



OUE LIMITED

(Company Registration No. 196400050E)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014 (UNAUDITED)

1(a)(i) Statement of Comprehensive Income

	Notes	The Group		Change %
		2014 \$'000	2013 \$'000	
Revenue	A	416,415	436,564	(4.6)
Cost of sales		(236,824)	(210,561)	12.5
Gross profit		179,591	226,003	(20.5)
Marketing expenses		(12,274)	(14,365)	(14.6)
Administrative expenses		(55,775)	(50,965)	9.4
Other operating expenses		(13,501)	(21,079)	(36.0)
		98,041	139,594	(29.8)
Finance expenses	B	(68,607)	(95,546)	(28.2)
Finance income		4,585	2,945	55.7
Share of results of equity-accounted investees, net of tax		87,033	17,360	>100.0
		121,052	64,353	88.1
Other gains/(losses) - net	C	1,179,732	(50,218)	n.m.
Profit before tax	D	1,300,784	14,135	>100.0
Tax expense	E	(60,746)	(44,254)	37.3
Profit/(Loss) after tax		1,240,038	(30,119)	n.m.
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Currency translation differences relating to foreign operations		11,715	10,333	13.4
Currency translation differences transferred to profit or loss arising from disposal of subsidiaries		-	(8,666)	n.m.
Share of currency translation differences of equity-accounted investees		1,242	1,151	7.9
Share of other reserves of equity-accounted investees		1,088	-	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		18,710	28,499	(34.3)
Effective portion of changes in fair value of cash flow hedges		842	(2,298)	n.m.
Other comprehensive income, net of tax		34,486	29,019	18.8
Total comprehensive income for the year		1,274,524	(1,100)	n.m.
Profit/(Loss) attributable to:				
Owners of the Company	F	1,094,020	(36,555)	n.m.
Non-controlling interests		146,018	6,436	>100.0
		1,240,038	(30,119)	n.m.
Total comprehensive income attributable to:				
Owners of the Company		1,126,022	(7,007)	n.m.
Non-controlling interests		148,502	5,907	>100.0
		1,274,524	(1,100)	n.m.

n.m. - Not meaningful

(ii) Notes to the Statement of Comprehensive Income

	The Group		
	2014	2013	Change
	\$'000	\$'000	%
(A) Revenue			
Hospitality income	210,647	229,571	(8.2)
Investment properties income	157,761	138,114	14.2
Development property income	38,297	62,743	(39.0)
Dividend income	1,840	1,460	26.0
Others	7,870	4,676	68.3
	<u>416,415</u>	<u>436,564</u>	(4.6)
(B) Finance expenses			
Finance expenses	80,651	111,572	(27.7)
Less: Borrowing costs capitalised in development property	<u>(12,044)</u>	<u>(16,026)</u>	(24.8)
	<u>68,607</u>	<u>95,546</u>	(28.2)
(C) Other gains/(losses) - net			
Allowance for foreseeable loss on a development property	(105,000)	-	n.m.
Change in fair value of investment properties	259,245	(46,987)	n.m.
Net change in fair value of financial assets designated at fair value through profit or loss	21,662	262	>100.0
Net gain/(loss) on disposal of subsidiaries	<u>1,003,825</u>	<u>(3,493)</u>	n.m.
	<u>1,179,732</u>	<u>(50,218)</u>	n.m.
(D) Profit before tax			
Profit before tax is stated after charging/(crediting):			
Borrowing cost	68,607	79,605	(13.8)
Net foreign exchange (gains)/losses	(1,562)	15,941	n.m.
Net change in fair value of derivatives	(361)	(1,078)	(66.5)
Depreciation of property, plant and equipment	12,144	22,218	(45.3)
Allowance for impairment of trade and other receivables	329	66	>100.0
Bad debts written off	23	65	(64.6)
Loss on disposal of property, plant and equipment	181	2,991	(93.9)
(E) Tax expense			
The charge for income tax expense includes the following:			
Overprovision in respect of prior years	(1,262)	(560)	>100.0
Deferred tax on fair value gains of investment properties	45,300	30,209	50.0
(F) Profit/(Loss) attributable to Owners of the Company			
Attributable profit before tax, fair value and other gains	50,754	57,408	(11.6)
Tax expense	(9,897)	(13,916)	(28.9)
Allowance for foreseeable loss on a development property	(105,000)	-	n.m.
Change in fair value of investment properties including those of equity-accounted investees, net of tax ¹	136,358	(76,771)	n.m.
Net gain/(loss) on disposal of subsidiaries	1,003,825	(3,493)	n.m.
Net change in fair value of financial assets designated at fair value through profit or loss, net of tax	17,980	217	>100.0
Net attributable profit/(loss)	<u>1,094,020</u>	<u>(36,555)</u>	n.m.

