME
Held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020		Wednesday, 28 April 2021	2:00 p.m.
<b>PRESENT</b>	Lee Yi Shyan	Chairman, Non-Independent Non-Executive Director	
		Chairman of the Meeting/Proxy for Unitholders (As per record maintained by the Manager)	
	Tan Shu Lin	Chief Executive Officer and Executive Director	
	As per attendance record maintained by the Manager (Unitholder)	Unitholder	
	As per attendance record maintained by the Manager (Observer/Invitee/Guests)	Observer/Invitee/Guests	
<b>IN ATTENDANCE VIA ELECTRONIC MEANS</b>	Loh Lian Huat	Lead Independent Director	
	Liu Chee Ming	Independent Director	
	Ong Kian Min	Independent Director	
	Usha Ranee Chandradas	Independent Director	
	Brian Riady	Non-Independent Non-Executive Director	
	Alex Koh	Audit Partner, KPMG LLP	
<b>WELCOME ADDRESS</b>	1.1	On behalf of OUE Commercial REIT Management Pte. Ltd., the manager of OUE Commercial Real Estate Investment Trust (“ <b>OUE C-REIT</b> ” or the “ <b>Trust</b> ”, and the manager of OUE C-REIT, the “ <b>Manager</b> ”), the Chairman of the Board of Directors of the Manager, Mr Lee Yi	

Shyan, welcomed the unitholders of OUE C-REIT (the “**Unitholders**”) present at the Annual General Meeting of OUE C-REIT (the “**Meeting**”) via electronic means. The Chairman introduced the panel to the Unitholders and informed the Unitholders that he had been nominated by DBS Trustee Limited, the trustee of OUE C-REIT, in accordance with the trust deed constituting OUE C-REIT (the “**Trust Deed**”) to preside as the Chairman of the Meeting (the “**Chairman**”).

- 1.2 Thereafter, Ms Tan Shu Lin (“**Ms Tan**”), the Chief Executive Officer of the Manager, gave a short presentation. After the presentation, Ms Tan handed the proceedings of the Meeting to the Chairman.
- 1.3 A copy of the presentation, which was posted via SGXNet and OUE C-REIT’s corporate website on 28 April 2021, is annexed to this Minutes as “**Annex A**”.

**QUORUM**

- 2.1 As there were sufficient Unitholders to form a quorum, the Chairman called the Meeting to order and went through the items on the Agenda.

**NOTICE OF MEETING**

- 3.1 The notice of the Meeting dated 6 April 2021 (the “**Notice**”) was taken as read.
- 3.2 The Chairman informed the Unitholders that responses to substantial and relevant questions submitted by Unitholders prior to the Meeting had been published via SGXNET and also posted on OUE C-REIT’s corporate website. The responses to substantial and relevant

questions received from the Unitholders are annexed to this Minutes as “**Annex B**”.

3.3 The Chairman informed the Unitholders that in accordance with COVID-19 (Temporary Measures) Act 2020 and the related order on the conduct of general meetings, all votes on the resolutions tabled at the Meeting will be by proxy and only the Chairman of the Meeting may be appointed as a proxy. He informed the Unitholders that he had been appointed as proxy by a number of Unitholders on all the resolutions set out in the Notice, and would vote according to their respective instructions.

3.4 The Chairman informed the Unitholders that all resolutions tabled at the Meeting was voted by poll based on the proxy forms that were submitted to the Manager at least 48 hours before the Meeting.

3.5 The Chairman informed the Unitholders that RHT Governance, Risk & Compliance (Singapore) Pte. Ltd. has been appointed as Scrutineers to conduct the poll.

**RESOLUTION 1:  
REPORTS OF THE  
TRUSTEE AND THE  
MANAGER, THE  
AUDITED FINANCIAL  
STATEMENTS OF OUE  
C-REIT FOR THE  
FINANCIAL YEAR  
ENDED 31 DECEMBER  
2020 AND THE  
INDEPENDENT  
AUDITORS' REPORT**

4.1 The motion in respect of Resolution 1 was duly proposed.

**THEREON**

**RESULTS OF THE POLL  
ON RESOLUTION 1**

- 5.1 The Chairman casted the votes on Resolution 1 in accordance with the voting instructions received.

The results of the poll on Resolution 1 were as follows:

Total number of Units represented by votes for and against the resolution	For		Against	
	No. of Units	%	No. of Units	%
3,661,557,384	3,660,700,520	99.98	856,864	0.02

By a majority of votes received in favour of Resolution 1, the Chairman declared Resolution 1 as carried.

**RESOLUTION 2:  
RE-APPOINTMENT OF  
AUDITORS**

- 6.1 The motion in respect of Resolution 2 was duly proposed.

**RESULTS OF THE POLL  
ON RESOLUTION 2**

- 7.1 The Chairman casted the votes on Resolution 2 in accordance with the voting instructions received.

The results of the poll on Resolution 2 were as follows:

Total number of Units represented by votes for and against the resolution	For		Against	
	No. of Units	%	No. of Units	%
3,662,978,304	3,661,341,911	99.96	1,636,393	0.04

By a majority of votes received in favour of Resolution 2,

the Chairman declared Resolution 2 as carried.

**RESOLUTION 3:  
AUTHORISATION OF  
THE MANAGER TO  
ISSUE UNITS AND TO  
MAKE OR GRANT  
INSTRUMENTS  
CONVERTIBLE INTO  
UNITS AND ISSUE  
UNITS PURSUANT TO  
SUCH INSTRUMENTS**

- 8.1 The motion in respect of Resolution 3 was duly proposed.

**RESULTS OF THE POLL  
ON RESOLUTION 3**

- 9.1 The Chairman casted the votes on Resolution 3 in accordance with the voting instructions received.

The results of the poll on Resolution 3 were as follows:

Total number of Units represented by votes for and against the resolution	For		Against	
	No. of Units	%	No. of Units	%
3,662,978,304	3,658,121,586	99.87	4,856,718	0.13

By a majority of votes received in favour of Resolution 3, the Chairman declared Resolution 3 as carried.

**RESOLUTION 4:  
RENEWAL OF THE UNIT  
BUY-BACK MANDATE**

- 10.1 The motion in respect of Resolution 4 was duly proposed.

**RESULTS OF THE POLL  
ON RESOLUTION 4**

- 11.1 The Chairman casted the votes on Resolution 4 in accordance with the voting instructions received.

The results of the poll on Resolution 4 were as follows:



**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**  
**Annual General Meeting held via electronic means on 28 April 2021 - Page 6**

Total number of Units represented by votes for and against the resolution	For		Against	
	No. of Units	%	No. of Units	%
3,662,619,843	3,661,753,607	99.98	866,236	0.02

By a majority of votes received in favour of Resolution 4, the Chairman declared Resolution 4 as carried.

**CONCLUSION OF THE MEETING**

- 12.1 The Chairman thanked the Unitholders for their attendance and support, and declared the Meeting closed at 2:34 p.m..

Confirmed as true record of proceedings held

Lee Yi Shyan  
Chairman of the Meeting



# 7<sup>th</sup> Annual General Meeting

28 April 2021

# 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).

This presentation is for information purposes only and does not constitute an invitation, offer or solicitation of any offer to acquire, purchase or subscribe for units in OUE C-REIT (“Units”). The value of Units and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, OUE Commercial REIT Management Pte. Ltd. (the “Manager”), DBS Trustee Limited (as trustee of OUE C-REIT) or any of its affiliates. An investment in the 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.

This presentation 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. These forward-looking statements speak only as at the date of this presentation. Past performance is not necessarily indicative of future performance. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. 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.

