



## OUE LIMITED

(Company Registration No. 196400050E)

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### SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 JUNE 2015 (UNAUDITED)

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TABLE OF CONTENTS		
Item No.	Description	Page No.
1 (a)(i)	Statement of Comprehensive Income	2
1 (a)(ii)	Explanatory Notes to Statement of Comprehensive Income	3 – 4
1 (b)(i)	Statements of Financial Position	5 – 6
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 – 11
1 (d)(ii)	Changes in the Company's Issued Share Capital	12
1 (d)(iii)	Treasury Shares	12
1 (d)(iv)	Changes in the Company's Treasury Shares	12
2 & 3	Audit Statement	12
4 & 5	Accounting Policies	12
6	Earnings per Share	13
7	Net Asset Value per Share	13
8	Review of Performance	13 – 14
9	Variance from Prospect Statement	14
10	Outlook and Prospect	14 – 15
11 & 12	Dividend	15 – 16
13	Interested Party Transactions	16
	Negative Confirmation Pursuant to Rule 705(5) of the Listing Manual	17

**QUE LIMITED**  
**Second Quarter Ended 30 June 2015**

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

	Notes	The Group					
		Second Quarter ended 30/6/15 \$'000	Second Quarter ended 30/6/14 \$'000	Change %	Six Months ended 30/6/15 \$'000	Six Months ended 30/6/14 \$'000	Change %
Revenue	A	95,663	100,158	(4.5)	203,637	207,081	(1.7)
Cost of sales		(58,773)	(63,476)	(7.4)	(126,669)	(110,008)	15.1
Gross profit		36,890	36,682	0.6	76,968	97,073	(20.7)
Marketing expenses		(4,126)	(3,022)	36.5	(8,015)	(5,495)	45.9
Administrative expenses		(11,355)	(9,852)	15.3	(28,490)	(29,106)	(2.1)
Other operating expenses		(2,855)	(3,153)	(9.5)	(5,859)	(6,511)	(10.0)
Share of results of equity-accounted investees, net of tax		14,732	12,185	20.9	30,403	17,118	77.6
		33,286	32,840	1.4	65,007	73,079	(11.0)
Finance expenses	B	(20,674)	(17,231)	20.0	(37,237)	(41,679)	(10.7)
Finance income	C	(741)	671	n.m.	3,479	2,034	71.0
Other (losses)/gains - net	D	(20,548)	(403)	>100.0	51,911	1,034,367	(95.0)
(Loss)/Profit before tax	E	(8,677)	15,877	n.m.	83,160	1,067,801	(92.2)
Tax expense	F	(2,716)	(5,859)	(53.6)	(12,011)	(45,564)	(73.6)
<b>(Loss)/Profit after tax</b>		<b>(11,393)</b>	<b>10,018</b>	<b>n.m.</b>	<b>71,149</b>	<b>1,022,237</b>	<b>(93.0)</b>
<b>Other comprehensive income</b>							
<b>Items that are or may be reclassified subsequently to profit or loss:</b>							
Currency translation differences relating to foreign operations		(15,064)	(11,169)	34.9	13,896	(18,647)	n.m.
Share of currency translation differences of equity-accounted investees		(5,083)	(753)	>100.0	(3,419)	(515)	>100.0
Share of other reserves of equity-accounted investees		(914)	(281)	>100.0	316	(281)	n.m.
Hedging reserve of subsidiary reclassified to profit or loss upon loss of control		-	-	-	-	889	n.m.
Fair value (loss)/gain on available-for-sale financial assets		(41)	-	n.m.	63	-	n.m.
Effective portion of changes in fair value of cash flow hedges		(1,364)	(2,203)	(38.1)	764	(1,871)	n.m.
<b>Other comprehensive income, net of tax</b>		<b>(22,466)</b>	<b>(14,406)</b>	<b>55.9</b>	<b>11,620</b>	<b>(20,425)</b>	<b>n.m.</b>
<b>Total comprehensive income for the year</b>		<b>(33,859)</b>	<b>(4,388)</b>	<b>&gt;100.0</b>	<b>82,769</b>	<b>1,001,812</b>	<b>(91.7)</b>
<b>(Loss)/Profit attributable to:</b>							
Owners of the Company		(16,280)	4,431	n.m.	60,894	950,061	(93.6)
Non-controlling interests		4,887	5,587	(12.5)	10,255	72,176	(85.8)
		<b>(11,393)</b>	<b>10,018</b>	<b>n.m.</b>	<b>71,149</b>	<b>1,022,237</b>	<b>(93.0)</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		(33,070)	(5,036)	>100.0	67,480	938,943	(92.8)
Non-controlling interests		(789)	648	n.m.	15,289	62,869	(75.7)
		<b>(33,859)</b>	<b>(4,388)</b>	<b>&gt;100.0</b>	<b>82,769</b>	<b>1,001,812</b>	<b>(91.7)</b>

