

OUE LIMITED

(Company Registration No. 196400050E)

INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2024 (UNAUDITED)

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OUÉ LIMITED & ITS SUBSIDIARIES
For the half year ended 30 June 2024

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

	Notes	The Group		
		Half year ended	Half year ended	Change
		30/6/2024 \$'000	30/6/2023 \$'000	%
Revenue	3	314,536	304,498	3.3
Cost of sales		(136,664)	(125,589)	8.8
Gross profit		177,872	178,909	(0.6)
Marketing expenses		(6,099)	(5,600)	8.9
Administrative expenses		(42,551)	(45,288)	(6.0)
Other operating expenses		(8,644)	(7,173)	20.5
Share of results of equity-accounted investees, net of tax		(92,484)	25,750	n.m.
		28,094	146,598	(80.8)
Finance expenses	4	(79,944)	(75,994)	5.2
Finance income	5	5,148	8,111	(36.5)
Other losses - net	6	(8,419)	(289)	>100.0
(Loss) / Profit before tax	7	(55,121)	78,426	n.m.
Tax expenses	8	(14,200)	(10,246)	38.6
(Loss) / Profit after tax		(69,321)	68,180	n.m.
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign operations:				
- currency translation differences		(40,241)	7,180	n.m.
Share of other comprehensive income of equity-accounted investees:				
- currency translation differences		(19,101)	(38,329)	(50.2)
- other reserves		(183)	(343)	(46.6)
Cash flow hedges:				
- effective portion of changes in fair value of cash flow hedges		(1,463)	1,680	n.m.
- hedging reserve reclassified to profit or loss		1,190	(1,527)	n.m.
		(59,798)	(31,339)	90.8
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Share of other reserves of an equity-accounted investee				
Net change in fair value of investments at fair value through other comprehensive income, net of tax	6(ii)(b)	(1,054)	(2,480)	(57.5)
		(15,229)	(14,481)	5.2
		(16,283)	(16,961)	(4.0)
Other comprehensive income, net of tax		(76,081)	(48,300)	57.5
Total comprehensive income for the period		(145,402)	19,880	n.m.
(Loss) / Profit attributable to:				
Owners of the Company		(96,087)	40,225	n.m.
Perpetual securities holders		826	822	0.5
Non-controlling interests		25,940	27,133	(4.4)
		(69,321)	68,180	n.m.
Total comprehensive income attributable to:				
Owners of the Company		(149,481)	(11,364)	>100.0
Perpetual securities holders		826	822	0.5
Non-controlling interests		3,253	30,422	(89.3)
		(145,402)	19,880	n.m.
Earnings per share for profit for the period attributable to the owners of the Company				
Weighted average number of ordinary shares in issue		841,454,867	847,257,260	
Basic and diluted earnings per share (cents)		(11.42)	4.75	

n.m. - Not meaningful

OUÉ LIMITED & ITS SUBSIDIARIES

As at 30 June 2024

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30/6/2024 \$'000	31/12/2023 \$'000	30/6/2024 \$'000	31/12/2023 \$'000
ASSETS					
Cash and cash equivalents		186,320	182,602	38,206	37,511
Trade and other receivables		73,732	67,681	1,176,550	1,174,726
Inventories		2,522	2,428	228	155
Other investments		3,621	3,933	-	-
Development properties		27,383	29,041	-	-
Other assets		104,041	104,364	17,791	17,754
Loans to subsidiaries		-	-	511,784	522,872
Derivative assets		1,409	3,912	128	78
Asset held for sale		34,521	-	-	-
Current assets		433,549	393,961	1,744,687	1,753,096
Intangible assets and goodwill	10	58,394	58,331	-	-
Interests in equity-accounted investees	11	1,460,430	1,580,142	-	-
Investments in subsidiaries		-	-	940,431	938,424
Other investments		94,875	113,973	-	-
Other assets		5,929	6,087	942	931
Investment properties	12	5,239,960	5,321,509	-	-
Property, plant and equipment	13	1,763,336	1,790,928	555,875	571,266
Deferred tax assets		1,971	1,971	3,182	3,905
Derivative assets		878	-	136	-
Non-current assets		8,625,773	8,872,941	1,500,566	1,514,526
Total assets		9,059,322	9,266,902	3,245,253	3,267,622
LIABILITIES					
Trade and other payables		172,369	188,749	55,851	56,849
Borrowings	14	144,804	31,346	-	-
Provision		20,181	20,199	-	-
Current tax liabilities		67,765	68,592	12,619	13,342
Deferred income		4,748	4,330	-	-
Lease liabilities		6,669	6,921	27,839	27,357
Derivative liabilities		3	27	-	-
Current liabilities		416,539	320,164	96,309	97,548
Borrowings	14	2,774,045	2,842,190	92,117	71,168
Deferred income		16,355	16,822	-	-
Deferred tax liabilities		120,491	122,318	-	-
Other payables		48,458	51,740	423	410
Lease liabilities		28,050	31,254	612,205	626,365
Derivative liabilities		-	718	-	215
Non-current liabilities		2,987,399	3,065,042	704,745	698,158
Total liabilities		3,403,938	3,385,206	801,054	795,706
Net Assets		5,655,384	5,881,696	2,444,199	2,471,916
EQUITY					
Share capital	15	470,546	470,546	470,546	470,546
Other reserves		(422,708)	(364,949)	(23,774)	(20,115)
Accumulated profits		3,416,736	3,534,739	1,997,427	2,021,485
Equity attributable to owners of the Company		3,464,574	3,640,336	2,444,199	2,471,916
Perpetual securities		33,273	33,282	-	-
Non-controlling interests		2,157,537	2,208,078	-	-
Total equity		5,655,384	5,881,696	2,444,199	2,471,916

