

**OUE Commercial Real Estate Investment Trust
and its subsidiaries**

**(Constituted in the Republic of Singapore pursuant to a trust
deed dated 10 October 2013 (as amended))**

Interim Financial Information
Six-month period and financial year ended 31 December
2021

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.

On 31 March 2021, OUE C-REIT completed the divestment of OUE Bayfront to BPH Propco LLP (“BPH LLP”), with DBS Trustee Limited, in its capacity as trustee of OUE C-REIT (the “Trustee”), holding 50.0% of BPH LLP and the ACRE Angsana Pte. Ltd. (the “Allianz Investor”), a special purpose vehicle managed by Allianz Real Estate Asia Pacific Pte. Ltd holding the remaining 50.0% of BPH LLP.

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. OUE C-REIT has a 50% interest in OUE Bayfront via its interest in BPH LLP.
- **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. To be re-branded as Hilton Singapore Orchard, Hilton's flagship in Singapore and the largest Hilton hotel in Asia-Pacific on 1 March 2022.
- 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 the 6th consecutive year.

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.

Summary of OUE C-REIT Group Results

	2H 2021⁽¹⁾ (S\$'000)	2H 2020⁽²⁾ (S\$'000)	Change (%)	FY 2021⁽¹⁾ (S\$'000)	FY 2020⁽²⁾ (S\$'000)	Change (%)
Revenue	116,338	149,998	(22.4)	249,884	292,007	(14.4)
Net property income	95,160	119,390	(20.3)	204,205	231,890	(11.9)
Amount available for distribution to Unitholders ⁽³⁾	64,420	72,539	(11.2)	131,632	137,822	(4.5)
Add/(Less): Amount released/(retained)	10,400 ⁽⁴⁾	5,831 ⁽⁵⁾	78.4	10,400 ⁽⁴⁾	(5,000) ⁽⁶⁾	NM
Amount to be distributed to Unitholders	74,820	78,370	(4.5)	142,032	132,822	6.9
Distribution per Unit ("DPU") (cents)	1.37	1.43	(4.2)	2.60	2.43	7.0

NM: Not meaningful

Footnotes:

- (1) The current period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.737 for 2H 2021 and 1:4.796 for FY 2021.
- (2) The prior period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.966 for 2H 2020 and 1:4.988 for FY 2020.
- (3) Net of retention for ongoing working capital requirements in relation to the hospitality segment.
- (4) Release of S\$5.4 million capital gain distribution from divestment of OUE Bayfront and balance S\$5.0 million from the S\$10.8 million of tax-exempt income and capital distribution retained in 1H 2020.
- (5) Release of S\$5.8 million from the S\$10.8 million of tax-exempt income and capital distribution retained in 1H 2020.
- (6) S\$5.0 million of tax-exempt income and capital distribution was retained to preserve financial flexibility in view of the uncertainty posed by the COVID-19 situation.

**Statements of Financial Position
As at 31 December 2021**

		Group		Trust	
	Note	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Non-current assets					
Plant and equipment		146	234	—	—
Investment properties	3	5,409,748	5,370,383	902,000	900,000
Intangible assets		9,167	14,167	9,167	14,167
Investments in subsidiaries		—	—	2,459,090	2,594,230
Investment in joint venture	4	322,056	—	316,878	—
Financial derivatives		960	—	960	—
Trade and other receivables	5	3,867	4,046	—	—
		5,745,944	5,388,830	3,688,095	3,508,397
Current assets					
Trade and other receivables	5	27,028	30,548	10,513	9,245
Cash and cash equivalents		59,549	88,508	3,986	17,987
Property held for sale	6	—	1,258,512	—	1,258,512
		86,577	1,377,568	14,499	1,285,744
Total assets		5,832,521	6,766,398	3,702,594	4,794,141
Non-current liabilities					
Borrowings	7	1,813,196	2,325,093	455,916	1,006,219
Loan from a subsidiary	7	—	—	246,627	97,789
Trade and other payables		38,860	31,749	13,224	6,548
Financial derivatives		7,077	31,895	3,432	14,074
Deferred tax liabilities		83,993	79,239	—	—
Lease liability		24,410	24,535	—	—
		1,967,536	2,492,511	719,199	1,124,630
Current liabilities					
Borrowings	7	172,199	371,290	8,000	369,254
Trade and other payables		87,132	83,741	29,606	32,414
Financial derivatives		1,545	9,085	869	2,296
Current tax liabilities		14,594	17,358	—	—
Lease liability		1,000	1,000	—	—
Liabilities directly associated with the property held for sale	6	—	15,751	—	15,751
		276,470	498,225	38,475	419,715
Total liabilities		2,244,006	2,990,736	757,674	1,544,345
Net assets		3,588,515	3,775,662	2,944,920	3,249,796

The accompanying notes form an integral part of the interim financial information

Statements of Financial Position (continued)
As at 31 December 2021

		Group		Trust	
	Note	31 December 2021	31 December 2020	31 December 2021	31 December 2020
		\$'000	\$'000	\$'000	\$'000
Represented by:					
Unitholders' funds		3,127,996	3,177,972	2,732,611	2,887,911
Convertible Perpetual Preferred Units ("CPPU") holder's funds	8	212,309	361,885	212,309	361,885
		3,340,305	3,539,857	2,944,920	3,249,796
Non-controlling interests		248,210	235,805	—	—
		3,588,515	3,775,662	2,944,920	3,249,796
Units in issue and to be issued ('000)	9	5,449,685	5,427,850	5,449,685	5,427,850
Net asset value per Unit (\$)	10	0.57	0.59	0.50	0.53

The accompanying notes form an integral part of the interim financial information

Statement of Total Return

Six-month period and financial year ended 31 December 2021

		Group			
		Six-month period ended 31 December 2021 \$'000	Six-month period ended 31 December 2020 \$'000	Financial year ended 31 December 2021 \$'000	Financial year ended 31 December 2020 \$'000
Revenue	11	116,338	149,998	249,884	292,007
Property operating expenses		(21,178)	(30,608)	(45,679)	(60,117)
Net property income		95,160	119,390	204,205	231,890
Other income		8,326	7,107	15,194	16,517
Amortisation of intangible assets		(2,500)	(2,500)	(5,000)	(5,000)
Manager's management fees		(7,884)	(9,862)	(16,075)	(19,708)
Manager's performance fees		(816)	—	(2,174)	—
Divestment costs		—	—	(7,363)	—
Trustee's fee		(638)	(747)	(1,304)	(1,487)
Other expenses		(1,586)	(632)	(2,674)	(2,279)
Finance income		2,953	2,417	4,394	4,652
Finance costs		(37,270)	(41,423)	(76,187)	(85,330)
Net finance costs	12	(34,317)	(39,006)	(71,793)	(80,678)
Net income		55,745	73,750	113,016	139,255
Share of joint venture results		9,170	—	13,236	—
Net change in fair value of investment properties		(56,284)	(179,655)	(56,284)	(179,655)
Total return/(loss) for the period/year before tax	13	8,631	(105,905)	69,968	(40,400)
Tax (expense)/credit	14	(7,193)	6,365	(14,061)	(345)
Total return/(loss) for the period/year		1,438	(99,540)	55,907	(40,745)
Attributable to:					
Unitholders and CPPU holder		(12,447)	(92,330)	38,876	(36,265)
Non-controlling interests		13,885	(7,210)	17,031	(4,480)
		1,438	(99,540)	55,907	(40,745)
Earnings per Unit (cents)					
Basic	15	(0.25)	(1.74)	0.67	(0.74)
Diluted	15	(0.25)	(1.74)	0.67	(0.74)

The accompanying notes form an integral part of the interim financial information

Distribution Statement

Six-month period and financial year ended 31 December 2021

	Group			
	Six-month period ended 31 December 2021 \$'000	Six-month period ended 31 December 2020 \$'000	Financial year ended 31 December 2021 \$'000	Financial year ended 31 December 2020 \$'000
Amount available for distribution to Unitholders at beginning of the period/year	69,404	55,587	79,810	60,452
Total (loss)/return for the period/year attributable to Unitholders and CPPU holder	(12,447)	(92,330)	38,876	(36,265)
Less: Amount reserved for distribution to CPPU holder	(1,109)	(1,885)	(2,582)	(3,750)
Less: Amount retained for working capital requirements	(3,000)	(3,000)	(6,000)	(6,000)
Distribution adjustments (Note A)	80,976	169,754	101,338	183,837
Amount available for distribution for the current period/year	64,420	72,539	131,632	137,822
Add/(Less): Amount released/(retained)*	10,400	5,831	10,400	(5,000)
Amount to be distributed to Unitholders (Note B)	74,820	78,370	142,032	132,822
Distributions to Unitholders:				
- Distribution of 1.10 cents per Unit for the period from 4/9/2019 to 31/12/2019	—	—	—	(59,317)
- Distribution of 1.00 cents per Unit for the period from 1/1/2020 to 30/6/2020	—	(54,147)	—	(54,147)
- Distribution of 1.43 cents per Unit for the period from 1/7/2020 to 31/12/2020	—	—	(77,618)	—
- Distribution of 1.23 cents per Unit for the period from 1/1/2021 to 30/6/2021	(66,890)	—	(66,890)	—
	(66,890)	(54,147)	(144,508)	(113,464)
Amount available for distribution to Unitholders at the end of the period/year	77,334	79,810	77,334	79,810
Distribution per Unit ("DPU") (cents)	1.37	1.43	2.60	2.43

* In 2H 2021, OUE C-REIT Group released S\$5.4 million of capital gain from divestment of OUE Bayfront and balance S\$5.0 million from the S\$10.8 million of tax-exempt income and capital distribution retained in 1H 2020 to preserve financial flexibility in view of the uncertainty posed by the COVID-19 situation. In 2H 2020, OUE C-REIT Group released S\$5.8 million from the S\$10.8 million retained in 1H 2020.

