

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

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## **MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 20 APRIL 2023**

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OUE Commercial REIT Management Pte. Ltd., as manager of OUE Commercial Real Estate Investment Trust (“**OUE C-REIT**”, and the manager of OUE C-REIT, the “**Manager**”), wishes to inform unitholders that in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the minutes of the ninth annual general meeting (“**AGM**”) of OUE C-REIT which was convened and held by way of electronic means on Thursday, 20 April 2023 at 2:00 p.m. has been recorded and is attached hereto as **Annex A**.

The Manager had on 14 April 2023 released on SGXNET its responses to questions received from the Securities Investors Association (Singapore) in relation to the annual report of OUE C-REIT for the financial year ended 31 December 2022.

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)

19 May 2023

### **IMPORTANT NOTICE**

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

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

**ANNEX A**

**MINUTES OF AGM**

# **OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST**

(Company Registration No.: 201327018E)

## **MINUTES OF ANNUAL GENERAL MEETING**

HELD AT		ON	TIME
Held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020		Thursday, 20 April 2023	2:00 p.m.
<b>PRESENT</b>	Lee Yi Shyan	Chairman and Non-Independent Non-Executive Director of OUE Commercial REIT Management Pte. Ltd., the manager of OUE Commercial Real Estate Investment Trust (" <b>OUE C-REIT</b> ") and the manager of OUE C-REIT, the " <b>Manager</b> ")	
		Chairman of the Meeting	
	Liu Chee Ming	Lead Independent Director and member of the Audit and Risk Committee (" <b>ARC</b> ") of the Manager	
	Han Khim Siew	Chief Executive Officer (" <b>CEO</b> ") and Executive Director of the Manager	
	Lionel Chua	Chief Financial Officer (" <b>CFO</b> ") of the Manager	
	As per attendance record maintained by the Manager (Unitholders)	Unitholders of OUE C-REIT (" <b>Unitholders</b> ")	
	As per attendance record maintained by the Manager (Observer/Invitee/Guests)	Observer/Invitee/Guests	
<b>IN ATTENDANCE VIA ELECTRONIC MEANS</b>	Tan Huay Lim	Independent Director and Chairman of the ARC of the Manager	
	Ong Kian Min	Independent Director, member of the ARC and Chairman of the Nominating and Remuneration Committee (" <b>NRC</b> ") of the Manager	
	Usha Ranee Chandradas	Independent Director and member of the ARC and NRC of the Manager	
	Brian Riady	Non-Independent Non-Executive Director and member of the NRC of the Manager	

Lee Chin Siang Barry

Audit Partner, KPMG LLP

**WELCOME ADDRESS**

- 1.1 The Chairman of the Board of Directors of the Manager (the "**Board**"), Mr Lee Yi Shyan, welcomed the Unitholders of OUE C-REIT present at the Annual General Meeting of OUE C-REIT (the "**Meeting**") via electronic means and informed the Unitholders that he had been nominated by DBS Trustee Limited, the trustee of OUE C-REIT, in accordance with the trust deed constituting OUE C-REIT (the "**Trust Deed**"), to preside as the Chairman of the Meeting (the "**Chairman**").

The Chairman introduced the panel to the Unitholders.

**QUORUM**

- 2.1 As there were sufficient Unitholders to form a quorum, the Chairman called the Meeting to order.

**NOTICE OF MEETING**

- 3.1 The notice of the Meeting dated 29 March 2023 (the "**Notice**") was taken as read.

- 3.2 The Chairman informed the Unitholders that there would be a "live" Question and Answer session ("**Q&A**") and voting for all resolutions would be conducted "live".

A video clip on the use of the Q&A function and "live" voting was shown to the Unitholders.

- 3.3 The Chairman informed the Unitholders that the Q&A function had been enabled for questions to be submitted and all resolutions tabled at the Meeting was open for voting.

The Chairman added that the questions would be addressed during the Q&A session, which would be held after the CEO's presentation on OUE C-REIT's financial and operational performance for the financial year ended 31 December 2022. This would be a unified Q&A session and hence no separate Q&A sessions would be held before each resolution was introduced and explained.

He requested that each Unitholder limit himself or herself to a reasonable number of questions and to matters which were relevant to the agenda for the Meeting.

- 3.4 The Chairman highlighted to the Unitholders that where substantially similar questions were received, the Manager would consolidate such questions and consequently, not all questions might be individually addressed.
- 3.5 The Chairman informed the Unitholders that the Manager did not receive substantial and relevant questions submitted by Unitholders in advance of the Meeting by the deadline of 2.00 p.m. on Thursday, 6 April 2023. The Manager's responses to questions from the Securities Investors Association (Singapore) ("**SIAS**") have been published via SGXNET and also posted on OUE C-REIT's corporate website on Friday, 14 April 2023. Questions for which responses had been addressed prior to this Meeting would not be addressed again. The responses to questions received from SIAS are appended to this Minutes as "**Appendix 1**".

- 3.6 Mr Han Khim Siew ("**Mr Han**"), the CEO, then gave a short presentation. After the presentation, Mr Han handed the proceedings of the Meeting back to the Chairman.

A copy of the presentation, which was posted on SGXNET and OUE C-REIT's corporate website on 20 April 2023, is appended to this Minutes as "**Appendix 2**".

3.7 Live Q&A Session

The Chairman addressed the questions received from the Unitholders.

- (i) A Unitholder requested that, in light of the partial sale of OUE Bayfront, management share its plans/strategies to continue growing OUE C-REIT going forward, and how would Unitholders' dividend yield be affected in the medium to long term. Mr Han responded that there were two components to continue growing OUE C-REIT. Firstly, management would explore asset enhancement initiatives to enhance OUE C-REIT's current portfolio. The rebranding of Hilton Singapore Orchard was a successful example and management has seen an improvement in valuation and income. Secondly, with the pricing reset in Australia and London, management would also explore opportunities to acquire assets on an accretive basis.
- (ii) A Unitholder asked if the Board had a diversity policy in place and what were the targets. The Chairman responded that the Board has implemented a Board

Diversity Policy which considered several relevant measurable objectives such as skills, experience and knowledge, gender, age, ethnicity, nationality, cultural background, educational background, independence and the length of service. The NRC has committed to (i) a target of having at least 25% female directors which would allow for a significant female representation on the Board, and (ii) ensuring female candidates are included for consideration when identifying suitable candidates for new appointment to the Board. The Board would strive to achieve the stated gender diversity target in the course of the progressive renewal of the Board by no later than 2030.

The Unitholder also asked about the outlook for the Singapore office sector. Mr Han responded that for 2023, the outlook remained strong. There would be limited supply in the market as recent office developments had healthy commitment levels and the Government would also not release further land for office development in the Central Business District until 2030. Demand should remain fairly strong and rents should remain fairly stable.

- (iii) Another Unitholder asked if the Board could introduce a distribution reinvestment plan when distributions are announced so that Unitholders could opt to receive units instead of cash for distributions. Mr Han responded that management would consider this suggestion and present its findings to the Board.

(iv) A Unitholder asked if management could share its strategies to counter the high interest rate environment moving forward in order to grow Unitholders' value. Mr Lionel Chua ("**Mr Chua**"), the CFO, responded that OUE C-REIT had a healthy gearing ratio of 38.8% and it was well hedged at 71.5%. OUE C-REIT was currently well-supported by 24 banks but the Manager would continue to grow and diversify the banking relationships. This was important to enable OUE C-REIT to negotiate for more competitive pricing. Management also believed in proactively engaging the banks early on refinancing discussions. Mr Chua also updated that management aimed to increase the proportion of sustainability-linked loans which incorporates certain sustainability targets linked to further reductions in pricing. Management has also been watching the bond market closely for opportunities to tap the debt capital market.

(v) A Unitholder asked about the current price of the convertible perpetual preferred units ("**CPPUs**"). Mr Chua responded that the conversion price was 71.54 cents.

The Unitholder also asked for management's view on whether the rental rates for OUE Downtown Office have recovered to the projected rates, given that Singapore is exiting the Covid-19 situation. Mr Han responded yes. Towards the end of 2022, the signing

rents were ranging from the high S\$8 psf to mid S\$9 psf. The projected rate was S\$9.40 psf.

(vi) Another Unitholder asked if a public placement, with a price discount to market price, be explored as an alternative to bank financing with all costs considered. Mr Han responded that such an equity fundraising initiative would be dilutive and would not be financially beneficial to Unitholders.

(vii) A Unitholder asked why did management redeem the CPPUs last year. Mr Han responded that there was no redemption of CPPUs in 2022.

3.8 As there were no further questions, the Chairman concluded the live Q&A session. He thanked the Unitholders for their questions. The Chairman then proceeded to the business of the Meeting.

3.9 The Chairman proposed the resolutions as set out in the Notice and would declare the results of the poll for each resolution, after the "live" voting was closed. The Chairman informed that resolutions 1, 2, 3 and 4 as found in the Notice are ordinary resolutions and explained that an ordinary resolution is passed if more than 50% of the total number of votes cast for and against the resolution are cast in its favour.

The Chairman added that RHT Governance, Risk & Compliance (Singapore) Pte. Ltd. had been appointed as scrutineers to conduct the poll.

- 3.10 The Chairman informed the Unitholders that in his capacity as Chairman of the Meeting, he had been appointed as proxy by a number of Unitholders, and would vote according to their respective instructions.

