



OUE LIMITED

(Company Registration No. 196400050E)

**INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022 (UNAUDITED)**

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OUE LIMITED & ITS SUBSIDIARIES
For the six months and full year ended 31 December 2022

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

	Notes	The Group					
		Six months ended	Six months ended	Change	Full year ended	Full year ended	Change
		31/12/2022	31/12/2021		31/12/2022	31/12/2021	
\$'000	\$'000	%	\$'000	\$'000	%		
Revenue	3	292,446	148,763	96.6	491,120	300,806	63.3
Cost of sales		(120,815)	(75,196)	60.7	(204,822)	(144,506)	41.7
Gross profit		171,631	73,567	>100.0	286,298	156,300	83.2
Marketing expenses		(3,567)	(1,441)	>100.0	(6,508)	(3,760)	73.1
Administrative expenses		(43,459)	(33,265)	30.6	(77,552)	(63,735)	21.7
Other operating expenses		(6,739)	(2,090)	>100.0	(13,961)	(7,254)	92.5
Share of results of equity-accounted investees, net of tax		79,342	172,214	(53.9)	156,957	231,868	(32.3)
		197,208	208,985	(5.6)	345,234	313,419	10.2
Finance expenses	4	(72,745)	(60,160)	20.9	(126,305)	(110,170)	14.6
Finance income	5	27,389	4,569	>100.0	32,718	7,263	>100.0
Other gains/ (losses) - net	6	109,375	(80,359)	n.m.	149,500	(72,309)	n.m.
Profit before tax	7	261,227	73,035	>100.0	401,147	138,203	>100.0
Tax expense	8	(41,581)	(22,996)	80.8	(53,878)	(36,495)	47.6
Profit after tax		219,646	50,039	>100.0	347,269	101,708	>100.0
Other comprehensive income							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Foreign operations:							
- currency translation differences		(107,901)	19,133	n.m.	(147,239)	26,204	n.m.
Share of other comprehensive income of equity-accounted investees:							
- currency translation differences		(100,875)	36,309	n.m.	(141,340)	51,899	n.m.
- other reserves		1,865	-	n.m.	3,820	-	n.m.
Cash flow hedges:							
- effective portion of changes in fair value of cash flow hedges		(17,088)	4,427	n.m.	7,811	11,352	(31.2)
- hedging reserve reclassified to profit or loss		(1,568)	8,899	n.m.	2,025	20,740	(90.2)
		(225,567)	68,768	n.m.	(274,923)	110,195	n.m.
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Share of other reserves of an equity-accounted investee							
		2,131	(4,220)	n.m.	651	(4,220)	n.m.
Net change in fair value of investments at fair value through other comprehensive income, net of tax							
	6(vi)(b)	(38,227)	(2,748)	>100.0	(102,408)	(4,946)	>100.0
		(36,096)	(6,968)	>100.0	(101,757)	(9,166)	>100.0
Other comprehensive income, net of tax							
		(261,663)	61,800	n.m.	(376,680)	101,029	n.m.
Total comprehensive income for the period							
		(42,017)	111,839	n.m.	(29,411)	202,737	n.m.
Profit/(Loss) attributable to:							
Owners of the Company		101,158	50,889	98.8	189,857	80,943	>100.0
Perpetual securities holders		1,094	-	n.m.	2,093	-	n.m.
Non-controlling interests		117,394	(850)	n.m.	155,319	20,765	>100.0
		219,646	50,039	>100.0	347,269	101,708	>100.0
Total comprehensive income attributable to:							
Owners of the Company		(93,920)	100,457	n.m.	(115,144)	156,083	n.m.
Perpetual securities holders		1,094	-	n.m.	2,093	-	n.m.
Non-controlling interests		50,809	11,382	>100.0	83,640	46,654	79.3
		(42,017)	111,839	n.m.	(29,411)	202,737	n.m.
Earnings per share for profit/(loss) for the period attributable to the owners of the Company							
Weighted average number of ordinary shares in issue							
- basic		857,342,842	874,660,363		863,728,801	877,303,475	
- diluted *		857,342,842	875,349,508		863,728,801	899,343,085	
Basic earnings per share (cents)							
		11.80	5.82		21.98	9.23	
Diluted earnings per share (cents)*							
		11.80	5.82		21.98	9.21	

* For computation of diluted earnings per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect arising from the conversion of all the outstanding convertible bonds to potential ordinary shares during the period which they are outstanding. The convertible bonds were fully redeemed as at 31 December 2021.

n.m. - Not meaningful

OUE LIMITED & ITS SUBSIDIARIES
As at 31 December 2022

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		31/12/2022 \$'000	31/12/2021 \$'000	31/12/2022 \$'000	31/12/2021 \$'000
ASSETS					
Cash and cash equivalents		327,846	518,858	121,614	233,529
Trade and other receivables		64,249	64,250	978,445	1,109,479
Inventories		1,659	892	179	95
Other investments		52,664	81,090	-	-
Development properties		37,967	27,530	-	-
Other assets		101,235	115,783	47,162	12,800
Loans to subsidiaries		-	-	912,430	1,118,194
Derivative assets		6,390	-	-	-
Current assets		592,010	808,403	2,059,830	2,474,097
Intangible assets and goodwill	10	58,394	30,676	-	-
Interests in equity-accounted investees	11	1,521,522	1,668,203	-	-
Investments in subsidiaries		-	-	967,494	808,235
Loans to subsidiaries		-	-	13,348	-
Other investments		119,032	297,404	-	-
Other assets		5,593	4,847	907	769
Investment properties	12	5,404,659	4,568,462	-	-
Property, plant and equipment	13	1,760,752	1,651,297	602,545	626,823
Deferred tax assets		2,047	1,247	3,255	2,405
Derivative assets		23,059	960	222	-
Non-current assets		8,895,058	8,223,096	1,587,771	1,438,232
Total assets		9,487,068	9,031,499	3,647,601	3,912,329
LIABILITIES					
Trade and other payables		179,139	145,500	124,280	80,250
Borrowings	14	578,643	418,781	-	10,000
Provision		24,656	23,775	-	-
Loans from subsidiaries		-	-	301,412	507,620
Current tax liabilities		87,363	72,076	5,162	5,137
Deferred income		3,439	682	-	-
Lease liabilities		6,456	6,172	26,473	25,856
Derivative liabilities		494	1,545	-	-
Current liabilities		880,190	668,531	457,327	628,863
Borrowings	14	2,388,483	2,406,062	18,955	39,698
Deferred income		309	2,666	-	-
Deferred tax liabilities		145,009	143,849	-	-
Other payables		60,726	44,955	1,304	410
Lease liabilities		38,302	34,757	653,723	671,048
Provision		-	4,204	-	-
Derivative liabilities		-	7,077	-	-
Non-current liabilities		2,632,829	2,643,570	673,982	711,156
Total liabilities		3,513,019	3,312,101	1,131,309	1,340,019
Net Assets		5,974,049	5,719,398	2,516,292	2,572,310
EQUITY					
Share capital	15	470,546	634,852	470,546	634,852
Other reserves		(252,625)	(69,233)	(16,179)	(148,016)
Accumulated profits		3,470,549	3,284,337	2,061,925	2,085,474
Equity attributable to owners of the Company		3,688,470	3,849,956	2,516,292	2,572,310
Perpetual securities		33,282	-	-	-
Non-controlling interests		2,252,297	1,869,442	-	-
Total equity		5,974,049	5,719,398	2,516,292	2,572,310

