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

ANNUAL GENERAL MEETING ON 26 APRIL 2022
RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

OUE Commercial REIT Management Pte. Ltd., as manager of OUE Commercial Real Estate Investment Trust ("**OUE C-REIT**", and the manager of OUE C-REIT, the "**Manager**"), refers to:

(a) OUE C-REIT's notice of annual general meeting ("**AGM**") dated 4 April 2022; and

(b) the accompanying general announcement released on 4 April 2022 setting out, *inter alia*, the alternative arrangements relating to attendance at the AGM via electronic means.

The Manager wishes to inform that the responses to all substantial and relevant questions which have been submitted by unitholders of OUE C-REIT ("**Unitholders**") are published in this announcement. The Manager has consolidated the questions received from Unitholders and has made editorial amendments to certain questions to ensure that the meaning of each of the questions is clear. For the avoidance of doubt, the editorial amendments do not affect the substance of the questions.

Please refer to **Annex A** hereto for the list of questions and the Manager's responses to them.

By Order of the Board
Kelvin Chua
Company Secretary

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

21 April 2022

ANNEX A

LIST OF SUBSTANTIAL AND RELEVANT QUESTIONS AND RESPONSES

1	**OUE C-REIT is very quiet on the acquisition front and therefore not on the radar of investors and unit price is not moving at all, which is a very sad state of affairs. OUE C-REIT looks like it is slumber land. Going forward, are there any plans to re-invigorate OUE C-REIT?**
2	**Is the objective of divesting a 50% stake in OUE Bayfront just for paring down debt? Is there any acquisition plan in the pipeline to improve unitholder's return/value as it has been diluted since the merger of commercial and hospitality segments.**
	The COVID-19 pandemic continued to impact the global economy and OUE C-REIT's business operations in 2021. Despite the challenging economic and operational environment, the Manager remains committed to our focus on proactive asset management and made strategic decisions to safeguard the long-term value of OUE C-REIT's assets. The Manager has pushed ahead with its plans to make OUE C-REIT more nimble, resilient and ready to tap new opportunities while maintaining a prudent and disciplined capital management approach. For FY 2021, OUE C-REIT's unit price increased 14.3% year-on-year ("YoY") to close at S$0.440 on 31 December 2021, outperforming both the Straits Times Index which rose 9.8%, and the S-REIT index which increased 0.2%[1]. The Manager is pleased to share that OUE C-REIT was included in the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index) from 20 September 2021. The entry into the leading benchmark index for institutional real estate investors has enhanced OUE C-REIT's visibility amongst global investors and increased the trading liquidity. The average daily volume of units traded in FY 2021 increased by approximately 20.0% as compared to FY 2020. In terms of OUE C-REIT's portfolio, the Manager continues to execute its strategy of proactive asset management, seeking asset enhancement opportunities where feasible, to boost organic growth and improve the quality of the portfolio. Earlier in February 2022, OUE C-REIT completed the transformational re-branding of the former Mandarin Orchard Singapore into Hilton Singapore Orchard – the Hilton brand's flagship hotel in Singapore and its largest in Asia Pacific. In line with the active portfolio management approach, a 50% interest in OUE Bayfront was divested to a fund managed by Allianz Real Estate on 31 March 2021 ("Divestment"). Partnering a leading global investment and asset manager such as Allianz Real Estate who is also equally committed to sustainability, brings benefits such as sharing of knowledge and good practices which will help further improve the property's performance. At an agreed property value of S$1,267.5 million, the Divestment was at a significant premium of 26.1% to the purchase consideration of S$1,005.0 million which allowed OUE C-REIT to realise the value of capital appreciation and enhance long-term returns for Unitholders, while continuing to retain significant exposure to the Singapore office market. The abovementioned events were only possible with the enlarged portfolio and capital base post the merger with OUE Hospitality Trust in 2019 ("Merger"). The Merger created one of