The accompanying notes form an integral part of the interim financial information

Distribution Statement (continued)
Six-month period and financial year ended 31 December 2021

Note A – Distribution adjustments

	Group			
	Six-month period ended 31 December 2021 \$'000	Six-month period ended 31 December 2020 \$'000	Financial year ended 31 December 2021 \$'000	Financial year ended 31 December 2020 \$'000
Net change in fair value of investment properties	56,284	179,655	56,284	179,655
Amortisation of intangible assets	2,500	2,500	5,000	5,000
Amortisation of debt establishment costs	4,371	5,392	10,339	8,959
Ineffective portion of changes in fair value of cash flow hedges	(355)	(639)	(1,364)	(3,161)
Net change in fair value of financial derivatives	(1,983)	(1,255)	(1,756)	929
Hedging reserve transferred from unitholders' funds due to discontinuation of hedge accounting	1,893	293	1,892	341
Manager's management fees paid/payable in Units	5,029	4,931	9,124	12,808
Trustee's fee	638	747	1,304	1,487
Foreign exchange differences	(44)	(309)	(230)	(698)
Deferred tax expense/(credit)	996	(12,796)	1,375	(12,347)
Straight-lining of lease incentives	2,168	2,475	2,044	2,341
Transfer to statutory reserve	(605)	(668)	(1,236)	(1,324)
Other items	10,084	(10,572)	18,562	(10,153)
Distribution adjustments	80,976	169,754	101,338	183,837

Note B – Amount to be distributed to Unitholders

	Group and Trust			
	Six-month period ended 31 December 2021 \$'000	Six-month period ended 31 December 2020 \$'000	Financial year ended 31 December 2021 \$'000	Financial year ended 31 December 2020 \$'000
Comprises:				
- From operations	47,787	54,805	95,213	109,257
- From tax exempt income	11,970	20,875	27,913	20,875
- From Unitholders' contribution	15,063	2,690	18,906	2,690
	74,820	78,370	142,032	132,822

The accompanying notes form an integral part of the interim financial information

Statements of Movements in Unitholders' Funds
Six-month period and financial year ended 31 December 2021

	<---- Attributable to ---->				
	Unitholders \$'000	CPPU holder \$'000	Total \$'000	Non- controlling interests \$'000	Total \$'000
Group					
Net assets attributable to owners at 1 July 2021	3,176,562	212,291	3,388,853	233,879	3,622,732
Operations					
Total (loss)/return for the period	(12,447)	–	(12,447)	13,885	1,438
Less: Amount reserved for distribution to CPPU holder	(1,109)	1,109	–	–	–
Net (decrease)/increase in net assets resulting from operations	(13,556)	1,109	(12,447)	13,885	1,438
Transactions with owners					
Issue of new Units:					
- Manager's management fees paid/payable in Units	5,029	–	5,029	–	5,029
Distributions paid to Unitholders	(66,890)	–	(66,890)	–	(66,890)
Distributions paid to CPPU Holder	–	(1,091)	(1,091)	–	(1,091)
Net decrease in net assets resulting from transactions with owners	(61,861)	(1,091)	(62,952)	–	(62,952)
Movement in foreign currency translation reserve	13,971	–	13,971	–	13,971
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	4,321	–	4,321	105	4,426
Hedging reserve transferred to statement of total return	8,559	–	8,559	341	8,900
Net movement in hedging transactions	12,880	–	12,880	446	13,326
At 31 December 2021	3,127,996	212,309	3,340,305	248,210	3,588,515

The accompanying notes form an integral part of the interim financial information

Statements of Movements in Unitholders' Funds
Six-month period and financial year ended 31 December 2021

	<---- Attributable to ---->				
	Unitholders \$'000	CPPU holder \$'000	Total \$'000	Non- controlling interests \$'000	Total \$'000
Group					
Net assets attributable to owners at 1 January 2021	3,177,972	361,885	3,539,857	235,805	3,775,662
Operations					
Total return for the year	38,876	—	38,876	17,031	55,907
Less: Amount reserved for distribution to CPPU holder	(2,582)	2,582	—	—	—
Net increase in net assets resulting from operations	36,294	2,582	38,876	17,031	55,907
Transactions with owners					
Issue of new Units:					
- Manager's management fees paid/payable in Units	9,124	—	9,124	—	9,124
CPPUs redeemed	—	(148,800)	(148,800)	—	(148,800)
Difference on redemption of CPPUs	(6,200)	—	(6,200)	—	(6,200)
Distributions paid to Unitholders	(144,508)	—	(144,508)	—	(144,508)
Distributions paid to CPPU Holder	—	(3,358)	(3,358)	—	(3,358)
Distributions paid to non-controlling interests	—	—	—	(5,600)	(5,600)
Net decrease in net assets resulting from transactions with owners	(141,584)	(152,158)	(293,742)	(5,600)	(299,342)
Movement in foreign currency translation reserve	24,196	—	24,196	—	24,196
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	11,157	—	11,157	195	11,352
Hedging reserve transferred to statement of total return	19,961	—	19,961	779	20,740
Net movement in hedging transactions	31,118	—	31,118	974	32,092
At 31 December 2021	<u>3,127,996</u>	<u>212,309</u>	<u>3,340,305</u>	<u>248,210</u>	<u>3,588,515</u>

The accompanying notes form an integral part of the interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2021

	<---- Attributable to ---->				
	Unitholders \$'000	CPPU holder \$'000	Total \$'000	Non- controlling interests \$'000	Total \$'000
Group					
Net assets attributable to owners at 1 July 2020	3,296,194	361,865	3,658,059	242,751	3,900,810
Operations					
Total loss for the period	(92,330)	—	(92,330)	(7,210)	(99,540)
Less: Amount reserved for distribution to CPPU holder	(1,885)	1,885	—	—	—
Net (decrease)/increase in net assets resulting from operations	(94,215)	1,885	(92,330)	(7,210)	(99,540)
Transactions with owners					
Issue of new Units:					
- Manager's management fees paid/payable in Units	4,931	—	4,931	—	4,931
Distributions paid to Unitholders	(54,147)	—	(54,147)	—	(54,147)
Distributions paid to CPPU Holder	—	(1,865)	(1,865)	—	(1,865)
Net decrease in net assets resulting from transactions with owners	(49,216)	(1,865)	(51,081)	—	(51,081)
Movement in foreign currency translation reserve	17,770	—	17,770	—	17,770
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	(12,381)	—	(12,381)	(309)	(12,690)
Hedging reserve transferred to statement of total return	19,820	—	19,820	573	20,393
Net movement in hedging transactions	7,439	—	7,439	264	7,703
At 31 December 2020	<u>3,177,972</u>	<u>361,885</u>	<u>3,539,857</u>	<u>235,805</u>	<u>3,775,662</u>

The accompanying notes form an integral part of the interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2021

	<---- Attributable to ---->				
	Unitholders \$'000	CPPU holder \$'000	Total \$'000	Non- controlling interests \$'000	Total \$'000
Group					
Net assets attributable to owners at 1 January 2020	3,318,417	361,890	3,680,307	247,895	3,928,202
Operations					
Total loss for the year	(36,265)	—	(36,265)	(4,480)	(40,745)
Less: Amount reserved for distribution to CPPU holder	(3,750)	3,750	—	—	—
Net (decrease)/increase in net assets resulting from operations	(40,015)	3,750	(36,265)	(4,480)	(40,745)
Transactions with owners					
Issue of new Units:					
- Manager's management fees paid/payable in Units	12,808	—	12,808	—	12,808
Distributions paid to Unitholders	(113,464)	—	(113,464)	—	(113,464)
Distributions paid to CPPU Holder	—	(3,755)	(3,755)	—	(3,755)
Distributions paid to non-controlling interests	—	—	—	(6,800)	(6,800)
Net decrease in net assets resulting from transactions with owners	(100,656)	(3,755)	(104,411)	(6,800)	(111,211)
Movement in foreign currency translation reserve	24,979	—	24,979	—	24,979
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	(44,621)	—	(44,621)	(1,383)	(46,004)
Hedging reserve transferred to statement of total return	19,868	—	19,868	573	20,441
Net movement in hedging transactions	(24,753)	—	(24,753)	(810)	(25,563)
At 31 December 2020	<u>3,177,972</u>	<u>361,885</u>	<u>3,539,857</u>	<u>235,805</u>	<u>3,775,662</u>

The accompanying notes form an integral part of the interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2021

	<----- Attributable to ----->		
	Unitholders	CPPU holder	Total
	\$'000	\$'000	\$'000
Trust			
Net assets attributable to owners at 1 July 2021	2,868,689	212,291	3,080,980
Operations			
Total loss for the period	(78,129)	—	(78,129)
Less: Amount reserved for distribution to CPPU holder	(1,109)	1,109	—
Net (decrease)/increase in net assets resulting from operations	(79,238)	1,109	(78,129)
Transactions with owners			
Issue of new Units:			
- Manager's management fees paid/payable in Units	5,029	—	5,029
Distributions paid to Unitholders	(66,890)	—	(66,890)
Distributions paid to CPPU holder	—	(1,091)	(1,091)
Net decrease in net assets resulting from transactions with owners	(61,861)	(1,091)	(62,952)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	1,450	—	1,450
Hedging reserve transferred to statement of total return	3,571	—	3,571
Net movement in hedging transactions	5,021	—	5,021
At 31 December 2021	2,732,611	212,309	2,944,920

The accompanying notes form an integral part of the interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2021

	<----- Attributable to ----->		
	Unitholders	CPPU holder	Total
	\$'000	\$'000	\$'000
Trust			
Net assets attributable to owners at 1 January 2021	2,887,911	361,885	3,249,796
Operations			
Total loss for the year	(24,030)	—	(24,030)
Less: Amount reserved for distribution to CPPU holder	(2,582)	2,582	—
Net (decrease)/increase in net assets resulting from operations	(26,612)	2,582	(24,030)
Transactions with owners			
Issue of new Units:			
- Manager's management fees paid/payable in Units	9,124	—	9,124
CPPUs redeemed	—	(148,800)	(148,800)
Difference on redemption of CPPUs	(6,200)	—	(6,200)
Distributions paid to Unitholders	(144,508)	—	(144,508)
Distributions paid to CPPU holder	—	(3,358)	(3,358)
Net decrease in net assets resulting from transactions with owners	(141,584)	(152,158)	(293,742)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	4,585	—	4,585
Hedging reserve transferred to statement of total return	8,311	—	8,311
Net movement in hedging transactions	12,896	—	12,896
At 31 December 2021	2,732,611	212,309	2,944,920

The accompanying notes form an integral part of the interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2021

	<----- Attributable to ----->		
	Unitholders	CPPU holder	Total
	\$'000	\$'000	\$'000
Trust			
Net assets attributable to owners at			
1 July 2020	2,932,939	361,865	3,294,804
Operations			
Total return for the period	2,328	—	2,328
Less: Amount reserved for distribution to CPPU holder	(1,885)	1,885	—
Net increase in net assets resulting from operations	443	1,885	2,328
Transactions with owners			
Issue of new Units:			
- Manager's management fees paid/payable in Units	4,931	—	4,931
Distributions paid to Unitholders	(54,147)	—	(54,147)
Distributions paid to CPPU holder	—	(1,865)	(1,865)
Net decrease in net assets resulting from transactions with owners	(49,216)	(1,865)	(51,081)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	(5,589)	—	(5,589)
Hedging reserve transferred to statement of total return	9,334	—	9,334
Net movement in hedging transactions	3,745	—	3,745
At 31 December 2020	2,887,911	361,885	3,249,796

The accompanying notes form an integral part of the interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2021

