



OUE LIMITED

(Company Registration No. 196400050E)

THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED)

Item No.	TABLE OF CONTENTS Description	Page No.
1 (a)(i)	Statement of Comprehensive Income	2
1 (a)(ii)	Explanatory Notes to Statement of Comprehensive Income	3 – 5
1 (b)(i)	Statements of Financial Position	6 – 7
1 (b)(ii)	Group's Borrowings and Debt Securities	7
1 (c)	Consolidated Statements of Cash Flows	8 – 9
1 (d)(i)	Statement of Changes in Equity	10 – 12
1 (d)(ii)	Changes in the Company's Issued Share Capital	13
1 (d)(iii)	Total Number of Issued Shares	13
1 (d)(iv)	Changes in the Company's Treasury Shares	13
2 & 3	Audit Statement	13
4 & 5	Accounting Policies	13 – 14
6	Earnings per Share	15
7	Net Asset Value per Share	15
8	Review of Performance	15 – 16
9	Variance from Prospect Statement	16
10	Outlook and Prospect	16 – 17
11 & 12	Dividend	17
13	Interested Person Transactions	17
14	Confirmation pursuant to Rule 720(1) of the Listing Manual	18
15	Negative confirmation pursuant to Rule 705(5) of the Listing Manual	18

OUE LIMITED
Third Quarter Ended 30 September 2018

1(a)(i) Statement of Comprehensive Income

	Notes	The Group					
		Third Quarter ended 30/9/18 \$'000	Third Quarter ended 30/9/17 \$'000	Change %	Nine Months ended 30/9/18 \$'000	Nine Months ended 30/9/17 \$'000 (Restated) ¹	Change %
Revenue	A	183,316	181,944	0.8	479,607	565,558	(15.2)
Cost of sales		(113,039)	(111,797)	1.1	(263,521)	(365,452)	(27.9)
Gross profit		70,277	70,147	0.2	216,086	200,106	8.0
Marketing expenses		(5,284)	(7,328)	(27.9)	(13,858)	(24,953)	(44.5)
Administrative expenses	B	(13,931)	(23,008)	(39.5)	(56,132)	(70,333)	(20.2)
Other operating expenses		(4,243)	(3,325)	27.6	(11,494)	(8,392)	37.0
Share of results of equity-accounted investees, net of tax	C	9,798	12,932	(24.2)	27,231	38,020	(28.4)
		56,617	49,418	14.6	161,833	134,448	20.4
Finance expenses	D	(35,284)	(35,457)	(0.5)	(107,391)	(100,253)	7.1
Finance income	E	4,712	3,253	44.9	12,802	7,694	66.4
Other (losses)/gains - net	F	(13,363)	11,146	n.m.	(18,826)	34,368	n.m.
Profit before tax	G	12,682	28,360	(55.3)	48,418	76,257	(36.5)
Tax expense	H	(5,298)	(9,991)	(47.0)	(20,082)	(26,087)	(23.0)
Profit after tax		7,384	18,369	(59.8)	28,336	50,170	(43.5)
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:							
Foreign operations:							
- currency translation differences		(39,044)	(12,603)	>100.0	(22,339)	(33,546)	(33.4)
- currency translation differences reclassified to profit or loss on disposal		21,006	-	n.m.	21,006	-	n.m.
Share of other comprehensive income of equity-accounted investees:							
- currency translation differences		195	2,738	(92.9)	10,108	(4,532)	n.m.
- currency translation differences reclassified to profit or loss on disposal		-	-	-	(2,667)	742	n.m.
- other reserves		(53)	2,899	n.m.	2,864	5,401	(47.0)
- other reserves reclassified to profit or loss on disposal		-	-	-	(1,674)	-	n.m.
Net change in fair value of available-for-sale financial assets, net of tax		-	47	(100.0)	-	(389)	(100.0)
Cash flow hedges:							
- effective portion of changes in fair value of cash flow hedges		(252)	1,922	n.m.	6,263	(6,866)	n.m.
- hedging reserve reclassified to profit or loss		163	173	(5.8)	532	526	1.1
		(17,985)	(4,824)	>100.0	14,093	(38,664)	n.m.
Items that will not be reclassified subsequently to profit or loss:							
Share of other reserves of an equity-accounted investee		(4,817)	-	n.m.	(8,195)	-	n.m.
Net change in fair value of investments at fair value through other comprehensive income, net of tax		(74,743)	-	n.m.	(103,548)	-	n.m.
		(79,560)	-	n.m.	(111,743)	-	n.m.
Other comprehensive income, net of tax		(97,545)	(4,824)	>100.0	(97,650)	(38,664)	>100.0
Total comprehensive income for the period		(90,161)	13,545	n.m.	(69,314)	11,506	n.m.
Profit attributable to:							
Owners of the Company		2,070	10,739	(80.7)	8,424	28,855	(70.8)
Non-controlling interests		5,314	7,630	(30.4)	19,912	21,315	(6.6)
		7,384	18,369	(59.8)	28,336	50,170	(43.5)
Total comprehensive income attributable to:							
Owners of the Company		(82,507)	4,422	n.m.	(86,953)	(3,872)	>100.0
Non-controlling interests		(7,654)	9,123	n.m.	17,639	15,378	14.7
		(90,161)	13,545	n.m.	(69,314)	11,506	n.m.