[1] Bloomberg

	the largest diversified S-REITs with a larger market capitalisation and higher free float which ultimately enabled OUE C-REIT to be included into the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index). With a larger capital base, OUE C-REIT also has increased funding capacity which allowed us to undertake asset enhancement initiatives such as the re-branding of the former Mandarin Orchard Singapore to Hilton Singapore Orchard. The more diversified portfolio has also reduced concentration risk and allowed the Manager to capitalise on opportunities for portfolio reconstitution. With the Divestment, OUE C-REIT has debt headroom to explore the redeployment of funds into yield-accretive acquisitions. The Manager remains keen on further exposure to the office sector, or mixed developments with a significant office component in key gateway cities due to their proven resilience over the years. In terms of geographies, developed markets such as Australia and London are attractive locations due to their deep, liquid markets which offer high potential for growth and scalability. With clear and strong rule of law, high levels of governance and transparent legal and investment frameworks, these markets also possess strong real estate fundamentals and stable growth potential, in order to provide attractive cash flows and capital growth to Unitholders.
3	**Could you provide an update on the office leasing market in the past year and looking ahead?**
4	**What is the impact of the Work from Home (“WFH”) arrangement on the demand for office space in Singapore?**
	According to JLL’s independent market review as at 31 December 2021 in OUE C-REIT’s Annual Report 2021, the recovering economy, the smooth roll-out of the national vaccination programme and Singapore’s transition to living endemically with COVID-19 bolstered occupier confidence in 2021 and encouraged an increasing number of companies to plan ahead for business growth. Office leasing activities were however uneven, with the newer, greener and better-quality assets more sought after than others given the heightened importance of sustainable workplaces and employees’ wellness and health. Accordingly, healthy take-up rates were achieved for newly completed projects and good-quality developments where space had been given up by tenants as they relocated or rationalised their requirements. However, the full-year 2021 physical net absorption in the Central Business District (“CBD”) was weighed down by the ongoing COVID-19 related challenges in the construction industry that hampered numerous occupiers’ plans to move into their new premises in 2021. The impending redevelopment of Fuji Xerox Towers and AXA Tower also saw some tenants relocating out of the CBD due to a lack of replacement premises at suitable price points. As a result, occupancy rate in the CBD fell by 1.8 percentage points YoY to 91.4% as of end-2021 despite healthy leasing activity. Underpinned by the sustained global economic recovery as well as Singapore’s increasingly competitive offerings as a global office hub, more corporations are expected to set up operations or strengthen their presence in Singapore. Technology and fintech companies, as well as investment management firms and family office looking to expand or set up new bases in Singapore, are expected to remain amongst the key demand drivers in 2022. While COVID-19 has prompted occupiers to rethink their office footprint and the way they conduct business, we observed that an office environment remains relevant for our tenants even as more companies implement hybrid working arrangements. The office environment

	has a key role to play in providing opportunities for collaboration, employee engagement, as well as building company culture and identity. Corporates also continue to value the advantages of having their headquarters located in the CBD in terms of image and reputation building, proximity to clients and business partners, as well as the excellent connectivity and accessibility. Since January 2022, we have seen an improvement in office leasing momentum with the authorities allowing more employees to return to the office. According to the latest market reports by property consultants[2], office rents have bottomed out in 1Q 2022 and registered positive rental growth. This upswing is being led by prime office assets.
5	**Can you share the latest occupancy rate in terms of any improvement in tourist arrivals to our two hotels due to further opening in the hospitality sector? In particular, with regards to the newly-launched Hilton brand, is it really a game changer?**
	Following a re-branding and extensive refurbishment, the new Hilton Singapore Orchard features 1,080 guestrooms and suites, new and enhanced MICE facilities, as well as revamped and fresh dining options, which has strengthened the property's competitive positioning amongst the other hotels in the prime Orchard Road area. With the addition of new income-generating meeting spaces on level five, the hotel offers one of the largest venues in Orchard Road with 16 modern and versatile event spaces and caters to the demand for MICE events, which in turn supports demand for rooms and the hotel's bar and restaurants by corporate travellers. There are five different dining concepts at Hilton Singapore Orchard, including the well-loved Chatterbox, the two Michelin-starred Shisen Hanten by Chen Kentaro, new Italian restaurant Osteria Mozza, all-day dining restaurant Estate, and Ginger.Lily lounge & bar, to attract guests to dine and spend time at the property, which will also have a positive impact on Mandarin Gallery. While we are unable to provide occupancy rates, we are pleased to share that the demand and interest for rooms and meeting spaces at Hilton Singapore Orchard has been very encouraging since the soft opening in February 2022 and has performed 30% above Hilton's expectations[3]. The hotel has also been receiving more long-haul corporate guests and travellers from Europe and the US, as well as regional guests from around ASEAN and Hong Kong. As for Crowne Plaza Changi Airport, the hotel has been serving the air crew and aviation segment since the start of FY 2021 due to its proximity to the airport. With the gradual relaxation of Singapore's borders in 4Q 2021 with the various Vaccinated Travel Lane arrangements, the hotel recorded a 13.0% quarter-on-quarter increase in revenue per available room ("RevPAR") to S$125. With the most recent relaxation of Singapore's border controls in March 2022, RevPAR is expected to remain stable in the near term as the hotel remains one of the designated crew hotels in Singapore. The hotel will also be able to accept leisure and corporate bookings for rooms and events starting from 2Q 2022. Although visitor arrivals will take some time to return to pre-pandemic levels, the latest relaxation of Singapore's border restrictions, multiple large-scale events planned in the

