



OUE LIMITED

(Company Registration No. 196400050E)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018 (UNAUDITED)

Item No.	TABLE OF CONTENTS Description	Page No.
1 (a)(i)	Statement of Comprehensive Income	2
1 (a)(ii)	Explanatory Notes to Statement of Comprehensive Income	3 – 5
1 (b)(i)	Statements of Financial Position	6 – 7
1 (b)(ii)	Group's Borrowings and Debt Securities	7
1 (c)	Consolidated Statements of Cash Flows	8 – 9
1 (d)(i)	Statement of Changes in Equity	10 – 12
1 (d)(ii)	Changes in the Company's Issued Share Capital	13
1 (d)(iii)	Total Number of Issued Shares	13
1 (d)(iv)	Changes in the Company's Treasury Shares	13
2 & 3	Audit Statement	13
4 & 5	Accounting Policies	13 – 14
6	Earnings per Share	15
7	Net Asset Value per Share	15
8	Review of Performance	15 – 16
9	Variance from Prospect Statement	16
10	Outlook and Prospect	17
11 & 12	Dividend	17 – 18
13	Interested Person Transactions	18
14	Confirmation pursuant to Rule 720(1) of the Listing Manual	18
15 & 16	Segmental Information	19 - 21
17	Breakdown of Group's revenue and profit after tax for first half year and second half year	21
18	Breakdown of Total Annual Dividend	21
19	Disclosure pursuant to Rule 704(13) of the Listing Manual	22

1(a)(i) Statement of Comprehensive Income

	Notes	The Group		%
		FY 2018 \$'000	FY 2017 \$'000 (Restated) ¹	
Revenue	A	642,897	754,112	(14.7)
Cost of sales		(361,092)	(483,394)	(25.3)
Gross profit		281,805	270,718	4.1
Marketing expenses	B	(19,204)	(30,928)	(37.9)
Administrative expenses	C	(102,560)	(83,716)	22.5
Other operating expenses	D	(17,820)	(58,765)	(69.7)
Share of results of equity-accounted investees, net of tax	E	40,256	68,762	(41.5)
		182,477	166,071	9.9
Finance expenses	F	(139,406)	(130,926)	6.5
Finance income	G	18,192	12,227	48.8
Other gains - net	H	42,381	141,995	(70.2)
Profit before tax	I	103,644	189,367	(45.3)
Tax expense	J	(47,016)	(32,486)	44.7
Profit after tax		56,628	156,881	(63.9)
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign operations:				
- currency translation differences		(21,010)	(43,639)	(51.9)
- currency translation differences reclassified to profit or loss on disposal		21,006	-	n.m.
Share of other comprehensive income of equity-accounted investees:				
- currency translation differences		10,230	(8,755)	n.m.
- currency translation differences reclassified to profit or loss on disposal		(5,047)	742	n.m.
- other reserves		728	10,446	(93.0)
- other reserves reclassified to profit or loss on disposal		(1,674)	-	n.m.
Net change in fair value of available-for-sale financial assets, net of tax		-	26,729	(100.0)
Cash flow hedges:				
- effective portion of changes in fair value of cash flow hedges		(13)	(6,699)	(99.8)
- hedging reserve reclassified to profit or loss		1,705	714	>100.0
		5,925	(20,462)	n.m.
Items that will not be reclassified subsequently to profit or loss:				
Share of other reserves of an equity-accounted investee		(11,488)	-	n.m.
Net change in fair value of investments at fair value through other comprehensive income, net of tax		(108,804)	-	n.m.
		(120,292)	-	n.m.
Other comprehensive income, net of tax		(114,367)	(20,462)	>100.0
Total comprehensive income for the year		(57,739)	136,419	n.m.
Profit attributable to:				
Owners of the Company		10,022	94,560	(89.4)
Non-controlling interests		46,606	62,321	(25.2)
		56,628	156,881	(63.9)
Total comprehensive income attributable to:				
Owners of the Company		(98,414)	80,690	n.m.
Non-controlling interests		40,675	55,729	(27.0)
		(57,739)	136,419	n.m.

n.m.: Not meaningful

Note:

- The results for FY 2017 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s). Refer to Item No. 4 and 5 for the details on the financial impact from the adoption of SFRS(I)s.

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

A) Revenue

	FY 2018	FY 2017	
	\$'000	\$'000	%
Investment properties income	274,394	270,961	1.3
Hospitality income	236,648	220,087	7.5
Development property income	65,903	209,533	(68.5)
Healthcare income	28,824	33,810	(14.7)
Dividend income	13,017	1,800	>100.0
Others	24,111	17,921	34.5
	<u>642,897</u>	<u>754,112</u>	(14.7)

B) Marketing expenses

Marketing expenses decreased by \$11.7 million to \$19.2 million for FY 2018. The decrease was mainly attributed to lower marketing expenses incurred on OUE Twin Peaks as the project was fully sold in October 2017.

C) Administrative expenses

Administrative expenses increased by \$18.8 million to \$102.6 million for FY 2018. The increase was mainly due to one-off transaction costs arising from the injection of OUE Downtown office components to OUE Commercial Real Estate Investment Trust.