	<----- Attributable to ----->		
	Unitholders	CPPU holder	Total
	\$'000	\$'000	\$'000
Trust			
Net assets attributable to owners at 1 January 2020	2,964,902	361,890	3,326,792
Operations			
Total return for the year	36,102	—	36,102
Less: Amount reserved for distribution to CPPU holder	(3,750)	3,750	—
Net increase in net assets resulting from operations	32,352	3,750	36,102
Transactions with owners			
Issue of new Units:			
- Manager's management fees paid/payable in Units	12,808	—	12,808
Distributions paid to Unitholders	(113,464)	—	(113,464)
Distributions paid to CPPU holder	—	(3,755)	(3,755)
Net decrease in net assets resulting from transactions with owners	(100,656)	(3,755)	(104,411)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	(18,241)	—	(18,241)
Hedging reserve transferred to statement of total return	9,554	—	9,554
Net movement in hedging transactions	(8,687)	—	(8,687)
At 31 December 2020	2,887,911	361,885	3,249,796

The accompanying notes form an integral part of the interim financial information

Portfolio Statements
As at 31 December 2021

Description of property	Leasehold tenure	Location	Existing use	Group			
				Carrying value at 31/12/2021 \$'000	Percentage of Unitholders' funds at 31/12/2021 %	Carrying value at 31/12/2020 \$'000	Percentage of Unitholders' funds at 31/12/2020 %
<i>Singapore</i>							
OUE Downtown Office							
OUE Downtown is a mixed-use development comprising a 50-storey building (OUE Downtown 1) and a 37-storey building (OUE Downtown 2), a retail podium and a multi-storey car park	OUE Downtown 1 and OUE Downtown 2: 99-year lease from 19 July 1967	6 Shenton Way, Singapore 068809 and 6A Shenton Way, Singapore 068815	Commercial	902,000	29	900,000	28
The Group owns the office components of OUE Downtown (OUE Downtown Office), comprising OUE Downtown 1 (Strata Lot U4628V) and OUE Downtown 2 (Strata Lot U4629P)							
One Raffles Place							
An integrated commercial development comprising One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall	One Raffles Place Tower 1: 841-year lease from 1 November 1985	1 Raffles Place, One Raffles Place, Singapore 048616	Commercial	1,867,700	60	1,799,700	57
The Group has an effective interest of 67.95% in One Raffles Place	One Raffles Place Tower 2: 99-year lease from 26 May 1983						
	One Raffles Place Shopping Mall: the retail podium straddles two land plots:						
	- approximately 75% of the net lettable area (“NLA”) of the retail podium is on a 99-year lease from 1 November 1985 - the balance 25% of the NLA of the retail podium is on an 841-year lease from 1 November 1985						

The accompanying notes form an integral part of the interim financial information

Portfolio Statements (continued)
As at 31 December 2021

Description of property	Leasehold tenure	Location	Existing use	----- Group -----			
				Carrying value at 31/12/2021 \$'000	Percentage of Unitholders' funds at 31/12/2021 %	Carrying value at 31/12/2020 \$'000	Percentage of Unitholders' funds at 31/12/2020 %
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 the 6th consecutive year.	74-year lease from 1 July 2009	75 Airport Boulevard, Singapore 819664	Hotel	455,200	15	468,500	15
Mandarin Orchard Singapore A renowned upscale hotel with strong brand recognition and has won numerous internationally recognised awards and accolades.	99-year lease from 1 July 1957	333 Orchard Road, Singapore 238867	Hotel	1,130,000	36	1,157,000	36
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.	99-year lease from 1 July 1957	333A Orchard Road, Singapore 238897	Retail	453,900	14	473,000	15
Shanghai							
Lippo Plaza A 36-storey commercial building with retail podium at Shanghai, China excluding: (i) Unit 2 in Basement 1, (ii) the 12 th , 13 th , 15 th and 16 th floors and (iii) 4 car park lots	50-year land use right commencing from 2 July 1994	222 Huaihai Zhong Road, Huangpu District, Shanghai, PRC 200021	Commercial	574,538	18	545,648	17
Investment properties, at valuation				5,383,338	172	5,343,848	168

The accompanying notes form an integral part of the interim financial information

Portfolio Statements (continued)
As at 31 December 2021

Description of property	Leasehold tenure	Location	Existing use	----- Group -----			
				Carrying value at 31/12/2021 \$'000	Percentage of Unitholders' funds at 31/12/2021 %	Carrying value at 31/12/2020 \$'000	Percentage of Unitholders' funds at 31/12/2020 %
Property held for sale							
OUE Bayfront (and adjoining properties comprising OUE Tower and OUE Link) ("the Property") ^(a)	OUE Bayfront and OUE Tower: 99-year lease from 12 November 2007	50 Collyer Quay, OUE Bayfront, Singapore 049321	Commercial	—	—	1,258,512	40
An integrated commercial development comprising an 18-storey office building, a conserved tower building and a retail link bridge at Collyer Quay, Singapore	OUE Link: 15-year lease from 26 March 2010	60 Collyer Quay, OUE Tower, Singapore 049322					
	Underpass: 99-year lease from 7 January 2002	62 Collyer Quay, OUE Link, Singapore 049325					
Total investment properties and investment property held for sale				5,383,338	172	6,602,360	208
Other assets and liabilities (net)				(1,794,823)	(57)	(2,826,698)	(89)
Net assets of the Group				3,588,515	115	3,775,662	119
Net assets attributable to CPPU holder				(212,309)	(7)	(361,885)	(11)
Net assets attributable to non-controlling interests				(248,210)	(8)	(235,805)	(8)
Unitholders' funds				3,127,996	100	3,177,972	100

(a) The Property was divested on 31 March 2021 (See Note 4).

The carrying value of Lippo Plaza as at 31 December 2021 in Renminbi is RMB2,681,000,000 (31 December 2020: RMB 2,680,000,000).

The properties are leased to third parties except as otherwise stated in Note 11. Generally, the leases contain an initial non-cancellable period of 1 to 10 years (31 December 2020: 1 to 10 years). Subsequent renewals are negotiated with the respective lessees.

The accompanying notes form an integral part of the interim financial information

Portfolio Statements (continued)
As at 31 December 2021

Description of property	Leasehold tenure	Location	Existing use	Trust			
				Carrying value at 31/12/2021 \$'000	Percentage of Unitholders' funds at 31/12/2021 %	Carrying value at 31/12/2020 \$'000	Percentage of Unitholders' funds at 31/12/2020 %
Singapore							
OUE Downtown Office OUE Downtown is a mixed-use development comprising a 50-storey building (OUE Downtown 1) and a 37-storey building (OUE Downtown 2), a retail podium and a multi-storey car park The Trust owns the office components of OUE Downtown (OUE Downtown Office), comprising OUE Downtown 1 (Strata Lot U4628V) and OUE Downtown 2 (Strata Lot U4629P)	OUE Downtown 1 and OUE Downtown 2: 99-year lease from 19 July 1967	6 Shenton Way, Singapore 068809 and 6A Shenton Way, Singapore 068815	Commercial	902,000	33	900,000	31
Investment properties				902,000	33	900,000	31

The accompanying notes form an integral part of the interim financial information

Portfolio Statements (continued)
As at 31 December 2021

Description of property	Leasehold tenure	Location	Existing use	----- Trust -----			
				Carrying value at 31/12/2021 \$'000	Percentage of Unitholders' funds at 31/12/2021 %	Carrying value at 31/12/2020 \$'000	Percentage of Unitholders' funds at 31/12/2020 %
Property held for sale							
OUE Bayfront (and adjoining properties comprising OUE Tower and OUE Link) ^(a)	OUE Bayfront and OUE Tower: 99-year lease from 12 November 2007	50 Collyer Quay, OUE Bayfront, Singapore 049321	Commercial	–	–	1,258,512	44
An integrated commercial development comprising an 18-storey office building, a conserved tower building and a retail link bridge at Collyer Quay, Singapore	OUE Link: 15-year lease from 26 March 2010	60 Collyer Quay, OUE Tower, Singapore 049322					
	Underpass: 99-year lease from 7 January 2002	62 Collyer Quay, OUE Link, Singapore 049325					
Total investment properties and investment property held for sale				902,000	33	2,158,512	75
Other assets and liabilities (net)				2,042,920	75	1,091,284	38
Net assets of the Trust				2,944,920	108	3,249,796	113
Net assets attributable to CPPU holder				(212,309)	(8)	(361,885)	(13)
Unitholders' funds				2,732,611	100	2,887,911	100

(a) The Property was divested on 31 March 2021 (See Note 4).

The properties are leased to third parties except as otherwise stated in Note 11. Generally, the leases contain an initial non-cancellable period of 1 to 10 years (31 December 2020: 1 to 10 years). Subsequent renewals are negotiated with the respective lessees.

The accompanying notes form an integral part of the interim financial information

Consolidated Statement of Cash Flows
Six-month period and financial year ended 31 December 2021

	Group	
	Financial year ended	Financial year ended
	31 December	31 December
	2021	2020
	\$'000	\$'000
Cash flows from operating activities		
Total return/(loss) for the year	55,907	(40,745)
Adjustments for:		
Amortisation of intangible assets	5,000	5,000
Depreciation of plant and equipment	82	99
Finance costs	76,187	85,330
Finance income	(4,164)	(3,954)
Manager's fees paid/payable in Units	9,124	12,808
Net change in fair value of investment properties	56,284	179,655
Share of joint venture results	(13,236)	—
Loss on write-off of plant and equipment	10	2
Plant and equipment written-off	1	—
(Write-back)/ allowance for doubtful receivables	(1,118)	1,752
Tax expense	14,061	345
Operating income before working capital changes	198,138	240,292
Changes in working capital:		
Trade and other receivables	(3,086)	5,307
Trade and other payables	(12,502)	910
Cash generated from operating activities	182,550	246,509
Tax paid	(15,749)	(12,150)
Net cash from operating activities	166,801	234,359
Cash flows from investing activities		
Additions to plant and equipment	(3)	(59)
Payment for capital expenditure on investment properties	(56,896)	(7,737)
Dividends received from joint venture	8,058	—
Interest received	729	793
Proceeds from divestment of investment property	950,634	—
Proceeds from sale of plant and equipment	1	—
Net cash from/(used in) investing activities	902,523	(7,003)
Cash flows from financing activities		
Distributions paid to Unitholders	(144,508)	(113,464)
Distributions paid to CPPU holder	(3,358)	(3,755)
Distributions paid to non-controlling interests	(5,600)	(6,800)
Interest paid	(66,487)	(76,698)
Payment of transaction costs related to borrowings	(9,636)	(14,364)
Payment of lease liability	(1,000)	(1,000)
Proceeds from bank loans	764,973	1,181,685
Proceeds from issuance of Notes	150,000	100,000
Redemption of CPPUs	(155,000)	—
Repayment of bank loans	(1,480,035)	(1,116,099)
Repayment of Notes	(150,000)	(150,000)
Net cash used in financing activities	(1,100,651)	(200,495)

The accompanying notes form an integral part of the interim financial information

Consolidated Statement of Cash Flows (continued)
Six-month period and financial year ended 31 December 2021

	Group	
	Financial year ended	Financial year ended
	31 December	31 December
	2021	2020
	\$'000	\$'000
Net (decrease)/increase in cash and cash equivalents	(31,327)	26,861
Cash and cash equivalents at beginning of the year	88,508	59,410
Effect of exchange rate fluctuations on cash held	2,368	2,237
Cash and cash equivalents at end of the year	<u>59,549</u>	<u>88,508</u>

Significant non-cash transactions

During the year, there were the following significant non-cash transactions:

Financial year ended 31 December 2021

- a total of 21,834,172 Units, amounting to \$9,124,000, were or would be issued to the Manager as satisfaction of the Manager's management fees for the financial year.

