



OUE LIMITED

(Company Registration No. 196400050E)

INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023 (UNAUDITED)

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OUÉ LIMITED & ITS SUBSIDIARIES
For the six months and full year ended 31 December 2023

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

| | Notes | The Group | | | | | |
|--|----------|------------------|------------------|---------------|------------------|------------------|---------------|
| | | Six months ended | Six months ended | Change | Full year ended | Full year ended | Change |
| | | 31/12/2023 | 31/12/2022 | | 31/12/2023 | 31/12/2022 | |
| \$'000 | \$'000 | % | \$'000 | \$'000 | % | | |
| Revenue | 3 | 318,601 | 292,446 | 8.9 | 623,099 | 491,120 | 26.9 |
| Cost of sales | | (137,088) | (120,815) | 13.5 | (262,677) | (204,822) | 28.2 |
| Gross profit | | 181,513 | 171,631 | 5.8 | 360,422 | 286,298 | 25.9 |
| Marketing expenses | | (5,703) | (3,567) | 59.9 | (11,303) | (6,508) | 73.7 |
| Administrative expenses | | (42,005) | (43,459) | (3.3) | (87,293) | (77,552) | 12.6 |
| Other operating expenses | | (8,451) | (6,739) | 25.4 | (15,624) | (13,961) | 11.9 |
| Share of results of equity-accounted investees, net of tax | | 17,449 | 79,342 | (78.0) | 43,199 | 156,957 | (72.5) |
| | | 142,803 | 197,208 | (27.6) | 289,401 | 345,234 | (16.2) |
| Finance expenses | 4 | (84,290) | (72,745) | 15.9 | (160,284) | (126,305) | 26.9 |
| Finance income | 5 | 3,847 | 27,389 | (86.0) | 11,958 | 32,718 | (63.5) |
| Other gains - net | 6 | 11,942 | 109,375 | (89.1) | 11,653 | 149,500 | (92.2) |
| Profit before tax | 7 | 74,302 | 261,227 | (71.6) | 152,728 | 401,147 | (61.9) |
| Tax credit / (expense) | 8 | 22,657 | (41,581) | n.m. | 12,411 | (53,878) | n.m. |
| Profit after tax | | 96,959 | 219,646 | (55.9) | 165,139 | 347,269 | (52.4) |
| Other comprehensive income | | | | | | | |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i> | | | | | | | |
| Foreign operations: | | | | | | | |
| - currency translation differences | | (44,488) | (107,901) | (58.8) | (37,308) | (147,239) | (74.7) |
| Share of other comprehensive income of equity-accounted investees: | | | | | | | |
| - currency translation differences | | 5,890 | (100,875) | n.m. | (32,439) | (141,340) | (77.0) |
| - other reserves | | (1,494) | 1,865 | n.m. | (1,837) | 3,820 | n.m. |
| Cash flow hedges: | | | | | | | |
| - effective portion of changes in fair value of cash flow hedges | | 6,736 | (17,088) | n.m. | 9,235 | 7,811 | 18.2 |
| - hedging reserve reclassified to profit or loss | | (10,133) | (1,568) | >100.0 | (12,479) | 2,025 | n.m. |
| | | (43,489) | (225,567) | (80.7) | (74,828) | (274,923) | (72.8) |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | | | | | |
| Share of other reserves of an equity-accounted investee | | | | | | | |
| Net change in fair value of investments at fair value through other comprehensive income, net of tax | 6(vi)(b) | (23,717) | (38,227) | (38.0) | (38,198) | (102,408) | (62.7) |
| | | (20,159) | (36,096) | (44.2) | (37,120) | (101,757) | (63.5) |
| Other comprehensive income, net of tax | | (63,648) | (261,663) | (75.7) | (111,948) | (376,680) | (70.3) |
| Total comprehensive income for the period | | 33,311 | (42,017) | n.m. | 53,191 | (29,411) | n.m. |
| Profit attributable to: | | | | | | | |
| Owners of the Company | | 40,854 | 101,158 | (59.6) | 81,079 | 189,857 | (57.3) |
| Perpetual securities holders | | 834 | 1,094 | (23.8) | 1,656 | 2,093 | (20.9) |
| Non-controlling interests | | 55,271 | 117,394 | (52.9) | 82,404 | 155,319 | (46.9) |
| | | 96,959 | 219,646 | (55.9) | 165,139 | 347,269 | (52.4) |
| Total comprehensive income attributable to: | | | | | | | |
| Owners of the Company | | 3,804 | (93,920) | n.m. | (7,560) | (115,144) | (93.4) |
| Perpetual securities holders | | 834 | 1,094 | (23.8) | 1,656 | 2,093 | (20.9) |
| Non-controlling interests | | 28,673 | 50,809 | (43.6) | 59,095 | 83,640 | (29.3) |
| | | 33,311 | (42,017) | n.m. | 53,191 | (29,411) | n.m. |
| Earnings per share for profit for the period attributable to the owners of the Company | | | | | | | |
| Weighted average number of ordinary shares in issue | | 841,758,483 | 857,342,842 | | 846,801,566 | 863,728,801 | |
| Basic and diluted earnings per share (cents) | | 4.85 | 11.80 | | 9.57 | 21.98 | |

n.m. - Not meaningful

OUÉ LIMITED & ITS SUBSIDIARIES
As at 31 December 2023

B. Condensed interim statements of financial position

| | Note | The Group | | The Company | |
|---|------|----------------------|----------------------|----------------------|----------------------|
| | | 31/12/2023 \$'000 | 31/12/2022 \$'000 | 31/12/2023 \$'000 | 31/12/2022 \$'000 |
| ASSETS | | | | | |
| Cash and cash equivalents | | 182,602 | 327,846 | 37,511 | 121,614 |
| Trade and other receivables | | 67,681 | 64,249 | 1,174,726 | 978,445 |
| Inventories | | 2,428 | 1,659 | 155 | 179 |
| Other investments | | 3,933 | 52,664 | - | - |
| Development properties | | 29,041 | 37,967 | - | - |
| Other assets | | 104,364 | 101,235 | 17,754 | 47,162 |
| Loans to subsidiaries | | - | - | 522,872 | 912,430 |
| Derivative assets | | 3,912 | 6,390 | 78 | - |
| Current assets | | 393,961 | 592,010 | 1,753,096 | 2,059,830 |
| Intangible assets and goodwill | 10 | 58,331 | 58,394 | - | - |
| Interests in equity-accounted investees | 11 | 1,580,142 | 1,521,522 | - | - |
| Investments in subsidiaries | | - | - | 938,424 | 967,494 |
| Loans to subsidiaries | | - | - | - | 13,348 |
| Other investments | | 113,973 | 119,032 | - | - |
| Other assets | | 6,087 | 5,593 | 931 | 907 |
| Investment properties | 12 | 5,321,509 | 5,404,659 | - | - |
| Property, plant and equipment | 13 | 1,790,928 | 1,760,752 | 571,266 | 602,545 |
| Deferred tax assets | | 1,971 | 2,047 | 3,905 | 3,255 |
| Derivative assets | | - | 23,059 | - | 222 |
| Non-current assets | | 8,872,941 | 8,895,058 | 1,514,526 | 1,587,771 |
| Total assets | | 9,266,902 | 9,487,068 | 3,267,622 | 3,647,601 |
| LIABILITIES | | | | | |
| Trade and other payables | | 188,749 | 179,139 | 56,849 | 124,280 |
| Borrowings | 14 | 31,346 | 578,643 | - | - |
| Provision | | 20,199 | 24,656 | - | - |
| Loans from a subsidiary | | - | - | - | 301,412 |
| Current tax liabilities | | 68,592 | 87,363 | 13,342 | 5,162 |
| Deferred income | | 4,330 | 3,439 | - | - |
| Lease liabilities | | 6,921 | 6,456 | 27,357 | 26,473 |
| Derivative liabilities | | 27 | 494 | - | - |
| Current liabilities | | 320,164 | 880,190 | 97,548 | 457,327 |
| Borrowings | 14 | 2,842,190 | 2,388,483 | 71,168 | 18,955 |
| Deferred income | | 16,822 | 309 | - | - |
| Deferred tax liabilities | | 122,318 | 145,009 | - | - |
| Other payables | | 51,740 | 60,726 | 410 | 1,304 |
| Lease liabilities | | 31,254 | 38,302 | 626,365 | 653,723 |
| Derivative liabilities | | 718 | - | 215 | - |
| Non-current liabilities | | 3,065,042 | 2,632,829 | 698,158 | 673,982 |
| Total liabilities | | 3,385,206 | 3,513,019 | 795,706 | 1,131,309 |
| Net Assets | | 5,881,696 | 5,974,049 | 2,471,916 | 2,516,292 |
| EQUITY | | | | | |
| Share capital | 15 | 470,546 | 470,546 | 470,546 | 470,546 |
| Other reserves | | (364,949) | (252,625) | (20,115) | (16,179) |
| Accumulated profits | | 3,534,739 | 3,470,549 | 2,021,485 | 2,061,925 |
| Equity attributable to owners of the Company | | 3,640,336 | 3,688,470 | 2,471,916 | 2,516,292 |
| Perpetual securities | | 33,282 | 33,282 | - | - |
| Non-controlling interests | | 2,208,078 | 2,252,297 | - | - |
| Total equity | | 5,881,696 | 5,974,049 | 2,471,916 | 2,516,292 |

QUE LIMITED & ITS SUBSIDIARIES
For the year ended 31 December 2023

C. Condensed interim statements of changes in equity

| THE GROUP | Notes | Attributable to Owners of the Company | | | | Perpetual securities \$'000 | Non-controlling interests \$'000 | Total equity \$'000 |
|--|-------|---------------------------------------|--------------------------|-------------------------------|------------------|--------------------------------|-------------------------------------|------------------------|
| | | Share capital \$'000 | Other reserves \$'000 | Accumulated profits \$'000 | Total \$'000 | | | |
| At 1 January 2023 | | 470,546 | (252,625) | 3,470,549 | 3,688,470 | 33,282 | 2,252,297 | 5,974,049 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the year | | - | - | 81,079 | 81,079 | 1,656 | 82,404 | 165,139 |
| Other comprehensive income | | | | | | | | |
| Foreign operations: | | | | | | | | |
| - currency translation differences | | - | (16,724) | - | (16,724) | - | (20,584) | (37,308) |
| Share of other comprehensive income of equity-accounted investees: | | | | | | | | |
| - currency translation differences | | - | (32,439) | - | (32,439) | - | - | (32,439) |
| - other reserves | | - | 186 | - | 186 | - | (945) | (759) |
| Net change in fair value of investments at fair value through other comprehensive income, net of tax | | - | (38,148) | - | (38,148) | - | (50) | (38,198) |
| Cash flow hedges: | | | | | | | | |
| - effective portion of changes in fair value of cash flow hedges | | - | 4,485 | - | 4,485 | - | 4,750 | 9,235 |
| - hedging reserve reclassified to profit or loss | | - | (5,999) | - | (5,999) | - | (6,480) | (12,479) |
| Total other comprehensive income, net of tax | | - | (88,639) | - | (88,639) | - | (23,309) | (111,948) |
| Total comprehensive income for the period | | - | (88,639) | 81,079 | (7,560) | 1,656 | 59,095 | 53,191 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | |
| Own shares acquired | 15 | - | (3,936) | - | (3,936) | - | - | (3,936) |
| Dividends paid | 16 | - | - | (21,181) | (21,181) | - | (97,775) | (118,956) |
| Distributions to perpetual securities holders | | - | - | - | - | (1,656) | - | (1,656) |
| Total contributions by and distributions to owners | | - | (3,936) | (21,181) | (25,117) | (1,656) | (97,775) | (124,548) |
| Changes in ownership interests in subsidiaries | | | | | | | | |
| Disposal of interests in a subsidiary | | - | - | - | - | - | 42 | 42 |
| Changes in ownership interests in subsidiaries without a change in control | | - | - | 5,581 | 5,581 | - | (5,581) | - |
| Total changes in ownership interests in subsidiaries | | - | - | 5,581 | 5,581 | - | (5,539) | 42 |
| Total transactions with owners | | - | (3,936) | (15,600) | (19,536) | (1,656) | (103,314) | (124,506) |
| Share of reserves of an equity-accounted investee | | - | (14,232) | (6,806) | (21,038) | - | - | (21,038) |
| Transfer from fair value reserve to accumulated profits | | - | (5,517) | 5,517 | - | - | - | - |
| At 31 December 2023 | | 470,546 | (364,949) | 3,534,739 | 3,640,336 | 33,282 | 2,208,078 | 5,881,696 |

