



OUE LIMITED

(Company Registration No. 196400050E)

THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (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
6	Earnings per Share	14
7	Net Asset Value per Share	14
8	Review of Performance	14 - 15
9	Variance from Prospect Statement	15
10	Outlook and Prospect	15 - 16
11 & 12	Dividend	16
13	Interested Person Transactions	16
14	Confirmation pursuant to Rule 720(1) of the Listing Manual	17
15	Confirmation pursuant to Rule 705(5) of the Listing Manual	17

OUE LIMITED
Third Quarter Ended 30 September 2017

1(a)(i) Statement of Comprehensive Income

	Notes	The Group					
		Third Quarter ended 30/9/17	Third Quarter ended 30/9/16	Change	Nine Months ended 30/9/17	Nine Months ended 30/9/16	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	A	181,944	419,119	(56.6)	565,558	675,869	(16.3)
Cost of sales		(111,797)	(280,614)	(60.2)	(365,452)	(425,378)	(14.1)
Gross profit		70,147	138,505	(49.4)	200,106	250,491	(20.1)
Marketing expenses	B	(7,328)	(12,744)	(42.5)	(24,953)	(28,635)	(12.9)
Administrative expenses	C	(23,008)	(16,507)	39.4	(70,333)	(39,104)	79.9
Other operating expenses		(3,325)	(4,210)	(21.0)	(8,392)	(11,243)	(25.4)
Share of results of equity-accounted investees, net of tax		12,932	13,383	(3.4)	38,020	53,648	(29.1)
		49,418	118,427	(58.3)	134,448	225,157	(40.3)
Finance expenses	D	(35,457)	(31,849)	11.3	(100,253)	(99,183)	1.1
Finance income	E	3,253	4,972	(34.6)	7,694	2,587	>100.0
Other gains - net	F	11,146	28,988	(61.5)	38,674	51,851	(25.4)
Profit before tax	G	28,360	120,538	(76.5)	80,563	180,412	(55.3)
Tax expense	H	(9,991)	(6,973)	43.3	(26,087)	(19,999)	30.4
Profit after tax		18,369	113,565	(83.8)	54,476	160,413	(66.0)
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:							
Currency translation differences relating to foreign operations		(12,603)	4,547	n.m.	(33,546)	(38,432)	(12.7)
Share of currency translation differences of equity-accounted investees		2,738	(1,466)	n.m.	(4,532)	(26,066)	(82.6)
Share of currency translation differences of equity-accounted investee reclassified to profit or loss on disposal		-	-	-	(3,564)	-	n.m.
Share of other reserves of equity-accounted investees		2,899	(383)	n.m.	5,401	(4,861)	n.m.
Available-for-sale financial assets:							
- net change in fair value, net of tax		47	4,241	(98.9)	(389)	3,771	n.m.
- fair value reserve reclassified to profit or loss on disposal, net of tax		-	(3,932)	(100.0)	-	(3,932)	(100.0)
Cash flow hedges:							
- effective portion of changes in fair value of cash flow hedges		1,922	(3,147)	n.m.	(6,866)	(23,017)	(70.2)
- hedging reserve reclassified to profit or loss		173	4,029	(95.7)	526	4,029	(86.9)
Other comprehensive income, net of tax		(4,824)	3,889	n.m.	(42,970)	(88,508)	(51.5)
Total comprehensive income for the period		13,545	117,454	(88.5)	11,506	71,905	(84.0)
Profit attributable to:							
Owners of the Company		10,739	107,614	(90.0)	33,161	141,631	(76.6)
Non-controlling interests		7,630	5,951	28.2	21,315	18,782	13.5
		18,369	113,565	(83.8)	54,476	160,413	(66.0)
Total comprehensive income attributable to:							
Owners of the Company		4,422	111,080	(96.0)	(3,872)	68,907	n.m.
Non-controlling interests		9,123	6,374	43.1	15,378	2,998	>100.0
		13,545	117,454	(88.5)	11,506	71,905	(84.0)