QUE LIMITED & ITS SUBSIDIARIES
For the half year ended 30 June 2024

C. Condensed interim statements of changes in equity

THE GROUP	Notes	Attributable to Owners of the Company				Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000			
At 1 January 2024		470,546	(364,949)	3,534,739	3,640,336	33,282	2,208,078	5,881,696
Total comprehensive income for the period								
(Loss) / Profit for the period		-	-	(96,087)	(96,087)	826	25,940	(69,321)
Other comprehensive income								
Foreign operations:								
- currency translation differences		-	(17,772)	-	(17,772)	-	(22,469)	(40,241)
Share of other comprehensive income of equity-accounted investees:								
- currency translation differences		-	(19,101)	-	(19,101)	-	-	(19,101)
- other reserves		-	(1,143)	-	(1,143)	-	(94)	(1,237)
Net change in fair value of investments at fair value through other comprehensive income, net of tax		-	(15,245)	-	(15,245)	-	16	(15,229)
Cash flow hedges:								
- effective portion of changes in fair value of cash flow hedges		-	(712)	-	(712)	-	(751)	(1,463)
- hedging reserve reclassified to profit or loss		-	579	-	579	-	611	1,190
Total other comprehensive income, net of tax		-	(53,394)	-	(53,394)	-	(22,687)	(76,081)
Total comprehensive income for the period		-	(53,394)	(96,087)	(149,481)	826	3,253	(145,402)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Own shares acquired	15	-	(3,659)	-	(3,659)	-	-	(3,659)
Dividends paid	16	-	-	(25,211)	(25,211)	-	(51,083)	(76,294)
Distributions to perpetual securities holders		-	-	-	-	(835)	-	(835)
Total contributions by and distributions to owners		-	(3,659)	(25,211)	(28,870)	(835)	(51,083)	(80,788)
Changes in ownership interests in subsidiaries								
Changes in ownership interests in subsidiaries without a change in control		-	-	2,711	2,711	-	(2,711)	-
Total changes in ownership interests in subsidiaries		-	-	2,711	2,711	-	(2,711)	-
Total transactions with owners		-	(3,659)	(22,500)	(26,159)	(835)	(53,794)	(80,788)
Share of reserves of an equity-accounted investee		-	(122)	-	(122)	-	-	(122)
Transfer from fair value reserve to accumulated profits		-	(584)	584	-	-	-	-
At 30 June 2024		470,546	(422,708)	3,416,736	3,464,574	33,273	2,157,537	5,655,384

QUE LIMITED & ITS SUBSIDIARIES
For the half year ended 30 June 2024

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

THE GROUP	Notes	Attributable to Owners of the Company				Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000			
At 1 January 2023		470,546	(252,625)	3,470,549	3,688,470	33,282	2,252,297	5,974,049
Total comprehensive income for the period								
Profit for the period		-	-	40,225	40,225	822	27,133	68,180
Other comprehensive income								
Foreign operations:								
- currency translation differences		-	3,698	-	3,698	-	3,482	7,180
Share of other comprehensive income of equity-accounted investees:								
- currency translation differences		-	(38,329)	-	(38,329)	-	-	(38,329)
- other reserves		-	(2,646)	-	(2,646)	-	(177)	(2,823)
Net change in fair value of investments at fair value through other comprehensive income, net of tax		-	(14,447)	-	(14,447)	-	(34)	(14,481)
Cash flow hedges:								
- effective portion of changes in fair value of cash flow hedges		-	814	-	814	-	866	1,680
- hedging reserve reclassified to profit or loss		-	(679)	-	(679)	-	(848)	(1,527)
Total other comprehensive income, net of tax		-	(51,589)	-	(51,589)	-	3,289	(48,300)
Total comprehensive income for the period		-	(51,589)	40,225	(11,364)	822	30,422	19,880
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends paid	16	-	-	(12,709)	(12,709)	-	(50,960)	(63,669)
Distributions to perpetual securities holders		-	-	-	-	(835)	-	(835)
Total contributions by and distributions to owners		-	-	(12,709)	(12,709)	(835)	(50,960)	(64,504)
Changes in ownership interests in subsidiaries								
Disposal of interests in a subsidiary		-	-	-	-	-	42	42
Changes in ownership interests in subsidiaries without a change in control		-	-	2,872	2,872	-	(2,872)	-
Total changes in ownership interests in subsidiaries		-	-	2,872	2,872	-	(2,830)	42
Total transactions with owners		-	-	(9,837)	(9,837)	(835)	(53,790)	(64,462)
Share of reserves of an equity-accounted investee		-	(84)	63	(21)	-	-	(21)
Transfer from fair value reserves to accumulated profits		-	(3,798)	3,798	-	-	-	-
At 30 June 2023		470,546	(308,096)	3,504,798	3,667,248	33,269	2,228,929	5,929,446

OUÉ LIMITED & ITS SUBSIDIARIES
For the half year ended 30 June 2024

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

THE COMPANY	Notes	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total equity \$'000
At 1 January 2024		470,546	(20,115)	2,021,485	2,471,916
Total comprehensive income for the period					
Profit and other comprehensive income for the period		-	-	1,153	1,153
Total comprehensive income for the period		-	-	1,153	1,153
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Own shares acquired	15	-	(3,659)	-	(3,659)
Dividends paid	16	-	-	(25,211)	(25,211)
Total transactions with owners of the Company		-	(3,659)	(25,211)	(28,870)
At 30 June 2024		<u>470,546</u>	<u>(23,774)</u>	<u>1,997,427</u>	<u>2,444,199</u>
At 1 January 2023		470,546	(16,179)	2,061,925	2,516,292
Total comprehensive income for the period					
Loss and other comprehensive income for the period		-	-	(1,093)	(1,093)
Total comprehensive income for the period		-	-	(1,093)	(1,093)
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Dividends paid	16	-	-	(12,709)	(12,709)
Total transactions with owners of the Company		-	-	(12,709)	(12,709)
At 30 June 2023		<u>470,546</u>	<u>(16,179)</u>	<u>2,048,123</u>	<u>2,502,490</u>

OUE LIMITED & ITS SUBSIDIARIES
For the half year ended 30 June 2024

D. Condensed interim consolidated statement of cash flows

	The Group	
	Half year ended 30/6/2024 \$'000	Half year ended 30/6/2023 \$'000
Cash flows from operating activities		
(Loss) / Profit after tax	(69,321)	68,180
Adjustments for:		
Depreciation of property, plant and equipment	31,683	29,788
Adjustments on rental straight lining	(6,085)	(7,272)
Net change in fair value of investment properties	8,458	7,530
Net change in fair value of investments designated at fair value through profit or loss	336	(7,179)
(Write-back of impairment loss) / Impairment loss on trade and other receivables	(610)	123
Gain on disposal of an equity-accounted investee	(150)	-
Gain on disposal of a subsidiary	-	(62)
Finance expenses	79,944	75,994
Finance income	(5,148)	(8,111)
Share of results of equity-accounted investees, net of tax	92,484	(25,750)
Tax expense	14,200	10,246
	<u>145,791</u>	<u>143,487</u>
Changes in:		
- trade and other receivables and other assets	(8,682)	(9,721)
- inventories	(94)	(33)
- development properties	1,210	7,357
- trade and other payables and provision	(15,269)	(13,966)
- deferred income	(49)	17,205
Cash generated from operations	<u>122,907</u>	<u>144,329</u>
Tax paid	<u>(10,182)</u>	<u>(12,684)</u>
Net cash from operating activities	<u>112,725</u>	<u>131,645</u>
Cash flows from investing activities		
Acquisition of interests in equity-accounted investees	(9,000)	(7,904)
Acquisition of other investments	(2,224)	(35,729)
Additions to property, plant and equipment	(7,919)	(19,287)
Additions to investment properties	(4,913)	(3,172)
Dividends from:		
- equity-accounted investees, net of tax	4,290	4,481
- other investments	1,426	3,762
Interest received	1,532	2,948
Loan to an equity-accounted investee	(54)	(24,000)
Proceeds from repayment of loans from equity-accounted investees	1,200	20,477
Proceeds from sale of other investments	6,820	57,406
Proceeds from sale of an investment property	1,645	-
Proceeds from disposal of interest in an equity-accounted investee	797	-
Proceeds from disposal of interests in a subsidiary, net of cash	-	(31)
Net cash used in investing activities	<u>(6,400)</u>	<u>(1,049)</u>