OUÉ LIMITED & ITS SUBSIDIARIES
For the year ended 31 December 2023

C. Condensed interim statements of changes in equity (cont'd)

| THE GROUP | Notes | Attributable to Owners of the Company | | | | | | Non-controlling interests \$'000 | Total equity \$'000 |
|--|-------|---------------------------------------|--------------------------|-------------------------------|------------------|--------------------------------|------------------|-------------------------------------|------------------------|
| | | Share capital \$'000 | Other reserves \$'000 | Accumulated profits \$'000 | Total \$'000 | Perpetual securities \$'000 | | | |
| | | | | | | | | | |
| At 1 January 2022 | | 634,852 | (69,233) | 3,284,337 | 3,849,956 | - | 1,869,442 | 5,719,398 | |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the year | | - | - | 189,857 | 189,857 | 2,093 | 155,319 | 347,269 | |
| Other comprehensive income | | | | | | | | | |
| Foreign operations: | | | | | | | | | |
| - currency translation differences | | - | (68,188) | - | (68,188) | - | (79,051) | (147,239) | |
| Share of other comprehensive income of equity-accounted investees: | | | | | | | | | |
| - currency translation differences | | - | (141,340) | - | (141,340) | - | - | (141,340) | |
| - other reserves | | - | 2,499 | - | 2,499 | - | 1,972 | 4,471 | |
| Net change in fair value of investments at fair value through other comprehensive income, net of tax | | - | (102,408) | - | (102,408) | - | - | (102,408) | |
| Cash flow hedges: | | | | | | | | | |
| - effective portion of changes in fair value of cash flow hedges | | - | 3,526 | - | 3,526 | - | 4,285 | 7,811 | |
| - hedging reserve reclassified to profit or loss | | - | 910 | - | 910 | - | 1,115 | 2,025 | |
| Total other comprehensive income, net of tax | | - | (305,001) | - | (305,001) | - | (71,679) | (376,680) | |
| Total comprehensive income for the period | | - | (305,001) | 189,857 | (115,144) | 2,093 | 83,640 | (29,411) | |
| Transactions with owners, recognised directly in equity | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | |
| Own shares acquired | 15 | - | (32,469) | - | (32,469) | - | - | (32,469) | |
| Cancellation of treasury shares | | (164,306) | 164,306 | - | - | - | - | - | |
| Dividends paid | 16 | - | - | (17,303) | (17,303) | - | (97,866) | (115,169) | |
| Proceeds from issuance of shares by a subsidiary, net of issuance | | - | - | 2,618 | 2,618 | (26,980) | 5,240 | (19,122) | |
| Proceeds from issuance of units by a subsidiary, net of issuance costs | | - | - | - | - | (1,482) | - | (1,482) | |
| Total contributions by and distributions to owners | | (164,306) | 131,837 | (14,685) | (47,154) | (28,462) | (92,626) | (168,242) | |
| Changes in ownership interests in subsidiaries | | | | | | | | | |
| Acquisition of subsidiaries | | - | - | - | - | 59,651 | 314,264 | 373,915 | |
| Changes in ownership interests in subsidiaries without a change in | | - | 2,577 | 6,901 | 9,478 | - | 77,577 | 87,055 | |
| Total changes in ownership interests in subsidiaries | | - | 2,577 | 6,901 | 9,478 | 59,651 | 391,841 | 460,970 | |
| Total transactions with owners | | (164,306) | 134,414 | (7,784) | (37,676) | 31,189 | 299,215 | 292,728 | |
| Share of reserves of an equity-accounted investee | | - | (7,249) | (1,417) | (8,666) | - | - | (8,666) | |
| Transfer from fair value reserves to accumulated profits | | - | (5,556) | 5,556 | - | - | - | - | |
| At 31 December 2022 | | 470,546 | (252,625) | 3,470,549 | 3,688,470 | 33,282 | 2,252,297 | 5,974,049 | |

OUÉ LIMITED & ITS SUBSIDIARIES
For the year ended 31 December 2023

C. Condensed interim statements of changes in equity (cont'd)

THE COMPANY

| | Notes | Share capital \$'000 | Other reserves \$'000 | Accumulated profits \$'000 | Total equity \$'000 |
|---|-------|----------------------------|-----------------------------|----------------------------------|------------------------|
| At 1 January 2023 | | 470,546 | (16,179) | 2,061,925 | 2,516,292 |
| Total comprehensive income for the period | | | | | |
| Loss for the year | | - | - | (19,259) | (19,259) |
| Total comprehensive income for the period | | - | - | (19,259) | (19,259) |
| Transactions with owners of the Company, recognised directly in equity | | | | | |
| Contributions by and distributions to owners of the Company | | | | | |
| Own shares acquired | 15 | - | (3,936) | - | (3,936) |
| Dividends paid | 16 | - | - | (21,181) | (21,181) |
| Total transactions with owners of the Company | | - | (3,936) | (21,181) | (25,117) |
| At 31 December 2023 | | 470,546 | (20,115) | 2,021,485 | 2,471,916 |
| At 1 January 2022 | | 634,852 | (148,016) | 2,085,474 | 2,572,310 |
| Total comprehensive income for the period | | | | | |
| Loss for the year | | - | - | (6,246) | (6,246) |
| Total comprehensive income for the period | | - | - | (6,246) | (6,246) |
| Transactions with owners of the Company, recognised directly in equity | | | | | |
| Contributions by and distributions to owners of the Company | | | | | |
| Own shares acquired | 15 | - | (32,469) | - | (32,469) |
| Cancellation of treasury shares | | (164,306) | 164,306 | - | - |
| Dividends paid | 16 | - | - | (17,303) | (17,303) |
| Total transactions with owners of the Company | | (164,306) | 131,837 | (17,303) | (49,772) |
| At 31 December 2022 | | 470,546 | (16,179) | 2,061,925 | 2,516,292 |

OUE LIMITED & ITS SUBSIDIARIES
For the year ended 31 December 2023

D. Condensed interim consolidated statement of cash flows

| | The Group | |
|--|--|--|
| | Full year ended 31/12/2023 \$'000 | Full year ended 31/12/2022 \$'000 |
| Cash flows from operating activities | | |
| Profit after tax | 165,139 | 347,269 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 60,393 | 52,313 |
| Write back of provision for site restoration | - | (910) |
| (Write back of impairment loss)/Impairment loss on development properties | (24) | 2,282 |
| Impairment loss on interests in an equity-accounted investee | - | 5,000 |
| Negative goodwill on investment in an equity-accounted investee | - | (43,808) |
| Adjustments on rental straight lining | (14,616) | (21,939) |
| Net change in fair value of investment properties | 47,105 | (32,964) |
| Net change in fair value of investments designated at fair value through profit or loss | (7,196) | (3,196) |
| Net loss arising from change in accounting treatment of an equity-accounted investee | - | 224 |
| Write back of impairment loss on property, plant equipment | (51,787) | (76,639) |
| Impairment loss on trade and other receivables | 1,075 | 180 |
| Bad debts written off | - | 160 |
| (Gain) / loss on disposal of a subsidiary | (62) | 511 |
| Loss on disposal of an investment property | 51 | - |
| Loss / (gain) on disposal of property, plant and equipment | 171 | (99) |
| Finance expenses | 160,284 | 126,305 |
| Finance income | (11,958) | (32,718) |
| Share of results of equity-accounted investees, net of tax | (43,199) | (156,957) |
| Tax (credit) / expense | (12,411) | 53,878 |
| | <u>292,965</u> | <u>218,892</u> |
| Changes in: | | |
| - trade and other receivables and other assets | (7,726) | 23,070 |
| - inventories | (834) | (767) |
| - development properties | 8,802 | 883 |
| - trade and other payables and provision | (2,523) | (5,333) |
| - deferred income | 17,404 | 400 |
| Cash generated from operations | <u>308,088</u> | <u>237,145</u> |
| Tax paid | <u>(24,217)</u> | <u>(40,458)</u> |
| Net cash from operating activities | <u>283,871</u> | <u>196,687</u> |

OUE LIMITED & ITS SUBSIDIARIES
For the year ended 31 December 2023

D. Condensed interim consolidated statement of cash flows (cont'd)

| | The Group | |
|---|--|--|
| | Full year ended 31/12/2023 \$'000 | Full year ended 31/12/2022 \$'000 |
| Cash flows from investing activities | | |
| Acquisition of interests in equity-accounted investees | (71,024) | (67,373) |
| Acquisition of other investments | (37,514) | (4,542) |
| Additions to property, plant and equipment | (49,815) | (54,846) |
| Additions to investment properties | (5,345) | (36,852) |
| Dividends from: | | |
| - equity-accounted investees, net of tax | 15,018 | 75,213 |
| - other investments | 3,762 | 496 |
| Interest received | 9,068 | 6,471 |
| Loan to an equity-accounted investee | (24,000) | - |
| Proceeds from repayment of loans from equity-accounted investees | 19,348 | 13,064 |
| Proceeds from sale of other investments | 61,056 | 93,480 |
| Proceeds from sale of an investment property | 1,523 | - |
| Acquisition of subsidiaries, net of cash acquired | - | 39,845 |
| Proceeds from disposal of interests in a subsidiary, net of cash disposed | (31) | 37,954 |
| Proceeds from disposal of property, plant and equipment | 74 | 104 |
| Net cash (used in)/from investing activities | (77,880) | 103,014 |
| Cash flows from financing activities | | |
| Dividends paid | (118,956) | (115,169) |
| Finance expense paid | (127,847) | (120,322) |
| Proceeds from borrowings | 715,000 | 1,754,816 |
| Repayment of borrowings | (804,344) | (1,939,030) |
| Principal repayment of leases | (6,689) | (6,771) |
| Redemption of perpetual securities | - | (19,122) |
| Distribution to perpetual securities holders | (1,656) | (1,482) |
| Repurchase of own shares | (3,936) | (32,469) |
| Changes in pledged deposits | (1,890) | 29,503 |
| Net cash used in financing activities | (350,318) | (450,046) |
| Net decrease in cash and cash equivalents | (144,327) | (150,345) |
| Cash and cash equivalents at the beginning of the financial year | 326,392 | 487,901 |
| Effect of exchange rate fluctuations on cash held | (2,807) | (11,164) |
| Cash and cash equivalents at the end of the financial year¹ | 179,258 | 326,392 |

¹ Cash and cash equivalents as at 31 December 2023 excludes the Group's pledged deposits of \$3,344,000 (31/12/22: \$1,454,000).