n.m. - Not meaningful

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

**A) Revenue**

	Second Quarter ended 30/6/15 \$'000	Second Quarter ended 30/6/14 \$'000	Change %	Six Months ended 30/6/15 \$'000	Six Months ended 30/6/14 \$'000	Change %
Hospitality income	46,606	49,261	(5.4)	96,777	101,583	(4.7)
Investment properties income	42,683	37,259	14.6	85,214	81,226	4.9
Development property income	3,301	10,910	(69.7)	16,661	20,323	(18.0)
Dividend income	900	940	(4.3)	900	940	(4.3)
Others	2,173	1,788	21.5	4,085	3,009	35.8
	<u>95,663</u>	<u>100,158</u>	(4.5)	<u>203,637</u>	<u>207,081</u>	(1.7)

**B) Finance expenses**

	Second Quarter ended 30/6/15 \$'000	Second Quarter ended 30/6/14 \$'000	Change %	Six Months ended 30/6/15 \$'000	Six Months ended 30/6/14 \$'000	Change %
Finance expenses	20,674	20,154	2.6	39,041	47,722	(18.2)
Less: Borrowing costs capitalised in development property	-	(2,923)	n.m.	(1,804)	(6,043)	(70.1)
	<u>20,674</u>	<u>17,231</u>	20.0	<u>37,237</u>	<u>41,679</u>	(10.7)

Finance expenses increased from \$17.2 million in 2Q 2014 to \$20.7 million in 2Q 2015. The increase is mainly due to OUE Twin Peaks' borrowing costs being expensed off upon obtaining its temporary occupation permit ("TOP") in 1Q 2015, as compared to being capitalised prior to TOP.

**C) Finance income**

Finance income relates largely to interest income as well as exchange differences arising from translation of USD-denominated receivables and payables.

**D) Other (losses)/gains – net**

	Second Quarter ended 30/6/15 \$'000	Second Quarter ended 30/6/14 \$'000	Change %	Six Months ended 30/6/15 \$'000	Six Months ended 30/6/14 \$'000	Change %
Allowance for foreseeable loss on a development property	-	-	-	-	(105,000)	n.m.
Change in fair value of an investment property	-	(16)	n.m.	-	153,077	n.m.
Net change in fair value of investments designated at fair value through profit or loss	(20,548)	(387)	>100.0	(5,873)	(97)	>100.0
Gain on disposal of property, plant and equipment	-	-	-	57,784	-	n.m.
Net gain on disposal of subsidiaries	-	-	-	-	986,387	n.m.
	<u>(20,548)</u>	<u>(403)</u>	>100.0	<u>51,911</u>	<u>1,034,367</u>	(95.0)

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

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

**E) (Loss)/Profit before tax**

	Second Quarter ended 30/6/15 \$'000	Second Quarter ended 30/6/14 \$'000	Change %	Six Months ended 30/6/15 \$'000	Six Months ended 30/6/14 \$'000	Change %
(Loss)/Profit before tax is stated after charging/(crediting):						
Borrowing cost	20,674	14,973	38.1	37,237	39,040	(4.6)
Net foreign exchange losses/(gains)	1,512	2,258	(33.0)	(1,888)	2,639	n.m.
Net change in fair value of derivatives	-	-	-	-	(361)	n.m.
Depreciation of property, plant and equipment	996	2,789	(64.3)	1,943	6,723	(71.1)
Writeback of impairment of trade and other receivables	(12)	-	n.m.	(36)	-	n.m.
Loss/(Gain) on disposal of property, plant and equipment	1	1	-	(12)	25	n.m.