OUE LIMITED & ITS SUBSIDIARIES
For year ended 31 December 2022

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

OUÉ LIMITED & ITS SUBSIDIARIES
For year ended 31 December 2022

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 2021		693,315	(192,877)	3,239,566	3,740,004	-	1,916,810	5,656,814
Total comprehensive income for the year								
Profit for the year		-	-	80,943	80,943	-	20,765	101,708
Other comprehensive income								
Foreign operations:								
- currency translation differences		-	17,422	-	17,422	-	8,782	26,204
Share of other comprehensive income of equity-accounted investees:								
- currency translation differences		-	51,899	-	51,899	-	-	51,899
- other reserves		-	(4,220)	-	(4,220)	-	-	(4,220)
Net change in fair value of investments at fair value through other comprehensive income, net of tax								
		-	(4,946)	-	(4,946)	-	-	(4,946)
Cash flow hedges:								
- effective portion of changes in fair value of cash flow hedges		-	5,372	-	5,372	-	5,980	11,352
- hedging reserve reclassified to profit or loss		-	9,613	-	9,613	-	11,127	20,740
Total other comprehensive income, net of tax		-	75,140	-	75,140	-	25,889	101,029
Total comprehensive income for the year		-	75,140	80,943	156,083	-	46,654	202,737
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Own shares acquired		-	(13,864)	-	(13,864)	-	-	(13,864)
Redemption of convertible bonds		-	(4,641)	4,626	(15)	-	-	(15)
Cancellation of treasury shares		(58,463)	58,463	-	-	-	-	-
Dividends paid	16	-	-	(17,525)	(17,525)	-	(80,655)	(98,180)
Total contributions by and distributions to owners		(58,463)	39,958	(12,899)	(31,404)	-	(80,655)	(112,059)
Changes in ownership interests in subsidiaries								
Changes in ownership interests in subsidiaries without a change in control		-	-	(14,332)	(14,332)	-	(13,367)	(27,699)
Total changes in ownership interests in subsidiaries		-	-	(14,332)	(14,332)	-	(13,367)	(27,699)
Total transactions with owners		(58,463)	39,958	(27,231)	(45,736)	-	(94,022)	(139,758)
Share of reserves of an equity-accounted investee		-	14,064	(14,459)	(395)	-	-	(395)
Transfer from fair value reserves to accumulated profits		-	(5,518)	5,518	-	-	-	-
At 31 December 2021		634,852	(69,233)	3,284,337	3,849,956	-	1,869,442	5,719,398

QUE LIMITED & ITS SUBSIDIARIES
For year ended 31 December 2022

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 2022		634,852	(148,016)	2,085,474	2,572,310
Total comprehensive income for the year					
Loss for the year		-	-	(6,246)	(6,246)
Total comprehensive income for the year		-	-	(6,246)	(6,246)
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Own shares acquired		-	(32,469)	-	(32,469)
Cancellation of treasury shares	15	(164,306)	164,306	-	-
Dividends paid	16	-	-	(17,303)	(17,303)
Total transactions with owners of the Company		(164,306)	131,837	(17,303)	(49,772)
At 31 December 2022		470,546	(16,179)	2,061,925	2,516,292
At 1 January 2021		693,315	(187,974)	2,238,278	2,743,619
Total comprehensive income for the year					
Loss for the year		-	-	(139,905)	(139,905)
Total comprehensive income for the year		-	-	(139,905)	(139,905)
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Own shares acquired		-	(13,864)	-	(13,864)
Redemption of convertible bonds		-	(4,641)	4,626	(15)
Cancellation of treasury shares		(58,463)	58,463	-	-
Dividends paid	16	-	-	(17,525)	(17,525)
Total transactions with owners of the Company		(58,463)	39,958	(12,899)	(31,404)
At 31 December 2021		634,852	(148,016)	2,085,474	2,572,310

OUE LIMITED & ITS SUBSIDIARIES
For the six months and full year ended 31 December 2022

D. Condensed interim consolidated statement of cash flows

	The Group	
	Full year ended 31/12/2022 \$'000	Full year ended 31/12/2021 \$'000
Cash flows from operating activities		
Profit after tax	347,269	101,708
Adjustments for:		
Depreciation of property, plant and equipment	52,313	51,070
Reversal of provision for site restoration	(910)	-
Impairment loss on a development property	2,282	-
Impairment loss on interests in an equity-accounted investee	5,000	-
Negative goodwill on investment in an equity-accounted investee	(43,808)	-
Reversal of provision for legal and related expenses	-	(5,000)
Adjustments on rental straight lining	(21,939)	-
Net change in fair value of investment properties	(32,964)	(13,290)
Net change in fair value of investments designated at fair value through profit or loss	(3,196)	(20,511)
Net loss arising from change in accounting treatment of an equity-accounted investee to a subsidiary (Writeback of impairment loss)/ impairment loss on property, plant and equipment	224	-
Impairment loss on trade and other receivables	(76,639)	106,129
Bad debts written off	180	258
Loss on disposal of a subsidiary	160	-
(Gain)/Loss on disposal of property, plant and equipment	511	-
Gain on redemption of convertible bonds	(99)	195
Finance expenses	-	(19)
Finance income	126,305	110,170
Share of results of equity-accounted investees, net of tax	(32,718)	(7,263)
Tax expense	(156,957)	(231,868)
	53,878	36,495
	218,892	128,074
Changes in:		
- trade and other receivables and other assets	23,070	58,478
- inventories	(767)	(216)
- development properties	883	1,494
- trade and other payables and provision	(5,333)	(36,647)
- deferred income	400	(3,571)
Cash generated from operations	237,145	147,612
Tax paid	(40,458)	(16,770)
Net cash from operating activities	196,687	130,842
Cash flows from investing activities		
Acquisition of interests in equity-accounted investees	(67,373)	(58,533)
Acquisition of other investments	(4,542)	(209,628)
Additions to property, plant and equipment	(54,846)	(74,408)
Additions to investment properties	(36,852)	(9,083)
Dividends from:		
- equity-accounted investees, net of tax	75,213	82,109
- other investments, net of tax	496	487
Interest received	6,471	2,300
Loans to equity-accounted investees	-	(12,517)
Proceeds from repayment of loans from equity-accounted investees	13,064	-
Proceeds from sale of other investments	93,480	4,047
Proceeds from sale of investment properties	-	38,616
Acquisition of subsidiaries, net of cash acquired	39,845	950,634
Proceeds from disposal of interests in subsidiaries, net of cash disposed	37,954	-
Proceeds from disposal of property, plant and equipment	104	104
Net cash from investing activities	103,014	714,128

OUE LIMITED & ITS SUBSIDIARIES
For the six months and full year ended 31 December 2022

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

	The Group	
	Full year ended 31/12/2022 \$'000	Full year ended 31/12/2021 \$'000
Cash flows from financing activities		
Acquisition of non-controlling interests	-	(27,659)
Dividends paid	(115,169)	(98,180)
Finance expense paid	(120,322)	(97,799)
Proceeds from borrowings	1,754,816	1,273,173
Repayment of borrowings	(1,939,030)	(1,919,101)
Principal repayment of leases	(6,771)	(4,286)
Redemption of perpetual securities	(19,122)	-
Distribution to perpetual securities holders	(1,482)	-
Repurchase of own shares	(32,469)	(13,864)
Changes in pledged deposits	29,503	7,955
Net cash used in financing activities	(450,046)	(879,761)
Net (decrease)/increase in cash and cash equivalents	(150,345)	(34,791)
Cash and cash equivalents at 1 January	487,901	520,615
Effect of exchange rate fluctuations on cash held	(11,164)	2,077
Cash and cash equivalents at 31 December	326,392	487,901

¹ Cash and cash equivalents as at 31 December 2022 excludes the Group's pledged deposits of \$1,454,000 (31/12/21: \$30,957,000).

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;
 - 2) Hospitality; and
 - 3) Development Properties
- Healthcare
- Consumer

The condensed interim consolidated financial statements as at and for six months period and full year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in equity-accounted investees.

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

2. Basis of preparation

The condensed interim financial statements have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

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 2022. 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.

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For the six months and full year ended 31 December 2022

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

3. Revenue

	Six months ended	Six months ended	Change	Full year ended	Full year ended	Change
	31/12/2022	31/12/2021		31/12/2022	31/12/2021	
	\$'000	\$'000	%	\$'000	\$'000	%
Real estate:						
- Investment properties income	99,503	90,293	10.2	189,383	195,516	(3.1)
- Hospitality income	92,293	31,757	>100.0	142,623	57,581	>100.0
- Development properties income	2,528	1,500	68.5	2,704	1,701	59.0
Healthcare income	77,821	16,594	>100.0	122,359	31,248	>100.0
Consumer income	19,884	8,619	>100.0	33,611	14,714	>100.0
Others	417	-	n.m.	440	46	>100.0
	<u>292,446</u>	<u>148,763</u>	96.6	<u>491,120</u>	<u>300,806</u>	63.3

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

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

	Six months ended		Six months ended		Full year ended		Full year ended	
	31/12/2022		31/12/2021		31/12/2022		31/12/2021	
	At a point in time	Over time	At a point in time	Over time	At a point in time	Over time	At a point in time	Over time
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment properties income	-	3,441	-	3,417	-	7,009	-	5,391
Hospitality income	91,159	-	31,757	-	141,489	-	57,581	-
Development properties income	2,528	-	1,500	-	2,704	-	1,701	-
Healthcare income	20,313	22	3,107	5,206	22,797	1,497	5,397	9,140
Consumer income	19,884	-	8,619	-	33,611	-	14,714	-
Others	417	-	-	-	440	-	46	-
	<u>134,301</u>	<u>3,463</u>	<u>44,983</u>	<u>8,623</u>	<u>201,041</u>	<u>8,506</u>	<u>79,439</u>	<u>14,531</u>