n.m.: Not meaningful

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

A) Revenue

	Third Quarter ended 30/9/17 \$'000	Third Quarter ended 30/9/16 \$'000	Change %	Nine Months ended 30/9/17 \$'000	Nine Months ended 30/9/16 \$'000	Change %
Investment properties income	67,038	65,558	2.3	202,041	197,439	2.3
Hospitality income	58,593	52,375	11.9	159,180	148,840	6.9
Development property income						
- OUE Twin Peaks	38,519	89,172	(56.8)	166,350	112,566	47.8
- Crowne Plaza Changi Airport Extension	-	205,000	(100.0)	-	205,000	(100.0)
Healthcare income	11,292	-	n.m.	22,500	-	n.m.
Dividend income	900	900	-	1,800	1,800	-
Others	5,602	6,114	(8.4)	13,687	10,224	33.9
	<u>181,944</u>	<u>419,119</u>	(56.6)	<u>565,558</u>	<u>675,869</u>	(16.3)

In 3Q 2016, the Group recorded revenue of \$205.0 million under the property development segment in relation to the disposal of the extension to Crowne Plaza Changi Airport (“CPEX”) to OUE Hospitality Real Estate Investment Trust (“OUE H-REIT”) under a sale and leaseback arrangement. A corresponding \$138.3 million development and related cost of CPEX was recorded under “cost of sales” and the net gain on divestment of CPEX recorded in 3Q 2016 was approximately \$66.7 million.

B) Marketing expenses

Marketing expenses decreased by \$5.4 million to \$7.3 million for 3Q 2017. The decrease was mainly attributed to lower marketing expenses incurred on OUE Twin Peaks, as well as absence of marketing expenses incurred on the opening of CPEX in 3Q 2016.

C) Administrative expenses

Administrative expenses for 3Q 2017 increased by \$6.5 million to \$23.0 million for 3Q 2017. The increase was mainly due to the inclusion of administrative expenses of OUE Lippo Healthcare Limited (“OUE Lippo Healthcare”), formerly known as International Healthway Corporation Limited.

OUE Lippo Healthcare became a subsidiary of the Group on 2 March 2017 and its results are hence consolidated. The Group is currently performing a purchase price allocation (“PPA”) exercise on its investment in OUE Lippo Healthcare and accordingly, the fair value of the net assets acquired at the acquisition date may be adjusted subsequently when the PPA exercise is completed by the end of the financial year.

D) Finance expenses

	Third Quarter ended 30/9/17 \$'000	Third Quarter ended 30/9/16 \$'000	Change %	Nine Months ended 30/9/17 \$'000	Nine Months ended 30/9/16 \$'000	Change %
Borrowing costs	31,018	27,820	11.5	87,750	86,307	1.7
Net foreign exchange loss	4,266	-	n.m.	9,651	6,178	56.2
Change in fair value of financial derivatives	-	-	-	2,326	-	n.m.
Ineffective portion of changes in fair value of cash flow hedges	-	-	-	-	2,669	(100.0)
Hedging reserve reclassified from equity	173	4,029	(95.7)	526	4,029	(86.9)
	<u>35,457</u>	<u>31,849</u>	11.3	<u>100,253</u>	<u>99,183</u>	1.1

The change in fair value of financial derivatives and cash flow hedges relate to non-cash fair value movements of the interest rate swaps that were entered into to hedge the Group’s exposure to floating interest rates on its borrowings.

