



OUE LIMITED

(Company Registration No. 196400050E)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015 (UNAUDITED)

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OUE LIMITED
Financial Year Ended 31 December 2015

1(a)(i) Statement of Comprehensive Income

	Notes	The Group		
		2015 \$'000	2014 \$'000	%
Revenue	A	431,493	416,415	3.6
Cost of sales		(280,838)	(236,824)	18.6
Gross profit		150,655	179,591	(16.1)
Marketing expenses		(21,952)	(12,274)	78.8
Administrative expenses		(65,017)	(55,775)	16.6
Other operating expenses		(13,457)	(13,501)	(0.3)
Share of results of equity-accounted investees, net of tax	B	207,580	87,033	>100.0
		257,809	185,074	39.3
Finance expenses	C	(89,135)	(68,607)	29.9
Finance income	D	12,175	4,585	>100.0
Other gains - net	E	20,257	1,179,732	(98.3)
Profit before tax	F	201,106	1,300,784	(84.5)
Tax expense	G	(22,335)	(60,746)	(63.2)
Profit after tax		178,771	1,240,038	(85.6)
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Currency translation differences relating to foreign operations		26,433	11,715	>100.0
Share of currency translation differences of equity-accounted investees		972	1,242	(21.7)
Share of other reserves of equity-accounted investees		(1,549)	1,088	n.m.
Hedging reserve of subsidiary reclassified to profit or loss upon loss of control		-	889	(100.0)
Fair value (loss)/gain on available-for-sale financial assets		(43,875)	18,710	n.m.
Effective portion of changes in fair value of cash flow hedges		7,250	842	>100.0
Other comprehensive income, net of tax		(10,769)	34,486	n.m.
Total comprehensive income for the year		168,002	1,274,524	(86.8)
Profit attributable to:				
Owners of the Company		156,370	1,094,020	(85.7)
Non-controlling interests		22,401	146,018	(84.7)
		178,771	1,240,038	(85.6)
Total comprehensive income attributable to:				
Owners of the Company		136,367	1,126,022	(87.9)
Non-controlling interests		31,635	148,502	(78.7)
		168,002	1,274,524	(86.8)

n.m. - Not meaningful

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

A) Revenue

	2015 \$'000	2014 \$'000	Change %
Hospitality income	204,398	210,647	(3.0)
Investment properties income	193,379	157,761	22.6
Development property income	23,644	38,297	(38.3)
Dividend income	1,800	1,840	(2.2)
Others	8,272	7,870	5.1
	<u>431,493</u>	<u>416,415</u>	3.6

B) Share of results of equity-accounted investees, net of tax

Contribution from equity-accounted investees increased \$120.5 million year-on-year to \$207.6 million. The increase was due mainly to the recognition of \$143.4 million negative goodwill arising from the acquisition of shares in Gemdale Properties and Investment Corporation Limited ("Gemdale"). The negative goodwill represents the excess of the fair value of assets and liabilities acquired over the consideration paid.

C) Finance expenses

	2015 \$'000	2014 \$'000	Change %
Finance expenses	89,608	80,651	11.1
Less: Borrowing costs capitalised in development property	(1,804)	(12,044)	(85.0)
Ineffective portion of changes in fair value of cash flow hedges	1,331	-	n.m.
	<u>89,135</u>	<u>68,607</u>	29.9

Finance expenses increased \$20.5 million to \$89.1 million largely due to increased borrowings to fund the acquisition of OUB Centre Limited ("OUBC") and the consolidation of OUBC's finance expense. OUBC owns the property, One Raffles Place.