D) Other operating expenses

Other operating expenses decreased \$40.9 million to \$17.8 million for FY 2018. The decrease was mainly due to absence of provision for legal and related expenses of \$46.0 million recorded by OUE Lippo Healthcare in FY 2017.

E) Share of results of equity-accounted investees

Share of results of equity-accounted investees decreased \$28.5 million to \$40.3 million for FY 2018. The decrease was mainly due to the absence of contribution from the joint venture that held equity interests in Gemdale Properties and Investment Corporation Limited ("Gemdale").

In May 2018, the Group terminated the joint venture and as a result, the Group now holds its share of interests in Gemdale via a wholly-owned subsidiary. The termination of the joint venture was accounted for as a disposal of an equity-accounted investee and the interests in Gemdale is now recognised as other investments in the statement of financial position at fair value through other comprehensive income.

The decrease was partially offset by inclusion of contribution from First REIT, which became an associate of the Group on 26 October 2018.

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

F) Finance expenses

	FY 2018	FY 2017	
	\$'000	\$'000	%
Borrowing costs	134,382	117,657	14.2
Net foreign exchange loss	4,206	10,104	(58.4)
Unwinding of discount of non-current rental deposits	165	125	32.0
Change in fair value of financial derivatives	-	2,326	(100.0)
Hedging reserve reclassified from equity	653	714	(8.5)
	<u>139,406</u>	<u>130,926</u>	6.5

The hedging reserve reclassified from equity pertains to the cumulative net fair value movements of certain interest rate swaps and was reclassified to profit or loss due to the discontinuation of hedge accounting.

G) Finance income

	FY 2018	FY 2017	
	\$'000	\$'000	%
Interest income	9,563	6,477	47.6
Ineffective portion of changes in fair value of cash flow hedges	2,874	5,310	(45.9)
Change in fair value of financial derivatives	4,910	-	n.m.
Others	845	440	92.0
	<u>18,192</u>	<u>12,227</u>	48.8

H) Other gains – net

	FY 2018	FY 2017	
	\$'000	\$'000	%
		(Restated)¹	
Reversal of impairment loss on a development property	895	20,379	(95.6)
Net change in fair value of investment properties	83,982	112,155	(25.1)
Net change in fair value of investments designated at fair value through profit or loss	(15,526)	4,095	n.m.
Provision for impairment of interest in an equity-accounted investee	(1,818)	-	n.m.
Impairment loss on intangible assets and goodwill	(19,159)	-	n.m.
Negative goodwill	5,451	-	n.m.
(Loss)/Gain on disposal of interests in equity-accounted investees	(10,384)	5,366	n.m.
Loss on disposal of interests in subsidiaries	(1,060)	-	n.m.
	<u>42,381</u>	<u>141,995</u>	(70.2)

¹Refer to Item No. 4 and 5.

The reversal of impairment loss on a development property pertained to the write-back of impairment on OUE Twin Peaks units that were sold under deferred payment schemes.

Net change in fair value of investment properties relates to revaluation gains recognised on the Group's investment properties.

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

Net change in fair value of investments designated at fair value through profit or loss relates to marked-to-market fair value movements on these investments.

Impairment loss on intangible assets and goodwill relates to goodwill impairment recognised on the Group's investment in OUE Lippo Healthcare. The Group is required to test the goodwill for impairment annually by comparing its carrying value with its estimated recoverable amount, with the excess of carrying value above the estimated recoverable amount being impaired. The estimated recoverable amount had been calculated based on the quoted price of OUE Lippo Healthcare as at 31 December 2018.

Negative goodwill arose from the acquisition of Bowsprit, which represents the excess of the provisional fair value of identifiable assets and liabilities acquired over the consideration paid.

Loss on disposal of interests in equity-accounted investees of \$10.4 million relates to the disposal of the joint venture that held interests in Gemdale. The loss is non-cash and arises mainly as a result of the difference between the market value of the Gemdale shares at the point of the joint venture disposal and the book value of the joint venture (including the negative goodwill previously recognised on the acquisition of equity interests in Gemdale).

Loss on disposal of interests in subsidiaries relates to the loss from the disposal of PT Alpha Sentra Prima and its subsidiaries ("Alpha Group") of \$0.6 million; and the loss on deconsolidation of \$0.5 million of Wuxi New District Phoenix Hospital Co., Ltd ("Wuxi Co."), a subsidiary of OUE Lippo Healthcare. Wuxi Co. holds the hospital operating license for the Wuxi New District Phoenix Hospital. Subsequent to a court judgement in August 2018, OUE Lippo Healthcare was deemed to have lost control of Wuxi Co. and accordingly, its assets and liabilities were deconsolidated.

I) Profit before tax

	FY 2018	FY 2017	
	\$'000	\$'000	%
Profit before tax is stated after charging/(crediting):			
- Depreciation of property, plant and equipment	6,859	6,957	(1.4)
- Amortisation of intangible assets	234	175	33.7
- Amortisation of lease prepayments	720	711	1.3
- Allowance for impairment on trade and other receivables	647	425	52.2
- Bad debts written off	-	216	(100.0)
- Gain on disposal of property, plant and equipment	(35)	(1,424)	(97.5)
- Property, plant and equipment written off	2,519	-	n.m.