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<sup>(1)</sup>**

**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<sup>(1)</sup>**

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

Investment Mandate  
✓ Commercial  
✓ Hospitality / Hospitality-related





# Quality Portfolio

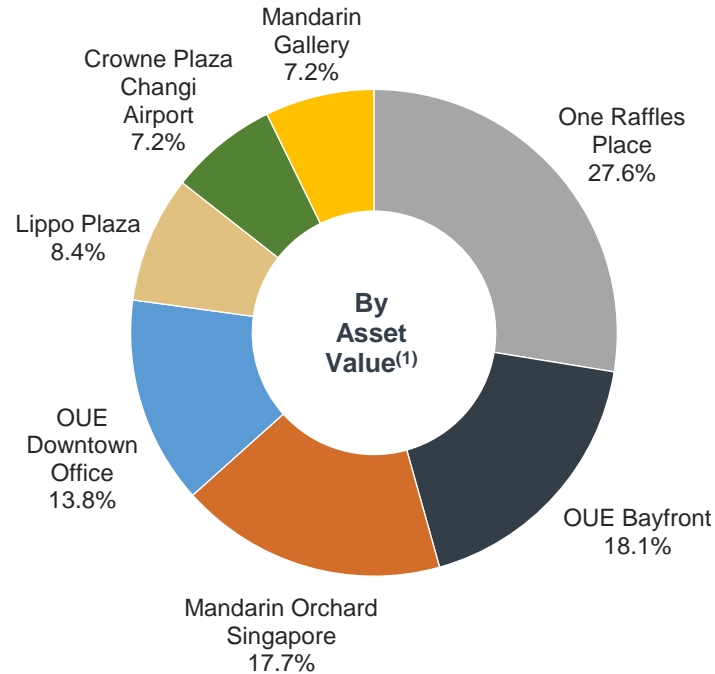
## *Strategically Located Assets in Prime Business Districts*