**F) Tax expense**

	Second Quarter ended 30/6/15 \$'000	Second Quarter ended 30/6/14 \$'000	Change %	Six Months ended 30/6/15 \$'000	Six Months ended 30/6/14 \$'000	Change %
The charge for income tax expense includes the following:						
(Over)/Underprovision in respect of prior years	(84)	40	n.m.	(87)	637	n.m.
Deferred tax on fair value gain of an investment property	-	(4)	n.m.	-	38,269	n.m.

n.m. Not meaningful

**OUE LIMITED**  
**Second Quarter Ended 30 June 2015**

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

	Notes	The Group		The Company	
		30/06/15	31/12/14	30/06/15	31/12/14
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	A	299,773	161,957	174,890	62,788
Trade and other receivables	B	50,371	24,759	752,137	690,258
Inventories		645	691	164	192
Other investments	C	479,231	328,070	-	-
Development properties		881,145	875,570	-	-
Other assets	B	20,378	13,810	9,165	2,568
Loans to subsidiaries		-	-	1,804,022	1,544,693
Assets held for sale	D	-	223,564	-	-
		<u>1,731,543</u>	<u>1,628,421</u>	<u>2,740,378</u>	<u>2,300,499</u>
<b>Non-current assets</b>					
Available-for-sale financial assets		218,093	217,324	201,624	201,624
Investments in equity-accounted investees	E	1,284,876	1,150,776	403,429	514,202
Investments in subsidiaries		-	-	961,278	334,792
Loans to subsidiaries		-	-	108,337	80,866
Other assets	B	7,013	1,503	-	1,071
Investment properties	F	3,778,490	3,671,968	-	-
Property, plant and equipment		21,452	20,591	14,594	15,173
Deferred tax assets		4,388	2,269	-	-
Derivative assets		2,107	1,478	-	-
		<u>5,316,419</u>	<u>5,065,909</u>	<u>1,689,262</u>	<u>1,147,728</u>
<b>Total assets</b>		<b><u>7,047,962</u></b>	<b><u>6,694,330</u></b>	<b><u>4,429,640</u></b>	<b><u>3,448,227</u></b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	G	210,295	149,283	81,393	100,181
Borrowings	H	203,167	649,507	199,916	249,665
Provision		-	-	6,069	6,894
Loans from subsidiaries		-	-	216,702	-
Current tax liabilities	I	23,562	16,676	1,529	3,562
Derivative liabilities		29	-	-	-
		<u>437,053</u>	<u>815,466</u>	<u>505,609</u>	<u>360,302</u>
<b>Non-current liabilities</b>					
Borrowings	H	2,082,547	1,416,415	794,380	496,523
Deferred tax liabilities		93,931	92,704	484	367
Other payables	G	32,948	29,326	440	585
Provision		-	-	2,756	5,065
Derivative liabilities		809	972	-	-
		<u>2,210,235</u>	<u>1,539,417</u>	<u>798,060</u>	<u>502,540</u>
<b>Total liabilities</b>		<b><u>2,647,288</u></b>	<b><u>2,354,883</u></b>	<b><u>1,303,669</u></b>	<b><u>862,842</u></b>
<b>Net Assets</b>		<b><u>4,400,674</u></b>	<b><u>4,339,447</u></b>	<b><u>3,125,971</u></b>	<b><u>2,585,385</u></b>
<b>EQUITY</b>					
Share capital		693,315	693,315	693,315	693,315
Other reserves		13,213	6,223	16,545	16,545
Accumulated profits		3,206,222	3,153,798	2,416,111	1,875,525
<b>Equity attributable to owners of the Company</b>		<b><u>3,912,750</u></b>	<b><u>3,853,336</u></b>	<b><u>3,125,971</u></b>	<b><u>2,585,385</u></b>
Non-controlling interests		487,924	486,111	-	-
<b>Total equity</b>		<b><u>4,400,674</u></b>	<b><u>4,339,447</u></b>	<b><u>3,125,971</u></b>	<b><u>2,585,385</u></b>