OUE LIMITED & ITS SUBSIDIARIES
For the half year ended 30 June 2024

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

	The Group	
	Half year ended 30/6/2024 \$'000	Half year ended 30/6/2023 \$'000
Cash flows from financing activities		
Dividends paid	(76,294)	(63,669)
Finance expense paid	(71,809)	(64,940)
Proceeds from borrowings	825,250	609,884
Repayment of borrowings	(770,195)	(711,084)
Principal repayment of leases	(3,514)	(2,863)
Distribution to perpetual securities holders	(835)	(835)
Repurchase of own shares	(3,659)	-
Changes in pledged deposits	(607)	(1,875)
Net cash used in financing activities	<u>(101,663)</u>	<u>(235,382)</u>
Net increase / (decrease) in cash and cash equivalents	4,662	(104,786)
Cash and cash equivalents at the beginning of the financial period	179,258	326,392
Effect of exchange rate fluctuations on cash held	(1,551)	-
Cash and cash equivalents at the end of the financial period¹	<u>182,369</u>	<u>221,606</u>

¹ Cash and cash equivalents as at 30 June 2024 excludes the Group's pledged deposits of \$3,951,000 (31/12/23: \$3,344,000).

E. Notes to the condensed interim consolidated financial statements

1. Domicile and activities

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

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

The principal activities of the Group are those of:

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

The condensed interim consolidated financial statements as at and for half year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in equity-accounted investees.

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

2. Basis of preparation

The condensed interim financial statements have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

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

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

2.1 New and amended standards adopted by the Group

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2024. The adoption of these new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

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

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

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the Group's consolidated financial statements as at and for the year ended 31 December 2023 except for the determination of recoverable amount of significant property, plant and equipment as there were no indicators of impairment.

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

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

Measurement of fair values

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

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

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

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

3. Revenue

	Half year ended 30/6/2024 \$'000	Half year ended 30/6/2023 \$'000	Change %
Real estate:			
- Investment properties and fund management income	104,002	101,310	2.7
- Hospitality income	109,923	95,754	14.8
- Development properties income	1,490	7,961	(81.3)
Healthcare income	76,296	79,767	(4.4)
Others	22,825	19,706	15.8
	<u>314,536</u>	<u>304,498</u>	3.3

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

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

	Half year ended 30/6/2024		Half year ended 30/6/2023	
	At a point in time \$'000	Over time \$'000	At a point in time \$'000	Over time \$'000
Investment properties and fund management income	-	3,799	-	3,669
Hospitality income	22,451	86,826	21,191	73,944
Development properties income	1,491	-	7,961	-
Healthcare income	24,306	2	25,774	4
Others	22,825	-	19,706	-
	<u>71,073</u>	<u>90,627</u>	<u>74,632</u>	<u>77,617</u>

4. Finance expenses

	Notes	Half year ended 30/6/2024 \$'000	Half year ended 30/6/2023 \$'000	Change %
Amortisation of debt-related transaction costs		8,014	6,035	32.8
Borrowing costs	(i)	65,927	58,285	13.1
Net foreign exchange loss		5,168	-	n.m.
Unwinding of discount of non-current rental deposits		83	83	-
Finance expenses on lease liabilities		752	799	(5.9)
Net change in fair value of derivatives	(ii)	-	10,792	(100.0)
		<u>79,944</u>	<u>75,994</u>	5.2

(i) Included loss on cash flow hedge of \$1,190,000 (1H 2023: gain on cash flow hedge of \$1,527,000) transferred from hedging reserve. Borrowing costs increased in 1H 2024 mainly due to higher benchmark interest rate.

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

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

5. Finance income

	Notes	Half year ended 30/6/2024 \$'000	Half year ended 30/6/2023 \$'000	Change %
Interest income		1,919	3,887	(50.6)
Dividend income from other investments		1,426	3,762	(62.1)
Net foreign exchange gain		-	107	(100.0)
Ineffective portion of changes in fair value of cash flow hedges		272	355	(23.4)
Net change in fair value of derivatives	(i)	1,531	-	n.m.
		<u>5,148</u>	<u>8,111</u>	(36.5)

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

6. Other losses – net

	Notes	Half year ended 30/6/2024 \$'000	Half year ended 30/6/2023 \$'000	Change %
Net change in fair value of investment properties	(i)	(8,458)	(7,530)	12.3
Net change in fair value of investments designated at fair value through profit or loss	(ii)(a)	(336)	7,179	n.m.
Others		375	62	>100.0
		<u>(8,419)</u>	<u>(289)</u>	>100.0

(i) The net change in fair value of investment properties mainly relate to fair value losses arising from the recognition of FRS 116 rental straight-line adjustments on investment properties held by First Real Estate Investment Trust (“First REIT”).

(ii) This relates to net change in marked-to-market fair value of:

- (a) investments designated at fair value through profit or loss, which include investments in equity securities and interests in mutual funds; and
- (b) investments designated at fair value through other comprehensive income net of tax, which include investments in equity securities that are not held for trading and interests in limited partnerships.