OUE LIMITED & ITS SUBSIDIARIES

For the six months and full year ended 31 December 2023

E. Notes to the condensed interim consolidated financial statements

1. Domicile and activities

OUE Limited (the “Company”) is a company incorporated in Singapore. The address of the Company’s registered office is 50 Collyer Quay, #18-01/02, OUE Bayfront, Singapore 049321.

The principal activities of the Company are those of hospitality services, property investment and investment holding.

The principal activities of the Group are those of:

- Real estate, comprising:
 - 1) Investment Properties;
 - 2) Hospitality; and
 - 3) Development Properties
- Healthcare

The condensed interim consolidated financial statements as at and for six months period and full year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in equity-accounted investees.

The Company’s immediate holding company is OUE Realty Pte. Ltd., a company incorporated in Singapore. The ultimate holding company is Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands.

2. Basis of preparation

The condensed interim financial statements have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2023. The adoption of these new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

E. Notes to the condensed interim consolidated financial statements (cont'd)

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the Group's consolidated financial statements as at and for the year ended 31 December 2022.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

| | |
|---------|--|
| Note 10 | Impairment testing of intangible assets and goodwill: key assumptions underlying recoverable amounts |
| Note 11 | Determination of recoverable amount of interests in equity-accounted investees |
| Note 12 | Determination of fair value of investment properties |
| Note 13 | Determination of recoverable amount of property, plant and equipment |
| Note 17 | Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources |

Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

| | |
|----------|--|
| Level 1: | quoted prices (unadjusted) in active markets for identical assets or liabilities. |
| Level 2: | inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). |
| Level 3: | inputs for the asset or liability that are not based on observable market data (unobservable inputs). |

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

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E. Notes to the condensed interim consolidated financial statements (cont'd)

3. Revenue

| | Six months ended 31/12/2023 \$'000 | Six months ended 31/12/2022 \$'000 | Change % | Full year ended 31/12/2023 \$'000 | Full year ended 31/12/2022 \$'000 | Change % |
|---------------------------------|--|--|-------------|---|---|-------------|
| Real estate: | | | | | | |
| - Investment properties income | 103,409 | 99,503 | 3.9 | 204,719 | 189,383 | 8.1 |
| - Hospitality income | 109,639 | 92,293 | 18.8 | 205,393 | 142,623 | 44.0 |
| - Development properties income | 1,830 | 2,528 | (27.6) | 9,791 | 2,704 | >100.0 |
| Healthcare income | 82,296 | 77,821 | 5.8 | 162,063 | 122,359 | 32.4 |
| Others | 21,427 | 20,301 | 5.5 | 41,133 | 34,051 | 20.8 |
| | <u>318,601</u> | <u>292,446</u> | 8.9 | <u>623,099</u> | <u>491,120</u> | 26.9 |

In the following table, revenue is disaggregated by timing of revenue recognition.

Timing of revenue recognition for products and services transferred (excluding rental income):

| | Six months ended 31/12/2023 | | Six months ended 31/12/2022 | | Full year ended 31/12/2023 | | Full year ended 31/12/2022 | |
|-------------------------------|---------------------------------|------------------------|---------------------------------|------------------------|---------------------------------|------------------------|---------------------------------|------------------------|
| | At a point in time \$'000 | Over time \$'000 |
| | Investment properties income | - | 3,570 | - | 3,441 | - | 7,239 | - |
| Hospitality income | 109,020 | - | 91,159 | - | 204,156 | - | 141,489 | - |
| Development properties income | 1,830 | - | 2,528 | - | 9,791 | - | 2,704 | - |
| Healthcare income | 27,716 | - | 20,313 | 22 | 53,490 | 4 | 22,797 | 1,497 |
| Others | 21,426 | - | 20,301 | - | 41,132 | - | 34,051 | - |
| | <u>159,992</u> | <u>3,570</u> | <u>134,301</u> | <u>3,463</u> | <u>308,569</u> | <u>7,243</u> | <u>201,041</u> | <u>8,506</u> |

4. Finance expenses

| | Notes | Six months ended 31/12/2023 \$'000 | Six months ended 31/12/2022 \$'000 | Change % | Full year ended 31/12/2023 \$'000 | Full year ended 31/12/2022 \$'000 | Change % |
|--|-------|--|--|-------------|---|---|-------------|
| Borrowing costs | (i) | 67,487 | 69,069 | (2.3) | 131,807 | 119,367 | 10.4 |
| Net foreign exchange loss | | 4,516 | 2,322 | 94.5 | 4,516 | 4,834 | (6.6) |
| Unwinding of discount of non-current rental deposits | | 83 | 81 | 2.5 | 166 | 166 | - |
| Finance expenses on lease liabilities | | 893 | 681 | 31.1 | 1,692 | 1,346 | 25.7 |
| Net change in fair value of derivatives | (ii) | 11,311 | 592 | >100.0 | 22,103 | 592 | >100.0 |
| | | <u>84,290</u> | <u>72,745</u> | 15.9 | <u>160,284</u> | <u>126,305</u> | 26.9 |

(i) Included gain on cashflow hedge of \$11.0 million in 2H 2023 (2H 2022 : gain on cashflow hedge of \$2.7 million) and gain on cashflow hedge of \$12.5 million in FY2023 (2022: loss on cashflow hedge of \$2.0 million) transferred from hedging reserve. Borrowings costs decreased in 2H 2023 mainly due to lower interest costs arising from redemption of fixed rates notes in May 2023. Borrowing costs increased in FY2023 mainly due to higher benchmark interest rates.

(ii) Net change in fair value of derivatives relate to non-cash mark-to-market movements of interest rate swaps, interest rate caps and currency hedging contracts.

5. Finance income

| | Six months ended 31/12/2023 \$'000 | Six months ended 31/12/2022 \$'000 | Change % | Full year ended 31/12/2023 \$'000 | Full year ended 31/12/2022 \$'000 | Change % |
|---|--|--|-------------|---|---|-------------|
| Interest income | 2,269 | 3,698 | (38.6) | 6,156 | 6,209 | (0.9) |
| Dividend income from other investments | - | 214 | (100.0) | 3,762 | 496 | >100.0 |
| Net foreign exchange gain | (107) | - | n.m. | - | - | - |
| Ineffective portion of changes in fair value of cash flow hedges | 1,685 | 315 | >100.0 | 2,040 | 2,177 | (6.3) |
| Change in fair value of financial derivatives | - | 1,104 | (100.0) | - | 1,778 | (100.0) |
| Hedging reserve reclassified from equity due to discontinuation of hedge accounting | - | 22,058 | (100.0) | - | 22,058 | (100.0) |
| | <u>3,847</u> | <u>27,389</u> | (86.0) | <u>11,958</u> | <u>32,718</u> | (63.5) |

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E. Notes to the condensed interim consolidated financial statements (cont'd)

6. Other gains – net

| | Notes | Six months ended 31/12/2023 \$'000 | Six months ended 31/12/2022 \$'000 | Change % | Full year ended 31/12/2023 \$'000 | Full year ended 31/12/2022 \$'000 | Change % |
|--|---------|--|--|---------------|---|---|---------------|
| Write back of provision for site restoration | (i) | - | 910 | (100.0) | - | 910 | (100.0) |
| Write back of impairment loss/(Impairment loss) on development properties | (ii) | 24 | (2,282) | n.m. | 24 | (2,282) | n.m. |
| Impairment loss on interests in an equity-accounted investee | (iii) | - | (5,000) | (100.0) | - | (5,000) | (100.0) |
| Negative goodwill on investment in an equity-accounted investee | (iv) | - | 43,808 | (100.0) | - | 43,808 | (100.0) |
| Net change in fair value of investment properties | (v) | (39,575) | 28,751 | n.m. | (47,105) | 32,964 | n.m. |
| Net change in fair value of investments designated at fair value through profit or loss | (vi)(a) | 17 | (32,938) | n.m. | 7,196 | 3,196 | >100.0 |
| Net loss arising from change in accounting treatment of an equity-accounted investee to a subsidiary | (vii) | - | - | - | - | (224) | (100.0) |
| Write back of impairment loss on property, plant equipment | (viii) | 51,787 | 76,639 | (32.4) | 51,787 | 76,639 | (32.4) |
| Others | | (311) | (513) | (39.4) | (249) | (511) | (51.3) |
| | | <u>11,942</u> | <u>109,375</u> | <u>(89.1)</u> | <u>11,653</u> | <u>149,500</u> | <u>(92.2)</u> |

- (i) This relates to the write back of provision of site restoration of a land parcel located in Dujiangyan, Chengdu, following the completion of the restoration works in the prior period/year.
- (ii) This relates to the write back of impairment loss previously recognised on a development property in Indonesia, offset by an impairment loss recognised on one unit at OUE Twin Peaks. In 2022, the impairment loss was recognised on a development property in Indonesia.
- (iii) This relates to the impairment loss on the Myanmar joint venture under the healthcare segment in prior period/year. The impairment loss represented the excess of the carrying value over the estimated recoverable amount, which was based on the value-in-use, taking into consideration the potential impact from the prevailing economic conditions and market outlook on the projected cash flows and discount rates.
- (iv) This relates to negative goodwill recognised arising from the acquisition of additional equity interests in Gemdale Properties and Investment Corporation Limited (“Gemdale”) below its net asset value in the prior period/year.
- (v) This relates to the net change in fair value of investment properties of the Group which include the investment properties held by OUE REIT and First Real Estate Investment Trust (“First REIT”). 2H 2023 and FY2023 included an amount of \$2.9 million derived from reversal of unutilised income support related to the sale of OUE Bayfront in 2021.
- (vi) This relates to net change in marked-to-market fair value of:
- investments designated at fair value through profit or loss, which include investments in equity securities and interests in mutual funds; and
 - investments designated at fair value through other comprehensive income net of tax, which include investments in equity securities that are not held for trading and interests in limited partnerships.
- (vii) This relates to loss arising from the deemed disposal of First REIT as an associate of the Group of \$35,601,000, partially offset by the negative goodwill recognised from accounting of First REIT as a subsidiary of \$35,377,000 on 1 March 2022. The negative goodwill reflects the excess of fair value of assets and liabilities acquired over the consideration paid.
- (viii) The write-back of impairment loss on property, plant and equipment mainly relate to increase in fair value of the hospitality assets held by the Group which are namely Hilton Singapore Orchard and Crowne Plaza Changi Airport.