J) Tax expense

	FY 2018	FY 2017	
	\$'000	\$'000	%
The charge for income tax expense includes the following:			
- Underprovision of current tax in respect of prior years	447	1,107	(59.6)
- Underprovision of deferred tax in respect of prior years	42	1,905	(97.8)

n.m.: Not meaningful

1(b)(i) Statements of Financial Position

	Notes	The Group		The Company	
		31/12/18	31/12/17	31/12/18	31/12/17
		\$'000	\$'000	\$'000	\$'000
		(Restated) ¹			
ASSETS					
Current assets					
Cash and cash equivalents		409,371	535,249	161,395	42,614
Trade and other receivables	A	303,523	65,451	1,088,521	1,239,260
Inventories		1,058	2,009	234	222
Other investments	B	35,889	179,639	-	-
Development properties		466,498	521,181	-	-
Other assets		42,787	79,330	5,692	3,967
Loans to subsidiaries		-	-	1,799,004	1,860,509
Derivative assets	C	247	-	-	-
		<u>1,259,373</u>	<u>1,382,859</u>	<u>3,054,846</u>	<u>3,146,572</u>
Non-current assets					
Intangible assets and goodwill	D	39,086	19,626	-	-
Interests in equity-accounted investees	E	740,396	955,013	497,794	495,745
Investments in subsidiaries		-	-	424,492	334,712
Loans to subsidiaries		-	-	218,593	193,567
Lease prepayments		28,221	29,821	-	-
Other investments	B	665,078	206,977	154,040	171,271
Other assets		9,552	5,897	1,019	796
Investment properties		6,451,029	6,390,048	-	-
Property, plant and equipment		55,419	31,494	9,136	10,567
Deferred tax assets		17,663	12,410	-	264
		<u>8,006,444</u>	<u>7,651,286</u>	<u>1,305,074</u>	<u>1,206,922</u>
Total assets		<u>9,265,817</u>	<u>9,034,145</u>	<u>4,359,920</u>	<u>4,353,494</u>
LIABILITIES					
Current liabilities					
Trade and other payables		201,297	255,043	246,715	101,891
Borrowings		471,691	1,081,828	199,331	35,000
Provision	F	42,079	46,000	405	4,115
Loans from subsidiaries		-	-	226,341	539,278
Current tax liabilities		36,240	34,913	5,079	6,575
Deferred income	G	55,738	12,579	-	-
Derivative liabilities	C	714	487	-	-
		<u>807,759</u>	<u>1,430,850</u>	<u>677,871</u>	<u>686,859</u>
Non-current liabilities					
Borrowings		3,024,564	2,399,107	593,475	497,300
Deferred income	G	27,011	83,111	-	-
Deferred tax liabilities		208,763	182,042	841	-
Other payables		50,685	52,603	5	180
Provision		-	-	-	287
Derivative liabilities	C	7,828	10,705	-	-
		<u>3,318,851</u>	<u>2,727,568</u>	<u>594,321</u>	<u>497,767</u>
Total liabilities		<u>4,126,610</u>	<u>4,158,418</u>	<u>1,272,192</u>	<u>1,184,626</u>
Net Assets		<u>5,139,207</u>	<u>4,875,727</u>	<u>3,087,728</u>	<u>3,168,868</u>
EQUITY					
Share capital		693,315	693,315	693,315	693,315
Other reserves		(186,155)	(77,139)	(41,983)	(29,073)
Accumulated profits		3,431,245	3,408,742	2,436,396	2,504,626
Equity attributable to owners of the Company		3,938,405	4,024,918	3,087,728	3,168,868
Non-controlling interests	H	1,200,802	850,809	-	-
Total equity		<u>5,139,207</u>	<u>4,875,727</u>	<u>3,087,728</u>	<u>3,168,868</u>

Note:

- The statement of financial position as at 31 December 2017 is restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s). Refer to Item No. 4 and 5 for the details on the financial impact from the adoption of SFRS(I)s.

Notes:

- A) "Trade and other receivables" increased \$238.1 million to \$303.5 million mainly due to the promissory notes received for the disposal of Alpha Group. Approximately \$149.0 million of the promissory notes is committed as settlement for the acquisition of land in South Jakarta.
- B) "Other investments" increased \$314.4 million to \$701.0 million mainly due to the classification of the Group's interests in Gemdale as investment at fair value through other comprehensive income subsequent to the termination of the joint venture in May 2018. The Group now holds its interests in Gemdale through its wholly-owned subsidiary, whereas the Group previously held such interests through the joint venture.

The increase was offset by the partial disposal of the Group's investment in a mutual fund during the year.

- C) "Derivative assets" and "derivative liabilities" mainly relate to the fair value of the interest rate swaps entered into to hedge the Group's exposure to floating interest rates on its borrowings.
- D) "Intangible assets and goodwill" includes a \$35.8 million intangible asset recognised arising from the acquisition of Bowsprit; and goodwill of \$3.1 million recognised by OUE Lippo Healthcare, a listed subsidiary of the Group on its acquisition of equity interests in Brainy World Holdings Limited in January 2018.

