



OUE LIMITED

(Company Registration No. 196400050E)

THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

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OUE LIMITED
Third Quarter Ended 30 September 2019

1(a)(i) Statement of Comprehensive Income

	Notes	The Group					
		Third Quarter ended 30/09/19	Third Quarter ended 30/09/18	Change	Nine Months ended 30/09/19	Nine Months ended 30/09/18	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	A	282,527	183,316	54.1	715,134	479,607	49.1
Cost of sales		(199,103)	(113,039)	76.1	(477,190)	(263,521)	81.1
Gross profit		83,424	70,277	18.7	237,944	216,086	10.1
Marketing expenses		(5,341)	(5,284)	1.1	(15,370)	(13,858)	10.9
Administrative expenses	B	(65,242)	(13,931)	>100.0	(130,419)	(56,132)	>100.0
Other operating expenses		(4,093)	(4,243)	(3.5)	(9,901)	(11,494)	(13.9)
Share of results of equity-accounted investees, net of tax	C	81,695	9,798	>100.0	111,543	27,231	>100.0
		90,443	56,617	59.7	193,797	161,833	19.8
Finance expenses	D	(39,319)	(35,284)	11.4	(129,510)	(107,391)	20.6
Finance income	E	7,396	4,712	57.0	10,020	12,802	(21.7)
Other gains/(losses) - net	F	85,101	(13,363)	n.m.	175,096	(18,826)	n.m.
Profit before tax	G	143,621	12,682	>100.0	249,403	48,418	>100.0
Tax expense	H	(16,032)	(5,298)	>100.0	(37,606)	(20,082)	87.3
Profit after tax		127,589	7,384	>100.0	211,797	28,336	>100.0
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:							
Foreign operations:							
- currency translation differences		4,864	(39,044)	n.m.	(4,800)	(22,339)	(78.5)
- 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		15,470	195	>100.0	7,938	10,108	(21.5)
- currency translation differences reclassified to profit or loss on disposal		-	-	-	-	(2,667)	(100.0)
- other reserves		936	(53)	n.m.	253	2,864	(91.2)
- other reserves reclassified to profit or loss on disposal		-	-	-	-	(1,674)	(100.0)
Cash flow hedges:							
- effective portion of changes in fair value of cash flow hedges		(1,085)	(252)	>100.0	(5,014)	6,263	n.m.
- hedging reserve reclassified to profit or loss		352	163	>100.0	(25)	532	n.m.
		20,537	(17,985)	n.m.	(1,648)	14,093	n.m.
Items that will not be reclassified subsequently to profit or loss:							
Share of other reserves of an equity-accounted investee		2,573	(4,817)	n.m.	5,907	(8,195)	n.m.
Net change in fair value of investments at fair value through other comprehensive income, net of tax	F(ii)(b)	(1,680)	(74,743)	(97.8)	147,906	(103,548)	n.m.
		893	(79,560)	n.m.	153,813	(111,743)	n.m.
Other comprehensive income, net of tax		21,430	(97,545)	n.m.	152,165	(97,650)	n.m.
Total comprehensive income for the period		149,019	(90,161)	n.m.	363,962	(69,314)	n.m.
Profit attributable to:							
Owners of the Company		124,143	2,070	>100.0	186,033	8,424	>100.0
Non-controlling interests		3,446	5,314	(35.2)	25,764	19,912	29.4
		127,589	7,384	>100.0	211,797	28,336	>100.0
Total comprehensive income attributable to:							
Owners of the Company		150,324	(82,507)	n.m.	344,743	(86,953)	n.m.
Non-controlling interests		(1,305)	(7,654)	(83.0)	19,219	17,639	9.0
		149,019	(90,161)	n.m.	363,962	(69,314)	n.m.

