



OUE LIMITED

(Company Registration No. 196400050E)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013 (UNAUDITED)

1(a)(i) Statement of Comprehensive Income

	Notes	The Group		Change %
		2013 \$'000	2012 \$'000	
Revenue	A	436,564	417,963	4.5
Cost of sales		(210,561)	(163,455)	28.8
Gross profit		226,003	254,508	(11.2)
Marketing expenses		(14,365)	(12,530)	14.6
Administrative expenses		(50,965)	(41,493)	22.8
Other operating expenses		(21,079)	(19,516)	8.0
		139,594	180,969	(22.9)
Finance expenses	B	(95,546)	(89,147)	7.2
Finance income		2,945	2,678	10.0
Share of results of associates and jointly controlled entity, net of tax		17,360	(24,135)	n.m.
		64,353	70,365	(8.5)
Other (losses)/gains - net	C	(50,218)	32,487	n.m.
Profit before tax	D	14,135	102,852	(86.3)
Tax expense	E	(44,254)	(12,101)	>100.0
(Loss)/ Profit after tax		(30,119)	90,751	n.m.
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences relating to foreign operations		10,333	(14,113)	n.m.
Currency translation differences transferred to profit and loss arising from disposal of subsidiaries		(8,666)	-	n.m.
Fair value gain on available-for-sale financial assets		28,499	25,806	10.4
Effective portion of changes in fair value of cash flow hedges of a subsidiary		(2,298)	-	n.m.
Share of effective portion of changes in fair value of cash flow hedges of an associate		-	1,152	n.m.
Share of foreign currency translation differences of associates		1,151	(1,984)	n.m.
Other comprehensive income, net of tax		29,019	10,861	>100.0
Total comprehensive income		(1,100)	101,612	n.m.
(Loss)/ Profit attributable to:				
Owners of the Company	F	(36,555)	90,056	n.m.
Non-controlling interests		6,436	695	>100.0
		(30,119)	90,751	n.m.
Total comprehensive income attributable to:				
Owners of the Company		(7,007)	101,222	n.m.
Non-controlling interests		5,907	390	>100.0
		(1,100)	101,612	n.m.

n.m. - Not meaningful

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(ii) Notes to the Statement of Comprehensive Income

	The Group		
	2013	2012	Change
	\$'000	\$'000	%
(A) Revenue			
Hospitality income	229,571	239,410	(4.1)
Investment property income	138,114	144,657	(4.5)
Development property income	62,743	31,387	99.9
Dividend income	1,460	2,100	(30.5)
Others	4,676	409	>100.0
	<u>436,564</u>	<u>417,963</u>	4.5
(B) Finance expenses			
Finance expenses	111,572	105,498	5.8
Less: Finance expense capitalised in development property	(16,026)	(16,351)	(2.0)
	<u>95,546</u>	<u>89,147</u>	7.2
(C) Other (losses)/gains - net			
Fair value (losses)/gains on investment properties	(46,987)	24,452	n.m.
Net change in fair value of other investments designated at fair value through profit or loss	262	3,549	(92.6)
Loss on sale of subsidiaries	(3,493)	(1)	>100.0
Reversal of impairment losses on property, plant and equipment	-	4,487	n.m.
	<u>(50,218)</u>	<u>32,487</u>	n.m.
(D) Profit before tax			
Profit before tax is stated after charging/(crediting):			
Borrowing cost	79,605	88,355	(9.9)
Loss on foreign exchange	15,941	792	>100.0
Net change in fair value of derivatives	(1,078)	-	n.m.
Depreciation of property, plant and equipment	22,218	24,753	(10.2)
Allowance for/(Reversal of) impairment on trade receivables	66	(8)	n.m.
Bad debts written off on trade receivables	65	76	(14.5)
Loss/(Gain) on disposal of property, plant and equipment	2,991	(51)	n.m.
(E) Tax expense			
The charge for income tax expense includes the following:			
Overprovision in preceding financial years	(560)	(6,204)	(91.0)
Deferred tax provision on investment property's fair value gains	30,209	-	n.m.
(F) (Loss)/Profit attributable to Owners of the Company			
Attributable profit before tax, fair value and other (losses)/gains	57,492	110,956	(48.2)
Tax expense	(14,045)	(12,101)	16.1
Fair value losses on investment properties including those of associated companies, net of tax ¹	(76,771)	(16,185)	>100.0
Other (losses)/gains	(3,231)	7,386	n.m.
Net attributable (losses)/profit	<u>(36,555)</u>	<u>90,056</u>	n.m.