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

E) Finance income

	Third Quarter ended 30/9/17 \$'000	Third Quarter ended 30/9/16 \$'000	Change %	Nine Months ended 30/9/17 \$'000	Nine Months ended 30/9/16 \$'000	Change %
Interest income	1,689	1,080	56.4	4,601	2,279	>100.0
Net foreign exchange gain	-	2,229	(100.0)	-	-	-
Ineffective portion of changes in fair value of cash flow hedges	1,223	1,500	(18.5)	2,698	-	n.m.
Change in fair value of financial derivatives	56	64	(12.5)	-	64	(100.0)
Others	285	99	>100.0	395	244	61.9
	<u>3,253</u>	<u>4,972</u>	(34.6)	<u>7,694</u>	<u>2,587</u>	>100.0

F) Other gains – net

	Third Quarter ended 30/9/17 \$'000	Third Quarter ended 30/9/16 \$'000	Change %	Nine Months ended 30/9/17 \$'000	Nine Months ended 30/9/16 \$'000	Change %
Reversal of impairment loss on a development property	2,097	15,076	(86.1)	20,545	42,907	(52.1)
Change in fair value of investment properties	-	-	-	4,095	-	n.m.
Net change in fair value of investments designated at fair value through profit or loss	2,901	9,240	(68.6)	4,362	4,272	2.1
Gain on sale of available-for-sale financial asset	-	4,672	(100.0)	-	4,672	(100.0)
Gain on disposal of interests in an equity-accounted investee	6,148	-	n.m.	9,672	-	n.m.
	<u>11,146</u>	<u>28,988</u>	(61.5)	<u>38,674</u>	<u>51,851</u>	(25.4)

The reversal of impairment loss on a development property pertains to the write-back of impairment on OUE Twin Peaks units that were sold under deferred payment schemes during the financial period. The decrease was due to fewer units sold under deferred payment schemes in 3Q 2017.

Net change in fair value of investments designated at fair value through profit or loss relate mainly to fair value gain on investment in a mutual fund.

Gain on disposal of interests in an equity-accounted investee pertains to the contingent consideration received in July 2017 in relation to the disposal of the entire equity interests in OCZ Holdings Pte. Ltd. ("OCZ"), a joint venture of the Group. The joint venture was formed for the investment in the proposed integrated resort project in Incheon, South Korea.

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

G) Profit before tax

	Third Quarter ended 30/9/17 \$'000	Third Quarter ended 30/9/16 \$'000	Change %	Nine Months ended 30/9/17 \$'000	Nine Months ended 30/9/16 \$'000	Change %
Profit before tax is stated after charging/(crediting):						
- Depreciation of property, plant and equipment	1,713	1,119	53.1	4,335	3,298	31.4
- Amortisation of intangible assets	58	-	n.m.	116	-	n.m.
- Amortisation of lease prepayments	73	-	n.m.	148	-	n.m.
- Allowance for impairment on trade and other receivables	10	282	(96.5)	3	218	(98.6)
- Bad debts written off	60	30	100.0	60	207	(71.0)
- Loss/(Gain) on disposal of property, plant and equipment	4	-	n.m.	(1,460)	(101)	>100.0

H) Tax expense

	Third Quarter ended 30/9/17 \$'000	Third Quarter ended 30/9/16 \$'000	Change %	Nine Months ended 30/9/17 \$'000	Nine Months ended 30/9/16 \$'000	Change %
The charge for income tax expense includes the following:						
Under/(Over) provision in respect of prior years						
- Current tax	449	4	>100.0	2,508	(8)	n.m.