n.m.: Not meaningful

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

A) Revenue

	Third Quarter ended 30/09/19 \$'000	Third Quarter ended 30/09/18 \$'000	Change %	Nine Months ended 30/09/19 \$'000	Nine Months ended 30/09/18 \$'000	Change %
Investment properties income	72,325	67,602	7.0	210,184	206,943	1.6
Hospitality income	62,466	61,844	1.0	173,172	174,831	(0.9)
Development properties income	133,860	43,562	>100.0	292,157	43,562	>100.0
Healthcare income	5,000	4,851	3.1	14,531	24,188	(39.9)
Dividend income	-	450	(100.0)	-	13,017	(100.0)
Others	8,876	5,007	77.3	25,090	17,066	47.0
	<u>282,527</u>	<u>183,316</u>	<u>54.1</u>	<u>715,134</u>	<u>479,607</u>	<u>49.1</u>

B) Administrative expenses

Administrative expenses increased by \$51.3 million to \$65.2 million for 3Q 2019. The increase was mainly due to merger-related expenses and the inclusion of administrative expenses of OUE Hospitality Trust ("OUE H-Trust") and Bowsprit Capital Corporation Limited, which became subsidiaries of the Group in September 2019 and October 2018 respectively.

On 4 September 2019, the merger of OUE Commercial Real Estate Investment Trust ("OUE C-REIT") and OUE H-Trust (the "Merger") was completed. OUE H-Trust is a stapled group comprising OUE Hospitality Real Estate Investment Trust (OUE H-REIT) and OUE Hospitality Business Trust. Following the completion of the Merger, OUE H-Trust ceased to be an associate of the Group and its results are henceforth consolidated via the Group's interest in OUE C-REIT.

C) Share of results of equity-accounted investees, net of tax

Share of results of equity-accounted investees increased \$71.9 million to \$81.7 million for 3Q 2019. The increase was mainly due to inclusion of contribution from Gemdale Properties and Investment Corporation Limited ("Gemdale"); offset by the absence of contribution from OUE H-Trust with effect from 4 September 2019.

On 31 May 2019, the Group acquired additional equity stake in Gemdale and the Group's effective interest in Gemdale increased from approximately 14.8% to approximately 21.8%. Accordingly, Gemdale became an associate of the Group. Prior to the acquisition, the Group's investment in Gemdale was accounted for as an investment at fair value through other comprehensive income. On 28 August 2019, the Group further increased its interest in Gemdale to 27.9%. The Group is currently performing a purchase price allocation exercise on its investment in Gemdale.

D) Finance expenses

Notes	Third Quarter ended 30/09/19 \$'000	Third Quarter ended 30/09/18 \$'000	Change %	Nine Months ended 30/09/19 \$'000	Nine Months ended 30/09/18 \$'000	Change %
Borrowing costs	33,074	35,080	(5.7)	103,601	99,374	4.3
Finance expenses on lease liabilities	(i) 6,096	-	n.m.	23,324	-	n.m.
Net foreign exchange loss	-	-	n.m.	2,124	7,361	(71.1)
Unwinding of discount of non-current rental deposits	41	41	-	124	124	-
Hedging reserve reclassified from equity	108	163	(33.7)	337	532	(36.7)
	<u>39,319</u>	<u>35,284</u>	<u>11.4</u>	<u>129,510</u>	<u>107,391</u>	<u>20.6</u>

- (i) The Group adopted SFRS(I) 16 *Leases* with effect from 1 January 2019, which introduces a single, on-balance sheet lease accounting model for lessees. The Group had previously entered into master lease agreements with OUE H-REIT, to lease and operate Mandarin Orchard Singapore ("MOS") and Crowne Plaza Changi Airport ("CPCA").

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

On the adoption of SFRS(I) 16, the minimum lease payments under the master lease agreements were recognised as right-of-use assets, with a corresponding recognition of the lease liabilities based on the modified retrospective approach. The cumulative effect of adoption of SFRS(I) 16 is recognised as an adjustment to the opening balance of the retained earnings at 1 January 2019, with no restatement of comparative information. The amortisation of the lease liabilities over the lease period is recognised as finance expenses on lease liabilities.

The finance expenses on lease liabilities mainly relate to the period when OUE H-REIT was still an associate of the Group. Subsequent to OUE H-Trust becoming a subsidiary of the Group as a result of the Merger, the master lease agreements with OUE H-REIT have ceased to exist for accounting purposes in the consolidated financial statements as these master lease agreements represent intra-group relationships.

