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PRESS RELEASE

For Immediate Release

OUE Commercial REIT Announces Rights Issue as Part of Financing Plan for Proposed Acquisition of Indirect Interest in One Raffles Place

Key Highlights:

- Financing plan includes combination of rights issue, proposed issuance of convertible perpetual preference units (“CPPUs”) and drawdown of debt facilities
- Underwritten renounceable rights issue to raise gross proceeds of approximately S\$218.3 million (“Rights Issue”)
- Drawdown of debt facilities of up to S\$399.3 million
- Proposed issuance of up to S\$550.0 million of CPPUs

29 June 2015 – Further to its announcement dated 10 June 2015 on the proposed acquisition of an indirect interest in One Raffles Place, OUE Commercial REIT Management Pte. Ltd., in its capacity as manager (“the Manager”) of OUE Commercial REIT (“OUE C-REIT”), is pleased to announce the Rights Issue, which forms part of the financing plan for the proposed acquisition. The proposed acquisition will be effected through the acquisition of between 75.0% and 83.33% indirect interest in OUB Centre Limited (“OUBC”) from OUE Limited (the “Sponsor”) via the acquisition of its wholly-owned subsidiary Beacon Property Holdings Pte. Ltd. (“BPHPL”) (the “Acquisition”). OUBC is the registered owner of One Raffles Place and owns 81.54% of the beneficial interest in One Raffles Place (“OUBC Interest”). The total cost of the proposed Acquisition is expected to be between approximately S\$1,061.2 million to S\$1,178.3 million.

Standard Chartered Securities (Singapore) Pte. Limited, CIMB Bank Berhad, Singapore Branch and Oversea-Chinese Banking Corporation Limited were the joint global coordinators and issue managers for the initial public offering of OUE C-REIT

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Proposed Financing Plan

The total cost of the proposed Acquisition of between S\$1,061.2 million to S\$1,178.3 million is expected to be funded by:

- (a) gross proceeds from the Rights Issue of approximately S\$218.3 million;
- (b) drawdown of approximately S\$333.3 million to S\$399.3 million from debt facilities;
- (c) the proposed issuance of between S\$500.0 million and S\$550.0 million of CPPUs to the Sponsor; and
- (d) the issuance of between S\$9.6 million and S\$10.7 million of acquisition fees in units in OUE C-REIT (“Units”).

Ms Tan Shu Lin, Chief Executive Officer of the Manager, said: “To ensure certainty of funding for the proposed Acquisition, commitments from underwriters for the Rights Issue and lenders for the debt facilities have been put in place. The Sponsor, believing in the long term potential of One Raffles Place, has also given its firm commitment to participate in the Rights Issue, as well as receiving a portion of the purchase consideration in CPPUs.”

Ms Tan added, “We believe that the income and value of One Raffles Place can be enhanced through the Manager’s proven track record and expertise in improving occupancies and rental rates, thus generating long-term sustainable returns for OUE C-REIT’s unitholders.”

Underwritten Renounceable Rights Issue

The Manager intends to issue 393.3 million new Units to raise gross proceeds of approximately S\$218.3 million and net proceeds of approximately S\$214.9 million. Eligible unitholders of OUE C-REIT (“Unitholders”) will be entitled to subscribe for 9 new Units in OUE C-REIT (“Rights Units”) for every 20 existing Units held as at the books closure date (the “Rights Issue Books Closure Date”) at S\$0.555 per Rights Unit (“Rights Issue Price”).

The Rights Issue Price represents a discount of approximately:

- (a) 31.5% to OUE C-REIT’s closing price of S\$0.810 on 29 June 2015, being the last trading day of the Units prior to the announcement of the Rights Issue (“Closing Price”);
- (b) 24.1% to the theoretical ex-rights price (“TERP”) of S\$0.731 per Unit; and

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(c) 39.7% to OUE C-REIT's proforma net asset value per Unit of S\$0.92 as at 31 December 2014 after the completion of the proposed Acquisition, the proposed issue of CPPUs and the Rights Issue and before conversion of the CPPUs.