n.m.: Not meaningful

OUE LIMITED
Third Quarter Ended 30 September 2017

1(b)(i) Statements of Financial Position

	Notes	The Group		The Company	
		30/09/17 \$'000	31/12/16 \$'000	30/09/17 \$'000	31/12/16 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		302,945	238,973	50,252	77,778
Trade and other receivables	A	86,338	19,643	891,132	823,306
Inventories		2,253	1,124	234	254
Other investments		179,875	175,514	-	-
Development properties	B	554,860	724,224	-	-
Other assets		33,435	34,324	3,988	1,585
Loans to subsidiaries		-	-	1,877,666	2,034,624
		<u>1,159,706</u>	<u>1,193,802</u>	<u>2,823,272</u>	<u>2,937,547</u>
Non-current assets					
Available-for-sale financial assets		155,550	154,160	155,673	143,805
Intangible assets	C	528	-	-	-
Investments in equity-accounted investees	D	931,690	942,376	494,250	491,917
Investments in subsidiaries		-	-	334,812	334,792
Loans to subsidiaries		-	-	206,169	199,468
Lease prepayments	E	5,638	-	-	-
Other investments		14,158	14,990	-	-
Other assets		4,954	2,624	976	976
Investment properties	F	6,252,069	5,742,752	-	-
Property, plant and equipment		30,813	19,438	10,253	12,609
Deferred tax assets		16,326	12,948	775	765
Derivative assets	G	-	315	-	-
		<u>7,411,726</u>	<u>6,889,603</u>	<u>1,202,908</u>	<u>1,184,332</u>
Total assets		<u>8,571,432</u>	<u>8,083,405</u>	<u>4,026,180</u>	<u>4,121,879</u>
LIABILITIES					
Current liabilities					
Trade and other payables		229,814	218,727	113,209	103,203
Borrowings	H	621,780	656,046	65,000	299,937
Provision		-	4,187	4,952	4,969
Loan from a subsidiary		-	-	235,000	45,000
Current tax liabilities		37,143	33,718	9,479	5,218
Derivative liabilities	G	835	43	-	-
		<u>889,572</u>	<u>912,721</u>	<u>427,640</u>	<u>458,327</u>
Non-current liabilities					
Borrowings	H	2,577,016	2,245,443	496,972	497,035
Deferred tax liabilities	I	174,603	142,641	-	-
Deferred income	J	95,938	71,877	-	-
Other payables		61,336	59,165	35	415
Provision		-	-	2,102	4,002
Derivative liabilities	G	13,134	7,747	-	-
		<u>2,922,027</u>	<u>2,526,873</u>	<u>499,109</u>	<u>501,452</u>
Total liabilities		<u>3,811,599</u>	<u>3,439,594</u>	<u>926,749</u>	<u>959,779</u>
Net Assets		<u>4,759,833</u>	<u>4,643,811</u>	<u>3,099,431</u>	<u>3,162,100</u>
EQUITY					
Share capital		693,315	693,315	693,315	693,315
Other reserves		(138,439)	(100,441)	(56,539)	(55,574)
Accumulated profits		3,391,070	3,416,457	2,462,655	2,524,359
Equity attributable to owners of the Company		<u>3,945,946</u>	<u>4,009,331</u>	<u>3,099,431</u>	<u>3,162,100</u>
Non-controlling interests	K	813,887	634,480	-	-
Total equity		<u>4,759,833</u>	<u>4,643,811</u>	<u>3,099,431</u>	<u>3,162,100</u>

OUE LIMITED
Third Quarter Ended 30 September 2017

Notes:

- A) The increase in “Trade and other receivables” of \$66.7 million was mainly due to the inclusion of the trade and other receivables of OUE Lippo Healthcare. OUE Lippo Healthcare became a subsidiary of the Group on 2 March 2017 and its financial position is consolidated accordingly.
- B) The decrease in “Development properties” of \$169.4 million was mainly due to the sale of units of OUE Twin Peaks and the transfer of 22 OUE Twin Peaks units to investment properties in 1Q 2017.
- C) “Intangible assets” pertain to the medical distribution licenses of OUE Lippo Healthcare.
- D) The decrease in “Investments in equity-accounted investees” of \$10.7 million was mainly due to the disposal of the Group’s entire equity interest in OCZ, a joint venture of the Group.
- E) “Lease prepayments” represent the land use rights of a subsidiary of OUE Lippo Healthcare.
- F) The increase in “Investment properties” of \$509.3 million was mainly due to the transfer of 22 OUE Twin Peaks units from development properties with fair value amounting to \$56.8 million as at 31 March 2017, capital expenditure incurred at OUE Downtown and the consolidation of the investment properties held by OUE Lippo Healthcare.
- G) “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.
- H) The increase in “Borrowings” of \$297.3 million was mainly due to the consolidation of OUE Lippo Healthcare, additional borrowings to finance the acquisition of OUE Lippo Healthcare and the issuance of a \$200 million notes in April 2017; offset by the redemption of the \$300 million notes which matured on 1 February 2017.
- I) The increase in “Deferred tax liabilities” of \$32.0 million was mainly due to the consolidation of the deferred tax liabilities of OUE Lippo Healthcare, which largely relates to the fair value gains of its investment properties.
- J) “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. The increase of \$24.1 million arose due to additional units sold under deferred payment schemes in 2017.
- K) The increase in “Non-controlling interests” of \$179.4 million was mainly due to the dilution of interests in OUE Commercial Real Estate Investment Trust subsequent to their private placement in March 2017, as well as the recognition of non-controlling interests of OUE Lippo Healthcare arising from consolidation.