E) Finance income

	Third Quarter ended 30/09/19 \$'000	Third Quarter ended 30/09/18 \$'000	Change %	Nine Months ended 30/09/19 \$'000	Nine Months ended 30/09/18 \$'000	Change %
Interest income	1,049	1,300	(19.3)	5,202	6,645	(21.7)
Net foreign exchange gain	4,778	704	>100.0	-	-	-
Ineffective portion of changes in fair value of cash flow hedges	30	988	(97.0)	1,668	2,115	(21.1)
Change in fair value of financial derivatives	1,391	1,563	(11.0)	2,157	3,309	(34.8)
Others	148	157	(5.7)	993	733	35.5
	<u>7,396</u>	<u>4,712</u>	<u>57.0</u>	<u>10,020</u>	<u>12,802</u>	<u>(21.7)</u>

F) Other gains/(losses) – net

	Notes	Third Quarter ended 30/09/19 \$'000	Third Quarter ended 30/09/18 \$'000	Change %	Nine Months ended 30/09/19 \$'000	Nine Months ended 30/09/18 \$'000	Change %
Reversal of impairment loss on a development property		-	-	-	198	-	n.m.
Net change in fair value of investment properties	(i)	(4,814)	-	n.m.	(54,136)	-	n.m.
Net change in fair value of investments designated at fair value through profit or loss	(ii)(a)	(985)	(12,301)	(92.0)	1,552	(7,380)	n.m.
Gain/(Loss) on disposal of interests in equity-accounted investees	(iii)	-	-	-	136,582	(10,384)	n.m.
Loss on disposal of interests in subsidiaries		-	(1,062)	(100.0)	-	(1,062)	(100.0)
Gain on derecognition of right-of-use assets and lease liabilities	(iv)	75,439	-	n.m.	75,439	-	n.m.
Gain on derecognition of other liabilities	(iv)	15,461	-	n.m.	15,461	-	n.m.
		<u>85,101</u>	<u>(13,363)</u>	<u>n.m.</u>	<u>175,096</u>	<u>(18,826)</u>	<u>n.m.</u>

- (i) This relates to the change in fair value of Downtown Gallery, Oakwood Premier OUE Singapore and Mandarin Gallery.
- (ii) This relates to net change in marked-to-market fair value of:
 - (a) investments designated at fair value through profit or loss; and
 - (b) investments at fair value through other comprehensive income.
- (iii) Gain on disposal of interests in equity-accounted investees mainly pertained to the \$136.6 million gain on disposal of the Group's entire equity stake in Aquamarina Hotel Private Limited ("AHPL") in April 2019.

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

- (iv) Subsequent to OUE H-Trust becoming a subsidiary of the Group as a result of the Merger, the right-of-use asset, lease liabilities and related other liabilities are derecognised with effect from the date of the Merger and a corresponding one-off non-cash gain was recognised in the current quarter for accounting purposes.

G) Profit before tax

	Third Quarter ended 30/09/19 \$'000	Third Quarter ended 30/09/18 \$'000	Change %	Nine Months ended 30/09/19 \$'000	Nine Months ended 30/09/18 \$'000	Change %
Profit before tax is stated after charging/(crediting):						
- Depreciation of property, plant and equipment	4,550	1,521	>100.0	7,439	5,361	38.8
- Depreciation of right-of-use assets	7,911	-	n.m.	30,396	-	n.m.
- Amortisation of intangible assets	56	57	(1.8)	171	177	(3.4)
- Amortisation of lease prepayments	174	167	4.2	522	516	1.2
- Allowance for impairment on trade and other receivables	1	544	(99.8)	9,453	562	>100.0
- Bad debts written off	1	-	n.m.	4	-	n.m.
- Loss/(Gain) on disposal of property, plant and equipment	-	73	(100.0)	(1,958)	23	n.m.