**RESOLUTION 1:  
REPORT OF THE  
TRUSTEE, STATEMENT  
OF THE MANAGER,  
THE AUDITED  
FINANCIAL  
STATEMENTS OF OUE  
C-REIT FOR THE  
FINANCIAL YEAR  
ENDED 31 DECEMBER  
2022 AND THE  
INDEPENDENT  
AUDITORS' REPORT  
THEREON**

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

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

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

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

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

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

7.1 The motion in respect of Resolution 4 was duly proposed.

**POLL**

8.1 The Chairman informed the Unitholders that they have one minute remaining before the close of voting.

**RESULTS OF THE  
POLL ON  
RESOLUTIONS**

9.1 The Chairman informed the Unitholders that voting had closed.

The results of the poll on the resolutions were as follows:

Ordinary Resolution 1: Report of the Trustee, Statement of the Manager, the Audited Financial Statements of OUE C-REIT for the financial year ended 31 December 2022 and the Independent Auditors' Report thereon

Total number of Units represented by votes for and against the resolution	For		Against	
	No. of Units	%	No. of Units	%
3,755,395,289	3,752,229,972	99.92	3,165,317	0.08

Ordinary Resolution 2: Re-appointment of Auditors

Total number of Units represented by votes for and against the resolution	For		Against	
	No. of Units	%	No. of Units	%
3,756,445,237	3,750,319,184	99.84	6,126,053	0.16

**OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST****Annual General Meeting held via electronic means on 20 April 2023 - Page 10**Ordinary Resolution 3: Authorisation of the Manager to issue Units and to make or grant instruments convertible into Units and issue Units pursuant to such instruments

Total number of Units represented by votes for and against the resolution	For		Against	
	No. of Units	%	No. of Units	%
3,756,445,237	3,718,225,515	98.98	38,219,722	1.02

Ordinary Resolution 4: Renewal of the Unit Buy-back Mandate

Total number of Units represented by votes for and against the resolution	For		Against	
	No. of Units	%	No. of Units	%
3,756,128,576	3,742,938,813	99.65	13,189,763	0.35

Based on the results of the poll, the Chairman declared the Resolutions carried.

**CONCLUSION OF THE MEETING**

- 10.1 The Chairman thanked the Unitholders for their attendance and support, and declared the Meeting closed at 2:45 p.m..

Confirmed as true record of proceedings held

Lee Yi Shyan  
Chairman of the Meeting

## RESPONSES TO QUESTIONS FROM SIAS

1	<p><b>A major milestone for the REIT is the successful completion of its \$150 million asset enhancement initiative which involved the rebranding of its hotel as the Hilton Singapore Orchard. The hotel has 1,080 rooms and is now the largest Hilton property in the Asia Pacific region, as well as the flagship property in Singapore. It partially opened in February 2022 and has been fully operational since January 2023.</b></p> <p><b>(i) How is the group capitalising on the anticipated rebound in Chinese tourists since COVID-related measures were lifted in China in early 2023?</b></p>
	<p>According to the Singapore Tourism Board<sup>1</sup>, international visitor arrivals in 2023 are expected to reach around 12 to 14 million visitors who will bring in approximately S\$18 to S\$21 billion in tourism receipts – around two-thirds to three-quarters of the levels in 2019. While China's gradual reopening is expected to provide a further boost to the recovery of Singapore's hospitality sector in 2023, uncertainties over the return trajectory of Chinese tourists as well as flight connectivity and capacity may dampen the pace of recovery.</p> <p>The re-branding to Hilton Singapore Orchard, with 1,080 refurbished rooms and suites, new and enhanced meetings, incentives, conventions and exhibitions ("MICE") facilities, as well as revamped and fresh F&amp;B offerings, has enabled OUE C-REIT to capitalise on the resurgence in MICE activities and the return of international business and leisure travellers, including those from China.</p> <p>Hilton's strong brand recognition and global sales and distribution network have also diversified the business mix and tourist source. Apart from drawing locals and visitors from Southeast Asia, the hotel also witnessed a significant increase in guests from North America, which will help us mitigate over-reliance on Chinese tourists.</p>
	<p><b>Hilton Singapore Orchard's FY 2022 revenue per available room ("RevPAR") of \$318 has also surpassed the previous RevPAR highs of the property before its re-branding.</b></p> <p><b>(ii) What are the average daily room rate and the average occupancy rate?</b></p> <p><b>(iii) Given the positioning of Hilton Singapore Orchard, what is management's target for the average daily room rate?</b></p> <p><b>(iv) The valuation of Hilton Singapore Orchard, which has 33 years remaining on its lease, has increased from \$1.13 billion to \$1.25 billion while the Crowne Plaza Changi Airport saw its valuation increase to \$460.2 million from \$455.2 million. Can the audit and risk committee (ARC) provide further clarification to unitholders on the rationale behind the capitalisation rates of 5.25% and 4.75% for Hilton Singapore Orchard and Crowne Plaza Changi Airport respectively?</b></p>
	<p>The demand and interest for rooms and meeting spaces at Hilton Singapore Orchard has been very healthy with RevPAR growing from S\$302 in 2Q 2022 to S\$397 in 4Q 2022. We are unable to provide average daily room rates and the average occupancy rate due to commercial sensitivities.</p> <p>Backed by the ongoing recovery in the hospitality sector, as well as the re-positioning of Hilton Singapore Orchard ("HSO") as one of the top hotels along Orchard Road, we believe HSO's revenue is expected to rebound to pre-pandemic levels as the hotel has been able to charge premium room rates compared to the former Mandarin Orchard Singapore. To serve as reference, the former Mandarin Orchard Singapore reported revenue of S\$73.3 million in</p>

<sup>1</sup> Singapore Tourism Board, "Singapore's tourism sector recovers strongly in 2022, visitor numbers expected to double in 2023", 17 January 2023

FY 2018 under OUE Hospitality Trust ("**OUE H-Trust**"). (The full-year revenue for FY 2019 is unavailable as OUE H-Trust was delisted after the merger with OUE C-REIT effective from 4 September 2019.)

The valuers have maintained the same capitalisation rates for HSO and Crowne Plaza Changi Airport ("**CPCA**") at 5.25% and 4.75%, respectively, in their independent valuations of the properties as at 31 December 2022 and 31 December 2021. The revaluation gains are due to the improved operating performance of the assets in FY 2022 after the reopening of borders globally and the consequent recovery in the hospitality sector. After the successful re-branding and asset enhancement initiative, HSO is the Hilton brand's flagship hotel in Singapore and its largest in Asia Pacific. The hotel refreshed and renewed its full inventory of 1,080 rooms and suites which has enabled it to command premium room rates. Similarly, CPCA has also benefited from the recovery in the tourism and hospitality sector.

**2 Distribution per unit (DPU) decreased from 2.60 cents to 2.12 cents, a significant decline of 18.5%, even though the trust is one of the largest diversified SGX-listed REITs. The 2022 DPU was boosted by \$4.6 million in partial distribution of divestment gains from OUE Bayfront (2021: release of \$5 million in retained distribution and \$5.4 million in capital distribution from divestment of OUE Bayfront).**

**The REIT's portfolio of core Grade A commercial assets contributed \$173 million or 72% out of the total revenue of \$241.5 million. A summary of the average office passing rent is shown on page 32 and reproduced below:**

#### FY 2022 COMMITTED AND AVERAGE OFFICE RENTS

	Range of committed office rents <sup>6</sup>	Average office passing rents <sup>7</sup>
OUE Bayfront	S\$12.20 - S\$15.50 psf per month	S\$12.64 psf per month
One Raffles Place	S\$8.00 - S\$13.00 psf per month	S\$10.05 psf per month
OUE Downtown Office	S\$7.80 - S\$9.20 psf per month	S\$7.98 psf per month
Lippo Plaza	RMB7.20 - RMB11.10 psm per day (S\$4.22 - S\$6.50 psf per month)	RMB8.78 psm per day (S\$5.14 psf per month)

#### Notes:

<sup>6</sup> Committed rents for renewals and new leases

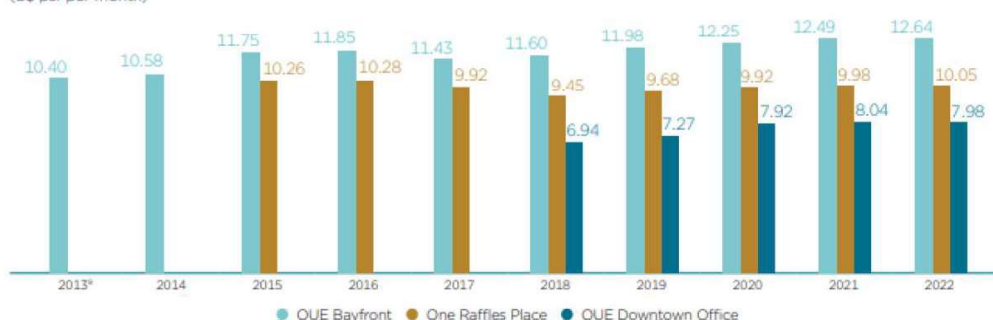
<sup>7</sup> For the month of December 2022

(Source: annual report)

**The income support of \$60 million for OUE Downtown was fully drawn down in the second half of 2022. It does appear that the average passing rents at OUE Downtown is on the downtrend - \$8.04 in 2021 vs \$7.98 in 2022.**

#### HISTORICAL AVERAGE PASSING RENTS

**Singapore Office**  
(S\$ psf per month)



(Source: annual report)