n.m.: Not meaningful

Note:

- The results for the nine months ended 30 September 2017 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s). Refer to Item No. 4 and 5 for the details on the financial impact from the adoption of SFRS(I)s.

1 (a)(ii) Explanatory Notes to Statement of Comprehensive Income

A) Revenue

	Third Quarter ended 30/9/18 \$'000	Third Quarter ended 30/9/17 \$'000	Change %	Nine Months ended 30/9/18 \$'000	Nine Months ended 30/9/17 \$'000	Change %
Investment properties income	67,602	67,038	0.8	206,943	202,041	2.4
Hospitality income	61,844	58,593	5.5	174,831	159,180	9.8
Development property income	43,562	38,519	13.1	43,562	166,350	(73.8)
Healthcare income	4,851	11,292	(57.0)	24,188	22,500	7.5
Dividend income	450	900	(50.0)	13,017	1,800	>100.0
Others	5,007	5,602	(10.6)	17,066	13,687	24.7
	<u>183,316</u>	<u>181,944</u>	0.8	<u>479,607</u>	<u>565,558</u>	(15.2)

B) Administrative expenses

Administrative expenses decreased by \$9.1 million to \$13.9 million for 3Q 2018. The decrease was mainly due to lower professional fees and operating costs incurred in the current quarter.

C) Share of results of equity-accounted investees

Share of results of equity-accounted investees decreased \$3.1 million to \$9.8 million for 3Q 2018. The decrease was mainly due to the absence of contribution from the joint venture that held equity interests in Gemdale Properties and Investment Corporation Limited ("Gemdale").

In May 2018, the Group terminated the joint venture and as a result, the Group now holds its share of interests in Gemdale via a wholly-owned subsidiary. The termination of the joint venture was accounted for as a disposal of an equity-accounted investee and the interests in Gemdale is now recognised as other investments in the statement of financial position at fair value through other comprehensive income.

D) Finance expenses

	Third Quarter ended 30/9/18 \$'000	Third Quarter ended 30/9/17 \$'000	Change %	Nine Months ended 30/9/18 \$'000	Nine Months ended 30/9/17 \$'000	Change %
Borrowing costs	35,080	31,018	13.1	99,374	87,750	13.2
Net foreign exchange loss	-	4,266	(100.0)	7,361	9,651	(23.7)
Unwinding of discount of non-current rental deposits	41	-	n.m.	124	-	n.m.
Change in fair value of financial derivatives	-	-	-	-	2,326	(100.0)
Hedging reserve reclassified from equity	163	173	(5.8)	532	526	1.1
	<u>35,284</u>	<u>35,457</u>	(0.5)	<u>107,391</u>	<u>100,253</u>	7.1

The hedging reserve reclassified from equity pertains to the cumulative net fair value movements of certain interest rate swaps and was reclassified to profit or loss due to the discontinuation of hedge accounting.

1 (a)(ii) Explanatory Notes to Statement of Comprehensive Income

E) Finance income

	Third Quarter ended 30/9/18 \$'000	Third Quarter ended 30/9/17 \$'000	Change %	Nine Months ended 30/9/18 \$'000	Nine Months ended 30/9/17 \$'000	Change %
Interest income	1,300	1,689	(23.0)	6,645	4,601	44.4
Net foreign exchange gain	704	-	n.m.	-	-	-
Ineffective portion of changes in fair value of cash flow hedges	988	1,223	(19.2)	2,115	2,698	(21.6)
Change in fair value of financial derivatives	1,563	56	>100.0	3,309	-	n.m.
Others	157	285	(44.9)	733	395	85.6
	<u>4,712</u>	<u>3,253</u>	<u>44.9</u>	<u>12,802</u>	<u>7,694</u>	<u>66.4</u>