Financial year ended 31 December 2020

- a total of 35,391,003 Units, amounting to \$12,808,000, were or would be issued to the Manager as satisfaction of the Manager's management fees for the financial year.

The accompanying notes form an integral part of the interim financial information

Notes to the Financial Information

These notes form an integral part of the interim financial statements.

1 General

OUE Commercial Real Estate Investment Trust (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 10 October 2013 (as amended) (the “Trust Deed”) between OUE Commercial REIT Management Pte. Ltd. (the “Manager”) and DBS Trustee Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the “Group”) in trust for the holders (“Unitholders”) of units in the Trust (the “Units”).

The Trust was admitted to the Official List of Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 27 January 2014 (the “Listing Date”).

The principal activity of the Trust is to invest, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs 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 became a wholly-owned 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.

On 31 March 2021, OUE C-REIT completed the divestment of OUE Bayfront to BPH Propco LLP (“BPH LLP”), with DBS Trustee Limited, in its capacity as trustee of OUE C-REIT (the “Trustee”), holding 50.0% of BPH LLP and the ACRE Angsana Pte. Ltd. (the “Allianz Investor”), a special purpose vehicle managed by Allianz Real Estate Asia Pacific Pte. Ltd holding the remaining 50.0% of BPH LLP.

The consolidated interim financial information (“Financial Information”) relates to the Trust and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interests in its joint venture.

The Group is regarded as a subsidiary of OUE Limited (“OUE”) for financial reporting purposes. Accordingly, the ultimate holding company of the Trust is Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands.

2 Basis of preparation

The Financial Information has been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice (“RAP”) 7 “*Reporting Framework for Unit Trusts*” relevant to interim financial information issued by the Institute of Singapore Chartered Accountants (“ISCA”), the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (the “MAS”) and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards (“FRS”). The Financial Information does not include all the information required for a complete set of financial statements prepared in accordance with FRS Standards and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last annual financial statements.

The Financial Information has been prepared on the historical cost basis, except for the investment properties and financial derivatives which are stated at their fair values.

The Financial Information is presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of the Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

The accounting policies applied by the Group in this Financial Information are consistent with those applied by the Group in its financial statements as at and for the year ended 31 December 2020 which were prepared in accordance with FRS, except for the adoption of the revised version of RAP 7 new and revised standards that are effective for annual periods beginning on 1 January 2021. The adoption of these new and revised standards did not have a material impact on the Group’s Financial Information.

3 Investment properties

	----- Group -----		----- Trust -----	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000
At 1 January	5,370,383	6,770,187	900,000	2,093,000
Capital expenditure capitalised	68,875	11,625	4,377	6,938
Lease incentives	(2,029)	(2,393)	(15)	(13)
Fair value changes recognised in the statement of total return (unrealised)	(56,284)	(179,655)	(2,362)	58,587
Reclassification to property held for sale (Note 6)	–	(1,258,512)	–	(1,258,512)
Translation differences	28,803	29,131	–	–
At 31 December	<u>5,409,748</u>	<u>5,370,383</u>	<u>902,000</u>	<u>900,000</u>

As at 31 December 2021, investment properties with a carrying amount of \$3,060,438,000 (31 December 2020: \$3,356,648,000) are pledged as security to secure bank loans (see Note 7).

Measurement of fair value

(i) Fair value hierarchy

The investment properties are stated at fair value at the reporting date.

Properties	Valuer
31 December 2021	
OUE Downtown Office	Cushman & Wakefield VHS Pte Ltd
One Raffles Place	Cushman & Wakefield VHS Pte Ltd
Crowne Plaza Changi Airport	Savills Valuation and Professional Services (S) Pte Ltd
Mandarin Orchard Singapore	Savills Valuation and Professional Services (S) Pte Ltd
Mandarin Gallery	Savills Valuation and Professional Services (S) Pte Ltd
Lippo Plaza	Savills Real Estate Valuation (Guangzhou) Ltd-Shanghai Branch

Properties	Valuer
31 December 2020	
OUE Bayfront ^(a)	Cushman & Wakefield VHS Pte Ltd
OUE Downtown Office	Savills Valuation and Professional Services (S) Pte Ltd
One Raffles Place	Savills Valuation and Professional Services (S) Pte Ltd
Crowne Plaza Changi Airport	Cushman & Wakefield VHS Pte Ltd
Mandarin Orchard Singapore	Cushman & Wakefield VHS Pte Ltd
Mandarin Gallery	Cushman & Wakefield VHS Pte Ltd
Lippo Plaza	Savills Real Estate Valuation (Guangzhou) Ltd-Shanghai Branch

^(a) Classified as “Property held for sale”

The fair values were derived based on the discounted cash flow, capitalisation and direct comparison methods. The valuation methods involve certain estimates including those relating to discount rate, terminal yield rate, capitalisation rate, price per square foot and price per room. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations.

The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation method capitalises an income stream into a present value using single-year capitalisation rate. The direct comparison method involves the analysis of comparable sales of similar properties, with adjustments made to differentiate the comparables in terms of location, area, quality and other relevant factors.

In relying on the valuation reports, the Manager has exercised its judgment and is satisfied that the valuation methods and estimates used are reflective of the current market conditions. Certain valuers have highlighted in their valuation reports that the real estate market has been impacted by the uncertainty that the COVID-19 pandemic has caused, less certainty and a higher degree of caution should be attached to their valuations than would normally be the case.

The fair value measurement of all of the Group’s investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

	2021	2020
	\$’000	\$’000
Fair value of investment property (based on valuation report)	5,383,338	5,343,848
Add: Carrying amount of lease liability	25,410	25,535
Add: Prepayment of lease	1,000	1,000
Carrying amount of investment property	<u>5,409,748</u>	<u>5,370,383</u>

(ii) Valuation techniques and significant unobservable inputs

The following table shows the Group's valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Commercial (Singapore)	Commercial (China)	Hospitality (Singapore)	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flow method</i>	Discount rate				The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> discount rate was lower (higher); terminal yield rate was lower (higher).
	At 31 December 2021	6.8% - 7.0%	6.5%	6.8%	
	At 31 December 2020	6.5% - 7.0%	6.5%	7.0%	
	Terminal yield rate				
	At 31 December 2021	3.5% - 5.8%	3.5%	5.0% - 5.8%	
	At 31 December 2020	3.8% - 5.3%	3.5%	4.8% - 5.5%	
<i>Capitalisation method</i>	Capitalisation rate				The estimated fair value would increase/(decrease) if the capitalisation rate was lower (higher).
	At 31 December 2021	3.4% - 5.4%	—	—	
	At 31 December 2020	3.5% - 4.3%	—	—	
<i>Direct comparison method</i>	Price per square foot (psf)				The estimated fair value would increase/(decrease) if the price psf or per room was higher (lower).
	At 31 December 2021	\$1,704 - \$3,594	\$1,360	—	
	At 31 December 2020	\$1,696 - \$3,746	\$1,291	—	
	Price per room				
	At 31 December 2021	—	—	\$0.9 million - \$1.0 million	
	At 31 December 2020	—	—	\$0.9 million - \$1.2 million	

4 Investment in joint venture

	----- Group -----		----- Trust -----	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Interest in joint venture	322,056	—	316,878	—

The Group and Trust completed the divestment of 50.0% interest in OUE Bayfront, OUE Tower and OUE Link (the “Property”) on 31 March 2021. The Property is now wholly-owned by a limited liability partnership known as BPH Propco LLP (“BPH LLP”), with the Trustee, in its capacity as trustee of the Group, holding 50.0% of BPH LLP and the ACRE Angsana Pte. Ltd. (the “Allianz Investor”), a special purpose vehicle managed by Allianz Real Estate Asia Pacific Pte. Ltd, holding the remaining 50.0% of BPH LLP.

5 Trade and other receivables

	----- Group -----		----- Trust -----	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Trade receivables from:				
- other related parties	5,634	5,634	9	8
- third parties	4,533	9,586	1,149	968
	10,167	15,220	1,158	976
Less: Allowance for doubtful receivables	(506)	(1,792)	(4)	(172)
	9,661	13,428	1,154	804
Other receivables from:				
- subsidiaries	—	—	621	578
- other related parties	8,127	7,107	8,127	7,107
- joint venture	331	—	331	—
- third parties	7,198	7,154	110	424
	15,656	14,261	9,189	8,109
Deposits	27	322	3	288
	25,344	28,011	10,346	9,201
Prepayments	1,684	2,537	167	44
	27,028	30,548	10,513	9,245
Non-current				
Deposits	3,826	3,826	—	—
Prepayments	41	220	—	—
	3,867	4,046	—	—

6 **Property held for sale and liabilities directly associated with the property**

On 18 January 2021, the Trust entered into a sale and contribution agreement to divest 50.0% interest in Property to BPH LLP (See Note 4). Accordingly, the Property was reclassified from investment property to property held for sale as at 31 December 2020.

Immediately before classification as held for sale, the Property was remeasured based on fair value less cost of disposal, calculated based on the expected selling price taking into consideration the cost of lease extension and income support to be provided. The liabilities directly associated with the property held for sale are measured at their carrying amount as they are assumed to approximate their fair value less estimated costs to sell because of their short period to maturity. The fair value measurement was categorised as Level 2 fair value.

	Group and Trust	
	31 December 2021	31 December 2020
	\$'000	\$'000
Property held for sale		
Investment property	—	1,258,512
Liabilities directly associated with the property held for sale		
Rental deposits	—	15,751

7 **Borrowings**

	----- Group -----		----- Trust -----	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000
Secured borrowings				
Amount repayable within one year, or on demand	164,199	2,036	—	—
Amount repayable after one year	1,242,494	1,575,340	455,916	677,787
Total secured borrowings	1,406,693	1,577,376	455,916	677,787
Unsecured borrowings				
Amount repayable within one year, or on demand	8,000	369,254	8,000	369,254
Amount repayable after one year	570,702	749,753	246,627	426,221
Total unsecured borrowings	578,702	1,119,007	254,627	795,475
Total borrowings, net of amortised cost	1,985,395	2,696,383	710,543	1,473,262
Classified as:				
Current	172,199	371,290	8,000	369,254
Non-current	1,813,196	2,325,093	702,543	1,104,008
	1,985,395	2,696,383	710,543	1,473,262

The aggregate leverage was 38.7% (31 December 2020: 41.2%). The interest coverage ratio stood at 2.8 times^(a) (31 December 2020: 2.7 times^(a)).

