



## OUE LIMITED

(Company Registration No. 196400050E)

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### THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2016 (UNAUDITED)

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**1(a)(i) Statement of Comprehensive Income**

|                                                                              | Notes | The Group           |                     |                  |                   |                   |               |
|------------------------------------------------------------------------------|-------|---------------------|---------------------|------------------|-------------------|-------------------|---------------|
|                                                                              |       | Third Quarter ended | Third Quarter ended | Change           | Nine Months ended | Nine Months ended | Change        |
|                                                                              |       | 30/9/16<br>\$'000   | 30/9/15<br>\$'000   |                  | 30/9/16<br>\$'000 | 30/9/15<br>\$'000 |               |
| Revenue                                                                      | A     | 419,119             | 98,975              | >100.0           | 675,869           | 302,612           | >100.0        |
| Cost of sales                                                                |       | (280,614)           | (61,672)            | >100.0           | (425,378)         | (188,341)         | >100.0        |
| Gross profit                                                                 |       | 138,505             | 37,303              | >100.0           | 250,491           | 114,271           | >100.0        |
| Marketing expenses                                                           | B     | (12,744)            | (3,981)             | >100.0           | (28,635)          | (11,996)          | >100.0        |
| Administrative expenses                                                      |       | (16,507)            | (16,000)            | 3.2              | (39,104)          | (44,490)          | (12.1)        |
| Other operating expenses                                                     |       | (4,210)             | (4,064)             | 3.6              | (11,243)          | (9,923)           | 13.3          |
| Share of results of equity-accounted investees, net of tax                   | C     | 13,383              | 26,215              | (48.9)           | 53,648            | 56,618            | (5.2)         |
| Finance expenses                                                             | D     | (31,849)            | (22,588)            | 41.0             | (99,183)          | (59,825)          | 65.8          |
| Finance income                                                               | E     | 4,972               | 8,795               | (43.5)           | 2,587             | 12,274            | (78.9)        |
| Other gains/(losses) - net                                                   | F     | 28,988              | (1,332)             | n.m.             | 51,851            | 50,579            | 2.5           |
| Profit before tax                                                            | G     | 120,538             | 24,348              | >100.0           | 180,412           | 107,508           | 67.8          |
| Tax expense                                                                  | H     | (6,973)             | (4,654)             | 49.8             | (19,999)          | (16,665)          | 20.0          |
| <b>Profit after tax</b>                                                      |       | <b>113,565</b>      | <b>19,694</b>       | <b>&gt;100.0</b> | <b>160,413</b>    | <b>90,843</b>     | <b>76.6</b>   |
| <b>Other comprehensive income</b>                                            |       |                     |                     |                  |                   |                   |               |
| <b>Items that are or may be reclassified subsequently to profit or loss:</b> |       |                     |                     |                  |                   |                   |               |
| Currency translation differences relating to foreign operations              |       | 4,547               | 17,006              | (73.3)           | (38,432)          | 30,902            | n.m.          |
| Share of currency translation differences of equity-accounted investees      |       | (1,466)             | 3,837               | n.m.             | (26,066)          | 418               | n.m.          |
| Share of other reserves of equity-accounted investees                        |       | (383)               | (1,815)             | (78.9)           | (4,861)           | (1,499)           | >100.0        |
| Available-for-sale financial assets:                                         |       |                     |                     |                  |                   |                   |               |
| - net change in fair value, net of tax                                       |       | 4,241               | (94)                | n.m.             | 3,771             | (31)              | n.m.          |
| - reclassified to profit or loss on disposal, net of tax                     |       | (3,932)             | -                   | n.m.             | (3,932)           | -                 | n.m.          |
| Cash flow hedges:                                                            |       |                     |                     |                  |                   |                   |               |
| - effective portion of changes in fair value of cash flow hedges             |       | (3,147)             | 3,093               | n.m.             | (23,017)          | 3,857             | n.m.          |
| - hedging reserve reclassified to profit or loss                             |       | 4,029               | -                   | n.m.             | 4,029             | -                 | n.m.          |
| <b>Other comprehensive income, net of tax</b>                                |       | <b>3,889</b>        | <b>22,027</b>       | <b>(82.3)</b>    | <b>(88,508)</b>   | <b>33,647</b>     | <b>n.m.</b>   |
| <b>Total comprehensive income for the period</b>                             |       | <b>117,454</b>      | <b>41,721</b>       | <b>&gt;100.0</b> | <b>71,905</b>     | <b>124,490</b>    | <b>(42.2)</b> |
| <b>Profit attributable to:</b>                                               |       |                     |                     |                  |                   |                   |               |
| Owners of the Company                                                        |       | 107,614             | 15,003              | >100.0           | 141,631           | 75,897            | 86.6          |
| Non-controlling interests                                                    |       | 5,951               | 4,691               | 26.9             | 18,782            | 14,946            | 25.7          |
|                                                                              |       | <b>113,565</b>      | <b>19,694</b>       | <b>&gt;100.0</b> | <b>160,413</b>    | <b>90,843</b>     | <b>76.6</b>   |
| <b>Total comprehensive income attributable to:</b>                           |       |                     |                     |                  |                   |                   |               |
| Owners of the Company                                                        |       | 111,080             | 31,687              | >100.0           | 68,907            | 99,167            | (30.5)        |
| Non-controlling interests                                                    |       | 6,374               | 10,034              | (36.5)           | 2,998             | 25,323            | (88.2)        |
|                                                                              |       | <b>117,454</b>      | <b>41,721</b>       | <b>&gt;100.0</b> | <b>71,905</b>     | <b>124,490</b>    | <b>(42.2)</b> |