**Notes:**

- A) The increase in the Group's "Cash and cash equivalents" of \$137.8 million was largely due to receipt of proceeds from the sale of Crowne Plaza Changi Airport ("CPCA") to OUE Hospitality Real Estate Investment Trust ("OUE H-REIT").
- B) "Trade and other receivables and other assets" increased \$37.7 million to \$77.8 million mainly due to accrued receivables pertaining to OUE Twin Peaks and increase in deposits paid.
- C) The Group's "Other investments" of \$479.2 million as at June 2015 relates mainly to investment in a mutual fund.
- D) "Assets held for sale" as at 31 December 2014 relates to the carrying value of CPCA, which was classified as held for sale following the signing of the sale and purchase agreement for the sale of CPCA to OUE H-REIT. The divestment of CPCA was completed on 30 January 2015.
- E) The increase in "Investments in equity-accounted investees" of \$134.1 million is mainly due to the Group's subscription of shares in Gemdale Properties and Investment Corporation Limited, an entity listed on The Stock Exchange of Hong Kong Limited, through a joint venture of the Group. The subscription was completed in February 2015.
- F) The Group's "Investment properties" increased \$106.5 million to \$3.8 billion as at June 2015 mainly due to additions to the ongoing renovations for OUE Downtown and US Bank Tower, as well as translation differences on investment properties denominated in currencies other than the Singapore Dollar.
- G) The increase in "Trade and other payables" of \$64.6 million to \$243.2 million is mainly attributable to accruals for development costs incurred on the development properties of the Group.
- H) The Group's "Borrowings" increased \$219.8 million to \$2.3 billion mainly due to issuance of the \$300 million 3.8% unsecured fixed rate notes under the Company's \$3 billion Multicurrency Debt Issuance Programme; offset partially by repayment of borrowings.
- I) "Current tax liabilities" increased \$6.9 million mainly due to the provision for tax arising from the sale of CPCA to OUE H-REIT.

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

	<b>As at 30/6/15</b>		<b>As at 31/12/14</b>	
	<b>Secured \$'000</b>	<b>Unsecured \$'000</b>	<b>Secured \$'000</b>	<b>Unsecured \$'000</b>
<b>Amount repayable in one year or less, or on demand</b>	3,251	199,916	399,842	249,665
<b>Amount repayable after one year</b>	1,288,167	794,380	919,892	496,523

**Details of any collateral**

Secured borrowings are collateralised by:

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

**OUE LIMITED**  
**Second Quarter Ended 30 June 2015**

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

	The Group			
	Second Quarter ended 30/6/15 \$'000	Second Quarter ended 30/6/14 \$'000	Six Months ended 30/6/15 \$'000	Six Months ended 30/6/14 \$'000
<b>Cash flows from operating activities</b>				
(Loss)/Profit after tax	(11,393)	10,018	71,149	1,022,237
Adjustments for:				
Depreciation of property, plant and equipment	996	2,789	1,943	6,723
Dividend income	(900)	(940)	(900)	(940)
Allowance for foreseeable loss on a development property	-	-	-	105,000
Change in fair value of an investment property	-	16	-	(153,077)
Net change in fair value of investments designated at fair value through profit or loss	20,548	387	5,873	97
Finance expenses	20,674	17,231	37,237	41,679
Finance income	741	(671)	(3,479)	(2,034)
Gain on disposal of subsidiaries	-	-	-	(986,387)
Loss/(Gain) on disposal of property, plant and equipment	1	1	(57,796)	25
Share of results of equity-accounted investees, net of tax	(14,732)	(12,185)	(30,403)	(17,118)
Tax expense	2,716	5,859	12,011	45,564
	<u>18,651</u>	<u>22,505</u>	<u>35,635</u>	<u>61,769</u>
Changes in:				
- trade and other receivables and other assets	(4,072)	(14,374)	(35,686)	(9,829)
- inventories	2	40	46	59
- development properties	(11,712)	(11,743)	20,865	(22,831)
- trade and other payables and provisions	11,341	25,181	7,730	17,642
Cash generated from operations	<u>14,210</u>	<u>21,609</u>	<u>28,590</u>	<u>46,810</u>
Tax paid	<u>(5,326)</u>	<u>(5,110)</u>	<u>(8,042)</u>	<u>(5,278)</u>
<b>Net cash from operating activities</b>	<u><b>8,884</b></u>	<u><b>16,499</b></u>	<u><b>20,548</b></u>	<u><b>41,532</b></u>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, net of cash acquired	-	-	-	(127,664)
Acquisition of available-for-sale financial assets	-	-	(340)	-
Acquisition of other investments	(194,839)	(12,531)	(247,822)	(34,438)
Additions to property, plant and equipment	(2,320)	(2,169)	(2,827)	(3,691)
Additions to investment properties	(49,092)	(17,237)	(60,531)	(32,485)
Dividends from:				
- equity-accounted investees, net of tax	17,587	8,271	25,427	8,271
- available-for-sale financial assets, net of tax	900	940	900	940
- other investments, net of tax	266	204	385	204
Interest received	442	49	836	88
Loan to joint venture	-	-	(131,777)	-
Proceeds from sale of other investments	68,926	10,839	90,754	19,776
Proceeds from disposal of property, plant and equipment	-	-	290,106	-
Proceeds from disposal of subsidiaries, net of cash disposed	-	-	-	(58,153)
Proceeds from dilution of interest in a subsidiary	-	-	-	15,195
<b>Net cash used in investing activities</b>	<u><b>(158,130)</b></u>	<u><b>(11,634)</b></u>	<u><b>(34,889)</b></u>	<u><b>(211,957)</b></u>