Bowsprit became a subsidiary of the Group on 26 October 2018. The Group is currently performing a purchase price allocation ("PPA") exercise on its investment in Bowsprit and had recognised negative goodwill of \$5.5 million based on provisional fair values of identifiable assets and liabilities of Bowsprit. The Group is expected to complete the PPA in 2019.

- E) "Interests in equity-accounted investees" decreased by \$214.6 million mainly due to the termination of the joint venture that held interest in Gemdale in May 2018, as elaborated in (B) above. This was partially offset by the acquisition of First REIT in October 2018.
- F) "Provision" relates to the provision of legal and related expenses by OUE Lippo Healthcare.
- 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 units.
- H) The increase in "Non-controlling interests" of \$350.0 million was mainly due to the rights issue and issuance of shares by OUE C-REIT and OUE Lippo Healthcare respectively in 2018.

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

	As at 31/12/18			As at 31/12/17		
	Secured \$'000	Unsecured \$'000	Total \$'000	Secured \$'000	Unsecured \$'000	Total \$'000
Amount repayable in one year or less, or on demand	272,171	199,520	471,691	769,836	311,992	1,081,828
Amount repayable after one year	965,561	2,059,003	3,024,564	1,356,102	1,043,005	2,399,107
	1,237,732	2,258,523	3,496,255	2,125,938	1,354,997	3,480,935

Details of any collateral

Secured borrowings are collateralised by:

- pledging of the borrowing companies' properties/assets and/or
- first priority fixed charge over the shares of certain subsidiaries 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

	The Group	
	FY 2018	FY 2017
	\$'000	\$'000
		(Restated)¹
Cash flows from operating activities		
Profit after tax	56,628	156,881
Adjustments for:		
Depreciation of property, plant and equipment	6,859	6,957
Dividend income	(13,017)	(1,800)
Amortisation of intangible assets	234	175
Amortisation of lease prepayments	720	711
Provision	-	46,000
Reversal of impairment loss on a development property	(895)	(20,379)
Net change in fair value of investment properties	(83,982)	(112,155)
Net change in fair value of investments designated at fair value through profit or loss	15,526	(4,095)
Provision for impairment of interest in an equity-accounted investee	1,818	-
Impairment loss on intangible assets and goodwill	19,159	-
Negative goodwill	(5,451)	-
Loss/(Gain) on disposal of interests in equity-accounted investees	10,384	(5,366)
Loss on disposal of interests in subsidiaries	1,060	-
Gain on disposal of property, plant and equipment	(35)	(1,424)
Property, plant and equipment written off	2,519	-
Finance expenses	139,406	130,926
Finance income	(18,192)	(12,227)
Share of results of equity-accounted investees, net of tax	(40,256)	(68,762)
Tax expense	47,016	32,486
	139,501	147,928
Changes in:		
- trade and other receivables and other assets	(7,719)	(55,737)
- inventories	621	(14)
- development properties	55,578	166,490
- trade and other payables and provision	(28,932)	(7,506)
- deferred income	(12,941)	23,813
Cash generated from operations	146,108	274,974
Tax paid	(26,724)	(25,780)
Net cash from operating activities	119,384	249,194
Cash flows from investing activities		
Acquisition of interest in an associate	(104,785)	-
Acquisition of subsidiaries, net of cash acquired	(101,067)	(83,711)
Acquisition of available-for-sale financial assets	-	(12,681)
Acquisition of other investments	(595,991)	(2,095)
Additions to property, plant and equipment	(7,163)	(10,480)
Additions to investment properties	(40,635)	(136,243)
Deposits placed for investments	(159,408)	-
Dividends from:		
- equity-accounted investees, net of tax	35,021	33,139
- available-for-sale financial assets, net of tax	-	1,800
- other investments, net of tax	13,862	440
Interest received	3,890	1,531
Loan to an associate	(2,000)	(4,000)
Loan to a joint venture	(518)	-
Proceeds from sale of other investments	524,037	1,958
Proceeds from disposal of interests in equity-accounted investees	8,970	34,787
Proceeds from disposal of interests in subsidiaries, net of cash disposed	(25,179)	-
Proceeds from disposal of property, plant and equipment	202	2,280
Net cash used in investing activities	(450,764)	(173,275)

OUE LIMITED
Financial Year Ended 31 December 2018

	The Group	
	FY 2018	FY 2017
	\$'000	\$'000
		(Restated)¹
Cash flows from financing activities		
Acquisition of non-controlling interests	-	(40,669)
Contribution from non-controlling interests	-	49
Dividends paid	(64,863)	(59,909)
Finance expense paid	(130,187)	(124,656)
Proceeds from borrowings	2,520,237	2,200,223
Repayment of borrowings	(2,500,863)	(1,894,776)
Proceeds from issuance of shares by a subsidiary	132,213	-
Proceeds from issuance of units by a subsidiary	259,193	150,000
Shares issue costs of a subsidiary	(2,500)	-
Units issue costs of a subsidiary	(7,031)	(906)
Repurchase of own shares	(476)	-
Changes in pledged deposits	(313)	5,636
Net cash from financing activities	205,410	234,992
Net (decrease)/increase in cash and cash equivalents	(125,970)	310,911
Cash and cash equivalents at 1 January	527,327	225,415
Effect of exchange rate fluctuations on cash held	(221)	(8,999)
Cash and cash equivalents at 31 December²	401,136	527,327

1 Refer to Item No. 4 and 5.

2 Cash and cash equivalents as at 31 December 2018 excludes the Group's pledged deposits of \$8,235,000 (31/12/17: \$7,922,000).