n.m.: Not meaningful

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

**A) Revenue**

|                                         | Third<br>Quarter<br>ended<br>30/9/16<br>\$'000 | Third<br>Quarter<br>ended<br>30/9/15<br>\$'000 | Change<br>%      | Nine<br>Months<br>ended<br>30/9/16<br>\$'000 | Nine<br>Months<br>ended<br>30/9/15<br>\$'000 | Change<br>%      |
|-----------------------------------------|------------------------------------------------|------------------------------------------------|------------------|----------------------------------------------|----------------------------------------------|------------------|
| Hospitality income                      | 52,375                                         | 52,449                                         | (0.1)            | 148,840                                      | 149,226                                      | (0.3)            |
| Investment properties income            | 65,558                                         | 43,678                                         | 50.1             | 197,439                                      | 128,892                                      | 53.2             |
| Development property income             |                                                |                                                |                  |                                              |                                              |                  |
| - OUE Twin Peaks                        | 89,172                                         | -                                              | n.m.             | 112,566                                      | 16,661                                       | >100.0           |
| - Crowne Plaza Changi Airport Extension | 205,000                                        | -                                              | n.m.             | 205,000                                      | -                                            | n.m.             |
| Dividend income                         | 900                                            | 900                                            | -                | 1,800                                        | 1,800                                        | -                |
| Others                                  | 6,114                                          | 1,948                                          | >100.0           | 10,224                                       | 6,033                                        | 69.5             |
|                                         | <u>419,119</u>                                 | <u>98,975</u>                                  | <u>&gt;100.0</u> | <u>675,869</u>                               | <u>302,612</u>                               | <u>&gt;100.0</u> |

On 1 August 2016, the Group completed the divestment 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 for a consideration of \$205.0 million. The consideration was agreed as per the sale and purchase agreement entered on 28 November 2014 and was recorded as revenue under the property development segment of the Group. 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 was approximately \$66.7 million.

**B) Marketing expenses**

Marketing expenses increased \$8.8 million to \$12.7 million for 3Q 2016. The increase was mainly attributable to sales commission expenses incurred on the OUE Twin Peaks units sold. Higher marketing expenses were also incurred with the opening of the extension to Crowne Plaza Changi Airport and the newly-operational OUE Skyspace, LA.

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

Contribution from equity-accounted investees decreased \$12.8 million to \$13.4 million for 3Q 2016 mainly due to lower share of results recognised by a joint venture and the absence of contribution from OUB Centre Limited ("OUBC"), which owns One Raffles Place. The Group acquired additional interest in OUBC in October 2015 and has since consolidated the results of OUBC as a subsidiary. Results of OUBC was previously equity-accounted for in 3Q 2015.

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

**D) Finance expenses**

|                                                                     | Third<br>Quarter<br>ended<br>30/9/16<br>\$'000 | Third<br>Quarter<br>ended<br>30/9/15<br>\$'000 | Change<br>% | Nine<br>Months<br>ended<br>30/9/16<br>\$'000 | Nine<br>Months<br>ended<br>30/9/15<br>\$'000 | Change<br>% |
|---------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|-------------|----------------------------------------------|----------------------------------------------|-------------|
| Borrowing costs                                                     | 27,820                                         | 21,436                                         | 29.8        | 86,307                                       | 60,477                                       | 42.7        |
| Less: Borrowing costs capitalised<br>in development property        | -                                              | -                                              | -           | -                                            | (1,804)                                      | (100.0)     |
|                                                                     | 27,820                                         | 21,436                                         | 29.8        | 86,307                                       | 58,673                                       | 47.1        |
| Net foreign exchange loss                                           | -                                              | -                                              | -           | 6,178                                        | -                                            | n.m.        |
| Ineffective portion of changes in<br>fair value of cash flow hedges | -                                              | -                                              | -           | 2,669                                        | -                                            | n.m.        |
| Change in fair value of financial derivatives                       | -                                              | 1,152                                          | (100.0)     | -                                            | 1,152                                        | (100.0)     |
| Hedging reserve reclassified from equity                            | 4,029                                          | -                                              | n.m.        | 4,029                                        | -                                            | n.m.        |
|                                                                     | 31,849                                         | 22,588                                         | 41.0        | 99,183                                       | 59,825                                       | 65.8        |

The increase in borrowing cost in 3Q 2016 was largely attributable to borrowings drawn down in October 2015 to fund the acquisition of OUBC.

**E) Finance income**

|                                                                     | Third<br>Quarter<br>ended<br>30/9/16<br>\$'000 | Third<br>Quarter<br>ended<br>30/9/15<br>\$'000 | Change<br>% | Nine<br>Months<br>ended<br>30/9/16<br>\$'000 | Nine<br>Months<br>ended<br>30/9/15<br>\$'000 | Change<br>% |
|---------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|-------------|----------------------------------------------|----------------------------------------------|-------------|
| Interest income                                                     | 1,080                                          | 546                                            | 97.8        | 2,279                                        | 1,752                                        | 30.1        |
| Net foreign exchange gain                                           | 2,229                                          | 7,977                                          | (72.1)      | -                                            | 9,865                                        | (100.0)     |
| Ineffective portion of changes in<br>fair value of cash flow hedges | 1,500                                          | 175                                            | >100.0      | -                                            | 175                                          | (100.0)     |
| Change in fair value of financial derivatives                       | 64                                             | -                                              | n.m.        | 64                                           | -                                            | n.m.        |
| Others                                                              | 99                                             | 97                                             | 2.1         | 244                                          | 482                                          | (49.4)      |
|                                                                     | 4,972                                          | 8,795                                          | (43.5)      | 2,587                                        | 12,274                                       | (78.9)      |