Eligible Unitholders can subscribe for the Rights Units from 10 July 2015 to 27 July 2015. Those who do not wish to subscribe for the Rights Units may sell their rights entitlements during the nil-paid rights trading period from 10 July 2015 to 21 July 2015. Unitholders may also apply for excess Rights Units. The Rights Units are expected to list on the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 5 August 2015.

OUE C-REIT's current distribution policy is to pay distributions on a semi-annual basis to Unitholders. The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the existing Units in issue as at the date of issue of the Rights Units.

The Rights Units will be issued under the general mandate that was given by the Unitholders to the Manager for the issue of new units at the annual general meeting of Unitholders held on 29 April 2015.

To demonstrate its commitment to OUE C-REIT and support for the Rights Issue, the Sponsor, which through its wholly-owned subsidiaries holds an aggregate interest in approximately 48.3% of Units, has undertaken to fully subscribe for its pro rata entitlement of Rights Units. The remaining Rights Units will be fully underwritten by Citigroup Global Markets Singapore Pte. Ltd. and DBS Bank Ltd.

In the event that OUE C-REIT does not proceed with the proposed Acquisition, the proceeds from the Rights Issue shall be re-deployed for potential future acquisitions or the repayment of its existing borrowings.

Please refer to Appendix 1 for the indicative timeline for the Rights Issue.

Drawdown of Debt Facilities

The Manager has put in place debt facilities for up to S\$440 million, and is expected to borrow between S\$333.3 million and S\$399.3 million to fund the proposed Acquisition of between 75.0% and 83.33% indirect interest in OUBC, respectively. The aggregate

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leverage of OUE C-REIT is expected to be between 40.9% and 41.9% post completion of the proposed transactions.

Proposed Issuance of Convertible Perpetual Preferred Units

The Manager expects to issue between S\$500.0 million to S\$550.0 million of CPPUs to the Sponsor as part payment for the purchase consideration. The CPPUs will be classified as equity and will not increase the aggregate leverage of OUE C-REIT. The CPPUs will be entitled to distributions of 1.0% per annum and are subject to a restriction period of four years commencing from the date of issue during which the Sponsor may not exercise its right to convert the CPPUs. After the expiry of the restriction period, the CPPUs are convertible at the option of the Sponsor into Units at the conversion price of S\$0.841, representing a 15.0% premium to the TERP per Unit. In order to ensure an orderly conversion of the CPPUs, there is a further restriction that not more than one-third of the CPPUs initially issued can be converted in any one year after the four-year restriction period.

Please refer to Appendix 2 for details of the proposed CPPU issue.

Acquisition Fees in Units

The Manager shall be paid an acquisition fee of approximately S\$9.6 million to S\$10.7 million pursuant to OUE C-REIT’s trust deed, depending on the OUBC Interest to be acquired. As the proposed Acquisition is an “interested party transaction” under the Property Funds Appendix, the acquisition fee will be in the form of Units which shall not be sold within one year of the date of issuance.

Benefits to Unitholders

The Manager believes the proposed transactions will bring about the following benefits to Unitholders:

- (a) Acquisition of a majority interest in a landmark commercial property in Singapore’s central business district on a long land lease with a remaining weighted average land lease expiry of 435 years;
- (b) Acquisition of a quality commercial property strategically located in the prime Raffles Place district at an attractive price of S\$2,382 per square foot;

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- (c) Favourable growth profile from potential increase in occupancy, positive rental reversion and limited new office supply in Raffles Place;
- (d) Achievement of transformational scale for OUE C-REIT as it significantly increases its assets-under-management from S\$1.6 billion as at 31 December 2014 to more than S\$3.0 billion, and enlarges its NLA to enhance its presence and competitive position in the Singapore office market;
- (e) Enhanced portfolio diversification and resilience, as well as reduced asset concentration risk;
- (f) Strong support from the Sponsor through the proposed issuance of CPPUs and its take-up of the pro rata share in the Rights Issue;
- (g) Increased market capitalisation and potential increased liquidity through the Rights Issue;
- (h) Diversification of sources of funding; and
- (i) Future ordinary equity injection into OUE C-REIT at a premium to the TERP per Unit through the conversion of the CPPUs

The proposed Acquisition and the issuance of the CPPUs will be subject to the approval of Unitholders to be sought at an extraordinary general meeting of Unitholders.