1 - Net of deferred tax provision relating to fair value gain on an investment property
n.m. - Not meaningful

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1(b)(i) Statements of Financial Position

	The Group		The Company	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	730,613	604,637	551,331	430,682
Trade and other receivables	22,250	35,470	568,559	978,820
Inventories	790	1,013	163	179
Other investments	9,478	-	-	-
Development property	846,806	793,734	-	-
Other assets	11,444	7,446	27,161	3,962
Loans to subsidiaries	-	-	1,415,146	775,799
	<u>1,621,381</u>	<u>1,442,300</u>	<u>2,562,360</u>	<u>2,189,442</u>
Non-current assets				
Available-for-sale financial assets	193,304	162,470	182,716	154,156
Investments in associates and jointly controlled entity	720,474	721,417	125,621	157,666
Investments in subsidiaries	-	-	834,920	317,433
Loans to subsidiaries	-	-	72,847	130,767
Other assets	1,533	1,000	1,704	663
Investment properties	3,467,003	3,021,000	-	540,000
Property, plant and equipment	366,795	495,183	15,841	130,700
Intangible assets	43,200	43,200	-	-
Deferred tax assets	-	937	-	-
Derivative assets	4,507	-	-	-
	<u>4,796,816</u>	<u>4,445,207</u>	<u>1,233,649</u>	<u>1,431,385</u>
Total assets	<u>6,418,197</u>	<u>5,887,507</u>	<u>3,796,009</u>	<u>3,620,827</u>
LIABILITIES				
Current liabilities				
Trade and other payables	86,848	83,197	300,098	194,970
Current tax liabilities	10,724	23,013	3,304	10,687
Borrowings	349,747	846,207	349,747	746,448
	<u>447,319</u>	<u>952,417</u>	<u>653,149</u>	<u>952,105</u>
Non-current liabilities				
Borrowings	2,392,273	1,728,200	694,544	991,631
Deferred tax liabilities	38,322	6,334	113	5,597
Other liabilities	19,531	27,051	646	4,729
Derivative liabilities	5,728	-	-	-
	<u>2,455,854</u>	<u>1,761,585</u>	<u>695,303</u>	<u>1,001,957</u>
Total liabilities	<u>2,903,173</u>	<u>2,714,002</u>	<u>1,348,452</u>	<u>1,954,062</u>
Net Assets	<u>3,515,024</u>	<u>3,173,505</u>	<u>2,447,557</u>	<u>1,666,765</u>
EQUITY				
Capital and reserves attributable to the owners of the Company				
Share capital	693,315	693,315	693,315	693,315
Other reserves	7,917	(10,948)	(2,363)	5,219
Accumulated profits	2,190,308	2,490,265	1,756,605	968,231
	<u>2,891,540</u>	<u>3,172,632</u>	<u>2,447,557</u>	<u>1,666,765</u>
Non-controlling interests	623,484	873	-	-
Total equity	<u>3,515,024</u>	<u>3,173,505</u>	<u>2,447,557</u>	<u>1,666,765</u>

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

	<u>As at 31/12/13</u>		<u>As at 31/12/12</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Amount repayable in one year or less, or on demand	-	349,747	846,207	-
Amount repayable after one year	1,697,729	694,544	721,603	1,006,597

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

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1(c) Consolidated Statement of Cash Flows