4. Finance expenses

	Notes	Six months ended	Six months ended	Change	Full year ended	Full year ended	Change
		31/12/2022	31/12/2021		31/12/2022	31/12/2021	
		\$'000	\$'000	%	\$'000	\$'000	%
Borrowing costs	(i)	69,069	47,090	46.7	119,367	97,404	22.5
Net foreign exchange loss		2,322	10,753	(78.4)	4,834	9,593	(49.6)
Unwinding of discount of non-current rental deposits		81	84	(3.6)	166	167	(0.6)
Finance expenses on lease liabilities		681	568	19.9	1,346	1,114	20.8
Hedging reserve reclassified from equity	(ii)	-	1,892	(100.0)	-	1,892	(100.0)
Change in fair value of financial derivatives		592	(227)	n.m.	592	-	n.m.
		<u>72,745</u>	<u>60,160</u>	20.9	<u>126,305</u>	<u>110,170</u>	14.6

- (i) Borrowings costs increased mainly due to higher interest rates and upfront fees written off due to early re-financing.
- (ii) Hedging reserve reclassified from equity pertains to the cumulative net fair value movements of certain interest rate swaps and was reclassified to profit or loss due to the discontinuation of hedge accounting.

5. Finance income

	Notes	Six months ended	Six months ended	Change	Full year ended	Full year ended	Change
		31/12/2022	31/12/2021		31/12/2022	31/12/2021	
		\$'000	\$'000	%	\$'000	\$'000	%
Interest income		3,698	2,134	73.3	6,209	3,656	69.8
Ineffective portion of changes in fair value of cash flow hedges		315	355	(11.3)	2,177	1,364	59.6
Change in fair value of financial derivatives		1,104	1,756	(37.1)	1,778	1,756	1.3
Hedging reserve reclassified from equity	(i)	22,058	-	n.m.	22,058	-	n.m.
Others		214	324	(34.0)	496	487	1.8
		<u>27,389</u>	<u>4,569</u>	>100.0	<u>32,718</u>	<u>7,263</u>	>100.0

- (i) Hedging reserve reclassified from equity pertains to the cumulative net fair value movements of certain interest rate swaps and was reclassified to profit or loss due to the discontinuation of hedge accounting.

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

6. Other gains/ (losses) – net

	Notes	Six months ended 31/12/2022 \$'000	Six months ended 31/12/2021 \$'000	Change %	Full year ended 31/12/2022 \$'000	Full year ended 31/12/2021 \$'000	Change %
Reversal of provision for site restoration	(i)	910	-	n.m.	910	-	n.m.
Impairment loss on a development property	(ii)	(2,282)	-	n.m.	(2,282)	-	n.m.
Impairment loss on interests in an equity-accounted investee	(iii)	(5,000)	-	n.m.	(5,000)	-	n.m.
Negative goodwill on investment in an equity-accounted investee	(iv)	43,808	-	n.m.	43,808	-	n.m.
Net change in fair value of investment properties	(v)	28,751	13,290	>100.0	32,964	13,290	>100.0
Net change in fair value of investments designated at fair value through profit or loss	(vi)(a)	(32,938)	12,461	n.m.	3,196	20,511	(84.4)
Gain on redemption of convertible bonds		-	19	(100.0)	-	19	(100.0)
Net loss arising from change in accounting treatment of an equity-accounted investee to a subsidiary	(vii)	-	-	n.m.	(224)	-	n.m.
Loss on disposal of a subsidiary	(viii)	(511)	-	n.m.	(511)	-	n.m.
Write back of impairment loss/(Impairment loss) on property, plant and equipment	(ix)	76,639	(106,129)	n.m.	76,639	(106,129)	n.m.
Others		(2)	-	n.m.	-	-	-
		<u>109,375</u>	<u>(80,359)</u>	n.m.	<u>149,500</u>	<u>(72,309)</u>	n.m.

(i) This relates to the reversal of provision of site restoration of a land parcel located in Dujiangyan, Chengdu, following the completion of the restoration works.

(ii) This relates to the impairment loss recognised on a development property in Indonesia.

(iii) This relates to the impairment loss on the Myanmar joint venture under the healthcare segment. The impairment loss represented the excess of the carrying value over the estimated recoverable amount, which was based on the value-in-use, taking into consideration the potential impact from the prevailing economic conditions and market outlook on the projected cash flows and discount rates.

(iv) This relates to the provisional negative goodwill arising from the acquisition of additional equity interests in Gemdale Properties and Investment Corporation Limited (“Gemdale”) below its net asset value during the year.

(v) This relates to the net change in fair value of investment properties of the Group which include the investment properties held by OUE Commercial REIT and First Real Estate Investment Trust (“First REIT”).

(vi) 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, which include investments in equity securities that are not held for trading and interests in limited partnerships.

(vii) This relates to loss arising from the deemed disposal of First REIT as an associate of the Group of \$35,601,000, partially offset by the provisional negative goodwill recognised from accounting of First REIT as a subsidiary of \$35,377,000 on 1 March 2022. The provisional negative goodwill reflects the excess of fair value of assets and liabilities acquired over the consideration paid.

(viii) This relates to the loss on disposal of an indirect wholly-owned subsidiary in Indonesia under the healthcare segment.

(ix) The write-back of impairment loss/ (impairment loss) on property, plant and equipment mainly relate to the hospitality assets held by the Group which are namely Hilton Singapore Orchard and Crowne Plaza Changi Airport.

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

7. Profit before tax

	Six months ended 31/12/2022 \$'000	Six months ended 31/12/2021 \$'000	Change %	Full year ended 31/12/2022 \$'000	Full year ended 31/12/2021 \$'000	Change %
Profit before tax is stated after charging/(crediting):						
- Depreciation of property, plant and equipment	26,073	26,542	(1.8)	52,313	51,070	2.4
- Government grants	(i) -	(7,968)	(100.0)	-	(13,891)	(100.0)

- (i) For the year ended 31 December 2021, the government grants relate to wage subsidies (Jobs Support Scheme) and rental rebates received from the Singapore Government in relation to the COVID-19 pandemic. The wage subsidies were recognised against the related expenses in the statement of profit or loss. The rental rebates were recognised in revenue in the statement of profit or loss.

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:

	Six months ended 31/12/2022 \$'000	Six months ended 31/12/2021 \$'000	Change %	Full year ended 31/12/2022 \$'000	Full year ended 31/12/2021 \$'000	Change %
The charge for income tax expense includes the following:						
Current tax expense:						
- Current year	18,033	10,426	73.0	30,438	19,324	57.5
- Underprovision of current tax in respect of prior years	27,194	21,493	26.5	24,277	24,177	0.4
Deferred tax expense:						
- Origination and reversal of temporary difference	(2,304)	(4,048)	(43.1)	505	(2,131)	n.m.
- Overprovision in respect of prior years	(1,342)	(4,875)	(72.5)	(1,342)	(4,875)	(72.5)
	<u>41,581</u>	<u>22,996</u>	80.8	<u>53,878</u>	<u>36,495</u>	47.6

9. Net asset value

	<u>The Group</u>		<u>The Company</u>	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Number of issued shares (excluding treasury shares)	847,257,260	872,030,760	847,257,260	872,030,760
Net asset value per ordinary share (\$)	<u>4.35</u>	<u>4.41</u>	<u>2.97</u>	<u>2.95</u>

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

10. Intangible assets and goodwill

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

	Note	Goodwill \$'000	Medical distribution licenses \$'000	Intangible asset \$'000	Total \$'000
Group					
Cost					
At 1 January 2022		24,029	675	36,808	61,512
Acquisition of subsidiaries	17	27,754	-	-	27,754
Effect of movements in exchange rates		(36)	(67)	-	(103)
At 31 December 2022		51,747	608	36,808	89,163
Accumulated amortisation and impairment losses					
At 1 January 2022		20,963	675	9,198	30,836
Effect of movements in exchange rates		-	(67)	-	(67)
At 31 December 2022		20,963	608	9,198	30,769
Cost					
At 1 January 2021		23,967	639	36,808	61,414
Effect of movements in exchange rates		62	36	-	98
At 31 December 2021		24,029	675	36,808	61,512
Accumulated amortisation and impairment losses					
At 1 January 2021		20,963	639	9,198	30,800
Effect of movements in exchange rates		-	36	-	36
At 31 December 2021		20,963	675	9,198	30,836
Carrying amounts					
At 31 December 2021		3,066	-	27,610	30,676
At 31 December 2022		30,784	-	27,610	58,394

Impairment test for goodwill

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

	31/12/2022 \$'000	31/12/2021 \$'000
Echo Healthcare Management Pte. Ltd. ("ECHM")	27,754	-
CGU without significant goodwill	3,030	3,066
	30,784	3,066

The recoverable amount of the CGU was estimated based on its value-in-use.

