



OUE Limited
Company Registration No. 196400050E
Incorporated in the Republic of Singapore

RESPONSE TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS

1. **Background.** The Board of Directors (the "**Board**") of OUE Limited (the "**Company**" or "**OUE**", and together with its subsidiaries, the "**Group**") refers to:
 - (a) the annual report of the Company for the financial year ended 31 December 2021 (the "**Annual Report**");
 - (b) the notice of annual general meeting ("**AGM**") issued on 6 April 2022 informing shareholders that the Fifty-Ninth AGM of the Company will be convened and held by way of electronic means on Thursday, 28 April 2022 at 2:00 p.m.; and
 - (c) the accompanying announcement issued by the Company on 6 April 2022 setting out, *inter alia*, the alternative arrangements relating to attendance at the AGM via electronic means.
2. **Response to questions from shareholders.** The Company would like to thank shareholders for submitting their questions in advance of our AGM. The Company would like to inform that the responses to all substantial and relevant questions which have been submitted by shareholders are published in this announcement. The Company has made editorial amendments to certain questions to ensure that the meaning of each of the questions is clear. For the avoidance of doubt, the editorial amendments do not affect the substance of the questions. Please refer to **Annex A** hereto for the list of questions and the Management and the Board's responses to them.

BY ORDER OF THE BOARD

Kelvin Chua
Company Secretary
22 April 2022

ANNEX A

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS

No.	Query	Response
1.	Please share the significant changes in OUE's strategies over the years.	• From its initial hospitality business, OUE has achieved consistent growth over the past 50 years, diversifying into commercial, retail and residential property development and fund management businesses. • The Company also owns the manager of two real estate investment trusts ("REITs") listed on the Singapore Exchange ("SGX"), OUE Commercial Real Estate Investment Trust and First Real Estate Investment Trust ("First REIT"). As at 31 December 2021, OUE's funds under management across its two REIT platforms and its managed accounts amounted to S\$7.8 billion. • In April 2017, the Group announced its first foray into the fast-growing healthcare sector via the acquisition of OUE Lippo Healthcare Limited ("OUE LH"), an SGX Catalist Board-listed healthcare services provider that owns, operates and invests in quality healthcare assets in high-growth Asian markets. Capitalising on the growth potential from rapidly ageing populations and the growing demand for quality healthcare facilities across Asia, the Group's expansion into the healthcare sector represents an attractive fit with the Group's existing assets. • In 2019, the Group expanded into the consumer sector via its wholly-owned subsidiary OUE Restaurants after consolidating various F&B business units of the Group. • In 2021, the Group expanded its consumer sector into the growth market of Indonesia with two strategic investments: PT Matahari Department Store Tbk, a leading retail operator in Indonesia and PT Multipolar Tbk, a technology investment company whose portfolio of businesses sits at the intersection of the technology and consumer sectors. • The Group has restructured its businesses into three business segments in driving long-term sustainable growth, namely, the Real Estate, Healthcare and Consumer segments. • Revenue of the Real Estate segment is derived from the contributions of its Investment Properties, Hospitality and Development Properties divisions. • The Group intends to maintain at least 70% of its holdings in the Real Estate segment, allowing for the remainder of its holdings to be allocated to its Healthcare and Consumer segments.