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

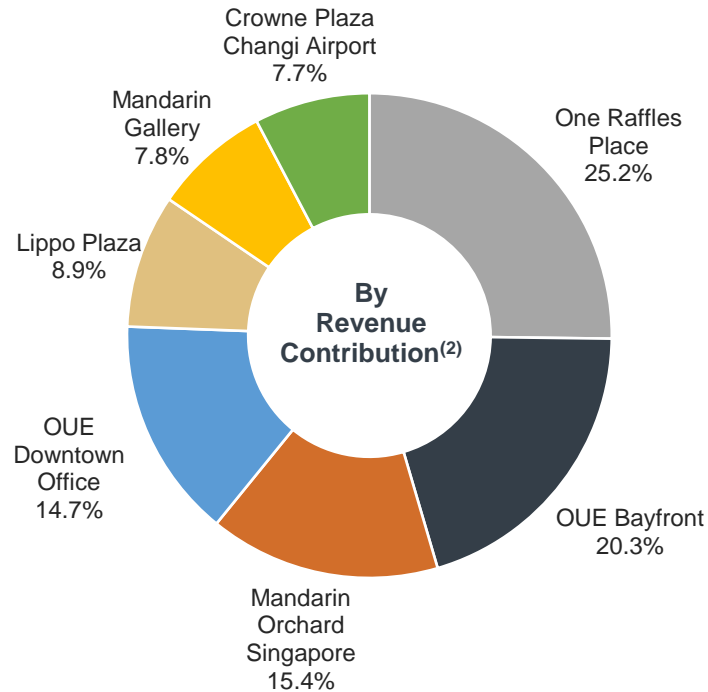
### Legend

-  Commercial (Office and/or retail)
-  Hospitality

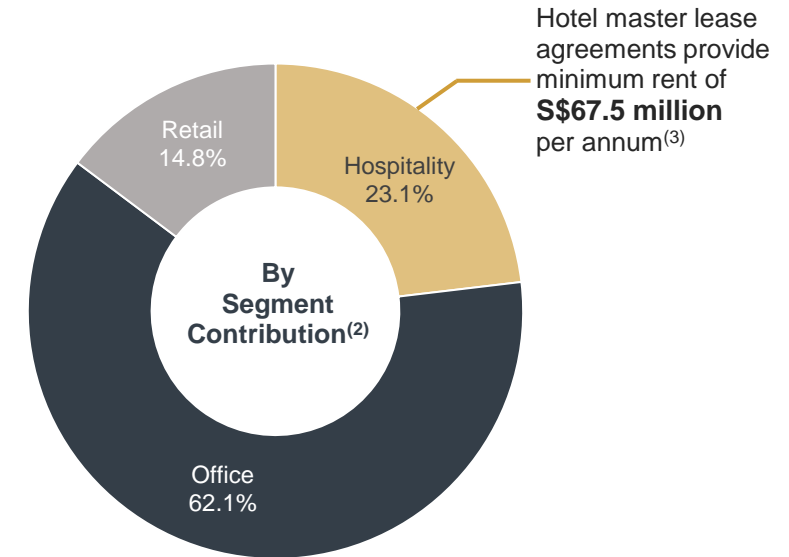
# Portfolio Composition



- 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

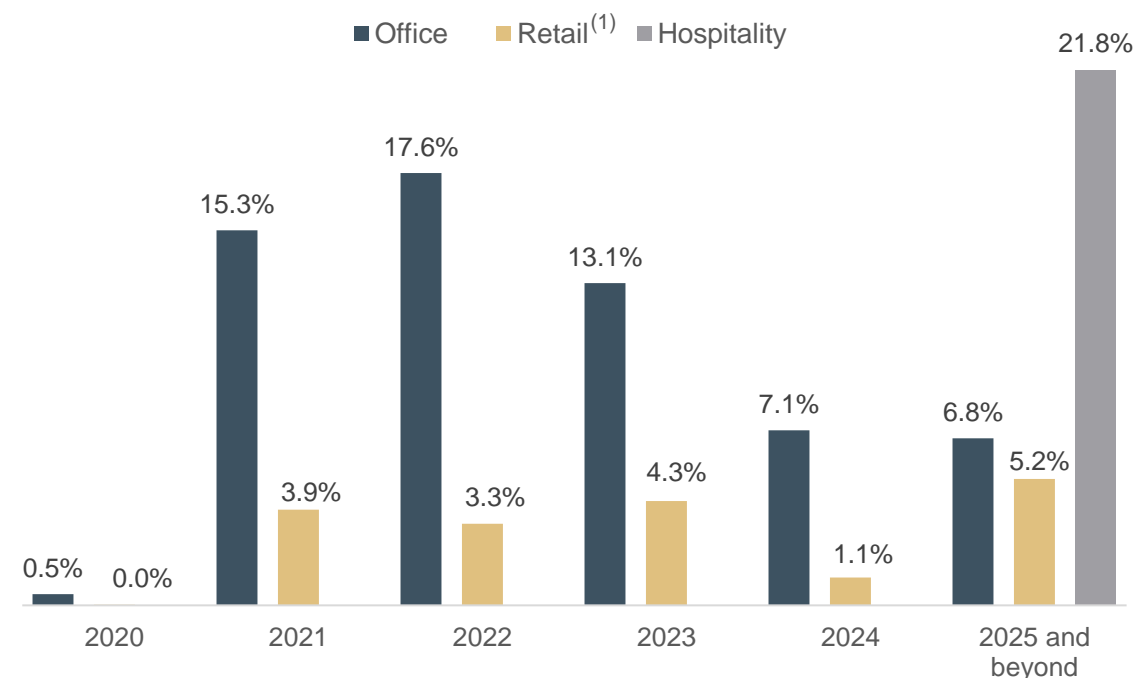
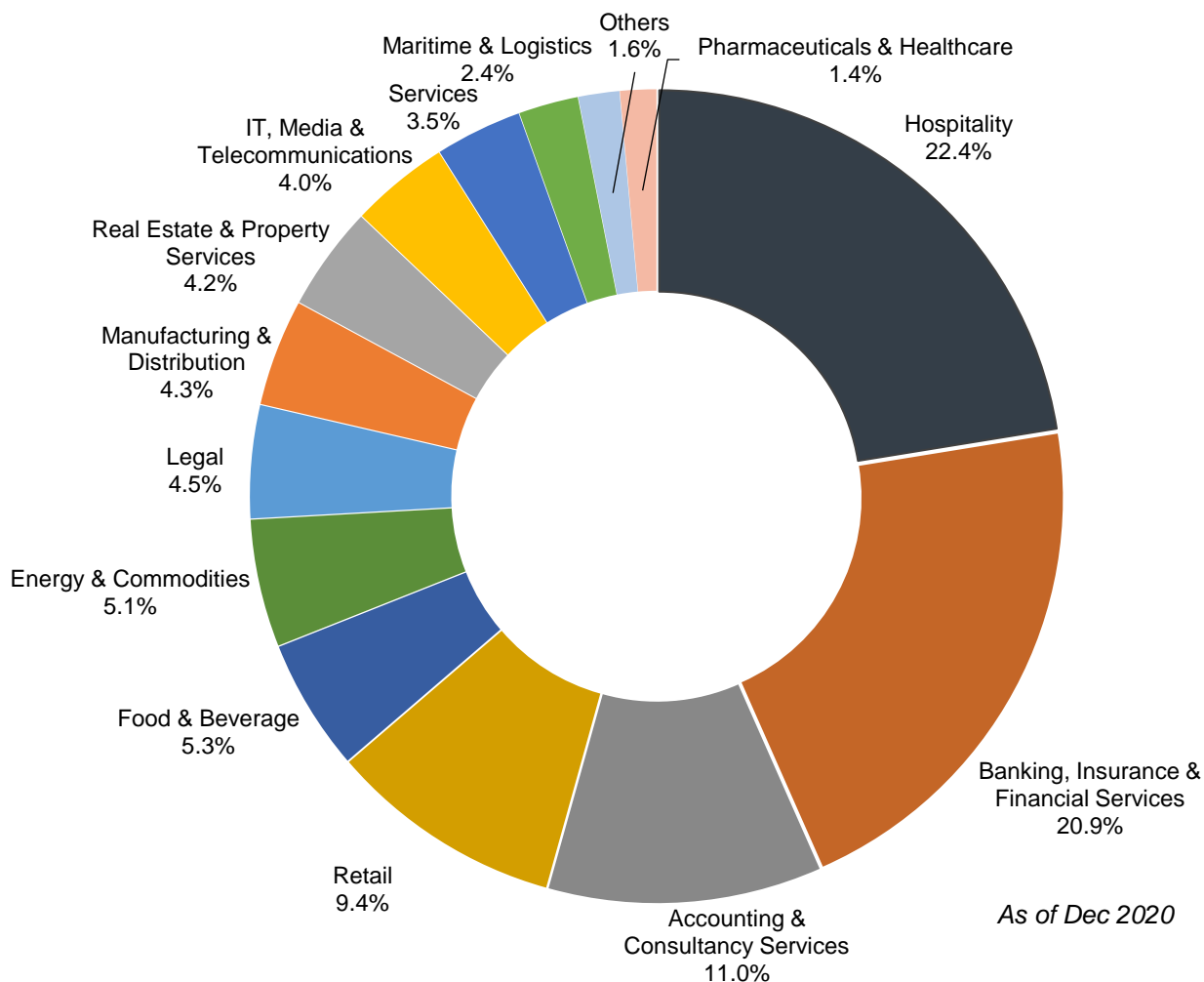
(1) Based on independent valuations as at 31 December 2020 and SGD:CNY exchange rate of 1:4.912 as at 31 December 2020

(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<sup>(2)</sup> of 3.4 years by Gross Rental Income**

As at 31 Dec 2020

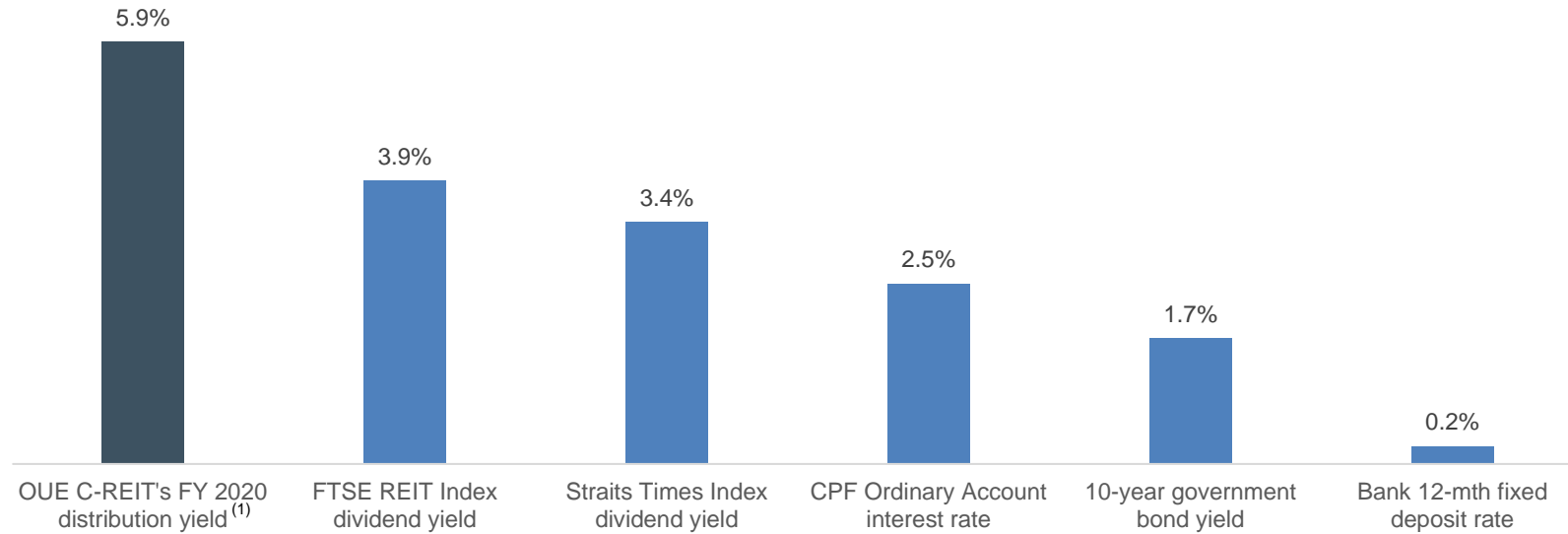
Note: Tenant by trade sector is based on gross rental income excluding any provisions of rental rebates

(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)
<b>S\$231.9m</b>	<b>S\$132.8m</b>	<b>2.43 cents</b>	<b>S\$0.59</b>
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<sup>(1)</sup>  
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	<b>S\$1.0bn</b> new facilities <sup>(2)</sup> obtained to refinance debt maturing in 2020 and 2021
<b>41.2%</b>	<b>3.0%</b>	<b>2.3 years</b>	
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 <sup>(1)</sup>	1,799.7	1,862.0	(3.3)
OUE Downtown Office	900.0	912.0	(1.3)
Lippo Plaza	545.6 <sup>(2)</sup> (RMB 2,680.0 m)	570.5 <sup>(3)</sup> (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)
<b>Total</b>	<b>6,524.8</b>	<b>6,743.5</b>	<b>(3.2)</b>