**F) Other gains/(losses) – net**

|                                                                                            | Third<br>Quarter<br>ended<br>30/9/16<br>\$'000 | Third<br>Quarter<br>ended<br>30/9/15<br>\$'000 | Change<br>% | Nine<br>Months<br>ended<br>30/9/16<br>\$'000 | Nine<br>Months<br>ended<br>30/9/15<br>\$'000 | Change<br>% |
|--------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|-------------|----------------------------------------------|----------------------------------------------|-------------|
| Reversal of impairment loss on a<br>development property                                   | 15,076                                         | -                                              | n.m.        | 42,907                                       | -                                            | n.m.        |
| Net change in fair value of investments<br>designated at fair value through profit or loss | 9,240                                          | (1,332)                                        | n.m.        | 4,272                                        | (7,205)                                      | n.m.        |
| Gain on disposal of property,<br>plant and equipment                                       | -                                              | -                                              | -           | -                                            | 57,784                                       | (100.0)     |
| Gain on sale of available-for-sale financial asset                                         | 4,672                                          | -                                              | n.m.        | 4,672                                        | -                                            | n.m.        |
|                                                                                            | 28,988                                         | (1,332)                                        | n.m.        | 51,851                                       | 50,579                                       | 2.5         |

The gain on disposal of property, plant and equipment of \$57.8 million relates to the gain recognised on sale of Crowne Plaza Changi Airport in 1Q 2015.

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

**G) Profit before tax**

|                                                             | Third<br>Quarter<br>ended<br>30/9/16<br>\$'000 | Third<br>Quarter<br>ended<br>30/9/15<br>\$'000 | Change<br>% | Nine<br>Months<br>ended<br>30/9/16<br>\$'000 | Nine<br>Months<br>ended<br>30/9/15<br>\$'000 | Change<br>% |
|-------------------------------------------------------------|------------------------------------------------|------------------------------------------------|-------------|----------------------------------------------|----------------------------------------------|-------------|
| Profit before tax is stated after charging/(crediting):     |                                                |                                                |             |                                              |                                              |             |
| Depreciation of property, plant and equipment               | 1,119                                          | 962                                            | 16.3        | 3,298                                        | 2,905                                        | 13.5        |
| Allowance for impairment on trade and<br>other receivables  | 282                                            | 57                                             | >100.0      | 218                                          | 21                                           | >100.0      |
| Bad debts written off                                       | 30                                             | 1                                              | >100.0      | 207                                          | 1                                            | >100.0      |
| Loss/(Gain) on disposal of property, plant and<br>equipment | -                                              | 5                                              | (100.0)     | (101)                                        | (7)                                          | >100.0      |

**H) Tax expense**

|                                                           | Third<br>Quarter<br>ended<br>30/9/16<br>\$'000 | Third<br>Quarter<br>ended<br>30/9/15<br>\$'000 | Change<br>% | Nine<br>Months<br>ended<br>30/9/16<br>\$'000 | Nine<br>Months<br>ended<br>30/9/15<br>\$'000 | Change<br>% |
|-----------------------------------------------------------|------------------------------------------------|------------------------------------------------|-------------|----------------------------------------------|----------------------------------------------|-------------|
| The charge for income tax expense includes the following: |                                                |                                                |             |                                              |                                              |             |
| Under/(Over) provision in respect of prior years          |                                                |                                                |             |                                              |                                              |             |
| - Current tax                                             | 4                                              | (24)                                           | n.m.        | (8)                                          | (111)                                        | (92.8)      |