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F. Notes to the condensed interim consolidated financial statements (cont'd)

7. Profit before tax

| | Six months ended 31/12/2023 \$'000 | Six months ended 31/12/2022 \$'000 | Change % | Full year ended 31/12/2023 \$'000 | Full year ended 31/12/2022 \$'000 | Change % |
|---|--|--|-------------|---|---|-------------|
| Profit before tax is stated after charging: | | | | | | |
| - Depreciation of property, plant and equipment | 30,605 | 26,073 | 17.4 | 60,393 | 52,313 | 15.4 |

8. Tax (credit) / expense

The Group calculates the period income tax (credit)/expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

| | Six months ended 31/12/2023 \$'000 | Six months ended 31/12/2022 \$'000 | Change % | Full year ended 31/12/2023 \$'000 | Full year ended 31/12/2022 \$'000 | Change % |
|--|--|--|-------------|---|---|-------------|
| The charge for income tax expense includes the following: | | | | | | |
| Current tax expense: | | | | | | |
| - Current year | 16,323 | 18,033 | (9.5) | 34,357 | 30,438 | 12.9 |
| - (Over)/Underprovision of current tax in respect of prior years | (19,783) | 27,194 | n.m. | (29,548) | 24,277 | n.m. |
| Deferred tax expense: | | | | | | |
| - Origination and reversal of temporary difference | (9,661) | (2,304) | >100.0 | (7,684) | 505 | n.m. |
| - Overprovision in respect of prior years | (9,536) | (1,342) | >100.0 | (9,536) | (1,342) | >100.0 |
| | <u>(22,657)</u> | <u>41,581</u> | n.m. | <u>(12,411)</u> | <u>53,878</u> | n.m. |

Tax credit in current period / year mainly relate to write back of tax provision no longer required following finalisation of tax assessment and write back on deferred tax liabilities due to decrease in valuation of an investment property in China.

9. Net asset value

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|-------------|--------------------|-------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| Number of issued shares (excluding treasury shares) | 843,680,060 | 847,257,260 | 843,680,060 | 847,257,260 |
| Net asset value per ordinary share (\$) | <u>4.31</u> | <u>4.35</u> | <u>2.93</u> | <u>2.97</u> |

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G. Notes to the condensed interim consolidated financial statements (cont'd)

10. Intangible assets and goodwill

| | Goodwill \$'000 | Medical distribution licenses \$'000 | Intangible asset \$'000 | Total \$'000 |
|---|----------------------------|---|--|-------------------------|
| Group | | | | |
| Cost | | | | |
| At 1 January 2023 | 51,747 | 608 | 36,808 | 89,163 |
| Effect of movements in exchange rates | (63) | (86) | - | (149) |
| At 31 December 2023 | <u>51,684</u> | <u>522</u> | <u>36,808</u> | <u>89,014</u> |
| Accumulated amortisation and impairment losses | | | | |
| At 1 January 2023 | 20,963 | 608 | 9,198 | 30,769 |
| Effect of movements in exchange rates | - | (86) | - | (86) |
| At 31 December 2023 | <u>20,963</u> | <u>522</u> | <u>9,198</u> | <u>30,683</u> |
| Cost | | | | |
| At 1 January 2022 | 24,029 | 675 | 36,808 | 61,512 |
| Addition | 27,754 | - | - | 27,754 |
| Effect of movements in exchange rates | (36) | (67) | - | (103) |
| At 31 December 2022 | <u>51,747</u> | <u>608</u> | <u>36,808</u> | <u>89,163</u> |
| Accumulated amortisation and impairment losses | | | | |
| At 1 January 2022 | 20,963 | 675 | 9,198 | 30,836 |
| Effect of movements in exchange rates | - | (67) | - | (67) |
| At 31 December 2022 | <u>20,963</u> | <u>608</u> | <u>9,198</u> | <u>30,769</u> |
| Carrying amounts | | | | |
| At 31 December 2022 | <u>30,784</u> | <u>-</u> | <u>27,610</u> | <u>58,394</u> |
| At 31 December 2023 | <u><u>30,721</u></u> | <u><u>-</u></u> | <u><u>27,610</u></u> | <u><u>58,331</u></u> |

Impairment test for intangible assets

The Group's intangible assets comprise mainly of management rights acquired. The recoverable amount of the management rights is determined based on value-in-use calculation using a cash flow projection from the provision of asset management services. The key assumptions used in the estimation of the recoverable amount include the discount rate and the budgeted earnings before interest and tax growth rate.

Impairment test for goodwill

Goodwill arising from business combinations have been allocated to the following cash-generating unit ("CGU") for impairment testing:

| | 31/12/2023 \$'000 | 31/12/2022 \$'000 |
|---|------------------------------|------------------------------|
| Echo Healthcare Management Pte. Ltd. and its subsidiaries | 27,754 | 27,754 |
| CGU without significant goodwill | 2,967 | 3,030 |
| | <u>30,721</u> | <u>30,784</u> |

The recoverable amount of the CGU was estimated based on its value-in-use using a discounted cash flow projection based on financial budgets and forecasts approved by the management. The key assumptions used in the estimation of the recoverable amount include the revenue growth rate, discount rate, budgeted earnings before interest and tax margin and terminal value growth rate.

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H. Notes to the condensed interim consolidated financial statements (cont'd)

11. Interests in equity-accounted investees

| | Group | |
|---------------------------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 |
| | \$'000 | \$'000 |
| Interests in associates | 1,140,787 | 1,097,742 |
| Interests in joint ventures | 409,807 | 398,884 |
| Less: impairment loss | (9,135) | (9,135) |
| | <u>1,541,459</u> | <u>1,487,491</u> |
| Loans to associate and joint ventures | <u>38,683</u> | <u>34,031</u> |
| | <u>1,580,142</u> | <u>1,521,522</u> |

The loans to joint ventures are interest-free, unsecured and have no fixed terms of repayment. The settlement of these loans is neither planned nor likely to occur in foreseeable future and hence the loans are classified as non-current.

Associate

On 26 October 2023, the Group had completed the share acquisition of 26.24% interest in Healthway Medical Corporation Limited ("HMC"), for the total consideration of \$57,120,000.

The Group has engaged an external expert to perform a purchase price allocation ("PPA") exercise for the acquisition. The Group's share of net assets of HMC was based on the fair values of the identifiable assets and liabilities of HMC as at 26 October 2023.

The following table summarises the considerations transferred and the proportionate share of the fair value of net assets of HMC as at the date of acquisition:

| | 2023 |
|---|-----------------|
| | \$'000 |
| Total consideration transferred | 57,120 |
| Less: Proportionate share of fair value of net assets | <u>(17,720)</u> |
| Provisional goodwill | <u>39,400</u> |

Included in the carrying amount of associate and joint ventures in the statement of financial position as at 31 December 2023 is provisional goodwill arising from acquisition of equity interest in HMC of \$39,400,000.

Recoverable amount of interests in equity-accounted investees

As at 31 December 2023, the Group assessed the recoverable amounts for each cash generating unit (CGU) based on the greater of value-in-use and its fair value less costs of disposal, taking into consideration the potential impact from the prevailing economic conditions and market outlook on the estimated future cash flows and discount rates.

The recoverable amount of the Group's material associate, Gemdale Properties and Investment Corporation Limited ("GPI"), approximates its share of the net assets of GPI as at 31 December 2023.

Significant underlying assets of GPI include investment properties measured at fair value and development properties measured at lower of cost and net realisable value ("NRV"). Fair value of investment properties determined are sensitive to the key assumptions applied and a change in key assumptions could have a significant impact to the fair value of investment properties. NRV of development properties is determined based on the expected selling prices and estimated costs of completion for development properties under development. Accordingly, NRV is subject to market uncertainty and may be impacted by the future selling prices and the actual cost of completion.

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I. Notes to the condensed interim consolidated financial statements (cont'd)

12. Investment properties

| Notes | Completed investment properties \$'000 | Investment properties under development \$'000 | Total \$'000 |
|---|---|--|------------------|
| Group | | | |
| At 1 January 2023 | 5,231,462 | 173,197 | 5,404,659 |
| Additions | 10,142 | 24 | 10,166 |
| Disposals | (1,574) | - | (1,574) |
| Net change in fair value ^(a) | (49,542) | (510) | (50,052) |
| Effect of movements in exchange rates | (52,059) | (4,247) | (56,306) |
| Lease incentives | 14,616 | - | 14,616 |
| At 31 December 2023 | <u>5,153,045</u> | <u>168,464</u> | <u>5,321,509</u> |
| At 1 January 2022 | 4,374,655 | 193,807 | 4,568,462 |
| Acquisition of a subsidiary | 955,235 | - | 955,235 |
| Additions ^(b) | 41,495 | 1 | 41,496 |
| Disposal of a subsidiary | (40,438) | - | (40,438) |
| Disposal | (32) | - | (32) |
| Net change in fair value | 38,390 | (5,426) | 32,964 |
| Effect of movements in exchange rates | (159,782) | (15,185) | (174,967) |
| Lease incentives | 21,939 | - | 21,939 |
| At 31 December 2022 | <u>5,231,462</u> | <u>173,197</u> | <u>5,404,659</u> |

^(a) Excluded the fair value gain of \$2.9 million arising from reversal of unutilised income support related to the sale of OUE Bayfront in 2021, with total fair value losses recognised in the income statement amounting to \$47.1 million.

^(b) In 2022, the Group acquired two Japan nursing homes, Medical Rehabilitation Home Bon Sejour Komaki and Loyal Residence Ayase, for a total consideration of JPY 2,580 million (approximately \$27,606,000), with a total acquisition cost capitalised amounting to \$3,455,000.

As at 31 December 2023, investment properties with a total carrying amount of \$2,006.4 million (31 December 2022: \$1,996.6 million) were pledged as security for banking facilities.

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Fair value measurement

The fair values of investment properties as at 31 December 2023 were determined by independent professional valuers based on assumptions and estimates that reflect their market value, which approximate their carrying amounts.

The fair value measurement was categorised under Level 3 of the fair value hierarchy based on the inputs to the valuation techniques used.

Completed investment properties

The fair values were derived based on the discounted cashflow method, capitalisation method and direct comparison method. The valuation methods involve certain estimates including those relating to discount rate, terminal yield rate, capitalisation rate and price per square foot. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations.

E. Notes to the condensed interim consolidated financial statements (cont'd)

12. Investment properties (cont'd)

Classification of investment properties under development

The Group's investment properties under development pertain to lands in Indonesia, the People's Republic of China ("the PRC") and Malaysia.

The fair values were derived based on the discounted cashflow method, direct comparison method and residual value method. The valuation methods involve certain estimates including those relating to discount rate, terminal yield rate, plot ratio, developer's profit and risk and construction costs per square metre.