QUE LIMITED
Financial Year Ended 31 December 2018

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

	Attributable to Owners of the Company				Non-controlling Interests	Total Equity
	Share Capital	Other Reserves	Accumulated Profits	Total		
THE GROUP	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2018, as restated	693,315	(77,139)	3,408,742	4,024,918	850,809	4,875,727
Total comprehensive income for the year						
Profit for the year	-	-	10,022	10,022	46,606	56,628
Other comprehensive income						
Foreign operations:						
- currency translation differences	-	(14,620)	-	(14,620)	(6,390)	(21,010)
- currency translation differences reclassified to profit or loss on disposal	-	21,187	-	21,187	(181)	21,006
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	-	10,230	-	10,230	-	10,230
- currency translation differences reclassified to profit or loss on disposal	-	(5,047)	-	(5,047)	-	(5,047)
- other reserves	-	(10,760)	-	(10,760)	-	(10,760)
- other reserves reclassified to profit or loss on disposal	-	(1,674)	-	(1,674)	-	(1,674)
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	(108,804)	-	(108,804)	-	(108,804)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	-	78	-	78	(91)	(13)
- hedging reserve reclassified to profit or loss	-	974	-	974	731	1,705
Total other comprehensive income, net of tax	-	(108,436)	-	(108,436)	(5,931)	(114,367)
Total comprehensive income for the year	-	(108,436)	10,022	(98,414)	40,675	(57,739)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Own shares acquired	-	(476)	-	(476)	-	(476)
Dividends paid	-	-	(27,051)	(27,051)	(37,812)	(64,863)
Issue of convertible bonds, net of tax	-	4,797	-	4,797	-	4,797
Proceeds from issuance of shares by a subsidiary, net of issuance costs	-	(772)	-	(772)	53,035	52,263
Proceeds from issuance of units by a subsidiary, net of issuance costs	-	(3,968)	-	(3,968)	256,061	252,093
Total contributions by and distributions to owners	-	(419)	(27,051)	(27,470)	271,284	243,814
Changes in ownership interests in subsidiaries						
Disposal of interests in subsidiaries	-	-	-	-	(45)	(45)
Proceeds from issuance of shares by a subsidiary, net of issuance costs	-	-	-	-	77,450	77,450
Changes in ownership interests in subsidiaries without a change in control	-	-	39,371	39,371	(39,371)	-
Total changes in ownership interests in subsidiaries	-	-	39,371	39,371	38,034	77,405
Total transactions with owners	-	(419)	12,320	11,901	309,318	321,219
Transfer from fair value reserve to accumulated profits	-	(161)	161	-	-	-
At 31 December 2018	693,315	(186,155)	3,431,245	3,938,405	1,200,802	5,139,207

QUE LIMITED
Financial Year Ended 31 December 2018

	Attributable to Owners of the Company				
	Share Capital	Other Reserves	Accumulated Profits	Total	Non-controlling Interests
THE GROUP	\$'000	\$'000	\$'000	\$'000	Total Equity \$'000
At 1 January 2017, as previously reported	693,315	(100,441)	3,416,457	4,009,331	634,480
Effect of adopting SFRS(I) 1 ¹	-	38,137	(38,137)	-	-
At 1 January 2017, as restated	693,315	(62,304)	3,378,320	4,009,331	634,480
Total comprehensive income for the year					
Profit for the year, as restated	-	-	94,560	94,560	62,321
Other comprehensive income					
Currency translation differences relating to foreign operations	-	(39,813)	-	(39,813)	(3,826)
Share of other comprehensive income of equity-accounted investees:					
- currency translation differences	-	(8,755)	-	(8,755)	-
- currency translation differences reclassified to profit or loss on disposal, as restated	-	742	-	742	-
- other reserves	-	10,446	-	10,446	-
Net change in fair value of available-for-sale financial assets, net of tax	-	26,729	-	26,729	-
Cash flow hedges:					
- effective portion of changes in fair value of cash flow hedges	-	(3,590)	-	(3,590)	(3,109)
- hedging reserve reclassified to profit or loss	-	371	-	371	343
Total other comprehensive income, net of tax, as restated	-	(13,870)	-	(13,870)	(6,592)
Total comprehensive income for the year, as restated	-	(13,870)	94,560	80,690	55,729
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Dividends paid	-	-	(27,054)	(27,054)	(32,855)
Unit issue costs of a subsidiary	-	-	-	-	(906)
Total contributions by and distributions to owners	-	-	(27,054)	(27,054)	(33,761)
Changes in ownership interests in subsidiaries					
Liquidation of a subsidiary with non-controlling interests	-	-	-	-	(28)
Proceeds from issuance of units by a subsidiary	-	-	-	-	150,000
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	46,960
Contribution from non-controlling interests	-	-	-	-	49
Changes in ownership interests in subsidiaries without a change in control	-	-	(38,049)	(38,049)	(2,620)
Total changes in ownership interests in subsidiaries	-	-	(38,049)	(38,049)	194,361
Total transactions with owners	-	-	(65,103)	(65,103)	160,600
Transfer from asset revaluation reserve to accumulated profits	-	(965)	965	-	-
At 31 December 2017, as restated	693,315	(77,139)	3,408,742	4,024,918	850,809

¹ Refer to Item No. 4 and 5.