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

	As at 30/9/17			As at 31/12/16		
	Secured \$'000	Unsecured \$'000	Total \$'000	Secured \$'000	Unsecured \$'000	Total \$'000
Amount repayable in one year or less, or on demand	299,287	322,493	621,780	356,109	299,937	656,046
Amount repayable after one year	1,732,792	844,224	2,577,016	1,748,408	497,035	2,245,443
	<u>2,032,079</u>	<u>1,166,717</u>	<u>3,198,796</u>	<u>2,104,517</u>	<u>796,972</u>	<u>2,901,489</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

OUE LIMITED
Third Quarter Ended 30 September 2017

1(c) Consolidated Statement of Cash Flows

	The Group			
	Third Quarter ended 30/9/17 \$'000	Third Quarter ended 30/9/16 \$'000	Nine Months ended 30/9/17 \$'000	Nine Months ended 30/9/16 \$'000
Cash flows from operating activities				
Profit after tax	18,369	113,565	54,476	160,413
Adjustments for:				
Depreciation of property, plant and equipment	1,713	1,119	4,335	3,298
Dividend income	(900)	(900)	(1,800)	(1,800)
Amortisation of intangible assets	58	-	116	-
Amortisation of lease prepayments	73	-	148	-
Reversal of impairment loss on a development property	(2,097)	(15,076)	(20,545)	(42,907)
Change in fair value of investment properties	-	-	(4,095)	-
Net change in fair value of investments designated at fair value through profit or loss	(2,901)	(9,240)	(4,362)	(4,272)
Finance expenses	35,457	31,849	100,253	99,183
Finance income	(3,253)	(4,972)	(7,694)	(2,587)
Gain on disposal of interest in an equity-accounted investee	(6,148)	-	(9,672)	-
Loss/(Gain) on disposal of property, plant and equipment	4	-	(1,460)	(101)
Gain on sale of available-for-sale financial asset	-	(4,672)	-	(4,672)
Share of results of equity-accounted investees, net of tax	(12,932)	(13,383)	(38,020)	(53,648)
Tax expense	9,991	6,973	26,087	19,999
	<u>37,434</u>	<u>105,263</u>	<u>97,767</u>	<u>172,906</u>
Changes in:				
- trade and other receivables and other assets	(1,330)	(6,173)	(11,851)	(2,849)
- inventories	(69)	(122)	(258)	(406)
- development properties	28,243	228,150	137,214	185,273
- trade and other payables and provision	5,049	(2,740)	(2,519)	4,656
- deferred income	4,582	20,981	24,061	58,832
Cash generated from operations	<u>73,909</u>	<u>345,359</u>	<u>244,414</u>	<u>418,412</u>
Tax paid	<u>(11,868)</u>	<u>(6,562)</u>	<u>(22,376)</u>	<u>(13,442)</u>
Net cash from operating activities	<u>62,041</u>	<u>338,797</u>	<u>222,038</u>	<u>404,970</u>
Cash flows from investing activities				
Acquisition of interest in associates	-	-	-	(78,486)
Acquisition of subsidiaries, net of cash acquired	-	-	(83,712)	-
Acquisition of available-for-sale financial assets	(817)	(2,254)	(2,037)	(4,943)
Acquisition of other investments	-	-	-	(13,309)
Additions to property, plant and equipment	(2,955)	(710)	(7,765)	(1,989)
Additions to investment properties	(21,496)	(43,542)	(107,200)	(116,870)
Dividends from equity-accounted investees, net of tax				
- equity-accounted investees, net of tax	7,088	5,389	23,397	20,205
- available-for-sale financial assets, net of tax	900	900	1,800	1,800
- other investments, net of tax	285	100	395	244
Interest received	498	205	1,118	833
Loan to an associate	-	-	(2,500)	-
Loan to joint venture	-	-	-	(25,247)
Repayment of loan from a joint venture	-	8,837	-	8,837
Proceeds from sale of other investments	-	1,096	-	96,469
Proceeds from sale of available-for-sale financial asset	-	18,576	-	18,576
Proceeds from disposal of interests in an equity-accounted investee	6,148	-	34,787	-
Proceeds from disposal of property, plant and equipment	-	-	2,280	31
Net cash used in investing activities	<u>(10,349)</u>	<u>(11,403)</u>	<u>(139,437)</u>	<u>(93,849)</u>