^(a) 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 1 July 2021).

(a) Secured bank loans

The Group has secured term loans and revolving credit facilities of 2 to 8 years (31 December 2020: 2 to 8 years) which are secured on the following:

- investment properties with a total carrying amount of \$3,060,438,000 (31 December 2020: \$3,356,648,000) (Note 3);
- 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 debt, charged accounts, goodwill, intellectual property and plant and machinery and floating charge over generally all of the present and future assets of the Trust in connection with OUE Downtown; Mandarin Orchard Singapore and Mandarin Gallery; and
- the account control or charge over certain bank accounts of the Trust and certain subsidiary.

(b) Unsecured bank loans

The Group has in place the following unsecured bank loans:

- a total of \$370.0 million (31 December 2020: \$1,050 million) committed bank loans and revolving credit facilities with banks. At the reporting date, \$325.0 million (31 December 2020: \$1,005 million) was drawn down; and
- \$35.0 million (31 December 2020: \$30.0 million) uncommitted revolving credit facility with banks. At the reporting date, \$8.0 million (31 December 2020: \$20.0 million) was drawn down. The uncommitted revolving credit facility is repayable on demand.

(c) Unsecured notes

In March 2020, the Trust, through its wholly-owned subsidiary, OUE CT Treasury Pte. Ltd., established a \$2.0 billion Multicurrency Debt Issuance Programme (the “2020 Programme”). Under the 2020 Programme, OUE CT Treasury Pte. Ltd. may from time to time issue notes and/or perpetual securities in series or tranches.

The unsecured notes outstanding as at 31 December 2021 under the 2020 Programme is \$250.0 million (31 December 2020: \$100.0 million). The unsecured notes have a fixed rates ranging from 3.95% to 4.00% per annum payable semi-annually in arrears and mature between 2025 and 2026.

The unsecured notes and the coupons relating thereto of all series will constitute direct, unconditional, unsubordinated and unsecured obligations of OUE CT Treasury Pte. Ltd. and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than the subordinated obligations and priorities created by law) of OUE CT Treasury Pte. Ltd.. All sums payable in respect of the unsecured notes will be unconditionally and irrevocably guaranteed by the Trustee, in its capacity as trustee of the Group.

(d) Loan from a subsidiary

OUE CT Treasury Pte. Ltd. has on-lent the proceeds from the issuance of the notes to the Trust.

8 Convertible perpetual preferred units

In October 2015, the Group and the Trust issued 550 million Convertible Perpetual Preferred Units (“CPPU”) at \$1 per Unit to a substantial unitholder of the Trust and a related party of the Manager, as partial satisfaction of the purchase consideration for the subsidiaries acquired. The key terms and conditions of the CPPUs are as follows:

- the CPPU holder has the right to receive preferential non-cumulative distribution of an amount equivalent to 1.0% per annum of the issue price which may be declared by the Manager at its sole discretion;
- any preferential distribution or part thereof not due or payable shall not accumulate for the benefit of the CPPU holder or entitle the CPPU holder to any claim in respect thereof against the Trust, the Trustee and/or the Manager;
- the CPPUs rank senior to the Units in respect of the entitlement to participate in the distributions of the Trust and rank senior to the Units in respect of the entitlement to receive out of the assets of the Trust the amount equivalent to the number of CPPUs held by the CPPU holder multiplied by the issue price and outstanding preferred and special preferred distribution upon the liquidation of the Trust. The CPPUs rank junior to the claims of all other present and future creditors of the Trust;

- the CPPU holder has the sole right to convert the CPPUs into Units, provided that the number of CPPUs converted in each financial year shall not exceed one-third of the total number of CPPUs initially issued to the CPPU holder, at a conversion price of \$0.7154 per CPPU, being the adjusted conversion price pursuant to the rights issue undertaken by the Trust in October 2018. The CPPUs may not be converted into Units for a period of four years commencing from the date of issuance of the CPPUs on 8 October 2015;
- the Manager shall have the sole right to redeem any number of CPPUs for the time being issued and outstanding on a pro-rata basis at the issue price at all times;
- the Manager shall not declare distributions or pay any distributions to the Unitholders, or make any redemption, unless the Manager declares or pays distributions to the CPPU holder; and
- the CPPU holder does not have the right to attend and vote at the meetings of Unitholders except during such period as the preferred or special preferred distribution remains in arrears and unpaid for at least 12 months, or upon any resolution which varies or abrogates any right, preference or privilege of the CPPUs, or upon any resolution for the dissolution or winding up of the Trust.

On 1 June 2021, there was a partial redemption of 155.0 million CPPUs at \$1.00 per Unit.

The CPPUs are classified as equity instruments in the statement of financial position. The \$212,309,000 (31 December 2020: \$361,885,000) presented in the statement of financial position represents the carrying value of the remaining 220.0 million CPPUs and the total return attributable to the CPPU holder from the last distribution date.

9 Units in issue and to be issued

	-----Group and Trust-----	
	31 December 2021	31 December 2020
	'000	'000
Units in issue		
At 1 January	5,421,506	5,385,398
Creation of Units:		
- Manager's management fees paid in Units	21,102	36,108
At 31 December	<u>5,442,608</u>	<u>5,421,506</u>
Units to be issued		
Manager's management fees payable in Units	7,077	6,344
Units in issue and to be issued	<u><u>5,449,685</u></u>	<u><u>5,427,850</u></u>

10 Net asset value per Unit

		----- Group -----		----- Trust -----	
	Note	2021	2020	2021	2020
Net asset value per Unit					
is based on:					
- Net assets attributable to Unitholders (\$'000)		3,127,996	3,177,972	2,732,611	2,887,911
- Units in issue and to be issued at 31 December ('000)	9	5,449,685	5,427,850	5,449,685	5,427,850

11 Revenue

	----- Group -----			
	Six-month period ended 31 December 2021 \$'000	Six-month period ended 31 December 2020 \$'000	Financial year ended 31 December 2021 \$'000	Financial year ended 31 December 2020 \$'000
Rental income	106,087	132,559	225,822	259,694
Service fee income	6,385	10,761	16,435	21,571
Carpark income	798	1,115	1,872	2,342
Others	3,147	5,630	5,912	8,549
Less: Business and other taxes	(79)	(67)	(157)	(149)
	116,338	149,998	249,884	292,007

Under the terms of the lease agreements for the properties, the Group is generally entitled to a fixed rent component and/or a variable rent component computed based on a certain percentage of the revenue. Mandarin Orchard Singapore is leased to a related party under a master lease arrangement. The lease contains an initial term of 15 years from 25 July 2013 with an option to renew for a further 15 years. Crowne Plaza Changi Airport is leased to a related party under a master lease agreement till 27 May 2028, with an option to renew for two consecutive terms of five years each.

Included in rental income is variable rent of \$1,234,000 (31 December 2020: \$762,000) recognised in the statement of total return for the Group.

Included in the revenue of the Group are amounts derived from related parties of \$69,815,000 (31 December 2020: \$73,906,000).

Due to the COVID-19 impact, the Group has provided a total of \$8,470,000 (31 December 2020: \$18,291,000) rental waiver to the affected tenants during the year.

Other income consists of miscellaneous income such as utilities and annual license fee, which are recognised over time as the service is provided.

12 Net finance costs

	----- Group -----			
	Six-month period ended 31 December 2021 \$'000	Six-month period ended 31 December 2020 \$'000	Financial year ended 31 December 2021 \$'000	Financial year ended 31 December 2020 \$'000
Finance income				
Interest income	571	214	1,044	793
Ineffective portion of changes in fair value of cash flow hedges	355	639	1,364	3,161
Net change in fair value of derivatives	1,983	1,255	1,756	–
Net foreign exchange gains	44	309	230	698
	2,953	2,417	4,394	4,652
Finance costs				
Amortisation of debt-related transaction costs	(4,371)	(5,392)	(10,339)	(8,959)
Interest paid/payable to banks	(30,568)	(35,298)	(63,081)	(74,223)
Net change in fair value of derivatives	–	–	–	(929)
Hedging reserve transferred from unitholders' funds due to discontinuation of hedge accounting	(1,893)	(293)	(1,892)	(341)
Financial liability measured at amortised cost – interest expense	(438)	(440)	(875)	(878)
	(37,270)	(41,423)	(76,187)	(85,330)
Net finance costs	(34,317)	(39,006)	(71,793)	(80,678)

13 Total return/(loss) for the period/year before tax

Included in total return/(loss) for the period/year before tax are the following:

	----- Group -----			
	Six-month period ended 31 December 2021 \$'000	Six-month period ended 31 December 2020 \$'000	Financial year ended 31 December 2021 \$'000	Financial year ended 31 December 2020 \$'000
Audit fees paid/payable to:				
- Auditors of the Trust	104	188	299	376
- Other auditors	18	23	50	46
Non-audit fees paid/payable to:				
- Auditors of the Trust	31	74	80	147
- Other auditors	(3)	3	6	6
Valuation fees	59	62	132	124

14 Tax expense/(credit)

	----- Group -----			
	Six-month period ended 31 December 2021 \$'000	Six-month period ended 31 December 2020 \$'000	Financial year ended 31 December 2021 \$'000	Financial year ended 31 December 2020 \$'000
Current tax expense				
Current period/year	5,913	6,088	11,834	11,614
Changes in estimates relating to prior years	(260)	(257)	(260)	(113)
	5,653	5,831	11,574	11,501
Withholding tax	544	600	1,112	1,191
Deferred tax expense/(credit)				
Origination and reversal of temporary differences	996	(12,796)	1,375	(12,347)
	7,193	(6,365)	14,061	345

15 Earnings per Unit

(i) Basic earnings per Unit

The calculation of basic earnings per Unit was based on the total (loss)/return attributable to Unitholders and the weighted average number of Units, as set out below:

Total (loss)/return attributable to Unitholders

	----- Group -----			
	Six-month period ended 31 December 2021 \$'000	Six-month period ended 31 December 2020 \$'000	Financial year ended 31 December 2021 \$'000	Financial year ended 31 December 2020 \$'000
Total (loss)/return for the period/year attributable to Unitholders and CPPU holder	(12,447)	(92,330)	38,876	(36,265)
Less: Amount reserved for distribution to CPPU holder	(1,109)	(1,885)	(2,582)	(3,750)
Total (loss)/return attributable to Unitholders	(13,556)	(94,215)	36,294	(40,015)