In relying on the valuation reports, management has exercised judgement and is satisfied that the valuation methods and estimates used are reflective of the current market conditions.

13. Property, plant and equipment

For the full year ended 31 December 2023, the Group acquired assets amounting to \$39.5 million (31 December 2022: \$74.9 million).

There was no property, plant and equipment which was pledged as security for banking facilities.

Impairment test for property, plant and equipment

The recoverable amount of the Group's significant property, plant and equipment is determined based on the higher of fair value less costs to sell and value-in-use calculation. As at 31 December 2023, the Group had engaged independent professional valuers to perform valuations for significant property, plant and equipment to estimate the recoverable amounts of the respective properties based on their market values.

The market values were derived based on the discounted cashflow method. The valuation method involves certain estimates including those relating to discount rate and terminal yield rate. The fair value measurement was categorised under Level 3 of the fair value hierarchy based on the valuation techniques used.

Based on the valuations performed, net write-back of impairment losses amounting to \$51.8 million (2022: net write-back of impairment losses amounting to \$76.6 million) was recognised for the current financial year.

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E. Notes to the condensed interim consolidated financial statements (cont'd)

14. Borrowings

| | <u>Group</u> | | <u>Company</u> | |
|---|-------------------------|-------------------------|----------------------|----------------------|
| | <u>31/12/2023</u> | <u>31/12/2022</u> | <u>31/12/2023</u> | <u>31/12/2022</u> |
| | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| Amount repayable within one year or less, or on demand | | | | |
| Secured | 1,346 | 20,944 | - | - |
| Unsecured | 30,000 | 557,699 | - | - |
| | <u>31,346</u> | <u>578,643</u> | <u>-</u> | <u>-</u> |
| Amount repayable after one year | | | | |
| Secured | 986,409 | 865,492 | 71,168 | 18,955 |
| Unsecured | 1,855,781 | 1,522,991 | - | - |
| | <u>2,842,190</u> | <u>2,388,483</u> | <u>71,168</u> | <u>18,955</u> |
| | <u><u>2,873,536</u></u> | <u><u>2,967,126</u></u> | <u><u>71,168</u></u> | <u><u>18,955</u></u> |

Details of any collateral

Secured borrowings are generally collateralised by:

- Pledging of properties/assets; and/or
- Assignment of all rights and benefits to sale, lease and/or insurance proceeds with respect to the properties

15. Share capital

Issued share capital

| | <u>The Group and Company</u> | |
|---|------------------------------|----------------|
| | <u>Number of shares</u> | <u>Amount</u> |
| | <u>'000</u> | <u>\$'000</u> |
| As at 1 January 2023 and 31 December 2023 | <u>859,838</u> | <u>470,546</u> |

As at 31 December 2023, the Company's total number of issued shares excluding treasury shares is 843,680,060 (31/12/22: 847,257,260).

For the full year ended 31 December 2023, the Company acquired 3,577,200 (31/12/2022: 24,773,500) of its own shares for a total consideration of \$3,936,000 (31/12/2022: \$32,469,000).

As at 31 December 2023, the Company held 16,157,400 (31/12/2022: 12,580,200) treasury shares which represented 1.9% (31/12/2022: 1.5%) of the total number of issued shares (excluding treasury shares).

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E. Notes to the condensed interim consolidated financial statements (cont'd)

16. Dividends

| | Group and Company | |
|---|--------------------------|-------------------|
| | 31/12/2023 | 31/12/2022 |
| | \$'000 | \$'000 |
| Paid by the Company to owners of the Company | | |
| Final dividend of 1.5 cents (2022: 1 cent) per ordinary share in respect of prior year | 12,709 | 8,695 |
| Interim dividend of 1 cent (2022: 1 cent) per ordinary share in respect of current year | 8,472 | 8,608 |
| | <u>21,181</u> | <u>17,303</u> |
| Paid by subsidiaries to NCI | | |
| Distribution of 0.66 cents per qualifying First REIT unit in respect of prior year | 7,579 | - |
| Distribution of 1.86 cents (2022: 1.98 cents) per qualifying First REIT unit in respect of current year | 21,360 | 22,737 |
| Distribution of 1.04 cents (2022: 1.37 cents) per qualifying OUE REIT unit in respect of prior year | 29,345 | 38,655 |
| Distribution of 1.05 cents (2022: 1.08 cents) per qualifying OUE REIT unit in respect of current year | 29,627 | 30,474 |
| Final dividend of 15 cents (2022: 15 cents) per ordinary share in respect of prior year | 6,000 | 6,000 |
| Interim dividend in respect of current year | 3,864 | - |
| | <u>97,775</u> | <u>97,866</u> |

17. Litigation cases

The status of the litigation cases of the Group's subsidiary, OUE Healthcare Limited ("OUEH") and its subsidiaries ("OUEH Group"), as at 31 December 2023, is as summarised below.

a) Litigation cases with David Lin, a non-controlling shareholder of certain subsidiaries

In 2013, OUEH Group acquired a 74.97% effective interest and control over Health Kind International Limited ("HKIL") and its subsidiaries, Health Kind International (Shanghai) Co., Ltd. ("Health Kind Shanghai") and Wuxi New District Phoenix Hospital Co., Ltd. ("Wuxi Co").

In 2017, Weixin Hospital Investment Management (Shanghai) Co. Ltd ("Weixin"), a company controlled by David Lin, sought a court order for the shares in Wuxi Co to be transferred to Weixin. The Shanghai Courts have rendered a judgement and appeal judgement in favour of Weixin. Consequently, OUEH Group deconsolidated Wuxi Co in 2018.

Arbitration proceedings against David Lin

In 2018, OUEH commenced arbitration proceedings in Singapore against David Lin. The tribunal issued the final arbitration award against David Lin on 7 January 2019. OUEH has obtained a Singapore judgement in terms of the arbitration award on 28 November 2019.

Recognition and enforcement proceedings

In 2019, OUEH commenced recognition and enforcement proceedings in Hong Kong, Taiwan and Shanghai against David Lin to enforce the said award. As at 31 December 2023, OUEH has obtained permission from the respective authorities concerned to enforce the award in Hong Kong, Taiwan and Shanghai.

As at 31 December 2023:

- Hong Kong: OUEH continues to hold a charging order absolute over David Lin's shares in Healthcare Solution Investment Limited ("HSIL") and Hong Kong Life Sciences and Technologies Group Limited. OUEH has also obtained an order to appoint receivers over David Lin's interest in the HSIL shares. HSIL is the sole shareholder of Weixin;

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E. Notes to the condensed interim consolidated financial statements (cont'd)

17. Litigation cases (cont'd)

a) Litigation cases with David Lin, a non-controlling shareholder of certain subsidiaries (cont'd)

- Shanghai: The Shanghai No. 1 Court received approximately RMB3.25 million in November 2020. The funds have been transferred to a subsidiary of OUEH in March 2021; and
- Taiwan: In March 2021, OUEH also received the sum of S\$711,000, being the deposit and trust assets held by David Lin in his bank accounts in Taiwan. Separately, David Lin's ¼ share in a real estate in New Taipei City was sold on 18 January 2021 during a public auction for the sum of NTD 5,880,000, of which OUEH received a sum net of costs and expenses.

b) Other claim(s) against OUEH

OUEH received a letter of demand from Fan Kow Hin's ("Fan") private trustees dated 25 June 2021, demanding payment of the sum of S\$850,000 allegedly owing to Fan pursuant to shareholder advances, expense claims and a Management Advisory Service Agreement between Fan and a wholly-owned subsidiary of OUEH dated 1 February 2016.

This letter demanded payment of the same sums previously claimed by Fan in his letter of demand to OUEH dated 27 January 2017. In 2017, OUEH responded to Fan to seek further particulars and supporting documents in support of his claims, however, no response was forthcoming. OUEH responded to Fan's private trustees to seek further particulars and supporting documents in support of their claims.

No litigation has developed from these claims and no provisions is made given that there is lack of details to support the claims.

18. Commitments

Capital commitments

The Group has the following capital commitments:

| | Group | |
|--------------------------------------|------------|------------|
| | 31/12/2023 | 31/12/2022 |
| | \$'000 | \$'000 |
| Financial assets designated at FVOCI | 17,353 | 18,402 |
| Property, plant and equipment | 3,394 | 433 |
| Investment properties | 1,718 | 1,142 |

QUE LIMITED & ITS SUBSIDIARIES
For the six months and full year ended 31 December 2023

E. Notes to the condensed interim consolidated financial statements (cont'd)

19. Financial assets and liabilities

The carrying amounts and fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The fair value of borrowings approximates their carrying amounts as the interest rates are adjusted for changes in relevant market interest rate, except for unsecured notes which are classified within Level 2 of the fair value hierarchy.

| | Carrying amount | | | | Fair value | | | |
|---|-----------------------------------|----------------------------------|--|-----------------|-------------------|-------------------|-------------------|-----------------|
| | Mandatorily at FVTPL \$'000 | Designated at FVOCI \$'000 | Fair value - hedging instruments \$'000 | Total \$'000 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
| Group | | | | | | | | |
| 31/12/2023 | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| Other investments - FVTPL | 3,255 | - | - | 3,255 | 3,255 | - | - | 3,255 |
| Equity investments - FVOCI | - | 63,064 | - | 63,064 | 49,524 | - | 13,540 | 63,064 |
| Interests in limited partnerships - FVOCI | - | 49,347 | - | 49,347 | - | - | 49,347 | 49,347 |
| Derivative assets | - | - | 3,912 | 3,912 | - | 3,912 | - | 3,912 |
| | <u>3,255</u> | <u>112,411</u> | <u>3,912</u> | <u>119,578</u> | | | | |
| Financial liabilities measured at fair value | | | | | | | | |
| Derivative liabilities | - | - | (745) | (745) | - | (745) | - | (745) |
| | <u>-</u> | <u>-</u> | <u>(745)</u> | <u>(745)</u> | | | | |
| 31/12/2022 | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| Other investments - FVTPL | 48,031 | - | - | 48,031 | 3,122 | 44,909 | - | 48,031 |
| Equity investments - FVOCI | - | 54,177 | - | 54,177 | 40,342 | - | 13,835 | 54,177 |
| Interests in limited partnerships - FVOCI | - | 66,993 | - | 66,993 | - | - | 66,993 | 66,993 |
| Derivative assets | - | - | 29,449 | 29,449 | - | 29,449 | - | 29,449 |
| | <u>48,031</u> | <u>121,170</u> | <u>29,449</u> | <u>198,650</u> | | | | |
| Financial liabilities measured at fair value | | | | | | | | |
| Derivative liabilities | - | - | (494) | (494) | - | (494) | - | (494) |
| | <u>-</u> | <u>-</u> | <u>(494)</u> | <u>(494)</u> | | | | |

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For the six months and full year ended 31 December 2023

E. Notes to the condensed interim consolidated financial statements (cont'd)

20. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim consolidated financial statements, the following significant transactions took place between the Group and related parties during the financial year on terms agreed between the parties. Other related parties comprise mainly entities which are controlled or jointly-controlled by the Group's key management personnel and close family members.

| | Group | | | |
|--|---|---|--|--|
| | Transaction value | | | |
| | Six months ended 31/12/2023 \$'000 | Six months ended 31/12/2022 \$'000 | Full year ended 31/12/2023 \$'000 | Full year ended 31/12/2022 \$'000 |
| Associates and joint ventures | | | | |
| Loan to an equity-accounted investee | - | 8,000 | 24,000 | 8,000 |
| Repayment of loans from equity-accounted investees | (1,200) | 7,005 | 19,277 | 21,064 |
| Management fees earned | 4,507 | 3,182 | 6,546 | 7,765 |
| Lease payments | 2,051 | 1,160 | 4,074 | 3,078 |
| Rental and rental related income | 1,179 | - | 1,179 | - |
| Other related parties | | | | |
| Rental and rental related income | 34,895 | 55,941 | 68,254 | 76,671 |
| Rental related expense | - | 267 | - | 267 |
| Hotel services income | 28 | 575 | 585 | 1,016 |
| Management fees earned | 180 | 180 | 360 | 360 |
| Support services paid | - | 195 | - | 195 |
| Royalty fee income | 213 | 96 | 320 | 174 |
| Interest income | 462 | 288 | 745 | 571 |
| Recovery of expenses paid on behalf | 341 | 120 | 545 | 216 |

21. Operating segments

The Group has three strategic segments, which are its reportable segments.

