

TRANSFORMING TOMORROW

8th Annual General Meeting

26 April 2022



Important Notice

This presentation should be read in conjunction with the announcements released by OUE Commercial REIT (“OUE C-REIT”) on 16 February 2022 (in relation to its Interim Financial Information for the Six-Month Period and Financial Year Ended 31 December 2021).

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

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. These forward-looking statements speak only as at the date of this presentation. Past performance is not necessarily indicative of future performance. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

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

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

Overview of OUE C-REIT

Market Capitalisation⁽¹⁾

S\$2.4 billion

7 High quality prime assets

6 properties in Singapore and 1 property in Shanghai

Manage more than **2.2** mil sq ft
in net lettable area

1,643 upper upscale
hotel rooms



OUE Bayfront



One Raffles Place



OUE Downtown Office



Lippo Plaza



Mandarin Gallery



Hilton Singapore Orchard



Crowne Plaza Changi Airport

Assets under Management⁽¹⁾

S\$6.0 billion

Predominantly Singapore-focused

✓ **Approx. 90% of assets under
management in Singapore**

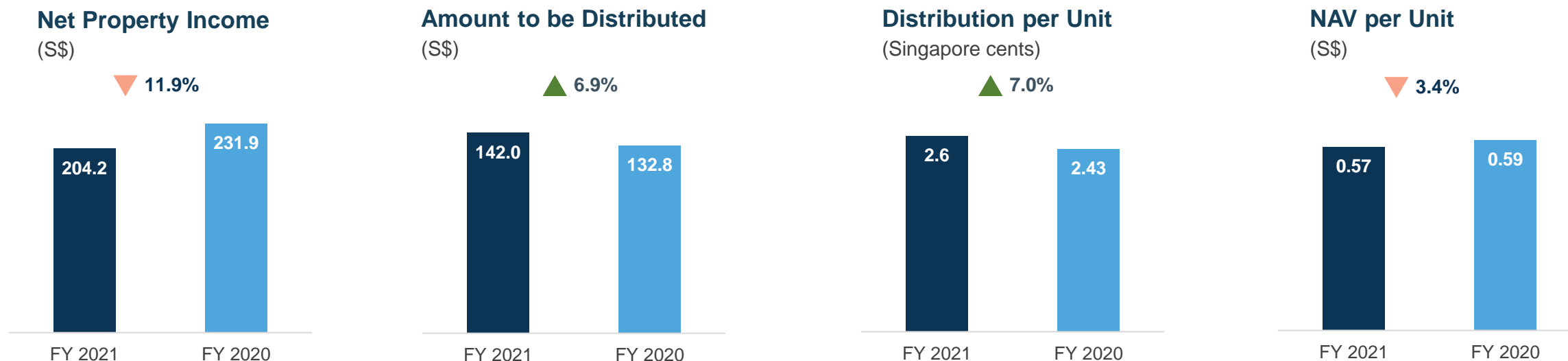
Net Asset Value ("NAV") per Unit⁽¹⁾

S\$0.57

Delivering Stable Returns



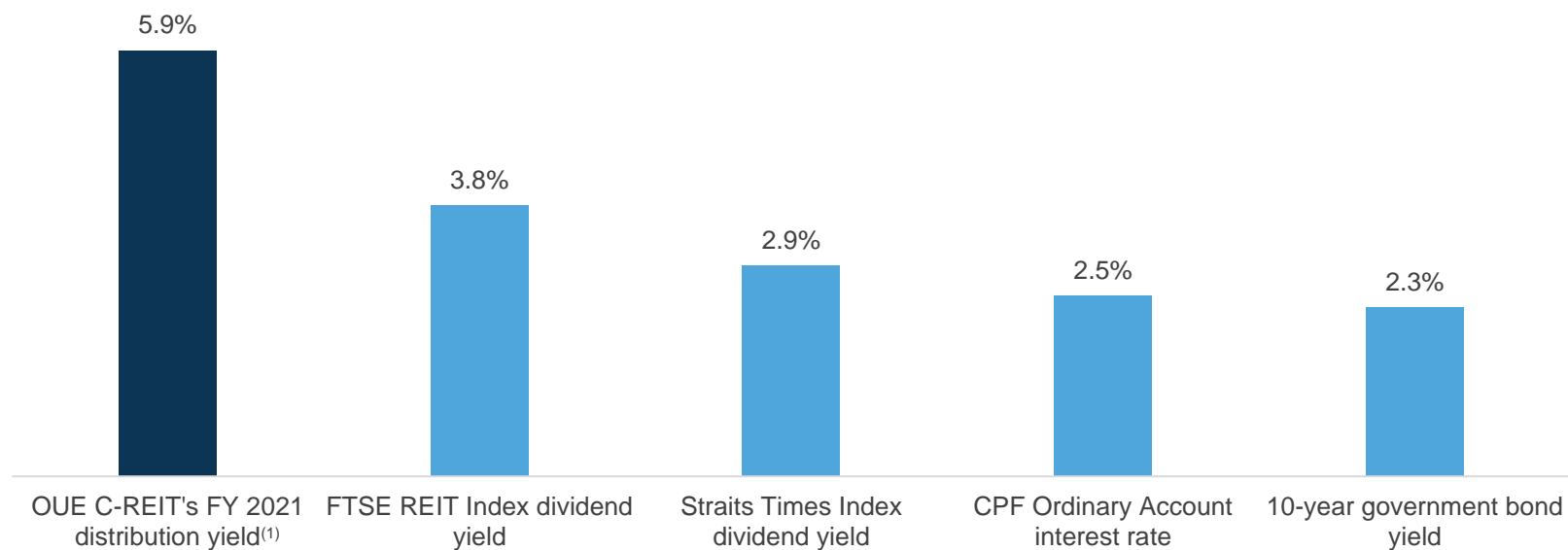
FY 2021 Financial Performance



