
OUE LIPPO
Healthcare
NEXT CHAPTER,
BUILDING
CAPACITIES
OUE LIPPO HEALTHCARE LIMITED
ANNUAL REPORT 2021
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ABOUT OUE LIPPO HEALTHCARE LIMITED

Listed on the Catalist Board of Singapore Exchange Securities Trading Limited (**"SGX-ST"**), OUE Lippo Healthcare Limited (**"OUELH"** or the **"Company"**, and together with its subsidiaries, the **"Group"**) is a subsidiary company of OUE Limited (**"OUE"**). OUELH is a Pan-Asian healthcare group that owns, operates and invests in quality healthcare businesses in high-growth Asian markets.

OUELH currently operates one general hospital, Wuxi Lippo Xi Nan Hospital, in China. Its joint venture with China Merchants Group is developing a high-end international hospital, Shenzhen China Merchants – Lippo Prince Bay Hospital to serve the affluent Greater Bay Area, and will lease and operate an Obstetrics & Gynaecology hospital, Changshu China Merchants-Lippo O&G Hospital.

In Myanmar, OUELH holds a 40% stake in the joint venture companies that own and operate seven medical facilities in Myanmar that are branded as Pun Hlaing Hospitals.

OUELH is also the sponsor and the largest unitholder of First Real Estate Investment Trust (**"First REIT"**), Singapore's first listed healthcare real estate investment trust, where it directly owns approximately 33.1% of the REIT. It also holds a 40% stake in its manager, First REIT Management Limited.

OUELH continually seeks to grow its healthcare businesses in Asia via its three-pronged strategy in developing strategic partnerships, adopting an asset-light approach and growing its Pan-Asian presence.

OUE, listed on the Mainboard of the SGX-ST, is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia. OUE consistently grows its business by leveraging its brands and proven expertise in developing and managing landmark assets across the commercial, hospitality, retail and residential sectors. In 2017, OUE expanded its portfolio into the healthcare sector with the acquisition of OUELH, and this was followed by the acquisition of First REIT Management Limited, the manager of First REIT jointly with OUELH in 2018. In 2019, OUE expanded into the consumer sector with OUE Restaurants.

In February 2018, ITOCHU Corporation (**"ITOCHU"**) took a strategic stake in OUELH with the completion of a placement of 562,500,000 new ordinary shares. ITOCHU is listed on the Tokyo Stock Exchange and is amongst the largest and most diversified trading companies in the world with presence in 63 countries.

NEXT CHAPTER, BUILDING CAPACITIES

With a strengthened foundation and enhanced capital structure, we are now ready to turn a new chapter in our journey to be a leading healthcare group in the region. As we continue to build bigger capacities for our future growth, we remain guided by our three-pronged strategy to establish strategic partnerships, focus on asset-light businesses and expand across Pan-Asia.

KEY MILESTONES

2018

JAN

Established strategic **partnership with China Merchants Group and entered into a 50:50 joint venture, China Merchants Lippo Hospital Management (Shenzhen) Limited ("CM Lippo")**

FEB

Welcomed **ITOCHU Corporation as a strategic shareholder**

OCT

Acquired stakes in **First REIT and its manager**

DEC

Announced intent to jointly **develop, operate and manage Shenzhen China Merchants-Lippo Prince Bay Hospital ("Prince Bay Hospital")** with China Merchants Group

2019

JAN

Ventured into Myanmar's healthcare market

Joint venture with First Myanmar Investment Public Company Limited **to own, operate and manage Pun Hlaing Hospitals in Myanmar**

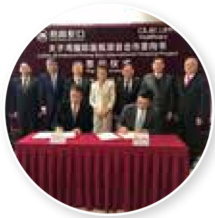
OCT

Acquired first General Hospital in China

Assumed full **operational control of Wuxi Lippo Xi Nan Hospital in Wuxi, Jiangsu**

DEC

Subscribed for shares for the **development of Prince Bay Hospital in Shenzhen**



2020

JAN

Entered into shareholders' agreement for the **development of Prince Bay Hospital**

DEC

Entered into a lease agreement by CM Lippo to **operate Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital in Changshu**

2021

FEB

Launched **strategic recapitalisation plan** to convert shareholders' loans to Convertible Perpetual Securities

Subscribed for **First REIT's rights issue**

NOV

Pun Hlaing Hospitals **procured Sinopharm vaccines** to administer in Myanmar

DEC

Proposed to **divest 12 Japan Nursing Homes** to First REIT

FORGING STRATEGIC PARTNERSHIPS

We will continue to execute our strategy by leveraging on the synergistic strengths of our partners while forging strategic collaborations to capitalise on growth opportunities in Asia.

SHAPING
OUR FUTURE

We will stay on the course of shaping the future of OUELH with an asset-light business model, focusing on effective and flexible deployment of capital and delivering excellent healthcare services to create long-term value.

TOWARDS NEW HORIZONS

Our presence in Asia provides a strong foundation for us to launch into our next stage of growth and expand into new horizons of healthcare.

CHAIRMAN'S STATEMENT

BY LEE YI SHYAN

Dear Valued Shareholders,

The financial year ended 31 December 2021 ("FY2021") has proven to be yet another trying year for global businesses. As Omicron replaced the Delta variant to be the dominant COVID-19 strain, many countries had to re-impose border controls and social distancing measures, delaying economic recovery and international travel. Towards the end of 2021, many countries began their transition to "living with endemic", raising consumer sentiments and business optimism

In FY2021, OUE Lippo Healthcare Limited (**"OUELH"**, or the **"Company"**, and together with its subsidiaries, the **"Group"**), continued to build up its capacities in terms of capital efficiency and operational flexibility for future growth. Our existing businesses and operations have stayed agile in order to meet the challenges presented by global economic conditions.

Staying Agile Amidst Global Uncertainties

In FY2021, our Myanmar operations under the Pun Hlaing Hospitals (**"PHH"**) group stayed open and operational despite the challenging political situation and the ongoing global pandemic.

In addition, PHH successfully repositioned itself as a COVID-19 hospital group during the global pandemic. PHH is the first private hospital group in Myanmar to be permitted to test, treat and care for COVID-19 patients. More recently, it was also the first private hospital group in Myanmar to receive the approval to import and administer the Sinopharm vaccine.

In China, the Group's joint venture with China Merchants Group (**"CMG"**) continued to make progress in the development of its two pipeline hospitals. To be branded as "China Merchants – Lippo" hospitals, Changshu China Merchants – Lippo Obstetrics & Gynaecology Hospital and Shenzhen China Merchants – Lippo Prince Bay Hospital are expected to be commissioned in 2023 and 2024 respectively.

Building Capacities for Growth

Apart from staying operationally agile in our markets, the Group also recognises the importance of capacity building for its next phase of growth.

The strategic recapitalisation exercise completed in March 2021 strengthened OUELH for its next level of growth. With the completion of the strategic recapitalisation, OUELH is now in a better position to pursue its business plans from a position of financial strength. The strategic recapitalisation exercise also demonstrated the Group's main shareholder, OUE Limited's confidence in and commitment to OUELH's strive in building up its healthcare businesses. With an enhanced capital structure and strengthened financial position, OUELH is now well-poised to weather the challenges and capture the opportunities that the Group faces or is presented with in the near future.

The Group then further enhanced its capital structure with the divestment of its twelve nursing homes in Japan to First Real Estate Investment Trust (**"First REIT"**). The divestment was a win-win transaction for both OUELH and First REIT, as it enabled OUELH to redeploy its financial resources to create new capacities of growth while First REIT gained a sizable portfolio of quality income-producing assets in a new matured market.

The divestment also strengthened our position as the Sponsor of First REIT as our direct unit holdings in First REIT increased from 15.3% to 33.1%. First REIT is an integral capital recycling platform for the Group's asset-light strategy. The divestment illustrated how OUELH was able to create capacities to grow its healthcare operations business while retaining the economic benefits of quality real estate assets.

Scaling to Greater Heights

Against the backdrop of COVID-19, demand for healthcare services is expected to remain strong. Moving forward, the Group remains focused on growing our businesses guided by our three-pronged strategy: strategic partnerships, asset light operations and Pan-Asian presence. With the various strategic initiatives put in place in the previous years, the Group believes that it is now in a favourable position to grow and expand its healthcare businesses both organically and through mergers and acquisitions.

Notwithstanding the uncertainties stemming from global geopolitical tensions and the evolving COVID-19 pandemic, the Company looks forward to proactively scaling up its businesses to drive sustainable growth.

Strengthening the Leadership Bench

As the Group enters its next stage of growth, we also recognise the importance of adding diversity to our leadership. On behalf of OUELH's Board of Directors (**"BOD"**), I would like to welcome Mr Brian Riady, Mr Tetsuya Fujimoto and Ms Usha Ranee Chandradas to the BOD. Mr Riady, Mr Fujimoto and Ms Chandradas bring with them extensive experience in diverse industries. Their functional expertise will also add to the BOD's overall strengths in formulating growth strategy and upholding good corporate governance.

I would also like to take this opportunity to thank Mr Johji Sato, who retired in FY2021, and Mr Tadahiro Kiyosu, who retired on 1 April 2022, for their invaluable and many contributions to the BOD during their tenure.

In Gratitude

On behalf of the BOD, I would like to express my heartfelt appreciation to all our shareholders for their unwavering confidence in the Group. Additionally, I would like to extend my gratitude to management, our strategic partners, business associates and staff for their continued support as we continue to pursue our vision in becoming a leading healthcare group in Asia.

LEE YI SHYAN
Non-Independent &
Non-Executive Chairman

> "Notwithstanding the uncertainties stemming from global geopolitical tensions and the evolving COVID-19 pandemic, the Company looks forward to proactively scaling up its businesses to drive sustainable growth."

主席致辞

尊敬的股东，

2021财务年度(**"2021财年"**)对于全球企业又是艰难的一年。随着奥密克戎(Omicron)变异株取代德尔塔(Delta)变异株成为冠病的主要菌株，许多国家不得不重新实施边境管制和社会疏离措施，从而延迟经济和国际旅行的复苏。然而，在2021年底许多国家也开始迈向"与冠病共存"的状态，并也提升了消费者情绪及商业乐观度。

在2021财年，华联力宝医疗有限公司(**"华联力宝"**，或**"公司"**，连同其附属公司，**"集团"**)继续加强其资本效率和运营灵活性，以实现未来的增长。我们现有的业务和运营也一直保持敏捷，以应对全球经济状况带来的挑战。

> 在2021财年，华联力宝医疗有限公司（"华联力宝"，或"公司"，连同其附属公司，"集团"）继续加强其资本效率和运营灵活性，以应对未来的增长。我们现有的业务和运营也一直保持敏捷，以应对全球经济状况带来的挑战。

在全球动荡中保持敏捷

在2021财年，我们缅甸的业务虽被不确定的政治局势和冠病疫情笼罩，但我们的联营公司，班莱医院集团旗下的医疗机构仍保持开放和持续运营。

此外，班莱医院集团也在冠病疫情期间成功地将自己重新定位为冠病医院集团。班莱医院集团更是第一家在缅甸获准检测、治疗和护理冠病患者的私立医院集团。近期，它也是第一家获得批准进口和管理国药疫苗的缅甸私立医院集团。

本集团与招商局集团在中国的合资公司继续推进旗下两家医院的建设。常熟招商力宝妇产医院和深圳招商力宝太子湾医院将持有"招商力宝"的品牌，并预计分别于2023年和2024年开幕。

建设增长能力

除了在个别市场保持运营敏捷以外，集团也意识到能力建设对于其下一增长阶段的重要性。

集团于2021年3月所完成的战略资本重组工作也加强华联力宝为其下一增长阶段的实力。战略性资本重组后的华联力宝从财务实力的角度上将在实施其业务计划时处于更好的位置。战略资本重组也体现了集团的大股东华联集团对于建立医疗保健业务的信心和承诺。凭借增强的资本结构和增强的财务状况，华联力宝现已准备好迎接以后的挑战并抓住未来的机遇。

为了进一步加强资本结构，集团也将其在日本的12家疗养院脱售给先锋医疗产业信托(**"先锋信托"**)。这项脱售对于华联力宝和先锋信托都是场双赢的交易。既能使华联力宝重新部署其财务资源以创造新的增长能力，也能让先锋信托收获在成熟市场中的优质资产组合。

此次脱售使集团在先锋信托的直接单位持有量从15.3%增加到33.1%，巩固了集团作为先锋信托保荐人的地位。先锋信托对于集团的轻资产战略是个不可或缺的资本循环平台。此次的脱售更是清楚的展示华联力宝如何能够在同时保留优质房地产资产的经济效益的当下也能进一步的创建能力来发展其医疗保健业务。

扩展到新高度

医疗保健服务的需求在整个新冠疫情的大背景下将持续保持强劲。展望未来，集团将继续专注于以我们三管齐下战略来发展我们的业务，分别是发展战略合作伙伴关系、着重轻资产运营和扩展泛亚业务。集团凭借前几年所实施的各种战略举措，集团相信现在正处于有利的地位以有机和并购的方式来扩展我们的医疗保健业务。

全球虽处于紧张的政治局势和新冠疫情所带来的不确定性，但公司仍期待积极扩大业务规模以推动可持续的增长。

加强领导层

随着集团进入下一个增长阶段，我们也意识到增加领导层多元化的重要性。我谨代表董事会欢迎李江先生(Mr. Brian Riady)、藤本哲也先生(Mr. Tetsuya Fujimoto)和Usha Ranee Chandradas 女士加入董事会。李江先生、藤本先生和 Chandradas 女士将带来他们在不同行业和领域的丰富经验。他们的职能专长也将增强董事会在制定增长战略和实施良好公司治理方面的整体优势。

我也要借此机会感谢在2021财年及2022年4月1日退休的佐藤穰治先生(Mr. Johji Sato)和清须忠弘先生(Mr. Tadahiro Kiyosu)，感谢他们在任职期间对董事会做出的宝贵贡献。

致谢

我谨代表董事会，向全体股东对本集团坚定不移的信心表示衷心的感谢。此外，我也感谢管理层、战略合作伙伴、业务伙伴和公司员工在我们继续追求成为亚洲领先医疗保健集团的道路上的持续支持。

李奕贤
非独立非执行董事

CEO'S STATEMENT

BY YET KUM MENG

Dear Valued Shareholders,

Across the world, businesses continue to grapple with the uncertainties brought about by the dynamic COVID-19 pandemic situation, as well as added challenges arising from global supply chain disruptions and geopolitical tensions. Notwithstanding, we believe that OUE Lippo Healthcare Limited ("OUELH" or the "Company", and together with its subsidiaries, the "Group") is well-positioned to respond proactively in the face of adversity while remaining steadfast in our pursuit for growth.

Group Financial Performance

The Group recorded a net profit of S$110.9 million for the financial year ended 31 December 2021 (**"FY2021"**), which included a one-off gain of S$110.0 million arising from the conversion of the Group's shareholder's loans from its controlling shareholder, OUE Limited, and accrued interests of S$189.6 million into redeemable convertible perpetual bonds (**"Convertible Perpetual Securities"**)[1]. Stripping away all one-off items[2], the Group would have recorded a net profit of S$13.3 million in FY2021.

The Group's revenue remained stable at S$19.7 million, contributed largely from the rental income of the 12 nursing homes in Japan. The Group recorded a net share of profits of $12.6 million from its equity-accounted investees, compared to a net share of loss of S$39.2 million for the preceding financial year (**"FY2020"**), which was mainly attributable to the turnaround into profitability of the Group's joint venture in Myanmar in FY2021 and share of First REIT's loss and impairment charges recorded in FY2020.

Administrative expenses decreased by S$2.5 million to S$13.0 million, mainly attributable to stringent corporate cost management and lower merger and acquisition related costs.

Enhancing Capital Structure

Strategic Recapitalisation

In FY2021, the Group completed a strategic recapitalisation exercise that involved the conversion of all of the Group's existing shareholders' loans from OUE Limited and accrued interests into Convertible Perpetual Securities.

The strategic recapitalisation exercise is part of the Group's ongoing initiatives to build a sustainable capital structure and strengthen its financial position as it significantly reduced the Group's liabilities, as well as removed the encumbrances over our assets. Moreover, redemption and coupon distributions of the Convertible Perpetual Securities are at the sole discretion of the Company and there shall be no redemption for 5.5 years from the issuance of the Convertible Perpetual Securities. This will allow the Company to focus on growing our businesses without the distraction of seeking funding for redemption of the Convertible Perpetual Securities and avoid immediate dilution to existing shareholder value from the conversion of the Convertible Perpetual Securities.

Divestment of Nursing Homes to First REIT

In March 2022, the Group completed the divestment of our twelve nursing homes in Japan to First REIT for a consideration of S$163.5 million, comprising S$131.5 million in new First REIT units issued. This transaction further enhances our capital structure as the additional First REIT units are more liquid as an asset class while generating comparable income and cash flow for the Group as the nursing homes.

In addition, the divestment is also in line with the Group's asset-light strategy by recycling our capital through First REIT to enable the Company to redeploy our financial resources to grow our healthcare service businesses.

1 Refer to note 15 for details of the Convertible Perpetual Securities.

2 All one-off items include the one-off gain arising from the conversion of the Group's shareholder's loan and accrued interests to Convertible Perpetual Securities in FY2021, fair value losses on investment properties under development, impairment loss on property, plant and equipment, reversal of provisions and reversal of impairment and enforcement of legal claims in FY2020.

CEO'S STATEMENT

> The Group recorded a net profit of S$110.9 million for the financial year ended 31 December 2021 ("FY2021")...

Business Review

First REIT

Following a series of transformative initiatives to restructure its hospital master leases, recapitalise via a rights issue and refinance its matured bank loans, First REIT is now able to embark on its journey to reposition itself for sustainable growth (**"First REIT 2.0 Growth Strategy"**).

Under the First REIT 2.0 Growth Strategy, First REIT's growth will be guided by four strategic pillars viz (a) diversifying into developed markets to reduce concentration risk; (b) reshaping its asset portfolio through the recycling of non-core and non-healthcare assets; (c) strengthening its capital structure through diversification of funding sources; and (d) capitalising on relevant megatrends such as environment social governance and ageing population demographics for sustainable growth.

The acquisition by First REIT of our twelve nursing homes marks the first step in the execution of the First REIT 2.0 Growth Strategy as the addition of the sizable portfolio of quality nursing homes in Japan has not only increased its asset under management, it has also diversified its geographical and tenant concentration risks significantly.

China

Our strategic partnership with China Merchants Group (**"CMG"**) will continue to be pivotal to our operations in China. The Group's 50:50 joint venture company (**"CM Lippo"**) with CMG is on track for the development of two pipeline hospitals under the "China Merchants-Lippo" brand.

The CM Lippo's flagship hospital, Shenzhen China Merchants-Lippo Prince Bay Hospital (**"Prince Bay Hospital"**) has recently secured project financing of RMB 330 million from Bank of China, which will be utilised for its renovation and fitting works. The loan from Bank of China is a significant milestone that reduces our total funding commitments, which allows the Company to deploy our financial resources to other growth opportunities. Furthermore, it is a reflection of the confidence of Bank of China, as the lender, on the future prospects of Prince Bay Hospital. As at March 2022, the main structure construction has been completed and Prince Bay Hospital is expected to be commissioned in 2024 as a high-end international general hospital.

The building of Changshu China Merchant-Lippo Obstetrics & Gynaecology Hospital (**"Changshu Hospital"**) was handed over to CM Lippo in bare-finish condition in November 2021. CM Lippo will be carrying out the necessary renovations, fittings, and installation for it to be ready for commissioning in 2023.

Myanmar

The Group's joint venture in Myanmar, Yoma OUE Pun Hlaing Limited (**"Pun Hlaing Hospitals"** or **"PHH"**), which operates three hospitals and four clinics, has continuously repositioned its business in response to the dynamic political and COVID-19 pandemic situation. As a result, PHH successfully turned around in FY2021 and became profitable despite the many challenges and the significant depreciation of the local Myanmar Kyat currency.

The flagship hospital in Yangon is undergoing a facelift and expansion of its capacity to ride on the improving market sentiments. PHH will continue to look out for growth opportunities as the healthcare remains an essential service despite the current difficult times.

Looking Ahead

The COVID-19 pandemic continues to present challenges and uncertainties for the global economy, particularly with the emergence of the Omicron variant. The recent surge of COVID-19 cases across the region has also seen countries taking drastically divergent paths in managing the COVID-19 situation, with China re-introducing clampdown and movement restriction controls within the country as part of its "Zero-COVID" policy, whereas much of the rest of the region continues to adopt a "co-exist" approach towards COVID-19, and has stayed the course in gradually easing social restrictions and border controls.

Restrictions arising from COVID-19 have also brought about disruptions to the global supply chain, resulting in rising inflation. This has resulted in the central banks looking to increase interest rates to curtail inflation. Furthermore, the ongoing Russia-Ukraine war has added new uncertainties and challenges, which would further complicate the fragile economic recovery process in a post-pandemic world.

While we are cautiously optimistic that the global economy will eventually recover, we will continue to monitor the unfolding global situation and respond nimbly.

Appreciation

On behalf of the Company, I would like to thank the dedication and contribution of all our colleagues under such challenging times, without which, we would not have achieved the progress in FY2021. Last but not least, I would like to express my appreciation to all our shareholders and business partners for their trust, confidence and patience.

YET KUM MENG
Chief Executive Officer &
Executive Director

首席执行总裁致辞

尊敬的各位股东，

世界各地的企业继续应对新冠疫情所带来的不确定性，以及全球供应链冲击和政地域治的紧张局势所带来的挑战。尽管如此，我们相信华联力宝医疗有限公司**“华联力宝”**，或**“公司”**，连同其附属公司，**“集团”**）能够积极地应对逆境，也能坚定地追求业务增长。

集团整体业务表现

集团在 结束于2021年12月31日 的财务年度（**“2021财年”**）的账面净利润为1.109亿新元，其中包括将华联集团提供的股东贷款和相应累计利息（共1.896亿新元）转换为可赎回可转换的永久债券（**“可转换永久证券”**）[1] 而产生的一次性收益1.100亿新元。在剔除所有一次性项目后[2]，集团在2021财年的净利润为 1,330 万新元。

集团实现稳定收入1,970万新元，其主要源于日本12间疗养院的物业租金收入。对比上一财务年度（**“2020财年”**）集团的联营公司份额亏损3,920万新元，集团实现联营公司份额收益1,260万新元，主要是由于集团的在缅甸的联营公司在2021财年反亏为盈，以及先锋信托在2020财年所记录的份额亏损和减值费用。

行政开支减少250万新元至1,300万新元，主要是由于严格的企业成本管理和并购活动相关的成本降低。

加强资本结构

战略性资本结构调正

在2021财年，集团完成了一项战略性的资本结构调整，将华联集团提供的股东贷款和相应累计利息转换为可转换永久证券。

战略性的资本结构调整是集团为打造可持续发展的资本结构和加强自身财务状况而采取的举措的一部分。此举措显着减少了集团的负债，并消除了附着于我们资产上的产权负担。此外，可转换永久证券的赎回及票息派发将由公司自行决定，且可转换永久证券自发行日起的5.5年内不得赎回。这将使公司能够专注于发展我们的业务，而不会为寻求赎回永久证券所需的资金分散注意力，也避免因转换可转化永久证券立即稀释现有的股东价值。

疗养院脱售给先锋信托

在2022年3月，集团以1.635亿新元的对价将位于日本的12家疗养院物业脱售给先锋信托，其对价包括发行的价值1.315亿新元的新先锋信托单位。额外的先锋信托单位作为资产类别更具流动性，同时为集团带来与疗养院相似的收入和现金流，从而进一步增强了集团的资本结构。

此次脱售也符合集团的轻资产战略，通过先锋信托的资金回收，公司将能够重新部署其财务资源来发展其医疗服务业务。

业务回顾

先锋医疗产业信托

经过对医院主租赁的调整、通过供股所进行的资本结构调整、以及为到期的银行贷款再融资的一系列变革性举措，先锋信托现已重新定位并踏上其可持续增长的旅程（**“先锋信托2.0增长战略”**）。

在“先锋信托2.0增长战略”下，先锋信托的增长将由四大战略支柱作为引导，即(a)进入发达市场以降低集中风险；(b)通过对非核心和非医疗保健资产进行资本回收来重塑资产组合；(c)通过资金来源多样化来加强资本结构；(d)利用环境社会治理和人口老龄化等相关的大趋势来实现可持续的增长。

先锋信托收购我们的12家疗养院是先锋信托为“先锋信托2.0增长战略”所迈出的第一步。此次收购不仅为先锋信托增加了规模可观的优质日本疗养院组合为其管理的资产，还显著的为信托资产组合实现了地域多元化并分散租户集中的风险。

中国

我们与招商局集团的战略合作伙伴关系仍然对我们在中国的业务至关重要。集团与招商局集团50:50的合资公司（**“招商力宝”**）目前正按计划发展两家「招商力宝」品牌的医院。

招商力宝的旗舰医院—深圳招商力宝太子湾医院（**“太子湾医院”**）近日获得中国银行提供的3.3亿元人民币的项目融资，并会将用于其建筑工程、装修工程及专项工程。中国银行的贷款对于太子湾医院来说是一个重要的里程碑，它将会减少集团对于项目总资金的承诺，把集团的财务资源用于其他增长机会。此外，这也反映了中国银行作为贷方对太子湾医院前景的信心。截止2022年3月，太子湾医院的主结构已完成建设，预计于2024年以高端国际综合医院开业。

用于常熟招商力宝妇产科医院（**“常熟医院”**）经营的物业已由业主方于2021年11月以毛坯的状态交付于常熟医院。常熟医院将会对其进行适当的装修及安装工程以筹备医院在2023年开业。

缅甸

集团在缅甸的合资公司（**“斑莱医院”**）经营着三间医院和四间诊所。斑莱医院为应对瞬息万变的政治局势和新冠疫情持续对其业务进行重新定位。因此，尽管面临着诸多挑战以及缅元的大幅贬值，斑莱医院仍在2021财年实现扭亏为盈。

仰光的旗舰医院正在进行一系列的整顿和扩大其能力以借力于不断改善的市场情绪。尽管现在处于困难时期，医疗保健行业依然是重要行业，斑莱医院将会继续寻找增长的机会。

展望未来

随着奥密克戎（Omicron）变体的出现，新冠疫情继续给全球经济带来诸多挑战和不确定性。近期亚太地区冠病病例的激增更体现了各国在控制冠病疫情时采取的截然不同的途径。作为其“零冠病”政策的一部分，中国重新采取了压制活动和限制行动的手段；而其他地区则继续对冠病采取“共存”的方法，并坚持逐步放宽社会限制和边境控制。

新冠疫情所带来的限制也影响了全球供应链，从而导致通货膨胀以及中央银行寻求提高利率来抑制通货膨胀。此外，俄乌战争也让全球增加了新的不确定性和挑战，进一步使疫情后世界的经济复苏复杂化。

尽管我们对全球经济复苏持有谨慎乐观的态度，但我们将会继续关注不断演变的全球形势并会灵活应对。

致谢

我谨代表公司感谢所有同事在如此充满挑战的时期所做出的贡献；如果没有所有同事的付出，我们也无法取得我们在2021财年的进展。最后，我要感谢我们所有的股东和商业伙伴的信任、信心和耐心。

易锦明
首席执行官及执行董事

1 有关可转换永久证券的详情，请参见附注15
2 所有一次性项目包括在2021财政年度将集团的股东贷款和应计利息转换为可转换永久证券所产生的一次性收益、正在开发的投资物业的公允价值损失、物业、厂房和设备的减值损失、拨备的转回以及2020财政年度的减值转回和所收获的法律索赔

BOARD OF DIRECTORS

From left to right

01 Mr. Lee Yi Shyan, 02 Mr. Brian Riady (Appointed with effect from 28 March 2022), 03 Mr. Yet Kum Meng,
04 Mr. Tetsuya Fujimoto (Appointed with effect from 1 April 2022), 05 Mr. Roger Tan Chade Phang, 06 Mr. Eric Sho Kian Hin,
07 Mr. Jackson Tay Eng Kiat , 08 Ms. Usha Ranee Chandradas, 09 Mr. Tadahiro Kiyosu (Retired with effect from 1 April 2022)

BOARD OF DIRECTORS

01 MR. LEE YI SHYAN

Chairman and Non-Independent and Non-Executive Director

Date of first appointment as a Director:

17 July 2017

Length of service as a Director (as at 31 December 2021):

4 years 5 months

Board Committee(s) served on:

- Nominating and Remuneration Committee

Academic & Professional Qualification(s):

- Bachelor of Engineering (Chemical), National University of Singapore
- Program for Management Development, Harvard Business School
- Tsinghua University Management Program

Present directorships (as at 1 January 2022):

Listed companies

- OUE Lippo Healthcare Limited
- OUE Commercial REIT Management Pte. Ltd. (the manager of OUE Commercial Real Estate Investment Trust)

Other principal directorships

- Business China (Chairman)
- ICE Futures Singapore Pte. Ltd. (Chairman)
- Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd.
- SPH Media Holdings Pte. Ltd. (appointed on 1 March 2022)

Major Appointments (other than directorships):

- OUE Limited (Executive Adviser to the Chairman)
- Keppel Corporation Limited (Adviser)

Past Principal Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):

- OUE Hospitality REIT Management Pte. Ltd.

Others:

- Member of Parliament of Singapore, East Coast GRC (from2006 to 2020)
- Senior Minister of State and Minister of State of several Government Ministries (from 2006 to 2015)

02 MR. BRIAN RIADY

Non-Independent and Non-Executive Director

Date of first appointment as a Director:

28 March 2022

Board Committee(s) served on:

Nil

Academic & Professional Qualification(s):

- Bachelor of Science (Political Communication) and Bachelor of Arts (Economics), University of Texas at Austin
- Executive Education programmes, Harvard Business School

Present directorships (as at 1 January 2022):

Listed companies

- OUE Limited
- OUE Commercial REIT Management Pte. Ltd. (the manager of OUE Commercial Real Estate Investment Trust)
- OUE Lippo Healthcare Limited (appointed on 28 March 2022)

Other principal directorships

Nil

Major Appointments (other than directorships):

- Member of the Board of the Singapore Hotel Association
- Member of the Management Committee of the Real Estate Developers Association of Singapore

Past Principal Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):

Nil

Others:

- Chief Executive Officer of the Hospitality Division of OUE Limited (from October 2018 to December 2019)
- Executive Vice President of Lippo China Resources Limited (Hong Kong) (from January 2018 to December 2019)
- Vice President of Strategy of Lippo Group Indonesia (from September 2013 to September 2018)
- Chief Executive Officer of PT Cinemaxx Global Pasifik (from December 2013 to October 2017)

03 MR. YET KUM MENG

Chief Executive Officer and Executive Director

Date of first appointment as a Director:

28 February 2019

Length of service as a Director (as at 31 December 2021):

2 years 10 months

Board Committee(s) served on:

Nil

Academic & Professional Qualification(s):

- Bachelor of Accountancy (First Class Honours), Nanyang Technological University, Singapore
- Master of Business Administration (Hospitality and Tourism Management), Nanyang Technological University, Singapore

Present directorships (as at 1 January 2022):

Listed companies

- OUE Lippo Healthcare Limited

Other principal directorships

Nil

Major Appointments (other than directorships):

- Chief Executive Officer of OUE Lippo Healthcare Limited

Past Principal Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):

Nil

Others:

- Group Financial Controller of China, GuocoLand Limited (from 2005 to 2008)
- Chief Executive Officer/President, China Real Estate Division, Lippo Group (from 2008 to 2017)

04 MR. TETSUYA FUJIMOTO

Non-Independent and Non-Executive Director

Date of first appointment as a Director:

1 April 2022

Board Committee(s) served on:

- Nominating and Remuneration Committee

Academic & Professional Qualification(s):

- Bachelor of Engineering in the field of Mechanical Engineering, Kyoto University
- Advanced Management Program, Harvard Business School

Present directorships (as at 1 April 2022):

Listed companies

- OUE Lippo Healthcare Limited

Other principal directorships

Nil

Major Appointments (other than directorships):

- Manager, Marine & Energy Project Section, Marine Department
- Secretariat, Assistant to Chairman
- Branch Manager of ITOCHU Brasil S.A., Rio de Janeiro Branch
- Unit Leader, Healthcare Business Development Unit of Business Planning & Development Division of ITOCHU Corporation
- Deputy General Manager of Business Planning & Development Division and General Manager of Overseas Planning Dept. of ITOCHU Corporation

Past Principal Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):

Nil

Others:

Nil

05 MR. ROGER TAN CHADE PHANG

Lead Independent and Non-Executive Director

Date of first appointment as a Director:

23 January 2017

Length of service as a Director (as at 31 December 2021):

4 years 11 months

Board Committee(s) served on:

- Audit and Risk Committee
- Nominating and Remuneration Committee

Academic & Professional Qualification(s):

- Bachelor of Business in Accountancy, RMIT University
- Master of Finance, RMIT University

Present directorships (as at 1 January 2022):

Listed companies

- OUE Lippo Healthcare Limited
- Luminor Financial Holdings Ltd (f.k.a. Starland Holdings Limited)
- Revez Corporation Ltd
- Y Ventures Group

Other principal directorships

- Voyage Research Pte Ltd

Major Appointments (other than directorships):

- President of Small and Middle Capitalisation Companies Association

Past Principal Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):

- TBK & Sons Holdings Limited (Independent Director)
- TIH Limited (Independent Director)
- Camsing Healthcare Limited (Independent Director)
- Dapai International Holdings Co., Ltd (Independent Director)
- Transcorp Holdings Limited (Independent Director)
- Bodhi Tree Network Pte Ltd

Others:

Nil

06 MR. ERIC SHO KIAN HIN

Independent and Non-Executive Director

Date of first appointment as a Director:

23 January 2017

Length of service as a Director (as at 31 December 2021):

4 years 11 months

Board Committee(s) served on:

- Audit and Risk Committee
- Nominating and Remuneration Committee

Academic & Professional Qualification(s):

- Fellow member of the Association of Certified Chartered Accountants (FCCA)

Present directorships (as at 1 January 2022):

Listed companies

- OUE Lippo Healthcare Limited
- Choo Chiang Holdings Ltd.
- QT Vascular Ltd.
- Versalink Holdings Limited

Other principal directorships

- China Farm Equipment Pte. Ltd.
- Hartanah Kencana Sdn. Bhd.

Major Appointments (other than directorships):

Nil

Past Principal Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):

Nil

Others:

- Currently a member of Singapore Institute of Directors
- Corporate Development Director, Hunan Longzhou Farm Equipment Holdings Co., Ltd. (from 2013 To 2017)

07 MR. JACKSON TAY ENG KIAT

Independent and Non-Executive Director

Date of first appointment as a Director:

23 January 2017

Length of service as a Director (as at 31 December 2021):

4 years 11 months

Board Committee(s) served on:

- Audit and Risk Committee
- Nominating and Remuneration Committee

Academic & Professional Qualification(s):

- Bachelor of Accountancy (Minor in Marketing), Nanyang Technological University of Singapore
- Member of the Institute of Singapore Chartered Accountant

BOARD OF DIRECTORS

Present directorships (as at 1 January 2022):

Listed companies

- OUE Lippo Healthcare Limited
- Sim Leisure Group Ltd.
- Sapphire Corporation Limited

Other principal directorships

- Hafary Pte. Ltd.
- Hap Seng Investment Holdings Pte. Ltd.
- Hap Seng Building Material Marketing Pte. Ltd.
- MML Marketing Pte Ltd

Major Appointments (other than directorships):

- Chief Operating Officer and Company Secretary of Hafary Holdings Limited Group

Past Principal Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):

Nil

Others:

Nil

08 MS. USHA RANEE CHANDRADAS

Independent and Non-Executive Director

Date of first appointment as a Director:

15 November 2021

Length of service as a Director (as at 31 December 2021):

1 month

Board Committee(s) served on:

- Audit and Risk Committee (Member)

Academic & Professional Qualification(s):

- Bachelor of Laws (Honours), King's College, University of London
- Graduate Diploma in Singapore Law, National University of Singapore
- Master of Professional Accounting degree, Singapore Management University
- Master's degree in Asian Art Histories, Goldsmith's College, University of London, awarded by LASALLE College of the Arts Singapore
- Advocate and Solicitor, Singapore
- Accredited Tax Specialist – Income Tax, Singapore Chartered Tax Professionals
- Chartered Accountant of Singapore

Present directorships (as at 1 January 2022):

Listed companies

- OUE Commercial REIT Management Pte. Ltd. (the manager of OUE Commercial Real Estate Investment Trust)

Other principal directorships

- OUE Hospitality Trust Management Pte. Ltd.
- NUR Investment and Trading Pte Ltd

Major Appointments (other than directorships):

- (Plu)ral Art LLP (Founder and Partner)
- Course Coordinator and Part-Time Lecturer at the Nanyang Technological University's Nanyang Business School (Centre of Excellence International Trading)
- Member of the International Monetary Fund's Panel of Experts (Tax-Legal)
- Singapore Red Cross Council Member
- Pro Bono Services Office – Law Society of Singapore, Finance Committee (Member), Project Law Help (Vice Chair), Content Management Committee (Chair)

Past Principal Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):

Nil

Others:

- Council member of the Law Society of Singapore (from 2014 to 2015)

09 MR. TADAHIRO KIYOSU

(retired on 1 April 2022)
Non-Independent and Non-Executive Director

Date of first appointment as a Director:

7 May 2019

Length of service as a Director (as at 31 December 2021):

2 years 6 months

Board Committee(s) served on:

- Nominating and Remuneration Committee

Academic & Professional Qualification(s):

- Bachelor of Arts from School of Foreign Studies, Osaka University of Japan.

Present directorships (as at 1 January 2022):

Listed companies

- OUE Lippo Healthcare Limited

Other principal directorships

- ITOCHU Singapore Pte. Ltd.
- ITOCHU Malaysia Sdn. Bhd.
- PT ITOCHU Indonesia

Major Appointments (other than directorships):

- President and Chief Executive Officer of ITOCHU Singapore
- Chief Strategy Officer for Asia & Oceania Bloc of ITOCHU Corporation

Past Principal Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):

- ITOCHU Treasury Centre Asia Pte. Ltd.
- Itochu Kenzai Corporation
- Pacific Woodtech Corporation
- Master-Halco, Inc.
- Daiken Corporation
- Tokyo Lumber Terminal Co., Ltd
- Albany Plantation Export Company Pty. Limited
- South Wood Export Limited
- Albany Bulk Holding Pty Ltd
- Southland Plantation Forest Company of New Zealand
- Acacia Afforestation Asia Co., Ltd.
- Itochu Ceratech Co.
- LLC ITR
- European Tyre Enterprise Ltd.
- P.T. Aneka Bumi Pratama
- Rubbernet (Asia) Pte Ltd.
- Raffles Cement Pte Ltd.
- IG Windows Co
- Yokohama Scandinavia AB

Others:

Nil

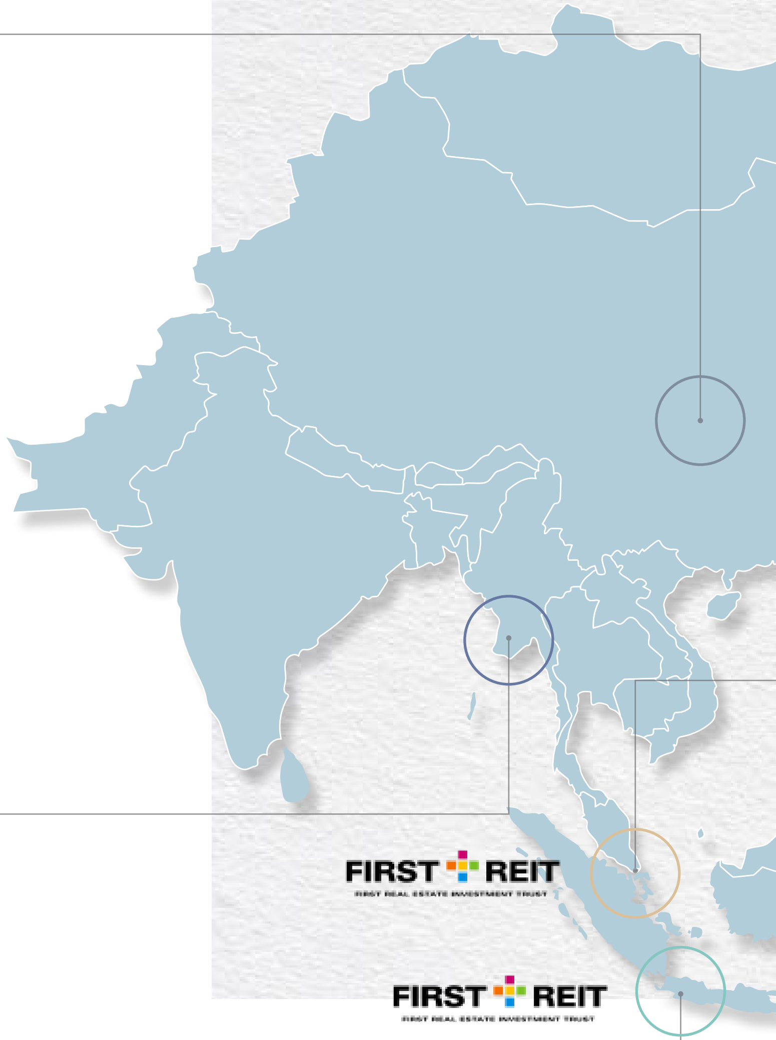
KEY EXECUTIVE

MR. YET KUM MENG

Chief Executive Officer and Executive Director

Please refer to the section entitled "Board of Directors" on page 18 of this Annual Report for Mr. Yet Kum Meng's biography.