The following summary describes the operations in each of the Group's reportable segments:

(i) Real Estate

- a) Investment Properties (Singapore, the PRC and Indonesia) – rental of investment properties owned by the Group, management of commercial investment trusts and investment properties under development.
- b) Hospitality – operation of hotels and hotel management.
- c) Development Properties (Singapore, the PRC and etc) – sale of residential properties and other properties under development.

(ii) Healthcare – operation of investment holding, development of medical real estate, healthcare-related assets and integrated mixed-use developments and provision of healthcare services and management of healthcare investments trusts.

(iii) Others – mainly related to operation of food and beverage outlets and consumer-related investments.

The senior management comprises the Chief Executive Officer, the Deputy Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the department heads of each business segment.

Information regarding the results of each reportable segment is included below. The senior management assesses the performance of the operating segments based on a measure of profit before interest, tax and other gains/(losses), as included in the internal management reports that are reviewed by the senior management.

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For the six months and full year ended 31 December 2023

J. Notes to the condensed interim consolidated financial statements (cont'd)

21. Operating segments (cont'd)

| | Real Estate | | | | | | | Reportable Segments Total | Elimination and unallocated items | Total |
|--|-----------------------|---------------|----------------|---------------------------|---------------------|----------------|---------------|------------------------------|--------------------------------------|----------------|
| | Investment Properties | | Hospitality | Development Properties | Segment Subtotal | Healthcare | Others | | | |
| | Singapore | Others | | | | | | | | |
| For the half year ended 31 December 2023 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Revenue | | | | | | | | | | |
| - External revenue | 92,192 | 11,217 | 109,639 | 1,830 | 214,878 | 82,296 | 21,324 | 318,498 | 103 | 318,601 |
| - Intersegment revenue | 1,016 | - | 1,521 | - | 2,537 | - | 131 | 2,668 | (2,668) | - |
| Segment revenue | 93,208 | 11,217 | 111,160 | 1,830 | 217,415 | 82,296 | 21,455 | 321,166 | (2,565) | 318,601 |
| Segment profit/(loss)¹ | 62,870 | 7,131 | 37,625 | (3,091) | 104,535 | 47,925 | 4,332 | 156,792 | (13,989) | 142,803 |
| Depreciation | (612) | - | (24,592) | (4) | (25,208) | (1,394) | (3,896) | (30,498) | (107) | (30,605) |
| Finance expense | (57,782) | (148) | - | - | (57,930) | (18,586) | (795) | (77,311) | (6,979) | (84,290) |
| Finance income | 1,730 | 764 | 30 | 10 | 2,534 | 1,088 | 5 | 3,627 | 220 | 3,847 |
| Share of results of equity-accounted investees, net of tax | 12,635 | - | - | (3,139) | 9,496 | (967) | 8,920 | 17,449 | - | 17,449 |
| Other material items | | | | | | | | | | |
| Net change in fair value of investment properties | (13,041) | (43,950) | - | - | (56,991) | 17,416 | - | (39,575) | - | (39,575) |
| Net change in fair value of investments designated at fair value through profit or loss | - | - | - | - | - | - | - | - | 17 | 17 |
| Writeback of impairment / (Impairment loss) on property, plant and equipment | - | - | 51,928 | - | 51,928 | (141) | - | 51,787 | - | 51,787 |
| For the full year ended 31 December 2023 | | | | | | | | | | |
| Revenue | | | | | | | | | | |
| - External revenue | 181,454 | 23,265 | 205,393 | 9,791 | 419,903 | 162,063 | 41,021 | 622,987 | 112 | 623,099 |
| - Intersegment revenue | 1,858 | - | 3,106 | - | 4,964 | - | 475 | 5,439 | (5,439) | - |
| Segment revenue | 183,312 | 23,265 | 208,499 | 9,791 | 424,867 | 162,063 | 41,496 | 628,426 | (5,327) | 623,099 |
| Segment profit/(loss)¹ | 140,153 | 16,811 | 46,439 | 15,731 | 219,134 | 95,902 | 5,618 | 320,654 | (31,253) | 289,401 |
| Depreciation | (1,200) | (6) | (48,881) | (4) | (50,091) | (2,752) | (7,196) | (60,039) | (354) | (60,393) |
| Finance expense | (114,698) | (148) | - | - | (114,846) | (30,938) | (1,569) | (147,353) | (12,931) | (160,284) |
| Finance income | 2,398 | 741 | 52 | 20 | 3,211 | 701 | 3,770 | 7,682 | 4,276 | 11,958 |
| Share of results of equity-accounted investees, net of tax | 16,886 | - | - | 16,003 | 32,889 | (1,386) | 11,696 | 43,199 | - | 43,199 |
| Other material items | | | | | | | | | | |
| Net change in fair value of investment properties | (13,041) | (43,950) | - | - | (56,991) | 9,886 | - | (47,105) | - | (47,105) |
| Net change in fair value of investments designated at fair value through profit or loss | - | - | - | - | - | - | - | - | 7,196 | 7,196 |
| Writeback of impairment / (Impairment loss) on property, plant and equipment | - | - | 51,928 | - | 51,928 | (141) | - | 51,787 | - | 51,787 |
| 31 December 2023 | | | | | | | | | | |
| Reportable segment assets ² | 4,125,031 | 170,618 | 1,763,704 | 33,280 | 6,092,633 | 1,344,942 | 44,782 | 7,482,357 | 204,403 | 7,686,760 |
| Interests in equity-accounted investees | 353,719 | - | - | 1,064,926 | 1,418,645 | 98,746 | 62,751 | 1,580,142 | - | 1,580,142 |
| Reportable segment liabilities | 2,195,033 | 314 | 60,370 | 3,459 | 2,259,176 | 620,432 | 17,571 | 2,897,179 | 488,027 | 3,385,206 |
| Capital expenditure | 5,499 | 26 | 25,787 | 23 | 31,335 | 5,631 | 11,478 | 48,444 | 1,181 | 49,625 |

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

² Excluding interests in equity-accounted investees

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E. Notes to the condensed interim consolidated financial statements (cont'd)

21. Operating segments (cont'd)

| | Real Estate | | | | | | | | | |
|---|-----------------------|---------------|----------------|----------------|------------------|----------------|-----------------|---------------------|-----------------------------------|----------------|
| | Investment Properties | | Hospitality | Development | | Healthcare | Others | Reportable Segments | Elimination and unallocated items | Total |
| | Singapore | Others | | Properties | Segment Subtotal | | | | | |
| For the half year ended 31 December 2022 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | | | | | | |
| - External revenue | 82,614 | 16,889 | 92,293 | 2,528 | 194,324 | 77,821 | 19,884 | 292,029 | 417 | 292,446 |
| - Intersegment revenue | 523 | - | 1,884 | - | 2,407 | - | 192 | 2,599 | (2,599) | - |
| Segment revenue | 83,137 | 16,889 | 94,177 | 2,528 | 196,731 | 77,821 | 20,076 | 294,628 | (2,182) | 292,446 |
| Segment profit/(loss)¹ | 80,013 | 16,962 | 16,462 | 62,808 | 176,245 | 50,666 | (15,302) | 211,609 | (14,401) | 197,208 |
| Depreciation | (622) | 11 | (19,151) | - | (19,762) | (1,359) | (4,924) | (26,045) | (28) | (26,073) |
| Finance expense | (49,845) | 610 | 26 | - | (49,209) | (13,147) | (810) | (63,166) | (9,579) | (72,745) |
| Finance income | 25,598 | (419) | 61 | 6 | 25,246 | (429) | 6 | 24,823 | 2,566 | 27,389 |
| Share of results of equity-accounted investees, net of tax | 28,811 | - | - | 62,847 | 91,658 | (636) | (11,680) | 79,342 | - | 79,342 |
| Other material items | | | | | | | | | | |
| Impairment loss on interests in an equity-accounted investee | - | - | - | - | - | (5,000) | - | (5,000) | - | (5,000) |
| Negative goodwill on investment in an equity-accounted investee | - | - | - | 43,808 | 43,808 | - | - | 43,808 | - | 43,808 |
| Net change in fair value of investment properties | 58,072 | (15,263) | - | - | 42,809 | (14,058) | - | 28,751 | - | 28,751 |
| Net change in fair value of investments designated at fair value through profit or loss | - | - | - | - | - | - | - | - | (32,938) | (32,938) |
| Writeback of impairment / (Impairment loss) on property, plant and equipment | - | - | 81,653 | - | 81,653 | (3,247) | (1,767) | 76,639 | - | 76,639 |
| For the full year ended 31 December 2022 | | | | | | | | | | |
| Revenue | | | | | | | | | | |
| - External revenue | 162,215 | 27,168 | 142,623 | 2,704 | 334,710 | 122,359 | 33,611 | 490,680 | 440 | 491,120 |
| - Intersegment revenue | 818 | - | 2,028 | - | 2,846 | - | 270 | 3,116 | (3,116) | - |
| Segment revenue | 163,033 | 27,168 | 144,651 | 2,704 | 337,556 | 122,359 | 33,881 | 493,796 | (2,676) | 491,120 |
| Segment profit/(loss)¹ | 142,057 | 22,716 | 14,884 | 117,287 | 296,944 | 83,719 | (5,109) | 375,554 | (30,320) | 345,234 |
| Depreciation | (1,184) | (33) | (38,687) | - | (39,904) | (2,118) | (7,457) | (49,479) | (2,834) | (52,313) |
| Finance expense | (82,701) | (455) | 23 | - | (83,133) | (21,206) | (1,407) | (105,746) | (20,559) | (126,305) |
| Finance income | 26,677 | 738 | 69 | 8 | 27,492 | 456 | 8 | 27,956 | 4,762 | 32,718 |
| Share of results of equity-accounted investees, net of tax | 37,108 | - | - | 117,615 | 154,723 | 307 | 1,927 | 156,957 | - | 156,957 |
| Other material items | | | | | | | | | | |
| Impairment loss on interests in an equity-accounted investee | - | - | - | - | - | (5,000) | - | (5,000) | - | (5,000) |
| Negative goodwill on investment in an equity-accounted investee | - | - | - | 43,808 | 43,808 | - | - | 43,808 | - | 43,808 |
| Net change in fair value of investment properties | 58,072 | (15,263) | - | - | 42,809 | (9,845) | - | 32,964 | - | 32,964 |
| Net change in fair value of investments designated at fair value through profit or loss | - | - | - | - | - | - | - | - | 3,196 | 3,196 |
| Writeback of impairment / (Impairment loss) on property, plant and equipment | - | - | 81,653 | - | 81,653 | (3,247) | (1,767) | 76,639 | - | 76,639 |
| 31 December 2022 | | | | | | | | | | |
| Reportable segment assets ² | 3,681,594 | 734,994 | 1,730,584 | 41,109 | 6,188,281 | 1,359,120 | 53,357 | 7,600,758 | 364,788 | 7,965,546 |
| Interests in equity-accounted investees | 347,332 | - | - | 1,089,658 | 1,436,990 | 41,934 | 42,598 | 1,521,522 | - | 1,521,522 |
| Reportable segment liabilities | 2,164,669 | 27,952 | 44,094 | 3,860 | 2,240,575 | 570,582 | 17,958 | 2,829,115 | 683,904 | 3,513,019 |
| Capital expenditure | 5,907 | 821 | 69,461 | 5 | 76,194 | 35,760 | 4,165 | 116,119 | 243 | 116,362 |