F) Other (losses)/gains – net

	Third Quarter ended 30/9/18 \$'000	Third Quarter ended 30/9/17 \$'000	Change %	Nine Months ended 30/9/18 \$'000	Nine Months ended 30/9/17 \$'000 (Restated) ¹	Change %
Reversal of impairment loss on a development property	-	2,097	(100.0)	-	20,545	(100.0)
Change in fair value of investment properties	-	-	-	-	4,095	(100.0)
Net change in fair value of investments designated at fair value through profit or loss	(12,301)	2,901	n.m.	(7,380)	4,362	n.m.
Gain/(Loss) on disposal of interests in equity-accounted investees	-	6,148	(100.0)	(10,384)	5,366	n.m.
Loss on disposal of interests in subsidiaries	(1,062)	-	n.m.	(1,062)	-	n.m.
	<u>(13,363)</u>	<u>11,146</u>	<u>n.m.</u>	<u>(18,826)</u>	<u>34,368</u>	<u>n.m.</u>

¹ Refer to Item No. 4 and 5.

The reversal of impairment loss on a development property pertained to the write-back of impairment on OUE Twin Peaks units that were sold under deferred payment schemes in 2017.

The change in fair value of investment properties recognised in 2017 pertained to the fair value gain on the 22 OUE Twin Peaks units that were transferred from development properties to investment properties.

Net change in fair value of investments designated at fair value through profit or loss relate to marked-to-market fair value movements on investments.

Loss on disposal of interests in equity-accounted investees of \$10.4 million relates to the disposal of the joint venture that held interests in Gemdale. The loss is non-cash and arises mainly as a result of the difference between the market value of the Gemdale shares at the point of the joint venture disposal and the book value of the joint venture (including the negative goodwill previously recognised on the acquisition of equity interests in Gemdale).

Loss on disposal of subsidiaries relates to the loss from the disposal of PT Alpha Sentra Prima and its subsidiaries ("Alpha Group") of \$0.6 million; and the loss on deconsolidation of \$0.5 million of Wuxi New District Phoenix Hospital Co., Ltd ("Wuxi Co."), a subsidiary of OUE Lippo Healthcare Limited ("OUELH"). Wuxi Co. holds the hospital operating license for the Wuxi New District Phoenix Hospital. Subsequent to a court judgement in August 2018, OUELH was deemed to have lost control of Wuxi Co. and accordingly, its assets and liabilities were deconsolidated.

1 (a)(ii) Explanatory Notes to Statement of Comprehensive Income

G) Profit before tax

	Third Quarter ended 30/9/18 \$'000	Third Quarter ended 30/9/17 \$'000	Change %	Nine Months ended 30/9/18 \$'000	Nine Months ended 30/9/17 \$'000	Change %
Profit before tax is stated after charging/(crediting):						
- Depreciation of property, plant and equipment	1,521	1,713	(11.2)	5,361	4,335	23.7
- Amortisation of intangible assets	57	58	(1.7)	177	116	52.6
- Amortisation of lease prepayments	167	73	>100.0	516	148	>100.0
- Allowance for impairment on trade and other receivables	544	10	>100.0	562	3	>100.0
- Bad debts written off	-	60	(100.0)	-	60	(100.0)
- Loss/(Gain) on disposal of property, plant and equipment	73	4	>100.0	23	(1,460)	n.m.

H) Tax expense

	Third Quarter ended 30/9/18 \$'000	Third Quarter ended 30/9/17 \$'000	Change %	Nine Months ended 30/9/18 \$'000	Nine Months ended 30/9/17 \$'000	Change %
The charge for income tax expense includes the following:						
- (Over)/Under provision of current tax in respect of prior years	(4)	449	n.m.	(102)	2,508	n.m.