n.m. - Not meaningful

1 - Net of deferred tax provision relating to fair value gains on investment properties

OUE LIMITED
Financial Year Ended 31 December 2014

1(b)(i) Statements of Financial Position

	The Group		The Company	
	31/12/14	31/12/13	31/12/14	31/12/13
	\$'000	\$'000	\$'000	\$'000
				(Restated)¹
ASSETS				
Current assets				
Cash and cash equivalents	161,957	730,613	62,788	551,331
Trade and other receivables	24,759	22,250	690,258	582,564
Inventories	691	790	192	163
Other investments	328,070	9,478	-	-
Development properties	875,570	846,806	-	-
Other assets	13,810	11,444	2,568	27,161
Loans to subsidiaries	-	-	1,544,693	1,415,146
Assets held for sale	223,564	-	-	-
	1,628,421	1,621,381	2,300,499	2,576,365
Non-current assets				
Available-for-sale financial assets	217,324	193,304	201,624	182,716
Investments in equity-accounted investees	1,150,776	720,474	514,202	125,621
Investments in subsidiaries	-	-	334,792	834,920
Loans to subsidiaries	-	-	80,866	72,847
Other assets	1,503	1,533	1,071	1,704
Investment properties	3,671,968	3,467,003	-	-
Property, plant and equipment	20,591	366,795	15,173	15,841
Intangible asset	-	43,200	-	-
Deferred tax assets	2,269	-	-	-
Derivative assets	1,478	4,507	-	-
	5,065,909	4,796,816	1,147,728	1,233,649
Total assets	6,694,330	6,418,197	3,448,227	3,810,014
LIABILITIES				
Current liabilities				
Trade and other payables	149,283	86,848	100,181	314,103
Borrowings	649,507	349,747	249,665	349,747
Provision	-	-	6,894	-
Current tax liabilities	16,676	10,724	3,562	3,304
	815,466	447,319	360,302	667,154
Non-current liabilities				
Borrowings	1,416,415	2,392,273	496,523	694,544
Deferred tax liabilities	92,704	38,322	367	113
Other payables	29,326	19,531	585	646
Provision	-	-	5,065	-
Derivative liabilities	972	5,728	-	-
	1,539,417	2,455,854	502,540	695,303
Total liabilities	2,354,883	2,903,173	862,842	1,362,457
Net Assets	4,339,447	3,515,024	2,585,385	2,447,557
EQUITY				
Share capital	693,315	693,315	693,315	693,315
Other reserves	6,223	7,917	16,545	(2,363)
Accumulated profits	3,153,798	2,190,308	1,875,525	1,756,605
Equity attributable to owners of the Company	3,853,336	2,891,540	2,585,385	2,447,557
Non-controlling interests	486,111	623,484	-	-
Total equity	4,339,447	3,515,024	2,585,385	2,447,557

1 - Please refer to Paragraph 4.

OUE LIMITED
Financial Year Ended 31 December 2014

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

	As at 31/12/14		As at 31/12/13	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	399,842	249,665	-	349,747
Amount repayable after one year	919,892	496,523	1,697,729	694,544

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
Financial Year Ended 31 December 2014