Weighted average number of Units

	----- Group -----			
	Six-month period ended 31 December 2021 '000	Six-month period ended 31 December 2020 '000	Financial year ended 31 December 2021 '000	Financial year ended 31 December 2020 '000
Units issued or to be issued at beginning of the period/year	5,438,176	5,414,715	5,427,850	5,392,459
Effect of Units issued during the period/year	2,240	3,433	7,728	16,065
Effect of Units to be issued as payment of the Manager's management fees payable in Units	38	34	19	17
Weighted average number of Units during the period/year	5,440,454	5,418,182	5,435,597	5,408,541

(ii) Diluted earnings per Unit

The calculation of diluted earnings per Unit was based on the total return attributable to Unitholders and CPPU holder and the weighted average number of Units, after adjustment for the effect of all dilutive potential Units, as set out below:

Total return attributable to Unitholders (diluted)

	----- Group -----			
	Six-month period ended 31 December 2021 \$'000	Six-month period ended 31 December 2020 \$'000	Financial year ended 31 December 2021 \$'000	Financial year ended 31 December 2020 \$'000
Total return attributable to Unitholders (basic)	(13,556)	(94,215)	36,294	(40,015)
Add: Amount reserved for distribution to CPPU holder	1,109	1,885	2,582	3,750
Total return attributable to Unitholders and CPPU holder (diluted)	(12,447)	(92,330)	38,876	(36,265)

Weighted average number of Units (diluted)

	----- Group -----			
	Six-month period ended 31 December 2021 '000	Six-month period ended 31 December 2020 '000	Financial year ended 31 December 2021 '000	Financial year ended 31 December 2020 '000
Weighted average number of Units (basic)	5,440,454	5,418,182	5,435,597	5,408,541
Effect of the Manager's fees paid/payable in Units	—	—	14,088	—
Effect of conversion of CPPUs into Units ⁽¹⁾	—	—	360,944	—
Weighted average number of Units (diluted)	5,440,454	5,418,182	5,810,629	5,408,541

⁽¹⁾ The weighted average number of Units includes the weighted average potential Units to be issued assuming all the remaining CPPUs were converted at \$0.7154 per Unit, being the adjusted conversion price pursuant to the rights issue. For six-month period ended 31 December 2021, 360,943,777 (31 December 2020: 524,182,276) Units were excluded from the diluted weighted average number of Units calculation as their effect would have been anti-dilutive.

16 Operating segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment net property income, as included in the internal management reports that are reviewed by the Board of Directors of the Manager. Segment net property income is used to measure performance as management believes that such information is the most relevant in evaluating the results of its segments relative to other entities that operate within the same industry.

Information about reportable segments

	Commercial \$'000	Hospitality \$'000	Total \$'000
Six-months ended 31 December 2021			
Revenue	82,588	33,750	116,338
Property operating expenses	(20,172)	(1,006)	(21,178)
Reportable segment net property income	62,416	32,744	95,160
Other income	8,127	199	8,326
Depreciation and amortisation	(2,540)	—	(2,540)
Finance income	2,574	379	2,953
Finance costs	(25,934)	(11,336)	(37,270)
Unallocated items			
- Expenses			(10,884)
Net income			55,745
Net change in fair value of investment properties			(56,284)
Share of joint venture results			9,170
Tax expense			(7,193)
Total return for the period			1,438
31 December 2021			
Non-current assets ⁽¹⁾	4,129,548	1,611,610	5,741,158
Six-months ended 31 December 2020			
Revenue	116,248	33,750	149,998
Property operating expenses	(27,281)	(3,327)	(30,608)
Reportable segment net property income	88,967	30,423	119,390
Other income	7,107	—	7,107
Depreciation and amortisation	(2,550)	—	(2,550)
Finance income	1,334	972	2,306
Finance costs	(30,946)	(10,477)	(41,423)
Unallocated items			
- Finance income			111
- Expenses			(11,191)
Net income			73,750
Net change in fair value of investment properties			(179,655)
Tax credit			6,365
Total loss for the period			(99,540)

⁽¹⁾ Excluding financial instruments

OUE Commercial Real Estate Investment Trust and its subsidiaries
Interim financial information
Six-month period and financial year ended 31 December 2021

	Commercial \$'000	Hospitality \$'000	Total \$'000
31 December 2020			
Non-current assets ⁽¹⁾	3,732,846	1,652,158	5,385,004
Year ended 31 December 2021			
Revenue	182,384	67,500	249,884
Property operating expenses	(41,489)	(4,190)	(45,679)
Reportable segment net property income	140,895	63,310	204,205
Other income	14,995	199	15,194
Depreciation and amortisation	(5,082)	–	(5,082)
Finance income	3,601	793	4,394
Finance costs	(52,880)	(23,307)	(76,187)
Divestment cost	(7,363)	–	(7,363)
Unallocated items			
- Expenses			(22,145)
Net income			113,016
Net change in fair value of investment properties			(56,284)
Share of joint venture results			13,236
Tax expense			(14,061)
Total return for the year			55,907
31 December 2021			
Non-current assets ⁽¹⁾	4,129,548	1,611,610	5,741,158
Year ended 31 December 2020			
Revenue	224,507	67,500	292,007
Property operating expenses	(53,432)	(6,685)	(60,117)
Reportable segment net property income	171,075	60,815	231,890
Other income	16,517	–	16,517
Depreciation and amortisation	(5,099)	–	(5,099)
Finance income	3,470	–	3,470
Finance costs	(64,882)	(20,448)	(85,330)
Unallocated items			
- Finance income			1,182
- Expenses			(23,375)
Net income			139,255
Net change in fair value of investment properties			(179,655)
Tax expense			(345)
Total loss for the year			(40,745)
31 December 2020			
Non-current assets ⁽¹⁾	3,732,846	1,652,158	5,385,004

⁽¹⁾ Excluding financial instruments

Geographical information

The Group has two reportable segments, which are Singapore and China. The reporting segments operate in different countries and are managed separately because of the differences in operating and regulatory environment. For each of the reporting segments, the Board of Directors of the Manager reviews internal management reports on a regular basis.

Information about reportable segments

	Singapore \$'000	China \$'000	Total \$'000
Six-months ended 31 December 2021			
Revenue	103,300	13,038	116,338
Property operating expenses	(19,250)	(1,928)	(21,178)
Reportable segment net property income	84,050	11,110	95,160
Other income	8,326	–	8,326
Depreciation and amortisation	(2,518)	(22)	(2,540)
Other expenses	(518)	–	(518)
Finance income	2,338	615	2,953
Finance costs	(36,722)	(548)	(37,270)
Unallocated items			
- Expenses			(10,366)
Net income			55,745
Net change in fair value of investment properties			(56,284)
Share of joint venture results			9,170
Tax expense			(7,193)
Total return for the period			1,438
31 December 2021			
Non-current assets ⁽¹⁾	5,166,558	574,600	5,741,158
Six-months ended 31 December 2020			
Revenue	136,706	13,292	149,998
Property operating expenses	(28,567)	(2,041)	(30,608)
Reportable segment net property income	108,139	11,251	119,390
Other income	7,107	–	7,107
Depreciation and amortisation	(2,529)	(21)	(2,550)
Finance income	1,904	327	2,231
Finance costs	(40,848)	(575)	(41,423)
Unallocated items			
- Finance income			186
- Expenses			(11,191)
Net income			73,750
Net change in fair value of investment properties			(179,655)
Tax credit			6,365
Total return for the period			(99,540)
31 December 2020			
Non-current assets ⁽¹⁾	4,839,255	545,749	5,385,004

⁽¹⁾ Excluding financial instruments

OUE Commercial Real Estate Investment Trust and its subsidiaries
Interim financial information
Six-month period and financial year ended 31 December 2021

	Singapore \$'000	China \$'000	Total \$'000
Year ended 31 December 2021			
Revenue	224,741	25,143	249,884
Property operating expenses	(41,899)	(3,780)	(45,679)
Reportable segment net property income	182,842	21,363	204,205
Other income	15,194	—	15,194
Depreciation and amortisation	(5,040)	(42)	(5,082)
Other expenses	(518)	—	(518)
Finance income	3,325	1,069	4,394
Finance costs	(75,089)	(1,098)	(76,187)
Divestment costs	(7,363)	—	(7,363)
Unallocated items			
- Expenses			(21,627)
Net income			113,016
Net change in fair value of investment properties			(56,284)
Share of joint venture results			13,236
Tax expense			(14,061)
Total return for the period			55,907
31 December 2021			
Non-current assets ⁽¹⁾	5,166,558	574,600	5,741,158
Year ended 31 December 2020			
Revenue	265,995	26,012	292,007
Property operating expenses	(55,996)	(4,121)	(60,117)
Reportable segment net property income	209,999	21,891	231,890
Other income	16,517	—	16,517
Depreciation and amortisation	(5,060)	(39)	(5,099)
Finance income	3,518	823	4,341
Finance costs	(84,151)	(1,179)	(85,330)
Unallocated items			
- Finance income			311
- Expenses			(23,375)
Net income			139,255
Net change in fair value of investment properties			(179,655)
Tax expense			(345)
Total return for the period			(40,745)
31 December 2020			
Non-current assets ⁽¹⁾	4,839,255	545,749	5,385,004

⁽¹⁾ Excluding financial instruments

17 Commitments

The Group and the Trust has the following commitments as at the reporting date:

Capital commitments

	----- Group -----		----- Trust -----	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Contracted but not provided for in the financial statements:				
- Expenditure in respect of investment properties	39,978	98,906	666	3,013

18 Related party transactions

In the normal course of the operations of the Trust, the Manager's management fee and Trustee's fee have been paid or are payable to the Manager and the Trustee respectively. Property management fees are payable to the Property Managers, related parties of the Manager.

During the financial period/year, other than the transactions disclosed elsewhere in the Interim Financial Information, there were the following related party transactions:

	----- Group -----			
	Six-month period ended	Six-month period ended	Financial year ended	Financial year ended
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Hotel service expenses and professional fees paid/payable to related parties	703	579	1,294	1,166
Settlement of liabilities by related parties of the Manager on behalf of the Group and the Trust	15	82	44	165

19 Financial ratios

	----- Group -----			
	Six-month period ended 31 December 2021 %	Six-month period ended 31 December 2020 %	Financial year ended 31 December 2021 %	Financial year ended 31 December 2020 %
Expenses to weighted average net assets ¹				
- including performance component of the Manager's fees	0.84	0.83	0.85	0.86
- excluding performance component of the Manager's fees	0.79	0.83	0.78	0.86
Portfolio turnover rate ²	—	—	—	—

¹ The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and, excluding property expenses and finance expenses.

² The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

Other Information Required by Listing Rule Appendix 7.2

1 (a) Statement of Total Return and Distribution Statement

Please refer to pages 6-8 and section 8 on pages 49-51.

(b)(i) Statements of Financial Position (Please refer to pages 4-5)

(1) Intangible assets

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

(2) Trade and other receivables - Current

The Group's trade and other receivables decreased compared to 31 December 2020 mainly due to improved collections coupled with lower revenue from the retail segment.