	<p>(i) <b>FY2022 revenue from OUE Downtown was \$43.1 million. Can management provide further clarification on whether this figure includes income support?</b></p> <p>(ii) <b>Does this mean that OUE Downtown is still not meeting the performance projections established by management during its acquisition in 2018? With the income support fully drawn, will the expected total cash flow from OUE Downtown be significantly lower going forward?</b></p> <p>(iii) <b>In addition, can the manager elaborate further on the intangible asset of \$5.4 million which was written off?</b></p>
	<p>The FY 2022 revenue from OUE Downtown Office of S\$43.1 million does not include income support. The income support on OUE Downtown Office is reported as "Other Income" on the Statements of Total Return and was S\$8.8 million in FY 2022.</p> <p>The COVID-19 pandemic has impacted the overall growth and performance of Singapore's office market in 2020 and 2021. According to CBRE's independent market review as at 31 December 2022 in OUE C-REIT's Annual Report 2022, Grade A CBD Core office rents declined 10.0% year-on-year ("YoY") in 2020 to S\$10.40 per square foot ("psf") per month. While office rents started to recover in 2021, Grade A CBD Core office rents recorded a smaller YoY increase of 3.8%. Leasing demand for OUE Downtown Office was similarly impacted, however the average passing rent has remained stable over the last three years and was S\$7.98 psf per month as of December 2022. OUE Downtown's operating metrics have improved significantly in 2022. The property's committed occupancy increased 4.8 percentage points ("ppt") YoY to 93.4% as at 31 December 2022 and rental reversions have turned positive starting from 3Q 2022 at 1.6% and 3.2% in 3Q and 4Q 2022, respectively.</p> <p>As stated in Note 5 on page 190 of the FY 2022 Annual Report, intangible assets represent the unamortised income support receivable by OUE C-REIT in relation to OUE Downtown Office. As the income support was fully drawn down in 2H 2022, the remaining unamortised intangible assets of S\$5,417,000 was written off during the financial year.</p>
	<p><b>The committed occupancy rate at Lippo Plaza declined 5.7% to 79.9% due to a "cautious leasing sentiment and competitive leasing environment". This occupancy rate is also substantially below Shanghai CBD Grade A Office occupancy rate of 89.8%.</b></p> <p>(iv) <b>What is the manager doing to boost the occupancy rate?</b></p> <p>(v) <b>Given that it is the REIT's only asset in China, does it make sense to divest it?</b></p>
	<p>The Manager's key priority in 2023 will be on sustaining occupancy at Lippo Plaza by strengthening relationships with tenants to better cater to their space requirements and optimise tenant retention.</p> <p>We work closely with leasing agents and provide appropriate incentives in line with market practices, to attract new tenants. We also exercise flexibility in lease negotiations on terms to better support our tenants' space requirements where possible, and do our best to engage tenants proactively in discussions on lease renewals.</p> <p>While Lippo Plaza's performance has been weaker than the assets in Singapore, the asset only accounted for 10.5% of FY 2022 revenue based on OUE C-REIT's proportionate interest in the respective properties.</p> <p>The Manager will continually seek to capitalise on opportunities for portfolio reconstitution where appropriate, by unlocking value from existing assets at an optimal stage of their life cycle and redeploying divestment proceeds into higher-yielding properties or other value-creating opportunities to enhance long-term returns.</p>

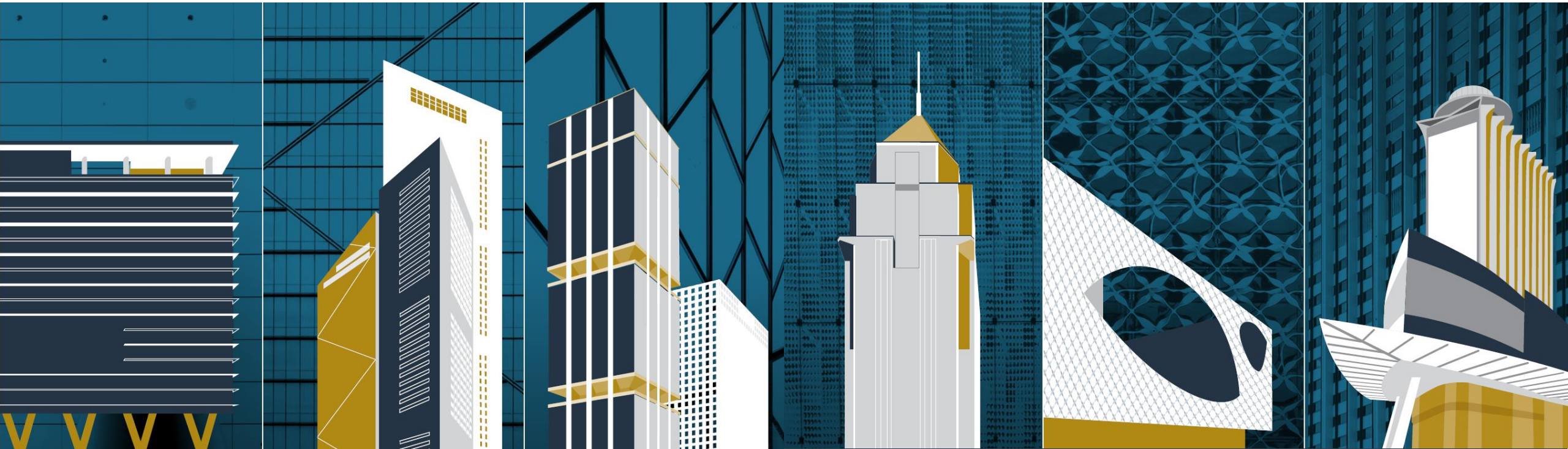
	<p>Separately, in an exclusive interview with REITsWeek, the REIT was reported to have "provided clues on how and where it will expand into in the coming years amid a gradual pick-up in the demand for office spaces". The CEO was also said to have "[given] clues about how this projected growth will likely be funded, amid a high interest rate environment".</p> <p>(vi) Can the manager (re)state its strategy to unitholders at the AGM? Has the board approved this new strategy?</p> <p>(vii) In light of recent macroeconomic trends, such as increased inflation, rising interest rates, and volatile foreign exchange rates, is the manager still considering Sydney, Melbourne and London as possible investment options? How does the REIT manager plan to mitigate any potential currency risks associated with these investments?</p>
	<p>As part of our ordinary course of business, OUE C-REIT has always been actively looking at investment opportunities and asset enhancement initiatives. The Manager's growth strategy for OUE C-REIT has been consistently communicated over the years to the public through press releases, announcements, quarterly business updates, half-year and full-year results, annual general meetings, as well as publications such as the annual report. Such information is first released on the SGXNet, followed by OUE C-REIT's corporate website.</p> <p>To recap, the Manager aims to pursue investment opportunities in key gateway cities with strong real estate fundamentals and growth potential, to provide attractive cash flows and yields to improve future income and capital growth to Unitholders. At the same time, OUE C-REIT will also continue to strengthen the balance sheet, extend the debt maturity profile and manage the cost of debt, to be in a stronger position to pursue DPU-accretive opportunities in the target markets including Australia and the United Kingdom ("UK").</p> <p>Besides Singapore and Shanghai which OUE C-REIT already has a presence in, Australia (Sydney, Melbourne) and the UK (London) are attractive options for OUE C-REIT as these deep, liquid markets offer high potential for growth and scalability in the long term. 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.</p> <p>While we expect that acquisitions might be limited in the current high interest rate environment in 2023, there might be interesting inorganic growth opportunities coming up over the next 9 to 12 months for OUE C-REIT due to pricing corrections and we will continue to be on the lookout for such opportunities. We will also focus on asset enhancements and capital recycling opportunities to drive value creation for the portfolio.</p> <p>In deciding the means of fundraising required by OUE C-REIT for potential acquisitions and AEs, the Board has a framework to evaluate the various funding options available, taking into consideration factors such as the costs of funds and capital, impact on aggregate leverage and returns amongst others. Unitholders can be assured that any decision made would have been deliberated by the Board taking into consideration the interests of all stakeholders. For the avoidance of doubt, OUE C-REIT has <b>not</b> indicated in the interview that we will be raising equity or that the Manager has identified any specific acquisition.</p> <p>To mitigate the effects of adverse foreign exchange ("<b>forex</b>") rate fluctuations associated with overseas investments, to the extent possible, OUE C-REIT adopts a natural hedging strategy by borrowing in the same currency as the underlying asset. To further mitigate exposures to foreign currency fluctuations, hedging instruments such as cross currency interest rate swaps and foreign currency forward contracts may be used where appropriate, considering the cost of hedging, to ensure the stability of cash flows and hedge against forex volatility on distributable income.</p>

	<p><b>In addition to the exclusive interview with REITsWeek, in an article in the Business Times dated 22 November 2022, the CEO was reported to have disclosed that the \$60 million of income support for OUE Downtown has been fully utilised. In addition, the CEO was quoted disclosing the average day rates of the newly opened Hilton Singapore to be \$300 when the hotel reopened, \$400 in May and \$500 in November 2022.</b></p> <p><b>(viii) Were these information announced by the REIT via SGXNET prior to the interview with BT?</b></p> <p><b>(ix) Can the manager and CEO confirm that the REIT distributes material non-public information through SGXNET? Does the manager have in place policies to minimise the risk of being perceived to be practicing selective disclosure, especially during exclusive interviews where clues on growth plans and sources of funding may be conveyed to the interviewer?</b></p>
	<p>The Manager has regularly disclosed in OUE C-REIT's financial results announcements and annual reports published thereafter on the amount of income support drawn down during the financial period reported as well as the cumulative amount. In Note 5 on page 192 of the FY 2021 Annual Report, it was stated that OUE C-REIT had drawn down S\$51,234,000 under the Deed of Income Support. In the interim financial information for the six-month period ended 30 June 2022 released on 25 July 2022, it was reported that income support relating to the top-up payments pursuant to the Deed of Income Support dated 1 November 2018 was S\$7,875,000 in 1H 2022. As the Manager deemed the remaining income support of S\$891,000 to be immaterial relative to OUE C-REIT's net property income of S\$48,269,000 for 3Q 2022, we did not disclose the remaining amount in our business update released on 3 November 2022. It has also been stated in Note 5 on page 190 of the FY 2022 Annual Report that OUE C-REIT has drawn down S\$60,000,000 under the Deed of Income Support.</p> <p>Similarly, we have consistently disclosed the RevPARs of HSO and CPCA in our quarterly business updates, as well as half-year and full-year financial results announcements. Being the key metric used to measure hotel performance, RevPARs are material and relevant information. The Manager does not deem the other figures quoted in the news article to be material information.</p> <p>The Manager remains committed to maintaining regular, timely and transparent communication with Unitholders, prospective investors, analysts, the media, regulators and other stakeholders. We strive to keep Unitholders and the investment community well informed and up-to-date on information pertaining to OUE C-REIT that would be relevant to their investment decisions and will continue to review our Investor Relations Policy to ensure that it is in line with best practices.</p>
3.	<p><b>To align its financing needs with the REIT's sustainability commitment, the REIT has refinanced its loans with sustainability-linked loans ("SLLs"). In August 2022, the REIT successfully obtained an unsecured \$978 million SLL to refinance existing secured borrowings.</b></p> <p><b>It has entered into "green leases" which account for just over a fifth of the REIT's net lettable area in the commercial segment in Singapore as of 31 December 2022.</b></p> <p><b>The REIT has participated in the annual Global Real Estate Sustainability Benchmark ("GRESB") assessment for the first time in 2022.</b></p> <p><b>(i) Can the manager provide unitholders with a clearer understanding of how refinancing maturing secured borrowings with SLLs will contribute to the REIT's sustainability objectives?</b></p> <p><b>(ii) In addition, can the manager explain what green leases are? How are these green leases evaluated?</b></p> <p><b>(iii) How did the REIT select the Global Real Estate Sustainability Benchmark ("GRESB") as the framework to guide and measure its sustainability efforts?</b></p>