1(c) Consolidated Statement of Cash Flows

	The Group	
	2014	2013
	\$'000	\$'000
Cash flows from operating activities		
Profit/(Loss) after tax	1,240,038	(30,119)
Adjustments for:		
Depreciation of property, plant and equipment	12,144	22,218
Dividend income	(1,840)	(1,460)
Allowance for foreseeable loss on a development property	105,000	-
Change in fair value of investment properties	(259,245)	46,987
Net change in fair value of financial assets designated at fair value through profit or loss	(21,662)	(262)
Finance expenses	68,607	95,546
Finance income	(4,585)	(2,945)
(Gain)/loss on disposal of subsidiaries	(1,003,825)	3,493
Loss on disposal of property, plant and equipment	181	2,991
Share of results of equity-accounted investees, net of tax	(87,033)	(17,360)
Tax expense	60,746	44,254
	108,526	163,343
Changes in:		
- trade and other receivables and other assets	(14,253)	12,125
- inventories	99	(349)
- development properties	(53,519)	(38,919)
- trade and other payables and provisions	6,394	(9,094)
Cash generated from operations	47,247	127,106
Tax paid	(7,487)	(23,269)
Net cash from operating activities	39,760	103,837
Cash flows from investing activities		
Acquisition of joint venture	-	(25,131)
Acquisition of subsidiaries, net of cash acquired	(121,598)	-
Acquisition of available-for-sale financial assets	(4,810)	(2,013)
Acquisition of other investments	(324,639)	(25,949)
Acquisition of property, plant and equipment	(13,288)	(8,038)
Additions to investment properties	(66,305)	(493,023)
Dividends from:		
- equity-accounted investees, net of tax	34,245	12,458
- available-for-sale financial assets, net of tax	1,840	1,460
- other investments, net of tax	473	17
Interest received	2,162	2,532
Loan repayment from joint venture	-	32,134
Proceeds from sale of other investments	27,708	16,733
Proceeds from disposal of property, plant and equipment	4	1,146
Proceeds from disposal of subsidiaries, net of cash disposed	(58,156)	97,316
Proceeds from dilution of interest in a subsidiary	15,195	30,541
Net cash used in investing activities	(507,169)	(359,817)
Cash flows from financing activities		
Dividends paid	(59,059)	(263,867)
Finance expense paid (including amounts capitalised in development property)	(85,760)	(98,626)
Proceeds from borrowings	778,977	915,718
Repayment of borrowings	(1,066,811)	(750,000)
Proceeds from issuance of units by a subsidiary	346,400	600,000
Unit issue costs of a subsidiary	(16,474)	(21,586)
Changes in pledged deposits	(15,077)	-
Net cash (used in)/from financing activities	(117,804)	381,639
Net (decrease)/increase in cash and cash equivalents	(585,213)	125,659
Cash and cash equivalents at 1 January	730,613	604,637
Effect of exchange rate fluctuations on cash held	1,480	317
Cash and cash equivalents at 31 December¹	146,880	730,613

1 – Cash and cash equivalents as at 31 December 2014 excludes the Group's pledged deposits of \$15,077,000.

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Financial Year Ended 31 December 2014

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 2014	693,315	7,917	2,190,308	2,891,540	623,484	3,515,024
Total comprehensive income for the year						
Profit for the year	-	-	1,094,020	1,094,020	146,018	1,240,038
Other comprehensive income						
Currency translation differences relating to foreign operations	-	9,677	-	9,677	2,038	11,715
Share of currency translation differences of equity-accounted investees	-	1,242	-	1,242	-	1,242
Share of other reserves of equity accounted investees	-	1,088	-	1,088	-	1,088
Hedging reserve of subsidiary reclassified to profit or loss upon loss of control	-	889	-	889	-	889
Fair value gain on available-for-sale financial assets	-	18,710	-	18,710	-	18,710
Effective portion of changes in fair value of cash flow hedges	-	396	-	396	446	842
Total other comprehensive income, net of tax	-	32,002	-	32,002	2,484	34,486
Total comprehensive income for the year	-	32,002	1,094,020	1,126,022	148,502	1,274,524
Transactions with owners of the Company, recognised directly in equity						
Contributions by and distributions to owners of the Company						
Dividends paid	-	-	(27,297)	(27,297)	(31,762)	(59,059)
Share of unit issue costs of a subsidiary	-	(8,237)	-	(8,237)	(8,237)	(16,474)
Total contributions by and distributions to owners	-	(8,237)	(27,297)	(35,534)	(39,999)	(75,533)
Changes in ownership interests in subsidiaries						
Disposal of interests 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 subsidiary without loss of control	-	-	(2,070)	(2,070)	17,265	15,195
Total changes in ownership interests in subsidiaries	-	(25,459)	(103,233)	(128,692)	(245,876)	(374,568)
Total transactions with owners of the Company	-	(33,696)	(130,530)	(164,226)	(285,875)	(450,101)
At 31 December 2014	693,315	6,223	3,153,798	3,853,336	486,111	4,339,447
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 realised and transferred to profit and loss on disposal of subsidiaries	-	(8,666)	-	(8,666)	-	(8,666)
Share of currency translation differences of equity-accounted investees	-	1,151	-	1,151	-	1,151
Fair value gain on available-for-sale financial assets	-	28,499	-	28,499	-	28,499
Effective portion of changes in fair value of cash flow hedges	-	(1,042)	-	(1,042)	(1,256)	(2,298)
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)
Total contributions by and distributions to owners	-	(10,683)	(263,867)	(274,550)	(11,620)	(286,170)
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 a subsidiary without loss of control	-	-	465	465	30,076	30,541
Total changes in ownership interests in subsidiaries	-	-	465	465	628,324	628,789
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