n.m.: Not meaningful

1(b)(i) Statements of Financial Position

	Notes	The Group		The Company	
		30/09/18 \$'000	31/12/17 \$'000 (Restated) ¹	30/09/18 \$'000	31/12/17 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		386,710	535,249	172,776	42,614
Trade and other receivables	A	312,546	65,451	1,251,464	1,239,260
Inventories		1,148	2,009	232	222
Other investments	B	171,082	179,639	-	-
Development properties		483,762	521,181	-	-
Other assets		26,294	79,330	4,036	3,967
Loans to subsidiaries		-	-	1,767,670	1,860,509
Derivative assets	C	121	-	-	-
		<u>1,381,663</u>	<u>1,382,859</u>	<u>3,196,178</u>	<u>3,146,572</u>
Non-current assets					
Intangible assets and goodwill	D	22,503	19,626	-	-
Investments in equity-accounted investees	E	571,862	955,013	497,773	495,745
Investments in subsidiaries		-	-	365,162	334,712
Loans to subsidiaries		-	-	229,102	193,567
Lease prepayments		28,761	29,821	-	-
Other investments	B	653,073	206,977	171,271	171,271
Other assets		9,750	5,897	1,006	796
Investment properties		6,384,846	6,390,048	-	-
Property, plant and equipment		27,697	31,494	9,600	10,567
Deferred tax assets		13,534	12,410	274	264
Derivative assets	C	523	-	-	-
		<u>7,712,549</u>	<u>7,651,286</u>	<u>1,274,188</u>	<u>1,206,922</u>
Total assets		<u>9,094,212</u>	<u>9,034,145</u>	<u>4,470,366</u>	<u>4,353,494</u>
LIABILITIES					
Current liabilities					
Trade and other payables		214,393	255,043	109,238	101,891
Borrowings	F	772,551	1,081,828	-	35,000
Provision		46,000	46,000	2,517	4,115
Loans from subsidiaries		-	-	396,341	539,278
Current tax liabilities		28,898	34,913	3,800	6,575
Deferred income	G	50,189	12,579	-	-
Derivative liabilities	C	429	487	-	-
		<u>1,112,460</u>	<u>1,430,850</u>	<u>511,896</u>	<u>686,859</u>
Non-current liabilities					
Borrowings	F	2,882,021	2,399,107	790,488	497,300
Deferred income	G	38,644	83,111	-	-
Deferred tax liabilities		184,012	182,042	-	-
Other payables		49,354	52,603	187	180
Provision		-	-	-	287
Derivative liabilities	C	3,462	10,705	465	-
		<u>3,157,493</u>	<u>2,727,568</u>	<u>791,140</u>	<u>497,767</u>
Total liabilities		<u>4,269,953</u>	<u>4,158,418</u>	<u>1,303,036</u>	<u>1,184,626</u>
Net Assets		<u>4,824,259</u>	<u>4,875,727</u>	<u>3,167,330</u>	<u>3,168,868</u>
EQUITY					
Share capital		693,315	693,315	693,315	693,315
Other reserves		(167,372)	(77,139)	(23,769)	(29,073)
Accumulated profits		<u>3,428,683</u>	<u>3,408,742</u>	<u>2,497,784</u>	<u>2,504,626</u>
Equity attributable to owners of the Company		<u>3,954,626</u>	<u>4,024,918</u>	<u>3,167,330</u>	<u>3,168,868</u>
Non-controlling interests		869,633	850,809	-	-
Total equity		<u>4,824,259</u>	<u>4,875,727</u>	<u>3,167,330</u>	<u>3,168,868</u>

Note:

- The statement of financial position as at 31 December 2017 is restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s). Refer to Item No. 4 and 5 for the details on the financial impact from the adoption of SFRS(I)s.

Notes:

- A) "Trade and other receivables" increased \$247.1 million to \$312.5 million as at 30 September 2018 mainly due to the promissory notes received for the disposal of Alpha Group.
- B) "Other investments" increased \$437.5 million to \$824.2 million mainly due to the classification of the Group's interests in Gemdale as investment at fair value through other comprehensive income subsequent to the termination of the joint venture in May 2018. The Group now holds its share of interests in Gemdale through its wholly-owned subsidiary, whereas the Group previously held such interests through the joint venture.
- C) "Derivative assets" and "derivative liabilities" relate to the fair value of the interest rate swaps entered into to hedge the Group's exposure to floating interest rates on its borrowings; and the embedded derivative component relating to the exchangeable bonds that were issued in April 2018.
- D) "Intangible assets and goodwill" includes \$2.9 million provisional goodwill recognised by OUE Lippo Healthcare Limited ("OUE Lippo Healthcare"), a listed subsidiary of the Group, on its acquisition of equity interests in Brainy World Holdings Limited in January 2018. OUE Lippo Healthcare is currently performing a purchase price allocation ("PPA") exercise on its investment in Brainy World Holdings Limited. Accordingly, the fair value of the assets acquired and the liabilities assumed at the acquisition date may be adjusted subsequently when the PPA exercise is completed by the end of the financial year.
- E) "Investments in equity-accounted investees" decreased by \$383.2 million mainly due to the termination of the joint venture that holds interests in Gemdale in May 2018, as elaborated in (B) above.
- F) "Borrowings" increased by \$173.6 million mainly due to the issuance of \$150.0 million exchangeable bonds and \$154.8 million convertible bonds in April 2018; partially offset by repayments of borrowings.
- G) "Deferred income" relates to the non-refundable deposits received from the OUE Twin Peaks units sold under deferred payment schemes. Revenue from units sold under deferred payment schemes are deferred and will be recognised on completion of the sale of the unit.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 30/09/18			As at 31/12/17		
	Secured \$'000	Unsecured \$'000	Total \$'000	Secured \$'000	Unsecured \$'000	Total \$'000
Amount repayable in one year or less, or on demand	742,463	30,088	772,551	769,836	311,992	1,081,828
Amount repayable after one year	1,037,399	1,844,622	2,882,021	1,356,102	1,043,005	2,399,107
	<u>1,779,862</u>	<u>1,874,710</u>	<u>3,654,572</u>	<u>2,125,938</u>	<u>1,354,997</u>	<u>3,480,935</u>