**OUE LIMITED**  
**Second Quarter Ended 30 June 2015**

	<b>The Group</b>			
	<b>Second Quarter ended 30/6/15 \$'000</b>	<b>Second Quarter ended 30/6/14 \$'000</b>	<b>Six Months ended 30/6/15 \$'000</b>	<b>Six Months ended 30/6/14 \$'000</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(9,099)	(18,198)	(21,936)	(38,977)
Finance expense paid (including amounts capitalised in development property)	(20,712)	(19,470)	(38,374)	(48,046)
Proceeds from borrowings	668,000	1,562	682,000	503,797
Repayment of borrowings	(454,383)	(385,000)	(469,533)	(857,900)
Proceeds from issuance of units by a subsidiary	-	-	-	346,400
Unit issue costs of a subsidiary	-	943	-	(16,187)
Changes in pledged deposits	1,032	-	286	-
<b>Net cash from/(used in) financing activities</b>	<b>184,838</b>	<b>(420,163)</b>	<b>152,443</b>	<b>(110,913)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>35,592</b>	<b>(415,298)</b>	<b>138,102</b>	<b>(281,338)</b>
Cash and cash equivalents at the beginning of the financial period	249,390	864,573	146,880	730,613
<b>Cash and cash equivalents at the end of the financial period<sup>1</sup></b>	<b>284,982</b>	<b>449,275</b>	<b>284,982</b>	<b>449,275</b>

<sup>1</sup> Cash and cash equivalents as at 30 June 2015 excludes the Group's pledged deposits of \$14,791,000.

**OUE LIMITED**  
**Second Quarter Ended 30 June 2015**

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

THE GROUP	Attributable to Owners of the Company				Non-controlling interests	Total Equity
	Share Capital	Other Reserves	Accumulated Profits	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2015	693,315	29,605	3,231,388	3,954,308	488,930	4,443,238
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	(16,280)	(16,280)	4,887	(11,393)
<b>Other comprehensive income</b>						
Currency translation differences relating to foreign operations	-	(10,095)	-	(10,095)	(4,969)	(15,064)
Share of currency translation differences of equity-accounted investees	-	(5,083)	-	(5,083)	-	(5,083)
Share of other reserves of equity-accounted investees	-	(914)	-	(914)	-	(914)
Fair value loss on available-for-sale financial assets	-	(41)	-	(41)	-	(41)
Effective portion of changes in fair value of cash flow hedges	-	(657)	-	(657)	(707)	(1,364)
Total other comprehensive income, net of tax	-	(16,790)	-	(16,790)	(5,676)	(22,466)
<b>Total comprehensive income for the period</b>	-	(16,790)	(16,280)	(33,070)	(789)	(33,859)
<b>Transactions with owners of the Company, recognised directly in equity</b>						
<b>Contributions by and distributions to owners of the Company</b>						
Dividends paid	-	-	(9,099)	(9,099)	-	(9,099)
Share of reserves of an equity-accounted investee	-	394	-	394	-	394
<b>Total contributions by and distributions to owners</b>	-	394	(9,099)	(8,705)	-	(8,705)
<b>Changes in ownership interests in subsidiaries</b>						
Changes in ownership interests in a subsidiary without loss of control	-	4	213	217	(217)	-
<b>Total changes in ownership interests in subsidiaries</b>	-	4	213	217	(217)	-
<b>Total transactions with owners of the Company</b>	-	398	(8,886)	(8,488)	(217)	(8,705)
At 30 June 2015	693,315	13,213	3,206,222	3,912,750	487,924	4,400,674
At 1 April 2014	693,315	(27,758)	3,032,705	3,698,262	410,485	4,108,747
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	4,431	4,431	5,587	10,018
<b>Other comprehensive income</b>						
Currency translation differences relating to foreign operations	-	(7,378)	-	(7,378)	(3,791)	(11,169)
Share of currency translation differences of equity-accounted investees	-	(753)	-	(753)	-	(753)
Share of other reserves of equity-accounted investees	-	(281)	-	(281)	-	(281)
Effective portion of changes in fair value of cash flow hedges	-	(1,055)	-	(1,055)	(1,148)	(2,203)
Total other comprehensive income, net of tax	-	(9,467)	-	(9,467)	(4,939)	(14,406)
<b>Total comprehensive income for the period</b>	-	(9,467)	4,431	(5,036)	648	(4,388)
<b>Transactions with owners of the Company, recognised directly in equity</b>						
<b>Contributions by and distributions to owners of the Company</b>						
Dividends paid	-	-	(18,198)	(18,198)	-	(18,198)
Share of unit issue costs of a subsidiary	-	344	-	344	344	688
<b>Total contributions by and distributions to owners</b>	-	344	(18,198)	(17,854)	344	(17,510)
<b>Total transactions with owners of the Company</b>	-	344	(18,198)	(17,854)	344	(17,510)
At 30 June 2014	693,315	(36,881)	3,018,938	3,675,372	411,477	4,086,849