(3) Borrowings – Non-current and Current

The Group and Trust's total borrowings decreased as compared to 31 December 2020 mainly due to repayment of loans from the proceeds from divestment of OUE Bayfront.

(4) Loan from a subsidiary

At the Trust level, the loan from a subsidiary as at 31 December 2021 relates to the S\$100.0 million notes issued in June 2020 and S\$150.0 million notes issued in June 2021 through the Trust's wholly owned subsidiary, OUE CT Treasury Pte. Ltd., which were on-lent to the Trust.

(5) Trade and other payables - Non-current and Current

The Group and Trust's trade and other payables increased mainly due to provisions made relating to divestment of OUE Bayfront and payables for the rebranding of Mandarin Orchard Singapore.

(6) 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 2020 to 31 December 2021 was mainly due to net changes in the fair value of the IRS during the period.

(7) Unitholders' funds

The decrease in Unitholders' funds was mainly due to distribution paid to Unitholders in March 2021 and September 2021. This was partially offset by profits for the financial year, the appreciation of the CNY against the SGD from 31 December 2020 to 31 December 2021, net movement in the fair value reserve of IRS as at 31 December and new Units issued relating to base fees payable in Units.

(8) 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.

The Group is in net current liabilities position as at 31 December 2021. The Manager is in discussion with banks and is of the opinion that the Group will be able to refinance its short-term borrowings and meet its current obligations as and when they fall due.

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

Please refer to pages 30-32.

(c) Consolidated Statement of Cash Flows (Please refer to pages 22-23)

- (1) On 2 June 2021, the Group issued S\$150.0 million notes due on 2 June 2026 under the 2020 Programme. The net proceeds have been utilised for repayment of OUE C-REIT's revolving loan facilities.

On 24 June 2020, the Group issued S\$100.0 million notes due on 24 June 2025 under the 2020 Programme. The net proceeds have been utilised for repayment of OUE C-REIT's revolving loan facilities.

- (2) On 3 May 2021, an irrevocable redemption notice was issued to redeem 155.0 million CPPUs (amounting to S\$155.0 million), the redemption was completed on 1 June 2021.
- (3) For purpose of the Consolidated Statement of Cash Flows, the Group's cash and cash equivalents comprise the following:

	31 Dec 2021 (S\$'000)	31 Dec 2020 (S\$'000)
Bank and cash balances	25,261	41,680
Short-term deposits	34,288	46,828
Cash and cash equivalents	59,549	88,508

(d)(i) Statement of Changes in Unitholders' Funds

Please refer to pages 9-16.

(d)(ii) Details of Any Changes in Units

Please refer to page 33.

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

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

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

Not applicable.

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

The accounting policies and methods of computation adopted in the preparation of the financial statements for the current financial period are consistent with those described in the audited financial statements for the financial year ended 31 December 2020.

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")

	2H 2021	2H 2020
Weighted average number of Units	5,440,454,362	5,418,182,126
Basic EPU (cents)	(0.25)	(1.74)
Weighted average number of Units ⁽¹⁾	5,440,454,362	5,418,182,126
Diluted EPU (cents)	(0.25)	(1.74)

	FY 2021	FY 2020
Weighted average number of Units	5,435,596,910	5,408,541,128
Basic EPU (cents)	0.67	(0.74)
Weighted average number of Units ⁽¹⁾	5,810,628,315	5,408,541,128
Diluted EPU (cents)	0.67	(0.74)

Footnote:

- (1) The weighted average number of Units includes the weighted average potential Units to be issued assuming all the remaining CPPUs are 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.

On 1 June 2021, 155.0 million CPPUs were redeemed. A total of 220.0 million CPPUs remain outstanding as at 31 December 2021 (31 December 2020: 375.0 million). Assuming that the remaining 220.0 million (31 December 2020: 375.0 million) CPPUs are fully converted at the conversion price, 307,520,268 (31 December 2020: 524,182,276) Units will be issued. For six-month period ended 31 December 2021, 360,943,777 (31 December 2020: 524,182,276) Units were excluded from the diluted weighted average number of Units calculation as their effect would have been anti-dilutive.

Distribution per Unit attributable to Unitholders ("DPU")

	2H 2021	2H 2020
No of Units entitled to distribution	5,449,684,538 ⁽¹⁾	5,427,850,366 ⁽²⁾
Distribution per Unit (cents)	1.37	1.43

	FY 2021	FY 2020
No of Units entitled to distribution	5,449,684,538 ⁽¹⁾	5,427,850,366 ⁽²⁾
Distribution per Unit (cents)	2.60	2.43

Footnotes:

- (1) Comprises the Units in issue as at 31 December 2021 of 5,442,607,740 and Units to be issued to the Manager as satisfaction of Manager's base fee payable for 4Q 2021 of 4,557,508 and Manager's performance fee payable for FY 2021 of 2,519,290.
- (2) Comprises the Units in issue as at 31 December 2020 of 5,421,506,356 and Units to be issued to the Manager as satisfaction of Manager's base fee payable for 4Q 2020 of 6,344,010.
- (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. In 2H 2021 and 2H 2020, OUE C-REIT has released S\$5.0 million and S\$5.8 million respectively, of the S\$10.8 million retained in 1H 2020 of tax-exempt income and capital distribution to preserve financial flexibility in view of the uncertainty posed by the COVID-19 situation.

7

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

	Group		Trust	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
No. of Units in issue and to be issued at end of year	5,449,684,538	5,427,850,366	5,449,684,538	5,427,850,366
Net asset value ("NAV") per Unit (S\$)	0.57	0.59	0.50	0.53
Net tangible asset ("NTA") per Unit (S\$)	0.57	0.58	0.50	0.53

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 year.

8 Review of the Performance

Statement of Total Return	Note	2H 2021⁽¹⁾ (S\$'000)	2H 2020⁽²⁾ (S\$'000)	Change (%)	FY 2021⁽¹⁾ (S\$'000)	FY 2020⁽²⁾ (S\$'000)	Change (%)
Revenue		116,338	149,998	(22.4)	249,884	292,007	(14.4)
- Commercial ⁽³⁾		82,588	116,248	(29.0)	182,384	224,507	(18.8)
- Hospitality ⁽⁴⁾		33,750	33,750	-	67,500	67,500	-
Property operating expenses		(21,178)	(30,608)	(30.8)	(45,679)	(60,117)	(24.0)
- Commercial ⁽³⁾		(20,172)	(27,281)	(26.1)	(41,489)	(53,432)	(22.4)
- Hospitality ⁽⁴⁾		(1,006)	(3,327)	(69.8)	(4,190)	(6,685)	(37.3)
Net property income	(a)	95,160	119,390	(20.3)	204,205	231,890	(11.9)
- Commercial ⁽³⁾		62,416	88,967	(29.8)	140,895	171,075	(17.6)
- Hospitality ⁽⁴⁾		32,744	30,423	7.6	63,310	60,815	4.1
Other income	(b)	8,326	7,107	17.2	15,194	16,517	(8.0)
Amortisation of intangible assets		(2,500)	(2,500)	-	(5,000)	(5,000)	-
Manager's management fees	(c)	(7,884)	(9,862)	(20.1)	(16,075)	(19,708)	(18.4)
Manager's performance fees	(d)	(816)	-	NM	(2,174)	-	NM
Divestment costs	(e)	-	-	-	(7,363)	-	NM
Trustee's fee		(638)	(747)	(14.6)	(1,304)	(1,487)	(12.3)
Other expenses		(1,586)	(632)	NM	(2,674)	(2,279)	17.3
Finance income		2,909	2,108	38.0	4,164	3,954	5.3
Finance costs		(37,270)	(41,423)	(10.0)	(76,187)	(85,330)	(10.7)
Net finance costs	(f)	(34,361)	(39,315)	(12.6)	(72,023)	(81,376)	(11.5)
Foreign exchange differences		44	309	(85.8)	230	698	(67.0)
Net Income		55,745	73,750	(24.4)	113,016	139,255	(18.8)
Net change in fair value of investment properties	(g)	(56,284)	(179,655)	(68.7)	(56,284)	(179,655)	(68.7)
Share of joint venture results	(h)	9,170	-	NM	13,236	-	NM
Total return for the period before tax		8,631	(105,905)	NM	69,968	(40,400)	NM
Tax expense		(7,193)	6,365	NM	(14,061)	(345)	NM
Total return for the period	(i)	1,438	(99,540)	NM	55,907	(40,745)	NM

NM: Not meaningful

Footnotes:

- (1) The current period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.737 for 2H 2021 and 1:4.796 for FY 2021.
- (2) The prior period results of OUE C-REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:4.966 for 2H 2020 and 1:4.988 for FY 2020.
- (3) Commercial comprised One Raffles Place, OUE Bayfront, Lippo Plaza, OUE Downtown Office and Mandarin Gallery.
- (4) Hospitality comprised Mandarin Orchard Singapore and Crowne Plaza Changi Airport.

Review of OUE C-REIT Group's performance for the six months period from 1 July 2021 to 31 December 2021 ("2H 2021") vs 1 July 2020 to 31 December 2020 ("2H 2020") and FY 2021 vs FY 2020

- (a) 2H 2021 revenue of S\$116.3 million and net property income of S\$95.2 million were 22.4% and 20.3% lower respectively as compared to 2H 2020. FY 2021 revenue and net property income decreased to S\$249.9 million and S\$204.2 million respectively compared to FY 2020. The Commercial segment recorded lower revenue and net property income mainly due to divestment of 50% interest in OUE Bayfront on 31 March 2021 which resulted in the performance of the property being equity accounted as share of joint venture results vs being consolidated prior to the divestment. This was partially mitigated by lower rental rebates and other support measures granted to tenants compared to 2H 2020 and FY 2020.

- (b) Other income comprises income support relating to the top-up payments from OUE Limited's subsidiary (the "Sponsor Group") pursuant to the Deed of Income Support dated 1 November 2018 (the "Deed of Income Support") and insurance claim received.

Other income for 2H 2021 increased to due to higher income support as OUE Downtown Office's revenue decreased in 2H 2021. Income support for FY 2021 vs FY 2020 decreased due to overall increase in OUE Downtown Office's revenue.

- (c) Manager's base management fee is calculated as 0.3% p.a. of the value of the deposited properties of OUE C-REIT Group. From 2H 2020, the Manager has elected to receive 50% of the base management fees in cash, with the balance 50% in the form of new Units. For 1H 2020, 20% of base management fee was paid in cash, with the balance 80% in the form of new Units.

- (d) The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year. A performance fee of 25% per annum of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

Manager's performance fees were recognised in line with the increase in DPU in FY 2021.