7. (Loss) / Profit before tax

	Half year ended 30/6/2024 \$'000	Half year ended 30/6/2023 \$'000	Change %
(Loss) / Profit before tax is stated after charging:			
- Depreciation of property, plant and equipment	<u>31,683</u>	<u>29,788</u>	6.4

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

8. Tax expense

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

	Half year ended 30/6/2024 \$'000	Half year ended 30/6/2023 \$'000	Change %
The charge for income tax expense includes the following:			
Current tax expense:			
- Current year	15,709	14,649	7.2
- Overprovision of current tax in respect of prior years	(5,400)	(9,765)	(44.7)
	<u>10,309</u>	<u>4,884</u>	>100.0
Withholding tax	<u>2,721</u>	<u>3,385</u>	(19.6)
Deferred tax expense:			
- Origination and reversal of temporary difference	1,170	1,977	(40.8)
	<u>14,200</u>	<u>10,246</u>	38.6

Tax expense increased for the current period mainly due to lower write-back of tax provision no longer required following the finalisation of prior years' tax assessment.

9. Net asset value

	The Group		The Company	
	30/6/2024	31/12/2023	30/6/2024	31/12/2023
Number of issued shares (excluding treasury shares)	840,380,360	843,680,060	840,380,360	843,680,060
Net asset value per ordinary share (\$)	<u>4.12</u>	<u>4.31</u>	<u>2.91</u>	<u>2.93</u>

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

10. Intangible assets and goodwill

	Goodwill \$'000	Medical distribution licenses \$'000	Intangible asset \$'000	Total \$'000
Group				
Cost				
At 1 January 2024	51,684	522	36,808	89,014
Effect of movements in exchange rates	63	(94)	-	(31)
At 30 June 2024	<u>51,747</u>	<u>428</u>	<u>36,808</u>	<u>88,983</u>
Accumulated amortisation and impairment losses				
At 1 January 2024	20,963	522	9,198	30,683
Effect of movements in exchange rates	-	(94)	-	(94)
At 30 June 2024	<u>20,963</u>	<u>428</u>	<u>9,198</u>	<u>30,589</u>
Cost				
At 1 January 2023	51,747	608	36,808	89,163
Effect of movements in exchange rates	(63)	(86)	-	(149)
At 31 December 2023	<u>51,684</u>	<u>522</u>	<u>36,808</u>	<u>89,014</u>
Accumulated amortisation and impairment losses				
At 1 January 2023	20,963	608	9,198	30,769
Effect of movements in exchange rates	-	(86)	-	(86)
At 31 December 2023	<u>20,963</u>	<u>522</u>	<u>9,198</u>	<u>30,683</u>
Carrying amounts				
At 31 December 2023	<u>30,721</u>	-	<u>27,610</u>	<u>58,331</u>
At 30 June 2024	<u>30,784</u>	-	<u>27,610</u>	<u>58,394</u>

Impairment test for intangible assets

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

Impairment test for goodwill

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

	30/6/2024 \$'000	31/12/2023 \$'000
Echo Healthcare Management Pte. Ltd. and its subsidiaries	27,754	27,754
CGU without significant goodwill	3,030	2,967
	<u>30,784</u>	<u>30,721</u>

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

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

11. Interests in equity-accounted investees

	Group	
	30/6/2024	31/12/2023
	\$'000	\$'000
Interests in associates	1,027,816	1,148,081
Interests in joint ventures	404,212	402,513
Less: impairment loss	(9,135)	(9,135)
	1,422,893	1,541,459
Loans to associate and joint ventures	37,537	38,683
	1,460,430	1,580,142

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

Impairment test for investments in equity-accounted investees

As at 30 June 2024, the Group assessed the recoverable amounts for each cash generating unit ("CGU") based on the greater of value-in-use and its fair value less costs of disposal, taking into consideration the potential impact from the prevailing economic conditions and market outlook on the estimated future cash flows and discount rates.

GPI

GPI's, a material associate of the Group, with principal activities in the People's Republic of China (the "PRC") was adversely impacted by the prevailing slow-down of the property market and the current economic environment in the PRC. GPI's share price was also affected as with other listed property counters in Hong Kong. In addition, several property developers in the PRC have defaulted on their debt obligations amidst liquidity pressures in the challenging environment. The aforementioned were identified as impairment indicators and impairment assessment was performed on the Group's investment in GPI.

Critical judgements made by the Group in the impairment assessment of its investment in GPI are as follows:

- (i) The Group's investment in GPI is held for long-term strategic purposes. Significant underlying assets of GPI include investment properties measured at fair value and development properties measured at lower of cost and net realisable value. In addition, significant underlying liabilities of GPI include variable rate interest-bearing liabilities for which the carrying amounts approximate fair value. Accordingly, management is of the view that the Group's share of GPI's net assets is an appropriate estimate.
- (ii) Given the challenges faced by property developers in the PRC, management assessed GPI's liquidity risk and consequential impact on the recoverable amount of this investment. Taking into consideration the support from banks and various other measures undertaken by GPI to maintain adequate working capital, management is of the view that GPI will ride through the current property market slow-down in the PRC, and would be able to realise the carrying amounts of its underlying assets and liabilities in an orderly manner.

In view of the challenging environment faced by GPI, management will actively monitor the situation to assess the need for impairment charges for the Group's investment in GPI.

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

12. Investment properties

Group	Completed investment properties \$'000	Investment properties under development \$'000	Total \$'000
At 1 January 2024	5,153,042	168,467	5,321,509
Additions	5,060	68	5,128
Disposals	(1,645)	-	(1,645)
Net change in fair value (note 6)	(6,273)	(2,185)	(8,458)
Effect of movements in exchange rates	(44,076)	(4,062)	(48,138)
Lease incentives	6,085	-	6,085
Reclassified to asset held for sale	-	(34,521)	(34,521)
At 30 June 2024	<u>5,112,193</u>	<u>127,767</u>	<u>5,239,960</u>
At 1 January 2023	5,231,462	173,197	5,404,659
Additions	10,142	24	10,166
Disposal	(1,574)	-	(1,574)
Net change in fair value ^(a)	(49,542)	(509)	(50,051)
Effect of movements in exchange rates	(52,061)	(4,245)	(56,306)
Lease incentives	14,615	-	14,615
At 31 December 2023	<u>5,153,042</u>	<u>168,467</u>	<u>5,321,509</u>

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

As at 30 June 2024, investment properties with a total carrying amount of \$1,080.3 million (31 December 2023: \$2,006.4 million) were pledged as security for banking facilities.

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

Fair value measurement

The Group engaged independent external valuers to perform full valuation of its investment properties at each financial year end. The last full valuation of the investment properties was conducted on 31 December 2023.