	The Group	
	2013 \$'000	2012 \$'000
Cash flows from operating activities		
(Loss)/Profit after tax	(30,119)	90,751
Adjustments for:		
Depreciation of property, plant and equipment	22,218	24,753
Dividend income	(1,460)	(2,100)
Net fair value losses/(gains) on investment properties	46,987	(24,452)
Net change in fair value of other investments	(262)	(3,549)
Finance expense	95,546	88,355
Finance income	(2,945)	(2,678)
Loss on disposal of subsidiaries	3,493	1
Loss/(Gain) on disposal of property, plant and equipment	2,991	(51)
Reversal of impairment losses on property, plant and equipment	-	(4,487)
Share of results of associates and jointly controlled entity, net of tax	(17,360)	24,135
Tax expense	44,254	12,101
	<u>163,343</u>	<u>202,779</u>
Changes in trade and other receivables and other assets	12,125	(7,475)
Changes in inventories	(349)	124
Changes in development property	(38,919)	(23,695)
Changes in trade and other payables and other liabilities	(9,094)	(15,041)
Cash generated from operating activities	<u>127,106</u>	<u>156,692</u>
Tax paid	<u>(23,269)</u>	<u>(16,443)</u>
Net cash from operating activities	<u>103,837</u>	<u>140,249</u>
Cash flows from investing activities		
Acquisition of jointly controlled entity	(25,131)	-
Additions to investment properties	(493,023)	(21,392)
Dividend received from:		
- associates, net of tax	12,458	6,870
- available-for-sale financial assets, net of tax	1,460	2,100
- other investments, net of tax	17	8
Interest received	2,532	1,886
Loan to jointly controlled entity	-	(32,134)
Loan repayment from jointly controlled entity	32,134	-
Proceeds from sale of other investments	16,733	28,788
Proceeds from disposal of property, plant and equipment	1,146	152
Proceeds from disposal of subsidiaries, net of cash disposed of	97,316	-
Proceeds from dilution of interest in a subsidiary	30,541	-
Purchase of available-for-sale financial assets	(2,013)	(8,314)
Purchase of other investments	(25,949)	(17,607)
Purchase of property, plant and equipment	(8,038)	(14,673)
Net cash used in investing activities	<u>(359,817)</u>	<u>(54,316)</u>
Cash flows from financing activities		
Repurchase of own shares	-	(73,321)
Dividends paid	(263,867)	(127,388)
Finance expense (including amounts capitalised in development property)	(98,626)	(90,219)
Proceeds from borrowings	915,718	969,676
Repayment of borrowings	(750,000)	(525,257)
Proceeds from issuance of units by a subsidiary	600,000	-
Unit issue costs of a subsidiary	(21,586)	-
Net cash from financing activities	<u>381,639</u>	<u>153,491</u>
Net increase in cash and cash equivalents	<u>125,659</u>	<u>239,424</u>
Cash and cash equivalents at the beginning of financial year	604,637	367,856
Effect of exchange rate fluctuations on cash held	317	(2,643)
Cash and cash equivalents at the end of financial year	<u><u>730,613</u></u>	<u><u>604,637</u></u>