H) Tax expense

	Third Quarter ended 30/09/19 \$'000	Third Quarter ended 30/09/18 \$'000	Change %	Nine Months ended 30/09/19 \$'000	Nine Months ended 30/09/18 \$'000	Change %
The charge for income tax expense includes the following:						
- Overprovision of current tax in respect of prior years	(2)	(4)	(50.0)	(1,789)	(102)	>100.0
- Overprovision of deferred tax in respect of prior years	(1)	-	n.m.	(1,222)	-	n.m.

n.m.: Not meaningful

1(b)(i) Statements of Financial Position

	Notes	The Group		The Company	
		30/09/19	31/12/18	30/09/19	31/12/18
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents		261,962	409,371	71,116	161,395
Trade and other receivables		343,361	303,523	1,478,245	1,088,521
Inventories		1,176	1,058	256	234
Other investments	A	88,101	35,889	-	-
Development properties	B	206,113	466,498	-	-
Other assets		56,663	42,787	5,303	5,692
Loans to subsidiaries		-	-	1,689,305	1,799,004
Derivative assets	C	-	247	-	-
Assets held for sale	D	288,415	-	-	-
		<u>1,245,791</u>	<u>1,259,373</u>	<u>3,244,225</u>	<u>3,054,846</u>
Non-current assets					
Intangible assets and goodwill		38,910	39,086	-	-
Interests in equity-accounted investees	E	998,289	740,396	-	497,794
Investments in subsidiaries		-	-	841,503	424,492
Loans to subsidiaries		-	-	227,943	218,593
Lease prepayments		27,596	28,221	-	-
Other investments	A	207,311	665,078	-	154,040
Other assets		15,559	9,552	1,019	1,019
Investment properties	F	6,611,634	6,451,029	-	-
Property, plant and equipment	G	1,780,177	55,419	8,467	9,136
Right-of-use assets	H	26,448	-	683,519	-
Deferred tax assets		11,730	17,663	-	-
Derivative assets	C	17	-	-	-
		<u>9,717,671</u>	<u>8,006,444</u>	<u>1,762,451</u>	<u>1,305,074</u>
Total assets		<u>10,963,462</u>	<u>9,265,817</u>	<u>5,006,676</u>	<u>4,359,920</u>
LIABILITIES					
Current liabilities					
Trade and other payables		255,395	201,297	207,360	246,715
Borrowings	I	989,449	471,691	499,714	199,331
Provision		39,892	42,079	-	405
Loans from subsidiaries		-	-	256,263	226,341
Current tax liabilities		37,523	36,240	4,159	5,079
Deferred income	J	41,397	55,738	-	-
Lease liabilities	H	409	-	21,310	-
Derivative liabilities	C	110	714	-	-
		<u>1,364,175</u>	<u>807,759</u>	<u>988,806</u>	<u>677,871</u>
Non-current liabilities					
Borrowings	I	3,217,776	3,024,564	152,465	593,475
Deferred income	J	1,639	27,011	-	-
Deferred tax liabilities		220,890	208,763	1,300	841
Other payables		54,415	50,685	23	5
Lease liabilities	H	25,722	-	721,596	-
Derivative liabilities	C	13,626	7,828	-	-
		<u>3,534,068</u>	<u>3,318,851</u>	<u>875,384</u>	<u>594,321</u>
Total liabilities		<u>4,898,243</u>	<u>4,126,610</u>	<u>1,864,190</u>	<u>1,272,192</u>
Net Assets		<u>6,065,219</u>	<u>5,139,207</u>	<u>3,142,486</u>	<u>3,087,728</u>
EQUITY					
Share capital		693,315	693,315	693,315	693,315
Other reserves		(208,881)	(186,155)	(166,023)	(41,983)
Accumulated profits		3,566,599	3,431,245	2,615,194	2,436,396
Equity attributable to owners of the Company		4,051,033	3,938,405	3,142,486	3,087,728
Non-controlling interests	K	2,014,186	1,200,802	-	-
Total equity		<u>6,065,219</u>	<u>5,139,207</u>	<u>3,142,486</u>	<u>3,087,728</u>