OUR NETWORK



CHINA

- Operating one general hospital in Wuxi
- Developing one hospital in Shenzhen
- To operate one O&G hospital in Changshu
- Own hospital land and building in Wuxi

Artist's impression of the refreshed Wuxi Lippo Xi Nan Hospital

MYANMAR

- Jointly managing and operating three hospitals in Yangon, Mandalay and Taunggyi
- Jointly managing and operating three clinics in Yangon, Nyaung Shwe, Taw Win and one medical centre in downtown Yangon

Pun Hlaing Hospital Hlaing Tharyar, Yangon

INDONESIA

- Presence via stakes in First REIT's Manager and First REIT

Siloam Hospital Lippo Village, part of First REIT's portfolio

JAPAN

- Presence via stakes in First REIT's Manager and First REIT

Hikari Heights Varus Fujino,
part of First REIT's portfolio

SINGAPORE

- Presence via stakes in First REIT's Manager and First REIT

Pacific Healthcare Nursing Home @ Bukit Merah,
part of First REIT's portfolio

OTHER ASSETS

- Development land in Kuala Lumpur, Malaysia
- Medical use land in Dujiangyan, Chengdu, the People's Republic of China

AT A GLANCE
CHINA

Artist's impression of Changshu Hospital

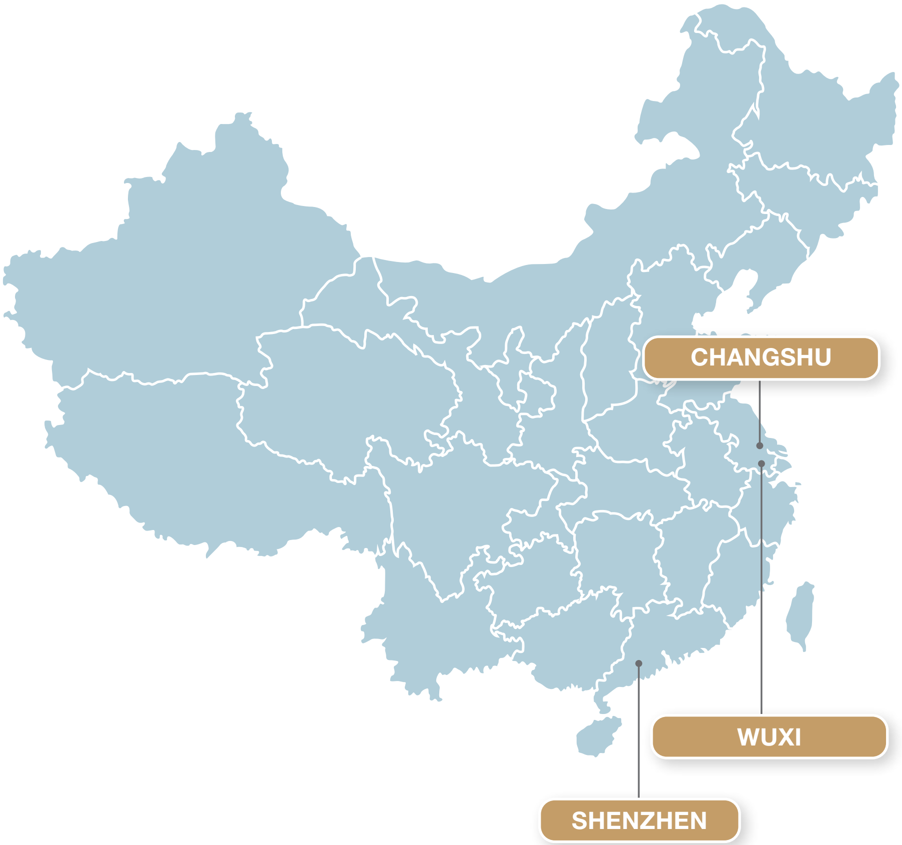
OUELH holds a 50% equity interest in China Merchants Lippo Hospital Management (Shenzhen) Limited ("CM Lippo").

CM Lippo is a 50:50 joint venture company with a subsidiary of China Merchants Shekou Industrial Zone Holdings Co., Ltd., a member company of the China Merchants Group. CM Lippo is currently developing a hospital – Shenzhen China Merchants-Lippo Prince Bay Hospital in Shenzhen and has entered into a lease agreement to operate Changshu China Merchants – Lippo Obstetrics & Gynaecology Hospital in Changshu, Jiangsu.

Additionally, OUELH has acquired a 70% stake of the operating company that operates Wuxi Lippo Xi Nan Hospital in Wuxi, Jiangsu in 2019.

The Company believes that its healthcare management expertise, coupled with the deepening partnership with China Merchants Group, will put OUELH in good stead to capture the growing healthcare opportunities in China.

Artist's impression of the Prince Bay Hospital in Shenzhen



PRESENCE IN
3 MAJOR CITIES

SHENZHEN
CHANGSHU
WUXI

50:50 JOINT VENTURE

CM LIPPO

WITH CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE HOLDINGS CO., LTD

Artist's impression of the refreshed Wuxi Lippo Xi Nan Hospital


Interiors of Wuxi Lippo Xi Nan Hospital

Signing ceremony with China Merchants Group for Prince Bay Hospital

AT A GLANCE
CHINA

SHENZHEN GREATER BAY AREA

Shenzhen China Merchants-Lippo Prince Bay ("Prince Bay Hospital")

The upcoming Prince Bay Hospital is expected to have more than 200 beds serving the local community and is set to benefit from the growth of the medical tourism industry in the Guangdong Hong Kong-Macao Greater Bay Area (the **"Greater Bay Area"**). The Prince Bay Hospital is expected to be commissioned by 2024.

The Greater Bay Area has been earmarked by the Chinese government to be the main driver of economic growth and international trade, and a key player in China's "Belt and Road Initiative". The bustling cluster of 11 cities occupies about 56,000 sq km in land area. Despite comprising about 0.6% of China's total land area, the Greater Bay Area is home to approximately 5% of the total population. It contributes about 12% of China's Gross Domestic Product (**"GDP"**), or approximately US$1.6 trillion, which is comparable to the economic size of South Korea. The GDP of the Greater Bay Area is expected to grow to approximately US$4.62 trillion by 2030, surpassing the Tokyo Bay Area as well as the New York Bay Area.[1]

Shekou, where the Prince Bay Hospital is located, is nestled at the southern tip of Nanshan, with Hong Kong just across the Shenzhen Bay. In 2015, it was designated as a Free Trade Zone by the Chinese government. The vibrant commercial area is home to many Fortune 500 Chinese companies that are attracted to its connectivity, location and growth potential.

1 Retrieved from: CBRE Hong Kong, August 2018 (https://www.cbre.com.hk/en/about/media-centre/the-rise-ofthe-greater-bay-area-as-the-worlds-largest-bay-area-economy)(accessed on March 2022)

Artist's impression of Prince Bay development in Shenzhen

Cornerstone laying ceremony for the Prince Bay Hospital

Prince Bay structure completion in Shenzhen

Artist's impression of the Prince Bay Hospital in Shenzhen

AT A GLANCE
CHINA

JIANGSU

Jiangsu is China's fourth most populous and densely populated province and the second largest contributor to China's Gross Domestic Product (**"GDP"**). In 2018, Jiangsu's GDP grew 6.7% to reach RMB 9.3 trillion with leading economic hubs in the cities of Nanjing, Suzhou and Wuxi.[1] With continued government support and increased urbanisation, Jiangsu looks set to continue its development as a thriving economic hub, attracting both local and foreign workers to the province.

CHANGSHU

Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital

Tapping on the local market opportunities, the Changshu China Merchants-Lippo Obstetrics & Gynaecology (**"O&G"**) Hospital (**"Changshu Hospital"**) will be positioned as a premium specialist hospital. Targeting the affluent market segment, the Changshu Hospital will provide premium O&G services, including paediatric and postpartum care. Changshu is a county-level city under Suzhou in the Jiangsu Province. It has a population of about 1.67 million with GDP per capita of RMB140,000 in 2020, and is ranked amongst the top five county-level cities in China.[2]

1 Retrieved from: Background on Jiangsu and Singapore-Jiangsu economic relations, September 2019 (https://www.enterprisesg.gov.sg/-/media/esg/files/media-centre/media-releases/2019/september-2019/annex-4.pdf?la=en)(accessed on March 2022)

2 Retrieved from: 32 County-level Cities in China Have GDP's in Excess of USD$15 Billion" Retrieved from: https://www.chinabankingnews.com/2020/12/03/32county-cities-in-china-have-gdps-in-excess-of-usd15-billion/" (accessed on March 2022)

Artist's impression of the Changshu Hospital

Completed construction of Changshu Hospital

Completed construction of Changshu Hospital

WUXI

OUELH owns 70% stake of the operating company that operates Wuxi Lippo Xi Nan Hospital, a general hospital located in Wuxi, Jiangsu.

Wuxi land and building

OUELH currently owns a piece of land of approximately 244,136 sq ft, and a building located in New District, Wuxi, Jiangsu.


Interiors of Wuxi Lippo Xi Nan Hospital


Interiors of Wuxi Lippo Xi Nan Hospital

Artist's impression of the refreshed Wuxi Lippo Xi Nan Hospital

AT A GLANCE
MYANMAR

Pun Hlaing Hospital Hlaing Tharyar in Yangon

FIRST HOSPITAL IN MYANMAR WITH **JCI ACCREDITATION**

7 MYANMAR MEDICAL FACILITIES

370 TOTAL BED CAPACITY

Pun Hlaing Hospital, Mandalay

Pun Hlaing Hospital, Taunggyi

OUELH entered into Myanmar's healthcare market via a joint venture with First Myanmar Investment Public Company Limited ("FMI").

OUELH jointly operates and manages a healthcare portfolio of three hospitals, three clinics and one medical centre (the **"Myanmar Medical Facilities"**) with FMI. Branded as Pun Hlaing Hospitals (**"PHH"**), the three hospitals have a total bed capacity of approximately 370 beds and are located in the key cities of Yangon, Mandalay and Taunggyi. The flagship hospital in Yangon is the first hospital in Myanmar to receive the prestigious JCI accreditation in 2017 and was subsequently re-accredited in 2021. The core services offered by the hospitals include emergency, out-patient, in-patient, laboratory, imaging, physiotherapy, medical check-up and overseas clinical services, across practices including cardiology, orthopaedics, obstetrics and gynaecology.

OUELH believes that its international healthcare expertise will complement its high-quality medical facilities in Myanmar, and achieve further growth in one of the fastest-growing Southeast Asian economies.

YANGON

As the largest city in Myanmar with a population of over five million people, Yangon is the country's former capital and continues to be the commercial capital of Myanmar today. The 170-bed flagship hospital in Yangon, Pun Hlaing Hospital Hlaing Tharyar, is the first hospital in Myanmar to receive the prestigious JCI accreditation in 2017, and was subsequently re-accredited in 2021. Apart from the flagship hospital, PHH also manages and operates a medical centre in downtown Yangon, which is expected to capture the growing healthcare demand of the burgeoning middle class and expatriate community.

PUN HLAING HOSPITALS

YOMA-OUE HEALTHCARE MYANMAR

MANDALAY

Mandalay is the second largest city in the country and serves as the main commercial, education and health centre for Upper Myanmar. With a wide range of in-patient and out-patient services, the 100-bed hospital in Mandalay is well-positioned to serve the Mandalay community's increasing healthcare needs.

TAUNGGYI

Taunggyi is home to a diverse group of ethnicities as it is the capital of Shan State, Myanmar's largest state, bordering China, Laos and Thailand. The 100-bed hospital in Taunggyi is expected to serve the largest state's growing community. Additionally, PHH is also operating and managing a clinic in Nyaung Shwe, a city in Shan State bordering Taunggyi.

Interior of Pun Hlaing Hospital Hlaing Tharyar in Yangon

AT A GLANCE
FIRST REIT


Orchard Amanohashidate, Japan

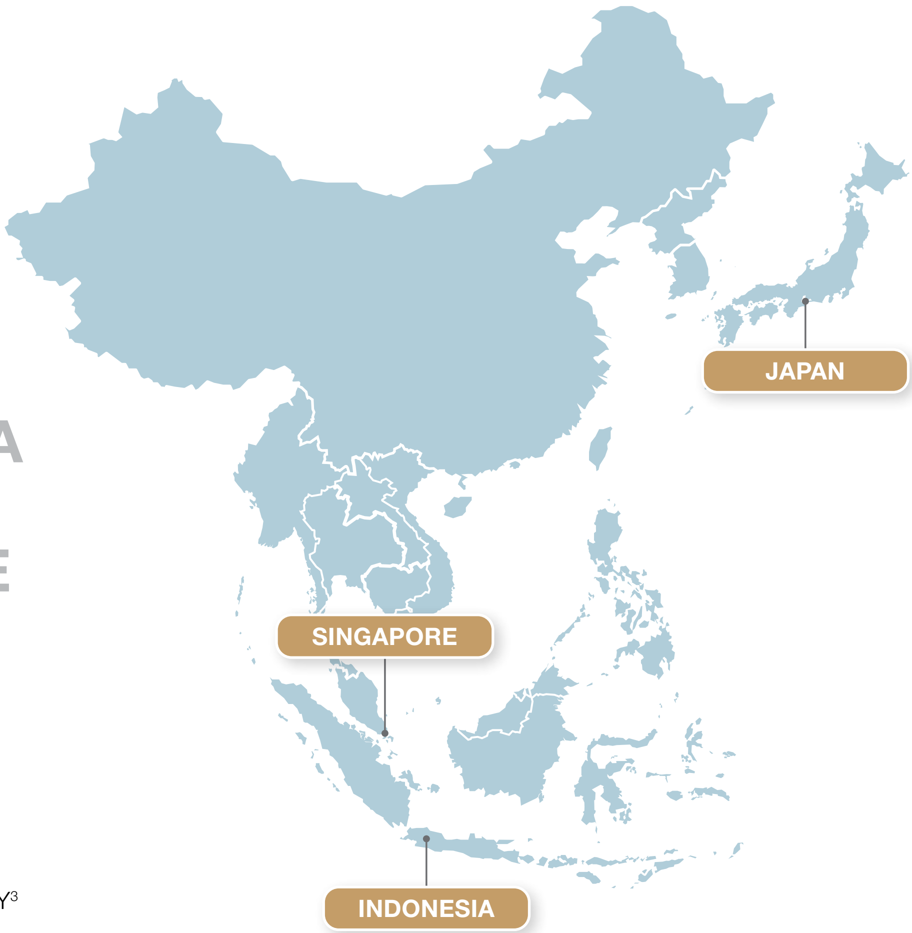
First Real Estate Investment Trust ("First REIT") is Singapore's first healthcare real estate investment trust listed on the Mainboard of the SGX-ST in 2006. It was established with the principal investment strategy of investing in a diversified portfolio of income-producing real estate in Asia that are primarily used for healthcare and/or healthcare-related purposes.

OUELH and OUE Limited hold a 40.0% and 60.0% stake in First REIT Management Limited respectively, the manager of First REIT. OUELH is also First REIT's sponsor and largest unitholder, holding approximately 33.1% of its units.

Siloam Hospitals Lippo Village, Indonesia


FIRST REIT
ASIA'S PREMIER HEALTHCARE TRUST

NO. OF ASSETS
31
16 IN INDONESIA
12 IN JAPAN
3 IN SINGAPORE



TOTAL ASSETS UNDER MANAGEMENT[1]
S$1,253.0 MILLION[2]

WEIGHTED AVERAGE LEASE EXPIRY[3]
13.5 YEARS

TOTAL GFA[1]
444,558 SQM


Siloam Hospitals Kebon Jeruk, Indonesia

First REIT currently has a diversified portfolio of 31 high quality healthcare properties with stable cash flows and long lease terms in Indonesia, Japan and Singapore, which includes 12 hospitals, two integrated hospitals and malls, an integrated hospital and hotel, an integrated hotel and country club in Indonesia, 12 nursing homes in Japan (the **"Japan Nursing Homes"**) and three nursing homes in Singapore.

First REIT's portfolio of hospitals in Indonesia are strategically located within large catchment areas of potential patients, with each having a "Centre of Excellence" in their respective specialisations. These Indonesian hospitals are operated by PT Siloam International Hospitals Tbk, a subsidiary of PT Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals.

Other assets in Indonesia include the Imperial Aryaduta Hotel & Country Club and Hotel Aryaduta Manado, operated by The Aryaduta Hotel & Resort Group, as well as Lippo Plaza Kupang and Lippo Plaza Buton, managed by PT Lippo Malls Indonesia.

In March 2022, First REIT successfully acquired 12 nursing homes in Japan from OUELH. The 12 nursing homes in Japan are freehold assets with a combined gross floor area of approximately 90,989 square metres and 1,451 rooms, which are 100% master-leased to tenants who are well-established and experienced independent local nursing home operators.

First REIT's other properties include well-run nursing homes in Singapore staffed by well-qualified, dedicated and experienced healthcare professionals.

1 Following the completion of the proposed acquisition of the Japan Nursing Homes on 1 March 2022, figures represented here include that of the Japan Nursing Homes.
2 Based on First REIT's portfolio valuation of S$962.4 million as at 31 December 2021 and including the asset values of the Japan Nursing Homes on a proforma basis as at 31 December 2021.
3 First REIT's weighted average lease expiry is 13.5 years as at 31 December 2021 and includes that of the Japan Nursing Homes.

AT A GLANCE
FIRST REIT - INDONESIA

01 Siloam Hospitals Lippo Village
A 10-storey hospital building, and one of the largest private hospitals in the region with a strong brand name for excellent patient care, world-class Neuroscience and Cardiology specialties and a first-rate Trauma Centre

02 Siloam Hospitals Kebon Jeruk
A 6-storey hospital with a 3-storey extension building located in West Jakarta, renowned for its authority in the diagnosis and treatment of disorders of the urinary tract or urogenital system

03 Siloam Hospitals Surabaya
A 5-storey hospital building, and one of the most recognised and highly respected private hospitals in Surabaya, with excellent Trauma Centre facilities

04 Imperial Aryaduta Hotel & Country Club
One of the few 5-star hotels linked with a country club in Jakarta

05 Mochtar Riady Comprehensive Cancer Centre
A 29-storey hospital with two basement levels. Indonesia's first private comprehensive cancer treatment centre equipped with state-of-the art facilities and diagnostic medical technologies, located in Central Jakarta

06 Siloam Hospitals Lippo Cikarang
A 6-storey hospital located in East Jakarta, reputed for its international standards of medical care, with a broad range of general and specialist services

07 Siloam Hospitals Manado & Hotel Aryaduta Manado
An 11-storey integrated hospital and hotel with basement level located in Manado City, North Sulawesi

08 Siloam Hospitals Makassar
A 7-storey hospital located in the integrated township of Tanjung Bunga, Makassar City, South Sulawesi

09 Siloam Hospitals Bali
A 4-storey hospital with one basement level, strategically located in the fastest growing area in Bali

10 Siloam Hospitals TB Simatupang
A 16-storey hospital, with two basement levels, located in Cilandak, South Jakarta

11 Siloam Hospitals Purwakarta
A 3-storey and 5-storey adjoining hospital building located in the fast growing city of Purwakarta in West Java

12 Siloam Sriwijaya
A strata-titled 7-storey hospital located in Palembang, the capital city of South Sumatra

13 Siloam Hospitals Kupang & Lippo Plaza Kupang
A linked 4-storey hospital with a basement level and a 3-storey mall located in Kupang, the capital city of East Nusa Tenggara

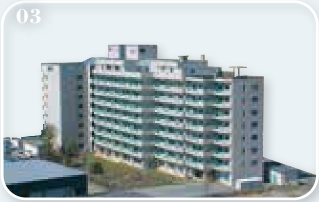
14 Siloam Hospitals Labuan Bajo
A 3-storey hospital located in the growing tourism centre of Labuan Bajo, currently the only hospital facility in Labuan Bajo

15 Siloam Hospitals Buton & Lippo Plaza Buton
A 3-storey standalone hospital integrated with the only modern mall within Bau Bau City, the main city on Buton Island

16 Siloam Hospitals Yogyakarta
A hospital that is part of a 10-storey integrated development in Yogyakarta

AT A GLANCE
FIRST REIT - JAPAN

HOKKAIDO



NARA

KYOTO

NAGANO

01 Hikari Heights Varus Ishiyama
A 9-storey nursing home easily accessible via bus from Makomanai Station on the Sapporo City Subway Nanboku Line.

02 Hikari Heights Varus Tsukisamu-Koen
A 10-storey nursing home located in a suburban area on the fringe of Sapporo city centre.

03 Hikari Heights Varus Fujino
A 13-storey nursing home located in the residential Minami area of Sapporo, an hour's drive from Sapporo city centre.

04 Hikari Heights Varus Kotoni
A 14-storey nursing home located in a residential area near Sapporo city centre and a short walk walk from Kotoni Station on the JR Hakodate line.

05 Hikari Heights Varus Makomanai-Koen
A 10-storey nursing home located in a residential area just outside Sapporo city centre.

06 Varus Cuore Yamanote
A 4-storey nursing facility located in a residential area not far from Sapporo city centre.

07 Varus Cuore Sapporo-Kita & Annex
A connecting 5 and 3-storey nursing facility easily accessible via bus from Taihei Station on the JR Gakuentoshi Line.

08 Elysion Gakuenmae
A 5-storey nursing home located in a residential area in Nara with nearby amenties such as a large hypermart and a hospital.

09 Elysion Mamigaoka/Mamigaoka Annex
A connecting 5 and 4-storey nursing facility located in a residential area in Kitakatsuragi, Nara.

10 Orchard Amanohashidate
A connecting 3 and 2-storey nursing facility located next to the famous and scenic Amanohashidate coastline in Kyoto.

11 Orchard Kaichi North
A 4-storey nursing home located in the residential area of Matsumoto, Nagano and a short distance from Japan's historic Matsumoto Castle.

12 Orchard Kaichi West
A 4-storey nursing home located next to Orchard Kaichi North in the residential area of Matsumoto, Nagano.

* First REIT successfully acquired 12 nursing homes in Japan from OUELH in March 2022

AT A GLANCE
FIRST REIT - SINGAPORE

01 Pacific Healthcare Nursing Home @ Bukit Merah
A 4-storey custom-built nursing home with basement carpark and roof terrace

02 Pacific Healthcare Nursing Home II @ Bukit Panjang
A 5-storey custom-built nursing home

03 The Lentor Residence
A 5-storey custom-built nursing home with comprehensive medical facilities

AT A GLANCE
OTHER ASSETS

KUALA LUMPUR, MALAYSIA

OUELH currently owns a piece of land of approximately

50,849 SQ FT

in Kuala Lumpur, Malaysia.

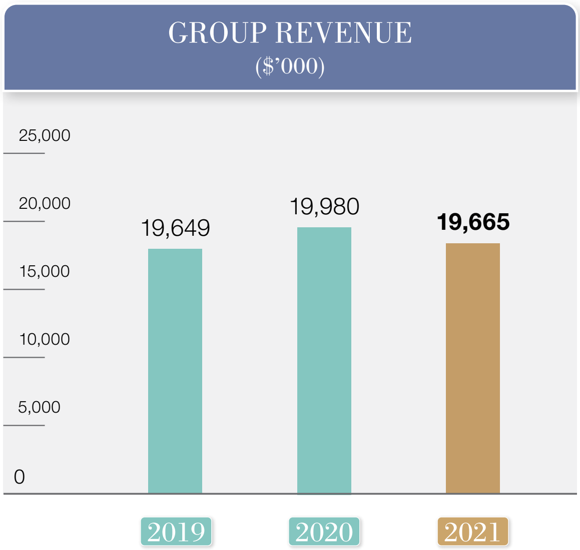
CHENGDU, CHINA

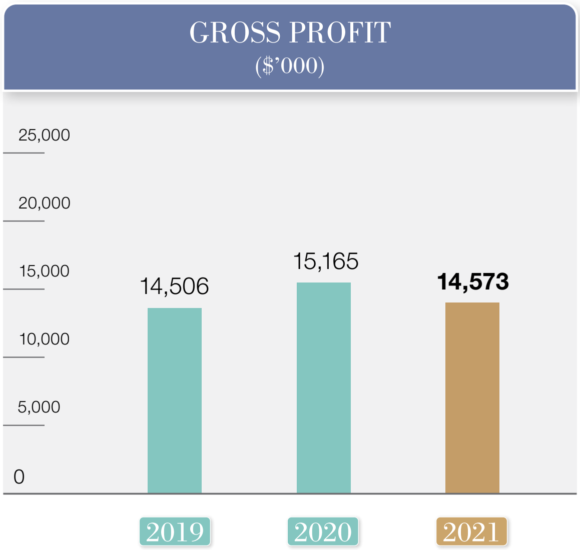
OUELH currently owns a piece of land of approximately

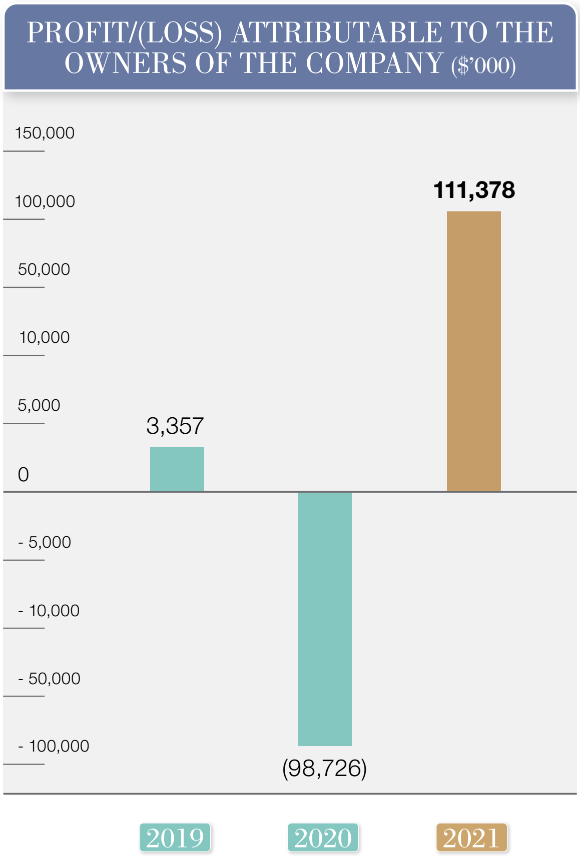
201,223 SQ FT

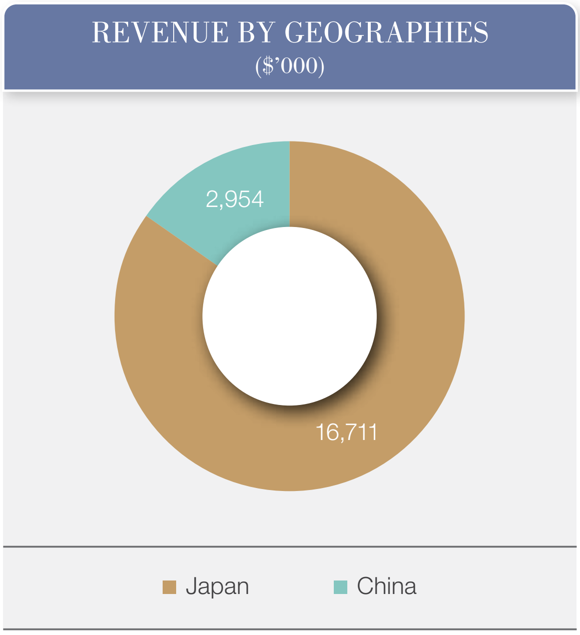
in Dujiangyan, Chengdu, the People's Republic of China.

3-YEAR FINANCIAL HIGHLIGHTS









SUSTAINABILITY REPORT

CONTENTS

WHO WE ARE

OUE Lippo Healthcare Limited (**"OUELH"** or the **"Company"**, and together with its subsidiaries, the **"Group"**) is a subsidiary of OUE Limited (**"OUE"**) and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**).

OUELH is a Pan-Asian healthcare group that owns, operates and invests in quality healthcare assets in high-growth Asian markets.

OUELH owned 12 nursing homes in Japan, which it derived rental revenue from. In China, OUELH operates Wuxi Lippo Xi Nan Hospital in Wuxi, Jiangsu, while its 50:50 joint venture with China Merchants Landmark (Shenzhen) Co., Ltd (**"CM Lippo"**) is developing and will operate Shenzhen China Merchants-Lippo Prince Bay Hospital in Shekou Shenzhen, Guangdong when it commissions in 2024. CM Lippo will also operate Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital in Changshu, Jiangsu, when it commissions in 2023.

OUELH holds a 40% stake in First REIT Management Limited, which is the manager of First Real Estate Investment Trust (**"First REIT"**), Singapore's first listed healthcare real estate investment trust.

On 1 March 2022, OUELH completed the divestment of its 12 nursing home facilities in Japan to First REIT. Following the divestment, OUELH owns a direct interest of 33.1% in First REIT.

BOARD STATEMENT

The Board of OUELH (the **"Board"**) oversees, monitors and approves all sustainability-related matters of the Company. Supported by the Company's Sustainability Steering Committee (**"SSC"**), which comprises C-suite management and representatives from the Company's key functions, the Board takes sustainability considerations into account when making key business decisions.

The Company began formalising and documenting its sustainability journey in 2017. Since then, OUELH had developed and tracked a set of specific performance indicators with targets set annually.

SUSTAINABILITY REPORT

2021 has seen the Company navigating through the impacts brought about by the COVID-19 global pandemic, which has highlighted the importance of healthcare services more than ever. As we continue to work towards our vision to become a leading healthcare group that provides high quality healthcare services, we also recognise the importance to ensure our businesses are primed for long-term sustainability.

In the Company's fifth sustainability report, OUELH deepened its sustainability commitments and embarked on an in-depth data collection process to be more transparent in our sustainability disclosures. The Company has identified and added four new material factors that are relevant in addressing stakeholders' concerns arising from the evolving healthcare industry and global landscape.

With the Board's approval and oversight in the materiality assessment process, these new material factors include health and safety, local communities, diversity and non-discrimination, and customer privacy. The Company then reviewed and reported its performance in 2021 against these indicators in addition to its original indicators set out in the previous years.

SUSTAINABILITY AT OUELH

We recognise that the alignment of healthcare and sustainability principles can enhance the function, practicality, effectiveness, perception and value of our healthcare businesses.

We also believe that it is important for us to focus on the areas where we can have the most impact. Therefore, the Board validated the results of a materiality assessment that was conducted to identify areas to concentrate our sustainability efforts on which will support our business strategy. Following the validation of the materiality assessment, we report our sustainability performance for 2021 and set out targets for 2022.

In 2021, our sustainability approach remained focused in areas most relevant to our businesses such as assessing how we manage our investments and assets, our human resource practices and our corporate governance practices. We will, at an appropriate time, consider to expand our focus to include other areas.

ABOUT THIS REPORT

This sustainability report addresses the material environmental, social and governance (**"ESG"**) factors during the period from 1 January 2021 to 31 December 2021.

Reporting Standard

The report is prepared in accordance with the Global Reporting Initiative (**"GRI"**) Standards: Core option and is also in compliance with the requirements of the Catalist Rules (Rules 711A and 711B). We have adopted the GRI Standards because it is a well-known and globally recognised sustainability reporting framework. This report references the following GRI Standards and topic-specific disclosures:

- Disclosure 201-1: Economic performance
- Disclosure 205-3: Confirmed incidents of corruption and actions taken
- Disclosure 307-1: Non-compliance with environmental laws and regulations
- Disclosure 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees
- Disclosure 401-3: Parental leave
- Disclosure 403-9: Work-related injuries
- Disclosure 403-10: Work-related ill health
- Disclosure 404-1: Average hours of training per year per employee
- Disclosure 404-3: Percentage of employees receiving regular performance and career development reviews
- Disclosure 405-1: Diversity of governance bodies and employees
- Disclosure 406-1: Incidents of discrimination and corrective actions taken
- Disclosure 413-1: Operations with local community engagement, impact assessments, and development programs
- Disclosure 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services
- Disclosure 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data
- Disclosure 419-1: Non-compliance with laws and/or regulations in the social and economic area

Reporting Scope

The Group's business segments are organised into the following categories.

1. Healthcare Operations

   Relates to the operation of Wuxi Lippo Xi Nan Hospital in Wuxi, Jiangsu, the China pharmaceutical trading business and the separate joint ventures with China Merchants Landmark (Shenzhen) Co., Ltd and First Myanmar Investment Public Company Limited respectively.

2. Healthcare Assets

   Relates to the 12 nursing home facilities in Japan* that are fully leased to independent operators under long term master leases, and the Wuxi hospital property (previously known as Wuxi New Phoenix Hospital).

* On 1 March 2022, OUELH completed the divestment of its 12 nursing home facilities in Japan to First REIT.

3. Properties under Development

   Relates to the development of the Group's pieces of land in China and Malaysia. In China, the Group owns a piece of land in Dujiangyan, Chengdu, and Wuxi respectively. In Malaysia, the Group owns a piece of land within walking distance from the Kuala Lumpur Convention Centre and Kuala Lumpur City Centre.

4. Investments

   Relates to the Group's investments in an associate, First REIT and the joint venture with OUE Limited in the manager of First REIT, First REIT Management Limited.

5. Others

   Relates to activities in the Group's head office and corporate functions, including investment holding related activities.

In this report, we focused on the material ESG factors for Wuxi Lippo Xi Nan Hospital, Japan nursing homes, Singapore and Japan offices, human resource management practices and our corporate governance practices, including compliance with our Code of Business Conduct and Ethics (the **"Code of Business Conduct and Ethics"**).

Feedback

We look forward to any enquires, comments or feedback on both our sustainability performance and sustainability report via info@ouelh.com.

ASSESSING MATERIALITY WITH OUR STAKEHOLDERS IN MIND

Engaging with our stakeholders

We have numerous stakeholder groups across our geographies and operations. Stakeholders are groups of people or entities who affect or are affected by our business. It is important for the success of our business that we engage with them regularly to track and address their needs and concerns. Through these engagements, we are able to identify our stakeholders' sustainability priorities.

Our engagement methods for each stakeholder group are tabled below:

Stakeholders	Engagement Methods & Frequency	Key Indicators
Shareholders, investors, analysts and the media	• Release of financial results, announcements, press releases, annual reports and other relevant disclosures through SGXNET and our corporate website, throughout the year • Email alert subscriptions via OUELH's website • Annual General Meeting, once a year • Extraordinary General Meetings, where necessary • Updates through one-on-one and group meetings and investor roadshows, as and when necessary	• Economic Performance • Corporate governance and compliance
Customers	• Meetings with operators of the Japan nursing home facilities, throughout the year • Feedback from patients, throughout the year	• Active ownership of assets • Economic Performance • Corporate governance and compliance • Customer privacy
Employees	• Training and development activities, as and when necessary • Annual performance reviews, once a year • Staff welfare and team bonding activities, as and when necessary	• Talent management
Government and Regulators	• Industry networking functions, as and when necessary • Regulatory audits, once a year • Compliance with mandatory reporting requirements, throughout the year	• Corporate governance and compliance

In view of the COVID-19 pandemic restrictions in Singapore, voting by shareholders at the AGM held on 29 April 2021 (**"2021 AGM"**) was conducted by way of electronic means[1] and shareholders were not able to attend the 2021 AGM in person. Instead, shareholders participated in the 2021 AGM via live audio-visual webcast or live audio-only stream and appointed the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2021 AGM. Shareholders were invited to submit questions related to the resolutions to be tabled for approval at the 2021 AGM to the Chairman of the meeting, in

[1] 2021 AGM and 2021 EGM were held in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (**"COVID-19 Order"**), guidelines or directives issued by government agencies or regulatory authorities relating to the conduct of meetings during the period where safe distancing measures are in place.

SUSTAINABILITY REPORT

advance of the 2021 AGM. Similar arrangement has been put in place for the extraordinary general meeting of the Company held on 12 March 2021 (**"2021 EGM"**). All Directors, including the Chairmen of the ARC and NRC, as well as the external auditors had also attended the 2021 AGM and 2021 EGM by way of a live audio-visual webcast. The minutes of 2021 AGM and 2021 EGM were published on the Company's corporate website and SGXNET.

Material ESG Factors selection

A formal materiality assessment was initiated in 2017 with the SSC and in collaboration with an external consultant. During this session, ESG factors that were most relevant to us were identified. For 2021, we have refreshed and validated our materiality assessment based on the reporting scope as described above. During the materiality assessment in 2021, we have reviewed our material ESG factors based on its relevance to our business and four new material factors were introduced to the original set of indicators; namely health and safety, local communities, diversity and non-discrimination and customer privacy.

In addition, we are aware that our business has a global context and that the effects of our activities might be felt far outside of the boundaries of our control. We hope that by managing these material ESG factors, we can mitigate any negative impact of our activities and go a step further by contributing to global sustainability efforts.

The United Nations Sustainable Development Goals (**"UN-SDGs"**) are a set of global goals developed by the United Nations aimed at achieving a better and more sustainable future by 2030. In 2021, we mapped our material ESG factors and efforts to the UN-SDGs to achieve a global perspective. In the mapping exercise, as shown below, we considered how our sustainability efforts contribute to the achievement of these global goals.

Material ESG factor	How we contribute to the SDG	SDGs fulfilled (2021)
1. Economic performance[2]	Contributing to economic growth, important to shareholders, employees and community.	8.1, 8.2
2. Active ownership of assets and resources	Encourage eco-efficiency and safety in our assets.	
3. Talent management (Social)	Adopt fair employment practices and provide training and development programmes to equip employees with relevant skills. Inclusive and quality education for all employees helps ensure that OUELH can provide quality healthcare for the patients.	8.1
4. Health and safety (Social)	Healthy lives and well-being of patients and employees are especially important to a healthcare provider like OUELH.	3.1, 3.2, 3.4, 3.5, 3.8, 3.9
5. Local communities (Social)	Serving the community by providing medical services to those in need.	3.1, 3.2, 3.4, 3.5, 3.8, 3.9
6. Corporate governance and compliance (Governance)	Maintain high ethical standards and responsible business practices in all locations of operations.	16.0, 16.5
7. Customer privacy (Governance)	Sensitive information is well protected to ensure trust and safety.	16.10
8. Diversity and non-discrimination (Governance)	Creating equal opportunities for all and developing employees with relevant skills.	10.3

[2] Please refer to the sections entitled "CEO's Statement" on pages 13 to 14 and "3-Year Financial Highlights" on page 39 of this Annual Report for more information on our economic performance.

1. ECONOMIC PERFORMANCE

OUELH is committed to provide value to all their stakeholders, ensuring that business decisions made contributes to the growth of the company while making a positive impact on the environment and its community.

For further details of OUELH's financial performance, please refer to the the sections entitled "CEO's Statement" on pages 13 to 14 and "3-Year Financial Highlights" on page 39 of this Annual Report.

Gross Revenue (S$)	19,665,000
Gross Profit (S$)	14,573,000
Profit/(Loss) attributable to the owners of the company (S$)	111,378,000

In 2021, all maintenance and improvement work on our assets were conducted in a manner that are in accordance with all COVID-19 related guidelines and requirements. These include ensuring safe-distancing and temperature checking for all workers, staff and tenants who came to the premises.

Our 2021 Performance
We met the target set for 2021 with 100% assessment of our assets and the development of a maintenance and CAPEX plan for each asset.
2022 target
We aim to continue to review and assess 100% of our assets and develop a maintenance and CAPEX plan for each asset.

2. ACTIVE OWNERSHIP OF ASSETS AND RESOURCES

The success and value of our asset portfolio has a direct impact on the success of our business and the value that we can bring to our shareholders. Therefore, optimal management of our assets is a priority. In this section, we will focus on our 12 nursing home facilities in Japan.

Asset Management

We conduct regular assessment of our assets and work closely with each nursing home operator to make physical improvements to address issues as they arise. These physical upgrades could be to improve eco-efficiency, safety or alignment with new regulations.

As part of this regular assessment, we prepare a maintenance capital expenditure (**"CAPEX"**) plan based on the requirements of the master lease agreements and regulatory requirements. The budget for the maintenance CAPEX plan is reviewed and approved by our Singapore Head Office and the Board. The master lease agreements with the operators define the responsibility between the asset owner and the lessee for repairs and maintenance of the nursing home facilities.

OUELH plans to start a group-wide initiative to collect energy consumption data for OUELH entities including corporate offices in Singapore and China and for companies that OUELH owns 50% or more.

Maintenance and improvement work on our assets in 2021 include:

- Maintenance of external façade/brickworks and windows
- Maintenance of heating and water supply system
- Repairs and maintenance of roofs
- Replacement of air filtration system

On 1 March 2022, OUELH completed the divestment of its 12 nursing home facilities in Japan to First REIT. Following the divestment, we will focus on other assets for this section in our subsequent sustainability reports.

3. TALENT MANAGEMENT

We recognise that the competence and commitment of our employees are key factors to our success and in relations to that we adopt robust recruitment and talent development and retention practices. Employee development is facilitated through learning and development opportunities, conducting regular performance review and cultivating an engaged and inclusive working and learning environment.

In this section, we focused on the human resources practices and personnel in our Singapore corporate office, Japan asset management office, and Wuxi Lippo Xi Nan Hospital in China.

Learning, development and performance review

Developing our staff expertise and knowledge not only benefits the individual employee and strengthens his or her commitment to the company, but also allows us to cultivate the skills and competencies that our businesses need among our staff base.

We engage our staff in identifying their learning and development needs and create appropriate training plans to meet their needs during their bi-annual performance meeting with their reporting officers. All permanent staff in Singapore undergo this performance review process, where feedback on the staff's performance is given and training and development plan to help them build on and improve competencies and skills is discussed. Training includes informal learning on the job, coaching and mentoring, cross-functional projects, as well as internal and external training programmes.

SUSTAINABILITY REPORT

All training and sharing sessions in 2021 were conducted either virtually via video or audio-conferencing facilities, or in-person with safe distancing measures in place in accordance with COVID-19 related guidelines and measures.

Staff well-being

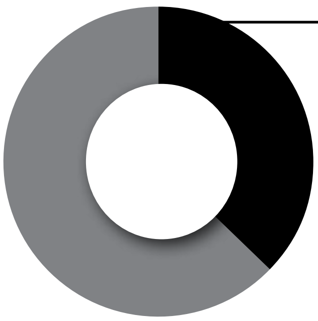
Staff satisfaction is an increasing priority and is often linked to higher employee motivation and lower staff turnover. Various factors contribute to staff satisfaction, from treating employees with respect, recognising achievements, to offering employment benefits and providing activities outside of work. We provide our employees with competitive benefits and organise activities outside of work to enhance staff welfare.

In Singapore, Japan and China, full-time employees are entitled to family care leave, employee group insurance coverage including dental, hospital and surgical, clinical and specialist outpatient treatment, term life, personal accident as well as education support.

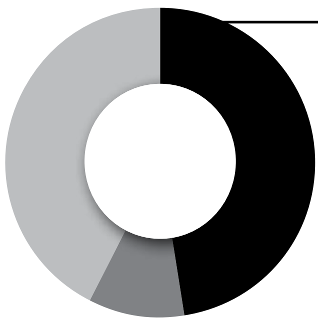
Furthermore, we have also engaged our staff in Singapore with regular virtual bonding activities while working for home to build and maintain the staff's camaraderie.