D) Finance income

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

E) Other gains – net

	2015 \$'000	2014 \$'000	Change %
Impairment loss on a development property	(23,205)	(105,000)	(77.9)
Change in fair value of investment properties	6,860	259,245	(97.4)
Net change in fair value of investments designated at fair value through profit or loss	(8,366)	21,662	n.m.
Gain on disposal of property, plant and equipment	57,784	-	n.m.
Net gain on disposal of subsidiaries	-	1,003,825	(100.0)
Gain on remeasurement of previously held equity interest in an associate which became a subsidiary	587	-	n.m.
Impairment loss on available-for-sale financial assets	(1,000)	-	n.m.
Impairment loss on goodwill arising from acquisition of a subsidiary	(12,403)	-	n.m.
	<u>20,257</u>	<u>1,179,732</u>	(98.3)

In 2015, gain on disposal of property, plant and equipment relates to gain recognised on sale of Crowne Plaza Changi Airport ("CPCA") to OUE Hospitality Real Estate Investment Trust ("OUE H-REIT").

The gain was partially offset by an impairment loss of \$23.2 million recognised on OUE Twin Peaks, and impairment loss on goodwill arising from the acquisition of additional interest in OUBC. The Group's investment properties also recorded a lower fair value gain in FY 2015.

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

The net change in fair value of investments designated at fair value through profit or loss comprises mainly the fair value change of the Group's investment in a mutual fund.

F) Profit before tax

	2015 \$'000	2014 \$'000	Change %
Profit before tax is stated after charging/(crediting):			
Borrowing cost	87,804	68,607	28.0
Net foreign exchange gains	(9,444)	(1,562)	>100.0
Ineffective portion of changes in fair value of cash flow hedges	1,331	(361)	n.m.
Depreciation of property, plant and equipment	3,952	12,144	(67.5)
Allowance for impairment of trade and other receivables	99	329	(69.9)
Bad debts written off	291	23	>100.0
(Gain)/Loss on disposal of property, plant and equipment	(57,791)	181	n.m.

G) Tax expense

	2015 \$'000	2014 \$'000	Change %
The charge for income tax expense includes the following:			
Overprovision in respect of prior years			
- Current tax	(3,954)	(1,262)	>100.0
- Deferred tax	(164)	-	n.m.
Deferred tax on fair value gains of investment properties	4,693	45,300	(89.6)

n.m. Not meaningful

OUE LIMITED
Financial Year Ended 31 December 2015

1(b)(i) Statements of Financial Position

	Notes	The Group		The Company	
		31/12/15 \$'000	31/12/14 \$'000	31/12/15 \$'000	31/12/14 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		172,353	161,957	83,782	62,788
Trade and other receivables	A	38,931	24,759	789,848	690,258
Inventories		727	691	246	192
Other investments	B	371,399	328,070	-	-
Development properties		859,269	875,570	-	-
Other assets	A	35,589	13,810	1,753	2,568
Loans to subsidiaries		-	-	2,394,206	1,544,693
Derivative assets		32	-	-	-
Assets held for sale	C	-	223,564	-	-
		<u>1,478,300</u>	<u>1,628,421</u>	<u>3,269,835</u>	<u>2,300,499</u>
Non-current assets					
Available-for-sale financial assets	D	174,223	217,324	157,262	201,624
Investments in equity-accounted investees	E	812,695	1,150,776	391,224	514,202
Investments in subsidiaries		-	-	334,792	334,792
Loan to a subsidiary		-	-	124,750	80,866
Other assets	A	3,255	1,503	976	1,071
Investment properties	F	5,627,266	3,671,968	-	-
Property, plant and equipment		21,337	20,591	14,139	15,173
Deferred tax assets		6,189	2,269	1,273	-
Derivative assets		6,573	1,478	-	-
		<u>6,651,538</u>	<u>5,065,909</u>	<u>1,024,416</u>	<u>1,147,728</u>
Total assets		<u>8,129,838</u>	<u>6,694,330</u>	<u>4,294,251</u>	<u>3,448,227</u>
LIABILITIES					
Current liabilities					
Trade and other payables	G	237,740	149,283	67,595	100,181
Borrowings	H	157,195	649,507	152,000	249,665
Provision		-	-	4,665	6,894
Loan from a subsidiary		-	-	216,702	-
Current tax liabilities		27,373	16,676	1,957	3,562
		<u>422,308</u>	<u>815,466</u>	<u>442,919</u>	<u>360,302</u>
Non-current liabilities					
Borrowings	H	2,767,352	1,416,415	795,250	496,523
Deferred tax liabilities	I	119,664	92,704	392	367
Other payables	G	56,142	29,326	390	585
Provision		-	-	8,395	5,065
Derivative liabilities		180	972	-	-
		<u>2,943,338</u>	<u>1,539,417</u>	<u>804,427</u>	<u>502,540</u>
Total liabilities		<u>3,365,646</u>	<u>2,354,883</u>	<u>1,247,346</u>	<u>862,842</u>
Net Assets		<u>4,764,192</u>	<u>4,339,447</u>	<u>3,046,905</u>	<u>2,585,385</u>
EQUITY					
Share capital		693,315	693,315	693,315	693,315
Other reserves		(51,672)	6,223	(39,769)	16,545
Accumulated profits		3,288,829	3,153,798	2,393,359	1,875,525
Equity attributable to owners of the Company		<u>3,930,472</u>	<u>3,853,336</u>	<u>3,046,905</u>	<u>2,585,385</u>
Non-controlling interests	J	833,720	486,111	-	-
Total equity		<u>4,764,192</u>	<u>4,339,447</u>	<u>3,046,905</u>	<u>2,585,385</u>