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

THE GROUP	Attributable to Owners of the Company			Total	Non-controlling interests	Total Equity
	Share Capital	Other Reserves	Accumulated Profits			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2013	693,315	(10,948)	2,490,265	3,172,632	873	3,173,505
Total comprehensive income for the year						
Loss for the year	-	-	(36,555)	(36,555)	6,436	(30,119)
Other comprehensive income						
Currency translation differences relating to foreign operations	-	9,606	-	9,606	727	10,333
Currency translation differences transferred to profit and loss on disposal of subsidiaries	-	(8,666)	-	(8,666)	-	(8,666)
Fair value gain on available-for-sale financial assets	-	28,499	-	28,499	-	28,499
Share of effective portion of changes in fair value of cash flow hedges of a subsidiary	-	(1,042)	-	(1,042)	(1,256)	(2,298)
Share of foreign currency translation differences of associates and jointly controlled entity	-	1,151	-	1,151	-	1,151
Total other comprehensive income, net of tax	-	29,548	-	29,548	(529)	29,019
Total comprehensive income for the year	-	29,548	(36,555)	(7,007)	5,907	(1,100)
Transactions with owners of the Company, recognised directly in equity						
Contributions by and distributions to owners of the Company						
Dividends paid	-	-	(263,867)	(263,867)	-	(263,867)
Share of unit issue costs of a subsidiary	-	(10,683)	-	(10,683)	(11,620)	(22,303)
Changes in ownership interests in subsidiaries						
Disposal of interest in subsidiaries	-	-	-	-	(1,752)	(1,752)
Proceeds from issuance of units by a subsidiary	-	-	-	-	600,000	600,000
Changes in ownership interests in subsidiary without loss of control	-	-	465	465	30,076	30,541
Total transactions with owners of the Company	-	(10,683)	(263,402)	(274,085)	616,704	342,619
At 31 December 2013	693,315	7,917	2,190,308	2,891,540	623,484	3,515,024
At 1 January 2012	693,315	51,207	2,527,597	3,272,119	483	3,272,602
Total comprehensive income for the year						
Profit for the year	-	-	90,056	90,056	695	90,751
Other comprehensive income						
Currency translation differences relating to foreign operations	-	(13,808)	-	(13,808)	(305)	(14,113)
Fair value gain on available-for-sale financial assets	-	25,806	-	25,806	-	25,806
Share of effective portion of changes in fair value of cash flow hedges of an associate	-	1,152	-	1,152	-	1,152
Share of foreign currency translation differences of associates	-	(1,984)	-	(1,984)	-	(1,984)
Total other comprehensive income, net of tax	-	11,166	-	11,166	(305)	10,861
Total comprehensive income for the year	-	11,166	90,056	101,222	390	101,612
Transactions with owners of the Company, recognised directly in equity						
Contributions by and distributions to owners of the Company						
Own shares acquired	-	(73,321)	-	(73,321)	-	(73,321)
Dividends paid	-	-	(127,388)	(127,388)	-	(127,388)
Total transactions with owners of the Company	-	(73,321)	(127,388)	(200,709)	-	(200,709)
At 31 December 2012	693,315	(10,948)	2,490,265	3,172,632	873	3,173,505

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THE COMPANY	Share Capital \$'000	Other Reserves \$'000	Accumulated Profits \$'000	Total Equity \$'000
At 1 January 2013	693,315	5,219	968,231	1,666,765
Total comprehensive income for the year				
Profit for the year	-	-	1,052,241	1,052,241
Other comprehensive income				
Fair value gain on available-for-sale financial assets	-	28,560	-	28,560
Reversal of revaluation reserve on disposal of property, plant and equipment	-	(36,142)	-	(36,142)
Total other comprehensive income, net of tax	-	(7,582)	-	(7,582)
Total comprehensive income for the year	-	(7,582)	1,052,241	1,044,659
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Dividends paid	-	-	(263,867)	(263,867)
Total transactions with owners of the Company	-	-	(263,867)	(263,867)
At 31 December 2013	693,315	(2,363)	1,756,605	2,447,557
At 1 January 2012	693,315	52,734	1,000,406	1,746,455
Total comprehensive income for the year				
Profit for the year	-	-	95,213	95,213
Other comprehensive income				
Fair value gain on available-for-sale financial assets	-	25,806	-	25,806
Total other comprehensive income, net of tax	-	25,806	-	25,806
Total comprehensive income for the year	-	25,806	95,213	121,019
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Own shares acquired	-	(73,321)	-	(73,321)
Dividends paid	-	-	(127,388)	(127,388)
Total transactions with owners of the Company	-	(73,321)	(127,388)	(200,709)
At 31 December 2012	693,315	5,219	968,231	1,666,765

- 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 2013.

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 26 April 2013, the Company did not purchase any issued shares in 2013 (2012: 33,183,000).

As at 31 December 2013, the Company held 71,716,000 treasury shares (31 December 2012: 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 December 2013, the Company's total number of issued shares excluding treasury shares is 909,885,860 (31 December 2012: 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 2012.