As of 31 December 2021, our total headcount for Singapore, Japan and China stands at 94. The tables below show the employee profile in 2021.

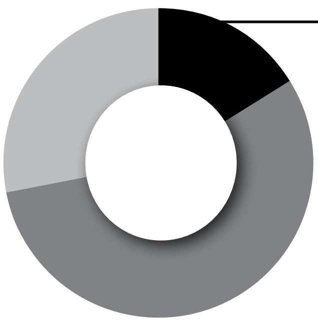
Total number of employees



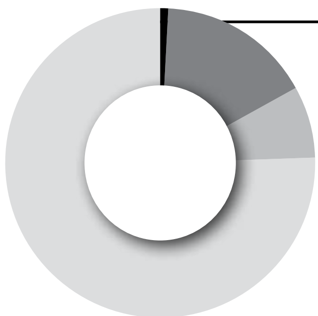
BY GENDER	
Male	35
Female	59



BY LOCATION	
Singapore	19
Japan	4
China	71



BY AGE	
< 30 years old	15
30 – 50 years old	52
> 50 years old	26



BY EMPLOYEE CATEGORY	
Senior Management	1
Managers	15
Executives	7
Non-Executives*	71

* Non-executive staff refers to local operation staff in China

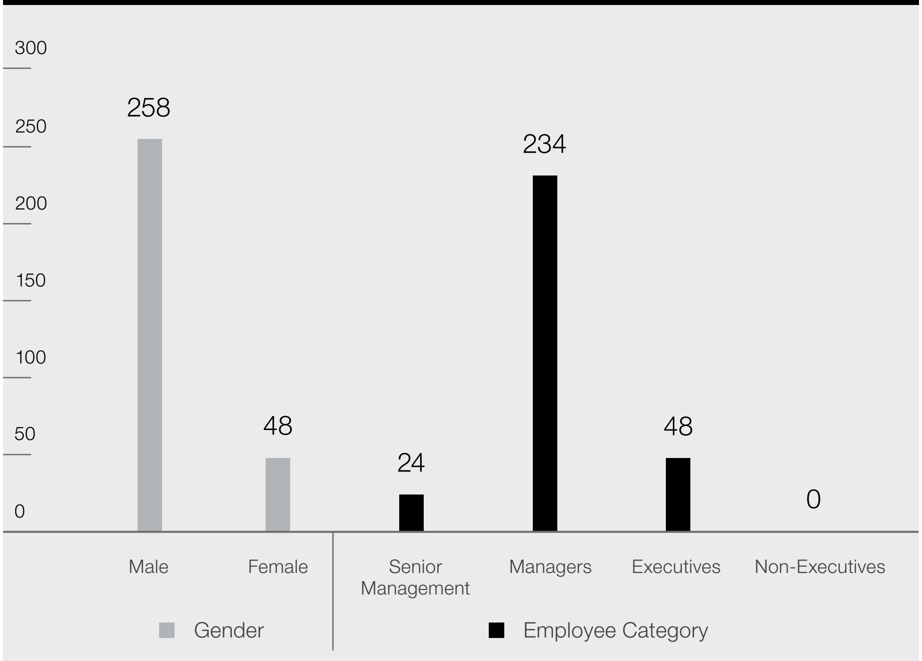
Parental leave

	Male	Female
Total number of employees that were entitled to parental leave	0	2
Total number of employees that took parental leave	0	2
Total number of employees that returned to work in the reporting period after parental leave ended	0	2
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0	2

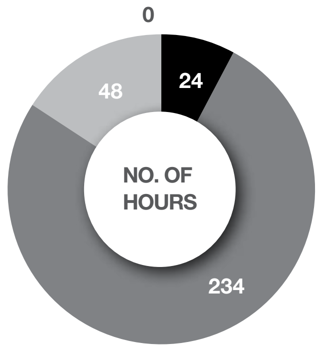
Training hours

The average training hours per employee is 3.26 hours.

Training Hours by Gender and Employee Category



By Employee Category



Senior Management	24
Managers	234
Executives	48
Non-Executives*	0

* Non-executive staff refers to local operation staff in China

Our 2021 Performance	2022 target
We met the target set for 2021 with 100% performance appraisals for all our staff. The Group's secondment programme was halted due to COVID-19.	We aim to conduct 100% performance appraisals for all our staff.

4. HEALTH AND SAFETY

OUELH is committed to ensuring the health and safety standards for all our employees which is translated into no work-related injuries and work-related ill health in FY2021.

In this section, we will focus on Wuxi Lippo Xi Nan hospital in China.

The tables below show the work-related injuries for the employees in FY2021.

Number of incidents of work-related injury by employees

	Number of incidents	Rate
Fatalities as a result of work-related injury	0	Not applicable
High-consequence work-related injury	0	Not applicable
Recordable work-related injuries	0	Not applicable

SUSTAINABILITY REPORT

Number of incidents of workers who are not employees but whose work and/or workplace is controlled by OUELH

	Number of incidents	Rate
Fatalities as a result of work-related injury	0	N.A.
High-consequence work-related injury	0	N.A.
Recordable work-related injuries	0	N.A.

The tables below show the work-related ill health for both categories of employees FY2021.

Number of incidents of work-related ill health by employees

	Number of incidents	Rate
Fatalities as a result of work-related injury	0	N.A.
Recordable work-related injuries	0	N.A.

Number of incidents of workers who are not employees but whose work and/or workplace is controlled by OUELH

	Number of incidents	Rate
Fatalities as a result of work-related injury	0	N.A.
Recordable work-related injuries	0	N.A.

The table below shows the number of incidents of non-compliance with regulations in FY2021.

Number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services

	Number of incidents
Incidents of non-compliance with regulations resulting in a fine or penalty	0
Incidents of non-compliance with regulations resulting in a warning	0
Incidents of non-compliance with voluntary codes	0

2022 target
We aim to have zero work-related injury and ill health recorded. We aim to have zero incidents of non-compliance with regulations concerning health and safety.

5. LOCAL COMMUNITIES

Caring for the community is important to OUELH and we contribute to the well-being of the society by providing health services and educating them on health issues.

In this section, we will focus on Wuxi Lippo Xi Nan hospital in China.

In FY2021, Wuxi Lippo Xi Nan Hospital has recorded a total of 28 community service events and activities, reaching more than 800 beneficiaries.

These services include:

- Community medical services and health education
- Health lectures: senile diseases
- Carry out the health needs of the elderly and the disabled in the community and provide regular door-to-door services

In 2021, 100% of Wuxi Lippo Xi Nan Hospital's community service events and activities relate to local community development programs based on local communities' needs.

2022 target
We aim to maintain more than 20 events of community service work.

6. CORPORATE GOVERNANCE AND COMPLIANCE

Business conduct and ethics include complying with the various laws and regulations that we are subject to, with particular attention on anti-corruption. We recognise that by not acting with utmost integrity and violating higher risk areas of corporate governance, we will not be able to maintain the trust of our stakeholders.

We have a Code of Business Conduct and Ethics, which sets out the expectations of employees and members of the Board in relation to issues such as fraud, bribery, segregation of duties and anti-competitive conduct. This is made available to employees upon commencement of employment, when they are required to sign a certificate of compliance to indicate their willingness to adhere to the Code of Business Conduct and Ethics. Throughout their employment, they can access the Code of Business Conduct and Ethics through secured internal portals.

Employees can report any suspicious activities or notable concerns through our whistle-blowing channels. The whistleblowing policy (further details of which are set out in page 75 of this Annual Report) sets out how they can do this anonymously and protects them from any retaliation or harassment of any kind. All complaints or concerns received are investigated by the Group Ethical Officer and the Chairman of the Audit and Risk Committee. A copy of the whistleblowing policy can be accessed by employees through secured internal portals and details on the dedicated channels of communication (email and postal address) have also been made available on the Company's website.

OUELH also have an internal policy which sets out general principles to guide the Directors in instances of actual or potential conflicts of interest. The policy serves to (i) emphasise OUELH's commitment to ethics and compliance with the law, (ii) foster a culture of honesty and accountability, (iii) highlight areas of ethical risk to the Board and each of its Directors, and (iv) provide guidance to the Directors to help them recognise and handle conflict situations.

Furthermore, we take the Personal Data Protection Act 2012 seriously to ensure the protection of our stakeholders' data. We have adopted several policies to enhance our personal data protection practice and ensure stakeholders' interests are looked after.

The table below shows the confirmed incidents of corruption and actions taken in FY2021.

Confirmed incidents of corruption and actions taken

Confirmed incidents of corruption and actions taken	Number of incidents
Confirmed incidents of corruption	0
Confirmed incidents in which employees were dismissed or disciplined for corruption	0
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such case	0

SUSTAINABILITY REPORT

The table below shows the non-compliance with environmental laws and regulations in 2021.

Non-compliance with environmental laws and regulations

	Number of incidents
Total monetary value of significant fines for non-compliance	0
Total number of non-monetary sanctions for non-compliance	0
Total number of cases brought through dispute resolution mechanisms for non-compliance	0

The table below shows the non-compliance with laws and/or regulations in the social and economic area in 2021.

Non-compliance with laws and/or regulations in the social and economic area

	Number of incidents
Total monetary value of significant fines for non-compliance	0
Total number of non-monetary sanctions for non-compliance	0
Total number of cases brought through dispute resolution mechanisms for non-compliance	0

Our 2021 Performance	2022 target
There are no confirmed cases of corruption in reporting year. There are no cases of non-compliance with environmental laws resulting in significant fine and non-monetary sanctions. There are no cases of non-compliance in social and economic area resulting in significant fine and non-monetary sanctions.	We aim to have no confirmed incidents of non-compliance resulting in a fine or penalty. We aim to have no cases of non-compliance with environmental laws resulting in significant fine and non-monetary sanctions. We aim to have no cases of non-compliance in social and economic area resulting in significant fine and non-monetary sanctions.

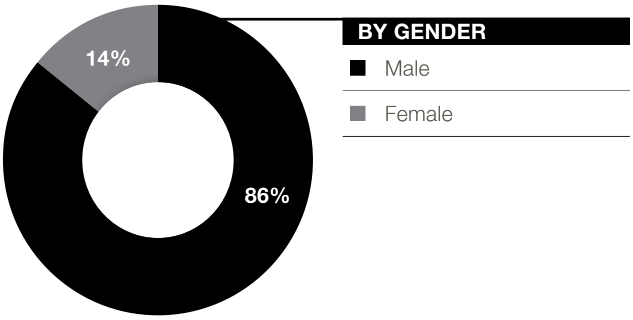
7. DIVERSITY AND NON-DISCRIMINATION

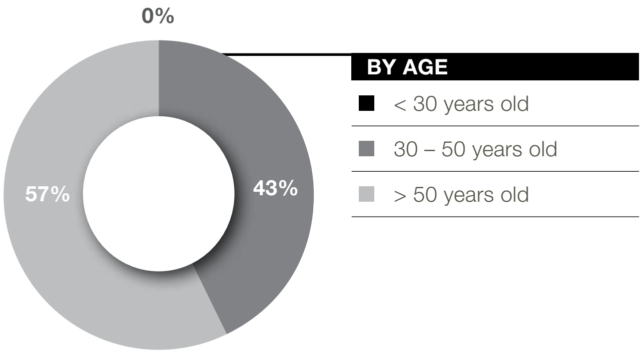
Fair employment

We are committed to employing qualified candidates without any discrimination relating to age, gender, race, marital status or religion. We recruit and select employees based on their qualifications, competencies, attributes, experience and assessed potential to contribute to the business.

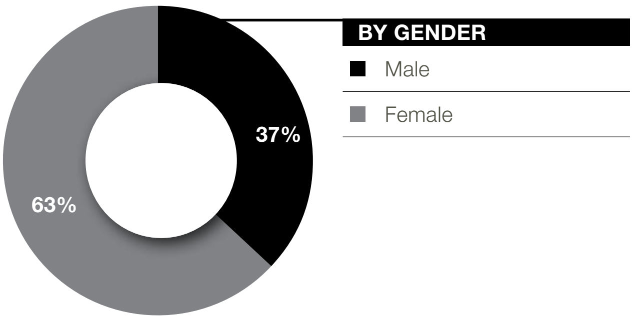
The table below comprises staff data in our Singapore corporate office, Japan asset management office and Wuxi Lippo Xi Nan Hospital in China for 2021.

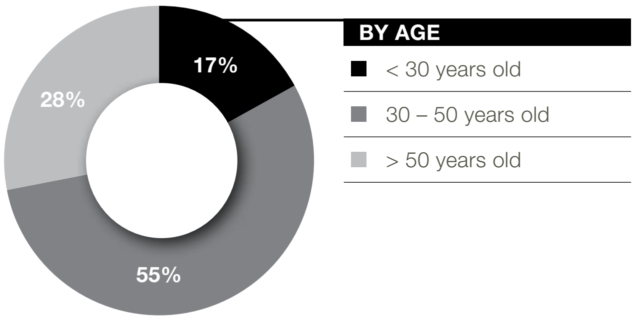
Diversity within Board of Directors

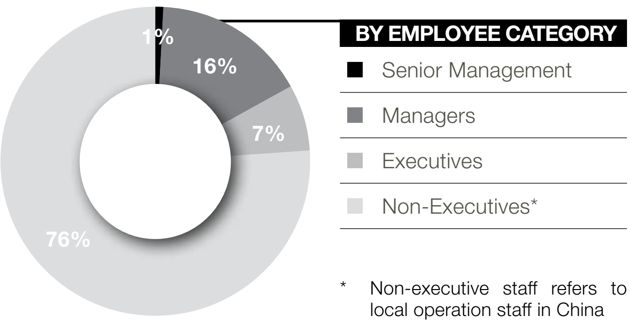




Diversity within OUELH's employees



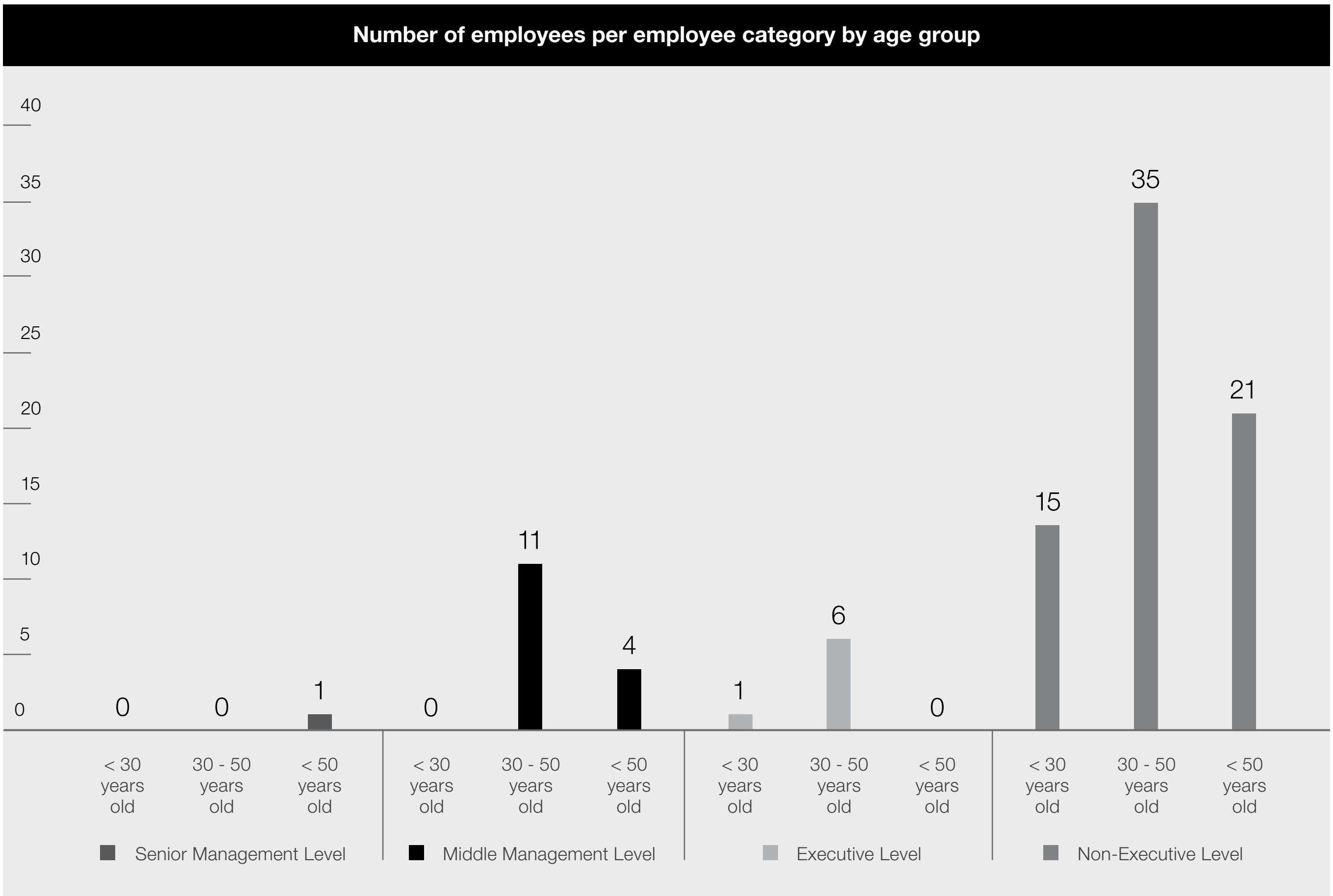


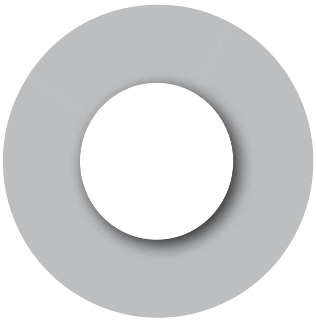


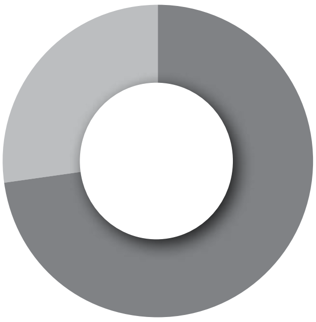
* Non-executive staff refers to local operation staff in China

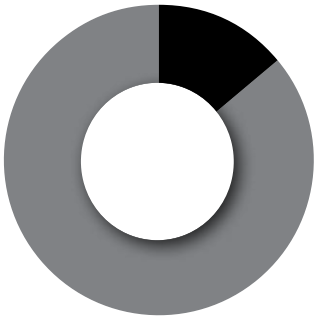
SUSTAINABILITY REPORT

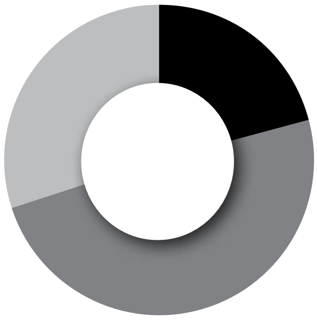
By employee category and age group











Senior Management	
< 30 years old	0%
30 - 50 years old	0%
> 50 years old	100%

Managers	
< 30 years old	0%
30 - 50 years old	73%
> 50 years old	27%

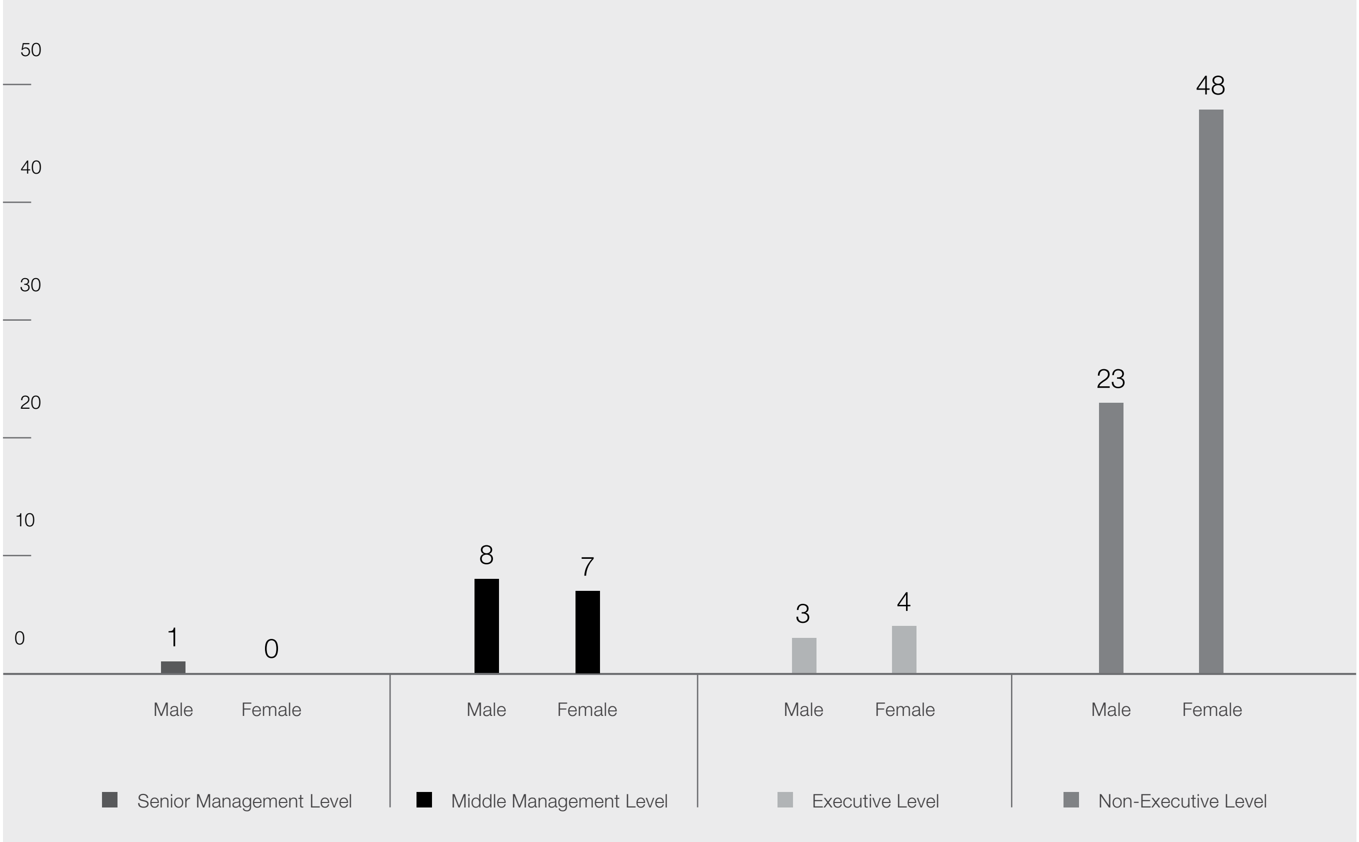
Executives	
< 30 years old	14%
30 - 50 years old	86%
> 50 years old	0%

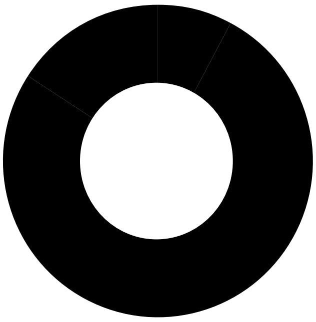
Non-Executives*	
< 30 years old	21%
30 - 50 years old	49%
> 50 years old	30%

* Non-executive staff refers to local operation staff in China

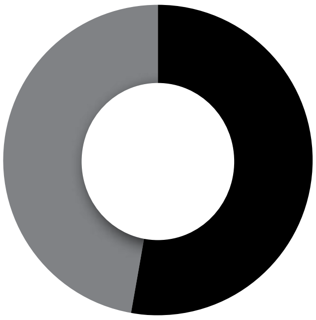
By employee category and gender

Number of employees per employee category by gender

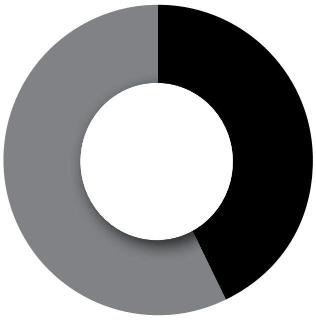




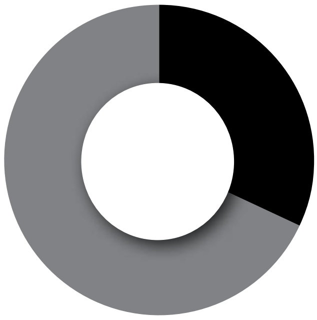
Senior Management	
Male	100%
Female	0%



Managers	
Male	53%
Female	47%



Executives	
Male	43%
Female	57%



Non-Executives*	
Male	32%
Female	68%

* Non-executive staff refers to local operation staff in China

SUSTAINABILITY REPORT

The table below shows the incidents of discrimination and corrective actions taken in 2021.

Incidents of discrimination and corrective actions taken

	Number of incidents
Total number of incidents of discrimination	0

2022 target
We aim to have no incidents of discrimination.

8. CUSTOMER PRIVACY

Ensuring customer privacy is important as OUELH holds confidential information of customers, such as their health data. Providing customers with a peace of mind and assurance that their data is well protected is important for patients to trust OUELH.

The table below shows the substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2021.

Substantiated complaints concerning breaches of customer privacy and losses of customer data

Confirmed incidents of corruption and actions taken	Number of incidents
Complaints received from outside parties and substantiated by the organization	0
Complaints from regulatory bodies	0
Total number of identified leaks, thefts, or losses of customer data	0
Any other major incidents to be disclosed	0

2022 target
We aim to have no incidents of substantiated complaints.

GRI Standards Content Index

GRI Standard	Disclosure Title	Section/Page Reference
GRI 101: Foundation 2016 (GRI 101 does not contain any disclosures)		
GRI 102: General Disclosures 2016		
Organisational Profile		
102-1	Name of the organisation	OUE Lippo Healthcare Limited ("OUELH")
102-2	Activities, brands, products, and services	About OUE Lippo Healthcare Limited, inside front cover
102-3	Location of headquarters	6 Shenton Way, #10-09A OUE Downtown 2, Singapore 068809
102-4	Location of operations	Sustainability Report, About This Report, page 42-43
102-5	Ownership and legal form	Sustainability Report, About This Report, page 42-43
102-6	Markets served	Our Network, page 22-23
102-7	Scale of the organisation	Sustainability Report, About This Report, page 42-43
102-8	Information on employees and other workers	Sustainability Report, About This Report, page 42-43 Sustainability Report, Talent Management, page 46
102-9	Supply chain	Sustainability Report, Who We Are, page 41
102-10	Significant changes to the organisation and its supply chain	There are no significant changes to the organisation and its supply chain in FY2021.
102-11	Precautionary Principle or approach	OUELH does not apply the Precautionary Principle or approach. OUELH will be disclosing on the steps taken to manage energy consumption in FY2022.
102-12	External initiatives	Sustainability Report, About This Report, page 41 The Manager is a signatory to the Tripartite Alliance for Fair Employment Practices.
102-13	Membership of associations	N/A
Strategy		
102-14	Statement from senior decision-maker	Sustainability Report, Board Statement, page 41
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Annual Report, page 05-09
Governance		
102-18	Governance structure	Sustainability Report, Who We Are, page 41
Stakeholder Engagement		
102-40	List of stakeholder groups	Sustainability Report, Stakeholder Engagement, page 43
102-41	Collective bargaining agreements	N/A
102-42	Identifying and selecting stakeholders	Sustainability Report, Stakeholder Engagement, page 43
102-43	Approach to stakeholder engagement	Sustainability Report, Stakeholder Engagement, page 43
102-44	Key topics and concerns raised	Sustainability Report, Stakeholder Engagement, page 43

SUSTAINABILITY REPORT

GRI Standard	Disclosure Title	Section/Page Reference
Stakeholder Engagement		
102-40	List of stakeholder groups	Sustainability Report, Stakeholder Engagement, page 43
102-41	Collective bargaining agreements	N/A
102-42	Identifying and selecting stakeholders	Sustainability Report, Stakeholder Engagement, page 43
102-43	Approach to stakeholder engagement	Sustainability Report, Stakeholder Engagement, page 43
102-44	Key topics and concerns raised	Sustainability Report, Stakeholder Engagement, page 43
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Sustainability Report, About This Report, page 42
102-46	Defining report content and topic Boundaries	Sustainability Report, About This Report, page 42 Sustainability Report, Materiality Assessment, page 43-44
102-47	List of material topics	Sustainability Report, Materiality Assessment, pages 43-44
102-48	Restatements of information	There has been no restatement of figures or information disclosed in our previous report.
102-49	Changes in reporting	Sustainability Report, About This Report, pages 42
102-50	Reporting period	1st January 2021 to 31st December 2021
102-51	Date of most recent report	The Annual Report/ Sustainability Report 2020 was published on 31st March 2021.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	info@ouelh.com
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report, About This Report, page 42
102-55	GRI content index	GRI Standards Content Index
102-56	External assurance	We have not sought external assurance for this reporting period and will consider it in the future.
102-18	Governance structure	Sustainability Report, Sustainability Governance, page 42
Material Factors		
Economic performance		
103-1	Explanation of the material topic and its Boundary	Sustainability Report, Economic Performance, page 45
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
201-1	Direct economic value generated and distributed	

GRI Standard	Disclosure Title	Section/Page Reference
Talent management		
103-1	Explanation of the material topic and its Boundary	Sustainability Report, Talent Management, page 45
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
401-1	New employee hires and employee turnover	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3	Parental leave	
404-1	Average hours of training per year per employee	
404-3	Percentage of employees receiving regular performance and career development reviews	
Health and safety		
103-1	Explanation of the material topic and its Boundary	Sustainability Report, Health and safety, page 47
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
403-9	Work-related injuries	
403-10	Work-related ill health	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
Local communities		
103-1	Explanation of the material topic and its Boundary	Sustainability Report, Local Communities, page 49
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
413-1	Operations with local community engagement, impact assessments, and development programs	

SUSTAINABILITY REPORT

GRI Standard	Disclosure Title	Section/Page Reference
Corporate governance and compliance		
103-1	Explanation of the material topic and its Boundary	Sustainability Report, Corporate Governance and compliance, page 49
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
205-3	Confirmed incidents of corruption and actions taken	
307-1	Non-compliance with environmental laws and regulations	
419-1	Non-compliance with laws and/or regulations in the social and economic area	
Diversity and non-discrimination		
103-1	Explanation of the material topic and its Boundary	Sustainability Report, Diversity and non-discrimination, page 51
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
405-1	Diversity of governance bodies and employees	
406-1	Incidents of discrimination and corrective actions taken	
Customer privacy		
103-1	Explanation of the material topic and its Boundary	Sustainability Report, Customer privacy, page 54
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
Additional Factors		
Active ownership of assets and resources		
Non-GRI	Active ownership of assets and resources	Sustainability Report, Active ownership of assets and resources, page 45

GOVERNANCE, FINANCIAL STATEMENTS & OTHER INFORMATION

CONTENTS

CORPORATE GOVERNANCE REPORT

The board of directors (the **"Board"** or the **"Directors"**) of OUE Lippo Healthcare Limited (the **"Company"**, and together with its subsidiaries, the **"Group"**) is committed to uphold high standards of corporate governance and business integrity in all its business activities, which is essential for long-term sustainability and the enhancement of shareholder value.

As part of the Company's continued commitment towards excellence in corporate governance, the Company has, in 2021, participated in the Singapore Corporate Governance Week organised by the Securities Investors Association Singapore (**"SIAS"**). In tandem with the Singapore Corporate Governance Week, the Chief Executive Officer of the Company has issued the following public statement of support in relation to corporate governance:

"We are firm believers and advocates of supporting and promoting the tenets of good governance, which include accountability, transparency, fairness and timeliness. Good corporate governance builds trust not only with stakeholders, but also with the community at large and reinforces the company's standing and credibility over the longer term."

This corporate governance report (**"Report"**) describes the Company's corporate governance practices during the financial year ended 31 December (**"FY"**) 2021, with specific reference to the principles of the Singapore Code of Corporate Governance 2018 (the **"Code"**) issued by the Monetary Authority of Singapore (the **"MAS"**).

The Company is pleased to report that it has complied in all material aspects with the principles and provisions as set out in the Code. To the extent that there are any deviations from the provisions of the Code, the Company has provided explanations for such deviations and the details of the alternative practices adopted by the Company which are consistent with the intent of the relevant principles of the Code.

Outlined below are the policies, processes and practices adopted by the Group in compliance with the principles and spirit of the Code.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Primary Functions of the Board

The Company is headed by an effective Board comprising a majority of Non-Executive Directors to lead and control the Company. The Board is supported by two board committees, namely the Audit and Risk Committee (**"ARC"**) and the Nominating and Remuneration Committee (**"NRC"** and together with the ARC, the **"Board Committees"**).

The principal roles and responsibilities of the Board include:

– providing entrepreneurial leadership, setting strategic objectives and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;

– establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including the safeguarding of shareholders' interests and the Group's assets;

– reviewing the performance of the management of the Company (**"Management"**);

– identifying key stakeholder groups and recognising that their perceptions affect the Company's reputation;

– setting the Company's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; and

– considering sustainability issues (including environmental and social factors) as part of the Company's overall strategy.

Directors' Objective Discharge of Duties and Declaration of Interests (Provision 1.1 of the Code)

The Board recognises that Directors are fiduciaries who should act objectively in the best interests of the Company and hold the Management accountable for performance. As such, any Director who has, or appears to have, a direct or deemed interest that may conflict with a subject matter under discussion by the Board will declare his interest and, where necessary, recuse himself from the information flow and discussion of the subject matter. He will abstain from any decision-making on the subject matter.

The Company has in place a written policy which sets out general principles to guide the Directors in instances of actual or potential conflicts of interest. The policy serves to (i) emphasise the Company's commitment to ethics and compliance with the law, (ii) foster a culture of honesty and accountability, (iii) highlight areas of ethical risk to the Board and each of its Directors, and (iv) provide guidance to the Directors to help them recognise and handle conflict situations.

Code of Business Conduct and Ethics (Provision 1.1 of the Code)

Separately, the Company has in place a code of business conduct and ethics (**"Code of Business Conduct and Ethics"**) which its Directors and the Group's employees are required to observe. The Code of Business Conduct and Ethics embodies the Group's commitment to conduct its businesses in accordance with all applicable laws, rules and regulations and the highest ethical standards and provides a communicable and understandable framework for all Directors and the Group's employees to observe the principles of honesty, integrity, responsibility and accountability at all levels of the organisation and in their relationships with customers, suppliers and amongst employees, including situations where there are potential conflict of interests. The Code of Business Conduct and Ethics also stipulates the procedures for employees of the Group to report incidents of existing or potential violation of the Code of Business Conduct and Ethics and provides protection for staff who made such disclosures.

All Directors and employees of the Group are required to read and acknowledge the Code of Business Conduct and Ethics upon the commencement of his or her appointment or employment. Subsequent revision or amendments to the Code of Business Conduct and Ethics would need to be approved by the Board and would be disseminated to the Directors and Group's employees for their attention.

Board Orientation and Training (Provision 1.2 of the Code)

The NRC makes recommendations to the Board on relevant matters relating to the review of training and professional development programmes for the Board.

Newly appointed Directors will undergo an orientation session conducted by the Management to familiarise themselves with the business, operations and financial performance of the Group. Newly appointed Directors will also be briefed on the Company's governance practices, including directors' duties, board processes, policies on disclosure of interest in securities, prohibition on dealings in the Company's securities and restrictions on disclosure of price-sensitive and trade sensitive information. The new Director will also have access to a secured online resource centre containing information and documents relating to the Company including its constitutional documents, the terms of reference of each Board Committee, its relevant policies and procedures, as well as a Board and Board Committee meeting calendar for the year and minutes and meeting packs of all Board and Board Committee meetings in the past two (2) years. For a better understanding of the Group's business, the Directors are also given the opportunity to visit the operational facilities of the Group. Ms Usha Ranee Chandradas who was appointed to the Board on 15 November 2021 had completed the orientation session within one week from her date of appointment.

In addition, as required under the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) Listing Manual Section B: Rules of Catalist (**"Catalist Rules"**), a Director who has no prior experience as a director of a company listed on the SGX-ST must, in addition to the induction described above, undergo training as prescribed by the SGX-ST within one year from the date of his appointment to the Board, which includes attending certain specific modules of the Listed Entity Director (**"LED"**) Programme conducted by the Singapore Institute of Directors (**"SID"**) in order to acquire relevant knowledge of what is expected of a director of a listed company. Completion of the LED Programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, seeks to provide first time Directors with a broad understanding of the roles and responsibilities of a director of a listed company and the requirements under the Companies Act 1967 of Singapore (**"Companies Act"**), the Catalist Rules and the Code. Ms Usha Ranee Chandradas is not required to complete the LED Programme above as she has prior experience as a director of a company listed on the SGX-ST.

The Company arranges for the Board to be updated regularly on risk management, corporate governance, insider trading, and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable the Directors to keep pace with the new laws, regulations and changing commercial risks and to discharge their duties effectively as members of the Board and where applicable, Board Committees. The Board is also provided with regular updates on the Group's action plans in respect of the countries the Group operates in (including Japan, Myanmar and the People's Republic of China) as and when there are material developments, such as a surge in the cases of the Coronavirus Disease 2019 (**"COVID-19"**) or political instability, with the objective of complying with the relevant laws and regulations (including any COVID-19-related regulations), and protecting employees, residents and patients of the Group's medical facilities while ensuring minimal business disruption.

CORPORATE GOVERNANCE REPORT

The Company encourages its Directors to attend training courses organised by the SID or other training institutions in connection with their duties. The Directors are also given unrestricted access to professionals for consultation as and when they deem necessary.

The Chief Executive Officer (**"CEO"**) routinely updates the Board at relevant Board meetings on business and strategic developments relating to the industry that the Group operates in. The Directors are at liberty to request for further explanations, briefings or informal discussions on any aspect of the Company's operations or business issues from the Management.

In 2021, a group in-house training conducted by invited external speakers, which included the following topics has been arranged and attended by the Directors of the Company:

1. ABCs of Environmental, Social and Governance (**"ESG"**): What Organisations Need to Know about ESG?
2. Sustainable Finance
3. Geopolitical Political Update

Board Approval (Provision 1.3 of the Code)

The Company has adopted internal guidelines and a framework of delegated authorisation, as set out in its Limits of Authority (**"LOA"**). The LOA sets out the procedures and levels of authorisation required for specified transactions such as the approval limits for operating and capital expenditure.

The LOA also stipulates a list of matters specifically reserved for the Board's approval, including approval of annual business plans, operating budgets, statutory accounts, declaration of interim and final dividends, material transactions (namely, major acquisitions and disposals), joint ventures, strategic alliances, investment proposals, establishment of banking facilities and all actions related to changes in capital of the Company. Any amendments to the LOA proposed by the Management are to be approved by the Board.

Delegation by the Board (Provision 1.4 of the Code)

Each Board Committee is governed by clear terms of reference setting out its respective duties and authority, all of which have been approved by the Board. Each Board Committee reports key matters to the Board at Board meetings. All important decisions in relation to the Company are still made by the Board. Please refer to the sections on Principles 4, 5, 6, 7 and 10 in this report for further information on the activities of the NRC and ARC.

In addition, the Company has also constituted a Healthcare Operations Council comprising healthcare management professionals to provide guidance to the Company and Board on matters relating to the Group's medical operations and clinical management.

Directors' Attendance for Board and Board Committee Meetings (Provision 1.5 of the Code)

The Board conducts scheduled meetings on a quarterly basis and ad-hoc meetings are convened as and when the need arises. The Board met nine (9) times in 2021, which were held either by way of teleconference or video conference, or in the form of a hybrid meeting with physical attendance and teleconference or video conference.

The Company's constitution (the **"Constitution"**) and/or the written terms of reference of the Board Committees (as the case may be) allows for Board and Board Committee meetings to be held by means of teleconference or video conference by which all Directors participating in the meetings are able to hear and be heard by or to communicate with each other. In respect of significant matters passed via circular resolutions, Directors may raise questions and seek clarification through discussion forums with the Management. All Directors (including Directors with other board representations) ensure that they are able to give sufficient time and attention to the affairs of the Company.

The report on Directors' attendance for Board and Board Committee meetings as well as general meetings (including Annual General Meeting) held in 2021 is set out below:

	Number of meetings attended in 2021			
Name of Director	**Board**	**ARC**	**NRC**	**General Meetings**
Mr. Lee Yi Shyan	9	–	1	2
Mr. Yet Kum Meng	9	–	–	2
Mr. Tadahiro Kiyosu [(1)]	9	–	1	2
Mr. Roger Tan Chade Phang	9	6	1	2
Mr. Eric Sho Kian Hin	9	6	1	2
Mr. Jackson Tay Eng Kiat	9	6	1	2
Mr. Johji Sato [(2)]	7	6	–	2
Ms. Usha Ranee Chandradas [(3)]	2	–	–	–
Number of meetings held in 2021	9	6	1	2

Notes:

(1) Mr Tadahiro Kiyosu resigned from the Board on 1 April 2022.
(2) Mr. Johji Sato resigned from the Board with effect from 30 October 2021.
(3) Ms. Usha Ranee Chandradas was appointed to the Board and the ARC with effect from 15 November 2021. Between 15 November 2021 and 31 December 2021, two (2) Board meetings were held and no ARC meeting was held.

Complete, Adequate and Timely Information (Provision 1.6 of the Code)

In order to ensure that the Board is able to discharge its responsibilities and make informed decisions, the Management endeavours to provide the Board with complete, adequate and timely information prior to Board meetings and on an ongoing basis. Such information includes Board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and summaries of disclosure documents, budgets, forecasts and periodic financial statements. The Management is also required to furnish any additional information when requested by the Board and/or when the need arises. In line with the Company's sustainability efforts and efforts for technological advancement, the Directors access and read Board and Board Committees papers using electronic devices to reduce paper waste.

The Company Secretary and/or his representatives attend all Board meetings. Together with the Management, the Company Secretary is responsible for ensuring that appropriate Board procedures are followed and that the requirements of the Companies Act, the Catalist Rules and the Code are complied with.