OUÉ LIMITED
Financial Year Ended 31 December 2014

THE COMPANY	Share Capital \$'000	Other Reserves \$'000	Accumulated Profits \$'000	Total Equity \$'000
At 1 January 2014	693,315	(2,363)	1,756,605	2,447,557
Total comprehensive income for the year				
Profit for the year	-	-	272,839	272,839
Other comprehensive income				
Fair value gain on available-for-sale financial assets	-	18,908	-	18,908
Total other comprehensive income, net of tax	-	18,908	-	18,908
Total comprehensive income for the year	-	18,908	272,839	291,747
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Dividends paid	-	-	(27,297)	(27,297)
Distribution <i>in specie</i>	-	-	(126,622)	(126,622)
Total transactions with owners of the Company	-	-	(153,919)	(153,919)
At 31 December 2014	693,315	16,545	1,875,525	2,585,385
At 1 January 2013	693,315	5,219	968,231	1,666,765
Total comprehensive income for the year				
Profit for the year	-	-	1,016,099	1,016,099
Other comprehensive income				
Fair value gain on available-for-sale financial assets	-	28,560	-	28,560
Total other comprehensive income, net of tax	-	28,560	-	28,560
Total comprehensive income for the year	-	28,560	1,016,099	1,044,659
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Reversal of revaluation reserve on disposal of property, plant and equipment	-	(36,142)	36,142	-
Dividends paid	-	-	(263,867)	(263,867)
Total transactions with owners of the Company	-	(36,142)	(227,725)	(263,867)
At 31 December 2013	693,315	(2,363)	1,756,605	2,447,557

- 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 2014.

As at 31 December 2014, the Company held 71,716,000 treasury shares (31 December 2013: 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 2014, the Company's total number of issued shares excluding treasury shares is 909,885,860 (31 December 2013: 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 2013.

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 2014. 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, except for the following:-

Amendments to FRS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*, which clarifies the existing criteria for net presentation on the face of the statement of financial position. Under the amendments, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The Company previously offsets intercompany receivables and payables due from/to the same counterparty. Upon the adoption of the Amendments to FRS 32, the Company presents the intercompany receivables and payables due from/to the same counterparty at their gross amounts.

The change in accounting policy has been applied retrospectively. The effects of the adoption of the Amendments to FRS 32 resulted in the Company's total assets and total liabilities as at 31 December 2013 to be increased by \$14,005,000 respectively. There is no impact to 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	
	2014	2013
	\$	\$
Based on weighted average number of ordinary shares in issue	1.20	(0.04)
Weighted average number of ordinary shares in issue	909,885,860	909,885,860
On a fully diluted basis ^(a)	1.20	(0.04)

(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.

	The Group		The Company	
	31/12/14	31/12/13	31/12/14	31/12/13
	\$	\$	\$	\$
Net asset value per ordinary share	4.23	3.18	2.84	2.69

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	2014 \$'000	2013 \$'000	Change %
Revenue	416,415	436,564	(4.6)
Earnings before interest and tax (EBIT)	185,074	156,954	17.9
Profit/(Loss) attributable to Owners of the Company	1,094,020	(36,555)	n.m.

In FY 2014, the Group recorded total revenue of \$416.4 million (FY 2013: \$436.6 million), a decrease of 4.6% over the previous financial year. The decrease in the Group's total revenue was mainly due to absence of revenue from the China hotels, which were disposed in September 2013.