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- 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 2013. 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.**

	<u>The Group</u>	
	<u>2013</u>	<u>2012</u>
	\$	\$
Based on weighted average number of ordinary shares in issue	(0.04)	0.10
Weighted average number of ordinary shares in issue	909,885,860	910,752,018
On a fully diluted basis (a)	(0.04)	0.10

(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>	
	<u>31/12/13</u>	<u>31/12/12</u>	<u>31/12/13</u>	<u>31/12/12</u>
	\$	\$	\$	\$
Net asset value per ordinary share	3.18	3.49	2.69	1.83

- 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.

In FY 2013, the Group recorded a total revenue of \$436.6 million (FY 2012: \$418.0 million), an increase of \$18.6 million (up 4.5% year-on-year) over the previous financial year. The increase in Group's total revenue was mainly due to higher revenue recognised by the Property Development division.

Gross profit decreased by 11.2% due largely to lower occupancy at OUE Downtown (previously known as 6 Shenton Way) which is currently undergoing enhancement work and these were partially offset by contributions from US Bank Tower acquired in June 2013. The sale of the 2 China hotels in September 2013 also contributed to the decreased in gross profit.

Marketing expenses increased by \$1.8 million (up 14.6% year on year) as a result of higher marketing costs incurred by the Twin peaks project in 2013.

Administrative expenses increased from \$41.5 million in FY 2012 to \$51.0 million in FY 2013 due mainly to higher legal and professional fees, and headcount related expenses.

As a result of the above, profit before finance expenses and share of results of associates and jointly controlled entity decreased \$41.4 million to \$139.6 million in FY 2013.

Finance expenses increased from \$89.1 million in FY 2012 to \$95.5 million in FY 2013 as a result of higher borrowings and exchange loss from USD-denominated borrowings.

Share of results of associates and jointly controlled entity for FY 2013 was \$17.4 million as compared to loss of \$24.1 million in FY 2012. Excluding OUE's share of One Raffles Place's fair value losses (2013: \$1.8 million versus 2012: \$40.6 million), the share of profit increased 15.9% year-on-year due to better occupancy.

In FY 2013, the Group recorded "other losses" of \$50.2 million (FY 2012: "other gains" of \$32.5 million). The "other losses" comprises mainly of net fair value losses from investment properties and the loss on disposal of the 2 China hotels in September 2013.

At post-tax level, the Group had a loss attributable to the Group of \$36.6 million in 2013 as compared to a profit of \$90.1 million in 2012. The decline was mainly due to net fair value losses on investment properties of the Group. These are non-cash items. The Group's business and operations continue to have a positive contribution to the Group.

Hospitality Division

In FY 2013, the hospitality division achieved total revenue of \$229.6 million (FY 2012: \$239.4 million). The decrease was due mainly to the sale of the two China hotels in the third quarter of 2013.

Property Investment Division

The Group's revenue from investment properties amounted to \$138.1 million for FY 2013 (FY 2012: \$144.7 million). The decrease in FY 2013 was largely due to lower occupancy from OUE Downtown which is currently undergoing enhancement work, mitigated partially by revenue contribution from US Bank Tower acquired in June 2013.

Property Development Division

The development property income of \$62.7 million in FY 2013 relates to revenue recognised from the sale of residential units for Twin Peaks.

Statements of Financial Position

The increase in the Group's "Cash and cash equivalents" of \$126.0 million was largely due to proceeds received from non-controlling interests relating to OUE Hospitality Trust ("OUE H-TRUST"); offset by dividend payment of approximately \$263.9 million and the acquisition of US Bank Tower in June 2013.

The Group's "Trade and other receivables and other assets" decreased \$8.7 million mainly due to settlement of amount due from a joint venture.

The Group's "Development property" increased \$53.1 million to \$846.8 million in December 2013 as a result of project costs incurred.

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The Group's "Other investments" of \$9.5 million in December 2013 relates to investments in quoted equity securities.

The increase in the Group's "Available-for-sale financial assets" to \$193.3 million in December 2013 relates mainly to gain recognised arising from the fair value assessment of the Group's investment in Marina Centre Holdings.