The carrying amounts of the investment properties as at 30 June 2024 are based on valuations performed by independent external valuers as at 31 December 2023 adjusted for capital expenditure incurred subsequent to the valuation date, capitalisation of lease incentives and translation differences. Management conducted an internal assessment of the valuation of the investment properties as at 30 June 2024, including considering any significant changes in operating performance of the properties, assessed whether movement in market data, such as discount rates, capitalisation rates, have any significant impact to the valuation of the investment properties. Based on the assessment, management is of the view that the fair value of the investment properties has not materially changed from 31 December 2023 valuation.

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

Completed investment properties

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

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

12. Investment properties (cont'd)

Classification of investment properties under development

The Group's investment properties under development pertain to lands in Indonesia and the People's Republic of China ("the PRC") as of 30 June 2024.

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

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

13. Property, plant and equipment

For the half year ended 30 June 2024, the Group acquired assets amounting to \$3.9 million (31 December 2023: \$39.5 million).

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

The recoverable amount of the Group's significant property, plant and equipment is determined based on the higher of fair value less costs to sell and value-in-use calculation. The Group engaged independent external valuers to perform full valuation at each financial year end. The last full valuation of each significant property, plant and equipment was conducted on 31 December 2023.

There were no indicators of impairment on the Group's significant property, plant and equipment as at 30 June 2024. The open market value of the significant property, plant and equipment of the Group as of 31 December 2023 was \$1,865,000,000 and net book value as of 30 June 2024 was \$1,702,630,000. The surplus on valuation of the Group's significant property, plant and equipment amounting to \$162,370,000 has not been incorporated in the interim financial statements.

OUE LIMITED & ITS SUBSIDIARIES
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E. Notes to the condensed interim consolidated financial statements (cont'd)

14. Borrowings

	Group		Company	
	30/6/2024	31/12/2023	30/6/2024	31/12/2023
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year or less, or on demand				
Secured	1,288	1,346	-	-
Unsecured	143,516	30,000	-	-
	144,804	31,346	-	-
Amount repayable after one year				
Secured	604,616	986,408	92,117	71,168
Unsecured	2,169,429	1,855,782	-	-
	2,774,045	2,842,190	92,117	71,168
	2,918,849	2,873,536	92,117	71,168

Details of any collateral

Secured borrowings are generally collateralised by:

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

15. Share capital

Issued share capital

	The Group and Company	
	Number of shares	Amount
	'000	\$'000
As at 1 January 2024 and 30 June 2024	859,838	470,546

As at 30 June 2024, the Company's total number of issued shares excluding treasury shares is 840,380,360 (31/12/23: 843,680,060).

For the half year ended 30 June 2024, the Company acquired 3,299,700 of its own shares for a total consideration of \$3,659,000. The Company did not acquire any of its own shares for the half year ended 30 June 2023.

As at 30 June 2024, the Company held 19,457,100 (30/6/2023: 12,580,200) treasury shares which represented 2.3% (30/6/2023: 1.5%) of the total number of issued shares (excluding treasury shares).

OUE LIMITED & ITS SUBSIDIARIES
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E. Notes to the condensed interim consolidated financial statements (cont'd)

16. Dividends

	Group and Company	
	Half year ended 30/6/2024 \$'000	Half year ended 30/6/2023 \$'000
Paid by the Company to owners of the Company		
Final dividend of 1.0 cents (2023: 1.5 cents) per ordinary share in respect of prior year	8,404	12,709
Special dividend of 2.0 cents per ordinary share in respect of prior year	16,807	-
	25,211	12,709
Paid by subsidiaries to NCI		
Distribution of 0.60 cents (2023: 0.62 cents) per qualifying First REIT unit in respect of current year	6,890	7,120
Distribution of 0.62 cents (2023: 0.66 cents) per qualifying First REIT unit in respect of prior year	7,120	7,579
Distribution of 1.04 cents (2023: 1.04 cents) per qualifying OUE REIT unit in respect of prior year	29,345	29,345
Final dividend of 16 cents (2023: 15 cents) per ordinary share in respect of prior year	6,400	6,000
Interim dividend in respect of current year	1,328	916
	51,083	50,960

17. Litigation cases

The status of the litigation cases of the Group's subsidiary, OUE Healthcare Limited ("OUEH") and its subsidiaries ("OUEH Group"), as at 30 June 2024, is as summarised below.

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

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

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

Arbitration proceedings against David Lin

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

Recognition and enforcement proceedings

In 2019, OUEH commenced recognition and enforcement proceedings in Hong Kong, Taiwan and Shanghai against David Lin to enforce the said award. As at 30 June 2024, OUEH has obtained permission from the respective authorities concerned to enforce the award in Hong Kong, Taiwan and Shanghai.

As at 30 June 2024:

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

OUE LIMITED & ITS SUBSIDIARIES
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E. Notes to the condensed interim consolidated financial statements (cont'd)

17. Litigation cases (cont'd)

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

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

18. Commitments

Capital commitments

The Group has the following capital commitments:

	Group	
	30/6/2024	31/12/2023
	\$'000	\$'000
Financial assets designated at FVOCI	15,705	17,353
Property, plant and equipment	3,649	3,394
Investment properties	1,429	1,718

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

19. Financial assets and liabilities

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

	Carrying amount				Fair value			
	Mandatorily at FVTPL \$'000	Designated at FVOCI \$'000	Fair value - hedging instruments \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group								
30/6/2024								
Financial assets measured at fair value								
Other investments - FVTPL	2,966	-	-	2,966	2,966	-	-	2,966
Equity investments - FVOCI	-	44,633	-	44,633	31,367	-	13,266	44,633
Interests in limited partnerships - FVOCI	-	50,897	-	50,897	-	-	50,897	50,897
Derivative assets	-	-	2,287	2,287	-	2,287	-	2,287
	<u>2,966</u>	<u>95,530</u>	<u>2,287</u>	<u>100,783</u>				
Financial liabilities measured at fair value								
Derivative liabilities	-	-	(3)	(3)	-	(3)	-	(3)
31/12/2023								
Financial assets measured at fair value								
Other investments - FVTPL	3,255	-	-	3,255	3,255	-	-	3,255
Equity investments - FVOCI	-	63,064	-	63,064	49,524	-	13,540	63,064
Interests in limited partnerships - FVOCI	-	49,347	-	49,347	-	-	49,347	49,347
Derivative assets	-	-	3,912	3,912	-	3,912	-	3,912
	<u>3,255</u>	<u>112,411</u>	<u>3,912</u>	<u>119,578</u>				
Financial liabilities measured at fair value								
Derivative liabilities	-	-	(745)	(745)	-	(745)	-	(745)