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

² Excluding interests in equity-accounted investees

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E. Notes to the condensed interim consolidated financial statements (cont'd)

21. Operating segments (cont'd)

Reconciliation of reportable segment revenue and profit/(loss) before interest and tax

Reconciliation of reportable segment revenue and profit/(loss) before interest and tax

| | Full year ended 31/12/2023 \$'000 | Full year ended 31/12/2022 \$'000 |
|---------------------------------------|--|--|
| Total revenue for reportable segments | 628,426 | 493,796 |
| Unallocated amounts | 112 | 440 |
| Elimination of inter-segment revenue | (5,439) | (3,116) |
| Consolidated total revenue | <u>623,099</u> | <u>491,120</u> |

Profit or loss

| | | |
|---|----------------|----------------|
| Total profit or loss before interest, tax and other gains for reportable segments | 320,654 | 375,554 |
| Elimination of inter-segment profits | (475) | 2,188 |
| Finance expenses | (160,284) | (126,305) |
| Finance income | 11,958 | 32,718 |
| Other gains - net | 11,653 | 149,500 |
| Unallocated corporate expenses | (30,778) | (32,508) |
| Consolidated profit before tax | <u>152,728</u> | <u>401,147</u> |

Reconciliation of reportable assets and liabilities

| | 31/12/2023 \$'000 | 31/12/2022 \$'000 |
|---|----------------------|----------------------|
| Assets | | |
| Total assets for reportable segments | 7,482,357 | 7,600,758 |
| Interests in equity-accounted investees | 1,580,142 | 1,521,522 |
| | <u>9,062,499</u> | <u>9,122,280</u> |
| Elimination of inter-segment balances | (229) | (354) |
| Other unallocated amounts: | | |
| - Property, plant and equipment | 9,885 | 12,467 |
| - Cash and cash equivalents | 23,365 | 136,454 |
| - Trade and other receivables | 775 | 1,245 |
| - Other investments | 90,807 | 134,281 |
| - Derivative assets | 78 | 222 |
| - Other assets | 77,751 | 78,426 |
| - Deferred tax assets | 1,971 | 2,047 |
| Consolidated total assets | <u>9,266,902</u> | <u>9,487,068</u> |

Liabilities

| | | |
|---|------------------|------------------|
| Total liabilities for reportable segments | 2,897,179 | 2,829,115 |
| Other unallocated amounts: | | |
| - Borrowings | 269,765 | 416,920 |
| - Trade and other payables | 20,869 | 25,465 |
| - Lease liabilities | 68,592 | 9,147 |
| - Derivative liabilities | 215 | - |
| - Current tax liabilities | 6,268 | 87,363 |
| - Deferred tax liabilities | 122,318 | 145,009 |
| Consolidated total liabilities | <u>3,385,206</u> | <u>3,513,019</u> |

Geographical information

| | Full year ended 31/12/2023 | Full year ended 31/12/2022 |
|----------------|----------------------------------|----------------------------------|
| Revenue | | |
| Singapore | 489,856 | 364,670 |
| The PRC | 28,809 | 31,831 |
| Japan | 14,850 | 15,357 |
| Indonesia | 89,584 | 79,262 |
| | <u>623,099</u> | <u>491,120</u> |

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As at 31 December 2023

E. Notes to the condensed interim consolidated financial statements (cont'd)

22. Subsequent event

There is no known subsequent event which has led to adjustment on this set of interim financial statements.

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed interim consolidated statement of financial position of OUE Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Consolidated statement of profit or loss

| FINANCIAL HIGHLIGHTS | 2H 2023 \$'000 | 2H 2022 \$'000 | Change % | FY 2023 \$'000 | FY 2022 \$'000 | Change % |
|---|-------------------|-------------------|---------------|-------------------|-------------------|---------------|
| Revenue: | | | | | | |
| (1) Real Estate | | | | | | |
| (a) Investment properties | 103,409 | 99,503 | 3.9 | 204,719 | 189,383 | 8.1 |
| (b) Hospitality | 109,639 | 92,293 | 18.8 | 205,393 | 142,623 | 44.0 |
| (c) Development properties | 1,830 | 2,528 | (27.6) | 9,791 | 2,704 | >100.0 |
| (2) Healthcare | 82,296 | 77,821 | 5.8 | 162,063 | 122,359 | 32.4 |
| (3) Others | 21,427 | 20,301 | 5.5 | 41,133 | 34,051 | 20.8 |
| Revenue | 318,601 | 292,446 | 8.9 | 623,099 | 491,120 | 26.9 |
| Adjusted EBIT¹ | 142,803 | 197,208 | (27.6) | 289,401 | 345,234 | (16.2) |
| Profit attributable to Owners of the Company | 40,854 | 101,158 | (59.6) | 81,079 | 189,857 | (57.3) |

¹Adjusted EBIT is defined as profit before interest, tax and other gains - net

2H 2023 VS 2H 2022

Revenue

The Group recorded revenue of \$318.6 million in 2H 2023 (2H 2022: \$292.4 million). The increase was due to higher contribution from Investment Properties and Hospitality divisions within the Real Estate segment, and Healthcare segment.

(1) Real Estate Segment

(a) Investment Properties Division

Revenue from the investment properties division increased by \$3.9 million to \$103.4 million in 2H 2023 (2H 2022: \$99.5 million). The increase was mainly due to stable occupancies and rental growth.

(b) Hospitality Division

Revenue from the hospitality division increased by \$17.3 million to \$109.6 million in 2H 2023 (2H 2022: \$92.3 million). The increase was mainly due to higher contribution from Hilton Singapore Orchard ("HSO") and Crowne Plaza Changi Airport. The increase was also due to the full re-opening of HSO since January 2023.

(c) Development Properties Division

Revenue from the development properties division decreased by \$0.7 million to \$1.8 million in 2H 2023 (2H 2022: \$2.5 million). The decrease was mainly due to lower sale contributed by OUE Twin Peaks.

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As at 31 December 2023

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

2. Review of performance of the Group (cont'd)

(2) Healthcare Segment

Revenue from the healthcare segment increased by \$4.5 million to \$82.3 million in 2H 2023 (2H 2022: \$77.8 million). The increase was mainly due to higher contribution from O2 Healthcare Group Pte. Ltd. (formerly known as Echo Healthcare Services Pte. Ltd) which comprises the medical partnership with three Singapore medical specialist group; partially offset by lower contribution from First REIT due to the weakening of Indonesia Rupiah and Japanese Yen against Singapore Dollar.

(3) Others Segment

This includes revenue contribution from the food and beverages operations of the Group. Revenue increased by \$1.1 million to \$21.4 million in 2H 2023 (2H 2022: \$20.3 million) mainly due to contribution from dining concept which were launched during 2H 2023.

Marketing expenses

Marketing expenses increased by \$2.1 million to \$5.7 million in 2H 2023 (2H 2022: \$3.6 million) mainly due to higher marketing expenses incurred arising from increased business activities in the hospitality division.

Administrative expenses

Administrative expenses decreased by \$1.5 million to \$42.0 million in 2H 2023 (2H 2022: \$43.5 million). The decrease was mainly due to lower corporate costs, partially offset by higher hotel management fees arising from improved performance in the hospitality division.

Share of results of equity-accounted investees

Share of results of equity-accounted investees decreased by \$61.9 million to \$17.4 million in 2H 2023 (2H 2022: \$79.3 million). The decrease was mainly due to lower contribution from Gemdale Properties and Investment Corporation Limited ("Gemdale") as well as lower share of results in joint venture company, OUE Allianz Bayfront LLP due to higher financing cost.

Adjusted EBIT

Adjusted EBIT decreased by \$54.4 million to \$142.8 million in 2H 2023 (2H 2022: \$197.2 million) mainly due to the lower share of profit in equity-accounted investees, partially mitigated by higher contribution from hospitality division in the real estate segment.

Profit attributable to owners of the Company

Profit attributable to shareholders decreased \$60.3 million to \$40.9 million in 2H 2023 (2H 2022: \$101.2 million). This was mainly due to lower share of results of equity-accounted investees, higher fair value losses recognised for investment properties, higher finance expenses, lower net write-back of impairment losses recognised on property, plant and equipment; 2H 2022 also included one-off gains namely, negative goodwill on investment in an equity-accounted investee and reclassification of hedging reserve from equity to profit or loss due to discontinuation of hedge accounting.

The decrease was partially offset by higher net change in fair value of investments designated at fair value through profit or loss.

FY 2023 VS FY 2022

Revenue

The Group recorded revenue of \$623.1 million in FY 2023 (FY 2022: \$491.1 million). The increase was due to higher contribution from all segments.

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F. Other information required by Listing Rule Appendix 7.2 (cont'd)

2. Review of performance of the Group (cont'd)

(1) Real Estate Segment

(a) Investment Properties Division

Revenue from the investment properties division increased by \$15.3 million, or 8% to \$204.7 million in FY2023 (FY2022: \$189.4 million). The increase was mainly due to stable occupancies and rental growth.

(b) Hospitality Division

Revenue from the hospitality division increased by \$62.8 million, or 44% to \$205.4 million in FY2023 (FY2022: \$142.6 million). The increase was mainly due to higher contribution from Hilton Singapore Orchard ("HSO") and Crowne Plaza Changi Airport following the continued recovery of tourism and meetings, incentives, conventions and exhibitions ("MICE") sectors in Singapore. The increase was also due to the full re-opening of HSO since January 2023.