Echo Healthcare Management Pte. Ltd. ("ECHM")

On 30 June 2022, the Group through its indirect 82.2%-owned subsidiary, ECHM, acquired 36% equity stake in two Respiratory Medicine Clinic Group and a clinic specialising in thoracic and cardiovascular surgery ("The Respiratory Medical Practices"). Goodwill of \$27,754,000 arising from acquisition of The Respiratory Medical Practices was determined based on a purchase price allocation ("PPA") exercise.

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

11. Interests in equity-accounted investees

	Group	
	31/12/2022	31/12/2021
	\$'000	\$'000
Interests in associates	1,097,742	1,249,756
Interests in joint ventures	398,884	375,557
Less: impairment loss	(9,135)	(4,135)
	<u>1,487,491</u>	<u>1,621,178</u>
Loans to associates and joint ventures	<u>34,031</u>	<u>47,025</u>
	<u>1,521,522</u>	<u>1,668,203</u>

During the year, First REIT was deemed disposed by the Group as an associate and accounted for as a subsidiary (Note 17(a)).

The loans to associates and 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.

Recoverable amount of interests in equity-accounted investees

As at 31 December 2022, 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.

For the year ended 31 December 2022, the Group recognised provisional negative goodwill of \$43,808,000 from the acquisition of additional equity interest in Gemdale at below net asset value. The provisional negative goodwill is determined based on the difference of attributable net asset value acquired and the cost of investment.

Based on the assessment of recoverable amounts of the equity-accounted investees, an impairment loss of \$5,000,000 (2021: Nil) was recognised in the profit and loss for the Myanmar joint venture under the healthcare segment.

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

12. Investment properties

Group	Notes	Completed investment properties \$'000	Investment properties under development \$'000	Total \$'000
At 1 January 2022		4,374,655	193,807	4,568,462
Acquisition of subsidiary	17	955,235		955,235
Additions		41,495	1	41,496
Disposal of subsidiary	17	(40,438)		(40,438)
Disposals		(32)	-	(32)
Net change in fair value		38,390	(5,426)	32,964
Effect of movements in exchange rates		(159,783)	(15,185)	(174,968)
Lease incentives		21,939	-	21,939
At 31 December 2022		5,231,461	173,197	5,404,659
At 1 January 2021		4,326,756	207,972	4,534,728
Additions		10,567	-	10,567
Net change in fair value		29,577	(16,287)	13,290
Effect of movements in exchange rates		9,425	2,122	11,547
Lease incentives		(1,900)	-	(1,900)
Reclassified from property, plant and equipment		230	-	230
At 31 December 2021		4,374,655	193,807	4,568,462

During the year, the Group acquired two Japan nursing homes, Medical Rehabilitation Home Bon Sejour Komaki and Loyal Residence Ayase, for a total consideration of JPY 2,580 million (approximately \$27.6 million), with a total acquisition cost capitalised amounting to \$3.2 million.

As at 31 December 2022, investment properties with a total carrying amount of \$2,283.9 million (31 December 2021: \$2,478.4 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 fair values of investment properties as at 31 December 2022 were determined by independent professional valuers based on assumptions and estimates that reflect their market value, which approximate their carrying amounts.

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

Completed investment properties

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

Investment properties under development

The Group's investment properties under development pertain to lands in Indonesia, the People's Republic of China ("the PRC") and Malaysia. The 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 continues to be classified as investment properties under development based on management's assessment of the above factors which is in line with the Group's existing plans. The classification is primarily based on all prevailing information available to date which imminently may vary depending on the Group's future intentions and developments.

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

12. Investment properties (cont'd)

Investment properties under development (cont'd)

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, entrepreneur 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. The valuation report obtained from an independent valuer drew attention to heightened market volatility over the short-to-medium term due to global inflationary pressures and rising interest rates, geopolitical events and ongoing effects of the Covid-19 pandemic in some markets.

13. Property, plant and equipment

For the full year ended 31 December 2022, the Group acquired assets amounting to \$74.9 million (31 December 2021: \$93.4 million).

As at 31 December 2022, there were no property, plant and equipment (31 December 2021: property, plant and equipment with carrying amount of \$1,130.0 million) which were pledged as security for banking facilities.

Impairment test for property, plant and equipment

The recoverable amount of the Group's significant property, plant and equipment is determined based on the higher of fair value less costs to sell and value-in-use calculation. As at 31 December 2022, the Group had engaged independent professional valuers to perform valuations for significant property, plant and equipment to estimate the recoverable amounts of the respective properties based on their market values. Based on the valuations performed, net write-back of impairment losses amounting to \$76.6 million (2021: impairment losses amounting to \$106.1 million) was recognised for the current financial year.

The recoverable amounts for significant property, plant and equipment were derived based on the income capitalisation method, discounted cashflow method and direct comparison method. The valuation methods involve certain estimates including those relating to discount rate, terminal yield rate and price per hotel room. The fair value measurement was categorised under Level 3 of the fair value hierarchy based on the valuation techniques used.

14. Borrowings

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year or less, or on demand				
Secured	20,944	200,707	-	-
Unsecured	557,699	218,074	-	10,000
	<u>578,643</u>	<u>418,781</u>	<u>-</u>	<u>10,000</u>
Amount repayable after one year				
Secured	865,492	1,398,542	18,955	-
Unsecured	1,522,991	1,007,520	-	39,698
	<u>2,388,483</u>	<u>2,406,062</u>	<u>18,955</u>	<u>39,698</u>
	<u><u>2,967,126</u></u>	<u><u>2,824,843</u></u>	<u><u>18,955</u></u>	<u><u>49,698</u></u>

Details of any collateral

Secured borrowings are collateralised by:

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

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

15. Share capital

Issued share capital

	The Group and Company	
	Number of shares	Amount
	'000	\$'000
Balance at 1 January 2022	951,602	634,852
Cancellation of treasury shares	(91,764)	(164,306)
Balance at 31 December 2022	859,838	470,546

As at 31 December 2022, the Company's total number of issued shares excluding treasury shares is 847,257,260 (31/12/21: 872,030,760).

For the six months ended 31 December 2022, the Company acquired 20,927,400 of its own shares for a total consideration of \$27,409,000. For the full year ended 31 December 2022, the Company acquired 24,773,500 of its own shares for a total consideration of \$32,469,000.

As at 31 December 2022, the Company held 12,580,200 (31/12/21: 79,571,100) treasury shares which represented 1.5% (31 December 2021: 9.1%) of the total number of issued shares (excluding treasury shares).

16. Dividends

	Group and Company	
	31/12/2022	31/12/2021
	\$'000	\$'000
Paid by the Company to owners of the Company		
Final dividend of 1 cent (2021: 1 cent) per ordinary share in respect of prior year	8,695	8,788
Interim dividend of 1 cent (2021: 1 cent) per ordinary share in respect of current year	8,608	8,737
	17,303	17,525
Paid by subsidiaries to NCI		
Distribution of 1.37 cents (2021: 1.43 cents) per qualifying unit in respect of prior year	38,655	40,348
Final dividend of 15 cents (2021: 14 cents) per ordinary share in respect of prior year	6,000	5,600
Distribution of 0.66 cents per qualifying unit in respect of the period from 1 January 2022 to 31 March 2022	7,579	-
Distribution of 0.66 cents per qualifying unit in respect of the period from 1 April 2022 to 30 June 2022	7,579	-
Distribution of 1.08 cents (2021: 1.23 cents) per qualifying unit in respect of current year	30,474	34,707
Distribution of 0.66 cents per qualifying unit in respect of the period from 1 July 2022 to 30 September 2022	7,579	-
	97,866	80,655

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

17. Acquisition/Disposal of subsidiaries

(a) First REIT

On 1 March 2022, OUE Lippo Healthcare Limited ("OUELH"), a subsidiary of the Group divested its interest in 2 wholly-owned subsidiaries, OUELH Japan Medical Facilities Pte. Ltd., which owned a 100% interest in 12 nursing homes located in Japan; and OUELH Japan Medical Assets Pte. Ltd. to First REIT, an associate of the Group (the "Divestment of Japan Nursing Homes"). As part of the consideration for the Divestment of Japan Nursing Homes, OUELH received 431,147,541 new units in First REIT at the issue price of S\$0.305 per unit, amounting to approximately S\$131.5 million.