OUE LIMITED
Financial Year Ended 31 December 2018

	Share Capital	Other Reserves	Accumulated Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000
THE COMPANY				
At 1 January 2018	693,315	(29,073)	2,504,626	3,168,868
Total comprehensive income for the year				
Loss for the year	-	-	(41,179)	(41,179)
Other comprehensive income				
Fair value loss on investments at fair value through other comprehensive income	-	(17,231)	-	(17,231)
Total other comprehensive income, net of tax	-	(17,231)	-	(17,231)
Total comprehensive income for the year	-	(17,231)	(41,179)	(58,410)
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Own shares acquired	-	(476)	-	(476)
Dividends paid	-	-	(27,051)	(27,051)
Issue of convertible bonds, net of tax	-	4,797	-	4,797
Total transactions with owners of the Company	-	4,321	(27,051)	(22,730)
At 31 December 2018	693,315	(41,983)	2,436,396	3,087,728
At 1 January 2017	693,315	(55,574)	2,524,359	3,162,100
Total comprehensive income for the year				
Profit for the year	-	-	6,356	6,356
Other comprehensive income				
Fair value gain on available-for-sale financial assets	-	27,466	-	27,466
Total other comprehensive income, net of tax	-	27,466	-	27,466
Total comprehensive income for the year	-	27,466	6,356	33,822
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Dividends paid	-	-	(27,054)	(27,054)
Total transactions with owners of the Company	-	-	(27,054)	(27,054)
Transfer from asset revaluation reserve to accumulated profits	-	(965)	965	-
At 31 December 2017	693,315	(29,073)	2,504,626	3,168,868

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Issued Share Capital

There is no change in the Company's share capital in 2018.

Convertible Bonds

The Company has the following convertible bonds which remain outstanding as at 31 December 2018:

Principal Amount \$'000	Year of Maturity	Conversion Price \$	No. of ordinary shares convertible into
154,750	2023	2.112	73,271,780

There has been no conversion of the convertible bonds since the date of issue.

The number of ordinary shares that may be issued, assuming the convertible bonds are fully converted based on the above conversion price, would be 73,271,780 (31/12/17: Nil).

- 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 2018, the Company's total number of issued shares excluding treasury shares is 901,515,860 (31/12/17: 901,815,860).

As at 31 December 2018, the Company held 80,086,000 (31/12/17: 79,786,000) treasury shares.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Item No. 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2017.

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 has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has prepared its first set of financial information under SFRS(I)s.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group's opening statements of financial position under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

Application of SFRS(I) 1

The Group has elected for the optional exemption to reset its cumulative currency translation reserve for all foreign operations to nil at the date of transition at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

The effects of the adoption of SFRS(I) 1 are as follows:

	The Group	
	31/12/2017	01/01/2017
	\$'000	\$'000
Statement of financial position		
Increase in other reserves	42,443	38,137
Decrease in accumulated profits	(42,443)	(38,137)
Statement of comprehensive income		
Decrease in net profit attributable to owners of the Company	(4,306)	-

In addition, during the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from the financial year beginning 1 January 2018:

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers* and Amendments to SFRS(I) 15
- Amendments to SFRS(I) 1-40 *Transfers of Investment Property*
- Amendments to SFRS(I) 1 *Deletion of Short-term Exemptions for First-time Adopters*
- Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have 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	
	FY 2018	FY 2017
		(Restated)¹
Weighted average number of ordinary shares in issue		
- basic	901,653,120	901,815,860
- diluted (*)	954,448,951	901,815,860
Basic earnings per share (cents)	1.11	10.49
Diluted earnings per share (cents)	0.20	10.49

(*) For computation of diluted earnings per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect arising from the conversion of all the outstanding convertible bonds to potential ordinary shares.

- 7 **Net asset value (for the issuer and group) per ordinary share based on issue share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	31/12/18	31/12/17	31/12/18	31/12/17
Number of issued shares (excluding treasury shares)	901,515,860	901,815,860	901,515,860	901,815,860
Net asset value per ordinary share (\$)	4.37	4.46	3.43	3.51

- 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	FY 2018 \$'000	FY 2017 \$'000 (Restated)¹	Change %
Revenue	642,897	754,112	(14.7)
Earnings before interest and tax (EBIT)	182,477	166,071	9.9
Profit attributable to Owners of the Company	10,022	94,560	(89.4)

Revenue

The Group recorded revenue of \$642.9 million in FY 2018 (FY 2017: \$754.1 million). The decrease is mainly due to lower contributions from the Development Property and Healthcare divisions; partially mitigated by higher contributions from the Investment Properties and Hospitality divisions.