Access to Management, Company Secretary and Independent Professional Advice (Provision 1.7 of the Code)

The Directors are also provided with the contact details of the Management and the Company Secretary to facilitate separate and independent access. The Directors, whether as a group or individually, also have the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to properly and adequately discharge each of his duties and responsibilities as a Director of the Company.

The appointment and removal of the Company Secretary is a matter for the Board to decide on as a whole. Mr. Victor Chong Tun Foo was appointed as Company Secretary in place of Ms. Yeoh Kar Choo Sharon with effect from 6 December 2021.

CORPORATE GOVERNANCE REPORT

Principle 2: Board Composition and Guidance

Board Independence (Provisions 2.1, 2.2 and 2.3 of the Code)

As at 31 December 2021, the Board has seven (7) Directors, comprising six (6) Non-Executive Directors. As the majority of the Board comprised Non-Executive Directors, the provision in the Code that Non-Executive Directors shall make up a majority of the Board is satisfied.

The Company is satisfied that it has a strong and independent element on the Board. The independence of each of the Directors has been assessed by the Board (after taking into account the NRC's views) in accordance with the requirements under Rule 406(3)(d) of the Catalist Rules, the Code and the accompanying Practice Guidance. Under the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship, including any material business or financial connection, with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company.

In reviewing the independence of a director, the NRC takes into consideration in particular, the Director's objective participation on the Board meetings and whether he has any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere or be reasonably perceived to interfere with his independent judgement. Of the six (6) Non-Executive Directors, the NRC considers Messrs Roger Tan Chade Phang, Eric Sho Kian Hin, Jackson Tay Eng Kiat and Usha Ranee Chandradas to be independent. As the majority of the Board comprised Independent Directors, the provision of the Code that Independent Directors shall make up a majority of the Board where the Chairman is not an Independent Director is satisfied.

There is no Independent Director who has served more than nine years since the date of his first appointment.

Board Composition, Size and Diversity (Provision 2.4 of the Code)

As of 31 December 2021, the Board comprised the following Directors:

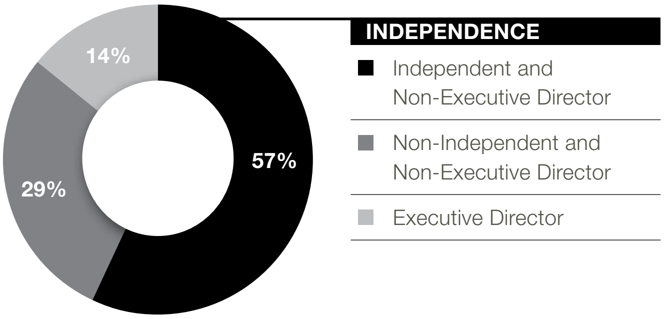
Mr. Lee Yi Shyan	Non-Independent and Non-Executive Chairman (**"Chairman"**)
Mr. Yet Kum Meng	Chief Executive Officer and Executive Director
Mr. Tadahiro Kiyosu	Non-Independent and Non-Executive Director
Mr. Roger Tan Chade Phang	Lead Independent and Non-Executive Director
Mr. Eric Sho Kian Hin	Independent and Non-Executive Director
Mr. Jackson Tay Eng Kiat	Independent and Non-Executive Director
Ms. Usha Ranee Chandradas	Independent and Non-Executive Director

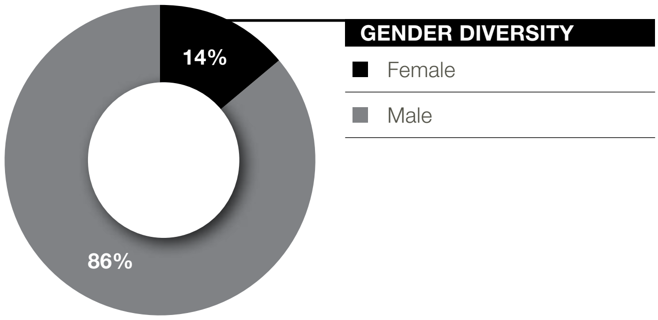
As required under the Code and based on the recommendation of the NRC, the Board has approved the adoption of a board diversity policy (the **"Board Diversity Policy"**) which takes into account relevant measurable objectives such as skills, management experience, gender, age, ethnicity and other relevant factors in the composition of the Board. The Board Diversity Policy sets out various factors, including but not limited to skills, experience, cultural and educational background, gender, age, knowledge, length of service and other qualities of the members of the Board, which will be considered in determining the optimum composition of the Board. All board appointments will be based on merit and contribution, having regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect and with the objective of avoiding groupthink and fostering constructive debate. The NRC monitors the implementation of the Board Diversity Policy and will regularly review objectives for its implementation and monitor progress towards the achievement thereof.

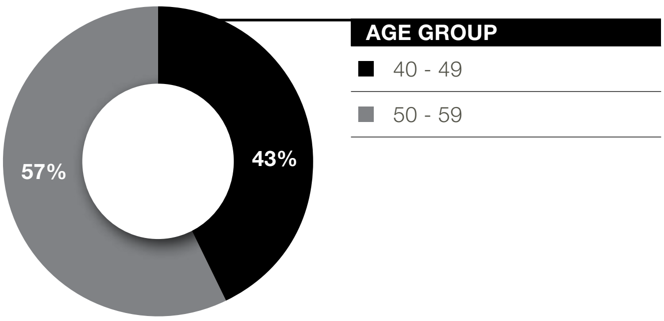
The Board, through the NRC, from time to time and at least on a yearly basis, examines its structure, size and diversity to ensure that the Directors, as a group, provide the appropriate balance and mix of skills, knowledge and experience for effective decision making, taking into account the scope and nature of the operations of the Company, the Board Diversity Policy and the need for succession planning. Based on the particulars and background of each Director, a table consolidating all relevant information of the Directors (such as skills and knowledge supported by their qualifications and experiences, gender and age) is discussed at the NRC meeting and then shared with the entire Board.

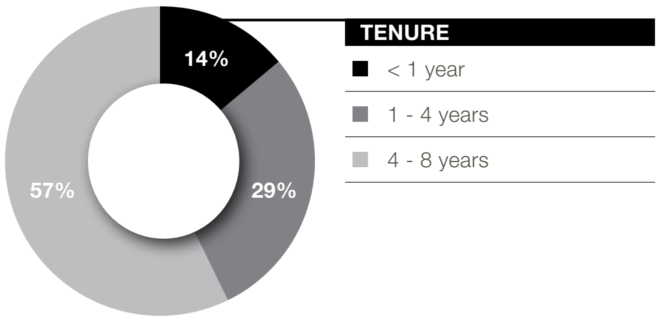
In November 2021, the Board welcomed Ms. Usha Ranee Chandradas as its member and currently the only female member of the Board. The Board comprised Directors with ages ranging from 40s to 59 years old and who have served on the Board for different tenures, with the latest member of the Board, Ms Usha Ranee Chandradas, being an Independent and Non-Executive Director having been appointed in November 2021. Please see below for further details on the board composition and diversity. The “Board Composition, Diversity and Balance Matrix” set out below provides a detailed breakdown of the background and diversity of the Board.

Board Composition, Diversity and Balance Matrix
(as at 31 December 2021)









In order to develop and execute the Company’s three-pronged strategy of establishing strategic partnerships, building up the asset-light business and growing its Pan-Asian presence, as well as to discharge its fiduciary duties of governance, compliance, risk management and others, the Board currently comprises members with a diversity of nationalities, backgrounds and core competencies, including in the areas of strategic planning, business management, corporate management, cross-border experiences, investment and finance professional expertise, overseas working experiences, and international business networking. Please refer to the "Highlights of the Board Skills" set out below for examples of the skills, knowledge and experience of the Board.

The Board is of the view that expertise in medical operation and clinical management should best reside with healthcare professionals on the ground with in-depth local experience and knowledge. Accordingly, separate local management teams have been assembled with appropriate skills, expertise and experiences for its businesses in various locations. Such local management teams are led by healthcare management professionals with decades of healthcare experience in China and Myanmar.

Hence, the NRC is of the view that the current Board and Board Committees comprise persons who, as a group, provide capabilities required for the Board and Board Committees to be effective. The Board concurred with the NRC’s view and is of the opinion that its current composition provides an appropriate balance and diversity of skills, experience, and knowledge of the Company, contributing to improved risk management and more robust decision making for the strategic future of the Company. Through active participation during Board meetings, the Directors constructively and judiciously challenge the proposals and assumptions of Management. Combined with the Management’s (including the Executive Director) extensive knowledge of the business of the Company, the current composition of the Board therefore allows the Company to remain nimble and responsive to business opportunities and to robustly evaluate the strategy and proposals for the Company in light of these business opportunities.

Key information on the Directors’ particulars and background can be found on pages 16 to 20 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Highlights of the Board Skills
Essential Technical Skills & Competencies
Financial
Legal
Governance
Experience-Based Competencies
Audit Experience
Executive Management
International and Pan-Asian Business Experience
Listed Company Environment
Mergers & Acquisitions
Project Management
Healthcare Management
Risk and Compliance
Stakeholder Communication
Strategy and Planning

NEDs' Participation (Provision 2.5 of the Code)

The Non-Executive Directors are scheduled to meet regularly, and as warranted, in the absence of the Management to discuss concerns or matters, such as the effectiveness of Management. The chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

Principle 3: Chairman and Chief Executive Officer

Roles of the Executive Chairman and the Group Chief Executive Officer (Provisions 3.1 and 3.2 of the Code)

The Chairman is Mr. Lee Yi Shyan, who is a Non-Independent and Non-Executive Director. The CEO of the Company is Mr. Yet Kum Meng who is an Executive Director. Mr. Lee Yi Shyan and Mr. Yet Kum Meng are not related to each other.

As required under the Code, the Board has adopted a written terms of reference in respect of the respective roles, duties and/or responsibilities of the Chairman, the CEO, and the Lead Independent Director. The written terms of reference also provide that the Chairman and the CEO should generally be separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. This separation of the roles avoids the concentration of power in one individual and ensures a degree of checks and balances.

The Chairman, in consultation with the Management, sets the agenda for Board meetings and ensures that meetings are held when necessary. As part of the Chairman's responsibilities, he also seeks to ensure that all Board members are provided with complete, adequate and timely information. As stated above, Board papers are sent to the Directors prior to Board meetings, so that Directors are adequately prepared for the meetings.

The Board has delegated the management of the overall business and development of the Group to the CEO. Senior Management (which currently comprises the CEO and the Chief Operating Officer) executes plans which are in line with the strategic decisions and goals set out by the Board, and ensures that the Directors are kept updated and informed of the Group's businesses.

Lead Independent Director (Provision 3.3 of the Code)

The Code recommends that a company should have an Independent Director to be the Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not an Independent Director. In this regard, Mr. Roger Tan Chade Phang was appointed as the Lead Independent and Non-Executive Director of the Company. He is also the channel for shareholders when they have concerns on issues that may not have been satisfactorily resolved or cannot be appropriately dealt with by the Chairman, the CEO, or Management.

Led by the Lead Independent and Non-Executive Director, the Independent Directors meet in the absence of the other Directors as and when circumstances warrant.

Principle 4: Board membership

NRC Composition and Role (Provisions 4.1 and 4.2 of the Code)

As of 31 December 2021, the NRC comprised Messrs Roger Tan Chade Phang (who is the Lead Independent Director), Lee Yi Shyan, Tadahiro Kiyosu, Eric Sho Kian Hin and Jackson Tay Eng Kiat. More than half of the members of the NRC, including the chairman of NRC, Mr. Roger Tan Chade Phang, are independent. The NRC has written terms of reference that describe the responsibilities of its members. The NRC met once in 2021.

The principal functions of the NRC, in addition to reviewing and recommending to the Board a framework of remuneration for the Directors and executive officers, are as follows:

– to review and recommend the appointment or re-appointment of the Directors having regard to each Director's contribution and performance;

- to evaluate the performance of the Directors and the Board as a whole and the Board Committees;
- to review and be mindful of the independence of the Directors;
- to review and make recommendations to the Board on the process and criteria for evaluation of the performance of the Board, its Board committees and Directors;
- to make recommendations to the Board on relevant matters relating to the review of training and professional development programmes for the Board; and
- to review the succession plan for Directors, the Chairman, the CEO and/or the key management personnel (**"KMP"**).

For the financial year under review, the NRC reviewed all cessation (including retirement) and appointment of Directors and KMP by the Board during the year and nomination of Directors seeking re-appointment at the last Annual General Meeting (**"AGM"**) of the Company. As part of its annual assessment, the NRC also reviewed the composition of the Board, the performance of the Board, Board Committees and individual Directors, multiple board representations and independence of each Director.

Selection, Appointment and Re-appointment Process (Provisions 4.3 of the Code)

The selection and nomination process for suitable candidates to the Board is as follows:

(i) in carrying out its review, the NRC takes into account that the Board composition should reflect balance in matters such as skill representation, tenure, experience, age spread and diversity as set out in the Board Diversity Policy;

(ii) the NRC identifies suitable candidates for appointment to the Board, having regard to the skills required and the skills represented on the Board;

(iii) external consultants may be used from time to time to access a wide base of potential non-executive directors;

(iv) those considered are assessed against a range of criteria including the nominee's track record, background, experience, professional skills, financial literacy, core competencies and personal qualities;

(v) the NRC and the Board also consider whether a candidate's skills and experience will complement the existing Board and whether the candidate has sufficient time available to commit to his responsibility as a director; and

(vi) the NRC makes recommendations to the Board on candidates it considers appropriate for appointment.

In the search and selection process adopted by the NRC, the NRC may tap on its network of contacts and/or engage professional head-hunters to assist with identifying and shortlisting candidates.

With regard to the re-appointment of existing Directors each year, the NRC makes recommendations to the Board as to whether the Board should support the re-appointment of a Director who is retiring. In making recommendations, the NRC evaluates the retiring Director's performance and contributions to the Board, taking into account factors such as attendance, preparedness and participation at meetings and trainings and the Director's annual declaration of independence. However, the replacement of a Director does not necessarily reflect the Director's performance or contributions to the Board, as the NRC may have to consider the need to re-align the composition of the Board in line with the evolving needs of the Company.

All Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Under Regulation 115 of the Constitution, any person appointed to the Board by the Directors shall hold office only until the next AGM of the Company, and shall then be eligible for re-appointment, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Ms. Usha Ranee Chandradas, who was appointed to the Board on 15 November 2021, Mr. Brian Riady, who was appointed to the Board on 28 March 2022, and Mr. Tetsuya Fujimoto, who was appointed to the Board on 1 April 2022, will retire and seek re-appointment at the forthcoming AGM. Under Regulation 111 of the Constitution, at least one third (1/3) of the Board is to retire by rotation and subject themselves to re-appointment by shareholders at every AGM. Accordingly, the NRC has determined that Mr. Lee Yi Shyan and Mr. Eric Sho Kian Hin will retire at the forthcoming AGM. They will subject themselves to re-appointment by shareholders at the forthcoming AGM.

Each Director abstains from making any recommendation and from voting on any resolution in respect of the assessment of his own performance or re-appointment as a Director.

The Board does not appoint alternate directors.

Periodic Review of Independence of Independent Directors (Provision 4.4 of the Code)

Each Independent Director submits an annual declaration regarding his independence. Based on the annual declarations, which includes disclosures of the Independent Director's relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect his independence, the NRC is satisfied that there is no relationship as set forth in the Catalist Rules and the Code (including the accompanying Practice Guidance) which could affect the independence of each of the existing Independent Directors. Each Independent Director has abstained from the deliberation of his or her own independence.

CORPORATE GOVERNANCE REPORT

Directors' Multiple Directorships and NRC Assessment (Provision 4.5 of the Code)

Key information on the current Directors, including their dates of appointment, re-appointment and directorships in other listed companies and their principal commitments can be found on pages 16 to 20 of this Annual Report.

				Directorship in other Listed Companies	
Name of Director	**Position**	**Date of Appointment**	**Date of Re-appointment**	**Present**	**For the Past 3 Years (since 1 January 2019)**
Mr. Lee Yi Shyan	Non-Independent and Non-Executive Chairman	17/07/2017	20/05/2020	OUE Commercial REIT Management Pte. Ltd. (the REIT manager of OUE Commercial Real Estate Investment Trust)	OUE Hospitality REIT Management Pte. Ltd. (the REIT manager of OUE Hospitality Real Estate Investment Trust)
Mr. Brian Riady	Non-Independent and Non-Executive Director	28/03/2022	–	OUE Limited; OUE Commercial REIT Management Pte. Ltd. (the REIT manager of OUE Commercial Real Estate Investment Trust)	–
Mr. Yet Kum Meng	Chief Executive Officer and Executive Director	28/02/2019	29/04/2021	–	–
Mr. Tetsuya Fujimoto	Non-Independent and Non-Executive Director	01/04/2022	–	–	–
Mr. Roger Tan Chade Phang	Lead Independent and Non-Executive Director	23/01/2017	29/04/2021	Luminor Financial Holdigs Ltd; REVEZ Corporation Ltd.; Y Ventures Group	Dapai International Limited; Transcorp Holdings Limited; TBK & Sons Holdings Limited Camsing Healthcare Limited
Mr. Eric Sho Kian Hin	Independent and Non-Executive Director	23/01/2017	20/05/2020	QT Vascular Ltd; Choo Chiang Holding Ltd; Versalink Holdings Limited	–
Mr. Jackson Tay Eng Kiat	Independent and Non-Executive Director	23/01/2017	29/04/2021	Sim Leisure Group Ltd.; Sapphire Corporation Limited	–
Ms. Usha Ranee Chandradas	Independent and Non-Executive Director	15/11/2021	–	OUE Commercial REIT Management Pte. Ltd. (the REIT manager of OUE Commercial Real Estate Investment Trust)	–

Excluding their directorships in the Company, the number of listed company board representations currently held by each Non-Executive Director does not exceed three (3).

Directors must ensure that they are able to give sufficient time and attention to the affairs of the Company. The NRC ensures all new Directors are informed of their duties and obligations, and as part of its review process, the NRC decides whether or not a director is able to give sufficient time and attention to the affairs of the Company and whether he has been adequately carrying out his duties as a director of the Company. The NRC reviews from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately. The considerations in assessing the capacity of Directors include the following:

– assessments of the individual Director's effectiveness;
– actual conduct of the Directors;
– expected and/or competing time commitments of Directors;
– geographical location of Directors;
– size and composition of the Board; and
– nature and scope of the Group's operations and size.

On an annual basis, a list of the directorships (which includes directorships within the Group and executive appointments) held by the Directors together with the attendance records of the Directors at Board and Board Committee meetings will be submitted to the NRC for review. Based on its analysis and the Directors' commitments and contributions to the Company (which is also evident in their level of attendance and participation at Board and Board Committees' meetings), the NRC is satisfied that all Directors are aware of their duties and obligations and have been adequately carrying out their duties as Directors of the Company.

In its annual review and having considered all the above, the NRC maintained the view that setting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements for each board may vary, and thus should not be prescriptive. The NRC considers an assessment of the individual Directors' participation as described above to be more effective for the Company, rather than to prescribe a numerical limit on the number of listed company directorships that a Director may hold. The NRC may, as it deems fit, consider suitable individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.

Principle 5: Board performance

Board Evaluation Process and Criteria (Provisions 5.1 and 5.2 of the Code)

The NRC annually assesses the effectiveness of the Board as a whole and the Board Committees and the contribution by the Chairman and each Director to the Board, by implementing a formal appraisal process to assess such effectiveness. The Board performance evaluation process includes a questionnaire designed to assess the performance of the Board and enhance the overall effectiveness of the Directors. There is a self-performance assessment to be undertaken by each Director. The Directors' responses to the questionnaire will be compiled into a consolidated report. The report is discussed at the NRC meeting and shared with the entire Board including the NRC's recommendation for improvements, if any. Each member of the NRC will abstain from voting on any resolution in respect of the assessment of his or her performance or re-appointment as a Director.

In evaluating the Board's and Board Committees' performance, the NRC has also set both quantitative and qualitative performance criteria which have been reviewed and approved by the Board. The performance criteria for the Board and Board Committees' evaluation include:

(a) Board size;
(b) Board and Board Committee composition;
(c) Board information and accountability;
(d) Board performance in discharging its principal functions and ensuring the integrity and quality of risk management and internal control systems;
(e) the Directors' interactions with the CEO and Executive Director, and senior Management; and
(f) Board Committees' performance in relation to discharging their responsibilities set out in their respective terms of reference.

The individual Director's performance criteria will be in relation to, amongst other things, the Director's:

(a) attendance, contribution, participation and candour at Board and Board Committee meetings;
(b) degree of commitment to the role and effectiveness and value of contribution to the development of strategy; and
(c) industry and business knowledge and functional expertise.

The performance criteria do not change from year to year, unless the NRC is of the view that it is necessary to review the performance criteria.

Based on the NRC's and Board's assessment and review, the performance of the Board as a whole is satisfactory, the Board Committees operate effectively and the Chairman and each Director is contributing to the overall effectiveness of the Board. Accordingly, the Board has met its performance objectives. No external facilitator was used in the evaluation process for the financial year under review.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies
Principle 7: Level and Mix of Remuneration
Principle 8: Disclosure on Remuneration

NRC Composition and Role (Provisions 6.1, 6.2, 6.3 and 6.4 of the Code)

The NRC's principal responsibilities, in addition to identifying suitable candidates for appointment to the Board and reviewing nominations for the appointments, are to:

(i) recommend to the Board a general framework of remuneration for the Directors and KMP; and

(ii) develop policies for fixing of, and recommend to the Board, the specific remuneration packages of the individual Directors and KMP.

The composition of the NRC can be found on page 66 of this Annual Report. As recommended in the accompanying Practice Guidance of the Code, the NRC comprises all Non-Executive Directors with the majority (including the Chairman) being Independent Directors. The NRC considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms, to ensure they are fair. The recommendations are submitted to the Board for endorsement. The remuneration policies of the Company are structured to attract and retain highly qualified persons, and also take into consideration the Company's overall goal to ensure value creation and the long-term sustainability and success of the Company. No Director is involved in deciding his own remuneration.

For the financial year under review, the NRC had reviewed the annual compensation framework and the total remuneration packages for the Directors and KMP, the disclosure of remuneration of the KMP for the purposes of this annual report and payment of the Directors' fees for shareholders' approval.

The NRC is entitled to obtain any external professional advice on matters relating to remuneration as and when the need arises at the expense of the Company. For the financial year under review, the Company did not engage any remuneration consultant with regard to the remuneration of Directors and KMP.

Remuneration of the KMP (Including the CEO and Executive Director) (Provisions 7.1 and 7.3 of the Code)

The compensation framework for the KMP (including the CEO and Executive Director) of the Company comprises monthly salaries (fixed component), annual bonuses (variable component) and allowances. The Company links the remuneration of the KMP to corporate and individual performance. The NRC reviews the remuneration of the KMP by taking into consideration the performance and the contributions of the KMP to the Company and giving due regard to the financial and business performance of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain KMP of the required competency to run the Group successfully. There is no non-monetary compensation in the form of stock options or shares in the Company paid to the KMP (including the CEO and Executive Director).

The NRC has reviewed the total remuneration package of the KMP including the variable component for the financial year under review and is satisfied that it is appropriate taking into account the KMP's performance, the Group's performance, business units' performance and industry practices.

Currently, the Company does not have any contractual provisions allowing the Company to reclaim incentive components of remuneration from KMP in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company, but will continue to consider such use in the future.

The Company currently does not offer any termination or retirement benefits to Directors and KMP. The Company currently also does not have any employee share option scheme or other long-term employee incentive scheme.

Remuneration of the Non-Executive Directors (Provisions 7.2 and 7.3 of the Code)

The remuneration of the Non-Executive Directors in the form of directors' fees is paid wholly in cash. There is no non-monetary compensation in the form of stock options or shares in the Company paid to the Non-Executive Directors.

The structure of the fees for Non-Executive Directors comprises a base fee for serving as a Director, and additional fees for (i) serving as Chairman of the Board, or Chairman of the Board Committee(s), (ii) serving as Lead Independent Director and/or serving on Board Committee(s) as members, as the case may be.

The Non-Executive Directors' fees take into account (i) the Directors' value creation, level of contribution and respective responsibilities at Board meetings and Board Committee(s) meetings and (ii) the industry practices and norms on remuneration, including guidelines set out in the Statement of Good Practice issued by the SID. The Board determines value creation to be the amount of value-add contributed by the Director, including but not limited to deal introduction to the Company, cost-savings ideas and novel initiatives which have the potential of increasing the performance of the Company, measured against the monetary benefit/cost-savings which the Company enjoys as a result of the value-add contributed by the Director.

Based on the above, the NRC is of the view that the remuneration of the Non-Executive Directors are appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities of these Directors.

Disclosure on the Remuneration of Directors, CEO and KMP for FY2021 (Provisions 8.1, 8.2 and 8.3 of the Code)

(a) A breakdown (in percentage terms) showing the level and mix of the remuneration of each Non-Executive Director and the CEO (who is also an Executive Director) payable for FY2021 (including payment made by its subsidiaries, if any):

Name of Director [1]	Salary (%)	Bonuses (%)	Directors' Fees (%)	Others (%)	Total/ Remuneration (%)
S$250,000 or below					
Mr. Lee Yi Shyan	–	–	100	–	100
Mr. Tadahiro Kiyosu	–	–	100	–	100
Mr. Roger Tan Chade Phang	–	–	100	–	100
Mr. Eric Sho Kian Hin	–	–	100	–	100
Mr. Jackson Tay Eng Kiat	–	–	100	–	100
Mr. Johji Sato	–	–	100	–	100
Ms. Usha Ranee Chandradas	–	–	100	–	100
S$250,001 or S$500,000					
–	–	–	–	–	–
S$500,001 – S$750,000					
Mr. Yet Kum Meng	58	36	– [1]	6	100

Notes:

(1) Director's fee of Mr. Yet Kum Meng for FY2021 was waived.

The total proposed payment of Directors' fees for FY2021 will be subject to the approval of shareholders of the Company at its forthcoming AGM.

(a) Number of Directors and KMP of the Company in each remuneration band:

Remuneration for FY 2021	Number of Directors (as at 31 December 2021)	Number of KMP [1] (who are not also Directors or the CEO) (as at 31 December 2021)
S$250,000 or below	6	–
S$250,001 – S$500,000	–	–
S$500,001 – S$750,000	1	–
Total	7	0

(1) The Code defines 'key management personnel (KMP)' to mean the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company. The Company is of the view that there is only one person, being the CEO (who is also an Executive Director), who has the authority and responsibility for planning, directing and controlling the activities of the Company.

The Code requires companies to fully disclose the remuneration of each individual Director and the CEO on a named basis in exact quantum. In the event of non-disclosure, the Company is required to provide reasons for such non-disclosure and how the Company's practices conform to the principle.

CORPORATE GOVERNANCE REPORT

After much deliberation, the Board is of the view that full disclosure of the specific remuneration of each individual Director and the CEO is not in the best interests of the Company or its stakeholders, and that sufficient disclosure on its remuneration policies to achieve transparency is preferred. In arriving at this decision, the Board had taken into consideration, *inter alia*, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates in, and the negative impact such disclosure may have on the Group in attracting and retaining talent at the Board level on a long-term basis. Based on a comparison against a peer group of listed companies in the same industry over a multi-year period, which peer group remains constant from year to year, the Board believes that the remuneration of the Non-Executive Directors and the Executive Director, being the CEO, is in line with industry practice.

As an alternative, the Company has disclosed the name and remuneration of each individual Director and the CEO within bands of S$250,000.

The Code also recommends companies to provide full disclosure of the name and remuneration (with breakdown) of the top five (5) KMP (who are not Directors or the CEO) within bands of S$250,000 and in aggregate the total remuneration paid to such KMP. The Company takes the view that save for the CEO (who is also an Executive Director), there were no other KMP in the Group during FY2021, as only the CEO (who is also an Executive Director) has the authority and responsibility for planning, directing and controlling the activities of the Company. Accordingly, there is no disclosure of the aggregate total remuneration paid to the top five (5) KMP (who are not Directors or the CEO).

There are no employees who are substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during FY2021.

Please see above 'Remuneration of the KMP (including the CEO and Executive Director)' and 'Remuneration of the Non-Executive Directors' for details on the forms of remuneration and other payments and benefits paid to Directors and the KMP. The Company currently does not have any employee share option scheme or other long-term employee incentive scheme.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

Oversight of Risk Management (Provision 9.1 of the Code)

The Board has overall responsibility for the governance of risk and the maintenance of a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic and business objectives. The Board, with the assistance of the ARC, reviews at least annually, the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls.

The Board is also responsible for presenting a balanced and understandable assessment of the Company's performance, position and prospects to its shareholders, the public and the regulators, including interim and other price sensitive public reports and reports to regulators (if required). The Management is accountable to the Board and provides the Board with quarterly half year, and full-year results, which are then reviewed and approved by the Board for release to the SGXNET (as defined in the Catalist Rules), where applicable. All material information relating to the Company is disseminated via SGXNET.

In the course of their statutory duties, the Company's external auditors will highlight any material internal control weaknesses which came to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the ARC. As part of the internal audit programmes, the head of internal audit reports to the ARC on any material non-compliance or lapse in internal controls, and the ARC reviews the adequacy of the actions taken by the Management to address the recommendations of the internal auditors.

Management's Assurance (Provision 9.2 of the Code)

The Board has received assurance from the CEO and the Group Finance Director (the position of Chief Financial Officer (**"CFO"**) is currently vacant) that (a) the financial records have been properly maintained and the financial statements for FY2021 gave a true and fair view of the Group's operations and finances, and (b) the Group's risk management and internal control systems are adequate and effective in identifying and addressing the material risks faced by the Group in its current business environment including financial, operational, compliance and information technology risks. This assurance covers the Company and subsidiaries which are under the Company's management control.

Board's Commentary (Catalist Rule 1204(10))

Based on the respective work done by the internal audit function and the external auditors as well as the Company's enterprise risk management framework, the assurance given by the CEO and the Group Finance Director (the position of CFO is currently vacant), as well as the ARC's review of the effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems which the Group considers relevant and material to its operations, the Board, with the concurrence of the ARC, is of the opinion that the Group's systems of internal controls and risk management are adequate and effective as at 31 December 2021.

The Board notes that the system of internal controls provides reasonable but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, fraud or other irregularities. The Board and Management will continue to re-evaluate the process and adequacy of the Group's risk management system. Most of the internal controls are newly implemented and Management commits to continuously monitor and enhance the effectiveness of these measures so that sufficient information is provided to the shareholders to make informed assessment.

Principle 10: Audit Committee

Composition, Duties and Activities of the ARC (Provisions 10.1, 10.2 and 10.3 of the Code)

As of 31 December 2021, the ARC comprised Messrs Eric Sho Kian Hin, Roger Tan Chade Phang, Jackson Tay Eng Kiat and Usha Ranee Chandradas. The chairman of the ARC is Mr Eric Sho Kian Hin. The ARC has written terms of reference that describes its responsibilities.

All members of the ARC are Independent Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of them are former partners of or have any financial interest in the Company's external auditors, Messrs KPMG LLP.

The Board considers Mr Eric Sho Kian Hin, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the ARC. The other three members of the ARC also have extensive and practical expertise in accounting, financial management, corporate finance and law. The Board is of the view that the ARC members have recent and relevant accounting or related financial management expertise or experience and are appropriately qualified to discharge their responsibilities, including the principal responsibilities of the ARC listed below.

The key terms of reference of the ARC which set out the duties of the ARC are, *inter alia*, as follows:

– to review the adequacy, scope and performance/results of the external audit, its cost effectiveness, and the independence and objectivity of the external auditors;

– to review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;

– to review at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems, including financial, operational, compliance and information technology controls;

– to review the assurance from the CEO and the CFO (or Group Finance Director if the position of CFO is vacant) on the financial records and financial statements;

– to review the Company's policy and arrangements regarding possible improprieties in financial reporting or other matters to be safely raised by the employees of the Group and any other persons, and to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action;

– to review the effectiveness of the Group's internal audit and control functions, and the hiring, removal, evaluation and compensation of the Group's internal audit and control functions;

– to review interested party transactions;

– to make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority; and

– to review the remuneration and terms of engagement of the external auditors.

The ARC has explicit authority to investigate any matter within the terms of reference, full access to and co-operation by Management, full discretion to invite any Director or Management to attend its meetings and reasonable resources to enable it to discharge its functions.

The results of the ARC's review are reported to the Board.

The ARC conducts scheduled meetings on a quarterly basis and ad-hoc meetings are convened as and when the need arises. The ARC met six (6) times in 2021. The quarterly and full year financial statements of the Group and the Company were reviewed by the ARC during the quarterly meetings, prior to their submission to the Board for approval and adoption. In their review of the financial statements for FY2021, the ARC has discussed with both the Management and the external auditors the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements.

For the financial year under review, the ARC met with the external auditors and internal audit staff to review the annual audit plans and the results of the audits performed by them. The ARC also examined the adequacy and effectiveness of the Company's internal controls with the assistance of the internal audit team and the external auditors. The ARC further assessed the independence and objectivity of the external auditors and the non-audit services rendered by the external auditors.

CORPORATE GOVERNANCE REPORT

Internal Audit (Provision 10.4 of the Code and Catalist Rules 1204(10C))

The scope of the internal audit is:

- to review the effectiveness of the Group's internal controls;
- to provide assurance that key business and operational risks are identified and managed;
- to determine that internal controls are in place and functioning as intended; and
- to evaluate that operations are conducted in an effective and efficient manner.

The internal audit function of the Company is carried out by the Company's controlling shareholder, OUE Limited, as permitted in the Practice Guidance of the Code. OUE Limited has a dedicated internal audit team responsible for driving the internal audit activities of the Company, which is led by the Head of Internal Audit. The Head of Internal Audit reports directly to the Chairman of the ARC. The internal audit team has unfettered access to all the Company's documents, records, properties, and personnel, including access to the ARC. The scope of the internal audit reviews are carried out in accordance with the yearly plans prepared by the Head of Internal Audit and approved by the ARC. Any material non-compliance or lapse in internal controls together with corrective measures are reported to the ARC. In carrying out its functions, the internal audit team adopts the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The ARC annually reviews the adequacy and effectiveness of the internal audit function and is satisfied with the adequacy and effectiveness of the internal audit function. The ARC is also satisfied that the internal audit team is independent, effective and adequately resourced and has appropriate standing within the Company.

Meeting with Auditors (Provision 10.5 of the Code)

The ARC has met with the external auditors and the internal audit team without the presence of Management for the financial year under review. The external auditors have also presented to the ARC relevant updates relating to any change of accounting standards which have a direct impact on financial statements before an audit commences.

Appointment of External Auditors and Fees (Catalist Rules 1204(6))

The amount of fees paid to the external auditors in FY2021 was S$114,000 for non-audit services and S$438,000 for audit services. The details of the remuneration of the auditors of the Company during FY2021 are as follows:

	$000
Audit services	
– Auditors of the Company	344
– Member firms of the auditors of the Company	94
– Other auditors	13
Non-audit services	
– Auditors of the Company	114
– Other auditors	4

The ARC has reviewed the non-audit fees paid to the external auditors. Having considered the nature and extent of the non-audit services provided, the ARC is satisfied that the independence and objectivity of the external auditors have not been compromised by the provision of such non-audit services.

The ARC is further satisfied that the Company has complied with the requirements of Rules 712 and 715 of the Catalist Rules in relation to the appointment of Messrs KPMG LLP as its auditing firm. Messrs KPMG LLP is an auditing firm approved under the Accountants Act 2004 and Ms Teo Han Jo, being the audit partner-in-charge assigned to the audit, is a public accountant under the same Act. Messrs KPMG LLP is appointed as the auditing firm to audit the Company's Singapore-incorporated subsidiaries and significant associated companies. Accordingly, the ARC has recommended to the Board the nomination of the external auditors, Messrs KPMG LLP, for re-appointment at the forthcoming AGM.

Whistle-Blowing Policy (Catalist Rules 1204 (18A) and (18B))

The Company has in place a whistle-blowing policy which sets out the procedures for a whistleblower to make a report to the Company on misconduct or wrongdoing relating to the Company or its officers. Staff of the Company and external parties may, in confidence, whether anonymously or otherwise, raise concerns about possible improprieties in matters of financial reporting or other matters, without fear of reprisals in any form. The Company's website has a link for persons to write to the Company for the foregoing purpose.

The ARC has the responsibility of overseeing the whistle-blowing policy with the assistance of a designated ethical officer of the Group. Under these procedures, arrangements are in place for independent investigations of such matters raised and for appropriate follow-up action to be taken by an independent function. The Company ensures that the identity of the whistleblower is kept confidential and is committed to ensure protection of the whistleblower against detrimental or unfair treatment. In conducting investigations, the ethical officer shall use his or her reasonable best efforts to protect the confidentiality and anonymity of the whistleblower.

SHAREHOLDERS RIGHTS AND ENGAGEMENT, MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 11: Shareholder Rights and Conduct of Shareholders Meetings
Principle 12: Engagement with Shareholders
Principle 13: Engagement with Stakeholders

Shareholders' Meetings and Voting (Provisions 11.1, 11.2 and 11.3 of the Code)

The AGM of the Company is a principal forum for dialogue and interaction with shareholders. All shareholders will receive the Company's annual report and notice of AGM.

The description below sets out the Company's usual practice for the conduct of general meetings of shareholders. However, in view of the COVID-19 pandemic, the Company has adopted alternative arrangements or adapted the following practices in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (**"COVID-19 Order"**) and guidelines or directives issued by government agencies or regulatory authorities relating to the conduct of meetings.

The Company strongly encourages and supports shareholder participation at general meetings. The Company holds its general meetings at central locations in Singapore with convenient access to public transportation. Under the Constitution and pursuant to the Companies Act, the Central Provident Fund Board and relevant intermediaries may appoint more than two proxies to attend and vote on their behalf. A registered shareholder who is not a relevant intermediary may appoint up to two proxies. There are separate resolutions at general meetings on each substantially separate issue with the necessary information provided on each resolution so as to enable shareholders to exercise their vote on an informed basis. At the AGM, shareholders will be given the opportunity and time to air their views and ask the Directors or the Management questions regarding the Company. The respective Chairman of the ARC and NRC, the Directors, as well as the external auditors will be present and on hand to address issues raised at the AGM.

Voting and Minutes of General Meetings (Provisions 11.4 and 11.5 of the Code)

As encouraged by the SGX-ST and in support of greater transparency of voting in general meetings and good corporate governance, all resolutions at the Company's general meetings are voted on by poll. Where possible, the Company employs the use of electronic poll voting devices to register the votes of shareholders who attend the general meetings, and prior to voting, the voting procedures were made known to the shareholders.

The total number of votes cast for or against the resolutions and the respective percentages are announced on the SGXNET and the Company's website on the same day of the event. Minutes of the shareholders' meetings are also prepared and available upon request. The minutes of the shareholders' meeting included substantial and relevant comments or queries from the shareholders and responses from the Board and Management.

The Code requires that the issuer's constitution allows for absentia voting at general meetings of shareholders. Currently, the Constitution allows for absentia voting through channels such as mail, email or fax subject to the applicable laws. However, given that the authentication of shareholder identity and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia (whether by mail, fax or electronic means). Nevertheless, the Company is of the opinion that shareholders continue to have the opportunity to communicate their views on matters and exercise their rights even when they are not in attendance at general meetings of shareholders, as shareholders may appoint proxies to attend, speak and vote on their behalf at such meetings.

CORPORATE GOVERNANCE REPORT

Shareholders' Meetings held in 2021

In view of the COVID-19 pandemic, the Company's last AGM held on 29 April 2021 (**"2021 AGM"**) and the extraordinary general meeting held on 12 March 2021 (**"2021 EGM"**) were conducted by way of electronic means in accordance with the COVID-19 Order and guidelines or directives issued by government agencies or regulatory authorities relating to the conduct of meetings. Due to the safe distancing measures in place, shareholders were not able to attend the 2021 AGM in person. Instead, shareholders participated in the 2021 AGM via live audio-visual webcast or live audio-only stream and appointed the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2021 AGM. Shareholders were invited to submit questions related to the resolutions to be tabled for approval at the 2021 AGM to the Chairman of the meeting, in advance of the 2021 AGM. Shareholders were also allowed to deposit their proxy forms and submit the questions in advance by post and by electronic mail. The same arrangement was adopted for the 2021 EGM. All Directors, including the Chairman of the ARC, the Chairman of the NRC, as well as the external auditors also attended the 2021 AGM and 2021 EGM by way of a live audio-visual webcast. The minutes of 2021 AGM and 2021 EGM were published on the Company's corporate website and SGXNET within one (1) month after the date of the 2021 AGM and 2021 EGM respectively.

Dividend Policy (Provision 11.6 of the Code and Catalist Rule 704(23))

The Company has adopted a dividend policy, under which the Board would consider the Group's earnings, financial position, results of operations, capital needs, plans for expansion and any other appropriate factors before decided on the form, frequency and amount of dividends to declare.

Taking into account the Company's financial performance in FY2021 and the need for the Company to deploy resources for the development and growth of the Group's business, no dividend was recommended or declared for FY2021. The Company's decision not to declare a dividend and its reasons for not doing so were announced when the Company released its financial statements for FY2021 on 15 February 2022.

Communication with shareholders (Provision 12.1 of the Code)

In addition to the AGM and EGM, shareholders are informed of the Company's performance and developments through announcements, press releases and the publication of its half-year and full-year results on the SGXNET and annual reports, which are announced or issued within the mandatory period (and where this is not possible, relevant extensions of time are sought in accordance with applicable laws, regulations and rules). Shareholders are also regularly kept up to date on material developments relating to the Company or the Group or significant events and happenings, as and when appropriate, through the same channels in accordance with the requirements of the Catalist Rules. Information on the Company is available on its corporate website at http://www.ouelh.com, where shareholders and investors can subscribe to email alerts of all announcements and press releases issued by the Company.

In addition, the Company has sponsored Securities Investors Association Singapore (**"SIAS"**) Associate membership to our shareholders in 2021. As a SIAS Associate member, the Company's shareholders will be notified of all the activities of SIAS as well as attend most of SIAS' investor educational programmes for free. In addition, the shareholders would be able to access "members only" events, which will aid them in understanding the investing landscape in Singapore.

