



## OUE LIMITED

(Company Registration No. 196400050E)

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### FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2015 (UNAUDITED)

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**OUE LIMITED**  
**First Quarter Ended 31 March 2015**

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

	Notes	The Group		Change %
		First Quarter ended 31/03/15 \$'000	First Quarter ended 31/03/14 \$'000	
Revenue	A	107,974	106,923	1.0
Cost of sales		(67,896)	(46,532)	45.9
Gross profit		40,078	60,391	(33.6)
Marketing expenses		(3,889)	(2,473)	57.3
Administrative expenses		(17,135)	(19,254)	(11.0)
Other operating expenses		(3,004)	(3,358)	(10.5)
Share of results of equity-accounted investees, net of tax		15,671	4,933	>100.0
		31,721	40,239	(21.2)
Finance expenses	B	(16,563)	(24,448)	(32.3)
Finance income	C	4,220	1,363	>100.0
Other gains - net	D	72,459	1,034,770	(93.0)
Profit before tax	E	91,837	1,051,924	(91.3)
Tax expense	F	(9,295)	(39,705)	(76.6)
<b>Profit after tax</b>		<b>82,542</b>	<b>1,012,219</b>	<b>(91.8)</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		28,960	(7,478)	n.m.
Share of currency translation differences of equity-accounted investees		1,664	238	>100.0
Share of other reserves of equity-accounted investees		1,230	-	n.m.
Hedging reserve of subsidiary reclassified to profit or loss upon loss of control		-	889	n.m.
Fair value gain on available-for-sale financial assets		104	-	n.m.
Effective portion of changes in fair value of cash flow hedges		2,128	332	>100.0
<b>Other comprehensive income, net of tax</b>		<b>34,086</b>	<b>(6,019)</b>	<b>n.m.</b>
<b>Total comprehensive income for the year</b>		<b>116,628</b>	<b>1,006,200</b>	<b>(88.4)</b>
<b>Profit attributable to:</b>				
Owners of the Company		77,174	945,630	(91.8)
Non-controlling interests		5,368	66,589	(91.9)
		<b>82,542</b>	<b>1,012,219</b>	<b>(91.8)</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		100,550	943,979	(89.3)
Non-controlling interests		16,078	62,221	(74.2)
		<b>116,628</b>	<b>1,006,200</b>	<b>(88.4)</b>

n.m. - Not meaningful

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

**A) Revenue**

	First Quarter ended 31/03/15 \$'000	First Quarter ended 31/03/14 \$'000	Change %
Hospitality income	50,171	52,322	(4.1)
Investment properties income	42,531	43,967	(3.3)
Development property income	13,360	9,413	41.9
Others	1,912	1,221	56.6
	<u>107,974</u>	<u>106,923</u>	1.0

**B) Finance expenses**

	First Quarter ended 31/03/15 \$'000	First Quarter ended 31/03/14 \$'000	Change %
Finance expenses	18,367	27,568	(33.4)
Less: Borrowing costs capitalised in development property	(1,804)	(3,120)	(42.2)
	<u>16,563</u>	<u>24,448</u>	(32.3)

Finance expenses decreased from \$24.4 million in 1Q 2014 to \$16.6 million in 1Q 2015 as a result of lower borrowings.

**C) Finance income**

Finance income relates largely to exchange gain arising from translation of USD-denominated receivables.

**D) Other gains – net**

	First Quarter ended 31/03/15 \$'000	First Quarter ended 31/03/14 \$'000	Change %
Allowance for foreseeable loss on a development property	-	(105,000)	n.m.
Change in fair value of an investment property	-	153,093	n.m.
Net change in fair value of investments designated at fair value through profit or loss	14,675	290	>100.0
Gain on disposal of property, plant and equipment	57,784	-	n.m.
Net gain on disposal of subsidiaries	-	986,387	n.m.
	<u>72,459</u>	<u>1,034,770</u>	(93.0)

In 1Q 2015, gain on disposal of property, plant and equipment relates to gain recognised on sale of Crowne Plaza Changi Airport (“CPCA”) to OUE Hospitality Real Estate Investment Trust (“OUE H-REIT”). OUE H-REIT is part of an associate, OUE Hospitality Trust (“OUE H-TRUST”), being a stapled group comprising of OUE H-REIT and OUE Hospitality Business Trust.