Details of any collateral

Secured borrowings are collateralised by:

- pledging of the borrowing companies' properties/assets and/or
- first priority fixed charge over the shares of certain subsidiaries and/or
- assignment of all rights and benefits to sale, lease and/or insurance proceeds with respect to the properties

1(c) Consolidated Statement of Cash Flows

	The Group			
	Third Quarter ended 30/9/18 \$'000	Third Quarter ended 30/9/17 \$'000	Nine Months ended 30/9/18 \$'000	Nine Months ended 30/9/17 \$'000 (Restated) ¹
Cash flows from operating activities				
Profit after tax	7,384	18,369	28,336	50,170
Adjustments for:				
Depreciation of property, plant and equipment	1,521	1,713	5,361	4,335
Dividend income	(450)	(900)	(13,017)	(1,800)
Amortisation of intangible assets	57	58	177	116
Amortisation of lease prepayments	167	73	516	148
Reversal of impairment loss on a development property	-	(2,097)	-	(20,545)
Change in fair value of investment properties	-	-	-	(4,095)
Net change in fair value of investments designated at fair value through profit or loss	12,301	(2,901)	7,380	(4,362)
(Gain)/Loss on disposal of interests in equity-accounted investees	-	(6,148)	10,384	(5,366)
Loss on disposal of interests in subsidiaries	1,062	-	1,062	-
Loss/(Gain) on disposal of property, plant and equipment, net of transaction costs	73	4	23	(1,460)
Finance expenses	35,284	35,457	107,391	100,253
Finance income	(4,712)	(3,253)	(12,802)	(7,694)
Share of results of equity-accounted investees, net of tax	(9,798)	(12,932)	(27,231)	(38,020)
Tax expense	5,298	9,991	20,082	26,087
	<u>48,187</u>	<u>37,434</u>	<u>127,662</u>	<u>97,767</u>
Changes in:				
- trade and other receivables and other assets	(5,627)	(1,330)	(7,362)	(11,851)
- inventories	286	(69)	530	(258)
- development properties	40,460	28,243	37,419	137,214
- trade and other payables and provision	(185)	5,049	(34,546)	(2,519)
- deferred income	(6,989)	4,582	(6,857)	24,061
Cash generated from operations	<u>76,132</u>	<u>73,909</u>	<u>116,846</u>	<u>244,414</u>
Tax paid	<u>(10,333)</u>	<u>(11,868)</u>	<u>(23,625)</u>	<u>(22,376)</u>
Net cash from operating activities	<u>65,799</u>	<u>62,041</u>	<u>93,221</u>	<u>222,038</u>
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	-	-	(2,120)	(83,712)
Acquisition of other investments	(90,276)	(817)	(503,713)	(2,037)
Additions to property, plant and equipment	(944)	(2,955)	(4,221)	(7,765)
Additions to investment properties	(8,476)	(21,496)	(31,606)	(107,200)
Deposits placed for investments	-	-	(159,408)	-
Dividends from:				
- equity-accounted investees, net of tax	6,854	7,088	22,429	23,397
- available-for-sale financial assets, net of tax	-	900	-	1,800
- other investments, net of tax	607	285	13,750	395
Interest received	978	498	2,190	1,118
Loan to an associate	-	-	(2,000)	(2,500)
Proceeds from sale of other investments	96,525	-	327,732	-
Proceeds from disposal of interests in equity-accounted investees	-	6,148	8,970	34,787
Proceeds from disposal of interests in subsidiaries, net of cash disposed	(294)	-	(25,179)	-
Proceeds from disposal of property, plant and equipment	9	-	203	2,280
Net cash from/(used in) investing activities	<u>4,983</u>	<u>(10,349)</u>	<u>(352,973)</u>	<u>(139,437)</u>