- Net property income in FY 2021 of S\$204.2 million was 11.9% lower year-on-year (“YoY”) mainly due to deconsolidation of OUE Bayfront’s performance post the divestment of a 50% interest in the property on 31 March 2021, partially offset by lower rental rebates and lower property expenses
- FY 2021 amount to be distributed was 6.9% higher YoY at S\$142.0 million with the release of S\$5.0 million of distribution retained in FY 2020 and partial distribution of divestment gain from OUE Bayfront of S\$5.4 million
- FY 2021 DPU of 2.60 cents was 7.0% higher YoY
- Stable NAV per Unit of S\$0.57 as at 31 December 2021

Distribution Yield

OUE C-REIT's distribution yield is 357 basis points above the 10-year government bond yield



As at 31 Mar 2022

Trading Performance

Comparative Trading Performance in FY 2021⁽¹⁾



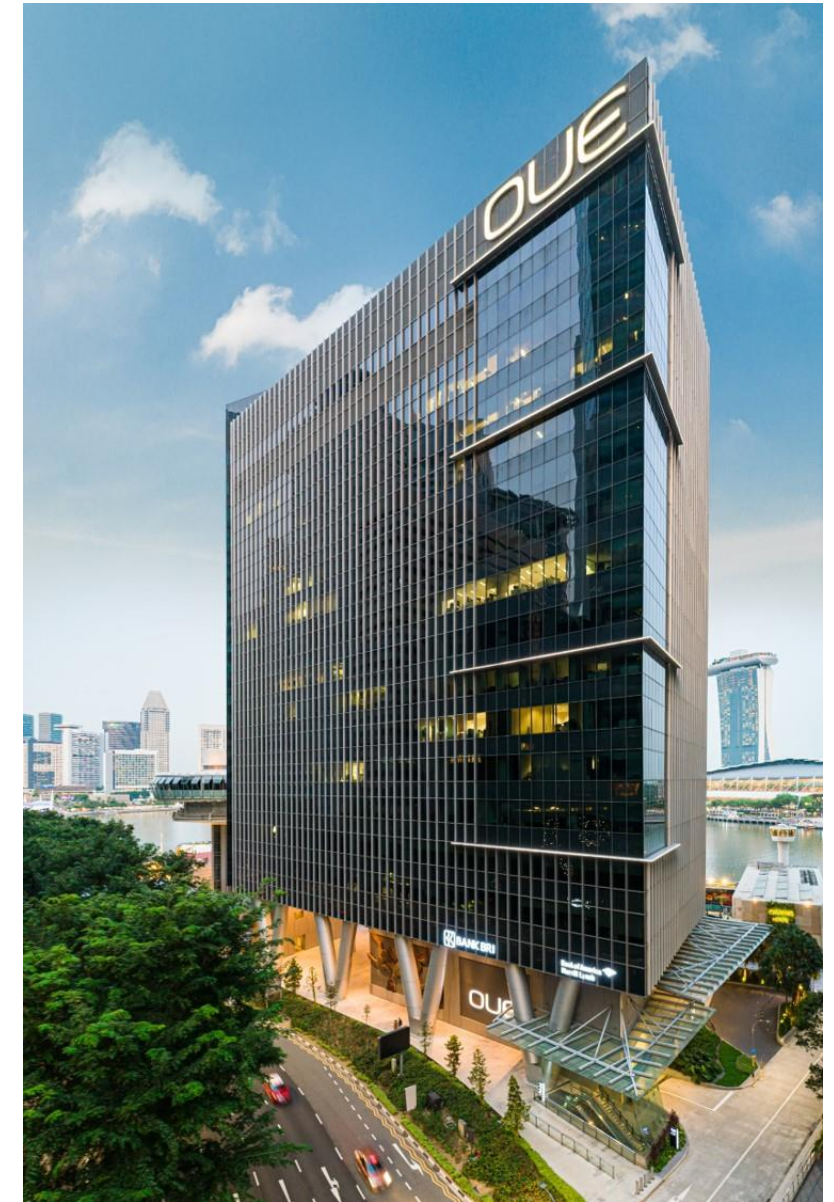
	Capital Appreciation	Distribution Yield	Total Return
1 January 2021 to 31 December 2021	14.3%	5.9%	22.0% ⁽²⁾

Reshaping the Portfolio



Reshaping the Portfolio

- Partial divestment of a 50% interest in OUE Bayfront to a fund managed by Allianz Real Estate, one of the world's largest real estate investment managers, on 31 March 2021
- Agreed value of S\$1,267.5 million or S\$3,170 per sq ft:
 - ✓ 26.1% premium over historical cost
 - ✓ 7.3% premium over book value of S\$1,181.0 million as at 31 December 2020
- Capitalised on opportunity to unlock value from the property, in line with our active portfolio management strategy
- Provided opportunity to optimise OUE C-REIT's capital structure and increase financial flexibility