OUE LIMITED & ITS SUBSIDIARIES
For the half year ended 30 June 2024

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

20. Related party transactions

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

	Group	
	Transaction value	
	Half year	Half year
	ended	ended
	30/6/2024	30/6/2023
	\$'000	\$'000
Associates and joint ventures		
Loan to an equity-accounted investee	54	24,000
Repayment of loans from equity-accounted investees	1,200	20,477
Management fees earned	3,417	3,016
Lease payments	2,041	2,023
Rental and rental related income	640	-
Other related parties		
Rental and rental related income	40,543	42,437
Hotel services income	257	557
Management fees earned	180	180
Royalty fee income	213	107
Interest income	285	283
Recovery of expenses paid on behalf	268	204

21. Operating segments

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

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

- (i) Real Estate
 - a) Investment Properties and Fund Management (Singapore, the PRC and Indonesia) – rental of investment properties owned by the Group, management of commercial investment trusts and investment properties under development.
 - b) Hospitality – operation of hotels and hotel management.
 - c) Development Properties (Singapore, the PRC and etc) – sale of residential properties and other properties under development.
- (ii) Healthcare – operation of investment holding, development of medical real estate, healthcare-related assets and integrated mixed-use developments and provision of healthcare services and management of healthcare investments trusts.
- (iii) Others – mainly related to operation of food and beverage outlets and consumer-related investments.

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

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

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

21. Operating segments (cont'd)

Half year ended 30 June 2024	Real Estate							Reportable Segments Total	Elimination and unallocated items	Total
	Investment Properties and Fund Management		Hospitality	Development Property	Segment Subtotal	Healthcare	Others			
	Singapore	Others								
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue										
- External revenue	92,058	11,944	109,923	1,490	215,415	76,296	22,863	314,574	(38)	314,536
- Intersegment revenue	1,137	-	1,497	-	2,634	-	109	2,743	(2,743)	-
Segment revenue	93,195	11,944	111,420	1,490	218,049	76,296	22,972	317,317	(2,781)	314,536
Segment profit / (loss)¹	62,324	9,137	25,614	(101,350)	(4,275)	42,827	3,881	42,433	(14,339)	28,094
Depreciation	(589)	(2)	(26,071)	(2)	(26,664)	(1,468)	(3,415)	(31,547)	(136)	(31,683)
Finance expense	(54,636)	(107)	-	-	(54,743)	(14,233)	(743)	(69,719)	(10,225)	(79,944)
Finance income	447	96	42	11	596	1,385	1,437	3,418	1,730	5,148
Share of results of equity-accounted investees, net of tax	4,480	-	-	(101,157)	(96,677)	(3,339)	7,532	(92,484)	-	(92,484)
Other material items										
Net change in fair value of investment properties	-	1	-	-	1	(8,459)	-	(8,458)	-	(8,458)
Net change in fair value of investments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	(336)	(336)
30 June 2024										
Reportable segment assets ²	3,636,354	661,280	1,735,901	28,218	6,061,753	1,305,823	51,961	7,419,537	179,355	7,598,892
Interests in equity-accounted investees	353,725	-	-	946,745	1,300,470	94,042	65,918	1,460,430	-	1,460,430
Reportable segment liabilities	2,192,976	26,041	54,108	3,574	2,276,699	616,519	18,100	2,911,318	492,620	3,403,938
Capital expenditure	1,987	68	2,079	-	4,134	3,370	670	8,174	831	9,005

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

² Excluding interests in equity-accounted investees

QUE LIMITED & ITS SUBSIDIARIES
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E. Notes to the condensed interim consolidated financial statements (cont'd)

21. Operating segments (cont'd)

Half year ended 30 June 2023	Real Estate							Reportable Segments Total	Elimination and unallocated items	Total
	Investment Properties and Fund Management		Hospitality	Development Property	Segment Subtotal	Healthcare	Others			
	Singapore	Others								
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue										
- External revenue	89,262	12,048	95,754	7,961	205,025	79,767	19,697	304,489	9	304,498
- Intersegment revenue	842	-	1,585	-	2,427	-	344	2,771	(2,771)	-
Segment revenue	90,104	12,048	97,339	7,961	207,452	79,767	20,041	307,260	(2,762)	304,498
Segment profit / (loss)¹	65,284	9,680	20,813	18,822	114,599	47,977	1,286	163,862	(17,264)	146,598
Depreciation	(588)	(6)	(24,289)	-	(24,883)	(1,358)	(3,300)	(29,541)	(247)	(29,788)
Finance expense	(56,916)	-	-	-	(56,916)	(12,352)	(774)	(70,042)	(5,952)	(75,994)
Finance income	668	(23)	22	10	677	(387)	3,765	4,055	4,056	8,111
Share of results of equity-accounted investees, net of tax	4,251	-	-	19,142	23,393	(419)	2,776	25,750	-	25,750
Other material items										
Net change in fair value of investment properties	-	-	-	-	-	(7,530)	-	(7,530)	-	(7,530)
Net change in fair value of investments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	7,179	7,179
31 December 2023										
Reportable segment assets ²	3,629,697	665,952	1,763,704	33,280	6,092,633	1,344,942	44,782	7,482,357	204,403	7,686,760
Interests in equity-accounted investees	353,719	-	-	1,064,926	1,418,645	98,746	62,751	1,580,142	-	1,580,142
Reportable segment liabilities	2,195,033	314	60,370	3,459	2,259,176	620,432	17,571	2,897,179	488,027	3,385,206
Capital expenditure	5,499	26	25,787	23	31,335	5,631	11,478	48,444	1,181	49,625

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

² Excluding interests in equity-accounted investees

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

21. Operating segments (cont'd)

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

	Half year ended 30/6/2024 \$'000	Half year ended 30/6/2023 \$'000
Total revenue for reportable segments	317,317	307,260
Unallocated amounts	(38)	9
Elimination of inter-segment revenue	(2,743)	(2,771)
Consolidated total revenue	<u>314,536</u>	<u>304,498</u>

Profit or loss

Total profit or loss before interest, tax and other gains for reportable segments	42,433	163,862
Elimination of inter-segment profits	(238)	(151)
Finance expenses	(79,944)	(75,994)
Finance income	5,148	8,111
Other losses - net	(8,419)	(289)
Unallocated corporate expenses	(14,101)	(17,113)
Consolidated (loss) / profit before tax	<u>(55,121)</u>	<u>78,426</u>