	<p>OUE C-REIT's sustainability-linked loans ("<b>SLLs</b>") incorporate interest rate reductions linked to the sustainability performance targets which we have shared in our sustainability report and on the corporate website. This will allow OUE C-REIT to enjoy savings in interest costs when the targets are achieved and aligns our financing with the commitment to reduce the environmental impact of the portfolio beyond just integrating sustainable practices into our operations.</p> <p>Green leases are agreements between OUE C-REIT and the tenants to align our interests on energy and environmental initiatives and acknowledge the possible synergies in cooperation. This includes monitoring tenants' waste output and consumption of energy, water and gas in relation to their premises in our buildings. Our property managers will also meet with the tenants to discuss in good faith how to reduce their energy consumption, carbon emissions and waste generation, as well as to co-operate in setting reasonable targets for the following year and other sustainability initiatives that OUE C-REIT implements.</p> <p>The GRESB assessment was selected as it is one of the most internationally-recognised ESG performance rating system for the real estate and built environment industry. It is also widely participated by our peers in the S-REIT and global REIT sector. With the increased focus on ESG performance and disclosure, OUE C-REIT's participation in the leading global benchmark for the real estate sector will improve the ease of assessment by institutional investors and enhance our profile amongst industry peers. With the results of our assessment, we have also identified identify risks, areas of improvement, as well as feasible actions to be taken at the asset level.</p>
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COMMERCIAL  
REIT



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

20 April 2023

# Important Notice

This presentation should be read in conjunction with the announcements released by OUE Commercial REIT (“OUE C-REIT”) on 30 January 2023 (in relation to its Interim Financial Information for the Six-Month Period and Financial Year Ended 31 December 2022).

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

Total Assets

**S\$6.0 billion<sup>(1)</sup>**

**7** High quality prime assets

6 properties in Singapore and 1 property in Shanghai

Manages more than in net lettable area **2.1** mil sq ft

**1,643** upper upscale hotel rooms

**88%**

of portfolio are certified green buildings

## Singapore



OUE Bayfront



One Raffles Place



OUE Downtown Office



Mandarin Gallery



Hilton Singapore Orchard



Crowne Plaza Changi Airport

- Commercial assets are situated in the three key office sub-markets in Singapore (Marina Bay, Raffles Place and Shenton Way) where medium term supply is limited
- Delivered resilient performance despite macroeconomic uncertainties, underpinning OUE C-REIT's revenue contribution

- Strategically located assets along the prime Orchard Road belt and within the Changi Airport vicinity are well-positioned to benefit from Singapore's strong position as a key business and leisure destination

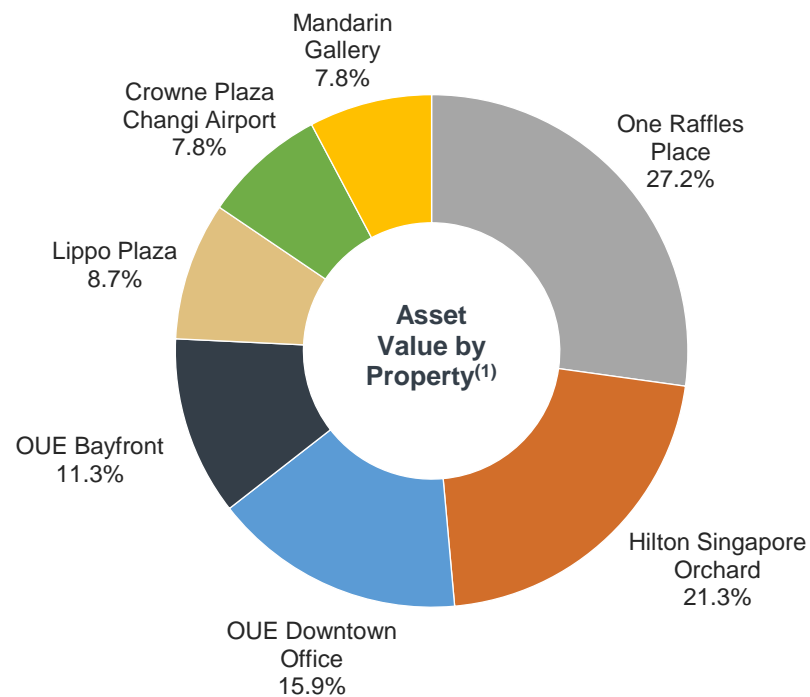
## Shanghai



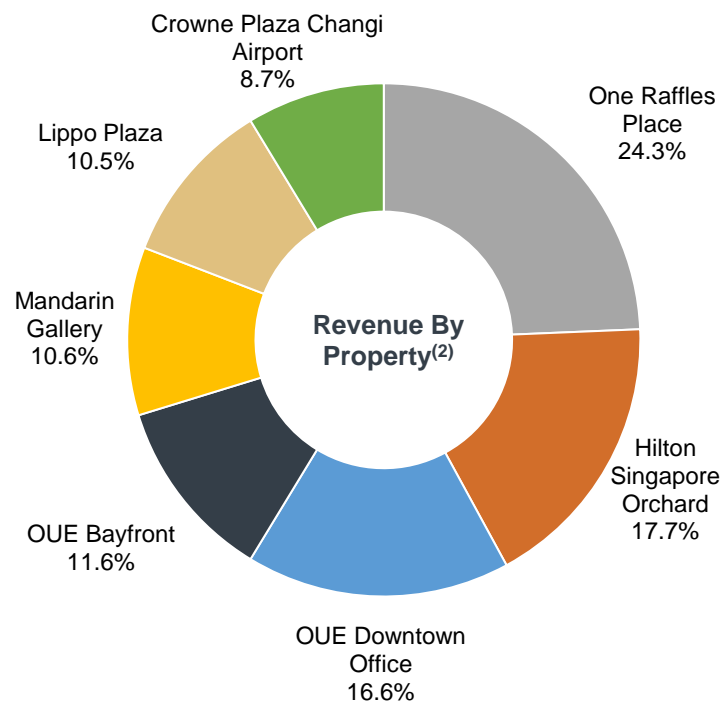
Lippo Plaza

- Benefits from Shanghai's dominant position as a major financial and service hub in China

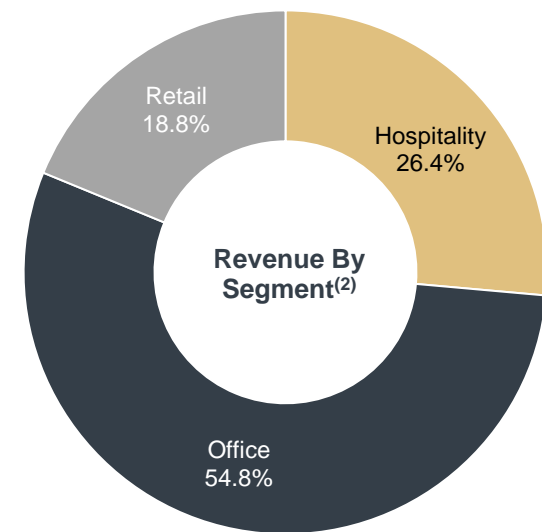
# Diversified Portfolio Provides Resilience and Stable Growth