Following the completion, the Group's effective equity interests in First REIT increased to 33.1% (31 December 2021: 23.2%) and First REIT was deemed disposed by the Group as an associate and accounted for as a subsidiary of the Group.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	\$'000
Plant and equipment	26
Investment properties	955,235
Trade and other receivables	32,955
Cash and cash equivalents	43,972
Other investments	141
Trade and other payables	(38,757)
Borrowings	(349,875)
Current tax liabilities	(733)
Deferred tax liabilities	(20,427)
Derivatives	(673)
Net identifiable assets and liabilities acquired	<u>621,864</u>

Provisional negative goodwill

Provisional negative goodwill arising from the acquisition has been recognised as follows:

	\$'000
Total consideration transferred	212,950
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of acquiree	313,886
Perpetual securities holders' fund	59,651
Fair value of identifiable net assets	<u>(621,864)</u>
Provisional negative goodwill	<u>(35,377)</u>

Remeasurement of previously held equity interest in an associate

	\$'000
Fair value of associate on disposal date	140,406
Less: carrying amount of investment in associate	<u>(176,007)</u>
Loss on remeasurement of previously held effective equity interest	<u>(35,601)</u>

Cash flows relating to the acquisition

	\$'000
Cash received from the Divestment of Japan Nursing Homes	14,512
Cash and bank balances of subsidiary acquired	<u>43,972</u>
Net cash inflow from acquisition of a subsidiary	<u>58,484</u>

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

17. Acquisition/Disposal of subsidiaries (cont'd)

(b) Partnership with Group of Respiratory and Cardiothoracic Medical Practices in Singapore

On 23 May 2022, the Company and OUE LH announced the formation of Echo Healthcare Management Pte Ltd ("OUE JV") and the acquisition ("Echo Acquisition") of 60.0% of the issued and paid-up share capital of RMA Global Pte. Ltd. ("RMA"), The Respiratory Practice (Farrer) Pte Ltd ("TRPF") and Breathing Heart Pte Ltd ("BH") by Echo Healthcare Services Pte Ltd. ("HoldCo"). RMA, TRPF and BH collectively as the "Medical Partners".

The OUE JV is a 40:60 joint venture between the Company and OUE LH. The OUE JV will hold 60% of the issued and paid-up capital of Holdco and the remaining 40% will be held by the founding shareholders of the Medical Partners. The Echo Acquisition was completed on 30 June 2022.

The Medical Partners practices comprise two leading respiratory specialist practices as well as an established cardiothoracic surgical practice.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	\$'000
Plant and equipment	1,970
Trade and other receivables	297
Lease liabilities	<u>(1,701)</u>
Net identifiable assets and liabilities acquired	<u>566</u>

Provisional Goodwill

Provisional goodwill recorded by OUE JV arising from the acquisition has been recognised as follows:

	Note	\$'000
Total consideration transferred		27,958
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of acquiree		362
Fair value of identifiable net assets		<u>(566)</u>
Provisional goodwill	10	<u>27,754</u>

Cash flows relating to the acquisition

	\$'000
Purchase consideration	(27,958)
Add: outstanding consideration as at 31 December 2022	<u>9,319</u>
Net cash outflow from acquisition of a subsidiary	<u>(18,639)</u>

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

17. Acquisition/Disposal of subsidiaries (cont'd)

(c) PT Tata Prima Indah ("PT TPI")

On 27 September 2022, the Group has through First REIT's indirect wholly-owned subsidiaries, Primerich Investments Pte. Ltd. and Surabaya Hospitals Investment Pte. Ltd., completed the disposal of 100% of issued and paid-up share capital of PT TPI for a total sales consideration of S\$40,345,000. PT TPI previously contributed net profit of \$2,106,000 from 1 March 2022 to the date of disposal.

Effect of the disposal

The cash flow relating to assets and liabilities of PT TPI disposed during the year were as follows:

	Note	\$'000
Investment properties	12	40,438
Cash and cash equivalents		-*
Other payables		-*
Net assets disposed		<u>40,438</u>
Realisation of foreign exchange reserve		44
Transaction costs		<u>374</u>
		40,856
Sales consideration		<u>40,345</u>
Loss on disposal of a subsidiary		<u>(511)</u>
Sales consideration		40,345
Less: Cash and bank balances of subsidiary disposed		-*
Less: Tax expense relating to the disposal		(2,017)
Less: Transaction costs		<u>(374)</u>
Net cash flow on disposal of a subsidiary		<u><u>37,954</u></u>

**Amount less than \$1,000*

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

18. Litigation cases

OUE Lippo Healthcare Limited (“**OUELH**”) and its subsidiaries (“**OUELH Group**”), a subsidiary of the Group, is exposed to several litigation cases as at 31 December 2022.

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

In 2013, OUELH 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 OUELH Group deconsolidated Wuxi Co in 2018.

Arbitration Proceedings against David Lin

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

Recognition and Enforcement Proceedings

In 2019, OUELH commenced recognition and enforcement proceedings in Hong Kong, Taiwan and Shanghai against David Lin to enforce the said award. As at 31 December 2022, OUELH has obtained permission to enforce the award in Hong Kong, Taiwan and Shanghai.

As at 31 December 2022:

- Hong Kong: OUELH 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. OUELH has also obtained an order to appoint receivers over David Lin’s interest in the HSIL shares. HSIL is the sole shareholder of Weixin;
- Shanghai: The Shanghai No. 1 Court received approximately RMB3.25 million in November 2020. The funds have been transferred to a subsidiary of OUELH in March 2021; and
- Taiwan: On or around 12 March 2021, OUELH also received the sum of SGD710,914, 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 property in New Taipei City was sold during a public auction for the sum of NTD 5,880,000.

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 OUELH Group, before the People’s Court of Xinwu District, Wuxi (the “Subrogation Claim”), on the allegation that:

- (i) Wuxi Hongshen was owed an outstanding sum of RMB 1.5 million by Wuxi Co pursuant to a PRC judgement based on a contractual dispute case between the two parties (which does not involve OUELH 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 RMB 1.5 million (as a creditor of Wuxi Co.) directly from Wuxi Yilin Real Estate (as a subrogated debtor of Wuxi Co.) under PRC law.

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

18. Litigation cases (cont'd)

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

On 14 December 2021, the People's Court of Xinwu District, Wuxi agreed with the points raised by Wuxi Hongshen, and ordered Wuxi Yilin Real Estate to pay the sum of RMB 1,513,284 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. On 13 June 2022, the Wuxi Intermediate People's Court dismissed the appeal. As at 31 December 2022, Wuxi Yilin Real Estate has caused the judgment sum of RMB 1,513,284 plus interest and costs to be paid to Wuxi Hongshen. All of Wuxi Hongshen's claims against OUELH Group had been fully satisfied as at 31 December 2022.

b) Other claim(s) against OUELH

OUELH received a letter of demand from Fan's Private Trustees dated 25 June 2021, demanding payment of the sum of S\$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 OUELH dated 1 February 2016.

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

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

19. Commitments

Capital commitments

The Group has the following capital commitments:

	Group	
	31/12/2022	31/12/2021
	\$'000	\$'000
Financial assets designated at FVOCI	18,402	14,072
Property, plant and equipment	215	29,761
Investment properties	2,358	5,980

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

20. 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. The carrying value of cash and cash equivalents, debt investments, trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of borrowings approximates their carrying amounts as the interest rates are adjusted for changes in relevant market interest rate, except for unsecured notes which are classified within Level 2 of the fair value hierarchy.