Hospitality Division

In FY 2014, the hospitality division achieved total revenue of \$210.6 million (FY 2013: \$229.6 million). The decrease was due mainly to the loss of revenue resulting from the sale of the two China hotels in 3Q 2013.

Property Investment Division

The Group's revenue from investment properties amounted to \$157.8 million for FY 2014 (FY 2013: \$138.1 million). The increase in FY 2014 was due to the inclusion of revenue from Lippo Plaza, which was acquired by OUE Commercial REIT ("OUE C-REIT") on 27 January 2014. Revenue also increased as a result of full year contribution from the US Bank Tower, which was acquired in June 2013.

Property Development Division

The development property income of \$38.3 million in FY 2014 relates to revenue recognised from the sale of residential units for OUE Twin Peaks. The decrease in development property revenue year-on-year is due mainly to the lower sales during the financial year.

Lower revenue coupled with higher cost of sales resulted in a 20.5% decrease in gross profit. Cost of sales for the current year included the recognition of rental expense to OUE Hospitality Trust ("OUE H-TRUST").

Marketing expenses decreased by \$2.1 million (down 14.6% year-on-year) as a result of lower marketing costs incurred by the OUE Twin Peaks project in 2014.

Administrative expenses increased \$4.8 million to \$55.8 million in FY 2014 due mainly to higher expenses such as headcount related cost.

Decrease in other operating expenses of \$7.6 million is mainly attributable to reduction in energy cost and lower loss on disposal of fixed assets recognised in the current financial year.

Share of results of equity-accounted investees for FY 2014 was \$87.0 million as compared to \$17.4 million in FY 2013. The increase was due mainly to recognition of the Group's share of fair value gain on One Raffles Place, as well as recognition of the Group's share of results of OUE H-TRUST. As at 31 December 2014, OUE H-TRUST is an associate of the Group. Consequently, EBIT improved 17.9% to \$185.1 million.

Finance expenses decreased from \$95.5 million in FY 2013 to \$68.6 million in FY 2014 as a result of lower borrowings and absence of exchange loss for the current financial year.

Other gains include recognition of gain (which arises from the disposal of Mandarin Orchard Singapore and Mandarin Gallery to OUE H-TRUST) upon deconsolidation of OUE H-TRUST in 1Q 2014, as well as fair value gains on OUE Bayfront, Lippo Plaza and US Bank Tower. In addition, fair value gains in relation to the mutual fund investment of about \$14.7 million was also recognised. These gains were partially offset by an allowance for foreseeable loss of \$105.0 million provided for OUE Twin Peaks and fair value loss on OUE Downtown.

At post-tax level, the Group had an attributable profit of \$1,094.0 million in 2014 as compared to a loss of \$36.6 million in 2013. The increase was mainly due to net fair value gains on investment properties of the Group and gain on deconsolidation of OUE H-TRUST.

Statements of Financial Position

The decrease in the Group's "Cash and cash equivalents" of \$568.7 million was largely due to repayment of the \$300.0 million fixed rate note due in April 2014. The Group also invested \$254.2 million (US\$200.0 million) in a mutual fund to optimise return on available funds.

The Group's "Other investments" of \$328.1 million as at December 2014 relates to investments in a mutual fund and quoted equity securities.

The Group's "Development properties" increased \$28.8 million to \$875.6 million as at December 2014. This is mainly due to the recognition of the carrying value of Crowne Plaza Changi Airport's extension ("CPEX") (\$55.9 million) as a development property and additional development cost incurred on OUE Twin Peaks project, offset partially by the allowance for foreseeable loss of \$105.0 million made on OUE Twin Peaks. The reclassification of CPEX to "development properties" follows from the signing of a sale and purchase agreement for its divestment to OUE Hospitality Real Estate Investment Trust ("OUE H-REIT"), which is part of a stapled group, OUE Hospitality Trust (comprising OUE H-REIT and OUE Hospitality Business Trust).

"Assets held for sale" of \$223.6 million comprises assets relating to Crowne Plaza Changi Airport ("CPCA") that are classified as held for sale following the signing of the sale and purchase agreement for the sale of CPCA to OUE H-REIT.

The increase in the Group's "Available-for-sale financial assets" to \$217.3 million as at December 2014 relates mainly to gain recognised arising from the fair value assessment of the Group's investment in Marina Centre Holdings.