Reconciliation of reportable assets and liabilities

	30/6/2024 \$'000	31/12/2023 \$'000
Assets		
Total assets for reportable segments	7,419,537	7,482,357
Interests in equity-accounted investees	1,460,430	1,580,142
	<u>8,879,967</u>	<u>9,062,499</u>
Elimination of inter-segment balances	(210)	(229)
Other unallocated amounts:		
- Property, plant and equipment	8,844	9,885
- Cash and cash equivalents	25,936	23,365
- Trade and other receivables	1,292	775
- Other investments	65,767	90,807
- Derivative assets	264	78
- Other assets	75,491	77,751
- Deferred tax assets	1,971	1,971
Consolidated total assets	<u>9,059,322</u>	<u>9,266,902</u>

Liabilities

Total liabilities for reportable segments	2,911,318	2,897,179
Other unallocated amounts:		
- Borrowings	290,976	269,765
- Trade and other payables	8,655	20,869
- Lease liabilities	4,733	6,268
- Derivative liabilities	-	215
- Current tax liabilities	67,765	68,592
- Deferred tax liabilities	120,491	122,318
Consolidated total liabilities	<u>3,403,938</u>	<u>3,385,206</u>

Geographical information

	Half year ended 30/6/2024 \$'000	Half year ended 30/6/2023 \$'000
Revenue		
Singapore	250,637	237,463
Indonesia	43,154	44,389
The PRC	13,993	15,089
Japan	6,752	7,557
	<u>314,536</u>	<u>304,498</u>

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

21. Operating segments (cont'd)

Major customers

Revenue from a related party of the Group's Healthcare segments represents approximately \$40,137,000 (31 December 2023: \$83,504,000) and contributed 12.8% (31 December 2023: 13.4%) of the Group's total revenue during the period / year ended 30 June 2024 and 31 December 2023.

22. Subsequent event

On 20 May 2024, the Company announced that it proposes to undertake an off-market purchase of 10% of its outstanding shares or 84,038,036 shares at an offer price of \$1.25 per share. On 5 July 2024, the Company has completed the share purchases, and these shares has been cancelled.

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed interim consolidated statement of financial position of OUE Limited and its subsidiaries as at 30 June 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Consolidated statement of profit or loss

FINANCIAL HIGHLIGHTS	1H 2024 \$'000	1H 2023 \$'000	Change %
Revenue:			
(1) Real Estate			
(a) Investment Properties and Fund Management	104,002	101,310	2.7
(b) Hospitality	109,923	95,754	14.8
(c) Development Properties	1,490	7,961	(81.3)
	215,415	205,025	5.1
(2) Healthcare	76,296	79,767	(4.4)
(3) Others	22,825	19,706	15.8
Revenue	314,536	304,498	3.3
Adjusted EBIT¹	28,094	146,598	(80.8)
(Loss) / Profit attributable to Owners of the Company	(96,087)	40,225	n.m.

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

Revenue

The Group recorded revenue of \$314.5 million in 1H 2024 (1H 2023: \$304.5 million). The increase was due to higher contribution from Investment Properties and Fund Management, and Hospitality divisions within the Real Estate segment, and Others segment.

(1) Real Estate Segment

(a) Investment Properties and Fund Management Division

Revenue from the investment properties and fund management division increased by \$2.7 million to \$104.0 million in 1H 2024 (1H 2023: \$101.3 millions). The increase was mainly due to better performance of the Group's commercial portfolio in Singapore.

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

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

(b) *Hospitality Division*

Revenue from the hospitality division increased by \$14.1 million to \$109.9 million in 1H 2024 (1H 2023: \$95.8 million). The increase was mainly due to higher room rates and occupancies supported by the strong MICE and event pipeline in the first quarter of 2024, which offset the impact of softer tourist arrivals between April to June 2024 due to seasonal demand fluctuations.

(c) *Development Properties Division*

Revenue from the development properties division decreased by \$6.5 million to \$1.5 million in 1H 2024 (1H 2023: \$8.0 million). The decrease was mainly due to lower sales contributed by OUE Twin Peaks.

(2) *Healthcare Segment*

Revenue from the healthcare segment decreased by \$3.5 million to \$76.3 million in 1H 2024 (1H 2023: \$79.8 million). The decrease was mainly due to lower contribution from First REIT due to the weakening of Indonesia Rupiah and Japanese Yen against Singapore Dollar, and lower contribution from O2 Healthcare Group Pte. Ltd due to a decrease in patient volume as post-Covid19 pent-up demand eased.

(3) *Others Segment*

This includes revenue contribution from the food and beverages operations of the Group. Revenue increased by \$3.1 million to \$22.8 million in 1H 2024 (1H 2023: \$19.7 million) mainly due to contribution from a new dining concept which was launched during 2H 2023.

Marketing expenses

Marketing expenses increased by \$0.5 million to \$6.1 million in 1H 2024 (1H 2023: \$5.6 million) mainly due to higher marketing expenses incurred arising from increased business activities in the hospitality division.

Administrative expenses

Administrative expenses decreased by \$2.7 million to \$42.6 million in 1H 2024 (1H 2023: \$45.3 million). The decrease was mainly due to lower corporate costs, partially offset by higher hotel management fees arising from improved performance in the hospitality division.

Other operating expenses

Other operating expenses increased by \$1.4 million to \$8.6 million in 1H 2024 (1H 2023: \$7.2 million) mainly due to higher utilities and operating costs from the hospitality division.

Share of results of equity-accounted investees

Share of results of equity-accounted investees reported a loss of \$92.5 million in 1H 2024 (1H 2023: share of profits of \$25.8 million). The loss in 1H 2024 was mainly due to share of losses from Gemdale Properties and Investment Corporation Limited ("Gemdale").

Adjusted EBIT

Adjusted EBIT decreased by \$118.5 million to \$28.1 million in 1H 2024 (1H 2023: \$146.6 million) mainly due to share of losses from Gemdale, partially mitigated by higher contribution from hospitality division in the real estate segment.

(Loss) / Profit attributable to owners of the Company

Loss attributable to shareholders amounted to \$96.1 million in 1H 2024 (1H 2023: profit of \$40.2 million). This was mainly due to share of losses from Gemdale, higher finance expenses, tax expenses and lower net change in fair value of investments designated at fair value through profit or loss.

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

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

The loss attributable to share of results from Gemdale is non-cash in nature and there is no material impact on the Group's operational cashflows and corporate funding requirements.

