



PRESS RELEASE

For Immediate Release

OUE's Attributable Profit Increased by 85% to S\$15.4 million in 1Q 2017

- *Revenue increased to S\$196.3 million on strong contributions from the Property Development and Property Investments divisions*

Financial Highlights

S\$ million	1Q 2017	1Q 2016	Change %
Revenue	196.3	122.5	60
Earnings before interest and tax	35.0	68.7	(49)
Other gains – net	23.5	(5.2)	n.m.
Net attributable profit	15.4	8.3	85

n.m.: Not meaningful

Singapore – 5 May 2017 - SGX Mainboard-listed integrated property developer OUE Limited (“OUE” or the “Group”) today reported the results for the first quarter ended 31 March 2017 (“1Q 2017”).

Attributable profit rose 85% to S\$15.4 million, from S\$8.3 million in the same period last year (“1Q 2016”), while revenue increased by 60% to S\$196.3 million year-on-year, boosted by strong contributions from both the Property Development and Property Investments divisions.

Revenue from the Property Development division surged to S\$72.6 million in 1Q 2017, from S\$4.7 million in 1Q 2016, boosted by the sale of more units in OUE Twin Peaks. The Group's Property Investments division saw revenue increase by about 6% to S\$68.0 million, from S\$64.3 million in 1Q 2016, on the back of stronger performance from all the investment properties in the Group's portfolio.

Revenue from the Hospitality division was higher at S\$51.9 million, due mainly to increased contribution from the enlarged room inventory at Crowne Plaza Changi Airport.

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Earnings before interest and tax (“EBIT”) decreased by 49% to S\$35.0 million, from S\$68.7 million in 1Q 2016, as a result of higher administrative expenses and lower contribution from equity-accounted investees. Administrative expenses rose to S\$24.4 million in 1Q 2017, from S\$11.4 million in 1Q 2016, mainly due to transaction costs incurred from the transfer of 22 OUE Twin Peaks units from development properties to investment properties, which will be held for capital appreciation, and transaction costs relating to the acquisition of equity interests in International Healthway Corporation Limited (“IHC”).

Share of results of the Group’s equity-accounted investees decreased to about S\$10.0 million from S\$33.0 million, mainly due to the absence of provisional negative goodwill recognised in 1Q 2016.

However, the Group’s attributable profit rose by 85% to S\$15.4 million, fuelled by other net gains of S\$23.5 million arising mainly from the reversal of impairment losses on OUE Twin Peaks, as well as lower finance expenses.

Business Update

Notwithstanding the global economic uncertainties and subdued Singapore economy, the Group remains focused on active lease management and ongoing asset enhancement initiatives to increase the recurring income base for the Group.

Asset enhancement initiatives at OUE Downtown are almost completed, with the opening of Downtown Gallery and Oakwood Premier OUE Singapore scheduled in the second quarter of 2017.

Through active marketing activities, the Group has achieved higher sales at OUE Twin Peaks, with 411 units sold as at 31 March 2017.

The Group’s recent acquisition of IHC marks its first foray into the healthcare real estate sector. Catalyst-listed IHC is an integrated healthcare services and facilities provider that currently has investments in Japan, the People’s Republic of China and Malaysia.

“The expansion into the new sector of healthcare real estate fits strategically to our existing asset portfolio comprising commercial, hospitality, retail and residential properties. With OUE’s proven expertise in property development and asset enhancement, we are confident of adding value to the quality assets under IHC’s portfolio, which is in line with our overall strategy of creating long-term shareholder value and strengthening our recurrent income base,” said Dr Stephen Riady, OUE’s Executive Chairman.

About OUE Limited

OUE Limited (SGX-ST: OUE) is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and United States. OUE consistently grows its business by leveraging its brands and proven expertise in developing and managing landmark assets across the commercial, hospitality, retail, residential and healthcare sectors. 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. OUE is the sponsor of OUE Hospitality Trust and OUE Commercial Real Estate Investment Trust. In March 2017, OUE acquired International Healthway Corporation, a listed integrated healthcare services and facilities provider.

For the latest news from OUE, visit www.oue.com.sg

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