Investor Relations Policy (Provisions 12.2 and 12.3 of the Code)

In addition, the Company maintains an investor relations policy that ensures fair and open communication with its shareholders and other stakeholders. For example, shareholders may submit questions via an enquiry form on the Company's corporate website and such questions will be directed to the Company's Investor Relations department. The contact details of the Company's Investor Relations department are also available on the Company's corporate website. Further, the Investor Relations department maintains regular dialogues with and solicits views from the investment community through organising group or individual meetings with investors, investor conferences and/or non-deal investor roadshows. Such roadshows are attended by the Management, including the CEO.

Stakeholders Engagement (Provisions 13.1, 13.2 and 13.3 of the Code)

The Company understands the importance of maintaining regular engagement with its stakeholders and its stakeholders engagement approach is set out in its Sustainability Report, which can be found in pages 40 to 58 in this Annual Report. Stakeholders who have any questions regarding the Group may submit questions via an enquiry form on the Company's corporate website or contact info@ouelh.com.

DEALING IN SECURITIES (CATALIST RULES 1204 (19))

The Company has adopted policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in the Company's securities. The Company sends out memoranda and e-mails to its Directors and officers to remind them that the Directors, key executives of the Group and their connected persons are prohibited from dealing in the Company's shares (a) one (1) month before the announcement of the Group's half year and full year financial results; and (b) any time while in possession of price sensitive information.

The Directors and officers are prohibited from communicating trade-sensitive and materially price-sensitive information to any person. In addition, the Company also discourages the Directors and officers from dealing in the Company's shares on short term considerations. They are also expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods. In addition, in March 2021, the Board has adopted a written policy on the handling of confidential information and dealings in securities (the **"Information Dealing Policy"**) which applies the best practice recommendations or guidelines from the SGX-ST, where possible.

Pre- and Post-Dealing Procedures

Under the Information Dealing Policy, should an officer or employee of the Group decide to trade in any securities of the Company (or its related corporations listed on the SGX-ST), he or she shall abide by the pre-dealing procedures by submitting a notification and declaration (that, amongst others, he or she is not in possession of any inside information) before making such trade(s) and will have one week from the date that the notification is made to execute the trade, subject to the other prohibitions as provided in the Information Dealing Policy. Details of the transaction that had been notified prior to being undertaken must also be provided in writing to the Company within two (2) business days after the trade.

Handling, Protection and Disclosure of Confidential Information

The Information Dealing Policy also codified the existing practices of the Group which require all officers and employees of the Group to verify that confidential information is shared only to those persons who have a legitimate reason to have access to such information, and set out in writing the procedures and safeguards which officers and employees of the Group should adopt to limit the risk of a leak of confidential information, such as signing of non-disclosure agreements, implementing Chinese walls, controlling access to documents containing confidential information, clean-desk policy, adoption of code names for each potential price-sensitive transactions (and the maintenance of a list of privy persons).

MATERIAL CONTRACTS AND LOANS (CATALIST RULE 1204(8))

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirmed that except as disclosed in the paragraph on interested person transactions below and the sections entitled "Directors' Statement" and "Notes to the Financial Statements" of this Annual Report, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of any Director or controlling shareholder of the Company, either still subsisting at the end of FY2021 or if not then subsisting, which were entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS (CATALIST RULE 1204 (17))

The Group does not have a general mandate from shareholders for recurrent interested person transactions. The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such interested person transaction.

In accordance with the Company's internal policy in respect of interested person transactions, all interested person transactions are documented and submitted periodically to the ARC for review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company.

CORPORATE GOVERNANCE REPORT

The interested person transactions entered into by the Group during FY2021 are set out below:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Browny Healthcare Pte. Ltd. (**"Browny"**), ITOCHU Singapore Pte Ltd (**"ITOCHU SG"**) and ITOCHU Corporation (**"ITOCHU Corp"**)	Browny is a controlling shareholder of the Company and is a subsidiary of ITOCHU SG. ITOCHU SG is in turn wholly-owned by ITOCHU Corp.	S$401,261[(1)]	–
First REIT Management Limited (the **"First REIT Manager"**) (as manager of First Real Estate Investment Trust)	First REIT Manager is 60% directly owned by OUE Limited (a controlling shareholder of the Company) and 40% directly owned by the Company.	S$5,924,957[(2)]	–
Treasure International Holdings Pte. Ltd. (**"TIHPL"**)	TIHPL is a controlling shareholder of the Company.	S$189,607,700[(3)]	–
OUE Treasury Pte. Ltd. (**"OUE Treasury"**)	OUE Treasury a wholly-owned subsidiary of OUE Limited, a controlling shareholder of the Company	S$166,000[(4)]	–

Notes:

(1) Pursuant to a secondment agreement entered into by the Company with Browny, ITOCHU SG and ITOCHU Corp dated 15 February 2018 (as supplemented by way of a supplemental letter dated 21 March 2021), pursuant to which Browny, ITOCHU SG and/or ITOCHU Corp have the right to second up to two (2) employees to the Company. Pursuant to the secondment agreement and related documentation, the Company is obliged to make remuneration-related payments either directly to the seconded employees and/or in the form of secondment fees payable to ITOCHU SG. In total, the sum of the payments made by the Company pursuant to these secondment arrangements in FY2021 is S$401,261.

(2) On 11 February 2021, the Company granted an interest-free loan of S$5.92 million to the First REIT Manager (the **"First REIT Manager Loan"**). The purpose of the First REIT Manager Loan is for the Company, being the 40.00% shareholder of the First REIT Manager, to fund its portion of the funding required by the First REIT Manager, in order for the First REIT Manager to subscribe for its total provisional allotment of units in First REIT pursuant to a non-underwritten rights issue launched by First REIT on 19 January 2021. As at the date of entry into the First REIT Manager Loan on 11 February 2021, the value at risk to the Company for the First REIT Manager Loan was 2.39% of the Group's latest audited net tangible assets of S$248.3 million as at 31 December 2019, which did not exceed the relevant threshold of 3.00% of the Group's latest audited NTA under Rule 905(1) of the Catalist Rules. Also, the Company is exempted from the requirement to obtain shareholders' approval in respect of the First REIT Manager Loan, as it falls within the exemption under Rule 916(3) of the Catalist Rules. Please refer to the Company's announcement dated 25 June 2021 for further details.

(3) On 23 February 2021, the Company entered into a conversion agreement with TIHPL, pursuant to which, *inter alia*, the Company has agreed to issue, and TIHPL has agreed to subscribe for, 4.0% convertible perpetual bonds of an aggregate principal amount of S$189,607,700, representing the outstanding amount of the existing shareholder loans from TIHPL to the Company plus accrued interest thereon up to and including 28 February 2021(the **"TIHPL Shareholder Loan Conversion"**). The TIHPL Shareholder Loan Conversion was approved by shareholders of the Company at the 2021 EGM and was completed on 16 March 2021. Please refer to the Company's circular to shareholders dated 25 February 2021 and announcements dated 23 February 2021 and 16 March 2021 for further details.

(4) On 14 August 2019, OUELH Medical Assets Pte. Ltd. (**"OMA"**), a subsidiary of the Company, entered into a loan agreement with OUE Treasury (the **"OUE Treasury Loan"**), pursuant to which OUE Treasury advanced to OMA an aggregate principal amount of S$4.15 million at an interest rate of 4% per annum. The OUE Treasury Loan is obtained for the purposes of funding the general working capital of the Company. On 22 January 2021, 25 June 2021 and 10 December 2021, OUE Treasury and OMA entered into extension letters, pursuant to which, the term of the OUE Treasury Loan was extended to 29 June 2021, 29 December 2021 and 29 March 2022 respectively (**"Loan Extensions"**). The aggregated value at risk to OMA from the Loan Extensions for FY2021, is the interest payable on the OUE Treasury Loan in FY2021 following the last extension, being the sum of S$166,000. Please refer to the Company's announcements dated 25 June 2021 and 10 December 2021 for further details.

NON-SPONSOR FEES (CATALIST RULE 1204 (21))

In FY2021, no non-sponsor fee was paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

(a) the financial statements set out on pages 90 to 165 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, having regard to the matters disclosed in note 2 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Lee Yi Shyan	
Brian Riady	(Appointed on 28 March 2022)
Yet Kum Meng	
Tadahiro Kiyosu	
Roger Tan Chade Phang	
Eric Sho Kian Hin	
Jackson Tay Eng Kiat	
Johji Sato	(Resigned on 30 October 2021)
Usha Ranee Chandradas	(Appointed on 15 November 2021)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Act, no director who held office at the end of the financial year (including those held by their spouse and infant children) had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in the interests in the Company between the end of the financial year and 21 January 2022.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement with the object of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

DIRECTORS' STATEMENT

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises four independent directors. The members of the Audit and Risk Committee at the date of this statement are:

Eric Sho Kian Hin (Chairman), Independent Director	
Roger Tan Chade Phang, Lead Independent Director	
Jackson Tay Eng Kiat, Independent Director	
Johji Sato, Independent Director	(Resigned on 30 October 2021)
Usha Ranee Chandradas, Independent Director	(Appointed on 15 November 2021)

The Audit and Risk Committee performs the functions specified in Section 201B of the Act, the SGX-ST Listing Manual (Section B: Rules of Catalist) and the Code of Corporate Governance 2018.

The Audit and Risk Committee held four meetings since the last directors' statement. In performing its functions, the Audit and Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit and Risk Committee also reviewed the following:

- annual audit plans and scope of work of the internal and external auditors;
- results of the internal and external audit procedures;
- evaluation of the Group's internal accounting control system;
- assistance provided by the Company's officers to the internal auditors and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions, as defined in Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalist).

The Audit and Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries, and significant associated companies, we have complied with Rules 712 and 715 of the SGX-ST Listing Manual (Section B: Rules of Catalist).

DIRECTORS' STATEMENT

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Lee Yi Shyan
Director

Yet Kum Meng
Director

28 March 2022

INDEPENDENT AUDITORS' REPORT

Members of the Company
OUE Lippo Healthcare Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of OUE Lippo Healthcare Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 90 to 165.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties and investment properties under development
(Refer to notes 4.6, 7 and 8 to the financial statements)

Risk

As at 31 December 2021, the Group has a portfolio of investment properties and investment properties under development in Japan, the People's Republic of China ("PRC") and Malaysia with a carrying value of $348,247,000 (2020: $383,241,000). Investment properties and investment properties under development represent the most significant asset item on the statements of financial position.

The Group's accounting policy is to state these investment properties and investment properties under development at fair value, determined based on independent external valuations. The valuation process involves significant judgement in determining the valuation method to be used and estimating the underlying assumptions to be applied. The valuations are sensitive to the key assumptions applied and a change in assumptions would have a significant impact to the valuation.

In addition to the above, for investment properties under development – Wuxi land, the estimated total construction cost, market comparable used, and any changes to the proposed development plans may also impact the valuation significantly.

For investment properties under development – Kuala Lumpur land, the directors and management applied the "forced sale value" determined by valuer as fair value as at 31 December 2021, after taking into consideration the economic conditions, market expectations and property market outlook in Malaysia.

INDEPENDENT AUDITORS' REPORT

Our response

We evaluated the competency, capability and objectivity of the independent external valuers and made enquiries of the valuers to understand their valuation approach and basis of valuation.

We considered the valuation methodologies used, which included the discounted cash flow method, income capitalisation method and direct comparison method, against those applied for similar properties types. We held discussions with the valuers and assessed the reasonableness of the key assumptions used in the valuations which included a comparison of the discount rates, terminal capitalisation rates and capitalisation rates, against historical trends and available market data, taking into consideration comparable properties and market factors.

In addition to the above, for investment properties under development – Wuxi land, we evaluated management's determination of the estimated total construction cost and market comparable used. We have compared the underlying assumptions to relevant market data, supporting documents and interviewed relevant personnel, where applicable. We held discussions with management to understand the rationale on the changes they made to the proposed development plans and key assumptions made to the current proposed development plans.

For investment properties under development – Kuala Lumpur land, we assessed the reasonableness of management's basis for using the "forced sale value", considered the on-going negotiations between the Company and various interested parties and compared the key assumptions used with available market data.

Our findings

We are satisfied with the competency, capability and objectivity of the independent external valuers. The valuers are member of generally recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used by the valuers are in line with generally accepted market practices and comparable to methods used for similar property types. The key assumptions used in the valuations which included a comparison of the discount rates, terminal capitalisation rates and capitalisation rates were found to be reasonable, and where available, consistent with current market data.

For investment properties under development – Wuxi land, the valuation was based on management's current proposed development plan and the assumption that relevant regulatory approvals could be granted. We found management's basis for the changes in development plan reflect the current healthcare demands in the surrounding areas of Wuxi land and the key assumptions made by management in the valuation report are found to be supportable and reasonable. We also note the current valuation method is an acceptable valuation method.

For investment properties under development – Kuala Lumpur land, the "forced sale value" of the land is within range of recent discussions with interested parties and available market data. We found management's basis for using the "forced sale value" to be supportable and reasonable.

The plans for Wuxi land and Kuala Lumpur land may vary depending on the Group's future intentions and developments.

INDEPENDENT AUDITORS' REPORT

Accounting and valuation of Convertible Perpetual Securities
(Refer to notes 15 and 17 and to the financial statements)

Risk

In March 2021, the Company issued 4.0% redeemable convertible perpetual bonds ("Convertible Perpetual Securities") of an aggregate principal amount of $189,607,700, representing the outstanding amount of the shareholder loans and its accrued interests as at 28 February 2021. Consequently, the Company's liabilities (shareholder loans and its accrued interests) are extinguished, and the Convertible Perpetual Securities is recognised as equity instrument. Management assessed the fair value of the Convertible Perpetual Securities on 16 March 2021 (issue date) to be $79,635,000, and recognised approximately $109,973,000 one-time gain as "other income" on basis that the shareholder is acting as a lender in the transaction. Accounting and classification of the Convertible Perpetual Securities involves significant management assumptions and judgements.

The fair value of Convertible Perpetual Securities took into consideration the Company's traded share price on the issue date, management's projected dividend and coupon payments, and adjustment for the lack of marketability of the Convertible Perpetual Securities. The Company has applied a 30% discount to the Company's traded share price on issue date to derive the fair value amount. Significant estimate and judgement is involved in assessing the valuation of the Convertible Perpetual Securities on the issue date.

Our response

We assessed the reasonableness of management's analysis of the contractual terms, assumptions and judgements applied to determine the accounting and classification of the Convertible Perpetual Securities.

We assessed the appropriateness of the recognition of difference between the carrying value of extinguished liability and the fair value of Convertible Perpetual Securities to profit or loss, and reviewed management's basis supporting its assessment that the shareholder is acting as lender in the transaction.

With the assistance of valuation specialist, we assessed the appropriateness and reasonableness of the key judgements and estimates, including selection and application of valuation methodology, significant assumptions, data sources and selection of the point estimate in determining the fair value of the Convertible Perpetual Securities. We challenged the appropriateness of management's assumptions for forecasts of dividend and coupon payments by comparing against historical trends and recent performance, evaluated management's expectations of the future business developments and performance, and compared the rate of discount for lack of marketability to market studies. We also checked appropriateness of the data used and test the mathematical accuracy of models applied.

We assessed the sensitivity of the fair value to changes in key assumptions, including coupon and dividend payment forecasts and discount rate applied and considered whether there were any indicators of management bias in the selection of the key assumptions. We also assessed adequacy of disclosures in the financial statements.

Our findings

We found management's basis for the accounting and classification of the Convertible Perpetual Securities to be supportable and reasonable, based on the contractual terms and market practices.

The recognition of gain as "other income" in profit or loss is appropriate based on management's assessment which were found to be reasonable and supportable.

We found that the valuation approach and the application of discount for lack of marketability to be reasonable and consistent with market practice. The key assumptions and estimates used in determining the fair value of Convertible Perpetual Securities to be within a supportable range, and where available, consistent with current market data and supporting documents. Key assumptions and estimates made by management in determining the fair value, and sensitivity analysis are adequately disclosed in the financial statements.

INDEPENDENT AUDITORS' REPORT

Property, plant and equipment – leasehold property under development's recoverable value and contractual obligations
(Refer to note 5 to the financial statements)

Risk

The Group's leasehold property under development refers to an integrated hospital development project in Dujiangyan, Chengdu, PRC ("Chengdu land"). As of 31 December 2021, the Group has ceased the development work on Chengdu land and is in discussion with the local government to return the Chengdu land. In August 2021 the local government has issued a notice to the Group stating that the Chengdu land was left vacant with no on-going development. There is risk that the carrying value may not be recoverable and the Group may not be in compliance with the development requirements set by the local government (government contract) which may lead to further losses. Significant judgement and estimates are required to evaluate whether any impairment loss and provisions should be made to reflect the risk and obligations.

The Group engaged external legal counsel to review the contract terms to assess its possible exposures arising from the delay of development (contract penalty), and to represent the Group in its negotiation with the local government. As at 31 December 2021, the Group has impaired the carrying value of the Chengdu land to nil (2020: $5,619,000) and recorded provision for restoration costs of $1,550,000 (2020: $5,619,000). The provision is made for reinstatement of the Chengdu land, as in accordance with the government contract, the Group is required to return the land in its original condition.

The directors and management are required to apply judgement in determining the potential outcome of the negotiation and the possible course of actions. The assumptions applied by the directors and management will have a material effect on the carrying amount of the property, plant and equipment and the outcome of the possible liabilities.

Our response

We assessed the reasonableness of management's basis for impairment and reviewed the impairment assessment performed by management.

We reviewed the agreement with the local government and legal opinion from the external legal counsel, as well as assessed adequacy of disclosures in the financial statements. We also considered the directors' and management's assessment on the possible outcome of the negotiation with government, contractual obligations under the contract and future course of actions, by taking into consideration the discussion held with the directors and management and reviewing the legal correspondences between the directors, management and the external legal counsel.

We assessed the reasonableness of management's basis for reversal of the provision for site restoration costs, and reviewed supporting documents and contracts to assess adequacy of provision for site restoration costs.

Our findings

We found the basis for impairment of the leasehold property under development to be supportable and reasonable.

We found management's assessment of the Group's contractual obligations, provision for site restoration and possible exposures arising from the government contract to be supportable and reasonable.

INDEPENDENT AUDITORS' REPORT

Valuation of associate and joint ventures
(Refer to note 10 to the financial statements)

Risk

The Group has significant investments in associate and joint ventures. Considering the economic effects of Covid-19, political situation in Myanmar, and the major restructuring of master lease agreements by an associate, there is risk of impairment of investments in associate and joint ventures. Significant judgement is involved in estimating the recoverable amount of the investments in equity-accounted investees.

The Group assessed whether there is any indication, based on either internal or external sources of information, that the investments may be impaired. For the following associate and joint ventures with impairment trigger noted, management has performed impairment assessments by estimating the recoverable amounts:

- First Real Estate Investment Trust (associate);
- First REIT Management Limited (joint venture); and
- Yoma OUE Pun Hlaing Limited (formerly known as Yoma Siloam Hospital Pun Hlaing Limited) and Pun Hlaing International Hospital Limited (collectively known as "Myanmar Group") (joint venture).

The recoverable amount is the discounted sum of individually forecasted cash flows for each year and the terminal value is determined using a long-term growth rate.

Except for the $12,254,000 impairment loss for First Real Estate Investment Trust, the recoverable amounts for the associate and joint ventures were calculated to be in excess of the respective carrying amounts as at 31 December 2021, no further impairment was determined in 2021 (2020: $4,135,000 was recorded for Myanmar Group).

Forecasting of future cash flows is a highly judgemental process which requires estimation of revenue growth rates, profit margin, discount rates, terminal growth rates and future economic conditions.

Our response

We evaluated management's assessment for indication of possible impairment for the equity-accounted investees.

For the associate and joint ventures with impairment trigger noted, we assessed the reasonableness of the key assumptions used by management in developing the cash flow forecasts, the discount rates and terminal growth rates used in computing the recoverable amounts. We challenged the appropriateness of cash flow forecasts used by comparing against historical trends and recent performance and industry trends, evaluated management's expectations of the future business developments and operational improvements, corroborated certain information with market data, and compared the discount rates and terminal growth rates to observable market data.

We assessed the sensitivity of the outcome of the impairment assessment to changes in key assumptions, including forecast growth rate and discount rate applied and considered whether there were any indicators of management bias in the selection of the key assumptions. We also assessed adequacy of disclosures in the financial statements.

Our findings

We found the identification of triggering events to be reasonable and appropriate.

We found the key assumptions and estimates used in determining the recoverable amount for First Real Estate Investment Trust, First REIT Management Limited and Myanmar Group to be within a supportable range.

The Group included disclosure of quantitative information of a reasonably possible change in key assumptions that would result in an impairment for First Real Estate Investment Trust and First REIT Management Limited and Myanmar, in note 10 to the financial statements.

Key assumptions and estimates made by management in determining the recoverable values, and sensitivity analysis are adequately disclosed in the financial statements.

INDEPENDENT AUDITORS' REPORT

Litigations, claims and other contingencies
(Refer to notes 19 and 27 to the financial statements)

Risk

The Group was involved in several on-going litigations and claims, and the provision for legal and related expenses amounted to \$20,957,000 (2020: \$27,601,000) as at 31 December 2021. There are uncertainties as to the possible outcome of these on-going litigations and claims, and the eventual outcome may be subjected to change, which can potentially affect the amount of provision required.

Our response

We assessed the reasonableness of management's basis for the provisions made in relation to the on-going litigations and claims. We held discussions with management and the external legal counsel. We reviewed relevant correspondences and/or agreements between the parties involved and adequacy of disclosures in the financial statements. We also obtained confirmation letters from the external legal counsel.

Our findings

We found management's basis for the provision relating to legal and related expenses to be supportable, taking into consideration the legal advice obtained, latest development on the litigations and claims, and the possible course of actions to be taken. We found the disclosures of litigation cases to be adequate and appropriate.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Teo Han Jo.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 March 2022

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000 Restated#	Group 1 Jan 2020 $'000 Restated#	Company 2021 $'000	Company 2020 $'000
ASSETS						
Property, plant and equipment	5	**7,460**	12,528	36,262	**453**	789
Intangible assets and goodwill	6	**3,066**	3,004	4,851	**–**	–
Investment properties	7	**290,556**	308,749	299,770	**–**	–
Investment properties under development	8	**57,691**	74,492	91,237	**–**	–
Subsidiaries	9	**–**	–	–	**84,092**	84,092
Associate and joint ventures	10	**175,711**	134,686	173,547	**23,607**	23,607
Trade and other receivables	12	**3,215**	–	–	**9,792**	10,445
Non-current assets		**537,699**	533,459	605,667	**117,944**	118,933
Inventories	11	**296**	219	325	**–**	–
Trade and other receivables	12	**12,579**	14,244	50,815	**215,458**	271,852
Cash and cash equivalents	13	**43,823**	68,973	52,709	**6,057**	33,117
Current assets		**56,698**	83,436	103,849	**221,515**	304,969
Total assets		**594,397**	616,895	709,516	**339,459**	423,902
EQUITY						
Share capital	14	**418,913**	418,913	418,913	**418,913**	418,913
Convertible perpetual securities	15	**79,635**	–	–	**79,635**	–
Asset revaluation reserve	16	**3,630**	3,630	3,630	**–**	–
Foreign currency translation reserve	16	**(6,791)**	5,901	(3,653)	**–**	–
Fair value reserve	16	**(22,797)**	(27,862)	(5,473)	**–**	–
Accumulated losses		**(147,967)**	(259,345)	(160,619)	**(262,189)**	(315,861)
Equity attributable to owners of the Company		**324,623**	141,237	252,798	**236,359**	103,052
Non-controlling interests		**(429)**	*	304	**–**	–
Total equity		**324,194**	141,237	253,102	**236,359**	103,052
LIABILITIES						
Loans and borrowings	17	**146,272**	137,012	16,596	**–**	–
Trade and other payables	18	**7,448**	7,914	7,666	**–**	159
Lease liabilities	28	**911**	495	–	**132**	390
Deferred tax liabilities	20	**34,597**	39,179	40,792	**–**	–
Non-current liabilities		**189,228**	184,600	65,054	**132**	549
Loans and borrowings	17	**40,847**	218,689	324,855	**30,189**	195,601
Trade and other payables	18	**17,161**	38,784	36,586	**51,564**	96,849
Provisions	19	**22,507**	33,220	29,661	**20,957**	27,601
Lease liabilities	28	**407**	338	220	**258**	250
Current tax liabilities		**53**	27	38	**–**	–
Current liabilities		**80,975**	291,058	391,360	**102,968**	320,301
Total liabilities		**270,203**	475,658	456,414	**103,100**	320,850
Total equity and liabilities		**594,397**	616,895	709,516	**339,459**	423,902

See note 3.5.

* Less than $1,000.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2021

	Note	2021 $'000	2020 $'000 Restated#
Revenue	21	**19,665**	19,980
Cost of sales		**(5,092)**	(4,815)
Gross profit		**14,573**	15,165
Administrative expenses		**(12,985)**	(15,452)
Other income/(expenses), net	22	**97,824**	(53,761)
Results from operating activities		**99,412**	(54,048)
Finance income		**260**	1,341
Finance costs		**(4,043)**	(10,186)
Net finance costs	23	**(3,783)**	(8,845)
Share of results of equity-accounted investees (net of tax)		**12,648**	(39,172)
Profit/(Loss) before tax	24	**108,277**	(102,065)
Tax credit	25	**2,672**	2,873
Profit/(Loss) after tax for the year		**110,949**	(99,192)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences relating to foreign operations		**(8,819)**	6,771
Share of foreign currency translation differences of equity-accounted investees		**(3,873)**	2,783
Share of fair value reserve of equity-accounted investees		**5,065**	(22,389)
Other comprehensive income, net of tax		**(7,627)**	(12,835)
Total comprehensive income for the year		**103,322**	(112,027)
Profit/(Loss) attributable to:			
Owners of the Company		**111,378**	(98,726)
Non-controlling interests		**(429)**	(466)
		110,949	(99,192)
Total comprehensive income attributable to:			
Owners of the Company		**103,751**	(111,561)
Non-controlling interests		**(429)**	(466)
		103,322	(112,027)
Earnings per share			
Basic earnings per share (cents)	26	**2.51**	(2.22)
Diluted earnings per share (cents)	26	**1.69**	(2.22)

See note 3.5.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

		Attributable to owners of the Company								
	Note	Share capital $'000	Convertible perpetual securities $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2021										
At 1 January 2021, restated		418,913	–	3,630	5,901	(27,862)	(259,345)	141,237	*	141,237
Total comprehensive income for the year										
Profit/(Loss) for the year		–	–	–	–	–	111,378	111,378	(429)	110,949
Other comprehensive income										
Foreign currency translation differences relating to foreign operations		–	–	–	(8,819)	–	–	(8,819)	–	(8,819)
Share of foreign currency translation differences of equity-accounted investees		–	–	–	(3,873)	–	–	(3,873)	–	(3,873)
Share of fair value reserve of equity-accounted investees		–	–	–	–	5,065	–	5,065	–	5,065
Total other comprehensive income, net of tax		–	–	–	(12,692)	5,065	–	(7,627)	–	(7,627)
Total comprehensive income for the year		–	–	–	(12,692)	5,065	111,378	103,751	(429)	103,322
Transactions with owners, recognised directly in equity										
Issuance of convertible perpetual securities	15	–	79,635	–	–	–	–	79,635	–	79,635
Total transactions with owners		–	79,635	–	–	–	–	79,635	–	79,635
At 31 December 2021		418,913	79,635	3,630	(6,791)	(22,797)	(147,967)	324,623	(429)	324,194

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	Note	Attributable to owners of the Company								
		Share capital $'000	Merger reserve $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2020										
At 1 January 2020, as previously stated		418,913	(65,742)	3,630	(3,653)	(5,473)	(94,877)	252,798	304	253,102
Impact of change in accounting policy	3.5	–	65,742	–	–	–	(65,742)	–	–	–
At 1 January 2020, as restated#		418,913	–	3,630	(3,653)	(5,473)	(160,619)	252,798	304	253,102
Total comprehensive income for the year										
Loss for the year		–	–	–	–	–	(98,726)	(98,726)	(466)	(99,192)
Other comprehensive income										
Foreign currency translation differences relating to foreign operations		–	–	–	6,771	–	–	6,771	–	6,771
Share of foreign currency translation differences of equity-accounted investees		–	–	–	2,783	–	–	2,783	–	2,783
Share of fair value reserve of equity-accounted investees		–	–	–	–	(22,389)	–	(22,389)	–	(22,389)
Total other comprehensive income, net of tax		–	–	–	9,554	(22,389)	–	(12,835)	–	(12,835)
Total comprehensive income for the year		–	–	–	9,554	(22,389)	(98,726)	(111,561)	(466)	(112,027)
Transactions with owners, recognised directly in equity										
Contribution from non-controlling interests		–	–	–	–	–	–	–	162	162
Total transactions with owners		–	–	–	–	–	–	–	162	162
At 31 December 2020, restated		418,913	–	3,630	5,901	(27,862)	(259,345)	141,237	*	141,237

See note 3.5.

* Less than $1,000.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	Note	2021 $'000	2020 $'000 Restated#
Cash flows from operating activities			
Profit/ (Loss) after tax		**110,949**	(99,192)
Adjustments for:			
Depreciation of property, plant and equipment	5	**882**	946
Fair value losses on investment properties	7	**–**	1,675
Fair value losses on investment properties under development	8	**17,514**	18,486
Impairment loss on goodwill	6	**–**	1,804
Impairment losses on property, plant and equipment	5	**2,371**	32,134
Interest income		**(260)**	(296)
Interest expense		**3,950**	10,186
Loss on disposal of property, plant and equipment		**–**	23
Reversal of provisions for legal and related expenses	19	**(5,000)**	–
Reversal of impairment for Crest entities receivables	12	**(801)**	–
Gain on shareholder loan conversion	15	**(109,973)**	–
Share of results of equity-accounted investees, net of tax		**(12,648)**	39,172
Tax credit	25	**(2,672)**	(2,873)
Trade and other receivables written off		**–**	610
		4,312	2,675
Changes in:			
- Inventories		**(77)**	106
- Trade and other receivables		**465**	4,165
- Trade and other payables		**(539)**	(5,815)
Cash generated from operations		**4,161**	1,131
Tax paid		**(70)**	(116)
Net cash from operating activities		**4,091**	1,015
Cash flows from investing activities			
Acquisition of equity-accounted investees		**(32,651)**	(24,889)
Additions to investment properties		**(1,104)**	(971)
Capital contribution in equity-accounted investees		**–**	(498)
Contribution from non-controlling interests		**–**	162
Dividends from an equity-accounted investee		**5,516**	5,364
Fund received from Crest litigation		**4,821**	28,939
Loans to joint ventures		**(9,103)**	–
Repayment of loan from joint venture		**2,925**	–
Interest received		**584**	–
Purchase of property, plant and equipment		**(954)**	(1,372)
Net cash (used in)/from investing activities		**(29,966)**	6,735

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	Note	2021 $'000	2020 $'000 Restated#
Cash flows from financing activities			
Proceeds from borrowings		**15,000**	143,000
Repayment of borrowings		**(9,194)**	(131,946)
Payment of lease liability		**(665)**	(358)
Interest paid		**(3,111)**	(2,911)
Net cash from financing activities		**2,030**	7,785
Net (decrease)/increase in cash and cash equivalents		**(23,845)**	15,535
Cash and cash equivalents at beginning of financial year		**68,973**	52,709
Effect of exchange rate fluctuations on cash and cash equivalents		**(1,305)**	729
Cash and cash equivalents at end of financial year	13	**43,823**	68,973

See note 3.5.

Significant non-cash transactions

In March 2021, the loan from shareholder of $165,412,000 (note 17) and the accrued interests of $24,196,000 (note 18) were settled by way of the Company's issue of convertible perpetual securities at an aggregate principal amount of $189,608,000 (note 15) to the shareholder.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

These notes form an integral part of the financial statements

The financial statements were authorised for issue by the Board of Directors on 28 March 2022.

1 DOMICILE AND ACTIVITIES

OUE Lippo Healthcare Limited (the “Company”) is a company incorporated in Singapore. The address of the Company’s registered office is at 6 Shenton Way, #10-09A, OUE Downtown, Singapore 068809.

The principal activity of the Company is that of investment holding. The principal activities of its significant subsidiaries are as disclosed in note 9 to the financial statements.

The financial statements of the Group as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interests in equity-accounted investees.

The Company’s immediate holding company is Treasure International Holdings Pte. Ltd. and the intermediate holding company is OUE Limited. Both companies are incorporated in Singapore. The Company’s ultimate holding company is Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands.

2 GOING CONCERN

The Group reported a net profit of $110,949,000 (2020: net loss of $99,192,000) for the year ended 31 December 2021. The net profit included a one-off gain of $109,973,000 arising from the completion of the Shareholder Loan Conversion (notes 15 and 17). Excluding the one-off gain, the Group would have made a net profit of $976,000 in 2021.

As at 31 December 2021, the Group’s net current liabilities amounted to $24,277,000 (2020: $207,622,000). The Group’s net current liabilities included a loan and its accrued interest from a fellow subsidiary, OUE Treasury Pte. Ltd. (“OUET”) amounting to $4,220,000 and provisions of $22,507,000 (2020: $33,220,000).

Notwithstanding the above, the financial statements have been prepared on a going concern basis because management, having assessed the sources of liquidity and funding available to the Group, believes that the Group can continue as a going concern for the foreseeable future. These include unutilised loan facilities of $20,000,000 (2020: $35,000,000), projected net operating cash inflows for the next 12 months from the date of the financial statement, and available cash reserves as at 31 December 2021 to finance the Group’s working capital and day-to-day operation requirements.

3 BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). The changes to significant accounting policies are described in note 3.5.

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

3.3 Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

3 BASIS OF PREPARATION (CONT'D)

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- note 8 – classification of investment properties under development;
- notes 9 and 10 – assessment of ability to control or exert significant influence over partly owned investments; and
- notes 15 and 17 – classification and valuation of redeemable convertible perpetual bonds, and accounting for the extinguishment of shareholder loans and its accrued interests.

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 year are included in the following notes:

- notes 5 and 6 – measurement of recoverable amounts for property, plant and equipment and goodwill;
- notes 7 and 8 – determination of fair value of investment properties and investment properties under development;
- notes 9 and 10 – measurement of recoverable amounts for subsidiaries, and associate and joint ventures;
- note 20 – estimation of tax liabilities; and
- notes 19 and 27 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The framework includes a finance team that reports directly to the Group Finance Director and has overall responsibility for all significant fair value measurement, including Level 3 fair values, where applicable.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Group's Audit and Risk Committee.

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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

3 BASIS OF PREPARATION (CONT'D)

3.4 Use of estimates and judgements (cont'd)

Measurement of fair values (cont'd)

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- note 7 – investment properties;
- note 8 – investment properties under development;
- note 15 – redeemable convertible perpetual bonds; and
- note 29 – financial instruments.

3.5 Changes in accounting policies and comparatives

Accounting for merger reserve

On 1 January 2021, the Group changed its accounting policy with respect to merger reserve. The merger reserve represents the difference between the consideration and the net assets of subsidiaries acquired under common control. Under the change in accounting policy, the merger reserve was reclassified to accumulated losses. The Group believes that combining the reserve accounts provides a better presentation of the equity balances in the statement of financial position, and to align its policy to its intermediate holding company, OUE Limited. The change in accounting policy was applied retrospectively.

Except as disclosed above, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited consolidated financial statements for the financial year ended 31 December 2020.

Summary of quantitative impact

The following tables summarise the material impacts on the Group's consolidated statements of financial position. There is no material impact on the consolidated profit or loss and comprehensive income and total operating, investing or financing cash flows for the years ended 31 December 2021 and 31 December 2020.

Consolidated statement of financial position
1 January 2020

	Impact of change in accounting policy		
	As previously reported $'000	**Adjustments $'000**	**As restated $'000**
Merger reserve	(65,742)	65,742	–
Accumulated losses	(94,877)	(65,742)	(160,619)
Total equity	(160,619)	–	(160,619)

Change in classification

During 2021, the Group modified the classification of impairment loss on equity-accounted investees from "other expenses" to "share of results of equity-accounted investees" in the statement of profit or loss. The change in classification was to reflect more appropriately the nature of the transaction. Comparative amounts were reclassified for consistent presentation.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

3 BASIS OF PREPARATION (CONT'D)

3.5 Changes in accounting policies and comparatives (cont'd)

Change in classification (cont'd)

The following table summarises the impact of the reclassification on the Group's consolidated statement of profit or loss.

Consolidated statement of profit or loss
Year ended 31 December 2020

	Impact of change in reclassification		
	As previously reported $'000	Reclassification $'000	As restated $'000
Other expenses	(57,896)	4,135	(53,761)
Share of results of equity-accounted investees, net of tax	(35,037)	(4,135)	(39,172)
Impact on profit/(loss) before tax	(92,933)	–	(92,933)

The following table summarises the impact of the reclassification on the Group's consolidated statement of cash flows.

Consolidated statement of cash flows
Year ended 31 December 2020

	Impact of change in reclassification		
	As previously reported $'000	Reclassification $'000	As restated $'000
Impairment losses on joint venture investment	4,135	(4,135)	–
Share of results of equity-accounted investees, net of tax	35,037	4,135	39,172
Impact on cash flow	39,172	–	39,172

New standards and amendments

In addition to the above, the Group has adopted the following Singapore Financial Reporting Standards (International) (SFRS(I)) equivalent of the following new accounting standards and amendments that are effective for the financial year beginning 1 January 2021:

- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 4, SFRS(I) 7, SFRS(I) 9, SFRS(I) 16, SFRS(I) 1-39)*
- *Covid-19 Related Rent Concessions (Amendments to SFRS(I) 16)*

The application of the new accounting standards and amendments does not have a material effect on the financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group entities, except as explained in note 3.5, which addresses changes in accounting policies.

Certain comparative amounts have been restated, reclassified or re-presented, as a result of either changes in accounting policies (see note 3.5), or a change in the classification of impairment loss of equity-accounted investees during the current year (see note 10).

4.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Investments in associate and joint ventures (equity-accounted investees)

Associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associate and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Subsidiaries, associate and joint ventures in the separate financial statements

Investments in subsidiaries, associate and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Foreign currency (cont'd)

(ii) Foreign operations (cont'd)

Foreign currency differences are recognised in OCI and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the foreign currency translation reserve in equity.

4.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

(vii) Convertible Perpetual Securities

Convertible Perpetual Securities relate to redeemable convertible perpetual bonds issued by the Company, denominated in Singapore dollars, that can be redeemed at the option of the Company (issuer), and can be converted to ordinary shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value.

The Convertible Perpetual Securities are classified as equity, because they bear discretionary coupons, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Discretionary coupons thereon are recognised as equity distributions on approval by the Company's shareholders.

The Convertible Perpetual Securities are initially recognised at the fair value. The equity instrument is not remeasured, and on conversion at maturity, no gain or loss is recognised.

(viii) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

Expected credit losses ("ECLs") are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Liabilities arising from ECLs for financial guarantees issued are presented in the Company's statement of financial position as 'loans and borrowings'.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Leasehold land held for own use	50 years
• Buildings	16 – 35 years
• Properties leased for own use	2 – 8 years
• Office renovation, furniture, fixtures and equipment	3 – 8 years
• Medical equipment	8 years
• Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 4.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associate and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associate and joint ventures.

(ii) Medical distribution licences

Medical distribution licences acquired is measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets, other than goodwill, from the date they are available for use. The estimated useful lives for the current and comparative years are as follows:

- Medical distribution licences 5 years

Amortisation methods and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

4.6 Investment properties and investment properties under development

Investment properties (including those under development) 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. Investment properties and investment properties under development are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties (including those under development). The cost of self-constructed investment properties and investment properties under development includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties (including those under development) to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of investment properties and investment properties under development (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property (including those under development) that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of the property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

4.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Leases (cont'd)

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Leases (cont'd)

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

4.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

4.9 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs and intra-group financial guarantee contracts ("FGC").

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held). The Company only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Impairment (cont'd)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, investment properties under development and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in associate or joint ventures is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

4.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4.12 Revenue recognition

(i) Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

(ii) Rental income

Rental income received from investment properties under operating leases is recognised on a straight-line basis over the lease term.

(iii) Rendering of services

Revenue from hospital and other healthcare services is recognised in the period in which the services are rendered.

4.13 Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

4.14 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities; and
- amortisation expense.

Interest income or expense is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Finance income and finance costs (cont'd)

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets.*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associate and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Tax (cont'd)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

4.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effect of all dilutive potential ordinary shares, which comprise redeemable convertible perpetual bonds.

4.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (the "Group CEO") (the chief operating decision maker) of the Company to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment properties, investment properties under development and intangible assets other than goodwill.