(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

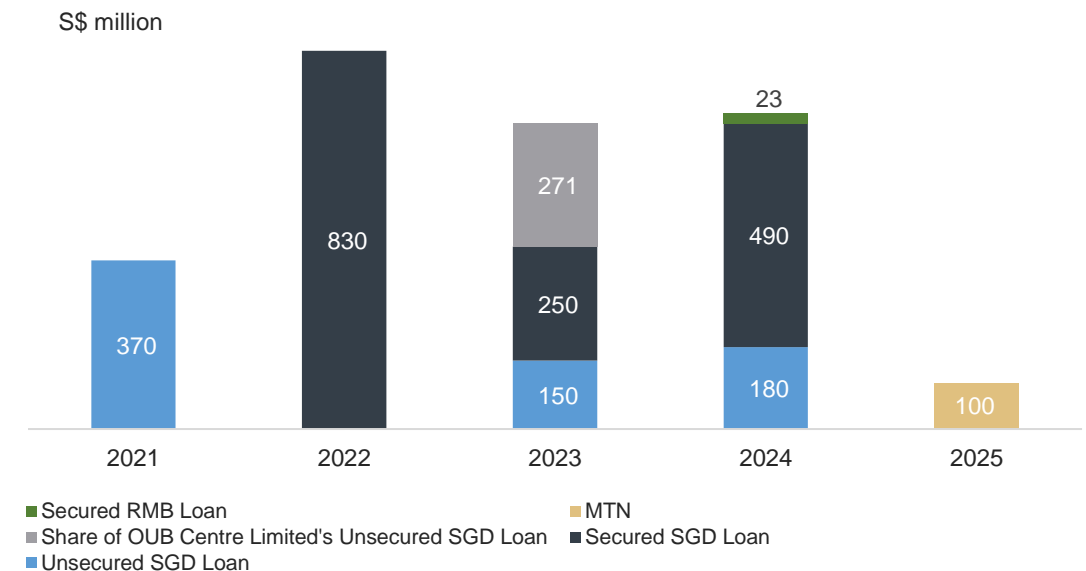


# Capital Management

- 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
<b>Aggregate Leverage</b>	41.2%	40.3%
<b>Total debt</b>	S\$2,664m <sup>(1)</sup>	S\$2,648m <sup>(2)</sup>
<b>Weighted average cost of debt</b>	3.0% p.a.	3.4% p.a.
<b>Average term of debt</b>	2.3 years	2.2 years
<b>% fixed rate debt</b>	68.1%	75.0%
<b>Average term of fixed rate debt</b>	1.9 years	1.9 years
<b>Interest coverage ratio<sup>(3)</sup></b>	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

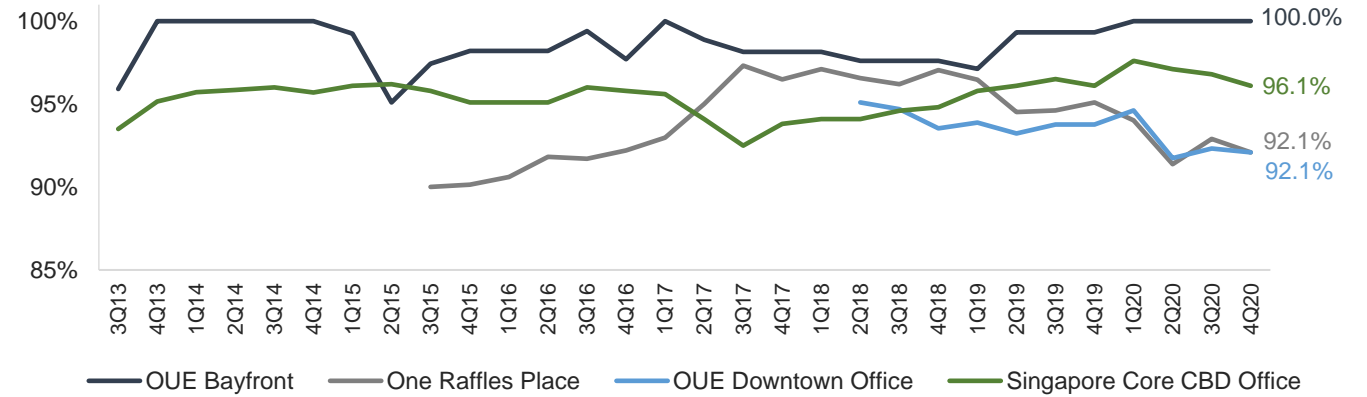




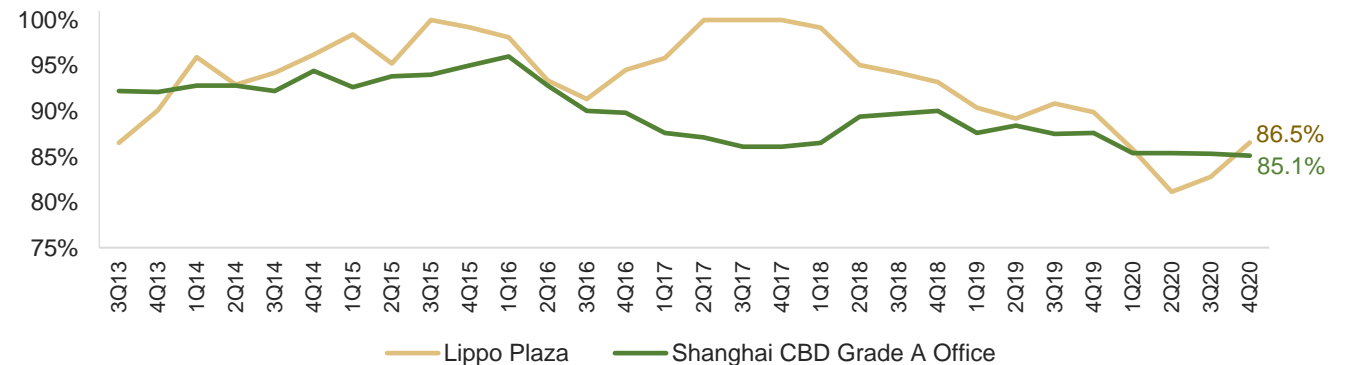
# Office Segment Occupancy

- 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

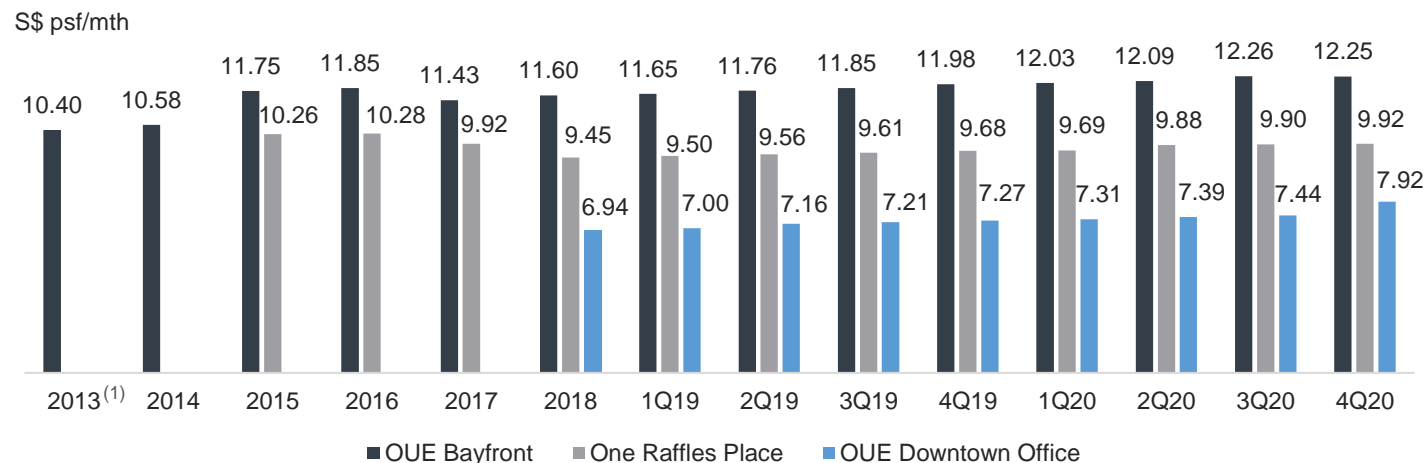
- Singapore office properties continued to enjoy positive rental reversions ranging from 5.3% to 20.1% in FY 2020

