



## **PRESS RELEASE**

For Immediate Release

# **OUE Posts Attributable Profit of S\$124.1 million for 3Q 2019**

- Revenue growth across all business divisions of the Group
- One-off non-cash gain of S\$90.9 million arising from the merger of OUE Commercial Real Estate Investment Trust (“OUE C-REIT”) and OUE Hospitality Trust (“OUE H-Trust”) (the “Merger”)

### **Financial Highlights**

<b>S\$ million</b>	<b>3Q 2019</b>	<b>3Q 2018</b>	<b>% Change</b>	<b>9M 2019</b>	<b>9M 2018</b>	<b>% Change</b>
Revenue	282.5	183.3	54.1	715.1	479.6	49.1
Earnings before interest and tax (EBIT)	90.4	56.6	59.7	193.8	161.8	19.8
Profit attributable to owners of the company	124.1	2.1	>100.0	186.0	8.4	>100.0

**Singapore – 14 November 2019** – SGX Mainboard-listed integrated property developer OUE Limited (“OUE” or together with its subsidiaries, the “Group”) today reported attributable profit for the third quarter ended 30 September 2019 (“3Q 2019”) of S\$124.1 million, up from S\$2.1 million in the previous corresponding quarter (“3Q 2018”).

Revenue increased to S\$282.5 million for 3Q 2019 (3Q 2018: S\$183.3 million). The revenue growth was underpinned by higher revenue contributions across all business divisions of the Group.

The Group’s Investment Properties division recorded revenue of S\$72.3 million for 3Q 2019 (3Q 2018: S\$67.6 million). The increase was mainly due to the inclusion of revenue contribution from Mandarin Gallery, an investment property under the portfolio of OUE H-Trust, subsequent to the completion of the Merger on 4 September 2019.

The Development Properties division recorded revenue of S\$133.9 million (3Q 2018: S\$43.6 million) due to revenue recognised on the sale of the property development located at 26A Nassim Road. This was partially offset by lower revenue recognised on the sale of OUE Twin Peaks units sold under deferred payment schemes.

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## OUE LIMITED

Revenue contribution from the Hospitality division increased to S\$62.5 million (3Q 2018: S\$61.8 million), while the Healthcare division saw a 3.1% increase in revenue to S\$5.0 million on higher contribution from OUE Lippo Healthcare Limited. The inclusion of revenue contribution from Bowsprit Capital Corporation Limited, which was acquired in October 2018, also contributed positively to the Group's revenue.

The Group posted earnings before interest and tax ("EBIT") of S\$90.4 million in 3Q 2019 (3Q2018: S\$56.6 million). The increase was mainly due to higher contribution from equity-accounted investees, partially offset by merger-related expenses and the inclusion of administrative expenses of OUE H-Trust.

Profit attributable to shareholders increased to S\$124.1 million in 3Q 2019 (3Q 2018: S\$2.1 million) on the back of higher EBIT and one-off non-cash gain recognised as a result of the Merger due to the de-recognition of right-of-use assets, lease liabilities and other liabilities related to Mandarin Orchard Singapore ("MOS") and Crowne Plaza Changi Airport ("CPCA") that were previously recognised when OUE H-Trust was an associate of the Group. As the master lease agreements between MOS, CPCA and OUE H-Trust represent intra-group relationships on the completion of the Merger, the right-of-use assets, lease liabilities and other liabilities are de-recognised and a corresponding gain was recognised in the current quarter.

### **Business Review**

Leveraging on its existing access and exposure to the real estate market in China, the Group acquired an additional equity stake in Gemdale Properties and Investment Corporation Limited ("Gemdale") in August 2019, increasing its stake in Gemdale from 21.8% in May 2019 to approximately 27.9% as at 30 September 2019, thereby further strengthening the foundation for future potential collaborations and partnerships with Gemdale.

On 14 August 2019, the Group entered into a sale and purchase agreement for the sale of the property development at 26A Nassim Road, a Good Class Bungalow. The sale consideration of S\$95.0 million was 10.1% higher than the average market value of the property.

On 18 September 2019, the Group entered into a sale and purchase agreement to dispose the serviced apartments at OUE Downtown, together with the plant and equipment and the related serviced apartments business sale for an aggregate consideration of S\$289.0 million. The divestment is a timely initiative and will enable the Group to fund business plans with higher-growth opportunities that will enhance shareholder value.

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## **About OUE Limited**

OUE Limited (SGX-ST: OUE) is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and the United States. OUE consistently grows its business by leveraging its brands and proven expertise in developing and managing landmark assets across the commercial, hospitality, retail and residential sectors. In March 2017, OUE expanded its portfolio into the healthcare sector with the acquisition of OUE Lippo Healthcare Limited, a listed integrated healthcare services and facilities provider. This was followed by the acquisition of Bowsprit Capital Corporation Limited, the manager of First REIT, Singapore's first healthcare real estate investment trust, in October 2018. With its core strategy of investing in and enhancing a stable of distinctive properties, OUE is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value. OUE is the sponsor of OUE Commercial Real Estate Investment Trust.

For the latest news from OUE, visit [www.oue.com.sg](http://www.oue.com.sg)

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