The Group's "Investment properties" increased \$446.0 million to \$3.5 billion, due mainly to acquisition of US Bank Tower in June 2013, fair value gain on US Bank Tower of \$73.5 million, offset by fair value losses on OUE Bayfront, OUE Downtown and Mandarin Gallery.

"Property, plant and equipment" decreased \$128.4 million to \$366.8 million mainly due to the disposal of the 2 China Hotels and their holding companies in the third quarter of 2013. As OUE H-TRUST is consolidated, therefore Mandarin Orchard Singapore continued to be recorded as property, plant and equipment at cost at Group level.

"Borrowings" increased by \$167.6 million mainly due to drawdown from the new facility under OUE H-TRUST amounting to \$865.7 million, offset partially by the repayment of a \$450.0 million loan and \$300.0 million bond.

The Group's "Deferred tax liabilities" increased \$32.0 million to \$38.3 million largely due to the deferred tax provision for the fair value gain on the US Bank Tower.

The increase in "Non-controlling interests" largely relates to the non-controlling interest's share of the net assets of OUE H-TRUST.

Commitments

As at 31 December 2013, the Group and the Company have the following capital commitments:

	The Group		The Company	
	31/12/13	31/12/12	31/12/13	31/12/12
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	12,048	6,952	8,905	4,196
Investment properties	142,170	7,787	-	-
Development property	58,149	127,730	-	-
Available-for-sale financial assets	2,019	3,881	-	-

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.

On 27 January 2014, the Group successfully completed the listing of OUE Commercial Real Estate Investment Trust ("OUE C-REIT") on the Singapore Exchange Securities Trading Limited and the Group holds 50.0% of the units in issued on listing date. The initial portfolio of OUE C-REIT comprises of two prime commercial assets namely the OUE Bayfront property in Singapore and the Lippo Plaza property in Shanghai.

Asset enhancement work for OUE Downtown (formally "6 Shenton Way") has commenced and is expected to be completed in 2016. The Group will continue to focus on active lease management to generate returns from its portfolio of investment properties.

The impact of the various property cooling measures will continue to moderate demand for residential properties in Singapore and the Group will continue to drive the sale of its only development project at Leonie Hill, Twin Peaks.

The Group ended the year with a consolidated cash balance of approximately S\$730.6 million and is well-positioned to capitalise on new growth opportunities.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared/proposed for the current financial period reported on? Yes.

Cash Dividend

The Directors are pleased to recommend a final dividend of 2 cents per tax exempt (one-tier) in respect of the financial year ended 31 December 2013 for approval by shareholders at the next Annual General Meeting to be convened.

Name of dividend	Final
Dividend type	Cash
Dividend per share (In cents)	2 cents
Tax rate	Tax exempt (one-tier)

Special Distribution *In Specie*

On 4 December 2013, OUE Limited announced that its shareholders had, at an extraordinary general meeting of the Company convened on the same date, approved the distribution *in specie* of one (1) stapled securities in OUE Hospitality Trust ("OUE H-TRUST") for every six (6) shares in the Company, with any fractional entitlements to be disregarded, except that stapled securities which would otherwise be distributed to Overseas Shareholders (as defined in the Further Details Announcement) pursuant to the Distribution *In Specie* will be dealt with in the manner described in paragraph 7 of the announcement dated 27 February 2014 (the "Further Details Announcement").

The details of the distribution are set out in the Further Details Announcement.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of dividend	Final	Special
Dividend type	Cash	Cash
Dividend per share (In cents)	3 cents	5 cents
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

(c) Date payable

In relation to the proposed final cash dividend, if approved at the Annual General Meeting to be held on 29 April 2014, will be payable on 30 May 2014.

(d) Books closure date

Cash Dividend

In relation to the proposed final cash dividend, NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 21 May 2014, for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 up to the close of business at 5.00 p.m. on 20 May 2014 will be registered to determine shareholders' entitlements to the proposed final dividends. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the proposed final cash dividends will be paid by the Company to CDP, which will in turn distribute the dividends entitlement to holders of shares in accordance with its practice.

Special Distribution *In Specie*

The details of the distribution *in specie* are set out in the Further Details Announcement.

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.