Notes:

- A) "Trade and other receivables and other assets" increased \$37.7 million to \$77.8 million mainly due to increase in receivables pertaining to OUE Twin Peaks and the inclusion of OUBC's receivables upon consolidation.
- B) The Group's "Other investments" of \$371.4 million as at December 2015 million relates mainly to investment in a mutual fund.
- C) "Assets held for sale" of \$223.6 million as at December 2014 comprised assets relating to Crowne Plaza Changi Airport ("CPCA") that were classified as held for sale following the signing of the sale and purchase agreement for the sale of CPCA to OUE H-REIT. The sale was completed in January 2015.
- D) The decrease in the Group's "Available-for-sale financial assets" to \$174.2 million as at December 2015 relates mainly to fair value loss recognised on the Group's investment in Marina Centre Holdings.
- E) The decrease in "Investments in equity-accounted investees" of \$338.1 million to \$812.7 million was mainly due to the acquisition of additional interest of 33.33% in OUB Centre Limited ("OUBC") in October 2015, resulting in OUBC being consolidated as a subsidiary instead of being equity-accounted for as an associate.

The decrease is offset by the Group's subscription of shares in Gemdale Properties and Investment Corporation Limited ("Gemdale"), an entity listed on The Stock Exchange of Hong Kong Limited, through a joint venture of the Group, which was completed in February 2015. The Group's joint venture has performed a purchase price allocation ("PPA") exercise on its investment in Gemdale resulting in the recognition of negative goodwill amounting to \$111.7 million. The negative goodwill represents the excess of the fair value of the assets and liabilities acquired over the consideration paid.

In December 2015, the Group acquired additional interest in Gemdale through the joint venture and recognised negative goodwill of \$31.7 million based on provisional fair values of identifiable assets and liabilities. The Group is expected to complete the PPA on this acquisition in 2016.

- F) The Group's "Investment properties" increased \$2.0 billion to \$5.6 billion as at December 2015 mainly due to the inclusion of One Raffles Place.
- G) The increase in "Trade and other payables" of \$115.3 million to \$293.9 million is mainly attributable to accruals for development costs incurred on the development properties of the Group, as well as inclusion of OUBC's trade and other payables upon consolidation.
- H) The Group's "Borrowings" increased \$858.6 million to \$2.9 billion. The increase is mainly due to additional loan taken to partially finance the acquisition of additional interest in OUBC and the inclusion of OUBC's loans upon consolidation.
- I) Deferred tax liabilities increased \$27.0 million to \$119.7 million largely due to increase in fair values of US Bank Tower and Lippo Plaza, as well as inclusion of OUBC's deferred tax liabilities on consolidation.
- J) The increase in "Non-controlling interests" of \$347.6 million largely relates to the recognition of the non-controlling interest of OUBC arising from consolidation. The increase is also due to rights issue by OUE C-REIT to partially finance the acquisition of OUBC.