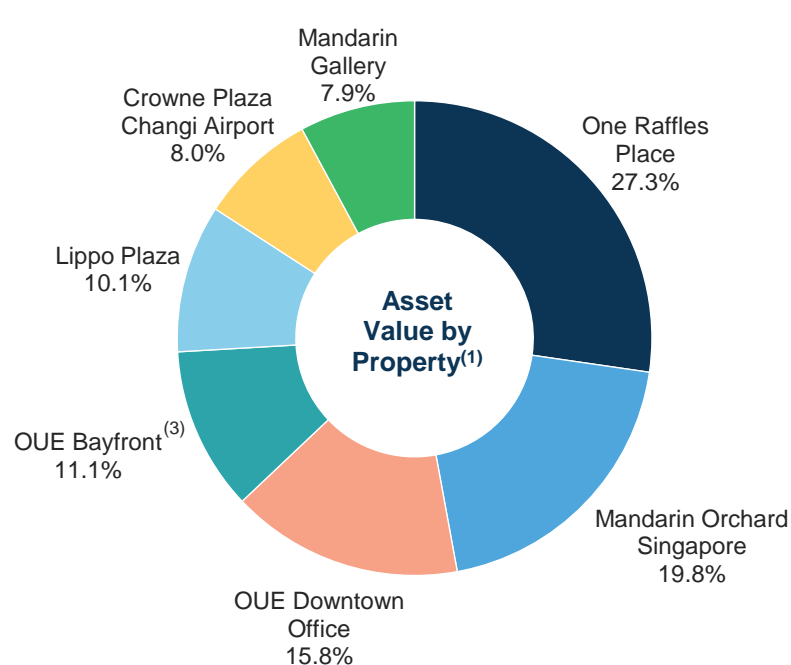


Portfolio Valuation

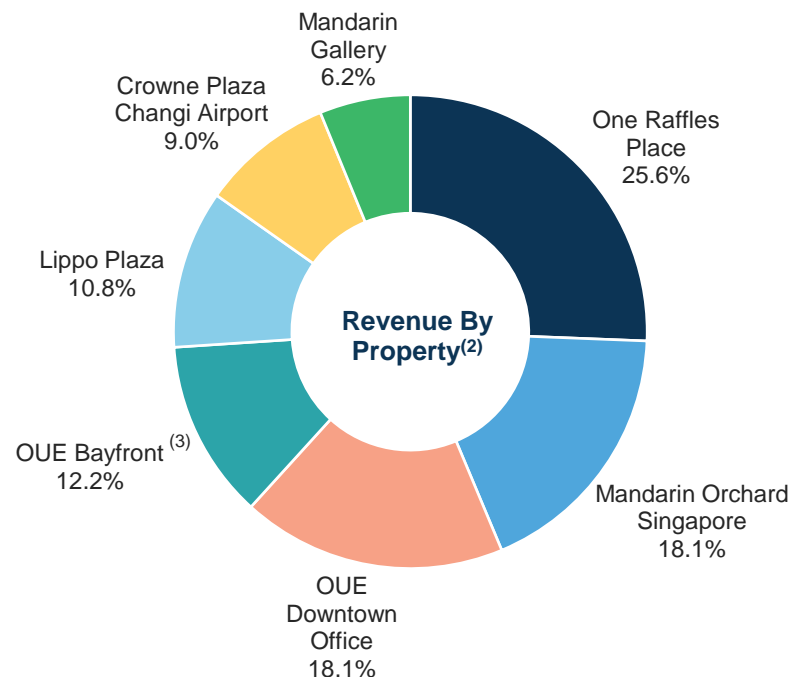
- Property valuation declined to S\$6,018.3 million as at 31 December 2021, due to the divestment of 50% interest in OUE Bayfront in March 2021. While valuations for the hotel and retail segments were lower YoY, this was mitigated by higher Singapore office valuations driven by tighter capitalisation rates

	S\$ million		Change (%)	Capitalisation Rate	Unit Valuation
	As at 31 Dec 2021	As at 31 Dec 2020			
OUE Bayfront (100% interest)	1,270.0	1,181.0	7.5	Office: 3.625% Retail: 6.0%	S\$3,176 psf
OUE Bayfront (50% interest)	635.0	-	-	As above	As above
One Raffles Place ⁽¹⁾	1,867.7	1,799.7	3.8	Office: 3.40% – 3.55% Retail: 4.43%	S\$2,650 psf
OUE Downtown Office	902.0	900.0	0.2	3.90%	S\$1,704 psf
Lippo Plaza	574.5 ⁽²⁾ (RMB 2,681.0 m)	545.6 ⁽³⁾ (RMB 2,680.0 m)	5.3	-(4)	RMB45,812 psm GFA
Mandarin Gallery	453.9	473.0	(4.0)	5.25%	S\$3,594 psf
Mandarin Orchard Singapore	1,130.0	1,157.0	(2.3)	5.25%	S\$1.0m / key
Crowne Plaza Changi Airport	455.2	468.5	(2.8)	4.75%	S\$0.8m / key
Total (including attributable interest in OUE Bayfront)	6,018.3	6,524.8	(7.8)	-	-
Total (excluding OUE Bayfront)	5,383.3	5,343.8	0.7	-	-