	Carrying amount				Fair value			
	Mandatorily at FVTPL \$'000	Designated at FVOCI \$'000	Fair value - hedging instruments \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group								
31/12/2022								
Financial assets measured at fair value								
Other investments - FVTPL	48,031	-	-	48,031	3,122	44,909	-	48,031
Equity investments - FVOCI	-	54,177	-	54,177	40,342	-	13,835	54,177
Interests in limited partnerships - FVOCI	-	66,993	-	66,993	-	-	66,993	66,993
Derivative assets	-	-	29,449	29,449	-	29,449	-	29,449
	<u>48,031</u>	<u>121,170</u>	<u>29,449</u>	<u>198,650</u>				
Financial liabilities measured at fair value								
Derivative liabilities	-	-	(494)	(494)	-	(494)	-	(494)
Group								
31/12/2021								
Financial assets measured at fair value								
Other investments - FVTPL	78,590	-	-	78,590	38,881	39,709	-	78,590
Equity investments - FVOCI	-	130,942	-	130,942	118,989	-	11,953	130,942
Interests in limited partnerships - FVOCI	-	102,403	-	102,403	-	-	102,403	102,403
Derivative assets	-	-	960	960	-	960	-	960
	<u>78,590</u>	<u>233,345</u>	<u>960</u>	<u>312,895</u>				
Financial liabilities measured at fair value								
Derivative liabilities	-	-	(8,622)	(8,622)	-	(8,622)	-	(8,622)

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

21. Related party transactions

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

	Group			
	Half year ended 31/12/2022 \$'000	Half year ended 31/12/2021 \$'000	Full year ended 31/12/2022 \$'000	Full year ended 31/12/2021 \$'000
Associates and joint ventures				
Loan to an equity-accounted investee	8,000	-	8,000	-
Management fees earned	3,182	8,422	7,765	13,909
Lease payments	1,505	2,045	3,078	2,814
Other related parties				
Acquisition of quoted equity investment designated at FVOCI	-	96,133	-	96,133
Rental and rental related income	812	613	1,462	1,381
Rental related expense	267	-	267	-
Hotel services income	575	-	1,016	-
Management fees earned	180	13	360	180
Support services paid	195	201	195	272
Royalty fee income	96	90	174	168
Interest income	288	288	571	569
Reimbursement of expenses paid on behalf	135	200	231	258

22. Operating segments

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

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

- (i) Real Estate
 - a) Investment Properties (Singapore, the PRC and Indonesia) – rental of investment properties owned by the Group, management of commercial investment trusts and investment properties under development.
 - b) Hospitality – operation of hotels and hotel management.
 - c) Development Properties (Singapore and the PRC) – 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) Consumer – operation of food and beverage outlets and consumer-related investments.

The revenue from external parties reported to the executive committee (the chief operating decision makers) is measured in a manner consistent with that in the statement of comprehensive income. The executive committee comprises the Chief Executive Officer, the Deputy Chief Executive Officer, the Chief Operating Officer, Chief Financial Officer and the department heads of each business segment.

Information regarding the results of each reportable segment is included below. The executive committee 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 executive committee.

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

22. Operating segments (cont'd)

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

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

² Excluding interests in equity-accounted investees

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

22. Operating segments (cont'd)

	Real Estate							Reportable Segments Total	Elimination and unallocated items	Total
	Investment Properties		Hospitality	Development Properties	Segment Subtotal	Healthcare	Consumer			
	Singapore	Others								
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
For the half year ended 31 December 2021										
Revenue										
- External revenue	77,209	13,084	31,757	1,500	123,550	16,594	8,619	148,763	-	148,763
- Intersegment revenue	138	-	54	-	192	-	77	269	(269)	-
Segment revenue	77,347	13,084	31,811	1,500	123,742	16,594	8,696	149,032	(269)	148,763
Segment profit/(loss)¹	59,134	10,304	(11,248)	141,100	199,290	20,986	6,087	226,363	(17,378)	208,985
Depreciation	(592)	(24)	(20,589)	-	(21,205)	(838)	(2,044)	(24,087)	(2,455)	(26,542)
Finance expense	(37,809)	(275)	(3)	-	(38,087)	(1,607)	(32)	(39,726)	(20,434)	(60,160)
Finance income	2,468	343	6	2	2,819	138	1	2,958	1,611	4,569
Share of results of equity-accounted investees, net of tax	9,170	-	-	141,481	150,651	12,233	9,330	172,214	-	172,214
Other material items										
Net change in fair value of investment properties	30,664	140	-	-	30,804	(17,514)	-	13,290	-	13,290
Net change in fair value of investments										
designated at fair value through profit or loss	-	-	-	-	-	-	-	-	12,461	12,461
Impairment loss on property, plant and equipment	-	-	(86,754)	-	(86,754)	(19,375)	-	(106,129)	-	(106,129)
For the full year ended 31 December 2021										
Revenue										
- External revenue	170,283	25,233	57,581	1,701	254,798	31,248	14,714	300,760	46	300,806
- Intersegment revenue	315	-	63	-	378	-	90	468	(468)	-
Segment revenue	170,598	25,233	57,644	1,701	255,176	31,248	14,804	301,228	(422)	300,806
Segment profit/(loss)¹	122,771	20,209	(27,243)	190,824	306,561	31,308	5,599	343,468	(30,049)	313,419
Depreciation	(1,188)	(46)	(40,879)	-	(42,113)	(1,784)	(3,122)	(47,019)	(4,051)	(51,070)
Finance expense	(77,264)	(1,064)	(7)	-	(78,335)	(4,209)	(582)	(83,126)	(27,044)	(110,170)
Finance income	3,258	1,051	7	3	4,319	260	2	4,581	2,682	7,263
Share of results of equity-accounted investees, net of tax	13,236	-	-	191,378	204,614	17,133	10,121	231,868	-	231,868
Other material items										
Net change in fair value of investment properties	30,664	140	-	-	30,804	(17,514)	-	13,290	-	13,290
Net change in fair value of investments										
designated at fair value through profit or loss	-	-	-	-	-	-	-	-	20,511	20,511
Impairment loss on property, plant and equipment	-	-	(86,754)	-	(86,754)	(19,375)	-	(106,129)	-	(106,129)
31 December 2021										
Reportable segment assets ²	3,593,371	892,131	1,607,263	31,616	6,124,381	455,583	118,131	6,698,095	665,201	7,363,296
Interests in equity-accounted investees	322,054	-	-	1,062,019	1,384,073	226,732	57,398	1,668,203	-	1,668,203
Reportable segment liabilities	2,098,144	52,865	21,761	4,786	2,177,556	229,432	17,678	2,424,666	887,435	3,312,101
Capital expenditure	7,847	1,749	87,761	-	97,357	2,264	4,284	103,905	100	104,005

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

² Excluding interests in equity-accounted investees

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

22. Operating segments (cont'd)

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

	2022	2021
	\$'000	\$'000
Total revenue for reportable segments	493,796	301,228
Unallocated amounts	440	46
Elimination of inter-segment revenue	(3,116)	(468)
Consolidated total revenue	<u>491,120</u>	<u>300,806</u>
Profit or loss		
Total profit or loss before interest, tax and other gains/(losses) for reportable segments	375,554	343,468
Elimination of inter-segment profits	2,188	(43)
Finance expenses	(126,305)	(110,170)
Finance income	32,718	7,263
Other gains(losses) - net	149,500	(72,309)
Unallocated corporate expenses	(32,508)	(30,006)
Consolidated profit before tax	<u>401,147</u>	<u>138,203</u>

Reconciliation of reportable assets and liabilities

	2022	2021
	\$'000	\$'000
Assets		
Total assets for reportable segments	7,600,758	6,698,095
Interests in equity-accounted investees	1,521,522	1,668,203
	<u>9,122,280</u>	<u>8,366,298</u>
Elimination of inter-segment balances	(354)	(389)
Other unallocated amounts:		
- Property, plant and equipment	12,467	8,178
- Cash and cash equivalents	136,454	291,517
- Trade and other receivables	1,245	1,281
- Other investments	134,281	279,525
- Derivative assets	222	-
- Other assets	78,426	83,842
- Deferred tax assets	2,047	1,247
Consolidated total assets	<u>9,487,068</u>	<u>9,031,499</u>
Liabilities		
Total liabilities for reportable segments	2,829,115	2,424,666
Other unallocated amounts:		
- Borrowings	416,920	646,702
- Trade and other payables	25,465	21,798
- Lease liabilities	9,147	3,010
- Current tax liabilities	87,363	72,076
- Deferred tax liabilities	145,009	143,849
Consolidated total liabilities	<u>3,513,019</u>	<u>3,312,101</u>

Geographical information

	Full year ended	Full year ended
	31/12/2022	31/12/2021
Revenue		
Singapore	364,670	255,908
The PRC	31,831	28,097
Japan	15,357	16,711
Indonesia	79,262	90
	<u>491,120</u>	<u>300,806</u>

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

23. Subsequent event

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

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed interim consolidated statement of financial position of OUE Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Consolidated statement of profit or loss

FINANCIAL HIGHLIGHTS	2H 2022	2H 2021		FY 2022	FY 2021	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	292,446	148,763	96.6	491,120	300,806	63.3
Adjusted EBIT ¹	197,208	208,985	(5.6)	345,234	313,419	10.2
Profit attributable to Owners of the Company	101,158	50,889	98.8	189,857	80,943	>100.0

¹Adjusted EBIT is defined as profit/(loss) before interest, tax and other gain/(loss)

2H 2022 vs 2H 2021

Revenue

The Group recorded revenue of \$292.4 million in 2H 2022 (2H 2021: \$148.8 million). The increase was due to higher contribution from all segments.