In 1Q 2014, other gains include recognition of gain (which arises from the disposal of Mandarin Orchard Singapore and Mandarin Gallery to OUE H-REIT) upon deconsolidation of OUE H-TRUST as well as fair value gain recognised on Lippo Plaza. This is offset by allowance for foreseeable loss recognised on OUE Twin Peaks amounting to \$105.0 million.

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

Included in other gains is also net change in fair value of investments designated at fair value through profit or loss, which comprises fair value gains on the Group's investments in a mutual fund and equity securities.

**E) Profit before tax**

	<b>First Quarter ended 31/03/15 \$'000</b>	<b>First Quarter ended 31/03/14 \$'000</b>	<b>Change %</b>
Profit before tax is stated after charging/(crediting):			
Borrowing cost	16,563	24,067	(31.2)
Net foreign exchange (gains)/losses	(3,400)	381	n.m.
Net change in fair value of derivatives	-	(361)	n.m.
Depreciation of property, plant and equipment	947	3,934	(75.9)
Writeback of impairment of trade and other receivables	(24)	-	n.m.
(Gain)/Loss on disposal of property, plant and equipment	(13)	24	n.m.

**F) Tax expense**

	<b>First Quarter ended 31/03/15 \$'000</b>	<b>First Quarter ended 31/03/14 \$'000</b>	<b>Change %</b>
The charge for income tax expense includes the following:			
(Over)/Underprovision in respect of prior years	(3)	597	n.m.
Deferred tax on fair value gain of an investment property	-	38,273	n.m.

n.m. Not meaningful

**OUE LIMITED**  
**First Quarter Ended 31 March 2015**

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

	Notes	The Group		The Company	
		31/03/15 \$'000	31/12/14 \$'000	31/03/15 \$'000	31/12/14 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	A	265,213	161,957	113,167	62,788
Trade and other receivables	B	52,145	24,759	901,059	690,258
Inventories		646	691	184	192
Other investments	C	374,031	328,070	-	-
Development properties		878,190	875,570	-	-
Other assets		16,509	13,810	3,865	2,568
Loans to subsidiaries		-	-	1,491,380	1,544,693
Derivative assets		249	-	-	-
Assets held for sale	D	-	223,564	-	-
		<u>1,586,983</u>	<u>1,628,421</u>	<u>2,509,655</u>	<u>2,300,499</u>
<b>Non-current assets</b>					
Available-for-sale financial assets		218,436	217,324	201,624	201,624
Investments in equity-accounted investees	E	1,293,278	1,150,776	514,202	514,202
Investments in subsidiaries		-	-	334,792	334,792
Loans to subsidiaries		-	-	88,952	80,866
Other assets		6,254	1,503	-	1,071
Investment properties	F	3,748,028	3,671,968	-	-
Property, plant and equipment		20,185	20,591	15,115	15,173
Deferred tax assets		3,631	2,269	-	-
Derivative assets		3,129	1,478	-	-
		<u>5,292,941</u>	<u>5,065,909</u>	<u>1,154,685</u>	<u>1,147,728</u>
<b>Total assets</b>		<b><u>6,879,924</u></b>	<b><u>6,694,330</u></b>	<b><u>3,664,340</u></b>	<b><u>3,448,227</u></b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	G	197,684	149,283	86,428	100,181
Borrowings	H	638,453	649,507	249,791	249,665
Provision		-	-	6,069	6,894
Loans from subsidiaries		-	-	216,702	-
Current tax liabilities	I	27,783	16,676	1,581	3,562
Derivative liabilities		131	-	-	-
		<u>864,051</u>	<u>815,466</u>	<u>560,571</u>	<u>360,302</u>
<b>Non-current liabilities</b>					
Borrowings	H	1,445,168	1,416,415	496,815	496,523
Deferred tax liabilities		93,775	92,704	576	367
Other payables	G	32,947	29,326	478	585
Provision		-	-	3,379	5,065
Derivative liabilities		745	972	-	-
		<u>1,572,635</u>	<u>1,539,417</u>	<u>501,248</u>	<u>502,540</u>
<b>Total liabilities</b>		<b><u>2,436,686</u></b>	<b><u>2,354,883</u></b>	<b><u>1,061,819</u></b>	<b><u>862,842</u></b>
<b>Net Assets</b>		<b><u>4,443,238</u></b>	<b><u>4,339,447</u></b>	<b><u>2,602,521</u></b>	<b><u>2,585,385</u></b>
<b>EQUITY</b>					
Share capital		693,315	693,315	693,315	693,315
Other reserves		29,605	6,223	16,545	16,545
Accumulated profits		3,231,388	3,153,798	1,892,661	1,875,525
<b>Equity attributable to owners of the Company</b>		<b><u>3,954,308</u></b>	<b><u>3,853,336</u></b>	<b><u>2,602,521</u></b>	<b><u>2,585,385</u></b>
Non-controlling interests		488,930	486,111	-	-
<b>Total equity</b>		<b><u>4,443,238</u></b>	<b><u>4,339,447</u></b>	<b><u>2,602,521</u></b>	<b><u>2,585,385</u></b>