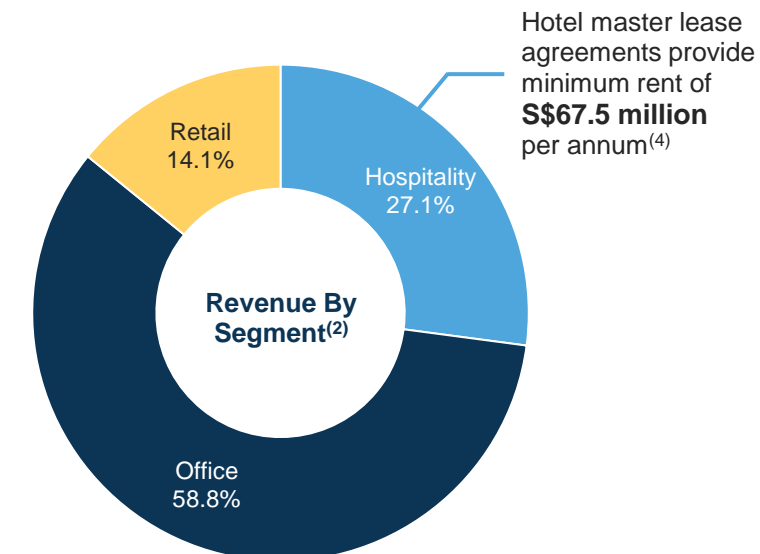
Portfolio Composition



- ~90% of assets under management in Singapore



- No single asset contributes more than 25.6% to the portfolio revenue



- 58.8% of portfolio contribution is underpinned by the office segment

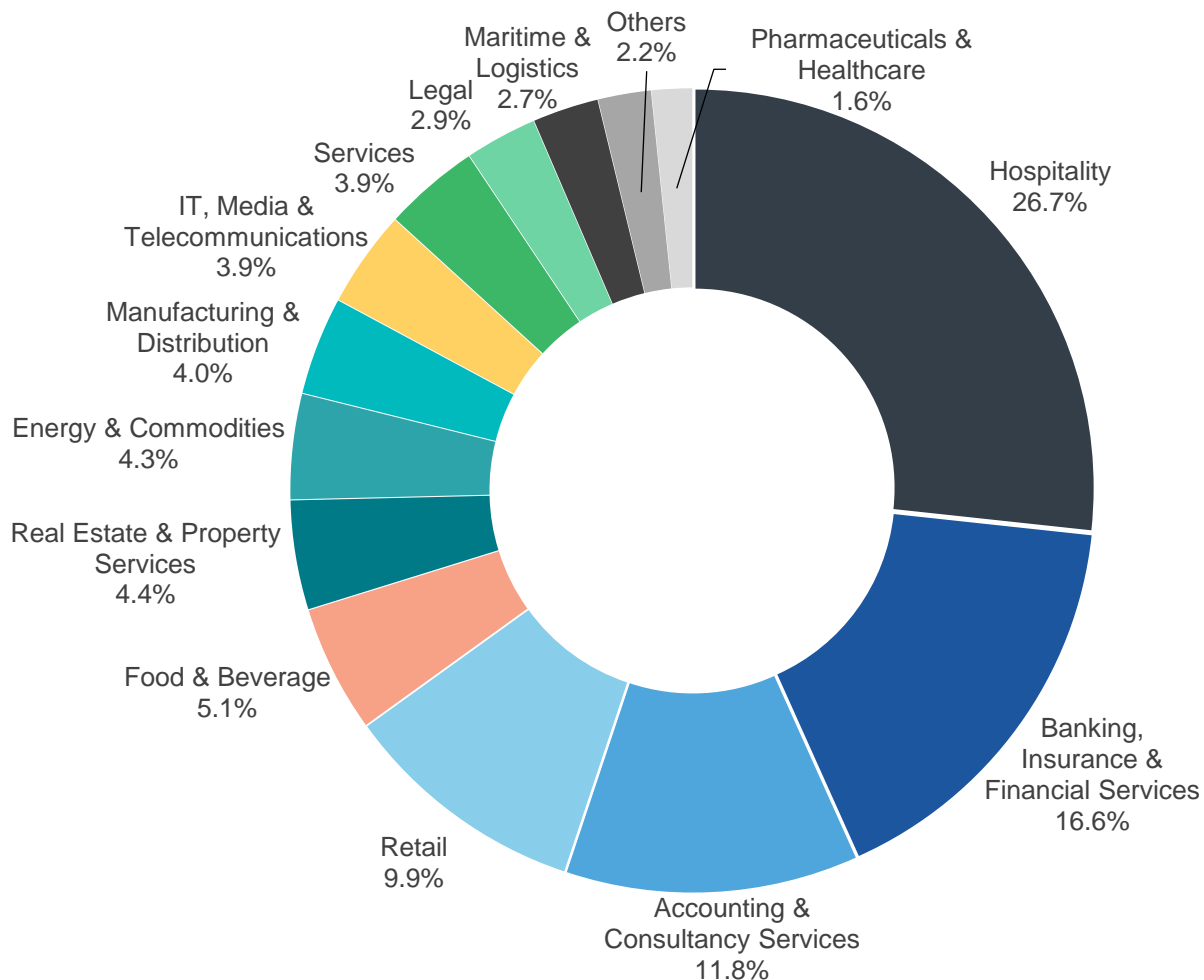
(1) Based on independent valuations as at 31 December 2021 and OUE C-REIT's proportionate interest in the respective properties as at 31 December 2021, assuming SGD:CNY exchange rate of 1:4.666 as at 31 December 2021

(2) Based on 4Q 2021 revenue and OUE C-REIT's proportionate interest in the respective properties