■ ~91% of assets under management in Singapore



■ No single asset contributes more than 24.3% to the portfolio revenue



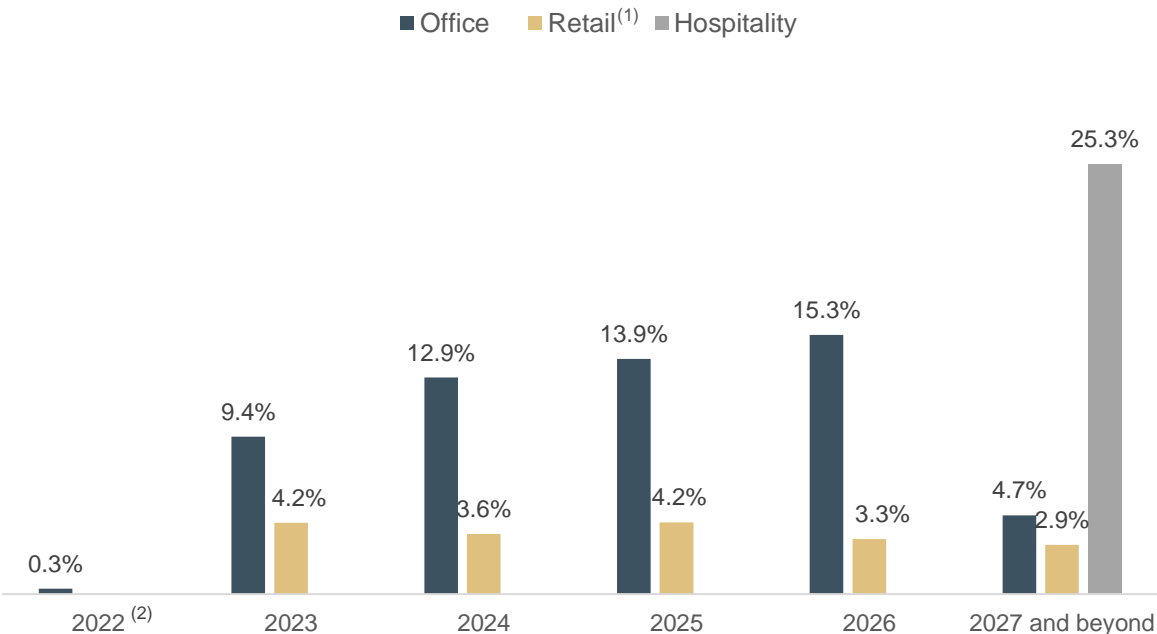
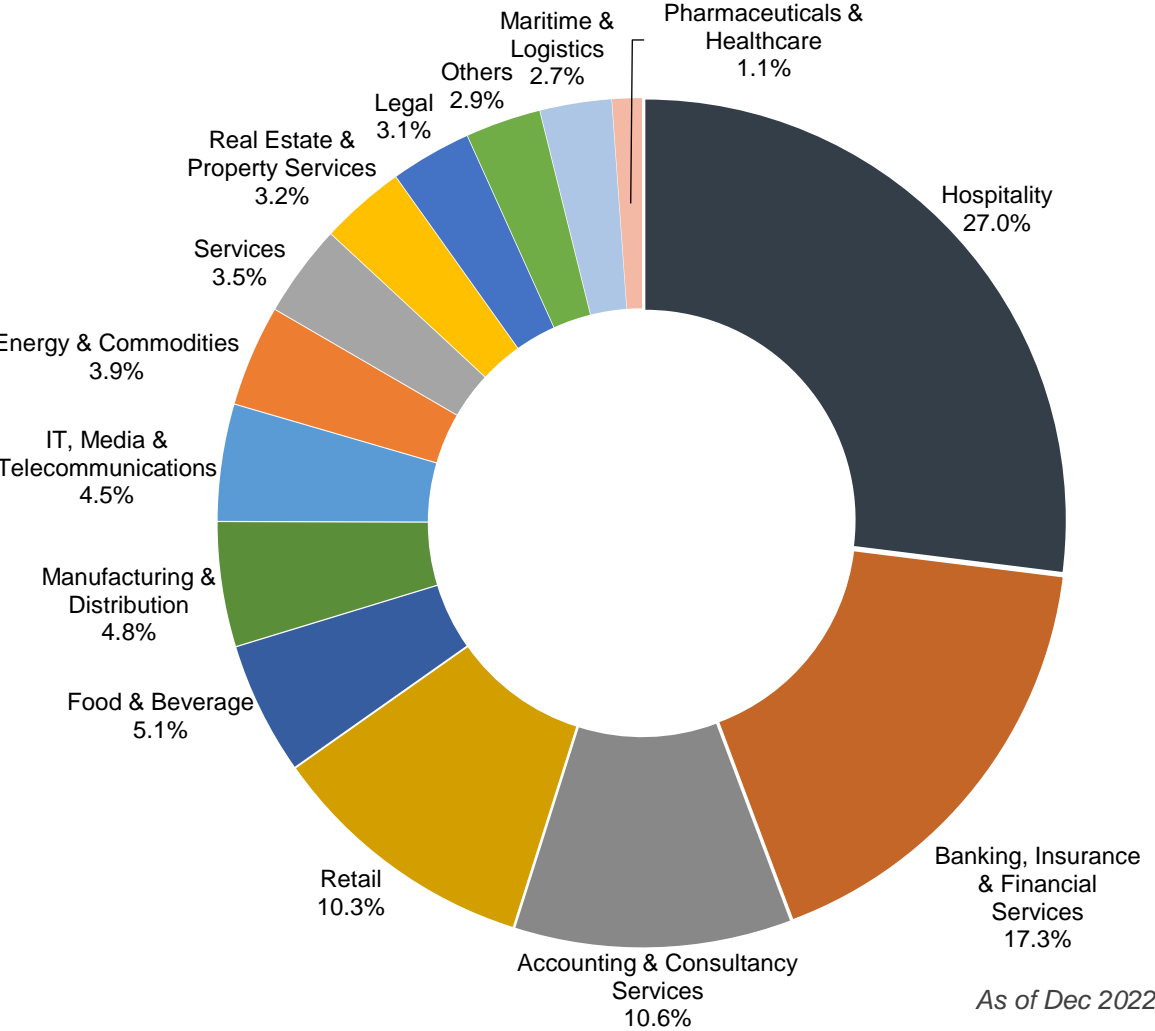
■ 54.8% of portfolio contribution is underpinned by the office segment

(1) Based on independent valuations as at 31 December 2022 and OUE C-REIT's proportionate interest in the respective properties as at 31 December 2022, assuming SGD:CNY exchange rate of 1:5.179 as at 31 December 2022

(2) Based on FY 2022 revenue and OUE C-REIT's proportionate interest in the respective properties

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

# Well-diversified Tenant Mix with Stable Lease Expiry Profile



**WALE<sup>(3)</sup> of 3.3 years by Gross Rental Income (“GRI”)**

As at 31 Dec 2022

Note: Tenant by trade sector and lease expiry profile is based on GRI (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 2022, leases expiring on 31 December 2022 contributing 0.3% of portfolio GRI had not been renewed  
 (3) “WALE” refers to the weighted average lease term to expiry.



# DELIVERED

a Stable Performance

# Stable Valuation as at 31 December 2022

- Portfolio valuation increased 2.6% to S\$6,173.4 million as at 31 December 2022, mainly due to the Singapore office properties and Hilton Singapore Orchard
- While Lippo Plaza's valuation declined 11.3% in SGD, the decline in local currency was a smaller 1.5%

	S\$ million		Change (%)	Capitalisation Rate	Unit Valuation
	As at 31 Dec 2022	As at 31 Dec 2021			
<b>OUE Bayfront (100% interest)</b>	1,321.0	1,270.0	4.0	Office: 3.50%	S\$3,307 psf
<b>OUE Bayfront (50% interest)</b>	660.5	635.0	4.0	As above	As above
<b>One Raffles Place<sup>(1)</sup></b>	1,909.0	1,867.7	2.2	Office: 3.40% – 3.55% Retail: 4.43%	S\$2,708 psf
<b>OUE Downtown Office</b>	930.0	902.0	3.1	3.90%	S\$1,755 psf
<b>Lippo Plaza</b>	509.8 <sup>(2)</sup> (RMB 2,640.0 m)	574.5 <sup>(3)</sup> (RMB 2,681.0 m)	(11.3)	4.0% <sup>(4)</sup>	RMB45,112 psm GFA
<b>Mandarin Gallery</b>	453.9	453.9	-	5.25%	S\$3,594 psf
<b>Hilton Singapore Orchard</b>	1,250.0	1,130.0	10.6	5.25%	S\$1.2m / key
<b>Crowne Plaza Changi Airport</b>	460.2	455.2	1.1	4.75%	S\$0.8m / key
<b>Total (including attributable interest in OUE Bayfront)</b>	<b>6,173.4</b>	<b>6,018.3</b>	<b>2.6</b>	-	-
<b>Total (excluding OUE Bayfront)</b>	<b>5,512.9</b>	<b>5,383.3</b>	<b>2.4</b>	-	-