n.m.: Not meaningful

**OUE LIMITED**  
**Third Quarter Ended 30 September 2016**

**1(b)(i) Statements of Financial Position**

|                                                     | Notes | The Group               |                         | The Company             |                         |
|-----------------------------------------------------|-------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                     |       | 30/09/16                | 31/12/15                | 30/09/16                | 31/12/15                |
|                                                     |       | \$'000                  | \$'000                  | \$'000                  | \$'000                  |
| <b>ASSETS</b>                                       |       |                         |                         |                         |                         |
| <b>Current assets</b>                               |       |                         |                         |                         |                         |
| Cash and cash equivalents                           |       | 213,063                 | 172,353                 | 74,208                  | 83,782                  |
| Trade and other receivables                         |       | 41,449                  | 38,931                  | 939,454                 | 789,848                 |
| Inventories                                         |       | 1,133                   | 727                     | 268                     | 246                     |
| Other investments                                   | A     | 279,202                 | 371,399                 | -                       | -                       |
| Development properties                              | B     | 716,903                 | 859,269                 | -                       | -                       |
| Other assets                                        |       | 40,174                  | 35,589                  | 1,675                   | 1,753                   |
| Loans to subsidiaries                               |       | -                       | -                       | 2,172,269               | 2,394,206               |
| Derivative assets                                   | C     | -                       | 32                      | -                       | -                       |
|                                                     |       | <u>1,291,924</u>        | <u>1,478,300</u>        | <u>3,187,874</u>        | <u>3,269,835</u>        |
| <b>Non-current assets</b>                           |       |                         |                         |                         |                         |
| Available-for-sale financial assets                 | D     | 164,666                 | 174,223                 | 157,262                 | 157,262                 |
| Investments in equity-accounted investees           | E     | 908,709                 | 812,695                 | 469,621                 | 391,224                 |
| Investments in subsidiaries                         |       | -                       | -                       | 334,792                 | 334,792                 |
| Loan to a subsidiary                                |       | -                       | -                       | 173,732                 | 124,750                 |
| Other investments                                   | A     | 13,395                  | -                       | -                       | -                       |
| Other assets                                        |       | 3,720                   | 3,255                   | -                       | 976                     |
| Investment properties                               |       | 5,678,813               | 5,627,266               | -                       | -                       |
| Property, plant and equipment                       |       | 19,707                  | 21,337                  | 13,055                  | 14,139                  |
| Deferred tax assets                                 |       | 10,399                  | 6,189                   | -                       | 1,273                   |
| Derivative assets                                   | C     | -                       | 6,573                   | -                       | -                       |
|                                                     |       | <u>6,799,409</u>        | <u>6,651,538</u>        | <u>1,148,462</u>        | <u>1,024,416</u>        |
| <b>Total assets</b>                                 |       | <b><u>8,091,333</u></b> | <b><u>8,129,838</u></b> | <b><u>4,336,336</u></b> | <b><u>4,294,251</u></b> |
| <b>LIABILITIES</b>                                  |       |                         |                         |                         |                         |
| <b>Current liabilities</b>                          |       |                         |                         |                         |                         |
| Trade and other payables                            |       | 236,698                 | 237,740                 | 263,979                 | 67,595                  |
| Borrowings                                          | F     | 703,374                 | 157,195                 | 299,749                 | 152,000                 |
| Provision                                           |       | -                       | -                       | 5,079                   | 4,665                   |
| Loans from subsidiaries                             |       | -                       | -                       | 261,702                 | 216,702                 |
| Current tax liabilities                             |       | 32,071                  | 27,373                  | 3,229                   | 1,957                   |
| Derivative liabilities                              | C     | 34                      | -                       | -                       | -                       |
|                                                     |       | <u>972,177</u>          | <u>422,308</u>          | <u>833,738</u>          | <u>442,919</u>          |
| <b>Non-current liabilities</b>                      |       |                         |                         |                         |                         |
| Borrowings                                          | F     | 2,267,846               | 2,767,352               | 496,787                 | 795,250                 |
| Deferred tax liabilities                            |       | 120,701                 | 119,664                 | 195                     | 392                     |
| Deferred income                                     | G     | 58,832                  | -                       | -                       | -                       |
| Other payables                                      |       | 60,014                  | 56,142                  | 405                     | 390                     |
| Provision                                           |       | -                       | -                       | 6,528                   | 8,395                   |
| Derivative liabilities                              | C     | 19,164                  | 180                     | -                       | -                       |
|                                                     |       | <u>2,526,557</u>        | <u>2,943,338</u>        | <u>503,915</u>          | <u>804,427</u>          |
| <b>Total liabilities</b>                            |       | <b><u>3,498,734</u></b> | <b><u>3,365,646</u></b> | <b><u>1,337,653</u></b> | <b><u>1,247,346</u></b> |
| <b>Net Assets</b>                                   |       | <b><u>4,592,599</u></b> | <b><u>4,764,192</u></b> | <b><u>2,998,683</u></b> | <b><u>3,046,905</u></b> |
| <b>EQUITY</b>                                       |       |                         |                         |                         |                         |
| Share capital                                       |       | 693,315                 | 693,315                 | 693,315                 | 693,315                 |
| Other reserves                                      |       | (124,534)               | (51,672)                | (42,117)                | (39,769)                |
| Accumulated profits                                 |       | <u>3,409,923</u>        | <u>3,288,829</u>        | <u>2,347,485</u>        | <u>2,393,359</u>        |
| <b>Equity attributable to owners of the Company</b> |       | <b>3,978,704</b>        | <b>3,930,472</b>        | <b>2,998,683</b>        | <b>3,046,905</b>        |
| Non-controlling interests                           | H     | 613,895                 | 833,720                 | -                       | -                       |
| <b>Total equity</b>                                 |       | <b><u>4,592,599</u></b> | <b><u>4,764,192</u></b> | <b><u>2,998,683</u></b> | <b><u>3,046,905</u></b> |

**Notes:**

- A) The decrease in “Other investments” of \$78.8 million was mainly due to the partial redemption of the Group’s investment in a mutual fund amounting to \$95.4 million, offset by additional investments during the financial period.
- B) The decrease in “Development properties” of \$142.4 million was due to the divestment of CPEX to OUE H-REIT and sale of units of OUE Twin Peaks.
- 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.
- D) The decrease in “Available-for-sale financial assets” of \$9.6 million was mainly due to the divestment of an interest in a limited partnership in United States of America in 3Q 2016.
- E) The increase in “Investments in equity-accounted investees” of \$96.0 million was mainly due to the Group’s subscription of new stapled securities in OUE Hospitality Trust via a rights issue in April 2016 amounting to \$78.5 million. The increase was also contributed by the acquisition of additional shares in Gemdale, through a joint venture of the Group in March 2016.
- F) The increase in “Borrowings” of \$46.7 million was due to additional loans drawn down mainly for the Group’s asset enhancement initiatives and acquisition of additional investment in equity-accounted investees; offset by repayments made during the financial period.
- 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.
- H) The decrease in “Non-controlling interests” of \$219.8 million was largely due to the Group’s acquisition of additional unitholdings in OUE Commercial Real Estate Investment Trust in February 2016.

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

|                                                    | As at 30/9/16     |                     |                 | As at 31/12/15    |                     |                 |
|----------------------------------------------------|-------------------|---------------------|-----------------|-------------------|---------------------|-----------------|
|                                                    | Secured<br>\$'000 | Unsecured<br>\$'000 | Total<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 | Total<br>\$'000 |
| Amount repayable in one year or less, or on demand | 403,625           | 299,749             | 703,374         | 5,195             | 152,000             | 157,195         |
| Amount repayable after one year                    | 1,771,059         | 496,787             | 2,267,846       | 1,972,102         | 795,250             | 2,767,352       |