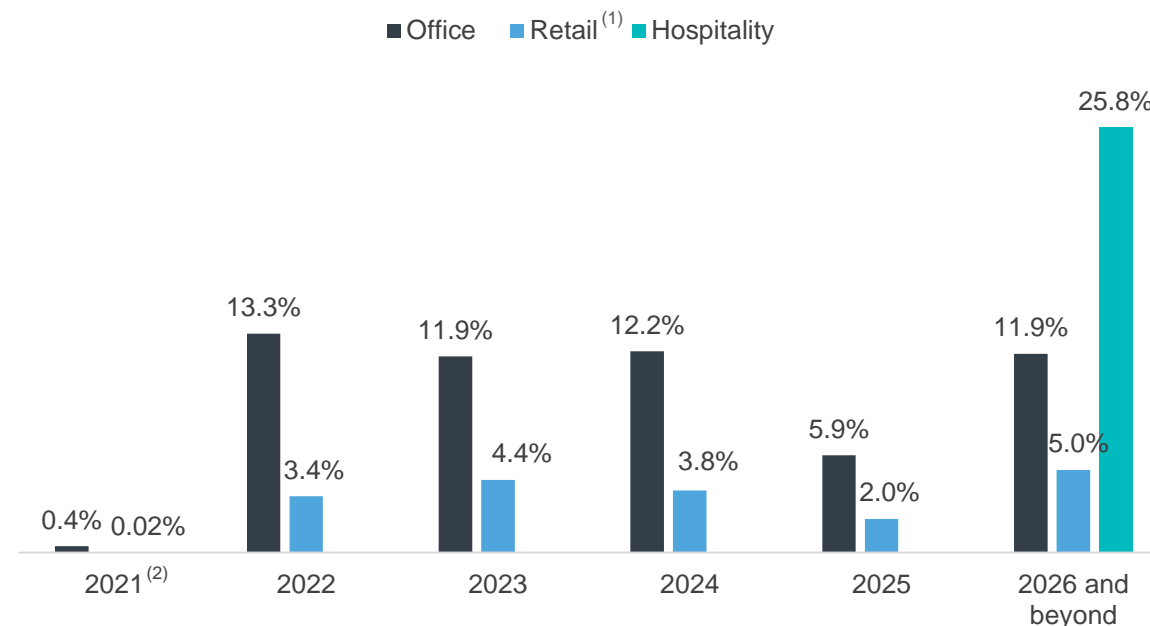
(3) OUE C-REIT's interest in OUE Bayfront is 50% post completion of partial divestment on 31 March 2021

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

Portfolio Tenant Base and Lease Expiry Profile



As of Dec 2021



WALE⁽³⁾ of 3.5 years by Gross Rental Income

As at 31 Dec 2021

Note: Tenant by trade sector and lease expiry profile is based on gross rental income (excluding provision of rental rebates and turnover rent), and OUE C-REIT's proportionate interest in the respective properties

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

(2) As at 31 December 2021, leases expiring on 31 December 2021 had not been renewed

(3) "WALE" refers to the weighted average lease term to expiry.

Reinforcing the Capital Structure

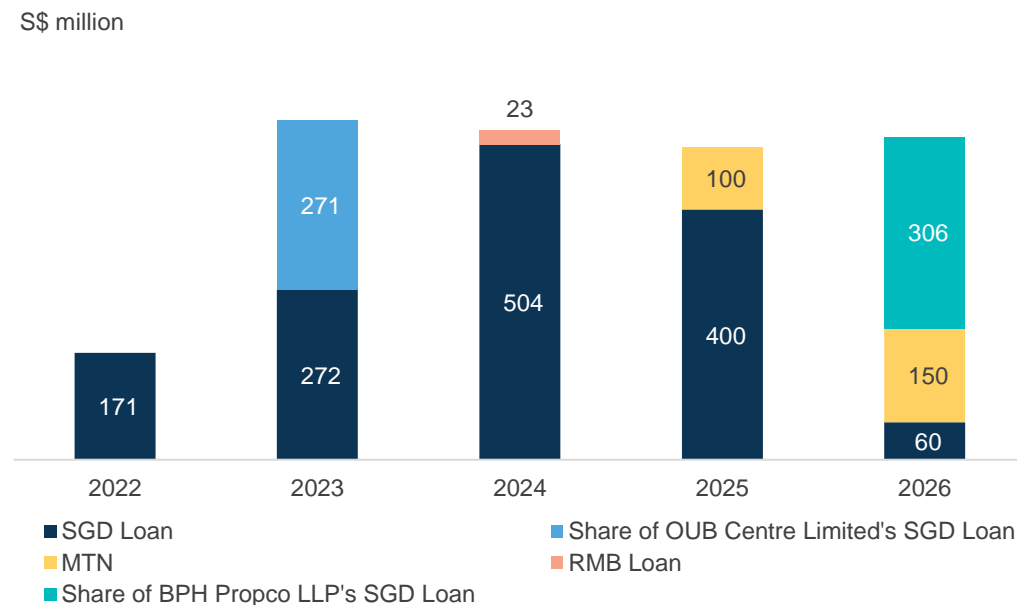


Capital Management

- As at 31 December 2021, aggregate leverage was 38.7% with stable weighted average cost of debt of 3.2% p.a
- Issued S\$150 million five-year 3.95% fixed rate notes in June 2021 and obtained maiden S\$540 million sustainability-linked loan in October 2021 for refinancing requirements
- Average term of debt lengthened to 3.0 years, with no more than 24% of debt due for refinancing in any year
- Distribution is mitigated against interest rate fluctuations with 72.4% of debt on fixed rate basis

	As at 31 Dec 2021	As at 31 Dec 2020
Aggregate Leverage	38.7%	41.2%
Total debt	S\$2,257m ⁽¹⁾	S\$2,664m ⁽²⁾
Weighted average cost of debt	3.2% p.a.	3.0% p.a.
Average term of debt	3.0 years	2.3 years
% fixed rate debt	72.4%	68.1%
Interest coverage ratio (ICR) ⁽³⁾	2.8x	2.7x
Adjusted ICR ⁽⁴⁾	2.7x	2.6x

Debt Maturity Profile



(1) Based on SGD:CNY exchange rate of 1:4.666 as at 31 December 2021 and includes OUE C-REIT's share of OUB Centre Limited's loan and BPH PropCo LLP's loan

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

(3) As prescribed under Appendix 6 of the Monetary Authority of Singapore's Code on Collective Investment Schemes (last revised on 1 July 2021). Based on earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation) over interest expense and borrowing-related fees, on a trailing 12-month basis.