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

	As at 31/12/15		As at 31/12/14	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	5,195	152,000	399,842	249,665
Amount repayable after one year	1,972,102	795,250	919,892	496,523

Details of any collateral

Secured borrowings are collateralised by:

- pledging of the borrowing companies' properties/assets and/or
- assignment of all rights and benefits to sale, lease and/or insurance proceeds with respect to the properties

1(c) Consolidated Statement of Cash Flows

	The Group	
	2015	2014
	\$'000	\$'000
Cash flows from operating activities		
Profit after tax	178,771	1,240,038
Adjustments for:		
Depreciation of property, plant and equipment	3,952	12,144
Dividend income	(1,800)	(1,840)
Impairment loss on a development property	23,205	105,000
Impairment loss on available-for-sale financial assets	1,000	-
Impairment loss on goodwill arising from acquisition of a subsidiary	12,403	-
Change in fair value of investment properties	(6,860)	(259,245)
Net change in fair value of investments designated at fair value through profit or loss	8,366	(21,662)
Gain on remeasurement of previously held equity interest in an associate which became a subsidiary	(587)	-
Finance expenses	89,135	68,607
Finance income	(12,175)	(4,585)
Gain on disposal of subsidiaries	-	(1,003,825)
(Gain)/Loss on disposal of property, plant and equipment	(57,791)	181
Share of results of equity-accounted investees, net of tax	(207,580)	(87,033)
Tax expense	22,335	60,746
	<u>52,374</u>	<u>108,526</u>
Changes in:		
- trade and other receivables and other assets	2,257	(14,253)
- inventories	15	99
- development properties	17,002	(53,519)
- trade and other payables and provisions	(5,744)	6,394
Cash generated from operations	<u>65,904</u>	<u>47,247</u>
Tax paid	<u>(10,639)</u>	<u>(7,487)</u>
Net cash from operating activities	<u>55,265</u>	<u>39,760</u>
Cash flows from investing activities		
Acquisition of associate	(1,376)	-
Acquisition of subsidiaries, net of cash acquired	(471,057)	(121,598)
Acquisition of available-for-sale financial assets	(809)	(4,810)
Acquisition of other investments	(288,311)	(324,639)
Additions to property, plant and equipment	(4,161)	(13,288)
Additions to investment properties	(131,398)	(66,305)
Dividends from:		
- equity-accounted investees, net of tax	41,522	34,245
- available-for-sale financial assets, net of tax	1,800	1,840
- other investments, net of tax	607	473
Interest received	1,776	2,162
Loan and advances to joint ventures	(196,686)	-
Proceeds from sale of other investments	236,616	27,708
Proceeds from disposal of property, plant and equipment	290,109	4
Proceeds from disposal of subsidiaries, net of cash disposed	-	(58,156)
Proceeds from dilution of interest in a subsidiary	-	15,195
Net cash used in investing activities	<u>(521,368)</u>	<u>(507,169)</u>

OUE LIMITED
Financial Year Ended 31 December 2015

	The Group	
	2015	2014
	\$'000	\$'000
Cash flows from financing activities		
Acquisition of non-controlling interests	(442)	-
Dividends paid	(71,175)	(59,059)
Finance expense paid (including amounts capitalised in development property)	(86,049)	(85,760)
Proceeds from borrowings	1,718,116	778,977
Repayment of borrowings	(1,180,813)	(1,066,811)
Proceeds from issuance of units by a subsidiary	112,886	346,400
Unit issue costs of a subsidiary	(5,991)	(16,474)
Repurchase of own shares	(11,952)	-
Changes in pledged deposits	(383)	(15,077)
Net cash from/(used in) financing activities	474,197	(117,804)
Net increase/(decrease) in cash and cash equivalents	8,094	(585,213)
Cash and cash equivalents at 1 January	146,880	730,613
Effect of exchange rate fluctuations on cash held	1,919	1,480
Cash and cash equivalents at 31 December¹	156,893	146,880

1 - Cash and cash equivalents as at 31 December 2015 excludes the Group's pledged deposits of \$15,460,000 (31 December 2014: \$15,077,000).