OUE LIMITED
Third Quarter Ended 30 September 2017

	The Group			
	Third Quarter ended 30/9/17 \$'000	Third Quarter ended 30/9/16 \$'000	Nine Months ended 30/9/17 \$'000	Nine Months ended 30/9/16 \$'000
Cash flows from financing activities				
Acquisition of non-controlling interests	-	-	(40,669)	(165,970)
Dividends paid	(18,469)	(39,165)	(59,909)	(73,780)
Finance expense paid	(30,202)	(25,229)	(91,313)	(85,513)
Proceeds from borrowings	297,396	62,356	1,852,919	541,856
Repayment of borrowings	(339,437)	(281,726)	(1,828,751)	(484,656)
Proceeds from issuance of units by a subsidiary	-	-	150,000	-
Unit issue costs of a subsidiary	-	-	(906)	-
Repurchase of own shares	-	(2,348)	-	(2,348)
Changes in pledged deposits	208	765	5,651	2,215
Net cash used in financing activities	(90,504)	(285,347)	(12,978)	(268,196)
Net (decrease)/increase in cash and cash equivalents	(38,812)	42,047	69,623	42,925
Cash and cash equivalents at beginning of the financial period	333,850	157,771	225,415	156,893
Cash and cash equivalents at the end of the financial period ¹	295,038	199,818	295,038	199,818

1 Cash and cash equivalents as at 30 September 2017 excludes the Group's pledged deposits of \$7,907,000 (31/12/16: \$13,558,000).

OUE LIMITED
Third Quarter Ended 30 September 2017

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

	<u>Attributable to Owners of the Company</u>					<u>Total Equity</u>
	<u>Share Capital</u>	<u>Other Reserves</u>	<u>Accumulated Profits</u>	<u>Total</u>	<u>Non-controlling Interests</u>	
THE GROUP	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2017	693,315	(132,122)	3,389,193	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 currency translation differences of equity-accounted investees	-	2,738	-	2,738	-	2,738
Share of other reserves of equity-accounted investees	-	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 subsidiaries without 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	693,315	(138,439)	3,391,070	3,945,946	813,887	4,759,833