OUE LIMITED
Third Quarter Ended 30 September 2018

	The Group			
	Third Quarter ended 30/9/18 \$'000	Third Quarter ended 30/9/17 \$'000	Nine Months ended 30/9/18 \$'000	Nine Months ended 30/9/17 \$'000 (Restated) ¹
Cash flows from financing activities				
Acquisition of non-controlling interests	-	-	-	(40,669)
Dividends paid	(23,944)	(18,469)	(64,863)	(59,909)
Finance expense paid	(22,579)	(30,202)	(81,870)	(91,313)
Proceeds from borrowings	931,115	297,396	1,622,502	1,852,919
Repayment of borrowings	(863,812)	(339,437)	(1,441,530)	(1,828,751)
Proceeds from issuance of share capital by a subsidiary	-	-	78,750	-
Proceeds from issuance of units by a subsidiary	-	-	-	150,000
Share capital issue costs of a subsidiary	-	-	(1,300)	-
Units issue costs of a subsidiary	-	-	-	(906)
Repurchase of own shares	-	-	(476)	-
Changes in pledged deposits	(121)	208	(199)	5,651
Net cash from/(used in) financing activities	20,659	(90,504)	111,014	(12,978)
Net increase/(decrease) in cash and cash equivalents	91,441	(38,812)	(148,738)	69,623
Cash and cash equivalents at the beginning of the financial period	287,148	333,850	527,327	225,415
Cash and cash equivalents at the end of the financial period²	378,589	295,038	378,589	295,038

1 Refer to Item No. 4 and 5.

2 Cash and cash equivalents as at 30 September 2018 excludes the Group's pledged deposits of \$8,121,000 (31/12/17: \$7,922,000).

1(d)(i) Statement of Changes in Equity

	Attributable to Owners of the Company				Non-controlling Interests	Total Equity
	Share Capital	Other Reserves	Accumulated Profits	Total		
THE GROUP	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2018	693,315	(82,635)	3,434,465	4,045,145	893,264	4,938,409
Total comprehensive income for the period						
Profit for the period	-	-	2,070	2,070	5,314	7,384
Other comprehensive income						
Foreign operations:						
- currency translation differences	-	(26,303)	-	(26,303)	(12,741)	(39,044)
- currency translation differences reclassified to profit or loss on disposal	-	21,187	-	21,187	(181)	21,006
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	-	195	-	195	-	195
- other reserves	-	(4,870)	-	(4,870)	-	(4,870)
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	(74,743)	-	(74,743)	-	(74,743)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	-	(129)	-	(129)	(123)	(252)
- hedging reserve reclassified to profit or loss	-	86	-	86	77	163
Total other comprehensive income, net of tax	-	(84,577)	-	(84,577)	(12,968)	(97,545)
Total comprehensive income for the period	-	(84,577)	2,070	(82,507)	(7,654)	(90,161)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid	-	-	(9,015)	(9,015)	(14,929)	(23,944)
Total contributions by and distributions to owners	-	-	(9,015)	(9,015)	(14,929)	(23,944)
Changes in ownership interests in subsidiaries						
Disposal of interests in subsidiaries	-	-	-	-	(45)	(45)
Changes in ownership interests in subsidiaries without a change in control	-	-	1,003	1,003	(1,003)	-
Total changes in ownership interests in subsidiaries	-	-	1,003	1,003	(1,048)	(45)
Total transactions with owners	-	-	(8,012)	(8,012)	(15,977)	(23,989)
Transfer from fair value reserve to accumulated profits	-	(160)	160	-	-	-
At 30 September 2018	693,315	(167,372)	3,428,683	3,954,626	869,633	4,824,259

QUE LIMITED
Third Quarter Ended 30 September 2018

	Attributable to Owners of the Company					
	Share Capital	Other Reserves	Accumulated Profits	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
THE GROUP						
At 1 July 2017, as previously reported	693,315	(132,122)	3,389,193	3,950,386	814,371	4,764,757
Effect of adopting SFRS(I) 1 ¹	-	38,137	(38,137)	-	-	-
At 1 July 2017, as restated	693,315	(93,985)	3,351,056	3,950,386	814,371	4,764,757
Total comprehensive income for the period						
Profit for the period	-	-	10,739	10,739	7,630	18,369
Other comprehensive income						
Currency translation differences relating to foreign operations	-	(13,131)	-	(13,131)	528	(12,603)
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	-	2,738	-	2,738	-	2,738
- other reserves	-	2,899	-	2,899	-	2,899
Net change in fair value of available-for-sale financial assets, net of tax	-	47	-	47	-	47
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	-	1,040	-	1,040	882	1,922
- hedging reserve reclassified to profit or loss	-	90	-	90	83	173
Total other comprehensive income, net of tax	-	(6,317)	-	(6,317)	1,493	(4,824)
Total comprehensive income for the period	-	(6,317)	10,739	4,422	9,123	13,545
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid	-	-	(9,018)	(9,018)	(9,451)	(18,469)
Total contributions by and distributions to owners	-	-	(9,018)	(9,018)	(9,451)	(18,469)
Changes in ownership interests in subsidiaries						
Changes in ownership interests in a subsidiary without a change in control	-	-	156	156	(156)	-
Total changes in ownership interests in subsidiaries	-	-	156	156	(156)	-
Total transactions with owners	-	-	(8,862)	(8,862)	(9,607)	(18,469)
At 30 September 2017, as restated	693,315	(100,302)	3,352,933	3,945,946	813,887	4,759,833