¹Refer to Item No. 4 and 5.

Investment Properties Division

Revenue from the investment properties division increased by \$3.4 million to \$274.4 million in FY 2018 (FY 2017: \$271.0 million). The increase was mainly due to full year rental income contribution from Downtown Gallery, which began operations in May 2017.

Hospitality Division

Revenue from the hospitality division increased by \$16.6 million to \$236.6 million in FY 2018 (FY 2017: \$220.1 million). The increase was mainly due to full year revenue contribution from Oakwood Premier OUE Singapore, the serviced apartments at OUE Downtown. Since the opening in June 2017, Oakwood Premier OUE Singapore has continued to ramp up its business and contributes positively to the Group's performance.

Development Property Division

Revenue from the development property division decreased \$143.6 million to \$65.9 million (FY 2017: \$209.5 million) in FY 2018. Revenue recognised in FY 2018 pertained to completion of certain OUE Twin Peaks units sold under deferred payment schemes. The decrease in revenue was due to fewer sales completed in FY 2018.

Healthcare Division

Revenue from the healthcare division pertains to revenue contribution from OUE Lippo Healthcare. The decrease in revenue was mainly due to lower revenue recorded by its operations in China.

Dividend Income

Dividend income comprises mainly dividend received from Gemdale in FY 2018.

Others

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

EBIT

EBIT increased by \$16.4 million to \$182.5 million in FY 2018 (FY 2017: \$166.1 million) mainly attributed to higher contributions from the hospitality division and higher dividend income; offset partially by lower contribution from the development property division and equity-accounted investees.

Profit attributable to owners of the Company

Profit attributable to shareholders decreased by \$84.5 million to \$10.0 million (FY 2017: \$94.6 million). The decrease was mainly due to lower net fair value gains recognised on investment properties and impairment loss on intangible assets and goodwill; partially mitigated by higher EBIT.

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 Ministry of Trade and Industry (“MTI”) announced that the Singapore economy grew by 1.9% on a year-on-year basis in the fourth quarter of 2018. For 2018 as a whole, the economy grew by 3.2%¹. The MTI expects the Singapore economy to grow by 1.5% to 3.5% in 2019, with growth expected to come in slightly below the mid-point of the forecast range.

The Singapore Tourism Board reported a 6.2% year-on-year growth in international arrivals in 2018 and forecasts international arrivals to grow by 1% to 4% in 2019². The hospitality sector is expected to benefit from the continued growth in tourist arrivals.

Core CBD rents grew for the sixth consecutive quarter in 4Q 2018 to \$10.80 psf per month, with vacancy levels dropping to 5.8% at end-2018 from 6.1% at end-2017³. Albeit tightening Grade A office supply and steady demand in 2019, office rents are expected to increase at a slower pace due to new office supply outside the CBD⁴.

According to JLL research, positive growth will be maintained for both occupancy and asking rents in 2019 for the overall U.S. office market. Overall vacancy in Los Angeles was at 14.8%⁵ with net positive absorption. In Shanghai, with new office supply scheduled to enter the market in 2019, coupled with softer demand from subdued economy growth, vacancy rate is expected to increase in 2019⁶.

On 26 October 2018, the Company and OUE Lippo Healthcare Limited completed the acquisition of 60% and 40% stake respectively in Bowsprit Capital Corporation Limited (“Bowsprit”), the manager of SGX Mainboard-listed First REIT. The Bowsprit acquisition augmented OUE’s ongoing strategy to create a sizeable asset management platform comprising of diversified REITs.

¹Singapore Ministry of Trade and Industry Press Release, 15 February 2019

²Singapore Tourism Board, Media Release, 13 February 2019

³CBRE, Singapore Marketview 4Q 2018

⁴Business Times, Outlook 2019, 21 December 2018

⁵JLL Research Report, United States Office Outlook, Q4 2018

⁶Colliers International, Shanghai Office Property Market Overview 4Q 2018, 17 January 2019

11 Dividend

(a) Current Financial Period Reported On

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

Name of dividend	Final	Special
Dividend type	Cash	Cash
Dividend per share	1 cent	11 cents
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

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

(c) Date payable

In relation to the proposed final/special cash dividend, if approved at the Annual General Meeting to be held on 30 April 2019, will be payable on 30 May 2019.

(d) Books closure date

In relation to the proposed final/special cash dividend, NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on **17 May 2019**, 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 **16 May 2019** will be registered to determine shareholders' entitlements to the proposed final/special dividend. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the proposed final/special dividend will be paid by the Company to CDP, which will in turn distribute the dividend entitlement to holders of shares in accordance with its practice.

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.

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.