4.18 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *SFRS(I) 17 Insurance Contracts and amendments to SFRS(I) 17 Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to SFRS(I) 16)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Annual Improvements to SFRS(I)s 2018-2020*
- *Disclosure of Accounting Policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to SFRS(I)1-8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)*

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

5 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets	Buildings	Office renovation, furniture, fixtures and equipment	Medical equipment	Motor vehicles	Leasehold property under development	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Cost							
At 1 January 2020	6,602	2,066	1,647	3,562	304	29,632	43,813
Additions	1,028	–	130	2	–	6,773	7,933
Disposal	–	–	(70)	–	–	–	(70)
Effect of movements in exchange rates	208	112	53	183	16	1,174	1,746
At 31 December 2020	7,838	2,178	1,760	3,747	320	37,579	53,422
At 1 January 2021	7,838	2,178	1,760	3,747	320	37,579	53,422
Additions	1,049	–	83	5	–	867	2,004
Reversal of provision for site restoration (note 19)	–	–	–	–	–	(4,250)	(4,250)
Write off	–	–	(1)	–	–	–	(1)
Effect of movements in exchange rates	300	118	52	188	17	2,518	3,193
At 31 December 2021	9,187	2,296	1,894	3,940	337	36,714	54,368
Accumulated depreciation and impairment losses							
At 1 January 2020	1,961	828	1,199	3,266	297	–	7,551
Depreciation charge for the year	396	322	176	45	7	–	946
Impairment loss	–	–	–	175	–	31,959	32,134
Disposal	–	–	(47)	–	–	–	(47)
Effect of movements in exchange rates	26	51	43	174	16	–	310
At 31 December 2020	2,383	1,201	1,371	3,660	320	31,959	40,894
At 1 January 2021	2,383	1,201	1,371	3,660	320	31,959	40,894
Depreciation charge for the year	645	38	184	15	–	–	882
Impairment loss	–	–	–	–	–	2,371	2,371
Write off	–	–	(1)	–	–	–	(1)
Effect of movements in exchange rates	64	68	44	185	17	2,384	2,762
At 31 December 2021	3,092	1,307	1,598	3,860	337	36,714	46,908
Carrying amounts							
At 1 January 2020	4,641	1,238	448	296	7	29,632	36,262
At 31 December 2020	5,455	977	389	87	–	5,620	12,528
At 31 December 2021	6,095	989	296	80	–	–	7,460

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Right-of-use assets $'000	Office renovation, furniture, fixtures and equipment $'000	Total $'000
Company			
Cost			
At 1 January 2020	663	452	1,115
Additions	746	7	753
At 31 December 2020	1,409	459	1,868
At 1 January 2021	1,409	459	1,868
Additions	–	–	–
At 31 December 2021	1,409	459	1,868
Accumulated depreciation			
At 1 January 2020	534	223	757
Depreciation	233	89	322
At 31 December 2020	767	312	1,079
At 1 January 2021	767	312	1,079
Depreciation	249	87	336
At 31 December 2021	1,016	399	1,415
Carrying amounts			
At 1 January 2020	129	229	358
At 31 December 2020	642	147	789
At 31 December 2021	393	60	453

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Ownership interests in leasehold land held for own use, carried at depreciated cost	(i)	**4,829**	4,631	**–**	–
Other properties leased for own use, carried at depreciated cost	(ii)	**1,266**	824	**393**	642
		6,095	5,455	**393**	642

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(i) Ownership interests in leasehold land held for own use

The Group holds a piece of leasehold land in the Republic of China (PRC), where its hospital is located. The leases expire in 2055. The Group is the registered owner of the property interests. Lump sum payments were made upfront to acquire these property interests from the PRC government authorities, and there is no ongoing payments to be made under the terms of the land lease.

(ii) Other properties leased for own use

The Group and the Company have obtained the right to use other properties as their offices through tenancy agreements.

Impairment test for property, plant and equipment

The Group reviews the carrying amounts of the assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. When considering impairment indicators, the Group considers both internal (e.g. adverse changes in operating and financial performance of the assets) and external sources (e.g. adverse changes in the business environment). If an indicator of impairment is noted, further management estimate is required to determine the amount of impairment, if any. The recoverable amount of the Group's property, plant and equipment was determined based on the higher of fair value less costs to sell and value-in-use calculation.

Determining the value-in-use of property, plant and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment losses could have a material adverse impact on the Group's financial condition and results of operations.

Leasehold property under development (Chengdu land)

In 2020, the Group engaged external independent valuer to determine the fair value of the Chengdu land on an "as-is" basis as there were indications of possible impairment for the Chengdu land. The fair value measurement was categorised as a level 3 fair value based on the inputs the valuation technique used. The fair value obtained was lower than the carrying amount of the Chengdu land. There was no value-in-use calculation based on discounted cash flow projections as the development plans were still being assessed at the reporting date. An impairment loss of $31,959,000 was recorded for the land, based on the fair value of the Chengdu land on an "as-is" basis, taking into consideration the additions in 2020 which included the provision for site restoration costs of $5,534,000 (note 19). Following the impairment loss recognised, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption may lead to further impairment loss.

The following table shows the valuation techniques used in measuring the recoverable amount of property, plant and equipment as well as the significant unobservable inputs used in 2020:

Valuation techniques	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Direct comparison method: The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sales price to those reflective of the leasehold property under development.	Price per square metre ("psm"): Chengdu: $301	The estimated fair value would increase (decrease) if price psm was higher (lower).

In 2021, based on management's evaluation of the current status of the land, discussions with the relevant authority and the legal advice obtained in relation to the Group's contractual obligations, a further impairment loss of $2,371,000 was recorded as management had assessed that the recoverable value of the land is $nil.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

6 INTANGIBLE ASSETS AND GOODWILL

	Note	Goodwill $'000	Medical distribution licences $'000	Total $'000
Group				
Cost				
At 1 January 2020		5,212	1,108	6,320
Effect of movements in exchange rates		61	–	61
At 31 December 2020		5,273	1,108	6,381
At 1 January 2021		5,273	1,108	6,381
Effect of movements in exchange rates		81	–	81
At 31 December 2021		5,354	1,108	6,462
Accumulated amortisation and impairment losses				
At 1 January 2020		361	1,108	1,469
Impairment loss	22	1,804	–	1,804
Effect of movements in exchange rates		104	–	104
At 31 December 2020		2,269	1,108	3,377
At 1 January 2021		2,269	1,108	3,377
Effect of movements in exchange rates		19	–	19
At 31 December 2021		2,288	1,108	3,396
Carrying amount				
At 1 January 2020		4,851	–	4,851
At 31 December 2020		3,004	–	3,004
At 31 December 2021		3,066	–	3,066

Amortisation

The amortisation of medical distribution licences is allocated to the cost of inventory and was included in 'cost of sales' as inventory is sold.

Impairment test for goodwill

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

	Group 2021 $'000	Group 2020 $'000
Brainy World Holdings Limited ("BWH")	**3,066**	3,004
Wuxi Lippo Xi Nan Hospital Company Limited ("WLXN")	**–**	–
	3,066	3,004

The Group estimated the recoverable amount of the CGU based on its value-in-use.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

6 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

BWH

In 2018, the Group acquired 100% equity interests in BWH, a limited company incorporated in the British Virgin Islands. BWH is an investment holding company which owns 50% equity interest in a joint venture company that is authorised to provide healthcare-related services. The acquisition provides the Group with the opportunity to grow its business in the PRC where the demand for specialised and quality healthcare services is expected to increase. Goodwill from the acquisition relate mainly to the synergies expected to be achieved from integrating the company into the Group's existing healthcare business.

The recoverable amount is determined based on value-in-use calculation using a discounted cash flow projection covering an 8-year-period (2020: 8-year-period), including construction period of 2 years (2020: 3 years). Management considers the 8-year-period used in discounted cash flow is appropriate considering the investment cycle of the healthcare industry. The estimated recoverable amount of the CGU exceeded its carrying amount by approximately $9,227,000 (2020: $726,000). The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

	2021	**2020**
	%	**%**
Key assumptions used for value-in-use calculations:		
Revenue growth rate[1]	**3rd to 5th year: 39.5**	4th to 6th year: 39.5
	6th to 8th year: 31.4	7th to 8th year: 35.3
EBITDA margin[2]	**3rd year: (16)**	4th year: (16)
	4th to 8th year: 1 to 28	5th to 8th year: 1 to 24
Discount rate[3]	**13.0**	15.0
Enterprise value[4]	**18 times**	18 times

[1] Weighted average growth rate used to extrapolate cash flows
[2] Earnings before interest, tax, depreciation and amortisation expenses ("EBITDA") as a percentage of the revenue
[3] Pre-tax discount rate applied to the pre-tax cash flow projections, based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 80% at a market interest rate of 4.8%
[4] Enterprise value determined based on multiples of EBITDA from the last year's cash flow projection

The following table shows the amount by which the assumption would need to change for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount	
	2021	**2020**
	%	**%**
Group		
Revenue growth rate	**(7.3)**	(1.4)
EBITDA margin	**(3.1)**	(2.2)
Discount rate	**2.1**	0.3
Enterprise value	**(2.5) times**	(0.4) times

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

6 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

WLXN

In 2019, the Group acquired 70% equity interests in WLXN and goodwill amounting to $1,808,000 arose from the acquisition had been recognised.

In 2020, the carrying amount was determined to be higher than its recoverable amount and the goodwill amounting to $1,804,000 was fully impaired. The impairment loss was recognised in "other income/(expenses), net" (note 22). No asset other than goodwill was impaired.

The recoverable amount is determined based on value-in-use calculations using a discounted cash flow projection covering a five-year period.

The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

	2020 %
Key assumptions used for value-in-use calculations:	
Revenue growth rate[1]	1st to 3rd year: 42 4th to 5th year: 23
Discount rate[2]	13.0
Terminal value growth rate[3]	2.6

[1] Revenue annual growth for 2020 is higher due to a lower starting base revenue, which took into account the actual revenue for 2020 and the impact of Covid-19 on operations.

[2] Pre-tax discount rate applied to the pre-tax cash flow projections, based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 0.8% at a market interest rate of 4.8%.

[3] Terminal growth rate to determine terminal value from the last year's cash flow projection

7. INVESTMENT PROPERTIES

	Note	Group 2021 $'000	 2020 $'000
At 1 January		**308,749**	299,770
Additions		**1,104**	971
Fair value losses recognised in profit or loss	22	**–**	(1,675)
Effect of movements in exchange rates		**(19,297)**	9,683
At 31 December		**290,556**	308,749

During the year, rental income of $16,711,000 (2020: $17,526,000), direct operating expenses (including repairs and maintenance) of $1,964,000 (2020: $1,994,000) and administrative expenses for repairs and maintenance of $1,365,000 in respect of investment properties were recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

7 INVESTMENT PROPERTIES (CONT'D)

As at 31 December 2021, the details of investment properties held by the Group are set out below:

Investment Property	Tenure	Principal activity	Location
Hikari Heights Varus Fujino	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Ishiyama	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Kotoni	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Makomanai-Koen	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Tsukisamu-Koen	Freehold	Skilled nursing facility	Hokkaido, Japan
Varus Cuore Yamanote	Freehold	Skilled nursing facility	Hokkaido, Japan
Varus Cuore Sapporo-Kita & Varus Cuore Sapporo-Kita Annex	Freehold	Skilled nursing facility	Hokkaido, Japan
Elysion Gakuenmae	Freehold	Skilled nursing facility	Nara, Japan
Elysion Mamigaoka & Elysion Mamigaoka Annex	Freehold	Skilled nursing facility	Nara, Japan
Orchard Amanohashidate	Freehold	Skilled nursing facility	Kyoto, Japan
Orchard Kaichi North	Freehold	Skilled nursing facility	Nagano, Japan
Orchard Kaichi West	Freehold	Skilled nursing facility	Nagano, Japan

Investment properties are leased to non-related parties under operating leases (see note 28), and have lease tenures ending in 2043 (2020: ending in 2043), with an option to renew the tenure for a period of five (5) years on the same conditions. The operating leases all provide for a "non-cancellation period" (ranging from approximately 7.5 to 10 years from the start of the respective leases with the Group) and, unless otherwise provided for in the respective lease agreements, if the lessee seeks to terminate a lease during the applicable non-cancellation period, the lessee will be required to compensate the lessor for the damages (including rent payable for the remaining portion of the non-cancellation period) caused by the early termination. Upon the expiry of the non-cancellation period, the lessee may terminate the leases by giving a 12-month notice, subject to the terms and condition of the lease agreements.

Changes in fair values are recognised as gains or losses in profit or loss and included within "other income/(expenses), net" in the consolidated statement of comprehensive income. All gains or losses are unrealised.

As at 31 December 2021, investment properties of the Group with carrying amounts of $290,556,000 (2020: $308,749,000) are mortgaged to banks to secure the related borrowings (see note 17(d)).

Measurement of fair value

Fair value hierarchy

The fair value of investment properties were determined by external independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair value of the Group's investment property portfolio every year.

The fair value measurement of all of the investment properties of $290,556,000 (2020: $308,749,000) has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (see note 3.4).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

7 INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table shows the valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Income capitalisation method: The income capitalisation method capitalises an income stream into a present value using single-year capitalisation rate.	Capitalisation rates ranging from 4.4% to 4.7% (2020: 4.4% to 4.8%)	The higher the capitalisation rate, the lower the fair value.
Discounted cash flow method: The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.	Discount rates ranging from 4.2% to 4.5% (2020: 4.2% to 4.6%)	The higher the discount rate, the lower the fair value.
	Terminal capitalisation rates ranging from 4.5% to 4.8% (2020: 4.5% to 5.0%)	The higher the terminal capitalisation rate, the lower the fair value.

8 INVESTMENT PROPERTIES UNDER DEVELOPMENT

		Group	
	Note	2021 $'000	2020 $'000
At 1 January		**74,492**	91,237
Fair value losses recognised in profit or loss	22	**(17,514)**	(18,486)
Effect of movements in exchange rates		**713**	1,741
At 31 December		**57,691**	74,492

The details of investment properties under development held by the Group are set out below:

Description	Unexpired term of leasehold land
Land – Wuxi land, PRC	34 years
Land – Kuala Lumpur, Malaysia	86 years

An investment property under development with carrying amount of $41,421,000 (2020: $41,920,000) is mortgaged to secure bank borrowings (see note 17(e)).

Changes in fair values are recognised as gains or losses in profit or loss and included within "other income/(expenses), net" in the consolidated statement of comprehensive income. All gains or losses are unrealised.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

8 INVESTMENT PROPERTIES UNDER DEVELOPMENT (CONT'D)

Classification of investment properties under development

The classification of the land as owner-occupied property or investment property is a matter of judgement, involving consideration of the purpose and usage of the land, and future development plans. Portion of land to be redeveloped for future rental or capital appreciations are held as investment properties under development while portion of land to be redeveloped for own use are held as property, plant and equipment. The relevant portion of the land continue to be classified as investment properties under development based on management's assessment of the above factors.

Fair value hierarchy

The fair value of investment properties under development were determined annually by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement of all of the investment properties under development of $57,691,000 (2020: $74,492,000) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 3.4).

For the land in Kuala Lumpur, management has adopted the forced sale value determined by independent valuer as the fair value, instead of the market value based on direct comparison method, in view of the impact of COVID-19 on the Malaysian economy and the property market outlook. The forced sale value is computed at a discount of 20% of the market value. Management assessed that the forced sale value is a better representation of fair value of the asset as at reporting date, based on on-going negotiations with various interested parties and available market data.

Valuation techniques and inputs used in Level 3 fair value measurements

The following table shows the valuation techniques used in measuring the fair value of investment properties under development as well as the significant unobservable inputs used:

Valuation techniques	Key inputs		Inter-relationship between key inputs and fair value measurement
	Malaysia	**PRC**	
Direct comparison method: The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sales price to those reflective of the investment properties under development.	Price per square metre ("psm"): $10,960 (2020: $11,092)	Not applicable	The estimated fair value would increase (decrease) if price psm was higher (lower).
Forced sale value: The forced sale value refers to the amount which may reasonably be received from the sale of an asset under forced sale conditions which do not meet all the criteria of a normal market transaction.	Price per square metre ("psm"): $8,768 (2020: $8,874)	Not applicable	The estimated fair value would increase (decrease) if price psm was higher (lower).
Income capitalisation method: The income capitalisation method capitalises an income stream into a present value using single-year capitalisation rates.	Not applicable	Capitalisation rate: Not applicable (2020: 4.25%)	The higher the capitalisation rate, the lower the fair value.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

8 INVESTMENT PROPERTIES UNDER DEVELOPMENT (CONT'D)

Valuation techniques and inputs used in Level 3 fair value measurements **(cont'd)**

Valuation techniques	Key inputs		Inter-relationship between key inputs and fair value measurement
	Malaysia	**PRC**	
Discounted cash flow method: The discounted cash flow method involves the estimation of construction costs and other relevant costs to complete the proposed development[1] as of valuation date assuming satisfactory completion and projection of an income stream over a period after completion. Development costs[1] and the income stream were discounted with an internal rate of return to arrive at the market value.	Not applicable	Discount rate: 15.0% (2020: 15.0%) Terminal capitalisation rate: 13.0% (2020: 13.0%) Plot ratio: 2.0 (2020: 4.5) Net operating profit margin: 8% to 32% (2020: 8% to 41%) Construction costs psm: $1,569 [1]	The estimated fair value would increase (decrease) if: • Discount rate was lower (higher); • Termination capitalisation rate was lower (higher); • Projected income stream was higher (lower); or • Estimated total construction cost was lower (higher).
Residual value method: The value of the investment properties under development is arrived at by deducting the estimated cost to complete as of valuation date and other relevant costs from the gross development value of the proposed development assuming satisfactory completion and accounting for developer profit.	Not applicable	Plot ratio: Not applicable (2020: 4.5) Entrepreneur profit and risk: Not applicable (2020: 20.0%) [1] Construction costs psm: Not applicable (2020: $1,412) [1]	The estimated fair value would increase (decrease) if: • Gross development value was higher (lower); • Entrepreneurship profit and risk was lower (higher); or • Estimated total construction cost was lower (higher).

(1) Residual value method is not used for Wuxi land valuation as at 31 December 2021. Estimated construction cost to complete the Wuxi land development was included in the projected cash flows, and entrepreneur profit and risk was reflected in the discount rate used in the discounted cash flow valuation method applied for Wuxi land as at 31 December 2021.

In 2020, the valuation of the PRC properties included critical assumptions made by management on plot ratio, hospital license, gross development value and entrepreneur profit and risk. As at 31 December 2021, management revised its development plan and the valuation method for the PRC properties. Critical assumptions made by management included the following:

(1) Development plan

The valuation of the Wuxi land is dependent on management's proposed development plan, which took into consideration the current market conditions and demand for healthcare services. As at 31 December 2021, management's intention is to build specialist centre and hospital based on the existing approved plot ratio of 2, which require class 2 hospital license (2020: planned plot ratio of 4.5 to build general hospital with medical suites which require class 3A hospital license). Any changes to the current proposed development plan will significantly affect the valuation of the Wuxi land.

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Year ended 31 December 2021

8 INVESTMENT PROPERTIES UNDER DEVELOPMENT (CONT'D)

(2) Construction costs

In arriving at the average construction cost for Wuxi land for 2021 and 2020, management has relied on construction cost furnished by Savills Real Estate Valuation (Guangzhou) Ltd ("Savills Guangzhou"), an independent global property consultant.

	2021		2020	
	RMB'000	**$'000**	**RMB'000**	**$'000**
Wuxi land				
Estimated construction cost per square metre	**7.3**	**1.6**	6.9	1.4

Any changes to the proposed development plan will result in a change in construction costs, and consequently, a change in the valuation of Wuxi land.

9 SUBSIDIARIES

	Company	
	2021 **$'000**	**2020** **$'000**
Equity investments at cost	**116,937**	116,937
Less: Allowance for impairment loss	**(48,147)**	(48,147)
	68,790	68,790
Loan to a subsidiary	**14,883**	14,883
Corporate guarantees issued for subsidiaries' borrowings	**4,320**	4,320
Less: Allowance for doubtful receivables	**(3,901)**	(3,901)
	15,302	15,302
Total subsidiaries	**84,092**	84,092

Loan to a subsidiary is unsecured, interest-free and have no fixed term of repayment. The settlement of the loan is neither planned nor likely to occur in the foreseeable future and hence the loan is classified as non-current.

Movement in allowance for impairment loss in respect of the loan to a subsidiary and corporate guarantee issued were as follows:

	Company	
	2021 **$'000**	**2020** **$'000**
At 1 January	**3,901**	370
Impairment loss	**–**	3,531
At 31 December	**3,901**	3,901

Allowance for impairment loss on investments in subsidiaries

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. This assessment takes into account the assumptions about future business outlook, operational and financial cash flows of the investee companies. The recoverable amount is determined based on the higher of fair value less costs to sell and value-in-use calculations by management, on cash generating unit (CGU) basis.

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Year ended 31 December 2021

9 SUBSIDIARIES (CONT'D)

Allowance for impairment loss on investments in subsidiaries (cont'd)

Based on this assessment, the Company recognised an impairment loss of $29,069,000 on its investments in subsidiaries in 2020. The recoverable amounts of the subsidiaries were based on the fair value less cost to sell estimated taking into consideration the fair value of the underlying assets of the companies and the liabilities to be settled. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used (see note 3.4).

As at 31 December 2021, there were no indications of impairment or reversal of previously recognised impairment loss for its subsidiaries.

Movement in allowance for impairment losses were as follows:

	Company	
	2021	**2020**
	$'000	**$'000**
At 1 January	**48,147**	19,078
Impairment loss	**–**	29,069
At 31 December	**48,147**	48,147

The Group's significant subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Group 2021 %	Effective equity held by the Group 2020 %
Held by the Company				
OUELH Japan Medical Facilities Pte. Ltd. [(a) *]	Investment holding	Singapore	**100**	100
OUELH Japan Medical Assets Pte. Ltd.[(a)]	Investment holding	Singapore	**100**	100
Held by subsidiaries				
OLH Healthcare Investment Pte. Ltd. [(a)]	Investment holding	Singapore	**100**	100
OUELH Seasons Residences Sdn. Bhd. [(b)]	Property investment	Malaysia	**100**	100
OUELH Japan First TMK [(d)]	Property investment	Japan	**51.0***	51.0*
Healthkind Medical Holding Co., Ltd. [(c)]	Property investment	PRC	**100**	100

(a) audited by KPMG LLP, Singapore
(b) audited by Roger Yue, Tan & Associates, Malaysia
(c) not required to be audited under the laws of the country of incorporation
(d) audited by KPMG AZSA LLC, Tokyo

* OUELH Japan Medical Facilities Pte. Ltd. owns directly and indirectly 100% of the preferred shares in OUELH Japan First TMK. OUELH Japan Medical Facilities Pte. Ltd. and OUELH Japan One ISH as common shareholders of OUELH Japan First TMK have waived their rights to receive the economic benefits of OUELH Japan First TMK. Under Japanese laws, as the common shareholders have waived their rights to receive economic benefits of OUELH Japan First TMK, OUELH Japan Medical Facilities Pte. Ltd. is entitled to the full economic benefits of OUELH Japan First TMK via its direct and indirect ownership of 100% of the preferred shares in OUELH Japan First TMK, notwithstanding that OUELH Japan Medical Facilities Pte. Ltd. does not have full beneficial ownership of OUELH Japan First TMK.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

9 SUBSIDIARIES (CONT'D)

KPMG LLP are the auditors of all significant Singapore-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

Management is of the opinion that the NCI for each subsidiary are immaterial to the Group individually and in aggregate and accordingly, no summarised financial information for subsidiaries with NCI is disclosed.

10 ASSOCIATE AND JOINT VENTURES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Interest in an associate	**110,645**	61,785	**–**	–
Interests in joint ventures	**81,455**	77,036	**40,553**	40,553
Less: Allowance for impairment loss	**(16,389)**	(4,135)	**(16,946)**	(16,946)
	175,711	134,686	**23,607**	23,607

KPMG LLP is the auditor of the significant Singapore-incorporated associate and joint venture. An associated company or joint venture is considered significant as defined under the Singapore Exchange Limited Listing Manual if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits. The Group's associate and a joint venture met the definition of significant associate and joint venture.

Associate

The Group has one (2020: one) associate that is material to the Group and is equity accounted.

The following is the material associate:

	First Real Estate Investment Trust ("First REIT")
Nature of relationship with the Group	Healthcare real estate investment trust which invests in a diversified portfolio of income-producing real estate and/or real estate-related assets in Asia
Principal place of business/ Country of incorporation	Asia
Ownership interest	15.3% (2020: 10.4%)
Fair value of ownership interest	$75,289,000 (2020: $19,645,000) *

* Based on the quoted market price at 31 December (Level 1 in the fair value hierarchy).

As at 31 December 2021, the Group has a direct equity interest of 15.3% (2020: 10.4%) in First REIT, and indirect equity interest of 4.1% (2020: 3.7%) in First REIT. Although the Group has less than 20% ownership in the equity interest of First REIT, the Group has determined that it has significant influence because it has representation on the board of its manager.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

10 ASSOCIATE AND JOINT VENTURES (CONT'D)

The following summarises the financial information of First REIT Group based on its (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	First REIT	
	2021	**2020**
	$'000	**$'000**
Revenue	**102,346**	79,619
Profit/(Loss) from continuing operations	**63,113**	(352,410)
OCI	**3,705**	(164)
Total comprehensive income	**66,818**	(352,574)
Attributable to Unitholders of Trust	**63,613**	(355,992)
Attributable to Perpetual securities holders	**3,205**	3,418
Non-current assets	**962,475**	939,711
Current assets	**87,060**	65,197
Non-current liabilities	**(270,554)**	(317,494)
Current liabilities	**(127,161)**	(223,444)
Net assets	**651,820**	463,970
Attributable to Unitholders of Trust	**591,145**	403,092
Attributable to Perpetual securities holders	**60,675**	60,878
Group's interest in net assets of investee at beginning of the year	**44,013**	85,426
Group's share of:		
- profit/(loss) from continuing operations	**8,904**	(36,832)
- OCI	**567**	(17)
- total comprehensive income	**9,471**	(36,849)
Goodwill	**17,772**	17,772
Dividends received during the year	**(5,516)**	(4,564)
Group's contribution during the year - subscription of rights issues	**32,651**	–
Bargain purchase gain	**12,254**	–
Impairment of goodwill	**(12,254)**	–
Carrying amount of interest in investee at end of the year	**98,391**	61,785

In February 2021, the Group subscribed for its pro-rata rights entitlement of 81,921,809 rights units and 81,334,795 excess rights units, at an issue price of $0.20 per rights unit, for an aggregate consideration of $32,651,000. Upon completion of the subscription to the rights issue, the Group's direct stake in First REIT was 15.3%.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

10 ASSOCIATE AND JOINT VENTURES (CONT'D)

The following table summarises the non-underwritten rights issue consideration transferred and the proportionate share of fair value of net assets of First REIT as at 24 February 2021:

	First REIT 2021 $'000
Total non-underwritten right issue consideration transferred	**32,651**
Less: Proportionate share of fair value of net assets	**44,905**
Bargain purchase gain	**(12,254)**

The bargain purchase gain amounting to $12,254,000 arose from acquisition of additional 5.08% equity interest in First REIT. The amount had been included in the "share of results of equity-accounted investees" in the statement of comprehensive income in 2021. The bargain purchase gain is attributable mainly to the difference between the share of fair value of net assets acquired and the rights issue consideration.

Joint venture

The Group has four (2020: four) joint ventures that are material and nil (2020: nil) joint venture that is immaterial to the Group. All are equity accounted.

The following are the material joint ventures:

Name of joint ventures	Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
First REIT Management Limited	Singapore	**40**	40
Yoma OUE Pun Hlaing Limited (formerly known as Yoma Siloam Hospital Pun Hlaing Limited) ("YSHPH") #	Myanmar	**40**	40
Pun Hlaing International Hospital Limited ("PHIH") #	Myanmar	**35**	35
China Merchants Lippo Hospital Management (Shenzhen) Limited ("CMLHM")	PRC	**50**	50
Riviera Quad International Limited ("Riviera Quad")	PRC	**50**	50

The Group owns 40% economic interests in YSHPH and PHIH (collectively known as the "Myanmar Group"), in which 5% economic interests in PHIH is held via Deed of Assignment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

10 ASSOCIATE AND JOINT VENTURES (CONT'D)

The following table summarises the financial information of joint ventures of the Group based on their financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	First REIT Management Limited		Myanmar Group		CMLHM		Riviera Quad	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	Period from date of acquisition to 31/12/2020 $'000
Revenue	**12,950**	13,454	**37,701**	30,229	**1,931**	2,246	**–**	–
Profit/(Loss) from continuing operations	**8,149**	8,862	**2,311**	(3,652)	**(672)**	(133)	**37**	53
OCI	**12,663**	(55,973)	**–**	–	**–**	–	**–**	–
Total comprehensive income	**20,812**	(47,111)	**2,311**	(3,652)	**(672)**	(133)	**37**	53
Attributable to NCI	**–**	–	**376**	(628)	**–**	–	**–**	–
Attributable to investees' shareholders	**20,812**	(47,111)	**1,935**	(3,024)	**(672)**	(133)	**37**	53
Non-current assets	**51,328**	19,210	**28,936**	39,201	**8,105**	82	**36,531**	43,774
Current assets	**11,208**	11,053	**20,179**	15,560	**980**	1,484	**10,670**	16,453
Non-current liabilities	**(12,071)**	(444)	**(10,875)**	(7,578)	**(8,187)**	–	**–**	–
Current liabilities	**(2,859)**	(3,024)	**(27,763)**	(36,812)	**(717)**	(721)	**(20,038)**	(650)
Net assets	**47,606**	26,795	**10,477**	10,371	**181**	845	**27,163**	59,577
Attributable to NCI	**–**	–	**1,466**	1,523	**–**	–	**–**	–
Attributable to investees' shareholders	**47,606**	26,795	**9,011**	8,848	**181**	845	**27,163**	59,577
Group's interest in net assets of investee at beginning of the year	**23,607**	43,251	**11,100**	10,755	**403**	132	**25,715**	–
Group's share of:								
- profit/(loss) from continuing operations	**3,260**	3,545	**812**	(1,655)	**(345)**	(121)	**17**	26
- OCI	**5,065**	(22,389)	**–**	–	**–**	–	**–**	–
- total comprehensive income	**8,325**	(18,844)	**812**	(1,655)	**(345)**	(121)	**17**	26
Goodwill	**–**	–	**12,076**	16,211	**–**	–	**–**	–
Dividends received during the year	**–**	(800)	**–**	–	**–**	–	**–**	–
Impairment loss	**–**	–	**–**	(4,135)	**–**	–	**–**	–
Group's contribution during the year	**–**	–	**–**	–	**–**	498	**–**	24,889
Translation adjustments	**–**	–	**(5,658)**	2,000	**(115)**	(106)	**1,383**	800
Carrying amount of interest in investee at end of the year	**31,932**	23,607	**18,330**	23,176	**(57)**	403	**27,115**	25,715

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

10 ASSOCIATE AND JOINT VENTURES (CONT'D)

Riviera Quad

On 17 January 2020, the Group had completed the share subscription exercise with Golden Pinnacle Enterprises Limited ("Golden Pinnacle") to subscribe an aggregate of 10,000 new ordinary shares in the capital of Riviera Quad International Limited ("Riviera Quad"), a wholly-owned subsidiary of Golden Pinnacle, for an aggregate consideration of RMB126,339,000 (equivalent to $24,889,000).

Upon subscription, both the Group and Golden Pinnacle hold 50% of the total issued shares of Riviera Quad respectively. The Group had subsequently entered into a shareholders' agreement with Golden Pinnacle to regulate the management and control of Riviera Quad.

The following table summarises the consideration transferred and the proportionate share of the fair value of net assets of Riviera Quad as at the date of acquisition:

	Riviera Quad 2020 $'000
Total consideration transferred	24,889
Less: Proportionate share of fair value of net assets	25,107
Negative goodwill	(218)

The PPA exercise was finalised in 2020 and negative goodwill amounting to $218,000 arose from acquisition of equity interest in Riviera Quad Group. The amount had been included in the carrying amount of associate and joint ventures in the statement of financial position as at 31 December 2020. The goodwill is attributable mainly to the synergies expected to be achieved from integrating the Riviera Quad Group into the Group's existing healthcare business.

Recoverable amount of interests in associate and joint ventures

At each reporting date, the Group assesses whether the investments are impaired. This assessment takes into account the assumptions about future business outlook, operational and financial cash flows of the investee companies. Under the Group's formal impairment assessment of its investment, the recoverable amount is determined based on the higher of fair value less costs to sell and value-in-use calculations by management, on cash generating unit (CGU) basis.

Based on the Group's assessment, there were indications of possible impairment for its associate, First Real Estate Investment Trust (First REIT), and joint ventures, First REIT Management Limited (FRML), and Yoma OUE Pun Hlaing Limited (formerly known as Yoma Siloam Hospital Pun Hlaing Limited) and Pun Hlaing International Hospital Limited (collectively known as the "Myanmar Group"), at the reporting date.

The carrying values of CGUs subject to impairment testing at reporting date (gross value before impairment) are as follows:

	Group		Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
First REIT	**110,645**	61,785	**–**	–
FRML	**31,932**	23,607	**40,553**	40,553
Myanmar Group	**22,465**	27,311	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

10 ASSOCIATE AND JOINT VENTURES (CONT'D)

Recoverable amount of interests in associate and joint ventures **(cont'd)**

At the Group level, the estimated recoverable amounts for each CGU are higher than their carrying amounts, except for the Myanmar Group and First REIT, at the reporting date. The recoverable amounts were assessed based on value-in-use of each CGU.

At the Company level, the estimated recoverable amounts based on the value-in-use for the joint venture is lower than the carrying amounts.

The recoverable amount of each of the CGUs at reporting date:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
First REIT	**98,391**	66,865	**–**	–
FRML	**36,192**	24,206	**23,607**	23,607
Myanmar Group	**19,734**	23,175	**–**	–

The value-in-use calculations use discounted cash flow projections based on financial projections prepared by management covering a 12-year (2020: 13-year) period for First REIT, which is based on First REIT weighted average lease expiry period, and a 5-year period for FRML and Myanmar Group.

The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

	First REIT	**FRML**	**Myanmar Group**
	%	**%**	**%**
2021			
Key assumptions used for value-in-use calculations:			
Revenue growth rate[1]	Not applicable	4.0	17.0
Dividend growth rate[1]	4.1	Not applicable	Not applicable
Discount rate[2]	10.0	12.0	20.0
Terminal growth rate[3]	3.0	2.0	5.5
2020			
Key assumptions used for value-in-use calculations:			
Revenue growth rate[1]	Not applicable	4.0	17.0
Dividend growth rate[1]	4.0	Not applicable	Not applicable
Discount rate[2]	8.5	11.0	17.0
Terminal growth rate[3]	2.0	2.0	5.0

1 Weighted average growth rate used to extrapolate revenue.

2 Cost of equity discount rate was applied to dividend return projections of First REIT. Pre-tax discount rate was applied to the pre-tax cash flow projections of FRML and Myanmar Group, based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 0.8% and 22.8% at a market interest rate of 4.8% and 14.5% for FRML and Myanmar Group respectively.

3 Terminal growth rates to determine terminal value from the last year's cash flow projection.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

10 ASSOCIATE AND JOINT VENTURES (CONT'D)

Allowance for impairment loss on interests in associate and joint venture

Based on the assessment of recoverable amounts of the associate and joint ventures described above, an impairment loss of $12,254,000 (2020: $nil) on First REIT and $nil (2020: $4,135,000) on the Myanmar Group was recognised in current year's profit or loss, in "share of results of equity-accounted investees". Following the impairment loss recognised in First REIT and the Myanmar Group, the recoverable amounts approximate the carrying amounts, and any adverse movement in a key assumption may lead to further impairment loss.

In 2020, the Company recognised impairment loss of $16,946,000 on its investment in joint venture, FRML.

Movement in allowance for impairment loss was as follows:

	Group		**Company**	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
1 January	**4,135**	–	**16,946**	–
Impairment loss	**12,254**	4,135	**–**	16,946
At 31 December	**16,389**	4,135	**16,946**	16,946

The recoverable amounts of the associate and joint ventures are sensitive to changes to the discount rate and terminal growth rate used in the value-in-use calculations. The following changes in assumptions would have resulted in a significant increase in the impairment loss as follows:

	Impairment higher by $'000 for		
	First REIT	**FRML**	**Myanmar Group**
2021			
Key assumptions used for value-in-use calculations:			
A decrease of revenue/dividend growth rate by 1.0% per annum during projection period	6,706	No impairment	681
An increase in discount rate by 1%	12,215	No impairment	No impairment
A decrease in terminal growth rate by 1%	5,390	No impairment	No impairment
2020			
Key assumptions used for value-in-use calculations:			
A decrease of revenue/dividend growth rate by 1.0% per annum during projection period	187	448	6,235
An increase in discount rate by 1%	4,308	1,228	2,480
A decrease in terminal growth rate by 1%	No impairment	733	1,557

The following table shows the amount by which the assumption would need to change for the estimated recoverable amount to be equal to the carrying amount.

	FRML	
	2021	**2020**
	%	**%**
Group		
Revenue/Dividend growth rate	**(4.4)**	(0.5)
Discount rate	**2.9**	0.2
Terminal growth rate	**(4.9)**	(0.2)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

11 INVENTORIES

	Group 2021 $'000	Group 2020 $'000
Pharmacy supplies	**269**	195
Medical and surgical supplies	**27**	24
	296	219

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $2,065,000 (2020: $1,869,000).

12 TRADE AND OTHER RECEIVABLES

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Trade receivables	**746**	479	**–**	–
Other receivables:				
- due from a non-controlling shareholder of certain subsidiaries	**7,889**	7,771	**5,401**	5,259
- due from Crest entities	**–**	25,786	**–**	21,964
- others	**1,351**	2,186	**682**	702
Amounts due from subsidiaries	**–**	–	**375,223**	383,013
Advance to a joint venture partner	**4,110**	4,110	**–**	–
Loans to joint ventures	**8,946**	2,659	**3,000**	–
	23,042	42,991	**384,306**	410,938
Less: Impairment losses	**(7,889)**	(29,478)	**(159,286)**	(128,862)
	15,153	13,513	**225,020**	282,076
Deposits	**311**	320	**38**	38
	15,464	13,833	**225,058**	282,114
Prepayments	**330**	411	**192**	183
Total trade and other receivables	**15,794**	14,244	**225,250**	282,297
Non-current	**3,215**	–	**9,792**	10,445
Current	**12,579**	14,244	**215,458**	271,852
	15,794	14,244	**225,250**	282,297

Amounts due from a non-controlling shareholder of certain subsidiaries, subsidiaries and loans to joint ventures are unsecured, interest-free and repayable on demand. The amount due from a non-controlling shareholder of certain subsidiaries is fully impaired.

Crest entities refer to the subsidiaries that were derecognised in August 2016 as these subsidiaries were placed under receivership. The subsidiaries are IHC Management Pte. Ltd., IHC Management (Australia) Pty Ltd, IHC Medical RE Pte. Ltd., IHC Healthcare REIT, IHC Australia First Trust and IHC Australia Second Trust. In 2020, the Group re-gained control over the Crest entities and recovered part of the receivables. In December 2021, the legal suit reached a full and final settlement (note 19). As at 31 December 2021, amounts due from Crest entities of $20,907,000 (2020: $9,416,000) at the Group level and $17,076,000 (2020: $4,322,000) at the Company level are written off against allowance for impairment losses.

Advance to a joint venture partner is secured, interest-bearing at 6% (2020: 6%) per annum and repayable in 2022 (2020: 2021).

The non-current portion of the amounts due from subsidiaries is unsecured and interest-bearing at 1% (2020: 1%) per annum.

The non-current portion of the loan to joint venture is unsecured, interest-free and repayment is not expected within the next twelve months.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

12 TRADE AND OTHER RECEIVABLES (CONT'D)

Movement in allowance for impairment losses in respect of other receivables during the year were as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	\$'000	**\$'000**	**\$'000**	**\$'000**
Balance at 1 January	**29,478**	38,740	**128,862**	70,276
Utilisation of impairment losses	**(20,907)**	(9,416)	**(17,076)**	(4,322)
Reversal of impairment losses	**(801)**	–	**(801)**	–
Impairment losses recognised	**–**	–	**48,158**	63,006
Effect of movements in exchange rates	**119**	154	**143**	(98)
Balance at 31 December	**7,889**	29,478	**159,286**	128,862

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	**2020**	**2021**	**2020**
	\$'000	**\$'000**	**\$'000**	**\$'000**
Cash on hand and at banks	**43,823**	68,973	**6,057**	33,117

Bank balances of \$19,563,000 (2020: \$23,684,000) are included as part of the floating charge to third parties for borrowings of the Group (see notes 17 (d) and (e)). This amount is included as part of cash and cash equivalents as the utilisation of these bank balances is not restricted.

Significant restrictions

Cash and bank balances of \$1,467,000 (2020: \$3,040,000) in the Group are held in the PRC and are subject to local exchange control regulations. The conversion of these RMB-denominated balances into foreign currencies is subject to the foreign exchange rules and regulations promulgated by the PRC government.

14. SHARE CAPITAL

	2021		2020	
	No. of ordinary shares '000	**Share capital \$'000**	**No. of ordinary shares '000**	**Share capital \$'000**
Company				
At beginning and end of the year	**4,443,129**	**418,913**	4,443,129	418,913

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued ordinary shares are fully paid, with no par value. All shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

15 CONVERTIBLE PERPETUAL SECURITIES

On 23 February 2021, the Company entered into a conversion agreement with Treasure International Holdings Pte. Ltd. ("TIHPL"). TIHPL is a wholly-owned subsidiary of OUE Limited ("OUE"). OUE is a controlling shareholder of the Company.

Under the conversion agreement, the Company would issue 4.0% redeemable convertible perpetual bonds ("Convertible Perpetual Securities") of an aggregate principal amount of $189,607,700 to TIHPL ("Shareholder Loan Conversion"). The principal amount was based on the outstanding shareholder loans and accrued interests up to 28 February 2021 (note 17(c) and 18).

On 12 March 2021, shareholders of the Company approved the Shareholder Loan Conversion at an extraordinary general meeting. The Shareholder Loan Conversion was completed on 16 March 2021.

The Convertible Perpetual Securities do not have a maturity date and distribution is at the discretion of the Company. The Convertible Perpetual Securities can be converted into ordinary shares of the Company at a conversion price of $0.07 per ordinary shares, assuming no adjustments (for anti-dilution) to the conversion price are made, at the option of TIHPL on or after 31 August 2026.

As the Company does not have a contractual obligation to repay the principal nor make any distributions, the Convertible Perpetual Securities are classified as equity. Any distributions made are directly debited from equity.

The Group recorded a one-off gain of $109,973,000 as "other income" in the consolidated statement of profit or loss for the year ended 31 December 2021, on basis that the shareholder is acting as a lender in the transaction. The one-off gain relates to the difference between the principal amount of $189,607,700 and the fair value of the Convertible Perpetual Securities of $79,635,000. Significant judgements and assumptions are used in management's assessment of the accounting for the extinguishment of the shareholder loan and the fair value of the Convertible Perpetual Securities.