OUÉ LIMITED
Financial Year Ended 31 December 2015

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

THE GROUP	Attributable to Owners of the Company					Total Equity \$'000
	Share Capital \$'000	Other Reserves \$'000	Accumulated Profits \$'000	Total \$'000	Non-controlling interests \$'000	
At 1 January 2015	693,315	6,223	3,153,798	3,853,336	486,111	4,339,447
Total comprehensive income for the year						
Profit for the year	-	-	156,370	156,370	22,401	178,771
Other comprehensive income						
Currency translation differences relating to foreign operations	-	20,890	-	20,890	5,543	26,433
Share of currency translation differences of equity-accounted investees	-	972	-	972	-	972
Share of other reserves of equity-accounted investees	-	(1,549)	-	(1,549)	-	(1,549)
Fair value loss on available-for-sale financial assets	-	(43,875)	-	(43,875)	-	(43,875)
Effective portion of changes in fair value of cash flow hedges	-	3,559	-	3,559	3,691	7,250
Total other comprehensive income, net of tax	-	(20,003)	-	(20,003)	9,234	(10,769)
Total comprehensive income for the year	-	(20,003)	156,370	136,367	31,635	168,002
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Own shares acquired	-	(11,952)	-	(11,952)	-	(11,952)
Dividends paid	-	-	(45,231)	(45,231)	(25,944)	(71,175)
Proceeds from issuance of units by a subsidiary	-	-	-	-	112,886	112,886
Unit issue costs of a subsidiary	-	(2,893)	-	(2,893)	(3,098)	(5,991)
Total contributions by and distributions to owners	-	(14,845)	(45,231)	(60,076)	83,844	23,768
Changes in ownership interests in subsidiaries						
Changes in ownership interests in a subsidiary with a change in control	-	(25,798)	25,798	-	232,386	232,386
Changes in ownership interests in a subsidiary without loss of control	-	46	(232)	(186)	(256)	(442)
Total changes in ownership interests in subsidiaries	-	(25,752)	25,566	(186)	232,130	231,944
Total transactions with owners	-	(40,597)	(19,665)	(60,262)	315,974	255,712
Share of reserves of an equity-accounted investee	-	2,705	(1,674)	1,031	-	1,031
At 31 December 2015	693,315	(51,672)	3,288,829	3,930,472	833,720	4,764,192
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, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid	-	-	(27,297)	(27,297)	(31,762)	(59,059)
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 interest in subsidiaries	-	(25,459)	(101,163)	(126,622)	(609,541)	(736,163)
Proceeds from issuance of units by a subsidiary	-	-	-	-	346,400	346,400
Changes in ownership interests in a subsidiary without loss of control	-	-	(2,070)	(2,070)	17,265	15,195
Total changes in ownership interests in subsidiaries	-	(25,459)	(103,233)	(128,692)	(245,876)	(374,568)
Total transactions with owners	-	(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

OUE LIMITED
Financial Year Ended 31 December 2015

THE COMPANY	Share Capital	Other Reserves	Accumulated Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000
At 1 January 2015	693,315	16,545	1,875,525	2,585,385
Total comprehensive income for the year				
Profit for the year	-	-	563,065	563,065
Other comprehensive income				
Fair value loss on available-for-sale financial assets	-	(44,362)	-	(44,362)
Total other comprehensive income, net of tax	-	(44,362)	-	(44,362)
Total comprehensive income for the year	-	(44,362)	563,065	518,703
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Dividends paid	-	-	(45,231)	(45,231)
Own shares acquired	-	(11,952)	-	(11,952)
Total transactions with owners of the Company	-	(11,952)	(45,231)	(57,183)
At 31 December 2015	693,315	(39,769)	2,393,359	3,046,905
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

- 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 2015.

As at 31 December 2015, the Company held 78,305,000 treasury shares (31 December 2014: 71,716,000).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 31 December 2015, the Company's total number of issued shares excluding treasury shares is 903,296,860 (31 December 2014: 909,885,860).