**OUE LIMITED**  
**Second Quarter Ended 30 June 2015**

THE COMPANY	Share Capital \$'000	Other Reserves \$'000	Accumulated Profits \$'000	Total Equity \$'000
At 1 April 2015	693,315	16,545	1,875,525	2,585,385
Total comprehensive income for the period				
Profit for the period	-	-	549,685	549,685
Total comprehensive income for the period	-	-	549,685	549,685
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Dividends paid	-	-	(9,099)	(9,099)
Total transactions with owners of the Company	-	-	(9,099)	(9,099)
At 30 June 2015	693,315	16,545	2,416,111	3,125,971
At 1 April 2014	693,315	(2,363)	1,487,310	2,178,262
Total comprehensive income for the period				
Profit for the period	-	-	213,635	213,635
Total comprehensive income for the period	-	-	213,635	213,635
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Dividends paid	-	-	(18,198)	(18,198)
Total transactions with owners of the Company	-	-	(18,198)	(18,198)
At 30 June 2014	693,315	(2,363)	1,682,747	2,373,699

- 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 2Q 2015.

As at 30 June 2015, the Company held 71,716,000 treasury shares (31 December 2014: 71,716,000).

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

As at 30 June 2015, the Company's total number of issued shares excluding treasury shares is 909,885,860 (31 December 2014: 909,885,860).

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

Not applicable.

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

These figures have not been audited or reviewed.

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

Not applicable.

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

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

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

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

- 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			
	Second Quarter Ended 30/06/15	Second Quarter Ended 30/06/14	Six Months Ended 30/06/15	Six Months Ended 30/06/14
Based on weighted average number of ordinary shares in issue (cents per share)	(1.79)	0.49	6.69	104.42
Weighted average number of ordinary shares in issue	909,885,860	909,885,860	909,885,860	909,885,860
On a fully diluted basis (cents per share) <sup>(a)</sup>	(1.79)	0.49	6.69	104.42

(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	
	30/06/15	31/12/14	30/06/15	31/12/14
	\$	\$	\$	\$
Net asset value per ordinary share	4.30	4.23	3.44	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	Second Quarter ended 30/6/15 \$'000	Second Quarter ended 30/6/14 \$'000	Change %
Revenue	95,663	100,158	(4.5)
Earnings before interest and tax (EBIT)	33,286	32,840	1.4
(Loss)/Profit attributable to Owners of the Company	(16,280)	4,431	n.m.

For the second quarter of 2015, the Group recorded total revenue of \$95.7 million (2Q 2014: \$100.2 million), a decrease of 4.5% over the same period in the previous financial year. The decrease is mainly due to lower contribution from the Hospitality division as well as OUE Twin Peaks. This is offset by better performance from the Property Investment division stemming from higher occupancy.

**Hospitality Division**

Revenue from the hospitality division decreased 5.4% to \$46.6 million (2Q 2014: \$49.3 million) due to lower RevPAR achieved.

**Property Investment Division**

Revenue increased \$5.4 million to \$42.7 million (2Q 2014: \$37.3 million) for the current quarter. The increase is mainly due to higher revenue from US Bank Tower arising from higher occupancy.

