



OUE LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 196400050E)

RESPONSE TO SGX QUERIES

The board of directors (the "**Directors**" or "**Board**") of OUE Limited ("**OUE**" or the "**Company**", and together with its subsidiaries, the "**Group**") refers to its annual report for the financial year ended 31 December 2022 (the "**Annual Report**") released on 3 April 2023. The Company has received the following queries from Singapore Exchange Regulation in relation to the Annual Report, and sets out its response below. Capitalised terms used in this response shall have the same meanings as set out in the Annual Report.

QUESTION 1

Please disclose the basis of the Audit Committee's views that KAP Arif and Glorius is a "suitable auditing firm" for the Company's significant Indonesian subsidiaries, PT OUE Pengembangan Properti and PT Deer Pine Indonesia, per Listing Rule 715(2), having regard to the resources and experience of the auditing firm and audit partner-in-charge assigned to the audit vis-a-vis the size and complexity of the audited entities.

THE COMPANY'S RESPONSE

- The net tangible assets ("**NTA**") held by PT OUE Pengembangan Properti ("**OUEPP**"), comprising mainly land classified as investment property under development, and those held by PT Deer Pine Indonesia ("**DPI**"), comprising mainly land classified as development property, represented less than 3% of the Group's NTA based on the audited financial statements of the Group for the financial year ended 31 December 2022.
- The loss before tax contribution from OUEPP and DPI, on an absolute basis, represented less than 2% of the Group's profit before tax based on the audited financial statements of the Group for the financial year ended 31 December 2022.
- The focus of the audit of OUEPP and DPI mainly relates to assessing the valuation of the lands held by these subsidiaries, and the valuation is determined by independent professional valuers, namely, Savills Valuation, Professional Services (S) Pte Ltd and KJPP Susan Widjojo dan Rekan for OUEPP, and KJPP Susan Widjojo dan Rekan for DPI.
- The auditor, KAP Arif and Glorius ("**KAP**"), as part of its audit process, evaluated the competency and objectivity of the external valuers and made enquiries to the external valuers to understand their valuation approach and basis of valuation.
- KAP is registered with the Ministry of Finance of Indonesia, Financial Services Authority of Indonesia and Audit Board of Indonesia.

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Company Registration No. 196400050E
50 Collyer Quay, #18-01/02, OUE Bayfront, Singapore 049321
T +65 6809 6000 F +65 6809 6060 www.oue.com.sg

- The Ministry of Finance of Indonesia is a member of the International Forum of Independent Audit Regulators.
- The audit partner-in-charge is a Certified Public Accountant of the Indonesian Institute of Certified Public Accountants and a member of the Indonesian Institute of Accountants. He has more than 15 years of relevant real estate audit experience, and previously worked for an international accounting firm prior to joining KAP.
- Having considered the audit partner-in-charge's experience and KAP's track record, KAP was assessed to be a suitable auditing firm for the purposes of auditing OUEPP and DPI.
- As part of the audit of the Company and its subsidiaries, KPMG LLP independently audited the valuation of the investment property under development held by OUEPP.

QUESTION 2

We note that the related party transactions disclosed at Note 39 of the financial statements are significantly higher than the interested person transactions disclosed at page 273 of the Company's annual report. Please explain the differences and provide details of the related party transactions to support any explanation that they are not interested person transactions.

THE COMPANY'S RESPONSE

- In accordance with the definition of "entity at risk" under Rule 904(2)(b) of the Listing Manual, the relevant subsidiaries of the Company to be taken into consideration when assessing whether a transaction constitutes an interested person transaction (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") ("**IPT**" and collectively, "**IPTs**") to be disclosed under Rule 907 of the Listing Manual, refer to subsidiaries of the Company which are not listed on the SGX-ST or an approved exchange (as defined in the Listing Manual).
- Subsidiaries of the Company which are listed on the SGX-ST or an approved exchange ("**listed subsidiaries**") are not entities at risk (as defined in the Listing Manual), and therefore transactions by such listed subsidiaries would not constitute IPTs. As such, the IPT disclosure under Rule 907 of the Listing Manual on page 273 of the Annual Report ("**AR IPT Disclosures**") does not include transactions by the listed subsidiaries of the Company.
- In Note 39 to the Financial Statements in the Annual Report ("**Note 39**"), the Group had disclosed related party transactions, including those transactions entered into by the listed subsidiaries of the Company and which transactions are classified as related party transactions in accordance with SFRS(I) 1-24.
- The main differences between the disclosures at Note 39 and the AR IPT Disclosures pertain to:
 - 1) **Management fees earned and lease payments:** These transactions mainly pertain to management fees earned from, and lease payments made to, a joint venture entity, which is a related party as defined in the SFRS(I) 1-24 and is not an interested person as defined in the

Listing Manual. Accordingly, the transactions with this joint venture entity were not IPTs and no disclosure obligation arose under Rule 907 of the Listing Manual.

- 2) **Rental and rental related income:** This includes rental income earned by First Real Estate Investment Trust ("**First REIT**") from PT Lippo Karawaci Tbk, a related party of the Group. As First REIT is a subsidiary of the Company listed on the SGX-ST, this transaction was not an IPT and no disclosure obligation arose under Rule 907 of the Listing Manual.
- 3) **Hotel services income, and reimbursement of expenses paid on behalf:** The differences are due to transactions which are less than S\$100,000. The AR IPT Disclosures exclude such transactions which are less than S\$100,000, in accordance with Rule 907 of the Listing Manual.
- 4) **Support services fees, and royalty fee income:** These are excluded from the AR IPT Disclosures as these were payments made pursuant to transactions entered into before the financial year 2022. The values of these transactions were previously disclosed under Rule 907 of the Listing Manual in the relevant annual report for the financial year in which the transaction was entered into.

By Order of the Board

Kelvin Chua
Company Secretary
13 April 2023