¹ Refer to Item No. 4 and 5.

QUE LIMITED
Third Quarter Ended 30 September 2018

	Share Capital	Other Reserves	Accumulated Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000
THE COMPANY				
At 1 July 2018	693,315	(23,769)	2,488,899	3,158,445
Total comprehensive income for the period				
Profit for the period	-	-	17,900	17,900
Total comprehensive income for the period	-	-	17,900	17,900
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Dividends paid	-	-	(9,015)	(9,015)
Total transactions with owners of the Company	-	-	(9,015)	(9,015)
At 30 September 2018	693,315	(23,769)	2,497,784	3,167,330
At 1 July 2017	693,315	(56,539)	2,487,533	3,124,309
Total comprehensive income for the period				
Loss for the period	-	-	(15,860)	(15,860)
Total comprehensive income for the period	-	-	(15,860)	(15,860)
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Dividends paid	-	-	(9,018)	(9,018)
Total transactions with owners of the Company	-	-	(9,018)	(9,018)
At 30 September 2017	693,315	(56,539)	2,462,655	3,099,431

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Issued Share Capital

There is no change in the Company's share capital in 2018.

Convertible Bonds

The Company has the following convertible bonds which remain outstanding as at 30 September 2018:

Principal Amount \$'000	Year of Maturity	Conversion Price \$	No. of ordinary shares convertible into
154,750	2023	2.112	73,271,780

There has been no conversion of the convertible bonds since the date of issue.

The number of ordinary shares that may be issued, assuming the convertible bonds are fully converted based on the above conversion price, would be 73,271,780 (31/12/17: Nil).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 September 2018, the Company's total number of issued shares excluding treasury shares is 901,515,860 (31/12/17: 901,815,860).

As at 30 September 2018, the Company held 80,086,000 (31/12/17: 79,786,000) treasury shares.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Item No. 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has prepared its first set of financial information under SFRS(I)s.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group's opening statements of financial position under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

Application of SFRS(I) 1

The Group has elected for the optional exemption to reset its cumulative currency translation reserve for all foreign operations to nil at the date of transition at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

The effects of the adoption of SFRS(I) 1 are as follows:

	The Group	
	31/12/2017	01/01/2017
	\$'000	\$'000
Statement of financial position		
Increase in other reserves	42,443	38,137
Decrease in accumulated profits	(42,443)	(38,137)
Statement of comprehensive income		
Decrease in net profit attributable to owners of the Company	(4,306)	-

In addition, during the current financial year, the Group and the Company has adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from the financial year beginning 1 January 2018:

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers* and Amendments to SFRS(I) 15
- Amendments to SFRS(I) 1-40 *Transfer of Investment Property*
- Amendments to SFRS(I) 1 *Deletion of Short-term Exemptions for First-time Adopters*
- Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*

The adoption of theses SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group.

- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	The Group			
	Third Quarter Ended 30/09/18	Third Quarter Ended 30/09/17	Nine Months ended 30/9/18	Nine Months ended 30/9/17 (Restated)
Weighted average number of ordinary shares in issue				
- basic	901,515,860	901,815,860	901,699,376	901,815,860
- diluted (*)	974,787,640	901,815,860	947,594,887	901,815,860
Basic earnings per share (cents)	0.23	1.19	0.93	3.20
Diluted earnings per share (cents)	0.09	1.19	0.91	3.20

(*) For computation of diluted earnings per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect arising from the conversion of all the outstanding convertible bonds to potential ordinary shares.