**Property Development Division**

OUE Twin Peaks, arising from sale subsequent to TOP in February 2015, contributed \$3.3 million in revenue (2Q 2014: \$10.9 million).

EBIT remained in line year-on-year at \$33.3 million for 2Q 2015 (2Q 2014: \$32.8 million).

At post-tax level, the Group had an attributable loss of \$16.3 million in 2Q 2015 as compared to a profit of \$4.4 million in 2Q 2014. The decline was due to other losses of \$20.5 million which relates mainly to fair value losses arising from the mark-to-market of its investment in a mutual fund. These fair value losses are non-cash items. Excluding the other losses, the Group's business and operations continue to have a positive contribution with attributable profits of \$4.3 million for 2Q 2015 (2Q 2014: \$4.8 million).

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously disclosed.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

According to Singapore Tourism Board<sup>1</sup> ("STB"), total visitor arrivals was down 4.1% year-on-year in the first five months of 2015. For the full year 2015, STB<sup>2</sup> expects tourism numbers to grow modestly, between 0% and 3% for visitor arrivals, with tourism receipt edging between 0% and 2%.

According to CBRE<sup>3</sup>, vacancy rate in the CBD Core improved marginally quarter-on-quarter from 3.9% to 3.8% in 2Q 2015, though Grade A rents in Singapore decreased 0.9% quarter-on-quarter to \$11.30 psf per month. With no additional large office developments scheduled to complete this year, vacancy levels are expected to remain relatively stable over the next six months.

In Puxi, Grade A office vacancy rate decreased 1.4% quarter-on-quarter to 7.8% as at 2Q 2015, while the average rent of Puxi Grade A office market increased 1.9% quarter-on-quarter to RMB 9.1 psm per day. Colliers International<sup>4</sup> view that the short-term effects of a surge in new supply in 2H 2015 will push up the city's overall vacancy rate in the coming quarter. Shanghai's average rent is expected to remain at or near the current level in 2H 2015.

According to DTZ<sup>5</sup>, Los Angeles ("LA") overall office vacancy as at 2Q 2015 stood at 14.2%, a decrease from 15.2% posted a year ago.

On 10 June 2015, the Group entered into an agreement with Kuwait Investment Office ("KIO"), for the purchase of KIO's ordinary shares in the capital of OUB Centre Limited ("OUBC"). OUBC is the registered owner of the property known as One Raffles Place and owns 81.54% of the beneficial interest in One Raffles Place. Upon completion of the acquisition of the shares in OUBC from KIO, OUE would own indirectly at the minimum 75%, and a maximum of 83.33% of OUBC. On 27 July 2015, the disposal of OUE's indirect interest in OUBC to OUE Commercial Real Estate Investment Trust was approved by shareholders at an extraordinary general meeting. This disposal is in line with the Group's capital recycling strategy.

The Group remains focused on our asset enhancement initiatives at OUE Downtown and US Bank Tower. With active lease management, US Bank Tower and OUE Downtown 1 and 2 achieved committed occupancy of 80.1% and 90.9% respectively as at 30 June 2015.

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

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

<sup>1</sup> Singapore Tourism Board, International Visitor Arrivals Statistics, 12 July 2015

<sup>2</sup> Channel News Asia, "Singapore visitor arrivals fell 7.4% in March: STB", 25 May 2015

<sup>3</sup> CBRE, Singapore MarketView Q2 2015

<sup>4</sup> Colliers International, Shanghai Research & Forecast Report 2Q 2015

<sup>5</sup> DTZ, Los Angeles Office Market Snapshot Report 2Q 2015

## 11 Dividend

### (a) Current Financial Period Reported On

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

Name of dividend	Interim	Special
Dividend type	Cash	Cash
Dividend per share (In cents)	1 cent	3 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	Interim
Dividend type	Cash
Dividend per share (In cents)	1 cent
Tax rate	Tax exempt (one-tier)

### (c) Date payable

15 October 2015.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 6 October 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 5 October 2015 will be registered to determine shareholders' entitlements to the proposed interim and special dividends. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said interim and special dividends 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.

**BY ORDER OF THE BOARD**

**NG NGAI**  
**COMPANY SECRETARY**  
**14 August 2015**



**OUE LIMITED**  
**Second Quarter Ended 30 June 2015**

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Pursuant to SGX-ST Rule 705(5), the Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the financial results of the Company and the Group for the quarter ended 30 June 2015 to be false or misleading.

On behalf of the Board of Directors

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

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