	FY 2020 Range of Committed Office Rents <sup>(1)</sup>	Average Office Passing Rents as of Dec 2020
<b>Singapore</b>		
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
<b>Shanghai</b>		
Lippo Plaza	RMB5.50 – RMB10.90 psm per day	RMB9.39 psm per day

(1) Committed rents for renewals and new lease

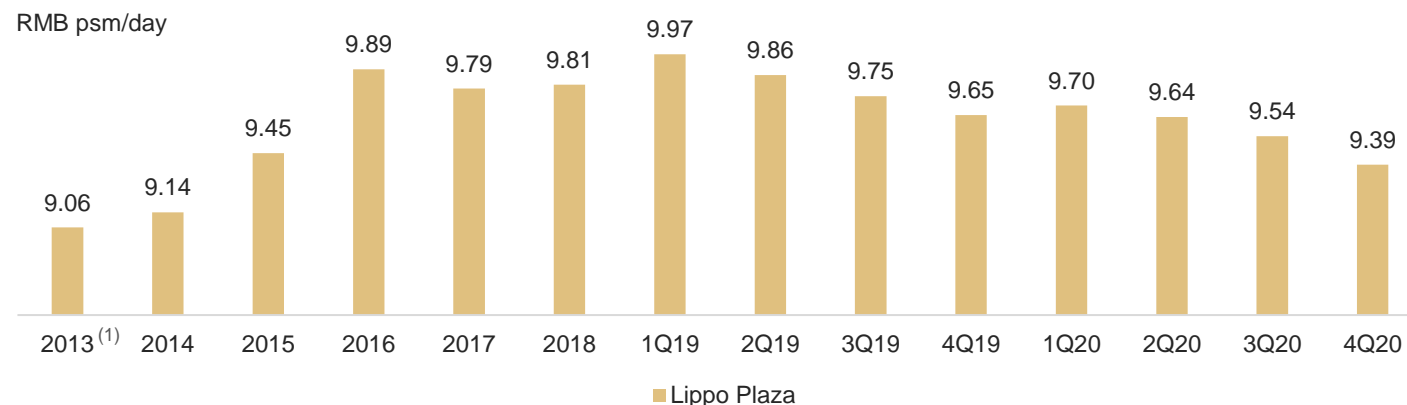
# Average Office Passing Rents

## Singapore



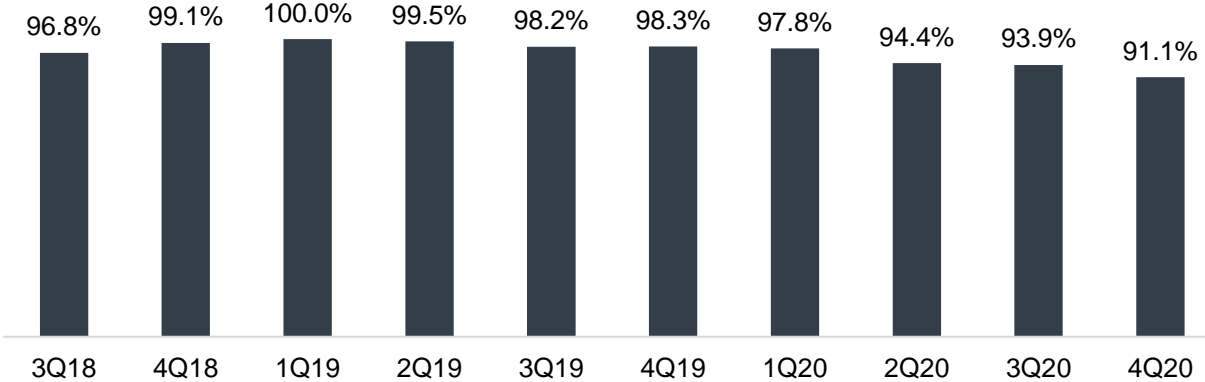
- Average passing rents for Singapore office segment are higher YoY due to positive rental reversions. OUE Downtown Office passing rent increased 8.9% YoY to S\$7.92 psf due to a significant lease renewal

## Shanghai



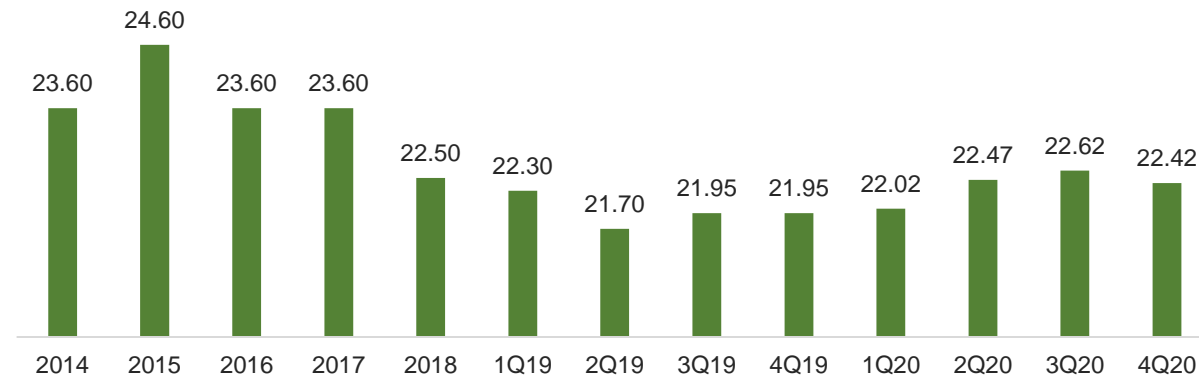
- Average passing office rent for Lippo Plaza declined to RMB9.39 psm/day due to intense leasing competition amidst significant office supply