**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

**1(c) Consolidated Statement of Cash Flows**

|                                                                                            | <b>The Group</b>                                          |                                                           |                                                         |                                                         |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
|                                                                                            | <b>Third<br/>Quarter<br/>ended<br/>30/9/16<br/>\$'000</b> | <b>Third<br/>Quarter<br/>ended<br/>30/9/15<br/>\$'000</b> | <b>Nine<br/>Months<br/>ended<br/>30/9/16<br/>\$'000</b> | <b>Nine<br/>Months<br/>ended<br/>30/9/15<br/>\$'000</b> |
| <b>Cash flows from operating activities</b>                                                |                                                           |                                                           |                                                         |                                                         |
| Profit after tax                                                                           | 113,565                                                   | 19,694                                                    | 160,413                                                 | 90,843                                                  |
| Adjustments for:                                                                           |                                                           |                                                           |                                                         |                                                         |
| Depreciation of property, plant and equipment                                              | 1,119                                                     | 962                                                       | 3,298                                                   | 2,905                                                   |
| Dividend income                                                                            | (900)                                                     | (900)                                                     | (1,800)                                                 | (1,800)                                                 |
| Reversal of impairment loss on a development property                                      | (15,076)                                                  | -                                                         | (42,907)                                                | -                                                       |
| Net change in fair value of investments designated<br>at fair value through profit or loss | (9,240)                                                   | 1,332                                                     | (4,272)                                                 | 7,205                                                   |
| Finance expenses                                                                           | 31,849                                                    | 22,588                                                    | 99,183                                                  | 59,825                                                  |
| Finance income                                                                             | (4,972)                                                   | (8,795)                                                   | (2,587)                                                 | (12,274)                                                |
| Gain on sale of available-for-sale financial asset                                         | (4,672)                                                   | -                                                         | (4,672)                                                 | -                                                       |
| Loss/(Gain) on disposal of property, plant and equipment                                   | -                                                         | 5                                                         | (101)                                                   | (57,791)                                                |
| Share of results of equity-accounted investees, net of tax                                 | (13,383)                                                  | (26,215)                                                  | (53,648)                                                | (56,618)                                                |
| Tax expense                                                                                | 6,973                                                     | 4,654                                                     | 19,999                                                  | 16,665                                                  |
|                                                                                            | <b>105,263</b>                                            | <b>13,325</b>                                             | <b>172,906</b>                                          | <b>48,960</b>                                           |
| Changes in:                                                                                |                                                           |                                                           |                                                         |                                                         |
| - trade and other receivables and other assets                                             | (6,173)                                                   | 236                                                       | (2,849)                                                 | (35,450)                                                |
| - inventories                                                                              | (122)                                                     | (47)                                                      | (406)                                                   | (1)                                                     |
| - development properties                                                                   | 228,150                                                   | (2,571)                                                   | 185,273                                                 | 18,294                                                  |
| - trade and other payables and provisions                                                  | (2,740)                                                   | 3,980                                                     | 4,656                                                   | 11,710                                                  |
| - deferred income                                                                          | 20,981                                                    | -                                                         | 58,832                                                  | -                                                       |
| Cash generated from operations                                                             | <b>345,359</b>                                            | <b>14,923</b>                                             | <b>418,412</b>                                          | <b>43,513</b>                                           |
| Tax paid                                                                                   | <b>(6,562)</b>                                            | <b>(5,762)</b>                                            | <b>(13,442)</b>                                         | <b>(13,804)</b>                                         |
| <b>Net cash from operating activities</b>                                                  | <b>338,797</b>                                            | <b>9,161</b>                                              | <b>404,970</b>                                          | <b>29,709</b>                                           |
| <b>Cash flows from investing activities</b>                                                |                                                           |                                                           |                                                         |                                                         |
| Acquisition of additional investment in an associate                                       | -                                                         | (1,376)                                                   | (78,486)                                                | (1,376)                                                 |
| Acquisition of available-for-sale financial assets                                         | (2,254)                                                   | (69)                                                      | (4,943)                                                 | (409)                                                   |
| Acquisition of other investments                                                           | -                                                         | (40,489)                                                  | (13,309)                                                | (288,311)                                               |
| Additions to property, plant and equipment                                                 | (710)                                                     | (1,207)                                                   | (1,989)                                                 | (4,034)                                                 |
| Additions to investment properties                                                         | (43,542)                                                  | (25,263)                                                  | (116,870)                                               | (85,794)                                                |
| Dividends from:                                                                            |                                                           |                                                           |                                                         |                                                         |
| - equity-accounted investees, net of tax                                                   | 5,389                                                     | 6,695                                                     | 20,205                                                  | 32,122                                                  |
| - available-for-sale financial assets, net of tax                                          | 900                                                       | 900                                                       | 1,800                                                   | 1,800                                                   |
| - other investments, net of tax                                                            | 100                                                       | 68                                                        | 244                                                     | 453                                                     |
| Interest received                                                                          | 205                                                       | 310                                                       | 833                                                     | 1,146                                                   |
| Loan to joint venture                                                                      | -                                                         | (56)                                                      | (25,247)                                                | (131,833)                                               |
| Repayment of loan from a joint venture                                                     | 8,837                                                     | -                                                         | 8,837                                                   | -                                                       |
| Proceeds from sale of other investments                                                    | 1,096                                                     | 146,857                                                   | 96,469                                                  | 237,611                                                 |
| Proceeds from sale of available-for-sale financial asset                                   | 18,576                                                    | -                                                         | 18,576                                                  | -                                                       |
| Proceeds from disposal of property, plant and equipment                                    | -                                                         | 3                                                         | 31                                                      | 290,109                                                 |
| <b>Net cash (used in)/from investing activities</b>                                        | <b>(11,403)</b>                                           | <b>86,373</b>                                             | <b>(93,849)</b>                                         | <b>51,484</b>                                           |