**OUE LIMITED**  
**First Quarter Ended 31 March 2015**

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**Notes:**

- A) The increase in the Group's "Cash and cash equivalents" of \$103.3 million was largely due to receipt of proceeds from the sale of CPCA to OUE H-REIT.
- B) "Trade and other receivables" increased \$27.4 million to \$52.1 million mainly due to accrued receivables pertaining to OUE Twin Peaks.
- C) The Group's "Other investments" of \$374.0 million as at March 2015 relates to investments in a mutual fund and quoted equity securities.
- D) "Assets held for sale" as at 31 December 2014 relates to the carrying value of CPCA, which was classified as held for sale following the signing of the sale and purchase agreement for the sale of CPCA to OUE H-REIT. The divestment of CPCA was completed on 30 January 2015.
- E) The increase in "Investments in equity-accounted investees" of \$142.5 million is mainly due to the Group's subscription of shares in Gemdale Properties and Investment Corporation Limited through a joint venture of the Group which was completed in February 2015.
- F) The Group's "Investment properties" increased \$76.1 million to \$3.7 billion as at March 2015 mainly due to additions to the ongoing renovations for OUE Downtown, as well as translation differences on investment properties denominated in currencies other than the Singapore Dollar.
- G) The increase in "Trade and other payables" of \$52.0 million to \$230.6 million is mainly attributable to accruals for development costs incurred on the development properties of the Group.
- H) The Group's "Borrowings" increased \$17.7 million to \$2.1 billion mainly due to translation differences on USD-denominated borrowings.
- I) "Current tax liabilities" increased \$11.1 million mainly due to the provision for tax arising from the sale of CPCA to OUE H-REIT.

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

	<b>As at 31/3/15</b>		<b>As at 31/12/14</b>	
	<b>Secured \$'000</b>	<b>Unsecured \$'000</b>	<b>Secured \$'000</b>	<b>Unsecured \$'000</b>
<b>Amount repayable in one year or less, or on demand</b>	388,662	249,791	399,842	249,665
<b>Amount repayable after one year</b>	948,353	496,815	919,892	496,523

**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**  
**First Quarter Ended 31 March 2015**

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

	The Group	
	First Quarter ended 31/03/15 \$'000	First Quarter ended 31/03/14 \$'000
<b>Cash flows from operating activities</b>		
Profit after tax	82,542	1,012,219
Adjustments for:		
Depreciation of property, plant and equipment	947	3,934
Allowance for foreseeable loss on a development property	-	105,000
Change in fair value of an investment property	-	(153,093)
Net change in fair value of investments designated at fair value through profit or loss	(14,675)	(290)
Finance expenses	16,563	24,448
Finance income	(4,220)	(1,363)
Gain on disposal of subsidiaries	-	(986,387)
(Gain)/Loss on disposal of property, plant and equipment	(57,797)	24
Share of results of equity-accounted investees, net of tax	(15,671)	(4,933)
Tax expense	9,295	39,705
	16,984	39,264
Changes in:		
- trade and other receivables and other assets	(31,614)	4,545
- inventories	44	19
- development properties	32,577	(11,088)
- trade and other payables and provisions	(3,611)	(7,539)
Cash generated from operations	14,380	25,201
Tax paid	(2,716)	(168)
<b>Net cash from operating activities</b>	<b>11,664</b>	<b>25,033</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	-	(127,664)
Acquisition of available-for-sale financial assets	(340)	-
Acquisition of other investments	(52,983)	(21,907)
Acquisition of property, plant and equipment	(507)	(1,522)
Additions to investment properties	(11,439)	(15,248)
Dividends from:		
- equity-accounted investees, net of tax	7,840	-
- other investments, net of tax	119	-
Interest received	394	39
Loan to joint venture	(131,777)	-
Proceeds from sale of other investments	21,828	8,937
Proceeds from disposal of property, plant and equipment	290,106	-
Proceeds from disposal of subsidiaries, net of cash disposed	-	(58,153)
Proceeds from dilution of interest in a subsidiary	-	15,195
<b>Net cash from/(used in) investing activities</b>	<b>123,241</b>	<b>(200,323)</b>