Notes:

- A) "Other investments" decreased by \$405.6 million mainly due to the disposal of the Group's entire equity stake in Marina Centre Holdings ("MCH") in April 2019; as well as the reclassification of the Group's interest in Gemdale to "Investment in equity-accounted investees".
- B) "Development properties" decreased by \$260.4 million mainly due to the sale of OUE Twin Peaks units and the property development at 26A Nassim Road.
- C) "Derivative assets" and "derivative liabilities" mainly 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.
- D) "Assets held for sale" comprise the carrying values of Oakwood Premier OUE Singapore ("Oakwood") and the plant and equipment located at Oakwood. On 18 September 2019, the Group entered into a sale and purchase agreement to dispose Oakwood, together with the plant and equipment and the relevant serviced apartments business for an aggregate consideration of \$289.0 million. Accordingly, the carrying values of these assets are reclassified to "Assets held for sale" as at 30 September 2019.
- E) "Investments in equity-accounted investees" increased by \$257.9 million mainly due to the reclassification of the carrying value of the Group's pre-existing interest in Gemdale from "Other investments" and the additional interest in Gemdale acquired in 2019. The increase was partially offset by the disposal of the Group's entire equity stake in AHPL in April 2019; and the change in accounting classification of the Group's equity interest in OUE H-Trust from an associate to a subsidiary subsequent to the Merger on 4 September 2019.
- F) "Investment properties" increased by \$160.6 million mainly due to the inclusion of Mandarin Gallery (an investment property under the portfolio of OUE H-Trust) subsequent to the Merger; offset partially by the reclassification of the carrying value of Oakwood to "Assets held for sale" as elaborated in (D) above.
- G) "Property, plant and equipment" increased by \$1.7 billion mainly due to the inclusion of the carrying values of MOS and CPCA subsequent to the Merger.
- H) "Right-of-use assets" and "Lease liabilities" arose due to the adoption of SFRS(I) 16 whereby an asset from the right to use a leased item and a corresponding lease liability to pay rentals are recognised. The amount as at 30 September 2019 mainly pertained to the land lease from Changi Airport Group in relation to the CPCA site.
- I) "Borrowings" increased by \$711.0 million mainly due to additional drawdown of loans by OUE C-REIT and inclusion of the borrowings of OUE H-Trust subsequent to the Merger. This was partially offset by the early redemption of the exchangeable bonds; as well as repayment of borrowings in the current year.
- 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.
- K) "Non-controlling interests" increased by \$813.4 million mainly due to the recognition of the non-controlling interests of OUE H-Trust arising from the Merger.

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

	As at 30/09/19			As at 31/12/18		
	Secured \$'000	Unsecured \$'000	Total \$'000	Secured \$'000	Unsecured \$'000	Total \$'000
Amount repayable in one year or less, or on demand	327,660	661,789	989,449	272,171	199,520	471,691
Amount repayable after one year	1,703,360	1,514,416	3,217,776	965,561	2,059,003	3,024,564
	<u>2,031,020</u>	<u>2,176,205</u>	<u>4,207,225</u>	<u>1,237,732</u>	<u>2,258,523</u>	<u>3,496,255</u>

Details of any collateral

Secured borrowings are collateralised by:

- pledging of the borrowing companies' properties/assets 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 2019