**OUE LIMITED**  
**Third Quarter Ended 30 September 2016**

|                                                                                 | The Group                                      |                                                |                                              |                                              |
|---------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                                                                 | Third<br>Quarter<br>ended<br>30/9/16<br>\$'000 | Third<br>Quarter<br>ended<br>30/9/15<br>\$'000 | Nine<br>Months<br>ended<br>30/9/16<br>\$'000 | Nine<br>Months<br>ended<br>30/9/15<br>\$'000 |
| <b>Cash flows from financing activities</b>                                     |                                                |                                                |                                              |                                              |
| Acquisition of non-controlling interests                                        | -                                              | (442)                                          | (165,970)                                    | (442)                                        |
| Dividends paid                                                                  | (39,165)                                       | (13,107)                                       | (73,780)                                     | (35,043)                                     |
| Finance expense paid (including amounts capitalised in development property)    | (25,229)                                       | (21,839)                                       | (85,513)                                     | (60,213)                                     |
| Proceeds from borrowings                                                        | 62,356                                         | 169,000                                        | 541,856                                      | 851,000                                      |
| Repayment of borrowings                                                         | (281,726)                                      | (208,829)                                      | (484,656)                                    | (678,362)                                    |
| Proceeds from issuance of units by a subsidiary                                 | -                                              | 112,886                                        | -                                            | 112,886                                      |
| Unit issue costs of a subsidiary                                                | -                                              | (2,752)                                        | -                                            | (2,752)                                      |
| Repurchase of own shares                                                        | (2,348)                                        | (11,952)                                       | (2,348)                                      | (11,952)                                     |
| Changes in pledged deposits                                                     | 765                                            | (624)                                          | 2,215                                        | (338)                                        |
| <b>Net cash (used in)/from financing activities</b>                             | <b>(285,347)</b>                               | <b>22,341</b>                                  | <b>(268,196)</b>                             | <b>174,784</b>                               |
| <b>Net increase in cash and cash equivalents</b>                                | <b>42,047</b>                                  | <b>117,875</b>                                 | <b>42,925</b>                                | <b>255,977</b>                               |
| Cash and cash equivalents at beginning of the financial period                  | 157,771                                        | 284,982                                        | 156,893                                      | 146,880                                      |
| <b>Cash and cash equivalents at the end of the financial period<sup>1</sup></b> | <b>199,818</b>                                 | <b>402,857</b>                                 | <b>199,818</b>                               | <b>402,857</b>                               |

<sup>1</sup>Cash and cash equivalents as at 30 September 2016 excludes the Group's pledged deposits of \$13,245,000 (31/12/15: \$15,460,000).

**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           |
| <b>At 1 July 2016</b>                                                      | <b>693,315</b>                        | <b>(125,649)</b> | <b>3,328,202</b>    | <b>3,895,868</b> | <b>620,809</b>            | <b>4,516,677</b> |
| <b>Total comprehensive income for the period</b>                           |                                       |                  |                     |                  |                           |                  |
| Profit for the period                                                      | -                                     | -                | 107,614             | 107,614          | 5,951                     | 113,565          |
| <b>Other comprehensive income</b>                                          |                                       |                  |                     |                  |                           |                  |
| 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                                                 | -                                     | 4,241            | -                   | 4,241            | -                         | 4,241            |
| - reclassified to profit or loss on disposal                               | -                                     | (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            |
| <b>Total comprehensive income for the period</b>                           | <b>-</b>                              | <b>3,466</b>     | <b>107,614</b>      | <b>111,080</b>   | <b>6,374</b>              | <b>117,454</b>   |
| <b>Transactions with owners, recognised directly in equity</b>             |                                       |                  |                     |                  |                           |                  |
| <b>Contributions by and distributions to owners</b>                        |                                       |                  |                     |                  |                           |                  |
| Dividends paid                                                             | -                                     | -                | (27,064)            | (27,064)         | (12,101)                  | (39,165)         |
| Own shares acquired                                                        | -                                     | (2,348)          | -                   | (2,348)          | -                         | (2,348)          |
| <b>Total contributions by and distributions to owners</b>                  | <b>-</b>                              | <b>(2,348)</b>   | <b>(27,064)</b>     | <b>(29,412)</b>  | <b>(12,101)</b>           | <b>(41,513)</b>  |
| <b>Changes in ownership interests in subsidiaries</b>                      |                                       |                  |                     |                  |                           |                  |
| Changes in ownership interests in a subsidiary without a change in control | -                                     | 16               | 1,171               | 1,187            | (1,187)                   | -                |
| <b>Total changes in ownership interests in subsidiaries</b>                | <b>-</b>                              | <b>16</b>        | <b>1,171</b>        | <b>1,187</b>     | <b>(1,187)</b>            | <b>-</b>         |
| <b>Total transactions with owners</b>                                      | <b>-</b>                              | <b>(2,332)</b>   | <b>(25,893)</b>     | <b>(28,225)</b>  | <b>(13,288)</b>           | <b>(41,513)</b>  |
| Share of reserves of an equity-accounted investee                          | -                                     | (19)             | -                   | (19)             | -                         | (19)             |
| <b>At 30 September 2016</b>                                                | <b>693,315</b>                        | <b>(124,534)</b> | <b>3,409,923</b>    | <b>3,978,704</b> | <b>613,895</b>            | <b>4,592,599</b> |
| <b>At 1 July 2015</b>                                                      | <b>693,315</b>                        | <b>13,213</b>    | <b>3,206,222</b>    | <b>3,912,750</b> | <b>487,924</b>            | <b>4,400,674</b> |
| <b>Total comprehensive income for the period</b>                           |                                       |                  |                     |                  |                           |                  |
| Profit for the period                                                      | -                                     | -                | 15,003              | 15,003           | 4,691                     | 19,694           |
| <b>Other comprehensive income</b>                                          |                                       |                  |                     |                  |                           |                  |
| Currency translation differences relating to foreign operations            | -                                     | 13,258           | -                   | 13,258           | 3,748                     | 17,006           |
| Share of currency translation differences of equity-accounted investees    | -                                     | 3,837            | -                   | 3,837            | -                         | 3,837            |
| Share of other reserves of equity-accounted investees                      | -                                     | (1,815)          | -                   | (1,815)          | -                         | (1,815)          |
| Fair value loss on available-for-sale financial assets                     | -                                     | (94)             | -                   | (94)             | -                         | (94)             |
| Effective portion of changes in fair value of cash flow hedges             | -                                     | 1,498            | -                   | 1,498            | 1,595                     | 3,093            |
| Total other comprehensive income, net of tax                               | -                                     | 16,684           | -                   | 16,684           | 5,343                     | 22,027           |
| <b>Total comprehensive income for the period</b>                           | <b>-</b>                              | <b>16,684</b>    | <b>15,003</b>       | <b>31,687</b>    | <b>10,034</b>             | <b>41,721</b>    |
| <b>Transactions with owners, recognised directly in equity</b>             |                                       |                  |                     |                  |                           |                  |
| <b>Contributions by and distributions to owners</b>                        |                                       |                  |                     |                  |                           |                  |
| Own shares acquired                                                        | -                                     | (11,952)         | -                   | (11,952)         | -                         | (11,952)         |
| Dividends paid                                                             | -                                     | -                | -                   | -                | (13,107)                  | (13,107)         |
| Proceeds from issuance of units in a subsidiary                            | -                                     | -                | -                   | -                | 112,886                   | 112,886          |
| Unit issue costs of a subsidiary                                           | -                                     | (2,897)          | -                   | (2,897)          | (3,103)                   | (6,000)          |
| <b>Total contributions by and distributions to owners</b>                  | <b>-</b>                              | <b>(14,849)</b>  | <b>-</b>            | <b>(14,849)</b>  | <b>96,676</b>             | <b>81,827</b>    |
| <b>Changes in ownership interests in subsidiaries</b>                      |                                       |                  |                     |                  |                           |                  |
| Changes in ownership interests in a subsidiary without a change in control | -                                     | 5                | 256                 | 261              | (703)                     | (442)            |
| <b>Total changes in ownership interests in subsidiaries</b>                | <b>-</b>                              | <b>5</b>         | <b>256</b>          | <b>261</b>       | <b>(703)</b>              | <b>(442)</b>     |
| <b>Total transactions with owners</b>                                      | <b>-</b>                              | <b>(14,844)</b>  | <b>256</b>          | <b>(14,588)</b>  | <b>95,973</b>             | <b>81,385</b>    |
| Share of reserves of an equity-accounted investee                          | -                                     | 280              | -                   | 280              | -                         | 280              |
| <b>At 30 September 2015</b>                                                | <b>693,315</b>                        | <b>15,333</b>    | <b>3,221,481</b>    | <b>3,930,129</b> | <b>593,931</b>            | <b>4,524,060</b> |