(4) As above in (3) and including distributions on hybrid securities in the denominator

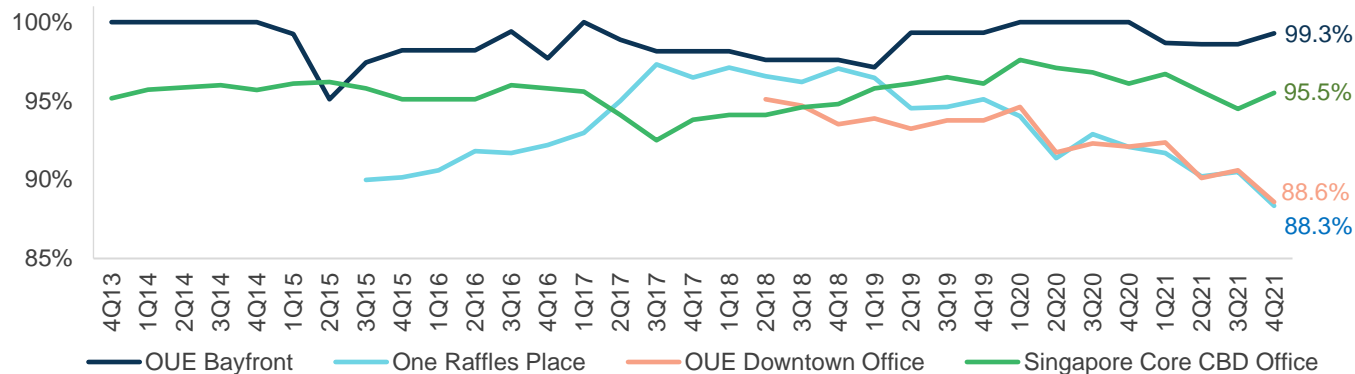
Commercial Segment



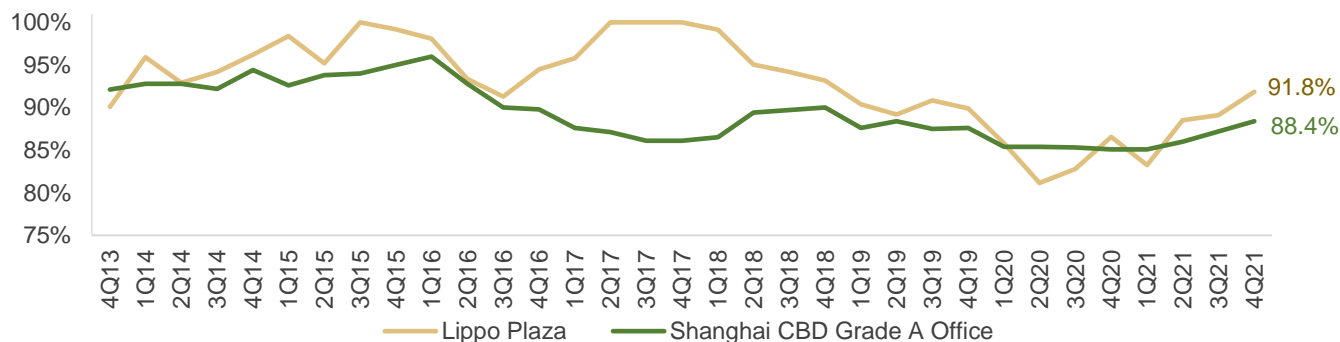
Office Segment Occupancy

- OUE Bayfront's committed office occupancy 99.3% as at 31 December 2021, ahead of the wider market
- Committed office occupancy of One Raffles Place and OUE Downtown Office declined to 88.3% and 88.6% respectively as at 31 December 2021 as leasing momentum continued to be dampened by prevailing safe management measures
- Strong leasing demand supported Lippo Plaza's 5.3 ppt YoY improvement in committed office occupancy to 91.8%, ahead of the wider market

Singapore



Shanghai



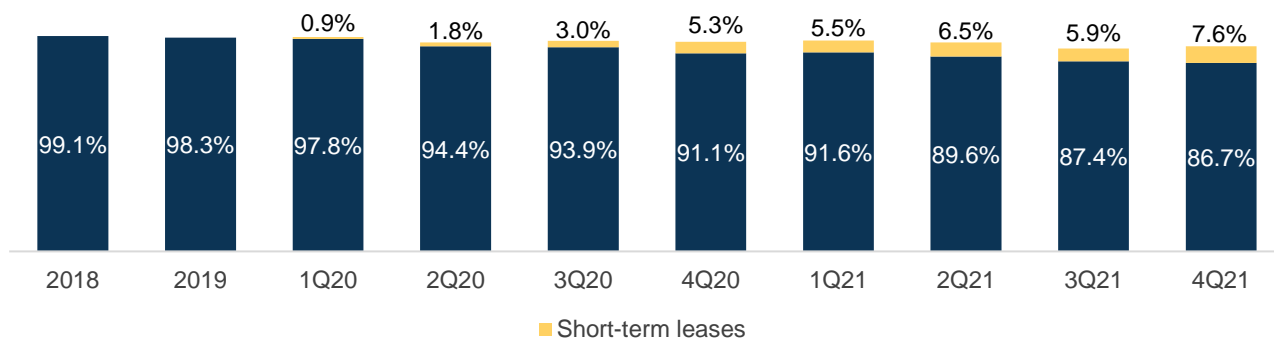
FY 2021 Committed & Average Office Rents