## Committed Occupancy<sup>(1)</sup>



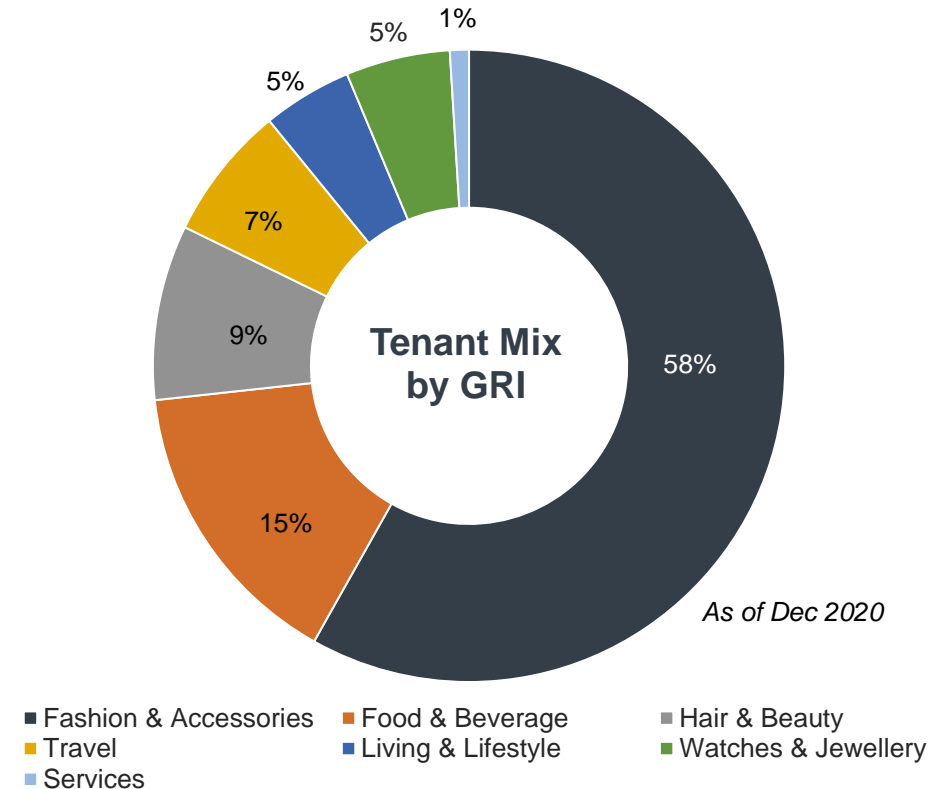
## Average Passing Rents

S\$ psf/mth



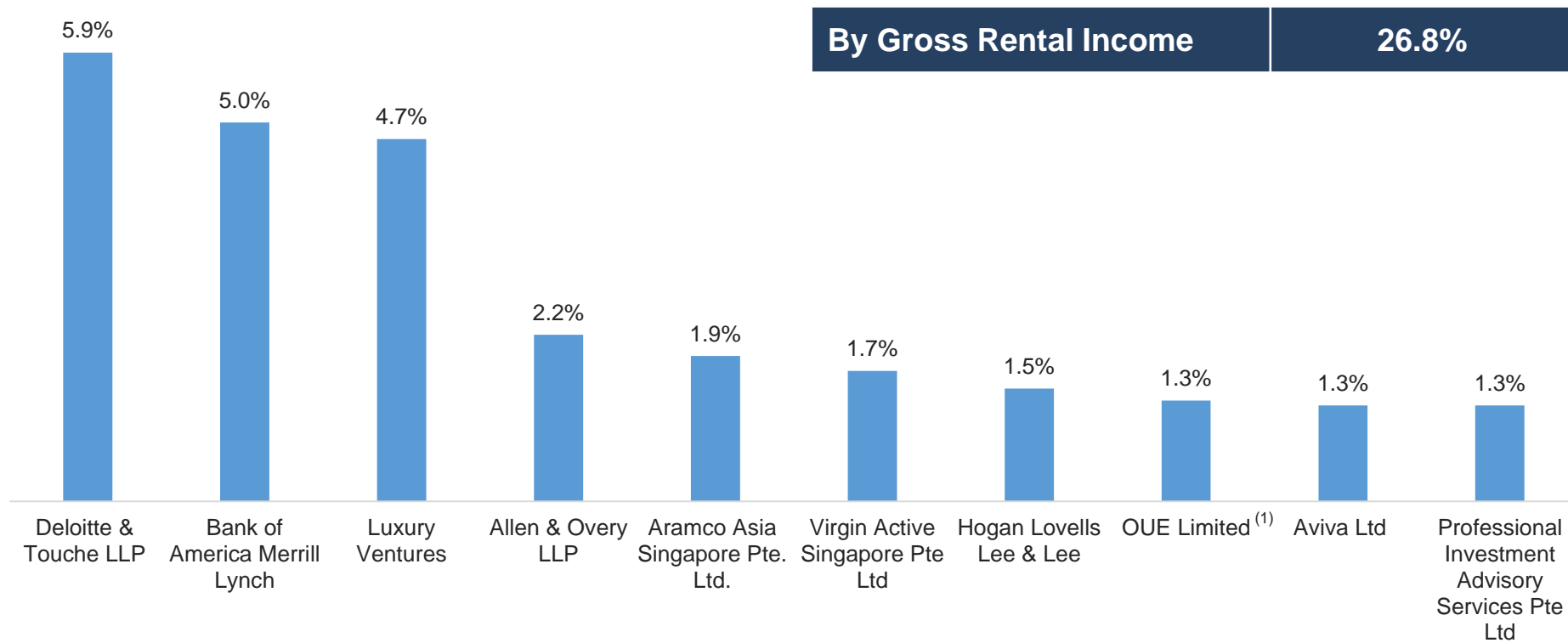
(1) Excludes short-term leases

- 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%



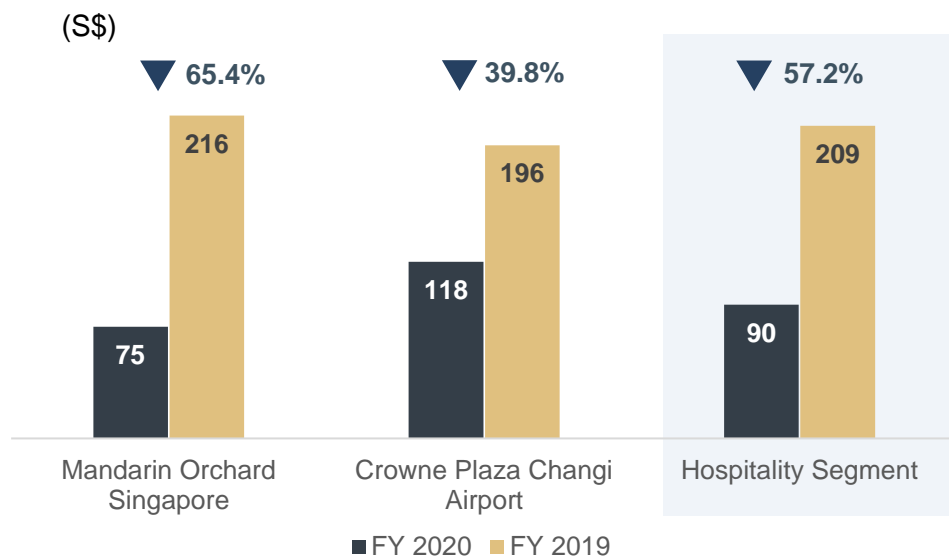
# Hospitality Segment



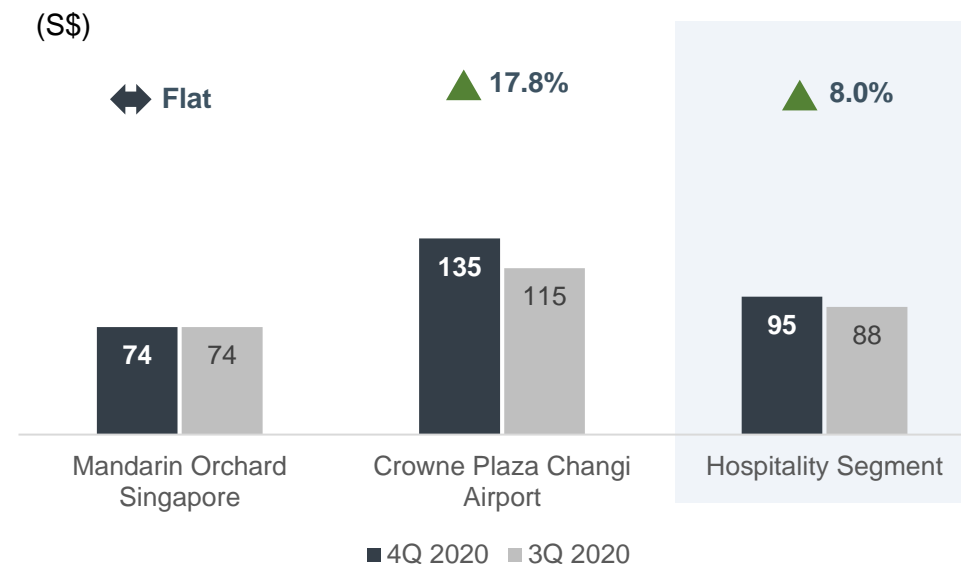


# Hospitality RevPAR Performance

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

- **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



## Retail

- **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



## Hospitality

- **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

## LIST OF SUBSTANTIAL AND RELEVANT QUESTIONS AND RESPONSES

1	<p><b>It is disappointing that the distribution per unit (“DPU”) has dropped by about 26% despite the merger which increased the revenue and net property income (“NPI”) by about 13%. What steps will the management take to increase the DPU going forward?</b></p>
	<p>Amount to be distributed for the financial year ended 31 December 2020 (“FY 2020”) was 7.8% higher year-on-year (“YoY”) at S\$132.8 million. However, FY 2020 DPU of 2.43 cents was 26.6% lower due to the enlarged unit base as a result of the merger with OUE Hospitality Trust in 2019 (the “Merger”).</p> <p>OUE C-REIT began 2020 with a strong and well-diversified portfolio on the back of the successful Merger, supported by the positive outlook for the commercial and hospitality segments. However, the COVID-19 pandemic has severely disrupted businesses due to the various measures implemented to contain the outbreak. In FY 2020, OUE C-REIT provided approximately S\$18.3 million in rental rebates to support eligible tenants and help cushion the impact of the business disruption.</p> <p>The restrictions on inbound visitors to Singapore due to the pandemic have also significantly impacted the demand for OUE C-REIT’s hotel properties. Consequently, revenue from the hospitality segment in FY 2020 was S\$67.5 million, which was the minimum rent under the master lease arrangements of the hotel properties.</p> <p>Challenges in OUE C-REIT’s operating environment remain in the immediate future. The Manager will continue to focus on proactive asset management to drive occupancy and rents, as well as prudent capital management to maintain financial flexibility.</p> <p>Even as we tackle the challenges posed by the pandemic, we are committed to the long-term goal of creating value and sustainable growth for Unitholders. Hence, we are capitalising on the weak hospitality operating environment to re-brand Mandarin Orchard Singapore to Hilton Singapore Orchard. It is a timely opportunity to undertake this asset enhancement initiative to strengthen the hotel’s competitive positioning for the expected recovery in the hospitality sector when Singapore relaxes its border control measures. When the hotel reopens in early 2022, the transformational re-branding will feature new income-generating spaces, refurbished rooms and revamped food &amp; beverage offerings, which is in line with the Manager’s proactive asset management approach to create value and enhance organic growth. The minimum rent of S\$45.0 million per annum under Mandarin Orchard Singapore’s master lease arrangement will provide downside protection throughout the phased renovation and ramping-up period.</p>
2	<p><b>Will there be further acquisitions to boost up revenue, NPI and DPU in the near future?</b></p> <p><b>Any planned M&amp;A activities on the card? If any, will it be overseas assets for diversification purpose?</b></p> <p><b>What does management plan to do to put the REIT back on the growth track?</b></p>
	<p>The Manager continually evaluates value-adding acquisition opportunities to enhance sustainable returns for Unitholders.</p> <p>OUE C-REIT’s investment mandate is to invest in commercial (including office and/or retail) properties in financial and business hubs, and hospitality assets. The mandate continues to be global. As such, the Manager aims to pursue investment opportunities in key gateway</p>

	cities given their strong real estate fundamentals and stable growth potential, in order to provide attractive cash flows and capital growth to Unitholders.