**OUE LIMITED**  
**Third Quarter Ended 30 September 2016**

| THE COMPANY                                                            | Share Capital<br>\$'000 | Other<br>Reserves<br>\$'000 | Accumulated<br>Profits<br>\$'000 | Total Equity<br>\$'000 |
|------------------------------------------------------------------------|-------------------------|-----------------------------|----------------------------------|------------------------|
| 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              |
| At 1 July 2015                                                         | 693,315                 | 16,545                      | 2,416,111                        | 3,125,971              |
| Total comprehensive income for the period                              |                         |                             |                                  |                        |
| Profit for the period                                                  | -                       | -                           | 101,042                          | 101,042                |
| Total comprehensive income for the period                              | -                       | -                           | 101,042                          | 101,042                |
| Transactions with owners of the Company, recognised directly in equity |                         |                             |                                  |                        |
| Contributions by and distributions to owners of the Company            |                         |                             |                                  |                        |
| Own shares acquired                                                    | -                       | (11,952)                    | -                                | (11,952)               |
| Total transactions with owners of the Company                          | -                       | (11,952)                    | -                                | (11,952)               |
| At 30 September 2015                                                   | 693,315                 | 4,593                       | 2,517,153                        | 3,215,061              |

- 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 3Q 2016.

As at 30 September 2016, the Company held 79,786,000 (31/12/15: 78,305,000) 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 2016, the Company's total number of issued shares excluding treasury shares is 901,815,860 (31/12/15: 903,296,860).

- 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 2015.

- 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 2016. 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<br>Quarter<br>Ended<br>30/9/16 | Third<br>Quarter<br>Ended<br>30/9/15 | Nine<br>Months<br>Ended<br>30/9/16 | Nine<br>Months<br>Ended<br>30/9/15 |
| Weighted average number of ordinary shares in issue                   | 902,753,143                          | 907,501,644                          | 903,114,298                        | 909,082,388                        |
| Basic and diluted earnings per share (cents per share) <sup>(a)</sup> | 11.92                                | 1.65                                 | 15.68                              | 8.35                               |

(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 |             |
|-----------------------------------------------------|-------------|-------------|-------------|-------------|
|                                                     | 30/09/16    | 31/12/15    | 30/09/16    | 31/12/15    |
| Number of issued shares (excluding treasury shares) | 901,815,860 | 903,296,860 | 901,815,860 | 903,296,860 |
| Net asset value per ordinary share (\$)             | 4.41        | 4.35        | 3.33        | 3.37        |

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.

| <b>FINANCIAL HIGHLIGHTS</b>                  | <b>3Q 2016<br/>\$'000</b> | <b>3Q 2015<br/>\$'000</b> | <b>Change<br/>%</b> |
|----------------------------------------------|---------------------------|---------------------------|---------------------|
| Revenue                                      | 419,119                   | 98,975                    | >100.0              |
| Earnings before interest and tax (EBIT)      | 118,427                   | 39,473                    | >100.0              |
| Profit attributable to Owners of the Company | 107,614                   | 15,003                    | >100.0              |

#### **Revenue**

In 3Q 2016, the Group recorded revenue of \$419.1 million (3Q 2015: \$99.0 million). The increase was mainly contributed by property investments and property development divisions.