- Singapore office rental reversions ranged from -4.1% to 3.6% in FY 2021
- Singapore office rents continue to recover, which is expected to narrow the gap between expiring rents and market rents

	FY 2021 Range of Committed Office Rents ⁽¹⁾	Average Office Passing Rents as of Dec 2021
Singapore		
OUE Bayfront	S\$10.98 – S\$15.00 psf per month	S\$12.49 psf per month
One Raffles Place	S\$9.00 – S\$11.50 psf per month	S\$9.98 psf per month
OUE Downtown Office	S\$7.50 – S\$8.50 psf per month	S\$8.04 psf per month
Shanghai		
Lippo Plaza	RMB6.86 – RMB11.00 psm per day	RMB9.00 psm per day

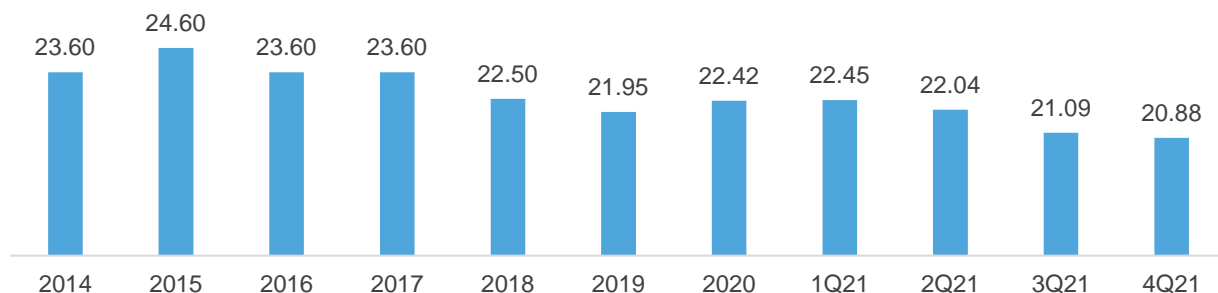
Mandarin Gallery

Committed Occupancy

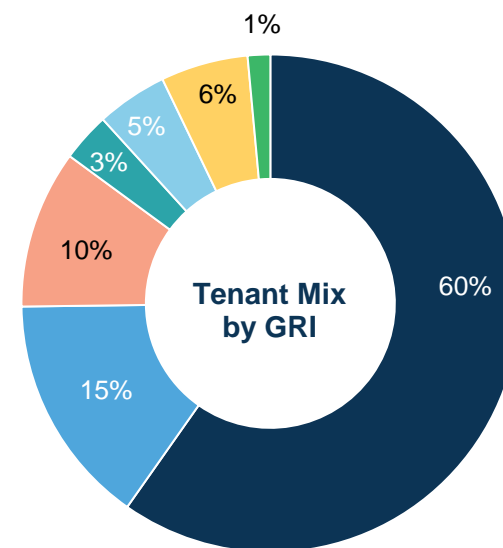


Average Passing Rents

S\$ psf/mth



- While occupancy was impacted by dampened leasing sentiment, vacancy increase was also partly due to ongoing repositioning of certain spaces to F&B to enhance tenant mix and strengthen appeal to shoppers
- Shopper traffic and sales in December improved to ~75% and ~65% of pre-COVID-levels respectively