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2.	With the normalisation of economic activities in Singapore, what are the prospect and outlook of the property industry in which OUE operates?	<u><i>Singapore office market outlook</i></u> • Demand for office space in Singapore continues to be firm as corporates acknowledge the critical role of physical office in their overall workplace strategy even as the hybrid working conversation continues. • Multinational corporations, technology and fintech companies, flexi-space operators and non-bank financial institutions are using Singapore as a base for their Southeast Asia expansion, while companies that have set up offices continue to expand or strengthen their presence in the last 18 months amid the COVID-19 pandemic. The Government of Singapore continues to introduce incentives to position Singapore as a global business and technology hub. • Singapore is also a growing hub for family offices and investment management firms that are attracted to the country's favourable tax and fiscal incentives, and rule of law. • The Group's portfolio of high-quality Grade-A office properties and its diversified tenant base are expected to provide stable and sustainable income to the Group due to the properties' prime locations and green-certified buildings. <u><i>Singapore hospitality market outlook</i></u> • The progressive reopening of borders and the government's continued support to promote Singapore as a leisure destination and key business hub underpin expected recovery in the hospitality sector. • The Group's strategically located assets along the prime Orchard Road belt and within the Changi Airport vicinity are well-positioned to benefit from the authorities' focus on Singapore as a key business and leisure destination. • The Group's landmark hotel, Mandarin Orchard Singapore, underwent major asset enhancement works during the pandemic. The newly renovated hotel was rebranded as Hilton Singapore Orchard ("HSO") and officially opened in February 2022. HSO is Hilton's flagship hotel in Singapore and the largest Hilton hotel in Asia Pacific, housing 1,080 well-appointed energy-efficient guestrooms and suites as well as 2,400 square metres of meetings, incentives, conferences and exhibitions ("MICE") facilities and fresh dining concepts. The strong brand recognition of the Hilton brand (nearly 128 million members of the Hilton Honors loyalty programme) enables HSO to tap into business and MICE travellers, in addition to the hotel's traditional strength in serving Asian travellers.

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		• Crowne Plaza Changi Airport ("CPCA") has been serving the air crew and aviation segment since the start of the pandemic due to its proximity to the airport. With the most recent relaxation of Singapore's safe management measures, the hotel is now able to accept both leisure and corporate bookings for rooms and events starting from the second quarter of 2022. <u>Singapore retail market outlook</u> • Singapore's extensive easing of COVID-19 measures and travel restrictions (announced on 24 March 2022) has boosted consumers' confidence, and is expected to create a stronger demand in the Group's hospitality and consumer sectors. • In addition, with the government's recent recommendation of 75% work-in-office, the Group's commercial properties and retail malls have seen a meaningful increase in office crowd and foot traffic, especially in the Downtown core area. • The Group remains focused on sustaining occupancy through flexibility in lease management and terms, and repositioning spaces to adapt to a changing tenant mix.
3.	OUE has been constantly buying back shares. This is basically ineffective in the absence of any material development. How does OUE intend to create value-added returns for shareholders?	• As mentioned in paragraph 2.2 of the letter to shareholders dated 6 April 2022, the rationale for the Company to undertake the purchase of its shares is as follows: (a) In managing the business of the Company and its subsidiaries, management will strive to increase shareholders' value by improving, <i>inter alia</i>, the return on equity of the Company. In addition to growth and expansion of the business, share purchases may be considered as one of the ways through which the return on equity of the Company may be enhanced. (b) In line with international practice, the share purchase mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, share buybacks will facilitate the return of excess cash and surplus funds to shareholders in an expedient, effective and cost-efficient manner.

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		• A share buyback is thus one of the options that the Company should consider when we believe our shares are undervalued to enhance returns to shareholders. • Concurrently, the Company is continually seeking and evaluating growth opportunities in its real estate, healthcare and consumer businesses. Since early 2021, these transactions included value unlocking through the partial divestment of OUE Bayfront, the re-branding of Mandarin Orchard Singapore to HSO, the re-positioning of First REIT through the acquisition of 12 nursing homes in Japan from OUELH, and the Company's expansion in the consumer segment through the acquisition of stakes in PT Matahari Department Store Tbk and PT Multipolar Tbk.
4.	With the controlling shareholders holding a majority stake of the company and not tapping much into market instruments for fundings, shouldn't OUE be taken private for the benefit of all shareholders?	The Company is not in a position to comment as this is a shareholder matter.
5.	Why is the market price of OUE constantly trading at such a large discount to its net asset value per share for such a prolonged period?	Share price is subject to many factors, including the Company's performance, operating environment, market volatility and investor sentiments. Some of these factors are beyond the Company's control. The Company remains focused on executing its strategies to drive long-term sustainable growth in its Real Estate, Healthcare and Consumer businesses.