# Delivering a Stable Performance

**Net Property Income**  
(S\$)

▼ 3.6%

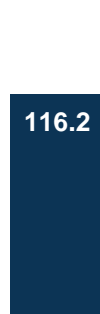


FY 2022

FY 2021

**Amount to be Distributed**  
(S\$)

▼ 18.2%



FY 2022

FY 2021

**Distribution per Unit ("DPU")**  
(Singapore cents)

▼ 18.5%



FY 2022

FY 2021

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

**6.3%**

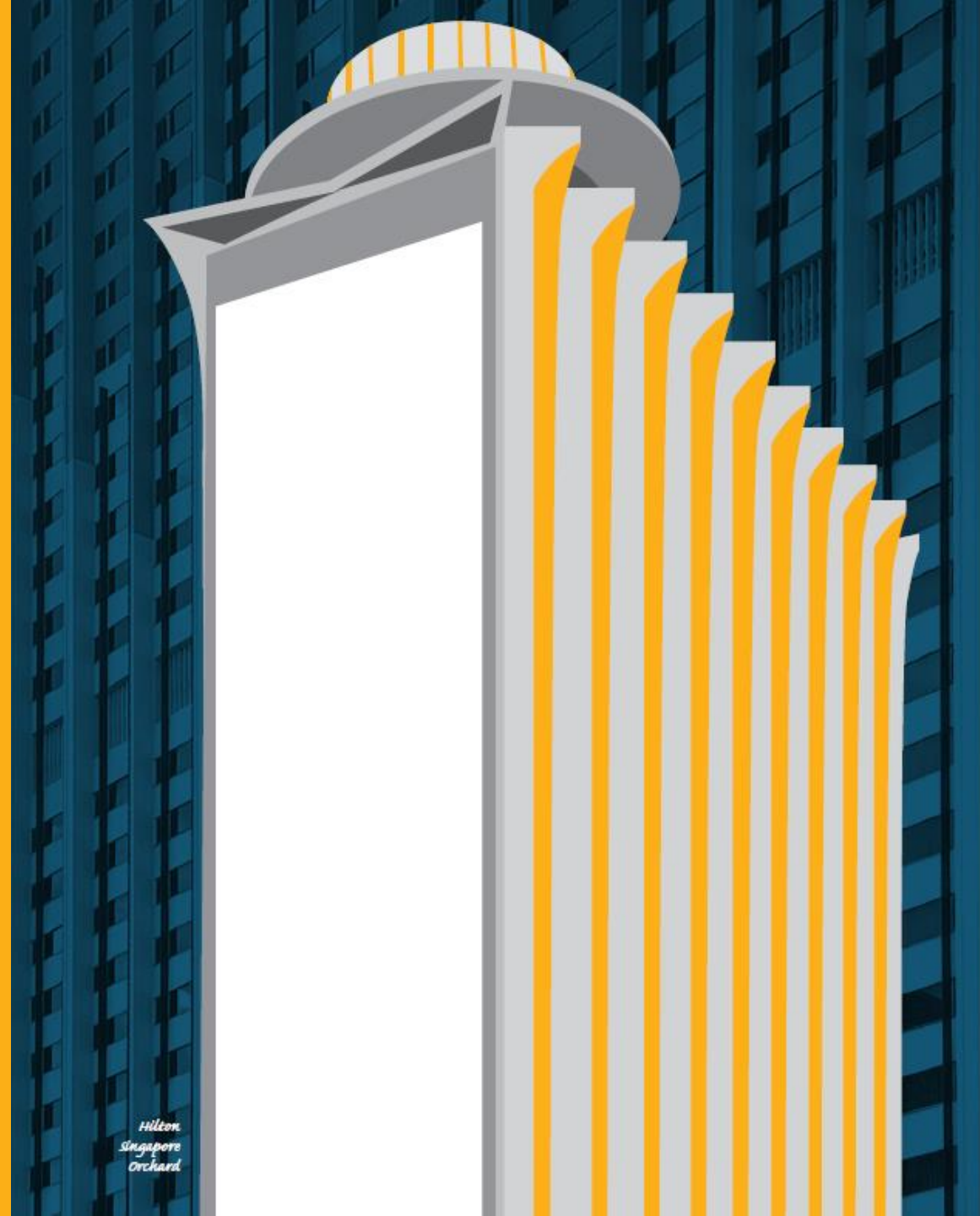
**Net Asset Value ("NAV") per Unit<sup>(2)</sup>**

**S\$0.59** ▲ 3.5% YoY

- Decline in net property income was mainly due to the 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 property expenses, as well as higher turnover rent
- With lower income support for OUE Downtown Office which has been fully drawn down in 2H 2022, as well as higher interest expense driven by macroeconomic factors, amount available for distribution was S\$111.6 million. Including the partial distribution of divestment gain from OUE Bayfront of S\$4.6 million, FY 2022 amount to be distributed was S\$116.2 million, DPU of 2.12 cents

# STRENGTHENED

Capital Structure

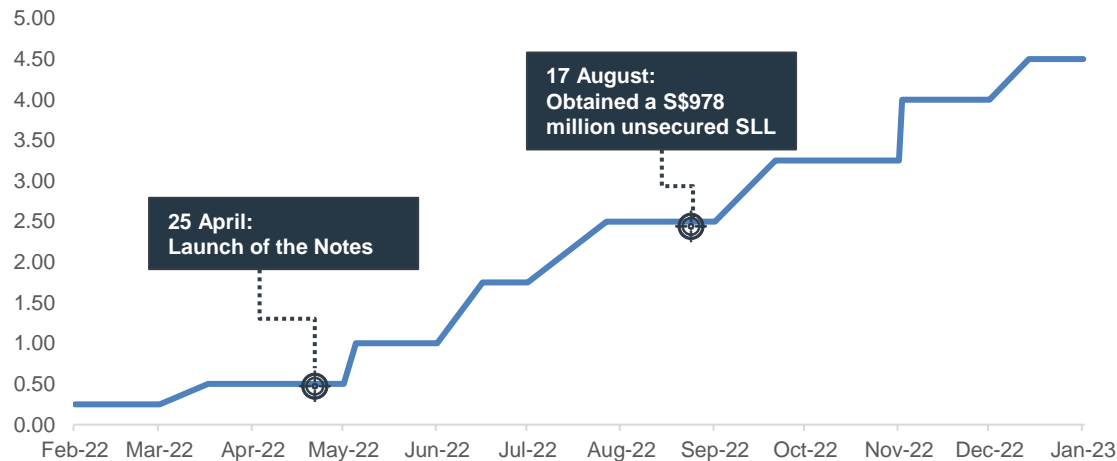


Hilton  
Singapore  
Orchard

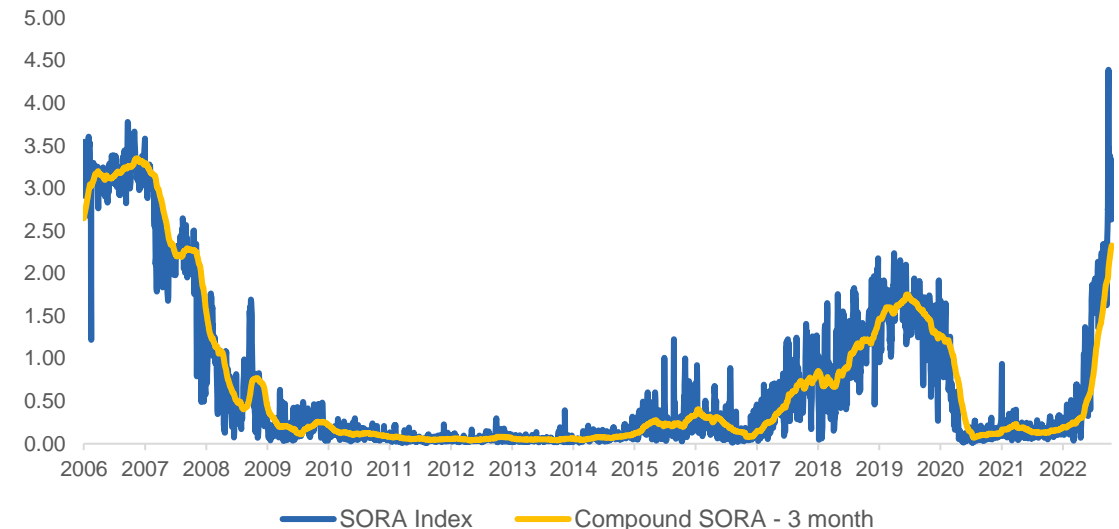
# Prudent Capital Management to Mitigate Refinancing Risk

- In April 2022, issued a S\$150 million MTN with a coupon step-down of 25 basis points upon OUE C-REIT obtaining an investment grade rating within 18 months of issuance date, **a first in Singapore's capital markets**.
- In August 2022, successfully obtained an unsecured S\$978 million sustainability-linked loan ("SLL") to refinance existing secured borrowings, **the largest SLL among S-REITs to date**
- Achieved greater financial flexibility with the proportion of unsecured debt increasing to 69.4% and an average term of debt of 2.9 years as at 31 December 2022

Federal Funds Rate (upper bound)



Historical SORA Rates since 2006



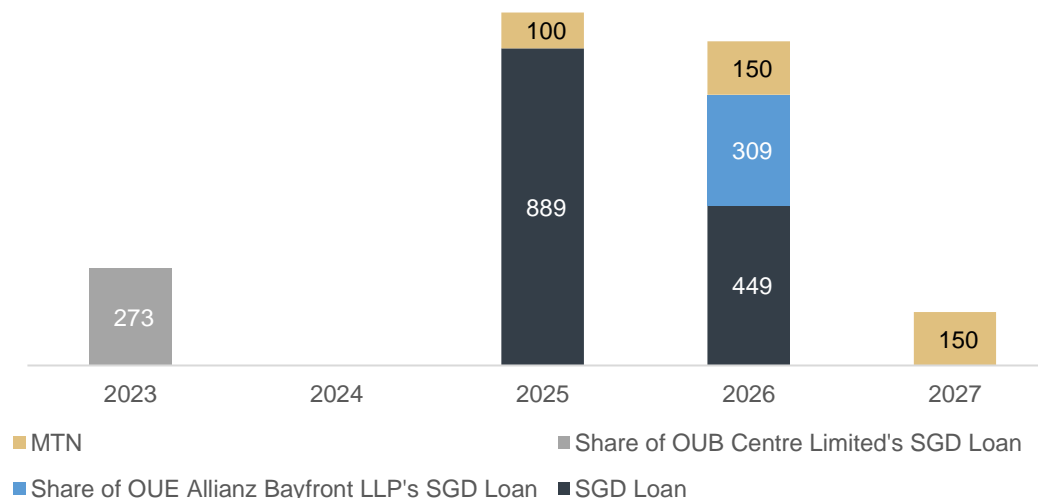
# Proactive and Prudent Capital Management

- Aggregate leverage decreased 1.5 ppt QoQ to 38.8% as of 31 December 2022
- 71.5% of total debt hedged and stable weighted average cost of debt of 3.4% per annum
- No further refinancing requirements until September 2023 where only 11.8% (S\$273 million) of total debt is due, with none due in 2024