<b>3</b>	<p><b>What are the steps taken to enhance OUE C-REIT's portfolio resilience amid elevated volatility across economies, industries and currencies movements?</b></p> <p><b>The renovation of Mandarin Orchard Singapore will cost S\$90 million and include new meeting spaces to cater to MICE events. Is this the best time to carry out the re-branding especially with the continued restrictions on events and meetings, and that business travel will take some time to return to pre-COVID-19 levels?</b></p>
	<p>The Manager is committed to and has undertaken various strategies to enhance the resilience of OUE C-REIT as part of our mission to deliver stable distributions and provide sustainable long-term growth in returns to Unitholders.</p> <p>OUE C-REIT's merger with OUE Hospitality Trust in 2019 has created a well-diversified portfolio of high quality, strategically located landmark properties across the office, retail and hospitality segments of Singapore and Shanghai. This has reduced the concentration risk associated with exposure to any single property segment or asset, improving OUE C-REIT's income resilience.</p> <p>With the Singapore government continuing to invest in new tourism infrastructure to position Singapore for the progressive recovery in global tourism, we believe that the long-term outlook for the Singapore hospitality segment remains favourable. The commitment by the Singapore Tourism Board to enhance and strengthen Orchard Road's position as a must-visit lifestyle destination for all international visitors bodes well for our property, which is located right in the heart of Singapore's premier shopping and entertainment district.</p> <p>Amidst the outbreak of the COVID-19 pandemic in 2020, we have prioritised the re-branding of Mandarin Orchard Singapore to Hilton Singapore Orchard in order to future-proof OUE C-REIT's hotel portfolio and enhance portfolio resilience.</p> <p>Asset enhancement works will be carried out in phases throughout 2021 and upon its relaunch in early 2022, the property will be the largest Hilton hotel in the Asia-Pacific and Hilton's flagship in Singapore, featuring enhanced Meetings, Incentives, Conventions and Exhibitions facilities, refurbished rooms and revamped food and beverage offerings. The re-branding leverages on Hilton's strong brand recognition as well as its global sales and distribution network, enhancing the property's competitive advantage amongst other upper upscale hotels along Orchard Road.</p> <p>In January 2021, the Manager announced the divestment of a 50% interest in the OUE Bayfront property to a fund managed by Allianz Real Estate, which was completed on 31 March 2021. The agreed property value of S\$1,267.5 million represented a premium of 7.3% over the property's book value and 26.1% over the purchase consideration at listing. In retaining a 50% stake, OUE C-REIT continues to maintain significant exposure to the Singapore office market, which has demonstrated resilience amidst a challenging operating landscape. The net proceeds from the divestment provides OUE C-REIT the opportunity to optimise its capital structure for sustainability and increases its financial flexibility to consider value-enhancing options to drive further returns for Unitholders where funds can potentially be utilised to pare down debt, undertake accretive acquisitions of higher yielding assets or asset enhancement initiatives, redeem convertible perpetual preferred units, commence a DPU-accretive unit buy-back programme to enhance long-term returns and/or distribute as capital gains.</p> <p>Despite the operating challenges posed by the COVID-19 pandemic, we continue to focus on proactive asset management to sustain portfolio occupancy and rents by prioritising tenant retention, including adopting flexible leasing strategies where feasible to support occupiers' space requirements. To enhance the quality and marketability of OUE C-REIT's properties, we have also undertaken operational and service quality enhancements, especially given the increased focus on a clean and safe environment for the health and well-being of building occupiers. Examples of enhancements include the installation of ultraviolet light germicidal systems to further improve our buildings' indoor air quality, as well</p>