Statements of financial position

1. "Other investments" decreased by \$19.4 million mainly due to mark-to-market fair value losses on investments designated at fair value through other comprehensive income.
2. On 15 May 2024, the Group's subsidiary, OUE Healthcare Limited has announced that its wholly-owned indirect subsidiary, OUE LH Seasons Residences Sdn. Bhd., has entered into a sale and purchase agreement with Golden Eagle City Sdn. Bhd. for the disposal of a piece of vacant land in Kuala Lumpur, Malaysia. The land has been revalued to its net realisable value and reclassified from "Investment properties" to "Asset held for sale" as at 30 June 2024.
3. "Interests in equity-accounted investees" decreased by \$119.7 million mainly due to the recognition of share of results in equity-accounted investees and the share of currency translation losses which arose mainly from the weakening of Chinese Renminbi and dividends received from equity-accounted investees.
4. "Investment properties" decreased by \$81.5 million mainly due to the currency translation losses which arose from the weakening of Indonesia Rupiah, Chinese Renminbi and Japanese Yen against the Singapore Dollar, and asset reclassified to asset held for sale; partially offset by additions during the period.
5. "Property, plant and equipment" decreased by \$27.6 million mainly due to depreciation recognised during the period, partially offset by additions during the period.
6. "Derivative assets" and "Derivative liabilities" relate to the fair value of the interest rate swaps, interest rate caps and currency hedging contracts entered into to hedge the Group's exposure to floating interest rates on its borrowings and exposure to foreign denominated income.
7. "Trade and other payables" decreased by \$16.4 million mainly due to payment made for the acquisition of interest in equity-accounted investee, additions of property, plant and equipment and investment properties.
8. "Borrowings" increased by \$45.3 million mainly due to loans drawn down during the period, offset by loans repayment during the period.
9. As at 30 June 2024, the Group is in a net current asset position of \$17.0 million. The Group has sufficient liquidity to meet its debt obligations.

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

No forecast or prospect statement has been previously disclosed.

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

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

Singapore

According to advance estimates by the Ministry of Trade and Industry (“MTI”), Singapore’s GDP grew by 2.9% year-on-year (“YoY”) in 2Q 2024, slightly slower than the 3.0% growth in 1Q 2024. On a quarter-on-quarter (“QoQ”) seasonally-adjusted basis, the economy expanded by 0.4% in 2Q 2024, following a 0.3% expansion in the preceding quarter¹. In May 2024, the MTI maintained its 2024 GDP growth forecast for Singapore at 1.0% to 3.0%².

According to CBRE, Core Central Business Districts (“CBD”) Grade A office rents remained unchanged at \$11.95 per square feet per month (psf/month) in 2Q 2024, while vacancy rate increased by 2.5% to 6.1% in 2Q 2024 following the completion of IOI Central Boulevard Tower (Phase 1). CBRE maintains its original forecast of 2-3% rental growth for Core CBD Grade A offices for 2024³.

According to statistics from the Singapore Tourism Board (“STB”), Singapore’s international visitor arrivals for the first six months of 2024 grew by 20.9% YoY to reach 8.2 million⁴, on track of achieving STB’s target of 15 to 16 million in 2024. Continued improvements in international flight connectivity, a robust event pipeline, strengthened collaborations between Singapore Tourism Board and global travel and payment platform will support continued tourism recovery. Meanwhile, further diversification of quality travel experiences will also contribute to the growth momentum of the sector.

China

In 2Q 2024, China’s GDP grew by 4.7% YoY⁵, down from the 5.3% growth registered in 1Q 2024 and marking the slowest pace since 1Q 2023. This decline was due to tepid domestic demand amidst a prolonged property downturn.

On 17 May 2024, The People’s Bank of China (PBOC), announced supporting policies on ensuring housing delivery which include, inter alia, setting up a RMB300 billion central bank lending facility for government-subsidised housing, lowering the minimum down payment ratios for commercial personal mortgage loans nationwide, removing the floor on interest rates for personal mortgage loans nationwide for both first and second homes and lowering the interest rates on personal housing provident fund loans of various maturities by 0.25 percentage points⁶.

Property investment fell by 10.1% in June 2024, consistent with the decline seen in May 2024. New home prices have been falling for 13 consecutive months, although there are signs of stabilization in some key tier 1 and 2 cities. Stabilizing home prices is crucial for boosting confidence, but the drag on GDP growth is expected to persist due to high inventory levels⁷.

According to Colliers International, Shanghai’s CBD Grade A office occupancy declined by 1.0 ppt QoQ to 85.3%, while CBD Grade A office rents continue to decline to the new low of RMB8.15 per square metre per day, the lowest level in a decade. With the further expansion of office stock and an expected total of 1.57 million square metres of new supply entering the market in 2024, Shanghai’s office market is expected to remain under pressure⁸.

Indonesia

In Indonesia, the central bank is focussed on stabilising the Indonesian rupiah, with room for an interest rate cut in the fourth quarter⁹.

In response to the under-supply of specialist doctors, the government has launched a hospital-based specialists doctor programme in May 2024 to train more specialist doctors¹⁰.

¹ Singapore Ministry of Trade and Industry Press Release, 12 July 2024

² Singapore Ministry of Trade and Industry Press Release, 23 May 2024

³ CBRE, Singapore Figures Q2 2024

⁴ Singapore Tourism Board Arrivals Statistics

⁵ National Bureau of Statistics of China Press Release, 15 July 2024

⁶ <http://www.pbc.gov.cn/en/3688110/3688172/5188125/5364811/index.html>

⁷ <https://www.scmp.com/economy/economic-indicators/article/3270486/more-bumps-chinas-road-5-economic-growth-2024-7-data-takeaways>

⁸ Colliers International, Shanghai Grade A Office Market 2024 Q2, 27 June 2024

⁹ CNA, July 2024, ‘Indonesia central bank sees room for Q4 rate cut if rupiah stabilises’

¹⁰ Antara, May 2024, ‘Indonesia launches hospital-based specialists doctor program’

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

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

Overall

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

5. Dividend information

(a) Current Financial Period Reported On

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

26 September 2024

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 12 September 2024, for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to the close of business at 5.00 p.m. on 11 September 2024 will be registered to determine shareholders' entitlements to the proposed interim dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the proposed interim dividend will be paid by the Company to CDP, which will in turn distribute the dividend entitlement to holders of shares in accordance with its practice.

6. **If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for any Interested Person Transactions.

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

7. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

Pursuant to SGX-ST Rule 705(5), the Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim consolidated financial results of the Company and the Group for the half year ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dr Stephen Riady
Executive Chairman and
Group Chief Executive Officer

Mr Brian Riady
Deputy Chief Executive Office and
Executive Director

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

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

BY ORDER OF THE BOARD

KELVIN CHUA
COMPANY SECRETARY
12 August 2024