Real Estate Segment - Investment Properties Division

Revenue from the investment properties division increased by \$9.6 million or 11% to \$100.0 million in 2H 2022 (2H 2021: \$90.4 million). The increase was mainly due to higher contribution from the investment properties in Singapore and China as lower rental rebates and other support measures were granted to tenants compared to 2H 2021.

Real Estate Segment - Hospitality Division

Revenue from the hospitality division increased by \$62.4 million, or 196% to \$94.2 million in 2H 2022 (2H 2021: \$31.8 million). The increase was mainly due to the successful rebranding of Hilton Singapore Orchard and higher contribution from Crowne Plaza Changi Airport following the continued recovery of tourism and meetings, incentives, conventions and exhibitions ("MICE") sectors in Singapore.

Healthcare Segment

Revenue from the healthcare segment mainly pertains to revenue contribution from OUE Lippo Healthcare Limited and First REIT. Revenue increased by \$61.2 million, or 369% to \$77.8 million in 2H 2022 (2H 2021: \$16.6 million). The increase was mainly due to the contribution from First REIT which was accounted for as a subsidiary from 1 March 2022 and full period contribution following Echo Acquisition on 30 June 2022.

Consumer Segment

Revenue from the consumer segment comprises contribution from the food and beverages operations of the Group. Revenue increased by \$11.4 million, or 131% to \$20.1 million in 2H 2022 (2H 2021: \$8.7 million) mainly due to full period contribution from dining concepts that were launched during 2H 2021 and 1H 2022.

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

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

Marketing expenses

Marketing expenses increased by \$2.1 million to \$3.6 million in 2H 2022 (2H 2021: \$1.4 million) mainly due to marketing and distribution expenses which arose from increased business activities in the hospitality division.

Administrative expenses

Administrative expenses increased by \$10.2 million to \$43.5 million in 2H 2022 (2H 2021: \$33.3 million). The increase was mainly due to the increase in administrative expenses from hospitality division, consolidation of First REIT as a subsidiary and an increase in corporate expenses.

Other Operating expenses

Other operating expenses increased by \$4.6 million to \$6.7 million in 2H 2022 (2H 2021: \$2.1 million) mainly due to the absence of reversal of legal and related cost previously provided by the healthcare segment.

Share of results of equity-accounted investees

Share of results of equity-accounted investees decreased by \$92.9 million, or 54% to \$79.3 million in 2H 2022 (2H 2021: \$172.2 million). The decrease was mainly due to lower contribution from Gemdale Properties and Investment Corporation Limited ("Gemdale") which arose from reduced business activities caused by the weak property market conditions in China, the consolidation of First REIT from 1 March 2022 as well as lower contribution from joint venture company, Auric Digital Retail Pte. Ltd., arising from one-off loss adjustments for the finalisation of purchase price allocation ("PPA") following its acquisition of 32.0% stake in PT Matahari Department Store Tbk ("MDS") in July 2021 and the share of losses recognised for the share buyback undertaken by MDS.

The decrease was partially offset by higher share of profit in joint venture company, OUE Allianz Bayfront LLP, due to higher fair value gains recognised for its investment property, OUE Bayfront.

Adjusted EBIT

Adjusted EBIT decreased by \$11.8 million to \$197.2 million in 2H 2022 (2H 2021: \$209.0 million) mainly due to the lower share of profit in equity-accounted investees, partially offset by higher contribution from the hospitality and investment properties division under real estate segment as well as the healthcare segment.

Profit/(Loss) attributable to owners of the Company

In 2H 2022, the Group recorded a profit attributable to shareholders of \$101.2 million (2H 2021: profit attributable to shareholders of \$50.9 million). This was mainly due to, net write-back of impairment losses recognised on property, plant and equipment in 2H 2022, negative goodwill recognised for the purchase of additional shares in Gemdale below its net asset value during the year, higher fair value gains recognised for investment properties, partially offset partially offset by lower adjusted EBIT and higher marked-to-market fair value losses on investments designated at fair value through profit or loss and impairment loss recognised on interests in an equity-accounted investee.

FY 2022 vs FY 2021

Revenue

The Group recorded revenue of \$491.1 million in FY 2022, a 63% increase over FY 2021 revenue of \$300.8 million). The increase was due to higher contribution from all segments.

Real Estate Segment - Investment Properties Division

Revenue from the investment properties division decreased by \$5.6 million, or 3% to \$190.2 million in FY 2022 (FY 2021: \$195.8 million). The decrease was mainly due to the absence of revenue contribution from OUE Bayfront following the divestment of 50% interest in the property by OUE Commercial Real Estate Investment Trust ("OUE C-REIT") on 31 March 2021. Post divestment, the share of financial contribution from OUE Bayfront via the interests in OUE Allianz Bayfront LLP is equity-accounted for and included under the "Share of results of equity-accounted investees, net of tax". The decrease was partially offset by lower rental rebates and other support measures granted to tenants in FY 2022.

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

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

Real Estate Segment - Hospitality Division

Revenue from the hospitality division increased by \$87.0 million, or 151% to \$144.7 million in FY 2022 (FY 2021: \$57.6 million). The increase was due to the successful rebranding of Hilton Singapore Orchard and higher contribution from Crowne Plaza Changi Airport on the back of continued recovery of the tourism and MICE sectors.

Healthcare Segment

Revenue from the healthcare segment mainly pertains to revenue contribution from OUE Lippo Healthcare Limited and First REIT. Revenue increased by \$91.1 million, or 292% to \$122.4 million in FY2022 (FY2021: \$31.2 million). The increase was mainly due to the contribution from First REIT which was accounted for as a subsidiary from 1 March 2022 and contribution from the newly acquired medical practices following Echo Acquisition on 30 June 2022.

Consumer Segment

Revenue increased by \$19.1 million, or 129% to \$33.9 million (FY 2021: \$14.8 million) mainly due to contributions from dining concepts which were launched during 2021 and 1H2022.

Marketing expenses

Marketing expenses increased by \$2.7 million to \$6.5 million in FY 2022 (FY 2021: \$3.8 million) mainly due to marketing and distribution expenses which arose from increased business activities in the hospitality division.

Administrative expenses

Administrative expenses increased by \$13.8 million to \$77.6 million in FY 2022 (FY 2021: \$63.7 million). The increase was mainly due to the increase in administrative expenses from hospitality division, an increase in corporate expenses, consolidation of First REIT as a subsidiary, partially offset by the absence of transaction costs incurred for the partial divestment of OUE Bayfront.

Other operating expenses

Other operating expenses increased by \$6.7 million to \$14.0 million in FY 2022 (FY 2021: \$7.3 million). The increase was mainly due to the absence of reversal of legal and related cost previously provided by the healthcare segment and higher utilities and operating costs which arose from increased business activities in the hospitality division.

Share of results of equity-accounted investees

Share of results of equity-accounted investees decreased by \$74.9 million to \$157.0 million in FY 2022 (FY 2021: \$231.9 million). The decrease was mainly due to lower contribution from Gemdale which arose from reduced business activities caused by the weak property market conditions in China, the consolidation of First REIT from 1 March 2022 as well as lower share of profit in Auric Digital Retail Pte. Ltd. arising from one-off loss adjustments recognised for PPA and the share buyback exercise undertaken by MDS. The decrease was partially offset by higher share of profit in OUE Allianz Bayfront LLP due to full period contribution in FY 2022 and higher fair value gains recognised for OUE Bayfront.

Adjusted EBIT

Adjusted EBIT increased by \$31.8 million to \$345.2 million in FY 2022 (FY 2021: \$313.4 million). The increase was mainly attributed to higher contribution from the hospitality division under real estate segment and healthcare segment. The increase was partially offset by lower share of profit in equity-accounted investees.