Valuation techniques and inputs used in Level 3 fair value measurements

The following table shows the valuation techniques used in measuring the fair value of the Convertible Perpetual Securities, as well as the significant unobservable inputs and key assumptions used, at issuance date of 16 March 2021:

Valuation techniques	Key unobservable inputs and assumptions	Inter-relationship between key unobservable inputs and fair value measurement
Present value of coupon payments prior to conversion and conversion value: The valuation method involves the analysis of the Company's projected dividend and coupon payments, conversion date, and conversion value based on the Company's traded share price on value date, adjusted to reflect contractual restrictions of the Convertible Perpetual Securities.	Discount for lack of marketability: 30% Coupon and dividend*: Nil Discount rate on coupon: 9.8%	The estimated fair value would increase (decrease) if: • Discount rate was lower (higher); • Coupon increase (decrease); • Dividend decrease (increase)

* The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

The fair value of the Convertible Perpetual Securities is sensitive to changes to the discount for lack of marketability and projected coupon/dividend payments used in the calculations. The following changes in assumptions would have resulted in a significant increase in the fair value of Convertible Perpetual Securities at issue date, holding other assumptions constant:

	$'000
2021	
Change in key assumptions used for Convertible Perpetual Securities calculations:	
A 4% coupon payment from year 6 to year 10 (dividend: nil)	12,800
A 4% coupon payment from year 6 to year 10 (dividend: 4%)	8,700
A decrease in discount for lack of marketability by 5%	5,688

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

16 RESERVES

Asset revaluation reserve

Asset revaluation reserve represents the revaluation surplus recognised in property, plant and equipment.

Foreign currency translation reserve

The foreign currency translation reserve comprises:

(a) exchange differences arising from the translation of financial statements of foreign operations;

(b) share of currency translation reserve of foreign equity-accounted investees; and

(c) exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

Fair value reserve

The fair value reserve represents the share of fair value reserve of an equity-accounted investee arising from the cumulative net change in the fair value of the quoted equity investments until the investments are derecognised or impaired.

17. LOANS AND BORROWINGS

		Group		Company	
	Note	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**
Current					
Loans from third parties	(a)	**189**	189	**189**	189
Loan from a fellow subsidiary	(b)	**4,150**	44,485	**–**	40,335
Loan from a shareholder	(c)	**–**	125,077	**–**	125,077
Tokutei Mokuteki Kaisha ("TMK") Bond	(d)	**1,714**	1,828	**–**	–
Bank borrowings	(e)	**34,794**	47,110	**30,000**	30,000
		40,847	218,689	**30,189**	195,601
Non-current					
TMK Bonds	(d)	**126,971**	137,012	**–**	–
Bank borrowings	(e)	**19,301**	–	**–**	–
		146,272	137,012	**–**	–
Total loans and borrowings		**187,119**	355,701	**30,189**	195,601

Total borrowings include secured liabilities of $182,780,000 (2020: $311,027,000) and $30,000,000 (2020: $155,077,000) of the Group and the Company respectively.

(a) *Loans from third parties*

The loan from a third party is unsecured.

(b) *Loan from a fellow subsidiary*

The loan from a fellow subsidiary, OUE Treasury Pte Ltd, is unsecured.

On 1 January 2021, the loan from a fellow subsidiary amounting to $40,334,945 was assigned to a shareholder, Treasure International Holdings Pte. Ltd. ("TIHPL") (note 17(c)).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

17 LOANS AND BORROWINGS (CONT'D)

(c) Loan from a shareholder

As at 31 December 2020, the loan from a shareholder, TIHPL, was secured against a debenture over the Company's real property, tangible moveable property, the accounts, intellectual property, goodwill and rights in relation to the uncalled capital of the Company, investments, the shares, all dividends, interest and other monies payable in respect of the shares, all monetary claims other than any claims which are otherwise subject to a fixed charge or assignment pursuant to this debenture and all chattels hired, leased or rented from the Company by any other person.

On 1 January 2021, the loan from TIHPL increased by $40,334,945 arising from an assignment of a loan from a fellow subsidiary to TIHPL (note 17(b)). During the year, the loan from shareholder was extinguished/settled in entirety with the Company's issuance of 4.0% redeemable convertible perpetual bonds to the shareholder, TIHPL (note 15).

(d) TMK Bond

TMK is an investment vehicle incorporated under the Asset Liquidation Law of Japan to acquire real estate and obtain debt financing in real estate finance transactions in Japan. A TMK may issue TMK Bonds, which are generally issued to qualified institutional investors. The TMK grants to holders of TMK Bonds the right to receive all payments due in relation to such TMK Bonds out of the assets of the TMK prior to any payments to other unsecured creditors. This statutory right is generally referred to as a general security interest. Unless otherwise provided in the Asset Liquidation plan, such general security is automatically created by operation of law.

The TMK Bonds are secured against:

(i) the total assets of a subsidiary of the Group which mainly comprise investment properties in Japan (see note 7) and cash and cash equivalents (see note 13); and
(ii) a corporate guarantee from the Company (see note 18).

(e) Bank borrowings

The bank borrowings are secured against:

(i) a charge created over an investment property under development of the Group (see note 8);
(ii) a debenture over the assets and rights of the subsidiary pertaining to a development project of the Group (see note 8 and note 13);
(iii) joint and several guarantees by certain shareholders;
(iv) a corporate guarantee from the Company (see note 18); and
(v) Memorandum of charge over units in an associate held by a subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

17 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value $'000	Carrying amount $'000
Group					
2021					
Unsecured loans from third parties	SGD	0%	On demand	189	189
Unsecured loan from a fellow subsidiary	SGD	4%	On demand	4,150	4,150
Secured TMK Bonds	JPY	Offer rate + 1%	2022-2025	129,426	128,685
Secured bank loan	MYR	Cost of funds + 2%	2022-2023	8,602	8,602
Secured bank loan	RMB	4.8%	2022	493	493
Secured bank loan	SGD	Sora + 0.8%	On demand	30,000	30,000
Secured bank loan	SGD	6%	2023	15,000	15,000
				187,860	187,119
2020					
Unsecured loans from third parties	SGD	0%	On demand	189	189
Unsecured loan from a fellow subsidiary	SGD	4%	On demand	44,485	44,485
Secured loan from a shareholder	SGD	4%	On demand	125,077	125,077
Secured TMK Bonds	JPY	Offer rate + 1%	2025	139,885	138,840
Secured bank loan	MYR	Cost of funds + 2%	2021	16,601	16,601
Secured bank loan	RMB	4.8%	2021-2022	509	509
Secured bank loan	SGD	Sibor + 0.8%	On demand	30,000	30,000
				356,746	355,701
Company					
2021					
Unsecured loans from third parties	SGD	0%	On demand	189	189
Secured bank loan	SGD	Sora + 0.8%	On demand	30,000	30,000
				30,189	30,189
2020					
Unsecured loans from third parties	SGD	0%	On demand	189	189
Unsecured loan from a fellow subsidiary	SGD	4%	On demand	40,335	40,335
Secured loan from a shareholder	SGD	4%	On demand	125,077	125,077
Secured bank loan	SGD	Sibor + 0.8%	On demand	30,000	30,000
				195,601	195,601

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

17 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			
	Loans and borrowings $'000	**Lease liabilities $'000**	**Interest payable $'000**	**Total $'000**
Balance at 1 January 2020	341,451	220	17,052	358,723
Additions	–	1,028	–	1,028
Changes from financing cash flows				
Proceeds from borrowings	143,000	–	–	143,000
Repayment of borrowings	(131,946)	–	–	(131,946)
Payment of lease liability	–	(358)	–	(358)
Interest paid	–	–	(2,911)	(2,911)
Total changes from financing cash flows	11,054	(358)	(2,911)	7,785
The effect of changes in foreign exchange rates	2,746	(67)	(43)	2,636
Other changes				
Liability-related				
Amortisation expense	450	–	–	450
Interest expense	–	10	9,726	9,736
Total liability-related other changes	450	10	9,726	10,186
Balance at 31 December 2020	355,701	833	23,824	380,358
Balance at 1 January 2021	355,701	833	23,824	380,358
Changes from financing cash flows				
Proceeds from borrowings	15,000	–	–	15,000
Repayment of borrowings	(9,194)			(9,194)
Payment of lease liability	–	(665)	–	(665)
Interest paid	–	–	(3,111)	(3,111)
Total changes from financing cash flows	5,806	(665)	(3,111)	2,030
The effect of changes in foreign exchange rates	(9,220)	2	(5)	(9,223)
Other changes				
Liability-related				
Non-cash settlement of shareholder loan through issuance of convertible perpetual securities (note 15)	(165,412)	–	(24,196)	(189,608)
New lease	–	1,049	–	1,049
Amortisation expense	244	–	–	244
Interest expense	–	99	3,607	3,706
Total liability-related other changes	(165,168)	1,148	(20,589)	(184,609)
Balance at 31 December 2021	187,119	1,318	119	188,556

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

18 TRADE AND OTHER PAYABLES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Trade payables	**1,354**	1,327	**–**	–
Other payables	**6,043**	5,952	**576**	664
Amount due to Crest entities	**514**	543	**463**	478
Amounts due to subsidiaries	**–**	–	**46,610**	69,465
Amount due to a former shareholder	**644**	644	**644**	644
Interest payable	**119**	23,824	**32**	23,153
Accrued expenses	**7,043**	4,940	**3,239**	2,164
Corporate guarantee	**–**	–	**–**	281
Deferred revenue	**1,444**	1,554	**–**	–
	17,161	38,784	**51,564**	96,849
Non-current				
Corporate guarantee	**–**	–	**–**	159
Rental deposit received	**7,448**	7,914	**–**	–
	7,448	7,914	**–**	159
Total trade and other payables	**24,609**	46,698	**51,564**	97,008

The amounts due to Crest entities, subsidiaries and a former shareholder are unsecured, interest-free and repayable on demand.

In 2021, included in the Group's other payables and accrued expenses are outstanding consultancy fee, professional fees and accrued repairs and maintenance costs amounting to $2,731,000, $2,155,000 and $1,430,000 (2020: $2,659,000, $1,086,000 and $313,000) respectively.

Included in the Group's and the Company's interest payable as at 31 December 2020 were accrued interest payable to a shareholder amounting to $5,824,000 and $5,595,000, respectively, and to a fellow subsidiary of $17,531,000.

The Group's and the Company's exposure to currency risk and liquidity risk related to trade and other payables is disclosed in note 29.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

19 PROVISIONS

	Note	Legal $'000	Site restoration $'000	Total $'000
Group				
At 1 January 2020		29,661	–	29,661
Provision made during the year		–	5,534	5,534
Utilisation during the year		(2,060)	–	(2,060)
Effect of movements in exchange rates		–	85	85
At 31 December 2020		27,601	5,619	33,220
At 1 January 2021		27,601	5,619	33,220
Reversal of provision	22, 5	(5,000)	(4,250)	(9,250)
Utilisation during the year		(1,644)	–	(1,644)
Effect of movements in exchange rates		–	181	181
At 31 December 2021		20,957	1,550	22,507

	Note	Legal 2021 $'000	Legal 2020 $'000
Company			
At 1 January		**27,601**	29,661
Reversal of provision	22	**(5,000)**	–
Utilisation during the year		**(1,644)**	(2,060)
At 31 December		**20,957**	27,601

Legal

Provisions are related to legal and related expenses (see note 27). The provision is made based on management's assessment of the Group's legal or constructive obligation arising from past events, likelihood of outflow of benefits and its ability to reliably estimate the amounts. In accordance to paragraph 92 of SFRS(I) 1-37 *Provisions, Contingent liabilities and Contingent assets*, details of the provision made for each claims were not disclosed in order not prejudice the Group's negotiation position.

For the year ended 31 December 2021, provisions were utilised for legal costs incurred. A reversal of provision of $5,000,000 was recorded as full and final settlement agreement with Crest Capital, Crest Catalyst and EFIII ("Crest Entities") was signed in December 2021. Under the agreement, there will be no more claims between the Company and the Crest Entities.

Site restoration

Provision of $5,619,000 was made in 2020 for site restoration costs to be incurred to restore the Group's leasehold property under development located in Dujiangyan, Chengdu, PRC (note 5). In 2021, a reversal of provision of $4,250,000 was recorded as the actual restoration costs required were lower based on actual contracts awarded for the restoration works, which decreased mainly due to lower material costs required for the works and the required amount of works are lesser than estimated.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

20 DEFERRED TAX LIABILITIES

Deferred tax liabilities are attributable to the following:

	Group 2021 $'000	Group 2020 $'000
Investment properties under development	**1,482**	6,070
Unremitted income from OUELH Japan First TMK	**33,115**	33,109
	34,597	39,179

The movement in the deferred tax liabilities during the year is as follows:

	Investment properties under development $'000	Unremitted income from OUELH Japan First TMK $'000	Total $'000
Group			
Deferred tax liabilities			
At 1 January 2020	10,807	29,985	40,792
Recognised in profit or loss	(5,152)	2,174	(2,978)
Effect of movements in exchange rates	415	950	1,365
At 31 December 2020	6,070	33,109	39,179
At 1 January 2021	6,070	33,109	39,179
Recognised in profit or loss	(4,881)	2,126	(2,755)
Effect of movements in exchange rates	293	(2,120)	(1,827)
At 31 December 2021	1,482	33,115	34,597

Unrecognised deferred tax assets

As at 31 December 2021, deferred tax assets have not been recognised in respect of tax losses of $27,333,000 (2020: $23,315,000). Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Tax losses and other deductible temporary differences do not expire under current tax legislation.

Unrecognised deferred tax liabilities

Deferred tax liabilities have not been recognised for withholding taxes that would be payable on the unremitted earnings of $23,371,000 (2020: $48,005,000) of the subsidiaries for the year ended 31 December 2021 as the timing of the reversal of the temporary differences arising from such amounts can be controlled and it is probable that such temporary differences will not be reversed in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

21 REVENUE

	Group	
	2021	**2020**
	$'000	**$'000**
Medical services	**1,080**	591
Rental income	**16,711**	17,526
Sale of medicine and medical equipment	**1,874**	1,863
	19,665	19,980

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms and the related revenue recognition policies:

Healthcare operations segment

Nature of goods or services	The Group principally generates revenue from providing medical services, selling medicine and medical equipment. The contracts with its customers for selling medicine and medical equipment are received on an ad-hoc basis. Goods may be sold separately or in bundled packages. For the bundled contracts, the Group accounts for individual goods separately if they are distinct i.e, if a good is separately identifiable from other items in the bundled package and if a customer can benefit from it.
When revenue is recognised	Revenue is recognised at point in time when customer receives the services or when customer obtains control, based on the relative stand-alone selling prices of each of the goods.
Significant payment terms	Payment is due when the goods or services are delivered to the customers.

In the following table, revenue is disaggregated by primary geographical markets, major product and services lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with Group's reportable segments (see note 31).

	Healthcare operations	
	2021	**2020**
	$'000	**$'000**
Primary geographical markets		
China	**2,954**	2,454
Major products and services lines		
Medical services	**1,080**	591
Sale of medicine and medical equipment	**1,874**	1,863
	2,954	2,454
Timing of revenue recognition		
Products transferred at a point in time	**2,954**	2,454

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

22 OTHER INCOME/(EXPENSES) NET

	Note	Group 2021 $'000	Group 2020 $'000 Restated #
Fair value loss on investment properties	7	**–**	(1,675)
Fair value losses on investment properties under development	8	**(17,514)**	(18,486)
Impairment loss on goodwill	6	**–**	(1,804)
Impairment loss on property, plant and equipment	5	**(2,371)**	(32,134)
Others		**(48)**	–
Other expenses		**(19,933)**	(54,099)
Gain on shareholder loan conversion	15	**109,973**	–
Reversal of provisions for legal and related expenses	19	**5,000**	–
Reversal of impairment for Crest entities	12	**801**	–
Recovery from David Lin's enforcement proceedings	27	**1,069**	–
Recovery of Crest litigation costs and settlement sum	19	**617**	–
Government grants		**95**	320
Others		**202**	18
Other income		**117,757**	338
Other income/(expenses), net		**97,824**	(53,761)

23 NET FINANCE COSTS

	Group 2021 $'000	Group 2020 $'000
Interest income	**260**	296
Foreign exchange gain, net	**–**	1,045
Finance income	**260**	1,341
Amortisation expense	**(244)**	(450)
Interest expense	**(3,706)**	(9,736)
Foreign exchange loss, net	**(93)**	–
Finance costs	**(4,043)**	(10,186)
Net finance costs	**(3,783)**	(8,845)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

24 PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

		Group	
	Note	2021 $'000	2020 $'000
Audit fees paid/payable to:			
- auditors of the Company		**344**	252
- member firms of the auditors of the Company		**94**	94
- other auditors		**13**	22
Non-audit fees paid/payable to:			
- auditors of the Company		**114**	65
- other auditors		**4**	5
Depreciation of property, plant and equipment	5	**882**	946
Employee benefits expense (see below)		**6,183**	6,428
Trade and other receivable written off		**–**	610
Operating expenses arising from rental of investment properties		**1,474**	1,550
Employee benefits expense			
Salaries, wages and related cost		**5,378**	5,694
Employer's contribution to defined contribution plan		**504**	452
Others		**301**	282
		6,183	6,428

25 TAX CREDIT

	Group	
	2021 $'000	2020 $'000
Current tax expense		
Current year	**83**	105
Deferred tax expense		
Origination and reversal of temporary differences	**(2,755)**	(2,978)
Total tax credit	**(2,672)**	(2,873)
Reconciliation of effective tax rate		
Profit/(Loss) before tax	**108,277**	(102,065)
Tax using Singapore tax rate of 17% (2020: 17%)	**18,407**	(17,351)
Effect of tax rates in foreign jurisdictions	**(1,420)**	(3,854)
Effects of results of equity-accounted investees presented net of tax	**(2,150)**	5,956
Tax-exempt income	**(28,221)**	(2,742)
Non-deductible expenses	**4,225**	11,332
Current tax losses for which no deferred tax assets are recognised	**683**	167
Tax losses not allowed to be carried forward	**5,804**	3,619
	(2,672)	(2,873)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

25 TAX CREDIT (CONT'D)

Tax losses not allowed to be carried forward

During 2021, the Group has incurred tax losses of $34,141,000 (2020: $21,288,000). The unutilised losses arise from investment holding companies which cannot be carried forward to offset the income of future years of assessment.

26 EARNINGS PER SHARE

(i) Basic earnings per share

The calculation of basic earnings per share is based on the profit/(loss) attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding.

Net profit/(loss) attributable to ordinary shareholders of the Company

	Group	
	2021	**2020**
	$'000	**$'000**
Net profit/(loss) attributable to owners of the Company	**111,378**	(98,726)

Weighted average number of ordinary shares

	Group	
	2021	**2020**
	'000	**'000**
Weighted average number of ordinary shares during the year	**4,443,129**	4,443,129

(ii) Diluted earnings per share

The calculation of diluted earnings per share is based on the following profit/(loss) attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the financial year, after adjustment for the effect of conversion of the convertible perpetual securities, issued on 16 March 2021, to ordinary shares at the conversion price of $0.07 per ordinary share. Under the terms of the conversion agreement, the convertible perpetual securities (note 15) can only be converted into ordinary shares on or after 31 August 2026.

Net profit/(loss) attributable to owners of the Company

	Group	
	2021	**2020**
	$'000	**$'000**
Net profit/(loss) attributable to owners of the Company	**111,378**	(98,726)

Weighted average number of ordinary shares

	Group	
	2021	**2020**
	'000	**'000**
Ordinary share issued at the reporting date	**4,443,129**	4,443,129
Effect of conversion of covertible perpetual securities into ordinary shares (note15)	**2,159,524**	–
Weighted average number of ordinary shares during the year	**6,602,653**	4,443,129

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

27 LITIGATION AND CLAIM CASES

The Group is exposed to several litigation and claim cases as at 31 December 2021.

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

In 2013, the 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 then 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.

Arbitration Proceedings against David Lin

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

In 2019, the Company commenced recognition and enforcement proceedings in Hong Kong, Taiwan and Shanghai against David Lin to enforce the said award. As at 31 December 2021, the Company has obtained permission to enforce the award in Hong Kong, Taiwan and Shanghai.

As at 31 December 2021, the Company 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. The Company has also obtained an order to appoint Receivers over David Lin's interest in the HSIL shares. HSIL is the sole shareholder of Weixin.

The Shanghai No. 1 Court has received approximately RMB3,250,000 as part of the Shanghai enforcement proceedings in November 2020. Funds amounting RMB2,500,000 (after deduction of costs and expenses) were transferred to a subsidiary of the Group in March 2021.

In 2021, the Group recorded other income arising from the followings:

- In January 2021, David Lin's ¼ share in a real estate property in New Taipei City was sold during a public auction for the sum of NTD5,880,000 as part of the enforcement proceedings in Taiwan. In August 2021, the Company's Taiwan counsel received a sum of NTD5,775,026 (after deduction of costs and expenses) from the Taiwanese Court from the sale of the property, and remitted the funds to the Company. The Company has received the sum of approximately $280,000 in September 2021.
- In March 2021, the Company has received the sum of approximately $711,000 (NTD14,991,033), being the deposit and trust assets held by David Lin in his bank accounts in Taiwan.

Land Litigation

In 2018, Weixin commenced proceedings against Wuxi Yilin Real Estate Development Co Ltd ("Wuxi Yilin Real Estate"), a subsidiary of the Group, for a return of 20 Chang Jiang North Road (i.e. the land on which the Wuxi New District Phoenix Hospital is situated) (the "Land Litigation").

- In 2019, the Wuxi Xinwu District Court dismissed Weixin's application. Weixin appealed to the Wuxi Intermediate District Court.
- In May 2020, Weixin (under control of the Receivers of HSIL) applied to withdraw the Land Litigation appeal.
- The Land Litigation appeal was stayed pending separate proceedings commenced by Weixin (under control of the Receivers of HSIL), against David Lin and Chiang Hui-Hua (the "Weixin Control Dispute"). On 15 March 2021, the Shanghai First Intermediate Court has dismissed David Lin's appeal in the Weixin Control Dispute.
- In March 2021, the Wuxi Intermediate Court has issued a judgement accepting Weixin's application to withdraw the Land Litigation appeal. The effect of the withdrawal of the Land Litigation appeal is that the decision of the Wuxi Xinwu District Court is final and binding on all parties. In that judgement, the Court found that the land transfer agreement between Wuxi Yilin Real Estate and Wuxi Co. dated 15 January 2015, in relation to the Wuxi land at 20 Chang Jiang North Road, is legitimate and binding on all parties. Thus, the Company's subsidiary, Wuxi Yilin Real Estate, is the rightful and legal owner of the Wuxi land. As at 31 December 2021, there are no pending legal challenges in relation to the ownership of Wuxi land.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

27 LITIGATION AND CLAIM CASES (CONT'D)

Weixin Control Dispute

In 2020, Weixin (which is now under the control of the Receivers of HSIL), commenced proceedings against David Lin and Chiang Hui-Hua for a return of *inter alia* Weixin's business license and company stamp, on the basis that Chiang Hui-Hua is no longer the legal representative of Weixin.

- The Shanghai Pudong Court issued a decision in favour of Weixin in August 2020.
- David Lin appealed against the Shanghai Pudong Court's decision. On 15 March 2021, the Shanghai First Intermediate Court has dismissed David Lin's appeal, with costs to be borne by David Lin. The Shanghai First Intermediate Court noted that Chiang Hui-Hua was removed as Weixin's legal representative, executive director and general manager via a valid board resolution in 2019.
- The Receivers of HSIL applied to Court for an enforcement order, which was approved by the Shanghai Pudong Court, and execution was completed on 23 April 2021. On 24 May 2021, Weixin's company records have been updated to register Chan Pui Sze of Briscoe Wong Advisory Limited, one of the Receivers of HSIL, as the legal representative, executive director and general manager of Weixin.
- In July 2021, the Receivers of HSIL have obtained effective control of Weixin by obtaining new business license, which reflects Chan Pui Sze as the legal representative of Weixin, new company seal, invoice seal, legal representative seal and special financial seal.

Claim by Wuxi Hongshen

In 2021, Wuxi Hongshen Pharmacy Co., Ltd ("Wuxi Hongshen") commenced a creditor subrogation claim against Wuxi Yilin Real Estate, a subsidiary of the Group, before the People's Court of Xinwu District, Wuxi (the "Subrogation Claim"). The Subrogation Claim was commenced by Wuxi Hongshen on the allegation that:

(i) Wuxi Hongshen was owed an outstanding sum of RMB1,500,000 by Wuxi Co pursuant to a PRC judgement based on a contractual dispute case between the two parties (which does not involve the Group);

(ii) Wuxi Yilin Real Estate did not pay the consideration for the land and building at No. 20 Changjiang North Road, New District, Wuxi Jiangsu Province acquired from Wuxi Co; and

(iii) Wuxi Hongshen was therefore entitled to recover the outstanding sum of RMB1,500,000 (as a creditor of Wuxi Co.) directly from Wuxi Yilin Real Estate (as a subrogated debtor of Wuxi Co.) under PRC law.

On 14 December 2021, the People's Court of Xinwu District, Wuxi released its judgement, agreeing with the points raised by Wuxi Hongshen, and ordering Wuxi Yilin Real Estate to pay the sum of RMB1,513,284 plus interest and costs to Wuxi Hongshen.

On 24 December 2021, Wuxi Yilin Real Estate filed an appeal to the Intermediate Court of Wuxi City against the People's Court of Xinwu District, Wuxi's decision. The appeal was heard on 25 March 2022. Parties are waiting for the People's Court of Xinwu District, Wuxi to issue its judgment on the appeal.

(b) Other claim(s) against the Company

The Company received a letter of demand from Fan's Private Trustees dated 25 June 2021, demanding payment of the sum of $850,182 allegedly owing to Fan pursuant to shareholder advances, expense claims and a Management Advisory Service Agreement between Fan and a wholly owned subsidiary of the Company dated 1 February 2016.

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

In June 2021, the Company responded to Fan's Private trustees to seek further particulars and supporting documents in support of their claims, however, no response was forthcoming.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

28 LEASES

Leases as lessee

The Group and the Company lease five office spaces under non-cancellable operating lease agreements. The leases typically run for a period of between one and eight years with escalation clauses and renewal rights.

Information about leases for which the Group and the Company as lessees are presented below.

Right-of-use assets

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Balance at 1 January	**5,455**	4,641	**642**	129
Additions	**1,049**	1,028	**–**	746
Depreciation charge for the year	**(645)**	(396)	**(249)**	(233)
Effect of movement in exchange rates	**236**	182	**–**	–
Balance at 31 December	**6,095**	5,455	**393**	642

Lease liabilities

Terms and conditions of lease liabilities are as follows:

	Currency	Incremental borrowing rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group					
31 December 2021					
Lease liabilities	RMB	5%	2027	1,057	910
Lease liabilities	SGD	3%	2023	400	390
Lease liabilities	JPY	0.89%	2022	18	18
				1,475	1,318
31 December 2020					
Lease liabilities	RMB	5%	2021	115	98
Lease liabilities	SGD	3%	2023	667	640
Lease liabilities	JPY	0.89%	2022	96	95
				878	833
Company					
31 December 2021					
Lease liabilities	SGD	3%	2023	400	390
31 December 2020					
Lease liabilities	SGD	3%	2023	667	640

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

28 LEASES (CONT'D)

Amounts recognised in profit or loss

	2021 $'000	2020 $'000
Leases under SFRS(I) 16		
Interest on lease liabilities	**99**	10

Amounts recognised in statement of cash flows

	2021 $'000	2020 $'000
Total cash outflow for leases	**(665)**	(358)

Leases as lessor

The Group leases out healthcare-related facilities to non-related parties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 7 sets out the information about the operating leases of investment properties.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2021 $'000	2020 $'000
Operating leases		
Within one year	**8,647**	16,939
One to two years	**1,669**	9,069
Two to three years	**–**	1,750
	10,316	27,758

29 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The Board of Directors continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

29 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables, and cash and cash equivalents.

The carrying amounts of financial assets in the statements of financial position represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

Trade and other receivables

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets.

The Group limits its exposure to credit risk from trade receivables by collecting deposits as collateral, where possible.

In monitoring customer credit risk, the Group considers the trade history of the customers with the Group, aging profile, maturity and existence of previous financial difficulties.

Exposure to credit risk

The exposure to credit risk for trade receivables at the reporting date by geographic region was as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
PRC	**746**	479

The exposure to credit risk for trade receivables at the reporting date by type of counterparty was as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Drug distribution companies	**276**	312	**–**	–
Medical service providers	**470**	167	**–**	–
	746	479	**–**	–

Expected credit loss assessment for trade receivables

The Group uses an allowance matrix to measure the lifetime ECL of trade receivables.

Loss rates are calculated using a 'roll-rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset to be in default if the counterparty fails to make contractual payments within six-months when they fall due and writes off the financial asset only when the Group is satisfied that no recovery of the amount owing is possible. When receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, those are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

29 FINANCIAL INSTRUMENTS (CONT'D)

Expected credit loss assessment for trade receivables (cont'd)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2021:

	Group	
	Gross carrying amount $'000	**Impairment loss allowance $'000**
2021		
Not past due	654	–
Past due less than 30 days	25	–
Past due 31 to 60 days	–	–
Past due 61 to 90 days	–	–
Past due over 90 days	67	–
	746	–
2020		
Not past due	351	–
Past due less than 30 days	55	–
Past due 31 to 60 days	20	–
Past due 61 to 90 days	30	–
Past due over 90 days	23	–
	479	–

Non-trade amounts due from subsidiaries and loan to a subsidiary

The Company holds non-trade receivables from its subsidiaries of $375,223,000 (2020: $383,013,000) and loan to a subsidiary of $14,883,000 (2020: $14,883,000). These balances are amounts lent to subsidiaries to satisfy their funding requirements. Impairment on these balances has been measured on the 12-month and lifetime expected credit loss basis. The amount of the allowance on non-trade receivables from its subsidiaries is $153,830,000 (2020: $105,672,000) and the allowance on loan to a subsidiary is $3,901,000 (2020: $3,901,000).

Other receivables

The Group and the Company held other receivables of $9,240,000 and $6,083,000 respectively at 31 December 2021 (2020: $35,743,000 and $27,925,000 respectively). Impairment on these balances have been measured on the 12-month and lifetime expected credit loss basis. The amounts of the allowance on other receivables for the Group and the Company are $7,889,000 and $5,456,000 respectively (2020: $29,478,000 and $23,191,000 respectively).

The Group believes that, apart from the above, no further impairment allowance is necessary in respect of the other receivables.

Advance to a joint venture partner and loans to joint ventures

The Group holds non-trade receivables from its joint venture partner of $4,110,000 (2020: $4,110,000) and loans to joint ventures of $8,946,000 (2020: $2,659,000). These balances are amounts lent to joint ventures to satisfy their funding requirements. Impairment on these balances have been measured on the 12-month and lifetime expected credit loss basis. The amount of the allowance on advance to the joint venture partner and the allowance on loans to joint ventures were negligible.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

29 FINANCIAL INSTRUMENTS (CONT'D)

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $43,823,000 and $6,057,000 respectively at 31 December 2021 (2020: 68,973,000 and $33,117,000 respectively). The cash and cash equivalents are held with bank and financial institution counterparties that have a sound credit rating.

Impairment on cash and cash equivalents have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Guarantees

The Group provides financial guarantees to subsidiaries, where appropriate.

Intra-group financial guarantees comprise guarantees given by the Company to financial institutions in respect of credit facilities granted to subsidiaries. The maximum exposure of the Company is $158,211,000 (2020: $162,672,000). At the reporting date, the Company has not recognised an ECL provision as the ECL amount was lower than the amortised liability for intra-group financial guarantee contracts. The Company does not consider it probable that a claim will be made against the Company under the guarantees.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and borrowings. In addition, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations and mitigate the effect of fluctuations in cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash outflows $'000	Cash outflows: Within 1 year $'000	Cash outflows: After 1 year but within 5 years $'000	Cash outflows: After 5 years $'000
Group					
2021					
Non-derivative financial liabilities					
Loans and borrowings	187,119	(193,596)	(43,003)	(150,593)	–
Trade and other payables*	23,165	(23,165)	(15,717)	–	(7,448)
Lease liabilities	1,318	(1,475)	(458)	(838)	(179)
	211,602	(218,236)	(59,178)	(151,431)	(7,627)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

29 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash outflows $'000	------------- Cash outflows ------------- Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group					
2020					
Non-derivative financial liabilities					
Loans and borrowings	355,701	(370,102)	(227,936)	(142,166)	–
Trade and other payables*	45,144	(45,144)	(37,230)	–	(7,914)
Lease liabilities	833	(878)	(359)	(519)	–
	401,678	(416,124)	(265,525)	(142,685)	(7,914)
Company					
2021					
Non-derivative financial liabilities					
Loans and borrowings	30,189	(30,553)	(30,553)	–	–
Trade and other payables	51,564	(51,564)	(51,564)	–	–
Lease liabilities	390	(400)	(267)	(133)	–
Recognised financial liabilities	82,143	(82,517)	(82,384)	(133)	–
Financial guarantees	–	(158,211)	(7,618)	(150,593)	–
	82,143	(240,728)	(90,002)	(150,726)	–
2020					
Non-derivative financial liabilities					
Loans and borrowings	195,601	(202,579)	(202,579)	–	–
Trade and other payables	96,568	(96,568)	(96,568)	–	–
Lease liabilities	640	(667)	(267)	(400)	–
Recognised financial liabilities	292,809	(299,814)	(299,414)	(400)	–
Financial guarantees	440	(162,672)	(20,506)	(142,166)	–
	293,249	(462,486)	(319,920)	(142,566)	–

* *Excluding deferred revenue*

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group operates predominantly in the Asia-Pacific region with operations in countries such as Singapore, Malaysia, PRC and Japan. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies"). Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Malaysian Ringgit ("MYR"), Japanese Yen ("JPY"), Hong Kong Dollar ("HKD"), US Dollar ("USD") and Chinese Yuan Renminbi ("RMB").

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

29 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk **(cont'd)**

The Group's exposures to various foreign currencies are shown in Singapore dollars ("SGD"), translated using the spot rate as at 31 December as follows:

	SGD $'000	MYR $'000	JPY $'000	HKD $'000	USD $'000	RMB $'000
2021						
Financial assets						
Cash and cash equivalents	72	–	–	–	634	44
Trade and other receivables	1,667	17	12,398	–	2,731	16,100
	1,739	17	12,398	–	3,365	16,144
Financial liabilities						
Trade and other payables*	(55,563)	(465)	(6,813)	–	(8,467)	(1,339)
Net exposure	(53,824)	(448)	5,585	–	(5,102)	14,805
2020						
Financial assets						
Cash and cash equivalents	84	–	–	–	2,570	42
Trade and other receivables	22,994	12	14,098	2	2,488	10,613
	23,078	12	14,098	2	5,058	10,655
Financial liabilities						
Trade and other payables*	(51,603)	(471)	(1,234)	(2)	(8,243)	(19,808)
Net exposure	(28,525)	(459)	12,864	–	(3,185)	(9,153)

* *Excluding intra-group balances for which settlement is neither planned nor likely to occur in the foreseeable future*

The Company's exposure to the following foreign currency is shown in SGD, translated using spot rate as at 31 December as follows:

	JPY $'000
2021	
Financial assets	
Trade and other receivables	10,247
2020	
Financial assets	
Trade and other receivables	10,809

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

29 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk **(cont'd)**

Sensitivity analysis

A 5% strengthening of the SGD against the following currencies at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rate, remain constant.

	Profit or loss	
	2021	**2020**
	$'000	**$'000**
Group		
SGD	**(2,691)**	(1,426)
MYR	**22**	23
JPY	**(279)**	(643)
HKD	**–**	–
USD	**255**	159
RMB	**(740)**	458
Company		
JPY	**(512)**	(540)

Interest rate risk

The Group's exposure to interest rate risk arises primarily from its variable-rate borrowings. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group Nominal amount		Company Nominal amount	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	**4,110**	4,110	**9,792**	10,445
Financial liabilities	**19,643**	170,071	**–**	165,412
	23,753	174,181	**9,792**	175,857
Variable rate instruments				
Financial liabilities	**168,028**	186,486	**30,000**	30,000

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

29 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk **(cont'd)**

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bp increase $'000	**100 bp decrease $'000**
Group		
31 December 2021		
Variable rate instruments	(1,680)	1,680
31 December 2020		
Variable rate instruments	(1,865)	1,865
Company		
31 December 2021		
Variable rate instruments	(300)	300
31 December 2020		
Variable rate instruments	(300)	300

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern. The Group defines "capital" as including all components of equity, including non-controlling interests.

The Company is a subsidiary of OUE Limited through its wholly-owned subsidiary, Treasure International Holdings Pte. Ltd.. As the Group is part of a larger group, the Group's sources of additional capital may also be affected by OUE Limited's capital management objectives. The Group receives financial support from its intermediate holding company for its working capital purposes, when required.

The Group's capital structure is reviewed and managed with due regard to the capital management practices of the group to which it belongs. Adjustments may be made to the capital structure in light of changes in economic conditions affecting the Company or the Group to the extent that these do not conflict with the directors' fiduciary duties towards the Company or the requirements of the Singapore Companies Act.

Apart from that disclosed above, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

29 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. 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.

	Carrying amount			Fair value			
	Financial assets at amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group							
2021							
Financial assets not measured at fair value							
Trade and other receivables*	15,464	–	15,464	–	–	3,114	3,114
Cash and cash equivalents	43,823	–	43,823				
	59,287	–	59,287				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(187,119)	(187,119)				
Trade and other payables#	–	(15,717)	(15,717)				
Rental deposits received	–	(7,448)	(7,448)	–	–	(5,941)	(5,941)
	–	(210,284)	(210,284)				
2020							
Financial assets not measured at fair value							
Trade and other receivables*	13,833	–	13,833				
Cash and cash equivalents	68,973	–	68,973				
	82,806	–	82,806				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(355,701)	(355,701)				
Trade and other payables#	–	(37,230)	(37,230)				
Rental deposits received	–	(7,914)	(7,914)	–	–	(6,246)	(6,246)
	–	(400,845)	(400,845)				

* *Excluding prepayments*

Excluding rental deposits received and deferred revenue

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

29 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amount			Fair value			
	Financial assets at amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company							
2021							
Financial assets not measured at fair value							
Loan to a subsidiary	14,513	–	14,513				
Trade and other receivables*	225,058	–	225,058	–	–	9,643	9,643
Cash and cash equivalents	6,057	–	6,057				
	245,628	–	245,628				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(30,189)	(30,189)				
Trade and other payables	–	(51,564)	(51,564)				
	–	(81,753)	(81,753)				
2020							
Financial assets not measured at fair value							
Loan to a subsidiary	14,513	–	14,513				
Trade and other receivables*	282,114	–	282,114	–	–	10,184	10,184
Cash and cash equivalents	33,117	–	33,117				
	329,744	–	329,744				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(195,601)	(195,601)				
Trade and other payables	–	(97,008)	(97,008)				
	–	(292,609)	(292,609)				

* *Excluding prepayments*

Financial instruments not measured at fair value

Type	Valuation technique
Group	
Rental deposits received and loan to joint venture	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

30 RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties during the financial year:

	Group	
	2021	**2020**
	$'000	**$'000**
Interest expense paid/payable to a fellow subsidiary	**(166)**	(1,779)
Interest expense paid/payable to a shareholder	**(1,070)**	(5,003)
Salary paid to a fellow subsidiary	**–**	(104)
Recharge of employee expenses to a joint venture	**553**	623

An affiliated corporation is defined as one:

(a) in which a director of the Company has substantial financial interest or who is in a position to exercise significant influence; and/or

(b) which directly or indirectly, through one or more intermediaries, are under the control of a common shareholder.

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel compensation comprised:

	Group	
	2021	**2020**
	$'000	**$'000**
Salaries and other short-term employee benefits	**655**	566
Directors' fees of the Company	**567**	570
Post-employment benefits (including contributions to defined contribution plan)	**17**	17
	1,239	1,153

Included in the above is total compensation to directors of the Company amounting to $567,000 (2020: $570,000).

Loan to First REIT Management Limited ("First REIT Manager")

The Company granted an interest-free loan of $5,925,000 to First REIT Manager on 11 February 2021. The First REIT Manager is a joint venture between the Company and OUE Limited, who hold 40% and 60% of the total issued and paid-up share capital of the First REIT Manager respectively.

The loan was to fund the First REIT Manager's subscription to its pro rata entitlement of the First Real Estate Investment Trust rights issue.

In 2021, First REIT Manager repaid $2,925,000 of the loan.

Loan to Riviera Quad International Limited ("Riviera Quad")

On 1 November 2021, the Company granted an interest-free loan of $3,178,000 (equivalent to RMB15,000,000) to Riviera Quad. The Riviera Quad is a joint venture between the Company and Golden Pinnacle Enterprises Limited ("Golden Pinnacle"), both the Group and Golden Pinnacle hold 50% of the total issued share of Riviera Quad respectively. Golden Pinnacle is an indirect wholly-owned subsidiary of China Merchants Shekou Industrial Zone Holdings Co., Ltd.. The loan was for the Prince Bay project.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

30 RELATED PARTY TRANSACTIONS (CONT'D)

Shareholder loan from OUE Treasury

The shareholder loan of $4,150,000 from OUE Treasury Pte Ltd ("OUE Treasury") to OUELH Medical Assets Pte Ltd ("OMA") was extended for an aggregate of fifteen months on 22 January 2021, 25 June 2021, 29 December 2021 and 29 March 2022. OUE Treasury is a wholly-owned subsidiary of OUE Limited, which is a controlling shareholder of the Company. OMA is a subsidiary of the Company. The interest on the loan is 4% per annum.

Secondment agreement with Browny Healthcare Pte. Ltd. ("Browny"), ITOCHU Singapore Pte Ltd ("ITOCHU SG") and ITOCHU Corporation ("ITOCHU Corp") (collectively, the "ITOCHU Entities")

On 15 February 2018, the Company entered into a secondment agreement with the ITOCHU Entities, pursuant to which the ITOCHU Entities have the right to second up to three employees to the Company ("Secondment Agreement"). Pursuant to the Secondment Agreement and related documentation, the Company is obliged to make remuneration-related payments either directly to the seconded employees and/or in the form of secondment fees payable to ITOCHU SG.

On 23 March 2021, the Company entered into a letter supplemental to the Secondment Agreement with the ITOCHU Entities ("Supplemental Letter"). Pursuant to the Supplemental Letter, the number of employees in relation to the secondment arrangement with the ITOCHU Entities is reduced to two.

The total remuneration-related payments expected for 2021 is $401,000 (2020: $414,000).

31 OPERATING SEGMENTS

The Group's has the following four (2020: four) strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and marketing strategies. The Group's CEO reviews internal management reports of each division at least quarterly.

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

(i) Healthcare operations – Operation of hospitals and trading of pharmaceutical supplies and drugs. The Group currently has operations in PRC and Myanmar.