1(c) Consolidated Statement of Cash Flows

	The Group			
	Third Quarter ended 30/09/19 \$'000	Third Quarter ended 30/09/18 \$'000	Nine Months ended 30/09/19 \$'000	Nine Months ended 30/09/18 \$'000
Cash flows from operating activities				
Profit after tax	127,589	7,384	211,797	28,336
Adjustments for:				
Depreciation of property, plant and equipment	4,550	1,521	7,439	5,361
Depreciation of right-of-use assets	7,911	-	30,396	-
Dividend income	-	(450)	-	(13,017)
Amortisation of intangible assets	56	57	171	177
Amortisation of lease prepayments	174	167	522	516
Reversal of impairment loss on a development property	-	-	(198)	-
Net change in fair value of investment properties	4,814	-	54,136	-
Net change in fair value of investments designated at fair value through profit or loss	985	12,301	(1,552)	7,380
(Gain)/Loss on disposal of interests in equity-accounted investees	-	-	(136,582)	10,384
Loss on disposal of interests in subsidiaries	-	1,062	-	1,062
Loss/(Gain) on disposal of property, plant and equipment	-	73	(1,958)	23
Gain on derecognition of right-of-use assets and lease liabilities	(75,439)	-	(75,439)	-
Gain on derecognition of other liabilities	(15,461)	-	(15,461)	-
Finance expenses	39,319	35,284	129,510	107,391
Finance income	(7,396)	(4,712)	(10,020)	(12,802)
Share of results of equity-accounted investees, net of tax	(81,695)	(9,798)	(111,543)	(27,231)
Tax expense	16,032	5,298	37,606	20,082
	21,439	48,187	118,824	127,662
Changes in:				
- trade and other receivables and other assets	(15,562)	(5,627)	(58,488)	(7,362)
- inventories	8	286	(118)	530
- development properties	119,719	40,460	260,583	37,419
- trade and other payables and provision	23,446	(185)	13,398	(34,546)
- deferred income	(8,321)	(6,989)	(39,713)	(6,857)
Cash generated from operations	140,729	76,132	294,486	116,846
Tax paid	(7,589)	(10,333)	(21,652)	(23,625)
Net cash from operating activities	133,140	65,799	272,834	93,221
Cash flows from investing activities				
Acquisition of interests in associates	(144,777)	-	(352,554)	-
Acquisition of subsidiaries, net of cash acquired ¹	(14,088)	-	(14,088)	(2,120)
Acquisition of other investments	(59,537)	(7,356)	(111,293)	(420,793)
Additions to property, plant and equipment	(4,862)	(944)	(8,473)	(4,221)
Additions to investment properties	(5,243)	(8,476)	(21,266)	(31,606)
Deposits placed for investments	-	-	-	(159,408)
Dividends from:				
- equity-accounted investees, net of tax	16,475	6,854	55,895	22,429
- other investments, net of tax	148	607	993	13,750
Interest received	769	978	4,365	2,190
Loan to an associate	-	-	-	(2,000)
Repayment of loan from an associate	3,745	-	3,745	-
Proceeds from sale of other investments	73,301	13,605	273,301	244,812
Proceeds from disposal of interests in equity-accounted investees	-	-	191,361	8,970
Proceeds from disposal of interests in subsidiaries, net of cash disposed	-	(294)	-	(25,179)
Proceeds from disposal of property, plant and equipment	-	9	1,972	203
Net cash (used in)/from investing activities	(134,069)	4,983	23,958	(352,973)
Cash flows from financing activities				
Dividends paid	(30,069)	(23,944)	(161,343)	(64,863)
Finance expense paid	(20,851)	(22,579)	(80,696)	(81,870)
Proceeds from borrowings	179,400	931,115	320,384	1,622,502
Repayment of borrowings	(126,419)	(863,812)	(500,307)	(1,441,530)
Principal repayment of leases	(5,717)	-	(22,239)	-
Proceeds from issuance of shares by a subsidiary	-	-	-	78,750
Shares issue costs of a subsidiary	-	-	-	(1,300)
Repurchase of own shares	-	-	-	(476)
Changes in pledged deposits	(184)	(121)	(171)	(199)
Net cash (used in)/from financing activities	(3,840)	20,659	(444,372)	111,014
Net (decrease)/increase in cash and cash equivalents	(4,769)	91,441	(147,580)	(148,738)
Cash and cash equivalents at the beginning of the financial period	258,325	287,148	401,136	527,327
Cash and cash equivalents at the end of the financial period²	253,556	378,589	253,556	378,589

¹ The amount for quarter ended 30 September 2019 pertained to the net purchase consideration for the Merger.

² Cash and cash equivalents as at 30 September 2019 excludes the Group's pledged deposits of \$8,406,000 (31/12/18: \$8,235,000).