	As at 31 Dec 2022	As at 30 Sep 2022
Aggregate leverage	38.8%	40.3%
Total debt <sup>(1)</sup>	S\$2,321m	S\$2,371m
Weighted average cost of debt <sup>(2)</sup>	3.4% p.a.	3.2% p.a.
Average term of debt	2.9 years	3.1 years
% fixed rate debt	71.5%	69.2%
% unsecured debt	69.4%	70.1%
Interest coverage ratio (“ICR”) <sup>(3)</sup>	2.6x <sup>(4)</sup>	2.9x <sup>(5)</sup>
Adjusted ICR <sup>(6)</sup>	2.5x <sup>(4)</sup>	2.9x <sup>(5)</sup>

## Debt Maturity Profile (as at 31 Dec 2022)

S\$ million



(1) Includes OUE C-REIT's share of OUB Centre Limited's loan and OUE Allianz Bayfront LLP's loan

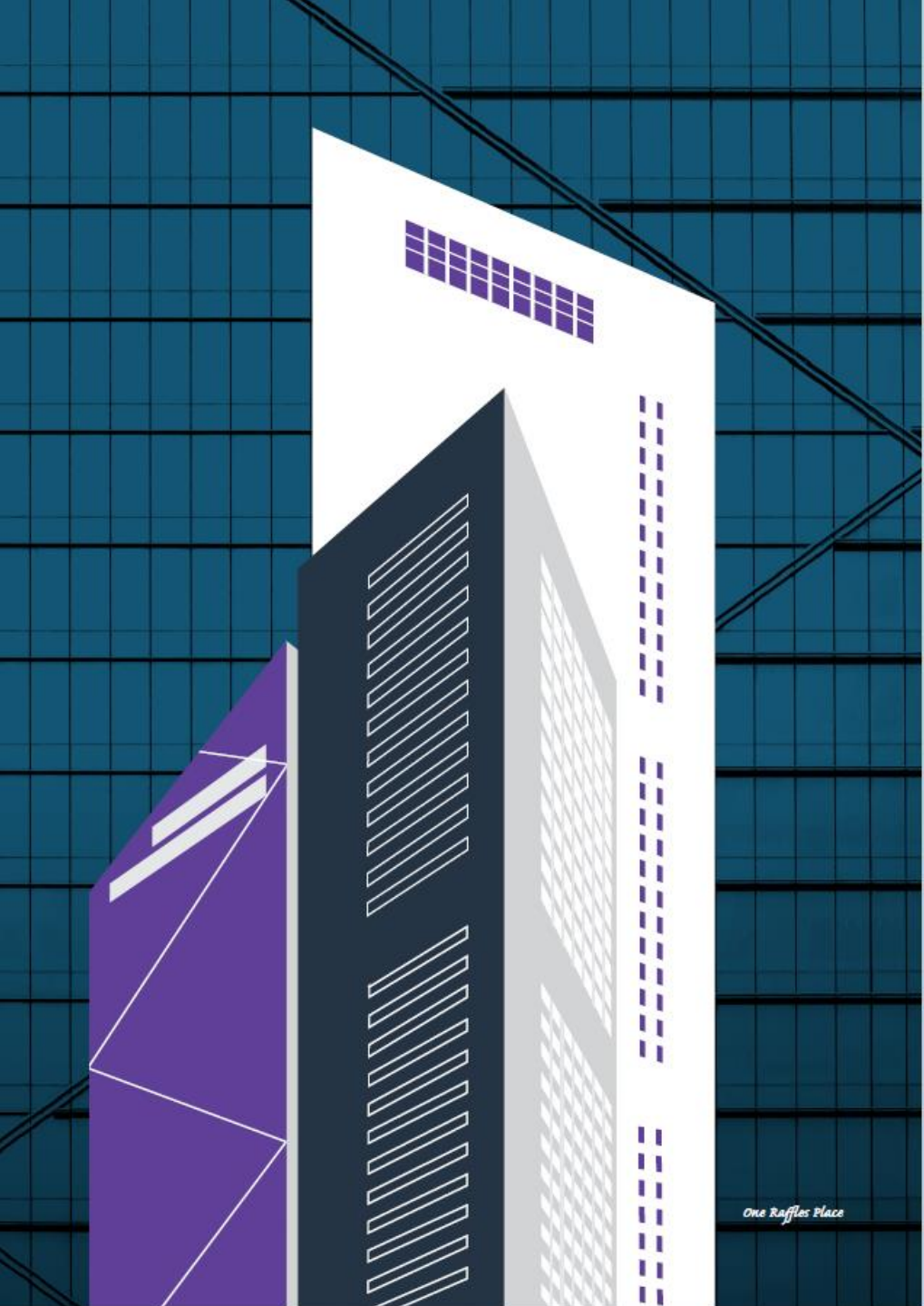
(2) Including the write-off of upfront fees from early refinancing, weighted average cost of debt is 3.7% p.a. as at 31 December 2022 and 3.6% p.a. as at 30 September 2022

(3) As prescribed under Appendix 6 of the Monetary Authority of Singapore's Code on Collective Investment Schemes (last revised on 3 March 2022)

(4) Including the write-off of upfront fees from early refinancing, both ICR and adjusted ICR are 2.4x as at 31 December 2022

(5) Including the write-off of upfront fees from early refinancing, both ICR and adjusted ICR are 2.7x as at 30 September 2022

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



# OPTIMISED

## Portfolio Performance

# Continued Improvement in Operational Metrics across Segments



## Office

- Singapore office committed occupancy remained high at 95.5% as at 31 December 2022
- Achieved second consecutive quarter of positive rental reversions for all Singapore office properties ranging from 3.2% to 8.3% in 4Q 2022
- Actively mitigating rising costs through service charge increases for the Singapore commercial portfolio from January 2023
- Lippo Plaza's committed occupancy declined 5.7 ppt to 79.9% as at 31 December 2022 due to cautious leasing sentiment amidst a competitive leasing environment. The Manager continues to prioritise occupancy



## Retail

- Achieved positive rental reversion of 10.4% at Mandarin Gallery with committed occupancy (including short-term leases) increasing 2.0 percentage points ("ppt") QoQ to 95.4%
- Shopper traffic at Mandarin Gallery in 4Q 2022 improved to ~95% of pre-COVID levels, supported by the year-end festive period
- Mandarin Gallery tenant sales remained at ~85% of pre-COVID levels in 4Q 2022 but grew 41% YoY

# Hilton Singapore Orchard: Driving Growth in Returns and Value

- Completed the S\$150.0 million asset enhancement initiative (“AEI”) announced in March 2020
- Relaunched as **Hilton Singapore Orchard, the Hilton brand’s flagship hotel in Singapore and its largest in Asia Pacific** with 634 rooms available in February 2022
- Full inventory of 1,080 rooms available since 1 January 2023 with the opening of Orchard Wing
- Strengthened the hotel’s positioning to capitalise on long-term growth drivers in the Singapore hospitality and MICE sector

## Rationale for Re-branding and AEI

- ✓ Addition of new income-generating spaces to drive growth in sustainable returns and value
- ✓ Leverage on Hilton’s strong brand differentiation and the property’s prime location along Orchard Road
- ✓ Taps on Hilton’s global distribution network into the higher-yielding corporate segment and to drive more direct booking business
- ✓ Future-proofed with advance MICE amenities and sustainability initiatives