	<p>as more frequent cleaning of premises.</p> <p>Exercising prudent and disciplined capital management through cost containment and cash conservation to maintain financial flexibility is also a core focus. The Manager will also continue to diversify funding sources and proactively refinance borrowings ahead of maturity to extend OUE C-REIT's debt maturity profile and optimise borrowing costs. Appropriate hedging strategies to manage interest rate volatility and foreign exchange exposure where feasible have also been adopted.</p> <p>We believe OUE C-REIT's high-quality property portfolio will continue to yield a resilient performance, supported by our track record and expertise in ensuring the optimal performance of assets and prudent capital management to achieve sustainable revenue and net property income.</p>
<b>4</b>	<p><b>With the divestment of a 50% stake in OUE Bayfront, what will be the impact on revenue, NPI and DPU?</b></p>
	<p>Assuming the divestment was completed on 1 January 2020, and the proceeds were used to pay the divestment related costs and repay loans, the pro forma impact for the financial year ended 31 December 2020 would be a decrease in the DPU from 2.43 Singapore cents to 2.33 Singapore cents. On the same basis post-divestment, OUE Bayfront would contribute approximately 10.0% to OUE C-REIT's portfolio valuation as at 31 December 2020.</p> <p>OUE C-REIT's performance will remain underpinned largely by the office segment, which has demonstrated resilience in a challenging operating environment.</p>
<b>5</b>	<p><b>Can management provide guidance on the dividend policy going forward, after the divestment of 50% of OUE Bayfront and post the completion of the Mandarin Orchard Singapore re-branding?</b></p>
	<p>OUE C-REIT's dividend 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. As OUE C-REIT has adopted semi-annual reporting since May 2020, the Manager will review OUE C-REIT's financial results semi-annually to determine the actual level of distribution.</p> <p>Since the fourth quarter of 2019, the Manager has retained S\$1.5 million each quarter for working capital requirements in relation to the hospitality segment, and will continue this practice.</p>
<b>6</b>	<p><b>With the divestment of OUE Bayfront, can management share the definite use of these funds going forward?</b></p> <p><b>In the 18 January announcement (on the divestment of the OUE Bayfront property), the redemption of CPPU was listed as one of the options to utilize the proceeds from the sale. Could the board make explicitly clear to unitholders whether the redemption of CPPU is last in priority on the list? Why is it not last in priority on the list?</b></p>
	<p>The Manager is reviewing the various options available to deploy the net proceeds from the divestment, with the aim of optimising OUE C-REIT's capital structure and increasing financial flexibility.</p> <p>The net proceeds could potentially be used to pare down debt, undertake accretive acquisitions of higher yielding assets or asset enhancement initiatives, redeem convertible perpetual preferred units, commence a DPU accretive unit buy-back programme to enhance long-term returns to Unitholders and to distribute as capital gains.</p> <p>In determining the optimal use of the proceeds, we will take into consideration the impact on OUE C-REIT's capital structure, funding requirements, as well as opportunities available for growth on the horizon. Hence, the final use of the proceeds may involve a combination of</p>

	<p>the abovementioned options.</p> <p>The Manager will provide updates where appropriate on the use of the net proceeds from divestment in its future financial results or other announcements on SGXNet.</p>
<b>7</b>	<p><b>What is the outlook for the various segments of business given the current situation in Singapore?</b></p> <p><i>Office:</i></p> <ul style="list-style-type: none"> <li>While global growth prospects have improved and are expected to provide support for Singapore's ongoing economic recovery, significant uncertainties remain, which could derail overall recovery prospects. Against this backdrop of ongoing uncertainties, occupiers are likely to continue to focus on cost efficiency and right-sizing. Nonetheless, the Grade A office market is expected to lead the recovery in the office sector due to limited Grade A office supply and flight-to-quality trend. OUE C-REIT's high-quality Grade A Singapore office portfolio and diversified tenant base is expected to continue to underpin a stable performance.</li> <li>In the longer term, while COVID-19 has prompted occupiers to rethink their office footprint and the way they conduct business, the Manager believes that an office environment remains relevant even as more companies implement hybrid working arrangements. The office environment has a key role to play in providing opportunities for collaboration, employee engagement, as well as building company culture and identity. Corporates also continue to value the advantages of having their headquarters located in the central business districts in terms of image and reputation building, proximity to clients and business partners, as well as the excellent connectivity and accessibility.</li> </ul> <p><i>Retail</i></p> <ul style="list-style-type: none"> <li>The retail segment is expected to remain weak given the continued structural and operational challenges facing retailers relying on short-term visitors. Uncertainty about the economic and employment outlook may also continue to weigh on discretionary expenditure.</li> <li>The Manager remains committed to working with tenants, and will adopt flexible leasing strategies to sustain occupancy in view of the continued challenges faced by tenants.</li> </ul> <p><i>Hospitality</i></p> <ul style="list-style-type: none"> <li>While Singapore is actively in discussions with numerous countries to open "travel bubbles", the positive impact to visitor numbers is expected to be minimal as long as borders remain closed to tourism.</li> <li>With the government continuing to invest in new tourism infrastructure to position Singapore for the progressive recovery in global tourism, we believe that the long-term outlook for the hospitality segment remains favourable. Hence, the Manager is capitalising on the current challenging operating environment to re-brand Mandarin Orchard Singapore into Hilton Singapore Orchard to position the property to benefit from the expected recovery in the Singapore hospitality sector when borders are eventually reopened. The minimum rent component under the hotel master lease arrangement for Mandarin Orchard Singapore of S\$45.0 million per annum will continue to apply throughout the phased renovation and ramping-up period, which will provide income assurance for Unitholders. Overall, the minimum rent component of S\$67.5 million per annum under OUE C-REIT's hotel master lease arrangements will continue to provide significant downside protection.</li> </ul>

8	<b>What is management's view on the new Code of Conduct for Leasing of Retail Premises ("Code of Conduct") and would there be any significant impact on OUE C-REIT?</b>
	<p>The Code of Conduct sets out leasing guidelines and principles such that fair and balanced lease negotiations can be achieved. The Manager has always strived towards conducting lease negotiations in an open, collaborative manner to achieve the best possible outcomes for both tenants and OUE C-REIT. We believe that the formalisation of the latest market practices under the code, guided by the principles of transparency, fairness, reciprocity and sustainability, will go a long way towards building and maintaining a long term and productive partnership between landlords and tenants.</p> <p>The Code of Conduct is not expected to have a significant impact on OUE C-REIT.</p> <p>Under the Code of Conduct, rent structures must be based on a single rental computation throughout the lease term i.e. the rent structure must not have an "either/or, whichever is higher" formula. While some of OUE C-REIT's tenants in Singapore have a variable gross turnover component in their rental structure, variable rent collected from leases with an "either/or, whichever is higher" formula does not contribute significantly to OUE C-REIT's revenue.</p>
9	<b>Will the group be recycling some of its assets i.e. sell them and reinvest in more promising segments?</b>
	<p>In addition to sourcing investment opportunities, the Manager also explores potential divestment opportunities as part of its proactive portfolio management strategy with a view to maximise returns for unitholders.</p> <p>Where appropriate, the Manager will seek to capitalise on opportunities for portfolio reconstitution, by unlocking value from existing assets at an optimal stage of their life cycle, and redeploying divestment proceeds into higher yielding properties or other value-creating opportunities to enhance long-term returns for Unitholders.</p>