OUE LIMITED
Financial Year Ended 31 December 2018

15 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 2018

	Property Investments			Hospitality		Property Development	Healthcare	Fund Management	Investment Holding	Others	Segment Total	Elimination and unallocated items	Group
	Singapore	United States	China	Singapore	Others								
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue													
External revenue	182,719	59,757	31,918	234,001	2,647	65,903	28,824	3,565	-	17,969	627,303	15,594	642,897
Inter-segment revenue	14,559	3,301	-	155	-	-	-	19,819	-	52	37,886	(37,886)	-
Segment revenue (including inter-segment revenue)	197,278	63,058	31,918	234,156	2,647	65,903	28,824	23,384	-	18,021	665,189	(22,292)	642,897
Segment profit/(loss) ⁱⁱ	126,686	25,659	25,958	4,324	2,354	6,391	685	23,618	(373)	(13,153)	202,149	(19,672)	182,477
Depreciation	(539)	(7)	(39)	(624)	(6)	-	(1,649)	(161)	-	(1,787)	(4,812)	(2,047)	(6,859)
Finance expenses	(67,617)	(21,530)	(1,487)	(371)	(14)	(4,612)	(10,671)	(427)	-	(42,761)	(149,490)	10,084	(139,406)
Finance income	6,941	158	591	113	-	81	431	19	-	15,882	24,216	(6,024)	18,192
Share of results of equity-accounted investees, net of tax	23,547	-	-	5,869	5	-	3,759	7,449	(373)	-	40,256	-	40,256
Other material items													
Net change in fair value of investment properties	27,106	43,774	13,046	-	-	-	56	-	-	-	83,982	-	83,982
Net change in fair value of investments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	(15,526)	(15,526)	-	(15,526)
Impairment loss on intangible assets and goodwill	-	-	-	-	-	-	(19,159)	-	-	-	(19,159)	-	(19,159)
Reversal of impairment loss on a development property	-	-	-	-	-	895	-	-	-	-	895	-	895

OUE LIMITED
Financial Year Ended 31 December 2018

For the financial year ended 31 December 2017

	Property Investments			Hospitality		Property Development	Healthcare	Fund Management	Investment Holding	Others	Segment Total	Elimination and unallocated items	Group
	Singapore	United States	China	Singapore	Others								
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue													
External revenue	182,833	55,110	33,018	217,300	2,787	209,533	33,810	1,546	-	17,790	753,727	385	754,112
Inter-segment revenue	9,971	8,723	-	114	-	-	-	11,980	-	7	30,795	(30,795)	-
Segment revenue (including inter-segment revenue)	192,804	63,833	33,018	217,414	2,787	209,533	33,810	13,526	-	17,797	784,522	(30,410)	754,112
Segment profit/(loss) [#]	146,655	26,975	26,494	(5,703)	2,371	20,512	(47,751)	14,717	31,409	(15,886)	199,793	(33,722)	166,071
Depreciation	(427)	(14)	(19)	(410)	(4)	-	(1,575)	(157)	-	(2,253)	(4,859)	(2,098)	(6,957)
Finance expenses	(65,791)	(17,282)	(1,377)	(228)	48	(2,442)	(12,476)	(240)	-	(3,099)	(102,887)	(28,039)	(130,926)
Finance income	9,843	90	459	69	-	3	85	18	-	4,829	15,396	(3,169)	12,227
Share of results of equity-accounted investees, net of tax	24,686	-	-	5,062	22	-	-	7,584	31,409	-	68,763	(1)	68,762
Other material items													
Net change in fair value of investment properties	36,710	2,677	71,923	-	-	-	845	-	-	-	112,155	-	112,155
Net change in fair value of investments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	4,095	4,095	-	4,095
Reversal of impairment loss on a development property	-	-	-	-	-	20,379	-	-	-	-	20,379	-	20,379

[#] Segment profit/(loss) is defined as profit/(loss) before interest, tax and other gains/(losses).

- 16 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.

- 17 A breakdown of the Group's revenue and profit after tax**

	2018	2017	Change
	\$'000	(Restated)¹	%
	\$'000	\$'000	%
Revenue reported for first half year	296,291	383,614	(22.8)
Profit after tax before deducting non-controlling interest reported for first half year	20,952	31,801	(34.1)
Revenue reported for second half year	346,606	370,498	(6.4)
Profit after tax before deducting non-controlling interest reported for second half year	35,676	125,080	(71.5)

¹Refer to Item No. 4 and 5.

- 18 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 2018 will be as follows:

	2018	2017
	\$'000	\$'000
Ordinary		
- Interim	9,015	9,018
- Special (Proposed)	99,167 *	-
- Final (Proposed)	9,015 *	18,036
Total annual dividend	117,197	27,054

* The final dividend of 1 cent per share and special dividend of 11 cents per share tax-exempt (one-tier) in respect of the financial year ended 31 December 2018 is subject to the approval of shareholders at the next Annual General Meeting and the dividend amount is based on the number of issued ordinary shares of 901,515,860 (excluding 80,086,000 treasury shares) as at 31 December 2018.

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

Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) as below:

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Stephen Riady	58	Brother of Mr James Tjahaja Riady, a substantial shareholder of OUE Limited ("OUE")	Executive Chairman of OUE since 2010. To provide strategic direction to the OUE Group.	Nil
Brian Riady	28	Son of Dr Stephen Riady, the Executive Chairman of OUE and nephew of Mr James Tjahaja Riady, a substantial shareholder of OUE	Chief Executive Officer, Hospitality Division of OUE (since 2018). Responsible for managing all aspects of the business of the Hospitality Division of OUE.	Nil

BY ORDER OF THE BOARD

NG NGAI
COMPANY SECRETARY
26 February 2019