### 1,080 refurbished rooms and suites



### 16 state-of-the-art and versatile event spaces configured for MICE



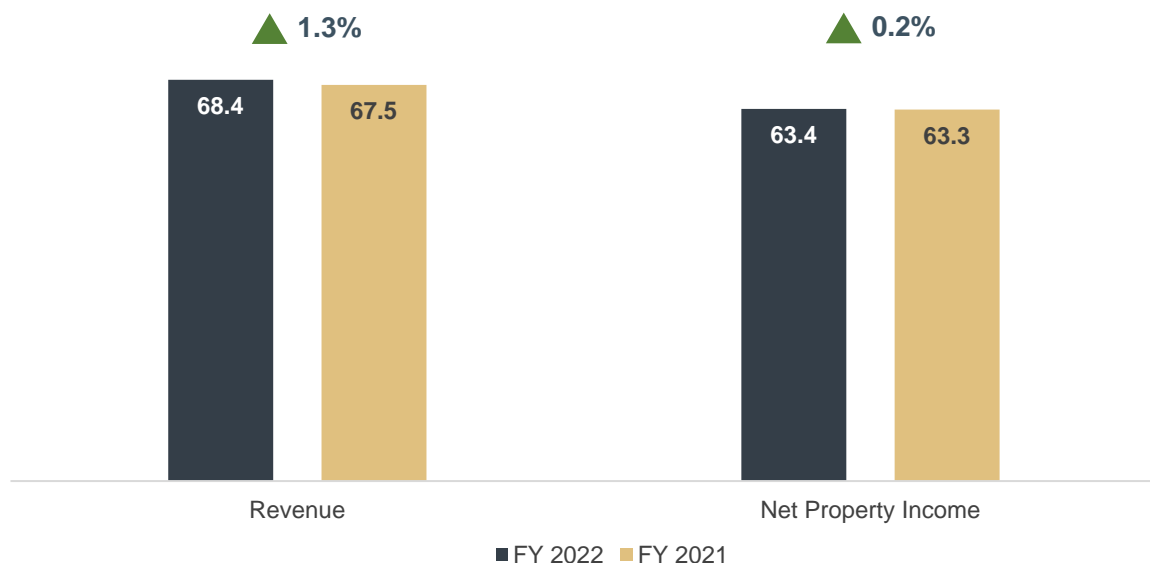
### 5 revamped and fresh F&B offerings



# Stronger Operating Performance Riding on Travel Recovery

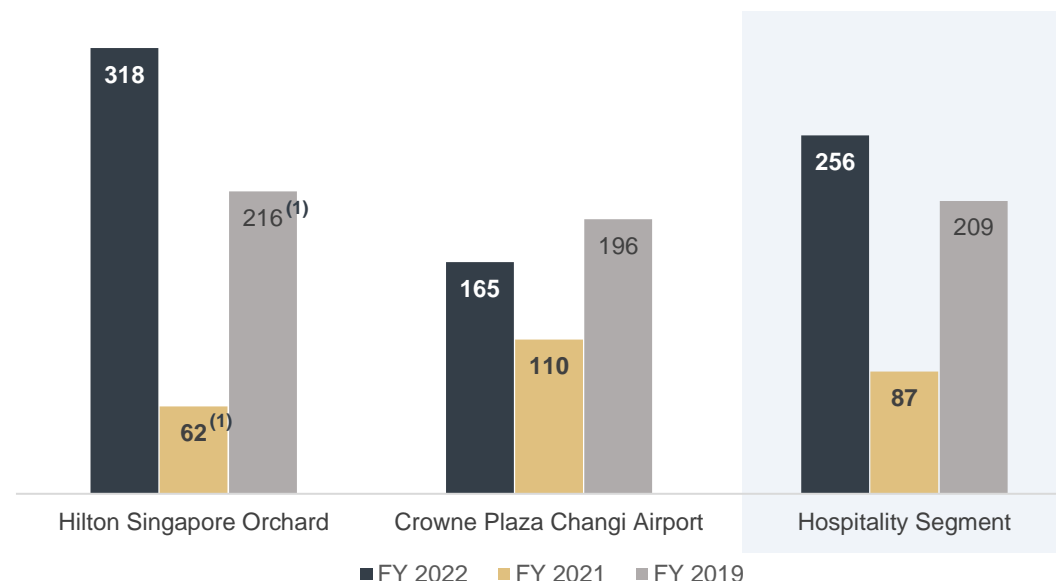
## FY 2022 Hospitality Segment Revenue and NPI

(S\$ million)



## FY 2022 Revenue per Available Room (“RevPAR”)

(S\$)

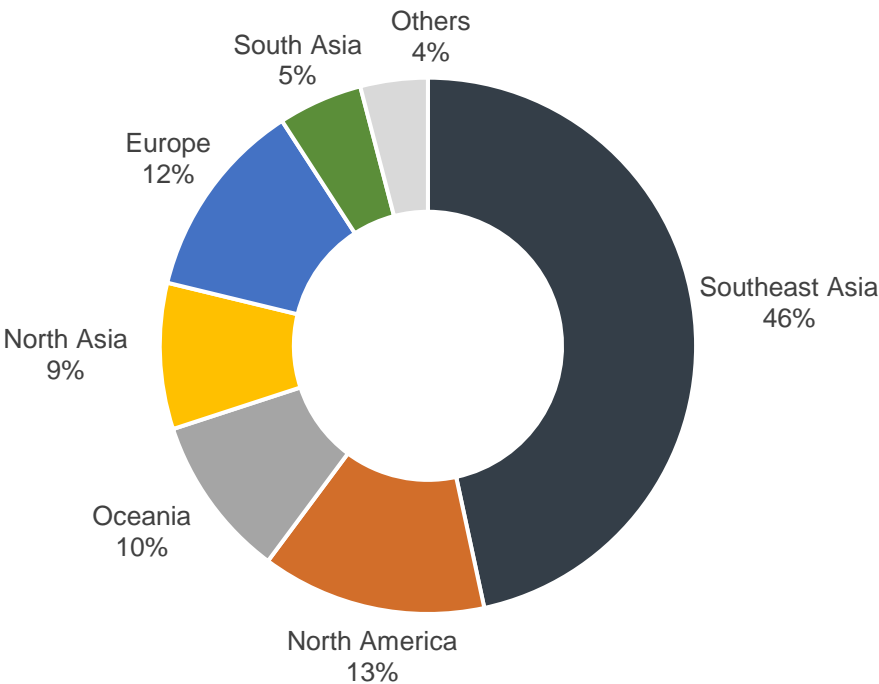


- Total revenue for FY 2022 was 1.3% higher YoY at S\$68.4 million. Despite limited inventory available for bookings in 2022, Hilton Singapore Orchard’s revenue exceeded the minimum rent of S\$45.0 million under the master lease agreement in FY 2022
- For FY 2022, Hilton Singapore Orchard’s RevPAR reached S\$318, underpinned by the successful re-branding. Crowne Plaza Changi Airport, which started to receive corporate and leisure bookings from 2Q 2022, achieved a 50.2% YoY RevPAR increase to S\$165. Overall hospitality RevPAR almost tripled to S\$256

# Diversified Business Mix Towards Higher-Yielding Markets

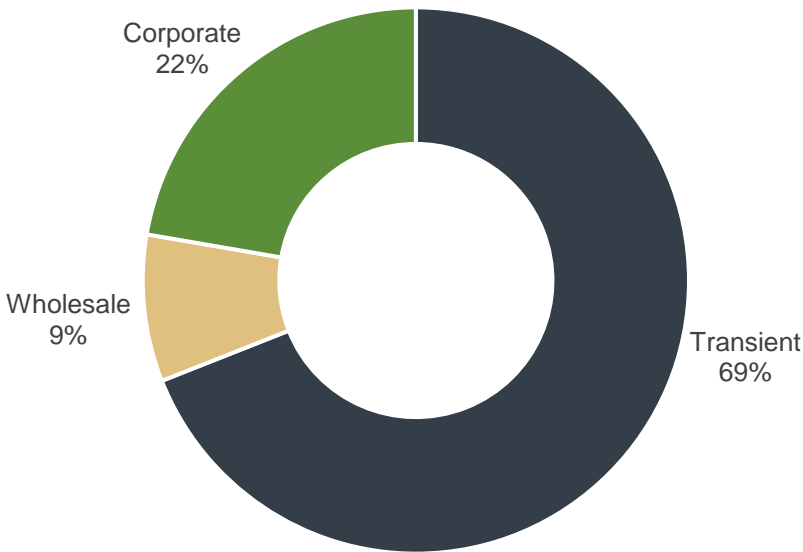
By Geography

4Q 2022  
(By room nights)



By Type

4Q 2022  
(By room revenue)



Notes:  
Excludes aircrew and delays  
“Transient” refers to revenue derived from the rental of rooms and suites to individuals or groups, who do not have a contract with the hotel  
“Corporate” refers to revenue derived from the rental of rooms and suites booked via a corporate or government company that has contracted annual rates with the hotel  
“Wholesale” refers to revenue derived from the rental of rooms and suites booked via a third party travel agent on a wholesale contracted rate basis

# Progressing on Sustainability



## Stewarding the Environment

88% of our assets have either attained LEED (Gold) certification or Singapore's BCA Green Mark Gold certification or higher

Continued to align financing needs with OUE C-REIT's sustainability commitment with our second SLL in 2022. **SLLs account for 57.7%** of OUE C-REIT's total debt as of 31 December 2022

Engaged with tenants to adopt **green practices and green lease agreements**. Green leases account for **21.1%** of OUE C-REIT's commercial segment net lettable area in Singapore as of 31 December 2022

Inaugural participation in the annual **Global Real Estate Sustainability Benchmark ("GRESB") assessment** in 2022



## Strengthening Social Fabric

Achieved a **high overall satisfaction score** of 91.4% in the employee satisfaction survey in 2022

**Maintained a fair and inclusive workplace** with 50% or more of women in senior management and zero complaints of discrimination and harassment

**Value continual learning by employees** with an average of approx. 40 training hours per employee achieved in 2022

**Developed and implemented succession and knowledge transfer plans** to ensure business continuity

Work in partnership with various stakeholders to **engage and support the local community**



## Building Trust



Recognised as among the **top ASEAN Asset Class publicly listed companies** in the 2021 ASEAN Corporate Governance Scorecard (ACGS)



**Improved by six positions** and ranked at 28th out of a total 44 REITs and Business Trusts



Ranked #32 in the **GIFT Index**



**Looking Ahead**

# Strengthening Management Bench

A professional and diverse team offering wide-ranging industry expertise with a strong track record



**Mr Han Khim Siew**  
*Chief Executive Officer*



**Mr Lionel Chua**  
*Chief Financial Officer*



**Mr Wong Cho Wai**  
*Senior Vice President,  
Asset Management*



**Ms Sarah Lei**  
*Vice President,  
Capital Markets & Investment*



**Ms Tang Sal Lee**  
*Vice President, Finance*



**Ms Mary Ng**  
*Vice President,  
Investor Relations*

# A Stronger Position for Growth

In view of challenges arising from a potential recession, elevated inflation and high interest rate environment

## Reinforcing Capital Structure

- **Healthy balance sheet** with aggregate leverage at 38.8% and average cost of debt at 3.4% p.a.
- **Optimise cost of debt** by adopting appropriate hedging strategies to maintain proportion of fixed rate debt, act on opportunities with the inverted yield curve and **strengthen credit profile** to lower funding costs from capital markets
- **Proactively manage refinancing requirements** to mitigate refinancing risks and further extend OUE C-REIT's debt maturity profile

## Asset Management

- **High committed occupancy of 95.5%** for Singapore offices with a well-staggered WALE
- Prudent **management of operating expenditures, raised service charges** for Singapore assets and a continued focus on **green building certifications**
- **Reopening of China and stronger travel demand** to drive further recovery of the tourism and MICE sectors which will benefit hospitality and retail assets

## Inorganic Growth Opportunities

- Tap on **asset enhancement initiatives** to create value and maximise portfolio returns
- Eye on 'pricing reset' opportunities **in key gateway cities in Australia (Sydney and Melbourne) and the UK (London)**. Seek further exposure to offices or mixed-use developments with a significant office component



Thank You

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