(ii) Healthcare assets – Rental of investment properties and assets owned by the Group. The Group currently has assets in Japan and PRC.

(iii) Properties under development – Development of medical facilities, healthcare-related assets and integrated mixed-used projects. The Group currently has development properties in PRC and Malaysia.

(iv) Investments – Investments in real estate investment trust ("REIT") and REIT manager.

Others mainly comprise head office and corporate functions, including investment holding related activities.

None of these segments meets any of the quantitative thresholds for determining reportable segments in 2021 and 2020.

The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the key management. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

31 OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Healthcare operations $'000	Healthcare assets $'000	Properties under development $'000	Investments $'000	Others $'000	Total $'000
Group						
31 December 2021						
Revenue						
External revenue	2,954	16,711	–	–	–	19,665
Inter-segment revenue	–	–	–	–	1,486	1,486
Segment revenue (including inter-segment revenue)	2,954	16,711	–	–	1,486	21,151
Segment (loss)/profit before tax	(1,288)	11,169	(21,475)	12,163	107,708	108,277
Depreciation	(354)	(84)	(3)	–	(441)	(882)
Finance expenses	(108)	(1,611)	(602)	–	(1,629)	(3,950)
Interest income	–	–	1	–	259	260
Gain on shareholder loan conversion	–	–	–	–	109,973	109,973
Share of results of equity-accounted investees, net of tax	485	–	–	12,163	–	12,648
Other material non-cash items						
Reversal of provision for legal and related expenses	–	–	–	–	5,000	5,000
Reversal of impairment for Crest entities receivable	–	–	–	–	801	801
Fair value losses on investment properties under development	–	–	(17,514)	–	–	(17,514)
Impairment losses on property, plant and equipment	–	–	(2,371)	–	–	(2,371)
Reportable segment assets	31,747	335,981	37,797	130,322	58,550	594,397
Additions to:						
- Property, plant and equipment	1,109	–	867	–	28	2,004
- Investment properties	–	1,104	–	–	–	1,104
- Investment in equity-accounted investees	–	–	–	32,651	–	32,651
Reportable segment liabilities	29,778	139,698	11,838	–	54,239	235,553
Current tax liabilities						53
Deferred tax liabilities						34,597
						270,203

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

31 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Healthcare operations $'000	Healthcare assets $'000	Properties under development $'000	Investments $'000	Others $'000	Total $'000
Group						
31 December 2020, restated #						
Revenue						
External revenue	2,454	17,526	–	–	–	19,980
Inter-segment revenue	–	–	–	–	1,558	1,558
Segment revenue (including inter-segment revenue)	2,454	17,526	–	–	1,558	21,538
Segment (loss)/profit before tax	(4,505)	8,874	(50,773)	(33,287)	(22,374)	(102,065)
Depreciation	(81)	(404)	(4)	–	(457)	(946)
Finance expenses	(30)	(1,871)	(973)	–	(7,312)	(10,186)
Interest income	1	1	2	–	292	296
Share of results of equity-accounted investees, net of tax	(5,885)	–	–	(33,287)	–	(39,172)
Other material non-cash items						
Fair value gains on investment properties	–	(1,675)	–	–	–	(1,675)
Fair value losses on investment properties under development	–	–	(18,486)	–	–	(18,486)
Impairment losses on goodwill	(1,804)	–	–	–	–	(1,804)
Impairment losses on property, plant and equipment	–	(175)	(31,959)	–	–	(32,134)
Trade and other receivables written off	–	(391)	–	–	(219)	(610)
Reportable segment assets	29,049	356,757	63,840	85,392	81,857	616,895
Additions to:						
- Property, plant and equipment	206	4	6,773	–	950	7,933
- Investment properties	–	971	–	–	–	971
- Investment in equity-accounted investees	24,889	–	–	–	–	24,889
- Capital contribution in equity-accounted investees	498	–	–	–	–	498
Reportable segment liabilities	25,852	149,609	24,338	–	236,653	436,452
Current tax liabilities						27
Deferred tax liabilities						39,179
						475,658

See note 3.5.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

31 OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenue and loss before tax

	2021 $'000	2020 $'000
Revenue		
Total revenue for reportable segments	**19,665**	19,980
Revenue for other segment	**1,486**	1,558
Elimination of inter-segment revenue	**(1,486)**	(1,558)
Consolidated total revenue	**19,665**	19,980
Profit or loss		
Total profit/(loss) before tax for:		
- Reportable segments	**569**	(79,691)
- Other segment	**107,708**	(22,374)
Consolidated loss before tax	**108,277**	(102,065)

Reconciliations of reportable segment assets and liabilities

	2021 $'000	2020 $'000
Assets		
Total assets for reportable segments	**535,847**	535,038
Assets for other segments	**58,550**	81,857
Consolidated total assets	**594,397**	616,895
Liabilities		
Total liabilities for reportable segments	**181,314**	199,799
Liabilities for other segments	**54,239**	236,653
Other unallocated amounts		
- Current tax liabilities	**53**	27
- Deferred tax liabilities	**34,597**	39,179
Consolidated total liabilities	**270,203**	475,658

Geographical information

	Revenue	
	2021 $'000	2020 $'000
Japan	**16,711**	17,526
PRC	**2,954**	2,454
	19,665	19,980

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

31 OPERATING SEGMENTS (CONT'D)

Geographical information (cont'd)

	Non-current assets *	
	2021	**2020**
	$'000	**$'000**
Japan	**290,595**	308,872
Malaysia	**41,421**	41,920
PRC	**53,358**	73,299
Singapore	**133,995**	86,193
Myanmar	**18,330**	23,175
	537,699	533,459

* *Non-current assets relate to the carrying amounts of property, plant and equipment, intangible assets and goodwill, investment properties, investment properties under development, associate and joint ventures and trade and other receivables.*

Major customer

Revenues from one customer of the Group's healthcare assets segment represents approximately $11,737,000 (2020: $12,519,000) of the Group's total revenues.

32 SUBSEQUENT EVENTS

Divestment of interests in OUELH Japan Medical Facilities Pte Ltd (JMF) and OUELH Japan Medical Assets Pte Ltd (JMA)

The Group's 12 nursing homes in Japan are held by subsidiaries of JMF. At an Extraordinary General Meeting on 28 January 2022, shareholders of the Company approved the proposed divestment of 100% of the issued and paid-up share capital of JMF and JMA, held by the Company, to an associate, First Real Estate Investment Trust ("First REIT"), for a total consideration of approximately $163,200,000 and $300,000, respectively. Part of the JMF's consideration is settled in 431,147,541 First REIT units, at a fixed issue price of $0.305 per unit, amounting to $131,500,000, and the remaining considerations in cash and transfer of balances. The final considerations payable are subject to adjustments based on the net assets of the JMF group and JMA group as at the completion date, which are still being finalised as at the date of this report.

The transaction was completed on 1 March 2022.

At completion, the Group directly holds an aggregate of 677,997,828 First REIT units, representing 33.1% of the total number of First REIT units. The Group's effective interests in First REIT, including the units held by First REIT's manager, increased from 19.4% to 36.4%. In accordance with SFRS(I) 3 *Consolidated Financial Statements*, management has performed preliminary control assessment in respect of its interest in First REIT. Based on the assessment, the Group has changed its control conclusion for First REIT and intends to consolidate First REIT as a subsidiary of the Group in 2022. Based on the concentration test, management has also preliminarily concluded that the Group can treat the transaction as assets acquisition.

Based on financial information available as at 31 December 2021, management calculated the following:

- preliminary bargain purchase gain of approximately $32,500,000 arising from consolidation of First REIT (33.1% of net identifiable assets in First REIT less fair value of existing interest in First REIT and 66.9% of net assets divested to First REIT); and
- a loss of approximately $22.500,000 on remeasurement to fair value of the Group's existing 15.3% interest in First REIT (fair value of existing interest in First REIT less carrying value of First REIT at date of transaction, net of foreign currency translation reserve reclassified to profit or loss).

Prince Bay Hospital project financing

Le Kang Assets (Shenzhen) Co., Ltd ("Le Kang"), the real estate project company for the Prince Bay Hospital project has secured a RMB330,000,000 loan with the Bank of China ("Loan Facility") to finance the development of the hospital. Le Kang is a wholly-owned subsidiary of Riviera Quad, which is a joint venture company between the Company and China Merchants Shekou Industrial Zone Holdings Co., Ltd. The loan will be used for the construction and renovation of the Prince Bay Hospital. As at the date of this report, there is no drawdown of the Loan Facility. The Company has given financial guarantee to the bank for the 50% of the Loan Facility granted to Le Kang.

STATISTICS OF SHAREHOLDINGS

As at 18 March 2022

SHARE CAPITAL

Issued and fully paid	:	S$ 427,124,784.70
Number of shares issued and fully paid	:	4,443,129,206 ordinary shares (excluding treasury shares)
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Voting rights	:	One vote per ordinary share (excluding treasury shares)

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	621	13.88	27,574	0.00
100 - 1,000	1,009	22.55	493,467	0.01
1,001 - 10,000	1,657	37.04	7,282,236	0.17
10,001 - 1,000,000	1,133	25.32	123,564,802	2.78
1,000,001 and Above	54	1.21	4,311,761,127	97.04
TOTAL	**4,474**	**100.00**	**4,443,129,206**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	OCBC SECURITIES PRIVATE LIMITED	2,445,338,150	55.04
2	BROWNY HEALTHCARE PTE. LTD.	858,412,248	19.32
3	CITIBANK NOMINEES SINGAPORE PTE LTD	688,355,362	15.49
4	THE ENTERPRISE FUND III LTD	56,847,100	1.28
5	GOI SENG HUI	40,713,200	0.92
6	DB NOMINEES (SINGAPORE) PTE LTD	28,545,103	0.64
7	LIM CHAP HUAT	23,805,756	0.54
8	DBS NOMINEES (PRIVATE) LIMITED	21,547,536	0.48
9	PHILLIP SECURITIES PTE LTD	19,375,743	0.44
10	MORPH INVESTMENTS LTD	14,130,900	0.32
11	MAYBANK SECURITIES PTE. LTD.	12,594,904	0.28
12	YEO KAY BENG	7,700,000	0.17
13	RAFFLES NOMINEES (PTE.) LIMITED	6,901,344	0.16
14	TAN ENG CHUA EDWIN	6,295,900	0.14
15	ZENG LIREN	6,150,000	0.14
16	JIMMY LEE PENG SIEW	5,123,000	0.12
17	LEE CHIN HUAT	4,979,000	0.11
18	TAN KOON	3,300,874	0.07
19	JANE ANG LI HUA (HONG LIHUA)	3,200,000	0.07
20	LAU HOI KOK	3,132,700	0.07
	TOTAL	**4,256,448,820**	**95.80**

SUBSTANTIAL SHAREHOLDERS

As Shown in the Company's Register of Substantial Shareholders as at 18 March 2022

	Number of Shares			
	Direct Interest	Deemed Interest[2]	Total Interest	%[1]
Treasure International Holdings Pte. Ltd. (**"TIHPL"**)	3,126,316,752	–	3,126,316,752	70.36
OUE Limited (**"OUE"**)[3]	–	3,126,316,752	3,126,316,752	70.36
OUE Realty Pte. Ltd. (**"OUER"**)[4]	–	3,126,316,752	3,126,316,752	70.36
Golden Concord Asia Limited (**"GCAL"**)[5]	–	3,126,316,752	3,126,316,752	70.36
Fortune Crane Limited (**"FCL"**)[6]	–	3,126,316,752	3,126,316,752	70.36
Lippo ASM Asia Property Limited (**"LAAPL"**)[7]	–	3,126,316,752	3,126,316,752	70.36
HKC Property Investment Holdings Limited (**"HKC Property"**)[8]	–	3,126,316,752	3,126,316,752	70.36
Hongkong Chinese Limited (**"HCL"**)[9]	–	3,126,316,752	3,126,316,752	70.36
Hennessy Holdings Limited (**"Hennessy"**)[10]	–	3,126,316,752	3,126,316,752	70.36
Prime Success Limited (**"PSL"**)[11]	–	3,126,316,752	3,126,316,752	70.36
Lippo Limited (**"LL"**)[12]	–	3,126,400,252	3,126,400,252	70.36
Lippo Capital Limited (**"LCL"**)[13]	–	3,126,400,252	3,126,400,252	70.36
Lippo Capital Holdings Company Limited (**"LCH"**)[14]	–	3,126,400,252	3,126,400,252	70.36
Lippo Capital Group Limited (**"LCG"**)[15]	–	3,126,400,252	3,126,400,252	70.36
PT Trijaya Utama Mandiri (**"PT Trijaya"**)[16]	–	3,126,400,252	3,126,400,252	70.36
Admiralty Station Management Limited (**"Admiralty"**)[17]	–	3,126,316,752	3,126,316,752	70.36
Argyle Street Management Limited (**"ASML"**)[18]	–	3,126,316,752	3,126,316,752	70.36
Argyle Street Management Holdings Limited (**"ASMHL"**)[19]	–	3,126,316,752	3,126,316,752	70.36
Mr. James Tjahaja Riady[20]	–	3,126,400,252	3,126,400,252	70.36
Dr. Stephen Riady[21]	–	3,126,400,252	3,126,400,252	70.36
Mr. Kin Chan[22]	–	3,126,316,752	3,126,316,752	70.36
Mr. V-Nee Yeh[23]	–	3,126,316,752	3,126,316,752	70.36
BHPL	858,412,248	–	858,412,248	19.32
ITOCHU Singapore Pte Ltd (**"ITOCHU SG"**)[24]	–	858,412,248	858,412,248	19.32
ITOCHU Corporation (**"ITOCHU Corp"**)[25]	–	858,412,248	858,412,248	19.32

Notes:

(1) Based on the total number of issued ordinary shares of the Company of 4,443,129,206 (**"Shares"**) as at 18 March 2022.

(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.

(3) OUE is deemed to have an interest in the Shares held by TIHPL. TIHPL is a wholly-owned subsidiary of OUE.

(4) OUER is deemed to have an interest in the Shares in which its subsidiary, OUE, has a deemed interest.

(5) GCAL is deemed to have an interest in the Shares in which its subsidiary, OUER, has a deemed interest.

(6) FCL is deemed to have an interest in the Shares in which its subsidiary, GCAL, has a deemed interest.

(7) LAAPL is deemed to have an interest in the Shares in which its subsidiary, FCL, has a deemed interest.

(8) LAAPL is jointly held by HKC Property and Admiralty. Accordingly, HKC Property is deemed to have an interest in the Shares in which LAAPL has a deemed interest.

SUBSTANTIAL SHAREHOLDERS

As Shown in the Company's Register of Substantial Shareholders as at 18 March 2022

(9) HCL is the immediate holding company of HKC Property. Accordingly, HCL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(10) Hennessy is an intermediate holding company of HKC Property. Accordingly, Hennessy is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(11) PSL is an intermediate holding company of HKC Property. Accordingly, PSL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(12) LL is an intermediate holding company of HKC Property. Accordingly, LL is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the 83,500 Shares held by Hongkong China Treasury Limited, a subsidiary of LL (the **"HKCTL Shares"**).

(13) LCL is an intermediate holding company of HKC Property and the immediate holding company of LL. Accordingly, LCL is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.

(14) LCH is an intermediate holding company of HKC Property and LL. Accordingly, LCH is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.

(15) LCG is the holding company of LCH, which in turn is an intermediate holding company of HKC Property and LL. Accordingly, LCG is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.

(16) PT Trijaya holds more than 20% of the shares in LCL, which is an intermediate holding company of HKC Property and the immediate holding company of LL. Accordingly, PT Trijaya is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.

(17) LAAPL is jointly held by Admiralty and HKC Property. Accordingly, Admiralty is deemed to have an interest in the Shares in which LAAPL has a deemed interest.

(18) ASML owns 100% of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the Shares in which Admiralty has a deemed interest.

(19) ASMHL is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Shares in which ASML has a deemed interest.

(20) Mr. James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20% of the shares in LCL. LCL in turn is an intermediate holding company of HKC Property and the immediate holding company of LL. Accordingly, Mr. James Tjahaja Riady is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.

(21) Dr. Stephen Riady holds the entire issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of HKC Property and LL. Accordingly, Dr. Stephen Riady is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.

(22) Mr. Kin Chan is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, Mr. Kin Chan is deemed to have an interest in the Shares in which ASMHL has a deemed interest.

(23) Mr. V-Nee Yeh is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, Mr. V-Nee Yeh is deemed to have an interest in the Shares in which ASMHL has a deemed interest.

(24) ITOCHU SG is deemed to have an interest in the Shares held by BHPL. ITOCHU SG holds 60% of the issued share capital of BHPL.

(25) ITOCHU Corp is deemed to have an interest in the Shares in which its subsidiary, ITOCHU SG, has a deemed interest. ITOCHU Corp also holds 40% of the issued share capital of BHPL.

PUBLC FLOAT

Rule 723 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10.0% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed (**"Shares"**) is at all times held by the public. The Company has complied with this requirement.

As at 18 March 2022, approximately 10.32% of its Shares were held in the hands of the public.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Name of the person	Mr. Lee Yi Shyan	Mr. Eric Sho Kian Hin	Ms. Usha Ranee Chandradas	Mr. Brian Riady	Mr. Tetsuya Fujimoto
Details on date of appointment and last re-election (if applicable), professional qualification, working experience and occupation(s) during the past 10 years.	Please refer to page 18 of this Annual Report.	Please refer to page 19 of this Annual Report.	Please refer to page 20 of this Annual Report.	Please refer to page 18 of this Annual Report.	Please refer to page 18 of this Annual Report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/ or substantial shareholder of the Company or of any of its principal subsidiaries	Mr Lee currently holds the position of Executive Adviser, Chairman's office, OUE Limited. OUE Limited is a substantial shareholder of the Company.	Nil	Nil	Mr. Brian Riady currently holds the position of Deputy Chief Executive Officer and Executive Director, OUE Limited. OUE Limited is a substantial shareholder of the Company. Mr. Brian Riady is the son of Dr. Stephen Riady, the Executive Chairman and Group Chief Executive Officer of OUE Limited and a substantial shareholder of the Company. He is also the nephew of Mr. James Tjahaja Riady, a substantial shareholder of the Company.	None, other than his employment with ITOCHU Corporation.
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil	Nil
Undertaking submitted to the Company in the form of Appendix 7H (Catalist Rule 704(6))	Yes	Yes	Yes	Yes	Yes
Shareholding interest in the Company and its subsidiaries?	Nil	Nil	Nil	Nil	Nil

Name of the person	Mr. Lee Yi Shyan	Mr. Eric Sho Kian Hin	Ms. Usha Ranee Chandradas	Mr. Brian Riady	Mr. Tetsuya Fujimoto
Present Directorship(s)/ Principal Commitment	Director of: 1. OUE Lippo Healthcare Limited 2. OUE Commercial REIT Management Pte. Ltd. (manager of OUE Commercial Real Estate Investment Trust) 3. OUE Hospitality Trust Management Pte. Ltd. 4. OUE USA Services Corp. 5. Business China 6. ICE Singapore Holdings Pte. Ltd. 7. ICE Futures Singapore Pte. Ltd. 8. ICE Clear Singapore Pte. Ltd. 9. Substantial Enterprises Limited 10. Vysion Star Pte. Ltd. 11. Keppel Group Eco-City Investments Pte. Ltd. 12. Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. 13. Singapore Tianjin Eco-city Investments Holdings Pte. Ltd. 14. SPH Media Holdings Pte. Ltd. (Director) (appointed on 1 March 2022)	1. OUE Lippo Healthcare Limited 2. Choo Chiang Holdings Ltd. 3. QT Vascular Ltd. 4. Versalink Holdings Limited 5. China Farm Equipment Pte. Ltd. 6. Hartanah Kencana Sdn. Bhd.	1. OUE Lippo Healthcare Limited 2. OUE Commercial REIT Management Pte. Ltd. (manager of OUE Commercial Real Estate Investment Trust) 3. NUR Investment and Trading Pte. Ltd. 4. OUE Hospitality Trust Management Pte. Ltd. Partner of 1. (Plu)ral Art LLP	Director of: 1. OUE Lippo Healthcare Limited 2. OUE Limited 3. OUE Commercial REIT Management Pte. Ltd. (manager of OUE Commercial Real Estate Investment Trust) 4. All Around Limited 5. Beringia Singapore Pte. Ltd. 6. CBX Pte. Ltd. 7. Chatterbox Pte. Ltd. 8. Chenexpress Pte. Ltd. 9. Clovis Singapore Pte. Ltd. 10. Cuisine Continental Group (HK) Ltd 11. Cuisine Continental (HK) Limited 12. Cuisine Creations Pte. Ltd. 13. Empire Asia Merchant Pte. Ltd. 14. Encore Dining Pte. Ltd. 15. LCR Catering Services Limited 16. Mandarin Hotel (Singapore) Private Limited 17. Delifrance Singapore Pte. Ltd. 18. Maxx Coffee Singapore Pte. Ltd. 19. Meritus Hotels Pte. Ltd. 20. Meritus Hotels & Resorts Sdn Bhd (in the process of liquidation) 21. Meritus International Pte. Ltd. 22. Oddish Ventures Pte. Ltd. 23. OUE Airport Hotel Pte. Ltd.	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Name of the person	Mr. Lee Yi Shyan	Mr. Eric Sho Kian Hin	Ms. Usha Ranee Chandradas	Mr. Brian Riady	Mr. Tetsuya Fujimoto
Present Directorship(s)/ Principal Commitment (Continue)	Advisor of: 14. OUE Limited 15. Keppel Corporation Limited 16. Luye Life Sciences Group Ltd 17. Jing Hope Holdings Pte. Ltd.	–	–	Director of: 24. OUE Altro Pte. Ltd. 25. OUE Capital Pte. Ltd. 26. OUE Capital Management Pte. Ltd. 27. OUE Dining Pte. Ltd. 28. OUE Hashida Pte. Ltd. 29. OUE International Holdings Pte. Ltd. 30. OUE Rempapa Pte. Ltd. 31. OUE Restaurants Pte. Ltd. 32. OUE Trademarks Pte. Ltd. 33. OUE Treasury Pte. Ltd. 34. OUE USA Services Corp. 35. RD Digital Holdings Pte. Ltd. 36. Shisen Hanten Restaurant Pte. Ltd. 37. Silver Tail Pte. Ltd. 38. Singapore Mandarin International Hotels Pte Ltd 39. Singapore Meritus International Hotels Pte Ltd 40. Superfood Retail Limited 41. Takayama Restaurant Pte. Ltd. Commissioner: 1. PT MHPL Indonesia (in the process of liquidation) 2. PT Cinemaxx Global Pasifik	Nil
Past Directorship(s)/ Principal Commitment held over the preceding five years	OUE Hospitality REIT Management Pte. Ltd.	Nil	Nil	1. Beringia Properties Corp. (Company dissolved) 2. Gainmate Hong Kong Limited (Company deregistered) 3. Meritus Hotels & Resorts Limited (Company deregistered) 4. OUE Skyspace Holding Corp. (Company dissolved) 5. Plainfield Creek Pte. Ltd. (voluntarily struck off) 6. Raven Platinum Pte. Ltd. (n.k.a. RD Digital Holdings Pte. Ltd.)	Nil

Name of the person	Mr. Lee Yi Shyan	Mr. Eric Sho Kian Hin	Ms. Usha Ranee Chandradas	Mr. Brian Riady	Mr. Tetsuya Fujimoto
Information required pursuant to Catalist Rules 704(6) and/or 704(7)					
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Name of the person	**Mr. Lee Yi Shyan**	**Mr. Eric Sho Kian Hin**	**Ms. Usha Ranee Chandradas**	**Mr. Brian Riady**	**Mr. Tetsuya Fujimoto**
Any prior experience as a director of an issuer listed on the SGX-ST? If yes, please provide details of prior experience. If no, please state if the director as attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the SGX-ST (if applicable)	Mr Lee was previously the Chairman and Non-Independent Non-Executive Director of OUE Hospitality REIT Management Pte. Ltd. (as REIT manager of OUE Hospitality Real Estate Investment Trust (**"OUE H-REIT"**)). He is currently the Chairman and Non-Independent Non-Executive Director of OUE Hospitality Trust Management Pte. Ltd. (as trustee-manager of OUE Hospitality Business Trust (**"OUE H-BT"**)). OUE Hospitality Trust, which comprised OUE H-REIT and OUE H-BT, was delisted from SGX-ST. Mr Lee is currently the Chairman and Non-Independent Non-Executive Director of OUE Commercial REIT Management Pte. Ltd. (the Manager for OUE Commercial Real Estate Investment Trust that is currently listed on SGX-ST.)	Mr. Sho is currently: • an Independent Director, the Chairman of the Audit Committee and a member of both the Nominating Committee and Remuneration Committee of Choo Chiang Holdings Ltd.; • an Independent Director, the Chairman of the Audit Committee and a member of Remuneration Committee of QT Vascular Limited (both Choo Chiang Holdings Ltd. and QT Vascular Limited are listed on the Catalist Board of the SGX-ST). He is also the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee of Versalink Holdings Limited.	Ms. Usha Ranee Chandradas has been appointed as the Company's director on 15 November 2021. Ms. Usha is currently an Independent Director and a member of the Audit and Risk Committee of OUE Commercial REIT Management Pte. Ltd. (the Manager for OUE Commercial Real Estate Investment Trust that is currently listed on SGX-ST).	Mr. Brian Riady is currently the Deputy Chief Executive Officer and Executive Director of OUE Limited and a Non-Independent Non-Executive Director of OUE Commercial REIT Management Pte. Ltd. (the Manager for OUE Commercial Real Estate Investment Trust that is currently listed on SGX-ST).	Mr. Tetsuya Fujimoto has been briefed on his role and responsibilities as a director of a listed company in Singapore and will undergo the training courses prescribed by the Exchange in connection with his duties as a Director and a member of the NRC within a year from his appointment to the Board.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (**"AGM"**) of OUE LIPPO HEALTHCARE LIMITED (the **"Company"**) will be convened and held by way of electronic means on Wednesday, 27 April 2022 at 2.00 p.m. (Singapore time), for the purpose of considering the following:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year (**"FY"**) ended 31 December 2021 and the Auditors' Report thereon.

2. To approve the payment of S$567,174.66 as Directors' Fees for FY2021 (FY2020: S$570,000.00).

3. To re-appoint the following Directors retiring in accordance with the Company's Constitution and who, being eligible, offer themselves for re-appointment:

a.	Ms. Usha Ranee Chandradas	(appointed with effect from 15 November 2021)
b.	Mr. Brian Riady	(appointed with effect from 28 March 2022)
c.	Mr. Tetsuya Fujimoto	(appointed with effect from 1 April 2022)
d.	Mr. Lee Yi Shyan	
e.	Mr. Eric Sho Kian Hin	

4. To re-appoint Messrs KPMG LLP as the Company's Auditors and to authorize the Directors to fix their remuneration.

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modifications:

5. That pursuant to Section 161 of the Companies Act 1967 of Singapore and the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) Listing Manual Section B: Rules of Catalist (the **"Catalist Rules"**) and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company to:

   a. (i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options (collectively, **"instruments"**) that may or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

b. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force,

provided that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below);

(ii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings shall be calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings at the time of the passing of this Resolution, after adjusting for:

(1) new shares arising from the conversion or exercise of any convertible securities;

(2) new shares arising from exercise of share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(3) any subsequent bonus issue, consolidation or subdivision of shares;

adjustments in accordance with sub-paragraphs (1) and (2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

By Order of the Board
OUE Lippo Healthcare Limited

Victor Chong Tun Foo
Company Secretary
4 April 2022
Singapore

EXPLANATORY NOTES:

(a) **Resolution 3(a)** – Re-appointment of Ms. Usha Ranee Chandradas as a Director retiring under Regulation 115 of the Company's Constitution.

Ms. Usha Ranee Chandradas will, upon re-appointment, continue as the Independent and Non-Executive Director and a member of the Audit and Risk Committee of the Company. The profile of Ms. Chandradas can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-appointment" in the Annual Report 2021. The Board of Directors considers her independent for the purpose of Rule 704(7) of the Catalist Rules.

(b) **Resolution 3(b)** – Re-appointment of Mr. Brian Riady as a Director retiring by rotation under Regulation 115 of the Company's Constitution.

Mr. Brian Riady will, upon re-appointment, continue as the Non-Independent Non-Executive Director of the Company. The profile of Mr. Riady can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-appointment" in the Annual Report 2021.

(c) **Resolution 3(c)** – Re-appointment of Mr. Tetusya Fujimoto as a Director retiring by rotation under Regulation 115 of the Company's Constitution.

Mr. Tetsuya Fujimoto will, upon re-appointment, continue as the Non-Independent Non-Executive Director and a member of the Nominating and Remuneration Committee of the Company. The profile of Mr. Fujimoto can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-appointment" in the Annual Report 2021.

(d) **Resolution 3(d)** – Re-appointment of Mr. Lee Yi Shyan as a Director retiring by rotation under Regulation 111 of the Company's Constitution.

Mr. Lee Yi Shyan will, upon re-appointment, continue as the Chairman of the Board of Directors and a member of the Nominating and Remuneration Committee. The profile of Mr. Lee Yi Shyan can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-appointment" in the Annual Report 2021.

(e) **Resolution 3(e)** – Re-appointment of Mr. Eric Sho Kian Hin as a Director retiring by rotation under Regulation 111 of the Company's Constitution.

Mr. Eric Sho Kian Hin will, upon re-appointment, continue as an Independent and Non-Executive Director, the Chairman of the Audit and Risk Committee and a member of the Nominating and Remuneration Committee of the Company. The profile of Mr. Eric Sho Kian Hin can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-appointment" in the Annual Report 2021. The Board of Directors considers him independent for the purpose of Rule 704(7) of the Catalist Rules.

(f) **Resolution 5** is to empower the Directors to issue shares in the capital of the Company and/or instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 5 (including shares to be issued in pursuance of instruments made or granted) shall not exceed one hundred per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings, with a sub-limit of fifty per cent (50%) for shares issued other than on a *pro-rata* basis (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) to shareholders.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings will be calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings at the time of the passing of Resolution 5, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares. The adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of Resolution 5.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By completing and submitting the proxy form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration, and analysis and facilitation by the Company (or its agents or its service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, Catalist Rules, take-over rules, regulations and/or guidelines.

Notes:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice, Annual Report 2021, Questions Form, and Proxy form will not be sent to members. Instead, this Notice, Annual Report 2021, Questions Form, and Proxy form will be sent to members by electronic means via announcement on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements* and may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html*.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions either before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in this Notice, which may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html*, and will also be made available on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.

   Registration to attend the AGM

3. **Due to the current COVID-19 situation in Singapore, members will not be able to attend the AGM in person. Shareholders, CPFIS Investors and SRS Investors who wish to follow the proceedings through a "live" audio-and-video webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio-only stream via telephone must pre-register at *http://www.ouelh.com/AGM2022.html* no later than 2.00 p.m. on 24 April 2022 (the "Registration Deadline").** Following verification, an email containing instructions on how to access the "live" audio-and-video webcast and "live" audio-only stream of the proceedings of the AGM will be sent to authenticated Shareholders, CPF Investors and SRS Investors by 12.00 p.m. on 26 April 2022.

   Shareholders, CPFIS Investors and SRS Investors who do not receive any email by 12.00 p.m. on 26 April 2022, but have registered by the Registration Deadline, should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at *agm.teame@boardroomlimited.com* stating: (a) his/her/its full name; and (b) his/her/its identification/registration number.

An investor holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) (**"Investors"**) (other than CPFIS Investors and SRS Investors) will not be able to pre-register at *http://www.ouelh.com/AGM2022.html* for the "live" broadcast of the AGM. An Investor (other than CPFIS Investors and SRS Investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email to *agm.teame@boardroomlimited.com* no later than 2.00 p.m. on 24 April 2022.

Voting by appointing Chairman as proxy

4. **A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the AGM as his/her/its proxy (the "Proxy Form") to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** The accompanying Proxy Form for the AGM will be announced together with this Notice and may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* and the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.

   Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

   CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 5.00 p.m. on 18 April 2022, being at least seven (7) working days before the date of the AGM.

5. The Chairman of the AGM, as proxy, need not be a member of the Company.

6. The Proxy Form must be submitted to the Company in the following manner:

   (a) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at *agm.teame@boardroomlimited.com*; or

   (b) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,

   in either case, by **2.00 p.m. on 24 April 2022** (being 72 hours before the time appointed for holding the AGM).

   A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Due to the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

NOTICE OF ANNUAL GENERAL MEETING

Submission of questions in advance

7. **Members will not be able to ask questions during the "live" audio-and-video webcast or the "live" audio-only stream of the AGM and therefore it is important for Shareholders to submit their Questions Forms in advance of the AGM.** Members who wish to ask questions relating to the resolutions to be tabled at the AGM must complete and submit the questions form for the AGM (the **"Questions Form"**), which will be announced together with this Notice and may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* and will also be made available on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.

8. The Questions Form must be submitted to the Company in the following manner:

   (a) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at *agm.teame@boardroomlimited.com*; or

   (b) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,

   in either case, by **5.00 p.m. on 19 April 2022** (being **at least four (4) working days** before the closing time for the lodgement of the proxy forms prior to the AGM).

   A member who wishes to submit the Questions Form must first download, complete and sign the Question Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Due to the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult for members to submit completed Questions Forms by post, shareholders are strongly encouraged to submit completed Questions Forms electronically via email.

Company's responses to all substantial and relevant questions

9. The Company will publish its responses to all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements* and the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* by **2.00 p.m. on 21 April 2022** (being 72 hours before the closing time for the lodgement of the proxy forms prior to the AGM). After the cut-off time for the submission of questions, if there are subsequent clarifications sought, or follow-up questions, the Company will endeavour to address them at the AGM, having regard to the limited time available at the AGM.

   The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on website of the SGX-ST and the Company's website, and the minutes will include the responses to the questions referred to above.

OUE LIPPO HEALTHCARE LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201304341E)
(the **"Company"**)

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT:

1. The Annual General Meeting (**"AGM"**) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Proxy Form will not be sent to members. Instead, it will be sent to members by electronic means via announcement on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements* and may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html*.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions either before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM, which may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* and will also be made available on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.
3. **Due to the current COVID-19 situation in Singapore, members will not be able to attend the AGM in person. A member (whether individual or corporate) must submit his/her/its Proxy Form appointing the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
4. CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 5.00 p.m. on 18 April 2022, being at least seven (7) working days before the date of the AGM.
5. By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 4 April 2022.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

I/We*, ____, ______________________
(Name) *(NRIC/Passport No./Company Registration No.*)*

of ____
(Address)

being a member/members* of OUE Lippo Healthcare Limited (the **"Company"**), hereby appoint the **Chairman of the AGM**, as my/our* proxy to attend, speak and to vote for me/us* on my/our* behalf at the AGM of the Company to be convened and held by way of electronic means on 27 April 2022 at 2.00 p.m. and at any adjournment thereof.

NO.	ORDINARY RESOLUTIONS	VOTING		ABSTAIN FROM VOTING**
		FOR**	AGAINST**	
ORDINARY BUSINESS				
1.	Adoption of the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31 December 2021 and the Auditors' Report thereon			
2.	Approval of Directors' fees			
3a.	Re-appointment of Ms. Usha Ranee Chandradas as Director			
3b.	Re-appointment of Mr. Brian Riady as Director			
3c.	Re-appointment of Mr. Tetsuya Fujimoto as Director			
3d.	Re-appointment of Mr. Lee Yi Shyan as Director			
3e.	Re-appointment of Mr. Eric Sho Kian Hin as Director			
4.	Re-appointment of Messrs KPMG LLP as Auditors			
SPECIAL BUSINESS				
5.	Authority to issue Shares pursuant to Section 161 of the Companies Act 1967 of Singapore			

* *Delete as appropriate*

** *Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "for" or "against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "for" or "against" in the "For" or "Against" box in respect of that resolution. If you wish the Chairman of the AGM as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain From Voting" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the AGM as your proxy is directed to abstain from voting in the "Abstain From Voting" box in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.*

Dated this ______________ day of ______________ 2022

Total Number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

____
Signature(s) of member(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy (the **"Proxy Form"**) will be deemed to relate to all the shares held by the member.

2. **Due to the current COVID-19 situation in Singapore, members will not be able to attend the AGM in person. A member (whether individual or corporate) must submit his/her/its Proxy Form appointing the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.** The Proxy Form for the AGM will be announced together with the Notice of AGM and may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* and the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.

   CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPFIS Agent Banks or SRS Agent Banks to submit their votes by 5.00 p.m. on 18 April 2022, being at least seven (7) working days before the date of the AGM.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

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PROXY FORM

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Postage
Stamp

The Share Registrar
OUE LIPPO HEALTHCARE LIMITED
1 Harbourfront Avenue,
#14-07 Keppel Bay Tower,
Singapore 098632

Please fold here

4. The Proxy Form must be submitted to the Company in the following manner:

   a. if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at *agm.teame@boardroomlimited.com*; or

   b. if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,

   in either case, by **2.00 p.m. on 24 April 2022** (being 72 hours before the time appointed for holding the AGM).

   A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Due to the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

5. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

8. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form (or any related attachment) if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

OUE LIPPO HEALTHCARE LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201304341E)
(the **"Company"**)

QUESTIONS FORM

ANNUAL GENERAL MEETING

ON 27 APRIL 2022 AT 2.00 P.M.

Please note that Shareholders and investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) ("Investors") will not be able to ask questions at the Annual General Meeting ("AGM") of the Company, "live" during the audio-and-video webcast and the audio-only stream, and therefore it is important for Shareholders who wish to ask questions related to the resolutions to be tabled at the AGM to complete and submit this Questions Form in advance of the AGM. Please read the notes overleaf which contain instructions on, *inter alia*, the submission of questions ahead of the AGM and the timeframe for submission of questions.

Please complete all fields below and regret that incomplete or incorrectly completed forms will not be processed.

Full Name (as per CDP / CPF / SRS / Scrip-based / DA records)	
NRIC / Passport No. / Company Registration No.	
Shareholding Type*	CDP Direct Account Holder / CPF / SRS Investment Account Holder Physical Scrip Holder Holder through Depository Agent

* Delete as appropriate

QUESTIONS FOR THE BOARD OF DIRECTORS AND MANAGEMENT:

Note: Questions should be related to the resolutions to be tabled at the AGM. Please refer to the Summary of Resolutions for the number of the relevant resolution. Please include additional pages as necessary.

Question 1	In relation to Resolution No. ____
Question 2	In relation to Resolution No. ____
Question 3	In relation to Resolution No. ____

Dated this ______________ day of ______________ 2022

____

Signature(s) of member(s) or
Common Seal of Corporate Shareholder

SUMMARY OF RESOLUTIONS

No.	Ordinary Resolutions
1.	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021
2.	Approval of Directors' fees
3a.	Re-appointment of Ms. Usha Ranee Chandradas as Director
3b.	Re-appointment of Mr. Brian Riady as Director
3c.	Re-appointment of Mr. Tetsuya Fujimoto as Director
3d.	Re-appointment of Mr. Lee Yi Shyan as Director
3e.	Re-appointment of Mr. Eric Sho Kian Hin as Director
4.	Re-appointment of Messrs KPMG LLP as Auditors
5.	Authority to issue Shares pursuant to Section 161 of the Companies Act 1967 of Singapore

Notes:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions either before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM, which may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* and will also be made available on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.
3. The Company will publish its responses to all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements* and the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* by **2.00 p.m. on 21 April 2022** (being 72 hours before the closing time for the lodgement of the proxy forms prior to the AGM). After the cut-off time for the submission of questions, if there are subsequent clarifications sought, or follow-up questions, the Company will endeavour to address them at the AGM, having regard to the limited time available at the AGM.
4. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on website of the SGX-ST and the Company's website, and the minutes will include the responses to the questions referred to above.

Please fold here

QUESTIONS FORM

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Postage
Stamp

The Share Registrar
OUE LIPPO HEALTHCARE LIMITED
1 Harbourfront Avenue,
#14-07 Keppel Bay Tower,
Singapore 098632

Please fold here

5. The Questions Form must be submitted to the Company in the following manner:
   a. **if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at *agm.teame@boardroomlimited.com*; or**
   b. **if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,**

   in either case, by **5.00 p.m. on 19 April 2022** (being **at least four (4) working days** before the closing time for the lodgement of the proxy forms prior to the AGM).
6. A Shareholder who wishes to submit this Questions Form must first download, complete and sign the Questions Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Due to the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult to submit completed Questions Forms by post, Shareholders and Investors are strongly encouraged submit completed Questions Forms electronically via email.**
7. By completing and submitting this Questions Form, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of processing, administration, analysis and facilitation by the Company (or its agents or service providers) of the member's participation at the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes (including questions and answers) and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lee Yi Shyan
(Non-Independent and Non-Executive Chairman)

Brian Riady
(Non-Independent and Non-Executive Director)

Yet Kum Meng
(Chief Executive Officer and Executive Director)

Tetsuya Fujimoto
(Non-Independent and Non-Executive Director)

Roger Tan Chade Phang
(Lead Independent and Non-Executive Director)

Eric Sho Kian Hin
(Independent and Non-Executive Director)

Jackson Tay Eng Kiat
(Independent and Non-Executive Director)

Usha Ranee Chandradas
(Independent and Non-Executive Director)

AUDIT AND RISK COMMITTEE

Eric Sho Kian Hin
(Chairman)

Roger Tan Chade Phang
Jackson Tay Eng Kiat
Usha Ranee Chandradas

NOMINATING AND REMUNERATION COMMITTEE

Roger Tan Chade Phang
(Chairman)

Lee Yi Shyan
Tetsuya Fujimoto
Eric Sho Kian Hin
Jackson Tay Eng Kiat

COMPANY SECRETARY

Victor Chong Tun Foo

REGISTERED OFFICE

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Singapore 068809
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W: www.ouelh.com
Co Reg No. 201304341E

SHARE REGISTRAR

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#14-07 Keppel Bay Tower
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SPONSOR

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#10-00 Income at Raffles
Singapore 049318

AUDITOR

KPMG LLP
16 Raffles Quay
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Singapore 048581
Partner-in-charge: Teo Han Jo
With effect from financial year ended
31 December 2017

OUE LIPPO HEALTHCARE LIMITED
(Company Reg. No. 201304341E)