**OUE LIMITED**  
**First Quarter Ended 31 March 2015**

	<b>The Group</b>	
	<b>First Quarter ended 31/03/15 \$'000</b>	<b>First Quarter ended 31/03/14 \$'000</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(12,837)	(20,779)
Finance expense paid (including amounts capitalised in development property)	(17,662)	(28,576)
Proceeds from borrowings	14,000	502,235
Repayment of borrowings	(15,150)	(472,900)
Proceeds from issuance of units by a subsidiary	-	346,400
Unit issue costs of a subsidiary	-	(17,130)
Changes in pledged deposits	(746)	-
<b>Net cash (used in)/from financing activities</b>	<b>(32,395)</b>	<b>309,250</b>
<b>Net increase in cash and cash equivalents</b>	<b>102,510</b>	<b>133,960</b>
Cash and cash equivalents at the beginning of the financial period	146,880	730,613
<b>Cash and cash equivalents at the end of the financial period<sup>1</sup></b>	<b>249,390</b>	<b>864,573</b>

1 - Cash and cash equivalents as at 31 March 2015 excludes the Group's pledged deposits of \$15,823,000.

**OUE LIMITED**  
**First Quarter Ended 31 March 2015**

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

THE GROUP	Attributable to Owners of the Company					Total Equity \$'000
	Share Capital \$'000	Other Reserves \$'000	Accumulated Profits \$'000	Total \$'000	Non-controlling interests \$'000	
At 1 January 2015	693,315	6,223	3,153,798	3,853,336	486,111	4,339,447
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	77,174	77,174	5,368	82,542
<b>Other comprehensive income</b>						
Currency translation differences relating to foreign operations	-	19,352	-	19,352	9,608	28,960
Share of currency translation differences of equity-accounted investees	-	1,664	-	1,664	-	1,664
Share of other reserves of equity-accounted investees	-	1,230	-	1,230	-	1,230
Fair value gain on available-for-sale financial assets	-	104	-	104	-	104
Effective portion of changes in fair value of cash flow hedges	-	1,026	-	1,026	1,102	2,128
Total other comprehensive income, net of tax	-	23,376	-	23,376	10,710	34,086
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>23,376</b>	<b>77,174</b>	<b>100,550</b>	<b>16,078</b>	<b>116,628</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>						
<b>Contributions by and distributions to owners of the Company</b>						
Dividends paid	-	-	-	-	(12,837)	(12,837)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,837)</b>	<b>(12,837)</b>
<b>Changes in ownership interests in subsidiaries</b>						
Changes in ownership interests in a subsidiary without loss of control	-	6	416	422	(422)	-
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>6</b>	<b>416</b>	<b>422</b>	<b>(422)</b>	<b>-</b>
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>6</b>	<b>416</b>	<b>422</b>	<b>(13,259)</b>	<b>(12,837)</b>
At 31 March 2015	693,315	29,605	3,231,388	3,954,308	488,930	4,443,238
At 1 January 2014	693,315	7,917	2,190,308	2,891,540	623,484	3,515,024
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	945,630	945,630	66,589	1,012,219
<b>Other comprehensive income</b>						
Currency translation differences relating to foreign operations	-	(2,929)	-	(2,929)	(4,549)	(7,478)
Share of currency translation differences of equity-accounted investees	-	238	-	238	-	238
Hedging reserve of subsidiary reclassified to profit or loss upon loss of control	-	889	-	889	-	889
Effective portion of changes in fair value of cash flow hedges	-	151	-	151	181	332
Total other comprehensive income, net of tax	-	(1,651)	-	(1,651)	(4,368)	(6,019)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(1,651)</b>	<b>945,630</b>	<b>943,979</b>	<b>62,221</b>	<b>1,006,200</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>						
<b>Contributions by and distributions to owners of the Company</b>						
Dividends paid	-	-	-	-	(20,779)	(20,779)
Share of unit issue costs of a subsidiary	-	(8,565)	-	(8,565)	(8,565)	(17,130)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>(8,565)</b>	<b>-</b>	<b>(8,565)</b>	<b>(29,344)</b>	<b>(37,909)</b>
<b>Changes in ownership interests in subsidiaries</b>						
Disposal of interest in subsidiaries	-	(25,459)	(101,163)	(126,622)	(609,541)	(736,163)
Proceeds from issuance of units by a subsidiary	-	-	-	-	346,400	346,400
Changes in ownership interests in a subsidiary without loss of control	-	-	(2,070)	(2,070)	17,265	15,195
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>(25,459)</b>	<b>(103,233)</b>	<b>(128,692)</b>	<b>(245,876)</b>	<b>(374,568)</b>
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>(34,024)</b>	<b>(103,233)</b>	<b>(137,257)</b>	<b>(275,220)</b>	<b>(412,477)</b>
At 31 March 2014	693,315	(27,758)	3,032,705	3,698,262	410,485	4,108,747