OUE LIMITED
Third Quarter Ended 30 September 2019

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 2019	693,315	(237,588)	3,501,379	3,957,106	1,198,097	5,155,203
Total comprehensive income for the period						
Profit for the period	-	-	124,143	124,143	3,446	127,589
Other comprehensive income						
Foreign operations:						
- currency translation differences	-	8,844	-	8,844	(3,980)	4,864
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	-	15,470	-	15,470	-	15,470
- other reserves	-	3,509	-	3,509	-	3,509
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	(1,680)	-	(1,680)	-	(1,680)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	-	(153)	-	(153)	(932)	(1,085)
- hedging reserve reclassified to profit or loss	-	191	-	191	161	352
Total other comprehensive income, net of tax	-	26,181	-	26,181	(4,751)	21,430
Total comprehensive income for the period	-	26,181	124,143	150,324	(1,305)	149,019
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid	-	-	(9,015)	(9,015)	(21,054)	(30,069)
Total contributions by and distributions to owners	-	-	(9,015)	(9,015)	(21,054)	(30,069)
Changes in ownership interests in a subsidiary						
Acquisition of a subsidiary with non-controlling interests	-	-	-	-	791,066	791,066
Changes in ownership interests in a subsidiary without a change in control	-	-	(47,382)	(47,382)	47,382	-
Total changes in ownership interests in a subsidiary	-	-	(47,382)	(47,382)	838,448	791,066
Total transactions with owners	-	-	(56,397)	(56,397)	817,394	760,997
Transfer from fair value reserve to accumulated profits	-	2,526	(2,526)	-	-	-
At 30 September 2019	693,315	(208,881)	3,566,599	4,051,033	2,014,186	6,065,219

QUE LIMITED
Third Quarter Ended 30 September 2019

	Attributable to Owners of the Company					Total Equity \$'000
	Share Capital \$'000	Other Reserves \$'000	Accumulated Profits \$'000	Total \$'000	Non-controlling Interests \$'000	
THE GROUP						
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 reserves 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 2019

	Share Capital	Other Reserves	Accumulated Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000
THE COMPANY				
At 1 July 2019	693,315	(166,023)	2,676,036	3,203,328
Total comprehensive income for the period				
Loss for the period	-	-	(51,827)	(51,827)
Total comprehensive income for the period	-	-	(51,827)	(51,827)
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 2019	693,315	(166,023)	2,615,194	3,142,486
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

- 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 2019.

Convertible Bonds

The Company has the following convertible bonds which remain outstanding as at 30 September 2019:

Principal Amount \$'000	Year of Maturity	Conversion Price \$	No. of ordinary shares convertible into
154,750	2023	1.9351	79,970,027

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 79,970,027 (31/12/18: 73,271,780).

- 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 2019, the Company's total number of issued shares excluding treasury shares is 901,515,860 (31/12/18: 901,515,860).

As at 30 September 2019, the Company held 80,086,000 (31/12/18: 80,086,000) 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 methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2018.

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 the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2019. The adoption of the new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group, except for SFRS(I) 16 *Leases*.

Adoption of SFRS(I) 16 *Leases*

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group applied SFRS(I) 16 on 1 January 2019, using the modified retrospective approach. The effects of the adoption of SFRS(I) 16 to the Group and the Company are as follows:

	The Group 01/01/2019 \$'000	The Company 01/01/2019 \$'000
Statements of financial position		
Increase in right-of-use assets	1,012,407	705,082
Increase in lease liabilities	(1,080,080)	(758,550)
Decrease in net assets	(67,673)	(53,468)
Decrease in accumulated profits	(67,673)	(53,468)
Decrease in total equity	(67,673)	(53,468)

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 30/09/19	Third Quarter Ended 30/09/18	Nine Months ended 30/09/19	Nine Months ended 30/09/18
Weighted average number of ordinary shares in issue				
- basic	901,515,860	901,515,860	901,515,860	901,699,376
- diluted (*)	981,485,887	974,787,640	981,485,887	947,594,887
Basic earnings per share (cents)	13.77	0.23	20.64	0.93
Diluted earnings per share (cents)	12.72	0.09	19.29	0.91