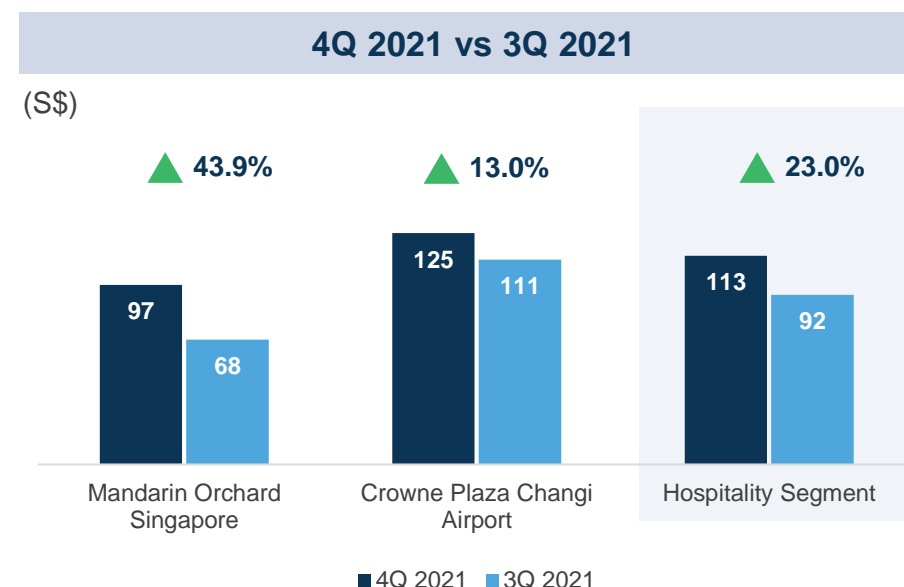
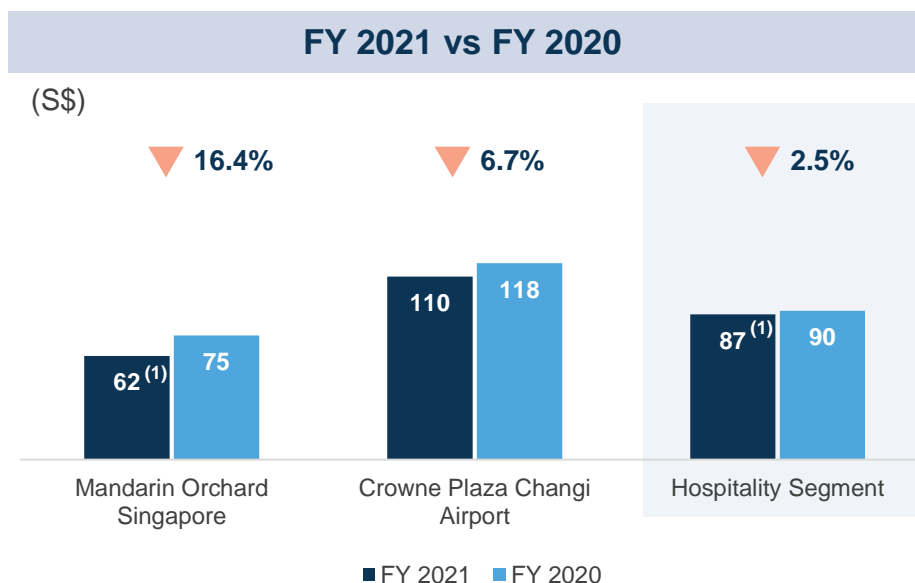
As of Dec 2021

- Fashion & Accessories
- Food & Beverage
- Hair & Beauty
- Watches & Jewellery
- Living & Lifestyle
- Travel
- Services

Hospitality Segment



Hospitality Segment RevPAR Performance



- With renovation works underway for the most of FY 2021, Mandarin Orchard Singapore's RevPAR declined 16.4% YoY to S\$62⁽¹⁾. RevPAR for Crowne Plaza Changi Airport declined 6.7% YoY to S\$110 due to a temporary closure in January 2021 as a precautionary measure to facilitate investigations by the Ministry of Health. Overall hospitality RevPAR declined by 2.5% YoY to S\$87
- For 4Q 2021, Mandarin Orchard Singapore's RevPAR increased 43.9% QoQ to S\$97, buoyed by local staycation demand during the year-end holiday period. Crowne Plaza Changi Airport's RevPAR recorded a 13.0% QoQ increase to S\$125 due to Singapore's gradual relaxation of borders with the start of various Vaccinated Travel Lane arrangements. Overall hospitality RevPAR was 23.0% higher QoQ at S\$113

Revitalising our Assets



Hilton Singapore Orchard – Positioned for recovery

- Soft opening in February 2022 as Hilton's flagship hotel in Singapore and its largest in Asia Pacific
- New MICE facilities and fresh dining concepts to drive future growth in returns and value for Unitholders
- Offers an eco-friendly stay for guests and travellers, in line with OUE C-REIT's sustainability commitment
- Progressive reopening of borders and the government's continued support to promote Singapore as a leisure destination and key business hub underpins expected recovery in the hospitality sector



Estate – all day dining restaurant



King Premium City View Room



Grand Ballroom – pillarless and fitted with LED walls

Looking Ahead



Sustainability Targets Achieved in FY 2021



Stewarding the Environment

- ✓ Achieved reductions in energy consumption, greenhouse gas emissions, water consumption and waste compared to base year 2017. On track towards long-term 2030 environmental targets
- ✓ Adopted the Taskforce on Climate-related Financial Disclosures (“TCFD”) recommendations into OUE C-REIT’s latest sustainability report
- ✓ Participating in the Global Real Estate Sustainability Benchmark (“GRESB”) Real Estate Assessment in 2022



Strengthening Social Fabric

- ✓ 63.6% of employees in senior management are women
- ✓ Achieved 45.9 average training hours per employee
- ✓ No incidents resulting in employee fatality or permanent disability, and no cases of non-compliance with laws or regulations concerning tenant health and safety
- ✓ Achieved an average tenant satisfaction rate of 86.1% for all five commercial properties



Building Trust

- ✓ No incidents of corruption
- ✓ No incidents of non-compliance with laws and/or regulations
- ✓ No cyber incidents or data breaches

Transforming Tomorrow

Asset Management

- Continue to strengthen portfolio fundamentals to drive organic growth
 - ✓ Sustaining occupancy, while optimising rents remains key
 - ✓ Repositioning and/or reconfiguration of spaces to adapt to changing tenant mix
- Implement upgrading and/or enhancement works to improve asset resilience and enhance sustainability
- Well-diversified portfolio of strategically located and high quality assets that caters to tenants' diverse needs is expected to underpin a stable performance

Capital Management

- Manage refinancing requirements for financial flexibility
- Diversify funding sources and adopt appropriate hedging strategies to manage interest rate volatility, while keeping borrowing costs stable

Investment Management

- Capitalise on value-enhancing opportunities to improve returns and provide future long-term growth opportunities
- Continue to maintain significant exposure to Singapore office market which has demonstrated resilience amidst COVID-19



COMMERCIAL
REIT



Thank You