(c) Development Properties Division

Revenue from the development properties division increased by \$7.1 million to \$9.8 million in FY2023 (FY2022: \$2.7 million). The increase was mainly due to sales completion of 3 units (FY2022: 1 unit) at OUE Twin Peaks.

(2) Healthcare Segment

Revenue from the healthcare segment increased by \$39.7 million, or 32% to \$162.1 million in FY2023 (FY2022: \$122.4 million). The increase was mainly due to full period contribution from First REIT which was accounted for as a subsidiary from 1 March 2022; as well as full period contribution from O2 Healthcare Group Pte. Ltd. (formerly known as Echo Healthcare Services Pte. Ltd) which comprises the medical partnership with three Singapore medical specialist group beginning 30 June 2022.

(3) Others Segment

This includes revenue contribution from the food and beverages operations of the Group. Revenue increased by \$7.1 million, or 21% to \$41.1 million in FY2023 (FY2022: \$34.1 million) mainly due to contributions from dining concepts that were launched in 2022.

Marketing expenses

Marketing expenses increased by \$4.8 million to \$11.3 million in FY2023 (FY2022: \$6.5 million) mainly due to higher marketing expenses incurred arising from increased business activities in the hospitality division.

Administrative expenses

Administrative expenses increased by \$9.7 million to \$87.3 million in FY2023 (FY2022: \$77.6 million). The increase was mainly due higher corporate costs and higher hotel management fees arising from improved performance of the hospitality division.

Share of results of equity-accounted investees

Share of results of equity-accounted investees decreased by \$113.8 million to \$43.2 million in FY2023 (FY2022: \$157.0 million). The decrease was mainly due to lower contribution from Gemdale as well as lower share of results in joint venture company, OUE Allianz Bayfront LLP due to higher financing cost.

The decrease was partially offset by higher contribution from joint venture company, Auric Digital Retail Pte. Ltd., which holds PT Matahari Department Store Tbk.

Adjusted EBIT

Adjusted EBIT decreased by \$55.8 million to \$289.4 million in FY2023 (FY2022: \$345.2 million) mainly due to the lower share of profit in equity-accounted investees, partially mitigated by higher contribution across all segments.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)**2. Review of performance of the Group (cont'd)*****Profit attributable to owners of the Company***

Profit attributable to shareholders decreased \$108.8 million to \$81.1 million in FY2023 (FY2022: \$189.9 million). This was mainly lower share of results of equity-accounted investees, higher fair value losses recognised for investment properties, higher net finance expenses, lower net write-back of impairment losses recognised on property, plant and equipment. 2H 2022 also included one-off gains namely, negative goodwill on investment in an equity-accounted investee and reclassification of hedging reserve from equity to profit or loss due to discontinuation of hedge accounting.

The decrease was partially offset by higher net change in fair value of investments designated at fair value through profit or loss.

Statements of financial position

1. "Other investments" decreased by \$53.8 million mainly due to mark-to-market fair value losses on investments designated at fair value through other comprehensive income. The decrease was also due to disposal of mutual funds in FY2023, partially offset by acquisition of equity investments designated at fair value through other comprehensive income.
 2. "Development properties" decreased by \$8.9 million mainly due to the sales completion of 3 units at OUE Twin Peaks.
 3. "Interests in equity-accounted investees" increased by \$58.6 million mainly due to investments in Healthway Medical Group Limited and Green Energy Investment Holdings Private Limited, the recognition of share of results in equity-accounted investees; offset by the share of currency translation losses which arose mainly from the weakening of Chinese Renminbi and dividends received from equity-accounted investees.
 4. "Investment properties" decreased by \$83.2 million mainly due to losses on net change in fair value of investment properties and currency translation losses which arose from the weakening of Indonesia Rupiah, Chinese Renminbi and Japanese Yen against the Singapore Dollar, partially offset by additions of investment properties.
 5. "Property, plant and equipment" increased by \$30.2 million mainly due to the write-back of impairment losses recognised on the hotel properties (Hilton Singapore Orchard and Crowne Plaza Changi Airport) and the additions during the year mainly for the renovation works incurred for Hilton Singapore Orchard and Crowne Plaza Changi Airport. This is partially offset by depreciation recognised during the year.
 6. "Derivative assets" and "Derivative liabilities" relate to the fair value of the interest rate swaps, interest rate caps and currency hedging contracts entered into to hedge the Group's exposure to floating interest rates on its borrowings and exposure to foreign denominated income.
 7. "Borrowings" decreased by \$93.6 million mainly due to the redemption of fixed rate notes of \$200.0 million by a wholly owned subsidiary, OUE Treasury Pte. Ltd, in May 2023 upon maturity, which was partially offset by loans drawn down during the period.
 8. "Current tax liabilities" decreased by \$18.8 million mainly due to write back of tax provision no longer required following the finalisation of tax assessment. "Deferred tax liabilities" decreased by \$22.7 million mainly due to the decrease in valuation of an investment property in China.
 9. "Deferred income" includes advance received from hotel operations and non-refundable deposits received from OUE Twin Peaks sold under deferred payment schemes. Revenue from units sold under deferred payment schemes is deferred and will be recognised on completion of the sale of each unit.
 10. As at 31 December 2023, the Group is in a net current asset position of \$73.8 million. The Group has sufficient liquidity to meet its debt obligations.
- 3. 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.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)**4. 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.**Singapore

The Singapore's economy grew by 2.2% on a year-on-year (YoY) basis in the fourth quarter of 2023, accelerating from the 1.0% expansion in the previous quarter. On a quarter-on-quarter (QoQ) seasonally-adjusted basis, the economy expanded by 1.2%, slightly faster than the 1.0% growth in the third quarter. For the whole of 2023, the economy grew by 1.1%, moderating from the 3.8% growth in 2022. The Ministry of Trade and Industry has maintained the GDP growth forecast for 2024 at 1.0% to 3.0%¹.

According to CBRE, Core Central Business Districts (CBD) Grade A office rents increased marginally by 0.4% QoQ to \$11.90 per square feet per month (psf/month), while vacancy rate increased slightly by 0.3% QoQ to 3.5% in 4Q 2023. For the full year of 2023, Core CBD Grade A office rent grew by 1.7% YoY, moderating from the 8.3% growth in 2022². CBRE expects rents for Core CBD Grade A office to grow at a moderate pace of 2-3% in 2024.

Singapore's international visitor arrivals for the full year of 2023 reached 13.6 million³, within the Singapore Tourism Board's target of 12 to 14 million international visitor arrivals. The strong concert pipeline alongside major events are expected to provide a boost to the hospitality sector in 2024. The 30-day visa-free arrangement between China and Singapore, starting from 9 February 2024, is also set to further accelerate tourism recovery.

China

In 4Q 2023, China reported GDP growth of 5.2% YoY⁴. This represented a growth pace of 1.0% QoQ, which was slower than the 1.5% QoQ growth reported in 3Q 2023. As part of its policy support to stimulate the economy, the central bank has stepped up efforts to increase the official deficit. Starting from 5 February 2024, it will reduce the reserve requirement ratio by 50 basis points, the largest cut in two years. This move allows banks to hold smaller cash reserves and encourages lending to qualified property developers.

According to Colliers International, 1.11 million square meters⁵ (sqm) of new supply entered Shanghai's Grade A office market – the highest new supply in the last five years. Despite a slight recovery in demand in 4Q 2023, CBD Grade A office vacancies remained high at 13.5%, while rents declined by 1.5% QoQ to a historical low of RMB 8.62 per sqm per day. With a total of 910,000 sqm of new supply entering the CBD market between 2024 – 2028, Shanghai's CBD Grade A Office new supply is expected to peak in 2024 and rental growth to recover from 2025.

Indonesia

According to Statistics Indonesia, Indonesia reported 2023 full year GDP growth of 5.05%, close to the government forecast of 5.0% and slightly below the 5.3% recorded in 2022. The government expects the growth rate to pick up to 5.2% in 2024.

In Indonesia, a lack of access to healthcare had resulted in around 2 million Indonesians seeking health services abroad but structural demand could improve as the government ramps up public-private partnership initiatives⁶.

Overall

The global and domestic economic environment is expected to remain challenging and uncertain. The Group's prime portfolio of strategically located commercial properties with diversified tenant base, hospitality and retail assets, as well as the complementary healthcare segment, is expected to provide stable performance in 2024. The Group has sufficient liquidity to meet its debt obligations and will continue to exercise prudent capital management.

¹ Singapore Ministry of Trade and Industry Press Release, 15 February 2024

² CBRE, Singapore Figures Q4 2023

³ Singapore Tourism Board Arrivals Statistics

⁴ National Bureau of Statistics of China Press Release, 17 January 2024

⁵ Colliers International, Shanghai Grade A Office Market 2023 Q4, 28 December 2023

⁶ Nikkei Asia, 18 October 2023, ['Indonesia is facing up to its need for health care investment'](#)

OUE LIMITED & ITS SUBSIDIARIES
For the six months and full year ended 31 December 2023

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

5. Dividend information

(a) Current Financial Period Reported On

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

| Name of dividend | Final | Special |
|---------------------------|-----------------------|-----------------------|
| Dividend type | Cash | Cash |
| Dividend per share | 1 cent | 2 cents |
| Tax rate | Tax exempt (one-tier) | Tax exempt (one-tier) |

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

| Name of dividend | Final |
|---------------------------|-----------------------|
| Dividend type | Cash |
| Dividend per share | 1.5 cents |
| Tax rate | Tax exempt (one-tier) |

(c) Date payable

The proposed final and special cash dividend, if approved at the Annual General Meeting to be held on 26 April 2024, will be payable on 24 May 2024.

(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 10 May 2024, for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to the close of business at 5.00 p.m. on 9 May 2024 will be registered to determine shareholders' entitlements to the proposed final and special dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the proposed final and special dividend will be paid by the Company to CDP, which will in turn distribute the dividend entitlement to holders of shares in accordance with its practice.

6. 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.

7. Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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As at 31 December 2023

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

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

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

| Name | Age in year 2024 | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|---------------|------------------|--|--|---|
| Stephen Riady | 64 | Father of Mr Brian Riady, the Deputy Chief Executive Officer and Executive Director of OUE Limited ("OUE") and brother of Mr James Tjahaja Riady, a substantial shareholder of OUE | Executive Chairman (since 2010) and Group Chief Executive Officer of OUE (since 1 January 2020). Provides strategic direction and has overall responsibility for the management, organisation, operation and development of the Group and all matters arising therefrom. | Nil. |
| Brian Riady | 34 | Son of Dr Stephen Riady, the Executive Chairman and Group Chief Executive Officer of OUE and nephew of Mr James Tjahaja Riady, a substantial shareholder of OUE | Deputy Chief Executive Officer and Executive Director of OUE (since 1 January 2020). Assists the Executive Chairman and Group Chief Executive Officer in overseeing all business operations of the Group, setting the Group's strategic direction, and executing the Group's business strategies. | Nil. |

BY ORDER OF THE BOARD

KELVIN CHUA
COMPANY SECRETARY
29 February 2024