**OUE LIMITED**  
**First Quarter Ended 31 March 2015**

THE COMPANY	Share Capital \$'000	Other Reserves \$'000	Accumulated Profits \$'000	Total Equity \$'000
At 1 January 2015	693,315	16,545	1,875,525	2,585,385
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	17,136	17,136
<b>Total comprehensive income for the period</b>	-	-	17,136	17,136
At 31 March 2015	<u>693,315</u>	<u>16,545</u>	<u>1,892,661</u>	<u>2,602,521</u>
At 1 January 2014	693,315	(2,363)	1,756,605	2,447,557
<b>Total comprehensive income for the period</b>				
Loss for the period	-	-	(142,673)	(142,673)
<b>Total comprehensive income for the period</b>	-	-	(142,673)	(142,673)
<b>Transactions with owners of the Company, recognised directly in equity</b>				
<b>Contributions by and distributions to owners of the Company</b>				
Distribution <i>in specie</i>	-	-	(126,622)	(126,622)
<b>Total transactions with owners of the Company</b>	-	-	(126,622)	(126,622)
At 31 March 2014	<u>693,315</u>	<u>(2,363)</u>	<u>1,487,310</u>	<u>2,178,262</u>

- 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 1Q 2015.

As at 31 March 2015, the Company held 71,716,000 treasury shares (31 December 2014: 71,716,000).

- 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 31 March 2015, the Company's total number of issued shares excluding treasury shares is 909,885,860 (31 December 2014: 909,885,860).

- 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 2014.

- 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 2015. 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.

**OUE LIMITED**  
**First Quarter Ended 31 March 2015**

- 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.**

	<u>The Group</u>	
	1Q 2015	1Q 2014
	\$	\$
Based on weighted average number of ordinary shares in issue	0.08	1.04
Weighted average number of ordinary shares in issue	909,885,860	909,885,860
On a fully diluted basis <sup>(a)</sup>	0.08	1.04

(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.**

	<u>The Group</u>		<u>The Company</u>	
	31/03/15	31/12/14	31/03/15	31/12/14
	\$	\$	\$	\$
Net asset value per ordinary share	4.35	4.23	2.86	2.84

- 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	First Quarter ended 31/3/15 \$'000	First Quarter ended 31/3/14 \$'000	Change %
Revenue	107,974	106,923	1.0
Earnings before interest and tax (EBIT)	31,721	40,239	(21.2)
Profit attributable to Owners of the Company	77,174	945,630	(91.8)

For the first quarter of 2015, the Group recorded total revenue of \$108.0 million (1Q 2014: \$106.9 million), an increase of 1% over the same period in the previous financial year. The increase is mainly due to full quarter's contribution by Lippo Plaza as well as higher contribution by OUE Twin Peaks.

### **Hospitality Division**

Revenue contributed by the hospitality division dipped 4.1% to \$50.2 million (1Q 2014: \$52.3 million) due to lower occupancy rates achieved by the Group's hotel properties.