OUÉ LIMITED
Financial Year Ended 31 December 2013

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial results.

For the financial year ended 31 December 2013

	Hospitality			Property Investments		Property Development	Fund Management	Others	Elimination and Unallocated Items	Group
	Singapore	China	Others	Singapore	United States					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
External revenue	201,814	25,632	2,126	113,992	24,122	62,743	-	6,037	98	436,564
Inter-segment revenue	631	-	-	37,792	-	-	4,832	24	(43,279)	-
Total revenue (including inter-segment revenue)	202,445	25,632	2,126	151,784	24,122	62,743	4,832	6,061	(43,181)	436,564
Profit/(Loss) before interest and tax	49,721	367	1,092	(11,109)	83,783	2,713	1,974	(1,411)	(35,240)	91,890
Depreciation	(15,139)	(4,335)	-	(17)	(7)	-	-	(1,098)	(1,622)	(22,218)
Interest expenses	(2,893)	-	-	(33,272)	(3,011)	-	-	(418)	(40,011)	(79,605)
Interest income	60	656	-	3,718	10	-	-	17	(2,611)	1,850
Share of results of associates and jointly controlled entity, net of tax	5,705	(36)	-	11,693	-	-	-	-	(2)	17,360
Other material items										
Fair value (loss)/gain on investment properties	-	-	-	(120,519)	73,532	-	-	-	-	(46,987)
Net change in fair value of derivatives	-	-	-	1,078	-	-	-	-	-	1,078

For the financial year ended 31 December 2012

	Hospitality			Property Investment	Property Development	Others	Elimination and Unallocated Items	Group
	Singapore	China	Others					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
External revenue	200,218	38,085	1,107	144,657	31,387	2,424	85	417,963
Inter-segment revenue	109	-	-	2,469	-	-	(2,578)	-
Total revenue (including inter-segment revenue)	200,327	38,085	1,107	147,126	31,387	2,424	(2,493)	417,963
Profit/(Loss) before interest and tax	83,539	8,724	991	108,207	4,722	4,748	(22,394)	188,537
Depreciation	(17,906)	(5,707)	-	(30)	-	-	(1,110)	(24,753)
Interest expenses	(2,901)	-	-	(41,841)	-	(42)	(43,571)	(88,355)
Interest income	66	589	54	4,323	-	102	(2,464)	2,670
Share of results of associates and jointly controlled entity, net of tax	6,317	(70)	-	(30,375)	-	-	(7)	(24,135)
Other material items								
Fair value gain on investment properties	-	-	-	24,452	-	-	-	24,452
Reversal of impairment losses of property, plant and equipment	-	4,487	-	-	-	-	-	4,487

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

See paragraph 8 above.

OUE LIMITED
Financial Year Ended 31 December 2013

16 A breakdown of sales

	<u>2013</u> \$'000	<u>2012</u> \$'000	<u>Change</u> %
Revenue reported for first half year	217,409	193,942	12.1
Profit after tax before deducting non-controlling interest reported for first half year	16,612	44,529	(62.7)
Revenue reported for second half year	219,155	224,021	(2.2)
(Loss)/profit after tax before deducting non-controlling interest reported for second half year	(46,731)	46,222	(201.1)

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total dividend paid and proposed in respect of the financial year ended 31 December 2013 will be as follows:-

	<u>2013</u> \$'000	<u>2012</u> \$'000
Ordinary		
- Interim	9,099	27,297
- Special	181,977	45,494
- Final (Proposed)	18,198 *	27,297
Total annual dividend	<u>209,274</u>	<u>100,088</u>

* The final dividend of 2 cents per share tax-exempt (one-tier) in respect of the financial year ended 31 December 2013 is subject to approval of shareholders at the next Annual General Meeting and the dividend amount is based on the number of issued ordinary shares (excluding 71,716,000 treasury shares) of 909,885,860 as at 31 December 2013.

18 Report of person occupying managerial positions who are related to a director, chief executive officer or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or Chief Executive Officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

NG NGAI
COMPANY SECRETARY
27 FEBRUARY 2014