Citigroup Global Markets Singapore Pte. Ltd. and Standard Chartered Bank Singapore Branch are the Joint Financial Advisers for the CPPU issue and the Rights Issue.

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Appendix 1

Indicative Timetable for the Rights Issue (all references are to Singapore dates and times):

Event	Date and Time
Last day of “cum-rights” trading	2 July 2015
First day of “ex-rights” trading	3 July 2015
Lodgement of Offer Information Statement with the Monetary Authority of Singapore	3 July 2015
Rights Issue Books Closure Date to determine Rights Entitlements	7 July 2015 at 5.00 p.m.
Despatch of Offer Information Statement to Eligible Unitholders	10 July 2015
Commencement of trading of Rights Entitlements	10 July 2015 from 9.00 a.m.
Close of trading of Rights Entitlements	21 July 2015 at 5.00 p.m.
Closing Date:	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Units	27 July 2015 at 5.00 p.m. ¹ (9.30 p.m. for Electronic Applications through ATMs of Participating Banks) ²
Last date and time for application and payment for Excess Rights Units	27 July 2015 at 5.00 p.m. ¹ (9.30 p.m. for Electronic Applications through ATMs of Participating Banks) ²
Last date and time for acceptance of and payment by the renounee	27 July 2015 at 5.00 p.m.
Expected date for commencement of trading of Rights Units on the SGX-ST	5 August 2015 from 9.00 a.m.

¹ If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units, as the case may be, are made through The Central Depository (Pte) Limited.

² Eligible Unitholders should note that the Electronic Applications through ATMs of the Participating Banks will not be available on 18 July 2015 due to system maintenance.

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Appendix 2

Key terms of the CPPUs

Issue Size and Price	<ul style="list-style-type: none"> ▪ Between 500.0 million to 550.0 million at S\$1.00 per CPPU
Distributions	<ul style="list-style-type: none"> ▪ 1.0% per annum of the issue price of the CPPU
Restriction Period	<ul style="list-style-type: none"> ▪ Four years from the date of issuance of the CPPUs ▪ No conversion by CPPU holder
Conversion Restriction	<ul style="list-style-type: none"> ▪ Not more than one-third of the CPPUs initially issued can be converted in any one year after the Restriction Period (i.e. S\$166.7 million to S\$183.3 million per annum)
Conversion Price	<ul style="list-style-type: none"> ▪ S\$0.841 per Unit, representing a premium of 15.0% to the TERP per Unit in relation to the Rights Issue
Redemption	<ul style="list-style-type: none"> ▪ Redeemable any time at the Issue Price at the Manager's discretion

- End -

For further information and enquiries, please contact:

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About OUE Commercial REIT

OUE C-REIT is a Singapore real estate investment trust listed on the Mainboard of Singapore Exchange Securities Trading Limited. It was established with the principal investment strategy of investing, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs within and outside of Singapore, as well as real estate-related assets.

OUE C-REIT's portfolio comprising OUE Bayfront in Singapore and Lippo Plaza in Shanghai, has a total asset value of about S\$1.7 billion as at 31 March 2015.

OUE C-REIT is managed by OUE Commercial REIT Management Pte. Ltd., which is a wholly-owned subsidiary of OUE Limited.

For more information, please visit www.ouect.com

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About the Sponsor: OUE Limited

OUE Limited (“OUE”) is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and the USA. The group focuses its business across the commercial, hospitality, retail and residential sectors primarily in Singapore. With its core strategy of investing in and enhancing a stable of distinctive properties, OUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value.

For more information, please visit www.oue.com.sg.

IMPORTANT NOTICE

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units

The value of 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.

This press 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.

This press release is not an offer for sale of securities in the United States or elsewhere. The “nil-paid” Rights and Rights Units are not being registered under the Securities Act, and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from registration under the Securities Act. There will be no public offering of securities in the United States.