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

Not applicable.

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

These figures have not been audited or reviewed.

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2014.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on 1 January 2015. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

- 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	
	2015	2014
Based on weighted average number of ordinary shares in issue (cents per share)	17.23	120.24
Weighted average number of ordinary shares in issue	907,624,118	909,885,860
On a fully diluted basis (cents per share) ^(a)	17.23	120.24

(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	
	2015	2014	2015	2014
	\$	\$	\$	\$
Net asset value per ordinary share	4.35	4.23	3.37	2.84

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

FINANCIAL HIGHLIGHTS	2015 \$'000	2014 \$'000	Change %
Revenue	431,493	416,415	3.6
Earnings before interest and tax (EBIT)	257,809	185,074	39.3
Profit attributable to Owners of the Company	156,370	1,094,020	(85.7)

In FY 2015, the Group recorded revenue of \$431.5 million (FY 2014: \$416.4 million), an increase of 3.6% over the previous financial year. The increase was mainly due to increased contribution from the Property Investments division; offset by lower revenue from the Hospitality and Development Property divisions.

Hospitality Division

Revenue contributed by the hospitality division declined slightly by 3.0% to \$204.4 million (FY 2014: \$210.6 million) due to lower RevPAR achieved by the Group's hotel properties.

Property Investments Division

Revenue from the property investments division increased \$35.6 million to \$193.4 million (FY 2014: \$157.8 million) in FY 2015. The increase was due to consolidation of revenue of One Raffles Place ("ORP") following the acquisition of additional interests in OUB Centre Limited ("OUBC") in October 2015. Prior to the additional interest acquired, results of OUBC were equity-accounted for as an associate.

The increase is also attributable to higher occupancy achieved by US Bank Tower.

Property Development Division

OUE Twin Peaks recorded lower revenue in FY 2015 as a result of lower sales.

EBIT increased to \$257.8 million in FY 2015 from \$185.1 million in FY 2014 mainly due to the recognition of negative goodwill from acquisition of Gemdale's shares. This is partially offset by higher operating costs including marketing cost relating to re-launching of OUE Twin Peaks and rental expense incurred under the sale and leaseback arrangements with OUE H-TRUST.

At post-tax level, the Group had an attributable profit of \$156.4 million in FY 2015 (FY 2014: \$1,094.0 million). The decrease in FY 2015 is mainly attributable to the absence of non-recurring gain arising from the deconsolidation of OUE H-TRUST.

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 Board¹ ("STB"), total visitor arrivals increase 0.4% year-on-year in the first eleven months of 2015.

In 2016, the Group's hospitality division is expected to benefit from major events such as The Singapore Airshow, Food & Hotel Asia and the World Rugby Sevens Series to be hosted in Singapore. However, the sector will remain competitive with expected supply of new hotel rooms.

CBRE² reported that the Singapore's office market has under-performed against market expectation year-on-year. Rents in the Grade A CBD Core decreased 4.6% quarter-on-quarter to \$10.40 psf/month in 4Q 2015, with occupancy rate in Core CBD decreasing to 95.1%. CBRE expects the vacancy level to remain fairly low until the onset of the new development completions scheduled from Q3 2016 onwards.

Accordingly to Colliers International³, the overall Shanghai CBD Grade A Office vacancy rate decreased to the lowest in the past eight years. Vacancy rate in Puxi decreased by 2.1% quarter-on-quarter to 5.1%. Rental performance remained buoyant with average rental in Puxi growing 1.7% quarter-on-quarter (or 6.7% year-on-year) to RMB 9.4 psm per day. In view of further new supply coming on-stream, the office rental outlook for Shanghai CBD is expected to remain relatively flat for 2016.

The Downtown Los Angeles market finished 2015 on a positive note with increasing rents, higher absorption and decreasing vacancy compared to the same time last year. Colliers International⁴ forecast that 2016 will remain the same with activity dominated by renewals or relocations within the market.