"Investments in equity-accounted investees" increased from \$720.5 million to \$1,150.8 million due mainly to the recognition of OUE H-TRUST as an associate.

The Group's "Investment properties" increased \$205.0 million to \$3.7 billion as at December 2014 as a result of acquisition of Lippo Plaza by OUE C-REIT in January 2014, as well as fair value gains recognised on OUE Bayfront, Lippo Plaza and US Bank Tower. This was offset by de-recognition of Mandarin Gallery upon the deconsolidation of OUE H-TRUST in 1Q 2014 and fair value loss on OUE Downtown.

The Group's "Property, plant and equipment" decreased \$346.2 million to \$20.6 million as at December 2014. The carrying value of MOS was de-recognised upon the deconsolidation of OUE H-TRUST in 1Q 2014. In addition, the carrying value of assets related to CPCA and CPEX was reclassified to "Assets held for sale" and "Development properties" respectively as at December 2014.

"Intangible asset" decreased \$43.2 million as at December 2014 due to reclassification to "Development Properties".

The increase in "Trade and other payables" of \$72.2 million relates largely to accruals for upgrading and redevelopment works of the Group's properties.

The decrease in the Group's "Borrowings" by \$676.1 million arises mainly from the repayment of borrowings by the Group.

"Deferred tax liabilities" increased \$54.4 million to \$92.7 million as a result of the deferred tax recognised on fair value gains on Lippo Plaza and US Bank Tower.

The decrease in "Non-controlling interests" of 137.4 million largely relates to de-recognition of the non-controlling interest of OUE H-TRUST upon deconsolidation in 1Q 2014. This is offset by the non-controlling interest's share in the net assets of OUE C-REIT.

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, total visitor arrivals for 2014 was down 3.1% year-on-year to 15.1 million. With no major convention events in 2015 and the continued uncertain global economic outlook, visitor arrivals in 2015 could remain soft.

According to CBRE¹, Grade A rents in Singapore grew 2.3% quarter-on-quarter to reach \$11.20 psf/mth, while the vacancy rate stood at a respectable 5.8%. With no significant office supply in the CBD expected over the next 18 months, rental growth is expected to remain positive in 2015.

As at 4Q 2014, overall Shanghai CBD Grade A office vacancy was at 5.6% and average market rents was at RMB9.3 psm per day, according to Colliers International². In view of new supply coming on-stream in Puxi in 2015, rental outlook is expected to continue to be subdued.

According to DTZ³, Los Angeles ("LA") overall office vacancy stood at 14.8% as at 4Q 2014, a 1.7% decrease from the 16.5% metric posted one year ago. Downtown LA vacancy was at 16.3% as at 4Q 2014. Along with the improvement in the economy, the expected increase in demand heading into 2015 should ensure that vacancy rates will continue to drop.

Ongoing asset enhancement projects at OUE Downtown and US Bank Tower are on schedule. With active lease management, US Bank Tower has achieved new or renewed leases amounting to about 650,000 square feet since acquisition. As at 31 December 2014, US Bank Tower has a committed occupancy of 79.6%.

On 13 January 2015, shareholders had approved the divestment of Crowne Plaza Changi Airport ("CPCA") and its future extension ("CPEX") to OUE H-TRUST. The divestment of CPCA was completed on 30 January 2015 and the divestment of CPEX will complete when it obtains its temporary occupational permit. The construction of CPEX is expected to be completed by end of 2015 but no later than June 2016.

Lacklustre sentiments continue to prevail in the high-end residential property market. The Group will continue to drive the sale of its only development project at Leonie Hill, OUE Twin Peaks, which is scheduled to complete in 2015.

1: CBRE Singapore MarketView Q4 2014

2: Colliers International Research & Forecast Report – Shanghai |Office 4Q 2014

3: DTZ Los Angeles Office Market Snapshot Report 4Q 2014

11 Dividend

(a) Current Financial Period Reported On

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

Name of dividend	Final
Dividend type	Cash
Dividend per share (In cents)	1 cent
Tax rate	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 cash dividend, if approved at the Annual General Meeting to be held on 30 April 2015, will be payable on 29 May 2015.