#### *Hospitality Division*

Revenue from the hospitality division remained in line at \$52.4 million.

#### *Property Investments Division*

Revenue from property investments division increased \$21.9 million to \$65.6 million in 3Q 2016 (3Q 2015: \$43.7 million). The increase was mainly due to the consolidation of revenue of One Raffles Place ("ORP") following the acquisition of additional interests in OUBC in October 2015. Prior to the additional interest acquired, results of OUBC were equity-accounted.

#### *Property Development Division*

OUE Twin Peaks recorded revenue of \$89.2 million in 3Q 2016. The revenue recognised in the current quarter relates only to the units sold where completion of the sale had occurred. 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.

With the completion of the divestment of CPEX to OUE H-REIT in August 2016, the Group recorded \$205.0 million revenue in 3Q 2016 based on the consideration amount agreed as per the sales and purchase agreement entered on 28 November 2014. 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 was approximately \$66.7 million.

#### *Others*

The increase in other revenue of \$4.2 million was mainly contributed by OUE Skyspace, LA which opened in June 2016.

#### **EBIT**

EBIT increased \$79.0 million to \$118.4 million in 3Q 2016 (3Q 2015: \$39.5 million). The increase was mainly contributed by the gain on divestment of CPEX and higher contribution from ORP.

#### **Profit attributable to owners of the Company**

At post-tax level, profit attributable to owners of the Company increased \$92.6 million to \$107.6 million (3Q 2015: \$15.0 million) on back of higher EBIT. The increase was also contributed by reversal of impairment loss on OUE Twin Peaks slightly offset by higher 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.**

The outlook for the global economy points to subdued economic growth<sup>1</sup>. In Singapore, based on advanced estimates released by the Ministry of Trade and Industry, the economy grew just 0.6% in 3Q 2016 on year-on-year basis, the weakest rate of growth since 2009 in the wake of the global financial crisis<sup>2</sup>.

Singapore tourism industry continues to face headwinds in the near term as consumers and corporates are likely to be conservative in their travel expenditures. The increased rooms supply in Singapore had created a highly competitive market environment for the hospitality business and this would likely persist.

The Singapore office market fundamentals remained subdued in 3Q 2016. Although leasing activity had picked up remarkably in this quarter, recording a positive net absorption of 820,417 square feet<sup>3</sup>, this was mainly driven by "flight to quality" movement and increased pre-commitment levels at new office projects rather than by expansion. Grade A CBD Core office rents declined 2.1% quarter-on-quarter to S\$9.30 per square foot per month whereas vacancy rate for Core CBD offices remained low at 4.1%<sup>3</sup>. However, vacancy levels are expected to rise when occupiers vacate their existing office to relocate to the pre-committed space in the coming quarters.

In Downtown Los Angeles, vacancy rate dropped 10 basis point to 16.8%<sup>4</sup> in 3Q 2016. Annual rent growth for overall U.S. downtown markets slowed for the second straight quarter to 6.3%, but exceeded the suburban rate of 4%<sup>4</sup>. In Shanghai, the average vacancy rate for CBD Grade A office market increased by 2.6% quarter-on-quarter to 9.8%<sup>5</sup> primarily due to increase in supply. While demand for office space should continue to grow as it is supported by the city's stable economic fundamentals, the influx of new supply will lead the average vacancy rate to further increase in the immediate term.

Buying activity in the Singapore residential market continued in 3Q 2016. Prices of non-landed private residential properties in Core Central Region declined by 1.8%<sup>6</sup> compared to the 0.3% increase in the previous quarter. The Group recorded higher sales of OUE Twin Peaks from active marketing activities; a total of 268 units were sold as at 30 September 2016. The Group will continue to drive the sale in current challenging market.

Asset enhancement initiatives continue at OUE Downtown. In October 2016, the Group signed a management agreement with Oakwood Asia Pacific Ltd ("Oakwood"), to manage the new Oakwood Premier OUE Singapore at OUE Downtown. The management agreement will see Oakwood, which operates an award-winning portfolio of the finest serviced residences in the world, running the new 268-unit serviced residences at the upcoming OUE Downtown when it opens in 2017.

On 17 October 2016, the Group completed the acquisition of the Nassim Land Parcels which are located along Nassim Road within Singapore's most exclusive Good Class Bungalow enclave and is within the approved White House Park / Nassim Road Conservation Area.

<sup>1</sup> International Monetary Fund, World Economic Outlook Update, July 2016

<sup>2</sup> The Straits Times, Non-oil exports fall 4.8%, outlook still gloomy, 18 October 2016

<sup>3</sup> CBRE Research, Singapore MarketView, Q3 2016

<sup>4</sup> CBRE Research, U.S. MarketView Snapshot, Q3 2016

<sup>5</sup> Colliers International, Shanghai Office Research and Forecast Report, Q3 2016

<sup>6</sup> URA, Flash estimates of 3rd Quarter 2016 private residential property price index, 3 October 2016

**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**  
**2 November 2016**

**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 2016 to be false or misleading.

On behalf of the Board of Directors

**Dr Stephen Riady**  
**Executive Chairman**

**Mr Thio Gim Hock**  
**Chief Executive Officer**