The Group remains focused on its asset enhancement initiatives at OUE Downtown and US Bank Tower. Construction of Crowne Plaza Changi Airport's extension ("CPEX") is also progressing and completion of which is expected no later than June 2016. The divestment of CPEX to OUE H-REIT will take place after the construction of CPEX is completed.

Cautious sentiments continue to prevail in the high-end residential market with URA⁵ reporting a quarter-on-quarter 0.3% (or 2.5% year-on-year) decline in the Core Central Region price index. The Group will continue to drive the sale of its only residential project, OUE Twin Peaks.

1: Singapore Tourism Board, International Visitor Arrivals Statistics, 19 January 2016

2: CBRE, Singapore MarketView Q4 2015

3: Colliers International, Shanghai Office Research & Forecast Report Q4 2015

4: Colliers International, Downtown Los Angeles Office Market Report Q4 2015

5: Urban Redevelopment Authority, Release of 4th Quarter 2015 real estate statistics, 22 January 2016

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)	1 cent
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 21 April 2016, will be payable on 27 May 2016.

(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 18 May 2016, 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 17 May 2016 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.

- 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.

OUE LIMITED
Financial Year Ended 31 December 2015

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 2015

	Hospitality		Property Investments			Property Development	Fund Management	Investment Holding	Others	Elimination and unallocated items	Group
	Singapore	Others	Singapore	United States	China						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue											
External revenue	202,127	2,271	107,704	57,611	28,064	23,644	1,498	-	8,158	416	431,493
Inter-segment revenue	107	-	5,611	8,454	-	-	19,254	-	32	(33,458)	-
Segment revenue (including inter-segment revenue)	202,234	2,271	113,315	66,065	28,064	23,644	20,752	-	8,190	(33,042)	431,493
Segment profit/(loss) ¹	4,094	1,782	131,604	28,099	21,149	(25,407)	22,620	128,224	(11,462)	(42,894)	257,809
Depreciation	(147)	-	(86)	(14)	(7)	-	(165)	-	(1,475)	(2,058)	(3,952)
Finance expenses	(246)	-	(38,914)	(11,069)	(3,854)	(10,808)	(54)	-	(16,160)	(8,030)	(89,135)
Finance income	135	(222)	364	38	260	-	8	-	(26,380)	37,972	12,175
Share of results of equity-accounted investees, net of tax	5,435	(50)	65,231	-	-	-	8,747	128,224	-	(7)	207,580
Other material items											
Change in fair value of investment properties	-	-	(17,188)	12,651	11,397	-	-	-	-	-	6,860
Impairment loss on goodwill arising from acquisition of a subsidiary	-	-	(12,403)	-	-	-	-	-	-	-	(12,403)
Net gain on disposal of property, plant and equipment	57,784	-	-	-	-	-	-	-	-	-	57,784
Net change in fair value of investments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	(8,366)	-	(8,366)
Impairment loss on a development property	-	-	-	-	-	(23,205)	-	-	-	-	(23,205)

OUE LIMITED
Financial Year Ended 31 December 2015

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 investments designated at fair value through profit or loss	-	-	-	-	-	-	-	21,662	-	21,662
Impairment loss on a development property	-	-	-	-	-	(105,000)	-	-	-	(105,000)

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>2015</u> \$'000	<u>2014</u> \$'000	<u>Change</u> %
Revenue reported for first half year	203,637	207,081	(1.7)
Profit after tax before deducting non-controlling interest reported for first half year	71,149	1,022,237	(93.0)
Revenue reported for second half year	227,856	209,334	8.8
Profit after tax before deducting non-controlling interest reported for second half year	107,622	217,801	(50.6)

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 2015 will be as follows:-

	<u>2015</u> \$'000	<u>2014</u> \$'000
Ordinary		
- Interim	9,033	9,099
- Special	27,099	-
- Distribution <i>In Specie</i>	-	126,622 *
- Final (Proposed)	9,033 **	9,099
Total annual dividend	<u>45,165</u>	<u>144,820</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 2015 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 78,305,000 treasury shares) of 903,296,860 as at 31 December 2015.

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

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
19 February 2016