QUE LIMITED
Third Quarter Ended 30 September 2017

	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 2016	693,315	(125,649)	3,328,202	3,895,868	620,809	4,516,677
Total comprehensive income for the period						
Profit for the period	-	-	107,614	107,614	5,951	113,565
Other comprehensive income						
Currency translation differences relating to foreign operations	-	4,593	-	4,593	(46)	4,547
Share of currency translation differences of equity-accounted investees	-	(1,466)	-	(1,466)	-	(1,466)
Share of other reserves of equity-accounted investees	-	(383)	-	(383)	-	(383)
Available-for-sale financial assets:						
- net change in fair value, net of tax	-	4,241	-	4,241	-	4,241
- fair value reserve reclassified to profit or loss on disposal, net of tax	-	(3,932)	-	(3,932)	-	(3,932)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	-	(1,990)	-	(1,990)	(1,157)	(3,147)
- hedging reserve reclassified to profit or loss	-	2,403	-	2,403	1,626	4,029
Total other comprehensive income, net of tax	-	3,466	-	3,466	423	3,889
Total comprehensive income for the period	-	3,466	107,614	111,080	6,374	117,454
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid	-	-	(27,064)	(27,064)	(12,101)	(39,165)
Own shares acquired	-	(2,348)	-	(2,348)	-	(2,348)
Total contributions by and distributions to owners	-	(2,348)	(27,064)	(29,412)	(12,101)	(41,513)
Changes in ownership interests in subsidiaries						
Changes in ownership interests in a subsidiary without a change in control	-	16	1,171	1,187	(1,187)	-
Total changes in ownership interests in subsidiaries	-	16	1,171	1,187	(1,187)	-
Total transactions with owners	-	(2,332)	(25,893)	(28,225)	(13,288)	(41,513)
Share of reserves of an equity-accounted investee	-	(19)	-	(19)	-	(19)
At 30 September 2016	693,315	(124,534)	3,409,923	3,978,704	613,895	4,592,599

OUE LIMITED

Third Quarter Ended 30 September 2017

THE COMPANY	Share Capital	Other Reserves	Accumulated Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000
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
At 1 July 2016	693,315	(39,769)	2,369,390	3,022,936
Total comprehensive income for the period				
Profit for the period	-	-	5,159	5,159
Total comprehensive income for the period	-	-	5,159	5,159
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Dividends paid	-	-	(27,064)	(27,064)
Own shares acquired	-	(2,348)	-	(2,348)
Total transactions with owners of the Company	-	(2,348)	(27,064)	(29,412)
At 30 September 2016	693,315	(42,117)	2,347,485	2,998,683

- 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.**

There is no change in the Company's share capital in 2017.

As at 30 September 2017, the Company held 79,786,000 (31/12/16: 79,786,000) treasury shares.

- 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 2017, the Company's total number of issued shares excluding treasury shares is 901,815,860 (31/12/16: 901,815,860).

- 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 paragraph 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 2016.

- 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 adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on 1 January 2017. The adoption of these new standards, amendments to standards and interpretations did not result in 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 30/9/17	Third Quarter Ended 30/9/16	Nine Months ended 30/9/17	Nine Months ended 30/9/16
Weighted average number of ordinary shares in issue	901,815,860	902,753,143	901,815,860	903,114,298
Basic and diluted earnings per share (cents per share) ^(a)	1.19	11.92	3.68	15.68

(a) Diluted earnings per share is the same as basic earnings per share as there are no dilutive 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	
	30/09/17	31/12/16	30/09/17	31/12/16
Number of issued shares (excluding treasury shares)	901,815,860	901,815,860	901,815,860	901,815,860
Net asset value per ordinary share (\$)	4.38	4.45	3.44	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 2017 \$'000	3Q 2016 \$'000	Change %
Revenue	181,944	419,119	(56.6)
Earnings before interest and tax (EBIT)	49,418	118,427	(58.3)
Profit attributable to Owners of the Company	10,739	107,614	(90.0)

Revenue

The Group recorded revenue of \$181.9 million in 3Q 2017 (3Q 2016: \$419.1 million). The decrease was mainly due to the absence of \$205.0 million non-recurring revenue recorded on the disposal of CPEX and lower contribution from the development property division, partially mitigated by higher contribution from the hospitality and healthcare divisions.

Investment Properties Division

Revenue from investment properties division increased \$1.5 million to \$67.0 million in 3Q 2017 (3Q 2016: \$65.6 million). The increase was mainly contributed by rental income from Downtown Gallery and OUE Downtown.