Profit attributable to owners of the Company

The Group recorded profit attributable to shareholders of \$189.9 million for FY 2022 (FY 2021: \$80.9 million). This was mainly due to higher adjusted EBIT, net write-back of impairment losses recognised on property, plant and equipment, negative goodwill recognised for the purchase of additional shares in Gemdale below its net asset value during the year, higher fair value gains recognised for investment properties, partially offset by lower marked-to-market fair value gains on investments designated at fair value through profit or loss and impairment loss recognised on interests in an equity-accounted investee.

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

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

Statements of financial position

1. "Other investments" decreased by \$206.8 million mainly due to marked-to-market fair value losses on investments designated at fair value through other comprehensive income, the redemption of debt investments, disposal of investments designated at fair value through profit or loss, partially offset by marked-to-market fair value gains on investments designated at fair value through profit or loss.
2. "Development properties" increased by \$10.4 million mainly due to the acquisition of a land parcel in Indonesia, partially offset by the sales completion of a OUE Twin Peaks unit.
3. The current portion of "Other assets" decreased by \$14.5 million mainly due to the refund of value added tax incurred on an investment property under development.
4. "Derivative assets" and "Derivative liabilities" relate to the fair value of the interest rate swaps and interest rate caps entered into to hedge the Group's exposure to floating interest rates on its borrowings.
5. "Intangible assets and goodwill" increased by \$27.7 million mainly due to the recognition of goodwill arising from Echo Acquisition on 30 June 2022.
6. "Interests in equity-accounted investees" decreased by \$146.7 million mainly due to the deemed disposal of First REIT as an associate on 1 March 2022, the share of currency translation losses which arose mainly from the weakening of Chinese Renminbi, dividends received from equity-accounted investees, partially offset by the recognition of share of results in equity-accounted investees, the purchase of additional interests in Gemdale and the negative goodwill arising therefrom.
7. "Investment properties" increased by \$836.2 million mainly due to the inclusion of investment properties from First REIT, partially offset by currency translation losses which arose from the weakening of Indonesia Rupiah, Chinese Renminbi and Japanese Yen against the Singapore Dollar.
8. "Property, plant and equipment" increased by \$109.5 million mainly due to the write-back of impairment losses recognised on the hotel properties (Hilton Singapore Orchard and Crowne Plaza Changi Airport) and the additions during the year mainly for the renovation works incurred for Hilton Singapore Orchard. This is partially offset by depreciation recognised during the year.
9. "Trade and other payables" increased by \$33.6 million mainly due to the renovation costs payable upon the completion of renovation works at Hilton Singapore Orchard and the inclusion of First REIT's trade and other payables.
10. "Borrowings" increased by \$142.3 million mainly due to the inclusion of First REIT's borrowings, partially offset by the redemption of fixed rate notes of \$200.0 million by OUE Treasury Pte. Ltd in April 2022.
11. The non-current portion of "Other payables" increased by \$15.8 million mainly due to the consideration outstanding for Echo Acquisition, the increase in rental deposits from tenants partially offset by a decrease in non-current retention payable upon the completion of relevant milestones for the renovation works at Hilton Singapore Orchard.
12. "Share capital" decreased by 164.3 million due to cancellation of treasury shares in October 2022.
13. "Non-controlling interests" increased by \$382.9 million mainly for the recognition of non-controlling interests related to consolidation of First REIT, change in ownership without change in control for the Divestment of Japan Nursing Homes, partially offset by dividends paid to non-controlling interests and non-controlling interests' share of currency translation losses for foreign subsidiaries during the year.
14. Perpetual securities were issued by the Group's subsidiary, First REIT. These perpetual securities have no fixed redemption date. There was a partial redemption of perpetual securities during the year at purchase price of 70% of the principal amount of the securities. The principal amount, together with the distribution to perpetual securities holders arising from the partial redemption, totalled \$27.0 million.
15. As at 31 December 2022, the Group's negative working capital was \$288.2 million mainly due to the increase in current borrowings. The Group has sufficient liquidity to meet its debt obligations and is in the process of refinancing certain bank borrowings due in 2023.

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

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.

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.

The Singapore economy grew by 2.1 per cent on a year-on-year basis in the fourth quarter of 2022, moderating from the 4.0 per cent expansion in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded marginally by 0.1 per cent, easing from the 0.8 per cent growth in the third quarter. For the whole of 2022, the Singapore economy expanded by 3.6 per cent, moderating from the 8.9 per cent growth in 2021¹.

Singapore

According to CBRE, the Singapore office market saw a positive net absorption of 1.15 million square feet in 2022 which was 3.6 times 2021's demand of 0.32 million square feet and 17.9% higher than the 10-year average of 0.97 million square feet. As a result, islandwide vacancy dropped from 6.3% in 2021 to 5.0% by the end of 2022, while gross effective rents for Core CBD (Grade A) grew for the seventh consecutive quarter to S\$11.70 per square foot/month, reflecting a full year growth of 8.3% and surpassing the rental growth of 3.8% in 2021.

Singapore's international visitor arrivals reached 6.3 million in 2022 (approximately 33% of 2019, pre-pandemic level), exceeding Singapore Tourism Board's ("STB") forecast of between 4 and 6 million. STB expects the tourism sector to continue its growth momentum in 2023, on the back of increasing flight connectivity and capacity, and gradual reopening of borders. International visitor arrivals are expected to reach around 12 to 14 million visitors in 2023. Barring unexpected circumstances, STB expect tourism activity to recover to pre-pandemic levels by 2024.

China

On November 2022, China issued the 16-point plan rescue package which include measures to address the liquidity issues faced by property developers in an all-round effort to engineer a soft landing in the China real estate market. Meanwhile, China reopened its borders with the lifting of its COVID-19 restrictions and removal of its quarantine for inbound travellers on 8 January 2023. China government's effort in addressing the liquidity issue faced by property developers as well as the resumption of economic activities following the lifting of COVID-19 restrictions bode well for the Group's investment in China.

Overall

Taking into account the challenging global and domestic economic environment, such as tightening monetary policy, weakening global demand and geopolitical tension, the Singapore economy is projected to expand by 0.5% to 2.5% in 2023¹. The Group has sufficient liquidity to meet its debt obligations and will continue to exercise prudent capital management moving into the new financial year.

¹ Singapore Ministry of Trade and Industry Press Release, 13 February 2023

OUE LIMITED & ITS SUBSIDIARIES
For the six months and full year ended 31 December 2022

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

5. Dividend information

(a) Current Financial Period Reported On

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

Name of dividend	Final
Dividend type	Cash
Dividend per share	1.5 cents
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	Final
Dividend type	Cash
Dividend per share	1 cent
Tax rate	Tax exempt (one-tier)

(c) Date payable

In relation to the proposed final cash dividend, if approved at the Annual General Meeting to be held on 25 April 2023, will be payable on 31 May 2023.

(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 18 May 2023, for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 up to the close of business at 5.00 p.m. on 17 May 2023 will be registered to determine shareholders' entitlements to the proposed final dividend. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the proposed final dividend will be paid by the Company to CDP, which will in turn distribute the dividend entitlement to holders of shares in accordance with its practice.

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

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

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

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

OUE LIMITED & ITS SUBSIDIARIES
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F. Other information required by Listing Rule Appendix 7.2 (cont'd)

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

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

Name	Age in year 2023	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Stephen Riady	63	Father of Mr Brian Riady, the Deputy Chief Executive Officer and Executive Director of OUE Limited (" OUE ") and brother of Mr James Tjahaja Riady, a substantial shareholder of OUE	Executive Chairman (since 2010) and Group Chief Executive Officer (since 1 January 2020) of OUE. Provides strategic direction and has overall responsibility for the management, organisation, operation and development of the Group and all matters arising therefrom.	Nil.
Brian Riady	33	Son of Dr Stephen Riady, the Executive Chairman and Group Chief Executive Officer of OUE and nephew of Mr James Tjahaja Riady, a substantial shareholder of OUE	Deputy Chief Executive Officer and Executive Director of OUE (since 1 January 2020). Assists the Executive Chairman and Group Chief Executive Officer in overseeing all business operations of the Group, setting the Group's strategic direction, and executing the Group's business strategies.	Nil.

BY ORDER OF THE BOARD

KELVIN CHUA
COMPANY SECRETARY
1 MARCH 2023