- (e) Divestment costs in the current year relates to costs incurred in relation to the divestment of OUE Bayfront.
- (f) 2H 2021 and FY 2021 net finance cost decreased S\$5.0 million and S\$9.4 million year-on-year mainly attributable to lower interest cost by S\$4.7 million and S\$11.1 million respectively, resulting from repayment of loans. This was partially offset by fair value movements arising from the financial derivatives.
- (g) Net fair value loss on investment properties for FY 2021 was S\$56.3 million as compared to S\$179.7 million in the prior year. The net fair value loss in prior year resulted in a deferred tax credit. Both fair value loss and deferred tax movement have no impact on distributions.

- (h) Share of joint venture results represents C-REIT's 50.0% interest in BPH LLP results, upon completion of sale on 31 March 2021.
- (i) Total return recorded for 2H 2021 was S\$1.4 million, compared to total loss of S\$99.5 million in 2H 2020. Total return for FY 2021 was S\$55.9 million compared to total loss of S\$40.7 million in FY 2020.

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 GDP grew 5.9% year-on-year ("YoY") in 4Q 2021, moderating from the 7.1% YoY growth in 3Q 2021⁽¹⁾. For 2021, the Singapore economy grew by 7.2%, reversing the 5.4% contraction in 2020. On a quarter-on-quarter ("QoQ") seasonally-adjusted basis, the economy expanded by 2.6% in 4Q 2021, improving from the 1.2% growth in 3Q 2021. The manufacturing sector grew by 14.0% YoY in 4Q 2021, accelerating from the 7.9% growth in the previous quarter. Growth was supported by output expansion in all clusters, particularly the electronics and precision engineering clusters due to sustained global demand for semiconductors. The services producing sector grew 4.6% YoY in 4Q 2021, underpinned by expansion in the information & communications, finance & insurance, and professional services sectors. On a QoQ seasonally-adjusted basis, the sector grew by 2.5%, extending the 1.1% expansion in 3Q 2021. For 2022, the MTI expects GDP growth to remain at an above-trend pace of between 3.0% and 5.0%, although the recovery is expected to remain uneven across sectors.

According to CBRE, Singapore's office market saw net absorption of 0.34 million square feet in 4Q 2021, up from 0.21 million in the previous quarter and the highest since 4Q 2019⁽²⁾. Despite some downsizing activity due to hybrid working arrangements, demand continued to be driven by the technology and non-bank financial sectors. As a result, core Central Business District ("CBD") Grade A occupancy improved 1.0 percentage point ("ppt") quarter-on-quarter ("QoQ") to 95.5% in 4Q 2021. The demand increase coupled with limited office supply drove an overall increase in office rents, led by the core CBD Grade A market which saw an increase of 1.4% QoQ to S\$10.80 per square foot ("psf") per month. The positive leasing momentum is expected to continue into 2022, supported by expansionary demand from the technology sector amidst a limited supply pipeline. OUE C-REIT's portfolio of high quality Grade A Singapore office properties and diversified tenant base is expected to continue to underpin a stable performance.

For the whole of 2021, total international visitor arrivals to Singapore remained well below pre-COVID levels. While December's visitor arrivals jumped almost fourfold YoY to 0.9 million due to the Vaccinated Travel Lane ("VTL") arrangements with various countries, it constituted only 5% of arrivals in December 2019. The path to recovery for the Singapore hospitality sector is expected to be uneven given the risk of new COVID-19 variants which may delay border reopening plans. A stronger rebound is expected after 2022 when border restrictions are

expected to be relaxed more substantially. During this recovery period of the Singapore hospitality sector, and as the new Hilton Singapore Orchard stabilises and ramps up its performance following its relaunch on 1 March 2022, the minimum rent component embedded in the master lease arrangements of OUE C-REIT's hotel portfolio will continue to provide significant downside protection.

After seven consecutive quarters of decline, prime Orchard Road retail rents stabilised in 4Q 2021 to maintain at S\$34.20 psf per month according to CBRE, amidst an uptick in retail market sentiment due to the year-end holiday season. In 2021, the full year decline for prime Orchard Road retail rents was 3.9%, moderating from the 7.9% decline in the previous year. While the retail sector is set to benefit from improved economic activity and consumer sentiment, the emergence of the Omicron variant has raised uncertainties, delaying the easing of border restrictions and the return of tourist spending. A potential hike in goods and services tax in 2022 may also impact domestic consumption. Overall, retail rents are expected to remain stable for the most of 2022 with meaningful increases expected only in 2023.

China

China's economy grew by 4.0% YoY in 4Q 2021, slowing from the 4.9% growth in 3Q 2021, as economic momentum was constrained by the property market downturn, energy shortage and tightened measures in response to a resurgence of COVID-19 outbreaks which impacted domestic consumption. For 2021, the full year annual growth rate of 8.1% was the highest in a decade, although this was partly due to the low base in 2020. External demand continued to support the economic recovery as December industrial production grew 4.3% YoY, picking up from the 3.8% increase in November. Exports and imports in December increased 16.7% YoY. While December retail sales rose 1.7% YoY, growth slowed 0.2% month-on-month. Economic growth is expected to slow in 2022 as China faces multiple headwinds including persistent weakness in the property market, strict containment measures given its zero-COVID policy and sluggish consumption growth. The central bank has recently made cuts to its key lending rates, sending a strong signal that further policy and monetary easing measures are expected to head off a sharper slowdown.

According to Colliers International, even though Shanghai CBD Grade A office net absorption edged down slightly in 4Q 2021, total absorption in 2021 more than doubled YoY. Supported by the strong demand, Shanghai CBD Grade A occupancy rose 1.2 ppt QoQ to 88.4% as at 4Q 2021, while CBD rents increased 0.4% QoQ to RMB9.02 per square metre per day. While demand is expected to remain healthy due to robust growth of the technology, media and telecommunications sector, rental growth is expected to be subdued against the backdrop of rising vacancy amidst a significant supply over the next few years.

Overall

The economies of Singapore and China are expected to remain on the recovery path in 2022 underpinned by above-trend recovery in the global economy as economic activity progressively resumes. However, significant uncertainties remain, including supply chain disruptions, rising business costs due to inflation, and the risk of emergence of new COVID-19 variants which may result in further business disruption. The Manager will continue to calibrate its leasing strategy to adapt to potential shifts in occupier demand so as to optimise the performance of OUE C-REIT's portfolio, while maintaining focus on prudent capital management to maintain financial flexibility.

- ⁽¹⁾ Singapore Ministry of Trade and Industry Press Release, 3 January 2022
- ⁽²⁾ CBRE, Singapore Figures 4Q 2021
- ⁽³⁾ National Bureau of Statistics of China Press Release, 17 January 2022
- ⁽⁴⁾ Colliers International, 4Q 2021 Shanghai Office Market, 4 January 2022

11 Distribution

(a) Current financial period

Any distribution declared for the current financial period? Yes.

Unitholders

Name of distribution: Distribution for the financial period from 1 July 2021 to 31 December 2021

Distribution type: (i) Taxable income distribution
(ii) Tax exempt income distribution
(iii) Capital distribution

Distribution rate: 1.37 cents per Unit comprises:-
(i) Taxable income distribution: 0.88 cents per Unit
(ii) Tax exempt income distribution: 0.22 cents per Unit
(iii) Capital distribution: 0.27 cents per Unit

CPPU Holder

Name of distribution: Distribution for the financial period from 1 July 2021 to 31 December 2021

Distribution rate/ type: S\$1,109,041.10 which represents 1% p.a. of CPPU based on the issue price of S\$1.00 per CPPU comprising taxable income distribution, tax exempt income distribution and capital distribution

Tax rate: Taxable income distribution
Individuals who receive such distribution as investment income (excluding income received through partnership in Singapore or from the carrying on of a trade, business or profession) will be exempted from tax.

Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their respective tax rates unless otherwise exempt.

Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to their respective CPF and SRS accounts.

Qualifying foreign non-individual investors and foreign funds will receive their distribution after deduction of tax at the rate of 10%. All other investors will receive their distribution after deduction of tax at the rate of 17%.

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status.

Capital distribution

The capital distribution is treated as return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sales of Units, the amount of capital distribution will be applied to reduce the cost base of their Units for Singapore income tax purposes.

Book closure date: 24 February 2022

Date payable: 30 March 2022

(b) Corresponding period of the immediately preceding financial year

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

Unitholders

Name of distribution: Distribution for the financial period from 1 July 2020 to 31 December 2020

Distribution type: (i) Taxable income distribution
(ii) Tax exempt income distribution
(iii) Capital distribution

Distribution rate: 1.43 cents per Unit comprises:-
(i) Taxable income distribution: 1.02 cents per Unit
(ii) Tax exempt income distribution: 0.38 cents per Unit
(iii) Capital distribution: 0.03 cents per Unit

CPPU Holder

Name of distribution: Distribution for the financial period from 1 July 2020 to 31 December 2020

Distribution rate/ type: S\$1,885,245.90 which represents 1% p.a. of CPPU based on the issue price of S\$1.00 per CPPU comprising taxable income distribution, tax exempt income distribution and capital distribution

Tax rate: Taxable income distribution
Individuals who receive such distribution as investment income (excluding income received through partnership in Singapore or from the carrying on of a trade, business or profession) will be exempted from tax.

Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their respective tax rates unless otherwise exempt.

Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to their respective CPF and SRS accounts.

Qualifying foreign non-individual investors and foreign funds will receive their distribution after deduction of tax at the rate of 10%.

All other investors will receive their distribution after deduction of tax at the rate of 17%.

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status.

Capital distribution

The capital distribution is treated as return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sales of Units, the amount of capital distribution will be applied to reduce the cost base of their Units for Singapore income tax purposes.

Book closure date: 5 February 2021

Date payable: 9 March 2021

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 Segment Information by Geographical Segment

Please refer to pages 41-42.

15 In the review of the performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments

Please refer to Section 8 for the review of the actual performance.

16 Breakdown of Revenue

	FY 2021 (S\$'000)	FY 2020 (S\$'000)	Change (%)
Revenue for first half year	133,546	142,009	(6.0)
Total return for first half year	54,469	58,795	(7.4)
Revenue for second half year	116,338	149,998	(22.4)
Total return for second half year	1,438	(99,540)	NM

17 Breakdown of Total Annual Distribution

	FY 2021 (S\$'000)	FY 2020 (S\$'000)
4 September 2019 to 31 December 2019	-	59,317
1 January 2020 to 30 June 2020	-	54,147
1 July 2020 to 31 December 2020 ⁽¹⁾	77,618	-
1 January 2021 to 30 June 2021	66,890	-
1 July 2021 to 31 December 2021 ⁽¹⁾	-	-

Footnote:

⁽¹⁾ Refer to Section 11 for details of the distribution.

18 Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirm that there is no person occupying a managerial position in Manager, who is related to a director or the chief executive officer or a substantial shareholder of the Manager or a substantial of unitholder of OUE C-REIT.

19 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

Han Khim Siew
Chief Executive Officer and Executive Director

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

Kelvin Chua
Company Secretary

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

16 February 2022