Hospitality Division

Revenue from the hospitality division increased \$6.2 million to \$58.6 million in 3Q 2017 (3Q 2016: \$52.4 million). The increase was contributed by both Mandarin Orchard Singapore and the enlarged Crowne Plaza Changi Airport hotel, as well as contribution from Oakwood Premier OUE Singapore, the serviced apartments at OUE Downtown, which opened in June 2017.

Development Property Division

Revenue from OUE Twin Peaks decreased \$50.7 million to \$38.5 million (3Q 2016: \$89.2 million). The decrease was due to fewer sales completed in the current quarter. The revenue relating to the units sold under deferred payment schemes are deferred until completion of the sale of the unit although non-refundable deposits were collected.

Healthcare Division

Revenue from the healthcare division pertains to revenue contribution from OUE Lippo Healthcare which became a subsidiary of the Group on 2 March 2017. OUE Lippo Healthcare derives its revenue from rental income from its nursing facilities in Japan, and from the operation of the Wuxi New District Phoenix Hospital in Wuxi, Jiangsu, China.

Others

Other revenue comprises mainly the contribution from OUE Skyspace LA, the observation deck at US Bank Tower.

EBIT

EBIT decreased \$69.0 million to \$49.4 million 3Q 2017 (3Q 2016: \$118.4 million). The decrease was mainly attributed to the absence of \$66.7 million non-recurring gain on disposal of CPEX recorded in 3Q 2016, and lower sales recognised by OUE Twin Peaks in the current quarter.

Profit attributable to owners of the Company

Profit attributable to shareholders decreased \$96.9 million to \$10.7 million in 3Q 2017 (3Q 2016: \$107.6 million). The decrease was mainly due to lower EBIT, lower reversal of impairment losses of OUE Twin Peaks and lower marked-to-market gains on investments.

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.

Although economic outlook has improved, there are still risks to achieving sustained recovery. Singapore Tourism Board reported a 4.0%¹ year-on-year increase in international visitor arrivals in the first eight months of 2017. The return of large biennial events in 2018 is expected to increase demand for hotel accommodation. However, with the new hotel rooms supply coming on stream in 2018, the hospitality market environment remains competitive.

The Singapore office rents appears to have bottomed on the back of stronger economic fundamentals and more positive market sentiments. Both Grade A and Grade B Core CBD rents increased quarter-on-quarter by 1.7%² and 0.7%² respectively in 3Q 2017. While outlook has improved, the underlying occupier demand remains uncertain which can impact rental reversions in 2018.

According to JLL Research, overall U.S. office vacancy is slowly trending upwards and rents growth will slow down. In Los Angeles, despite positive net absorption, vacancy decreased slightly to 14.7%³ due to new supplies in the quarter. In Shanghai, the average vacancy rate in CBD office market increased by 1.0 percentage point quarter-on-quarter to 13.9% as of end 3Q 2017⁴ due to new office completions in the quarter. In view of further new office supply coming on-stream by end 2017, the overall CBD Grade A vacancy rate may continue to increase in the coming quarters and rental outlook in Shanghai continues to be soft.

In the Singapore residential market, sales volume continued to rise in the quarter. With the Group's active marketing effort, OUE Twin Peaks is fully sold in October 2017.

The recent openings of Downtown Gallery and Oakwood Premier OUE Singapore have contributed positively to the Group's performance and augment the Group's portfolio with recurrent income base. The acquisition of OUE Lippo Healthcare earlier this year has also enable the Group to expand into the healthcare real estate sector.

¹ Singapore Tourism Board, International Visitor Arrivals Statistics, Published Date: 17 October 2017

² CBRE MarketView Singapore, Q3 2017

³ JLL Research Report, United States Office Outlook, Q3 2017

⁴ Colliers Quarterly, Shanghai Office Q3 2017, 30 October 2017

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/recommendeded, 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
3 November 2017

15 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 up the attention of the Board of Directors which may render the financial results of the Company and the Group for the quarter ended 30 September 2017 to be false or misleading.

On behalf of the Board of Directors

Dr Stephen Riady
Executive Chairman

Mr Thio Gim Hock
Chief Executive Officer