(d) Books closure date

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 20 May 2015, 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 19 May 2015 will be registered to determine shareholders' entitlements to the proposed final dividend. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the proposed final 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.

OUÉ LIMITED
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- 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 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 2014

	Hospitality		Property Investments			Property Development	Fund Management	Others	Elimination and unallocated items	Group
	Singapore	Others	Singapore	United States	China					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
External revenue	208,014	2,633	90,281	44,539	22,941	38,297	1,123	8,394	193	416,415
Inter-segment revenue	319	-	25,418	2,174	-	-	9,837	21	(37,769)	-
Segment revenue (including inter-segment revenue)	208,333	2,633	115,699	46,713	22,941	38,297	10,960	8,415	(37,576)	416,415
Segment profit/(loss) ¹	14,289	1,637	162,910	19,315	16,689	12,563	6,547	(2,162)	(46,714)	185,074
Depreciation	(8,344)	-	(14)	(13)	-	-	(144)	(1,447)	(2,182)	(12,144)
Finance expenses	(2,893)	-	(35,625)	(9,260)	(4,282)	-	-	(3,467)	(13,080)	(68,607)
Finance income	163	9	(640)	22	174	-	5	(9,093)	13,945	4,585
Share of results of equity-accounted investees, net of tax	5,643	(36)	79,270	-	-	-	2,158	-	(2)	87,033
Other material items										
Change in fair value of investment properties	-	-	88,496	17,086	153,663	-	-	-	-	259,245
Net gain on disposal of subsidiaries	1,003,825	-	-	-	-	-	-	-	-	1,003,825
Net change in fair value of financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-	21,662	-	21,662
Allowance for foreseeable loss on a development property	-	-	-	-	-	(105,000)	-	-	-	(105,000)

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	201,813	25,632	2,126	113,992	24,122	62,743	-	6,037	99	436,564
Inter-segment revenue	631	-	-	37,792	-	-	4,832	24	(43,279)	-
Segment revenue (including inter-segment revenue)	202,444	25,632	2,126	151,784	24,122	62,743	4,832	6,061	(43,180)	436,564
Segment profit/(loss) ¹	49,984	13	1,092	125,482	10,251	2,713	1,974	(1,498)	(33,057)	156,954
Depreciation	(15,139)	(4,335)	-	(17)	(7)	-	-	(1,098)	(1,622)	(22,218)
Finance expenses	(2,799)	37	(40)	(50,422)	(3,011)	-	-	(610)	(38,701)	(95,546)
Finance income	60	656	-	4,796	10	-	-	34	(2,611)	2,945
Share of results of equity-accounted investees, net of tax	5,705	(36)	-	11,693	-	-	-	-	(2)	17,360
Other material items										
Change in fair value of investment properties	-	-	-	(120,519)	73,532	-	-	-	-	(46,987)

¹ – Segment profit/(loss) is defined as profit/(loss) before interest, tax and other gains/(losses)

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.

16 A breakdown of sales

	<u>2014</u> \$'000	<u>2013</u> \$'000	<u>Change</u> %
Revenue reported for first half year	207,081	217,409	(4.8)
Profit after tax before deducting non-controlling interest reported for first half year	1,022,237	16,612	>100.0
Revenue reported for second half year	209,334	219,155	(4.5)
Profit/(Loss) after tax before deducting non-controlling interest reported for second half year	217,801	(46,731)	n.m.

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 2014 will be as follows:-

	<u>2014</u> \$'000	<u>2013</u> \$'000
Ordinary		
- Interim	9,099	9,099
- Special	-	181,977
- Distribution <i>In Specie</i>	126,622 *	-
- Final (Proposed)	9,099 **	18,198
Total annual dividend	<u><u>144,820</u></u>	<u><u>209,274</u></u>

* On 27 February 2014, the Group declared a distribution *in specie* of part of the stapled securities it holds in OUE Hospitality Trust ("OUE H-Trust"), to all shareholders of the Company in proportion to their shareholdings in the Company (the "Distribution *In Specie*"). Shareholders entitled to the Distribution *In Specie* received one stapled security for every six ordinary shares in the Company. The distribution was completed on 31 March 2014.

** The final dividend of 1 cent per share tax-exempt (one-tier) in respect of the financial year ended 31 December 2014 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 2014.

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
13 February 2015