- 7 **Net asset value (for the issuer and group) per ordinary share based on issue share capital of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	The Group		The Company	
	30/09/18	31/12/17	30/09/18	31/12/17
Number of issued shares (excluding treasury shares)	901,515,860	901,815,860	901,515,860	901,815,860
Net asset value per ordinary share (\$)	4.39	4.46	3.51	3.51

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

FINANCIAL HIGHLIGHTS	3Q 2018 \$'000	3Q 2017 \$'000	Change %
Revenue	183,316	181,944	0.8
Earnings before interest and tax (EBIT)	56,617	49,418	14.6
Profit attributable to Owners of the Company	2,070	10,739	(80.7)

Revenue

The Group recorded revenue of \$183.3 million in 3Q 2018 (3Q 2017: \$181.9 million). The increase is mainly due to higher contributions from the hospitality and development property divisions; partially offset by lower contribution from the healthcare division.

Investment Properties Division

Revenue from investment properties division increased marginally by \$0.6 million to \$67.6 million in 3Q 2018 (3Q 2017: \$67.0 million).

Hospitality Division

Revenue from the hospitality division increased by \$3.3 million to \$61.8 million in 3Q 2018 (3Q 2017: \$58.6 million). The increase was mainly due to higher contribution from Oakwood Premier OUE Singapore, the serviced apartments at OUE Downtown. Since the opening in June 2017, Oakwood Premier OUE Singapore has continued to ramp up its business and contributes positively to the Group's performance.

Development Property Division

Revenue from the development property division in 3Q 2018 pertained to the recognition of revenue of OUE Twin Peaks units sold under deferred payment schemes. Revenue increased by \$5.0 million to \$43.6 million due to more sales completed in the current quarter.

Healthcare Division

Revenue from the healthcare division pertains to revenue contribution from OUE Lippo Healthcare. The decrease in revenue was mainly due to lower revenue recorded by operations in China.

Others

Other revenue comprises mainly the contribution from OUE Skyspace LA, the observation deck at US Bank Tower as well as food and beverages operations of the Group.

EBIT

EBIT increased by \$7.2 million to \$56.6 million mainly attributed to higher contribution from the hospitality division; offset partially by lower contribution from equity-accounted investees.

Profit attributable to owners of the Company

Profit attributable to shareholders decreased by \$8.7 million to \$2.1 million mainly attributed to non-cash marked-to-market fair value losses of investments held at fair value through profit or loss; and was partially mitigated by higher EBIT and lower net finance expenses.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Based on advance estimates by the Ministry of Trade and Industry ("MIT"), GDP grew by 2.6% on a year-on-year basis in 3Q 2018, moderating from the 4.1% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at 4.7%, faster than the 1.2% growth in the preceding quarter¹.

For the first eight months of 2018, the Singapore Tourism Board reported 7.5% year-on-year increase in international visitor arrivals, with the number of visitor days increasing by 5.5% for the same period². The hospitality outlook appears to be improving with the continued growth in tourist arrivals and reduced supply of new rooms.

Core CBD office occupancy improved 0.5 percentage point to 94.6%³ as at 3Q 2018. As vacancy continued to tighten, Grade A CBD Core office rental grew 3.5% quarter-on-quarter to \$10.45 psf per month.

As at 3Q 2018, overall vacancy rates in Greater Los Angeles office decreased to 14.3%, with asking rents also increasing to US\$3.42 psf per month, up 7% year-on-year⁴. In Shanghai, Grade A office rents in Puxi area rose 0.6% quarter-on-quarter to RMB9.51 psm per day⁵ in 3Q 2018.

On 26 October 2018, the Company and OUE Lippo Healthcare Limited completed the acquisition of 60% and 40% stake respectively in Bowsprit Capital Corporation Limited ("Bowsprit"), the manager of SGX Mainboard-listed First REIT. The Bowsprit acquisition augmented OUE's ongoing strategy to create a sizeable asset management platform comprising of diversified REITs.

¹Singapore Ministry of Trade and Industry Press Release, 12 October 2018

²Singapore Tourism Board, International Visitor Arrivals Statistics, 28 September 2018

³CBRE, Singapore Marketview 3Q 2018

⁴CBRE MarketView Greater Los Angeles Office, Q3 2018

⁵Colliers International Quarterly Q3 2018 Shanghai Office, 20 October 2018

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared/proposed for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for any Interested Person Transactions.

14 Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

NG NGAI
COMPANY SECRETARY
9 November 2018

15 Negative confirmation pursuant to Rule 705(5) of the Listing Manual

Pursuant to SGX-ST Rule 705(5), the Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results of the Company and the Group for the quarter ended 30 September 2018 to be false or misleading.

On behalf of the Board of Directors

Dr Stephen Riady
Executive Chairman

Mr Thio Gim Hock
Chief Executive Officer