### **Property Investment Division**

Revenue from the investment property division decreased \$1.4 million to \$42.5 million (1Q 2014: \$44.0 million) for the current quarter. The decrease is due to absence of contribution from Mandarin Gallery following the decrease in equity interest in OUE H-TRUST on 31 March 2014. OUE H-TRUST was a subsidiary of the Group and only became an associate from 31 March 2014.

The decrease is offset partially by higher revenue recognised by US Bank Tower stemming from increased occupancy rate, as well as full quarter's contribution from Lippo Plaza, which was acquired in January 2014.

### **Property Development Division**

OUE Twin Peaks obtained its temporary occupation permit in February 2015. This contributed positively to the current quarter's development property income which increased 41.9% year-on-year to \$13.4 million.

EBIT dropped to \$31.7 million in 1Q 2015 from \$40.2 million in 1Q 2014 as a result of higher operating costs, partially mitigated by increased contribution from the shopping mall of One Raffles Place, which commenced operations in May 2014. Higher operating costs were largely due to the recognition of rental expense to OUE H-TRUST in the current quarter.

At post-tax level, the Group had an attributable profit of \$77.2 million in 1Q 2015 (1Q 2014: \$945.6 million), down 91.8% over the same period in the previous financial period. The decrease is mainly attributable to the absence of gain on deconsolidation of OUE H-TRUST in 1Q 2015.

**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.**

According to Singapore Tourism Board<sup>1,2</sup> ("STB"), total visitor arrivals was down 5.5% year-on-year in the first two months of 2015. For the full year 2015, STB expects tourism numbers to grow modestly, between 0% and 3% for visitor arrivals, and between 0% and 2% for tourism receipts.

According to CBRE<sup>3</sup>, vacancy rate in the CBD Core fell slightly by 0.4% to 3.9% and this was at the low end of the historic range. Consequently, Grade A rents in Singapore grew 1.8% quarter-on-quarter to reach \$11.40 psf/mth. With limited new office space in the pipeline over the next 12 months, vacancy levels are expected to remain low. The positive rental outlook in 2015 is expected to benefit the Group.

During 1Q 2015, three new projects were completed in the Shanghai CBD Grade A office market, pushing overall vacancy rate up by 1.8% quarter-on-quarter to 7.4%. As of end 1Q 2015, the average rent of the Shanghai CBD Grade A office market increased by 2.3% quarter-on-quarter to RMB 9.5 psm per day, according to Colliers International<sup>4</sup>. In view of further new supply coming on-stream in Puxi in 2015, the rental outlook is expected to be subdued.

According to DTZ<sup>5</sup>, Los Angeles (“LA”) overall office vacancy as at 1Q 2015 stood at 15.0%, a slight increase from 14.8% quarter-on-quarter, but still below the 15.3% rate posted a year ago. Overall Downtown LA vacancy was at 16.5% as at 1Q 2015.

The Group remains focused on our asset enhancement initiatives at OUE Downtown and US Bank Tower. With active lease management, US Bank Tower and OUE Downtown 1 and 2 achieved committed occupancy of 79.6% and 89.7% respectively as at 31 March 2015.

Construction of Crowne Plaza Changi Airport’s extension (“CPEX”) is well on track, completion of which is expected by end of 2015 but no later than June 2016. Once completed, CPEX will be divested to OUE H-REIT’s as part of our capital recycling strategy.

Cautious sentiments continue to prevail in the high-end residential market. The Group will continue to drive the sale of its only residential project, OUE Twin Peaks.

1: Singapore Tourism Board, International Visitor Arrivals Statistics, 7 April 2015

2: Singapore Business Review “Tourism headwinds to persist in 2015, warn STB”, 7 April 2015

3: CBRE Singapore MarketView Q1 2015

4: Colliers International Shanghai Research & Forecast Report 1Q 2015

5: DTZ Los Angeles Office Market Snapshot Report 1Q 2015

**11 Dividend**

**(a) Current Financial Period Reported On**

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

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

Not applicable.

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

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

**BY ORDER OF THE BOARD**

**NG NGAI**  
**COMPANY SECRETARY**  
**8 May 2015**



**OUE LIMITED**  
**First Quarter Ended 31 March 2015**

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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 financial results of the Company and the Group for the quarter ended 31 March 2015 to be false or misleading.

On behalf of the Board of Directors

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

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