(*) 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	
	30/09/19	31/12/18	30/09/19	31/12/18
Number of issued shares (excluding treasury shares)	901,515,860	901,515,860	901,515,860	901,515,860
Net asset value per ordinary share (\$)	4.49	4.37	3.49	3.43

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 2019 \$'000	3Q 2018 \$'000	Change %
Revenue	282,527	183,316	54.1
Earnings before interest and tax (EBIT)	90,443	56,617	59.7
Profit attributable to Owners of the Company	124,143	2,070	>100.0

Revenue

The Group recorded revenue of \$282.5 million in 3Q 2019 (3Q 2018: \$183.3 million). The increase was due to higher contributions across all the divisions of the Group.

Investment Properties Division

Revenue from the investment properties division increased by \$4.7 million to \$72.3 million in 3Q 2019 (3Q 2018: \$67.6 million). The increase was mainly due to the inclusion of revenue from Mandarin Gallery subsequent to the Merger.

Hospitality Division

Revenue from the hospitality division was higher for 3Q 2019 at \$62.5 million (3Q 2018: \$61.8 million).

Development Properties Division

Revenue from the development properties division increased by \$90.3 million to \$133.9 million (3Q 2018: \$43.6 million). The increase was mainly due to revenue recognised on the sale of the property development at 26A Nassim Road; partially offset by lower revenue recognised on the sale of OUE Twin Peaks units sold under deferred payment schemes in the current quarter.

Healthcare Division

Revenue from the healthcare division pertains to revenue contribution from OUE Lippo Healthcare Limited.

Others

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

EBIT

EBIT increased by \$33.8 million to \$90.4 million in 3Q 2019 (3Q 2018: \$56.6 million). The increase was mainly attributed to higher contribution from equity-accounted investees; partially offset by higher administrative expenses arising from expenses related to the Merger.

Profit attributable to owners of the Company

Profit attributable to shareholders increased by \$122.1 million to \$124.1 million in 3Q 2019 (3Q 2018: \$2.1 million). The increase was mainly due to higher EBIT and one-off non-cash gain arising from the Merger (refer to Note F under Item 1(a)(ii) for more information).

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, the Singapore economy grew by 0.1% on a year-on-year basis in the third quarter of 2019, the same pace of growth as in the previous quarter¹. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.6%, a turnaround from the 2.7% contraction in the preceding quarter.

The Singapore Tourism Board reported a 2.1%² year-on-year growth in international tourist arrivals for the first nine months of 2019. The growing tourism demand and limited hotel supply in the next three years³ are expected to help support the overall hospitality sector.

Grade A CBD core office rents increased 1.3% quarter-on-quarter in 3Q 2019 to S\$11.45 psf per month⁴. Despite thinning supply pipeline over the next three years, rental growth prospects appear benign in the wake of heightened economic headwinds.

In Los Angeles, vacancy continues to decline in 3Q 2019 to 13.4%⁵ with positive net absorption, with the market expected to continue to tighten. In Shanghai, vacancy rates in the CBD were 12.5% for 3Q 2019, with office rents decreasing by 0.7% to RMB10.20 psm per day⁶. With uncertainty in the economy linked to trade tensions, rental growth is expected to be subdued in the near-term.

¹ Singapore Ministry of Trade and Industry Press Release, 14 October 2019

² Singapore Tourism Board, International Visitor Arrivals Statistics, 1 November 2019

³ JLL 2019 Singapore Hotel Market Update, 6 September 2019

⁴ CBRE Marketview Singapore Q3 2019

⁵ JLL Los Angeles office insight – Q3 2019, 14 October 2019

⁶ Colliers International, Shanghai Grade A Office Market Update Q3 2019, 21 October 2019

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

JACKIE THIA
COMPANY SECRETARY
14 November 2019

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 2019 to be false or misleading.

On behalf of the Board of Directors

Dr Stephen Riady
Executive Chairman

Mr Thio Gim Hock
Chief Executive Officer