[2] CBRE, Singapore Figures 1Q 2022 and Cushman & Wakefield, Marketbeat, Singapore, Office Q1 2022
[3] The Business Times, "Hilton eyes growth in APAC, set to open 2 hotels a week in region in 2022", 8 April 2022. https://www.businesstimes.com.sg/consumer/hilton-eyes-growth-in-apac-set-to-open-2-hotels-a-week-in-region-in-2022

	second half of 2022 and benign hotel supply outlook, is supportive of the rebound. We are confident that both of OUE C-REIT's hotel properties are well-positioned to capture the upcoming recovery in the Singapore hospitality sector.
6	**As Singapore moves towards "Living with Covid", will a physical Annual General Meeting ("AGM") be brought back next year?**
	While we understand that Unitholders look forward to participating in physical AGMs again with the Board of Directors and management, we decided to conduct the forthcoming AGM on 26 April 2022 virtually after giving due consideration to health and safety, in view of the ongoing COVID-19 pandemic situation in Singapore. To allow more interaction between Unitholders and management this year, Unitholders will be able to submit questions to the Chairman "live" at the AGM via the online platform hosting the audio-visual webcast, and we hope Unitholders will make use of this feature and participate actively. As the COVID-19 situation in Singapore continues to evolve, a decision regarding next year's AGM will be made in due course taking into consideration the prevailing safe management measures. Our top priority remains the health and safety of Unitholders, the Board of Directors, our employees and other stakeholders who would be involved in the AGM.
7	**What is management's strategy for capital management given the current interest rate environment and the potential impact on distributions?**
	Approximately 72.4% of OUE C-REIT's total debt are hedged into fixed rates as at 31 December 2021, which will mitigate the impact of increases in interest rates. The Manager is actively monitoring the market to fix or hedge OUE C-REIT's loans to maintain the current fixed rate position. Based on the current fixed rate position, a 25-basis point increase in interest rates will reduce distribution per unit ("DPU") by 0.03 Singapore cents.
8	**The MAS has increased the aggregate leverage limit to 50%, is there an internal limit for aggregate leverage? Would the REIT go beyond 45% or do you intend to lower gearing further?**
	There is no internal limit for aggregate leverage. The Manager is comfortable with the current level which provides OUE C-REIT with debt headroom to fund future acquisitions. We do not expect the aggregate leverage to reduce further unless there is an asset divestment where proceeds are used to pare down debt prior to an acquisition. Besides aggregate leverage, other key parameters of capital management include the average term of debt, debt maturity profile and weighted average cost of debt amongst others. Efforts such as the repayment and early refinancing of borrowings as well as the diversification of funding sources, including the issuance of S$150 million 3.95% fixed-rate notes in June 2021 and OUE C-REIT's first S$540 million sustainability-linked loan in October 2021, have resulted in a stronger balance sheet, extended debt maturity profile of 3.0 years and a stable weighted average cost of debt of 3.0% per annum as at 31 December 2021. The increased financial flexibility places OUE C-REIT in a stronger position for growth.

9	**Does OUE Commercial REIT intend to issue new units and raise equity in 2022? What will they be used for?**
	The Manager does not expect to conduct an equity fund raising exercise solely for the purpose of reducing gearing or for refinancing of borrowings. Given that Singapore REITs pay out at least 90% of its distributable income, equity fund raising is an integral part of any Singapore REIT's growth strategy. Hence, equity fund raising exercises will be conducted in conjunction with yield-accretive acquisitions or other opportunities in line with our objective of creating value and sustainable growth for Unitholders. In determining the need and structure of an equity fund raising exercise, the Manager will take into consideration the size of the acquisition, DPU accretion level, OUE C-REIT's capital structure, sources and costs of funding available, as well as potential dilution to unitholders' shareholding if they do not have the opportunity to participate, balanced against the financial impact and investment rationale in line with OUE C-REIT's business strategies. In the event of any intended equity fund raisings by OUE C-REIT, Unitholders can expect to be duly informed through announcements made on SGXNet.
10	**What is the conversion price for the convertible perpetual preferred units ("CPPU") at the time of redemption?**
	The conversion price for the CPPUs is S$0.7154 for the CPPU holder. For avoidance of doubt, there was no conversion of the CPPUs during FY 2021. In FY 2021, there was a reduction in the CPPUs as the Manager redeemed 155 million CPPUs at the issue price of the CPPUs in 2015, which is S$1 for each CPPU.