



OUE LIMITED

(Company Registration No. 196400050E)

INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2022 (UNAUDITED)

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QUE LIMITED & ITS SUBSIDIARIES
For Half Year ended 30 June 2022

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

	Notes	The Group		
		Half year ended 30/06/2022 \$'000	Half year ended 30/06/2021 \$'000	Change %
Revenue	3	198,674	152,043	30.7
Cost of sales		(84,007)	(69,310)	21.2
Gross profit		114,667	82,733	38.6
Marketing expenses		(2,941)	(2,319)	26.8
Administrative expenses		(34,093)	(30,470)	11.9
Other operating expenses		(7,222)	(5,164)	39.9
Share of results of equity-accounted investees, net of tax		77,615	59,654	30.1
		148,026	104,434	41.7
Finance expenses	4	(53,560)	(51,170)	4.7
Finance income	5	5,329	3,854	38.3
Other gains - net	6	40,125	8,050	>100.0
Profit before tax	7	139,920	65,168	>100.0
Tax expense	8	(12,297)	(13,499)	(8.9)
Profit after tax		127,623	51,669	>100.0
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign operations:				
- currency translation differences		(39,338)	7,071	n.m.
Share of other comprehensive income of equity-accounted investees:				
- currency translation differences		(40,465)	15,590	n.m.
- other reserves		1,955	-	n.m.
Cash flow hedges:				
- effective portion of changes in fair value of cash flow hedges		24,899	6,925	>100.0
- hedging reserve reclassified to profit or loss		3,593	11,841	(69.7)
		(49,356)	41,427	n.m.
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Share of other reserves of an equity-accounted investee		(1,480)	-	n.m.
Net change in fair value of investments at fair value through other comprehensive income, net of tax	6(ii)(b)	(64,181)	(2,198)	>100.0
		(65,661)	(2,198)	>100.0
Other comprehensive income, net of tax		(115,017)	39,229	n.m.
Total comprehensive income for the period		12,606	90,898	(86.1)
Profit attributable to:				
Owners of the Company		88,699	30,054	>100.0
Non-controlling interests		38,924	21,615	80.1
		127,623	51,669	>100.0
Total comprehensive income attributable to:				
Owners of the Company		(21,224)	55,626	n.m.
Non-controlling interests		33,830	35,272	(4.1)
		12,606	90,898	(86.1)
Earnings per share for profit for the period attributable to the owners of the Company				
Weighted average number of ordinary shares in issue				
- basic		870,220,882	879,990,396	
- diluted*		870,220,882	881,203,334	
Basic earnings per share (cents)		10.19	3.42	
Diluted earnings per share (cents)*		10.19	3.41	

* 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. As at 30 June 2022, the convertible bonds were fully redeemed (30 June 2021: outstanding convertible bonds of \$2,250,000).

n.m. - Not meaningful

QUE LIMITED & ITS SUBSIDIARIES
As at 30 June 2022

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30/6/2022	31/12/2021	30/6/2022	31/12/2021
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Cash and cash equivalents		331,085	518,858	91,426	233,529
Trade and other receivables		59,359	64,250	1,096,277	1,109,479
Inventories		973	892	175	95
Other investments		113,373	81,090	-	-
Development properties		27,530	27,530	-	-
Other assets		156,545	115,783	12,654	12,800
Loans to subsidiaries		-	-	984,410	1,118,194
Derivative assets		1,066	-	-	-
Current assets		689,931	808,403	2,184,942	2,474,097
Intangible assets and goodwill	10	70,979	30,676	-	-
Interests in equity-accounted investees		1,503,717	1,668,203	-	-
Investments in subsidiaries		-	-	963,559	808,235
Other investments		174,402	297,404	-	-
Other assets		5,375	4,847	769	769
Investment properties	11	5,478,066	4,568,462	-	-
Property, plant and equipment	12	1,651,144	1,651,297	616,568	626,823
Deferred tax assets		1,247	1,247	2,873	2,405
Derivative assets		22,083	960	-	-
Non-current assets		8,907,013	8,223,096	1,583,769	1,438,232
Total assets		9,596,944	9,031,499	3,768,711	3,912,329
LIABILITIES					
Trade and other payables		165,934	145,500	79,416	80,250
Borrowings	13	704,024	418,781	39,804	10,000
Provision		27,386	23,775	-	-
Loans from subsidiaries		-	-	305,300	507,620
Current tax liabilities		61,125	72,076	5,605	5,137
Deferred income		1,812	682	-	-
Lease liabilities		5,433	6,172	24,713	25,856
Derivative liabilities		227	1,545	-	-
Current liabilities		965,941	668,531	454,838	628,863
Borrowings	13	2,267,314	2,406,062	-	39,698
Deferred income		1,923	2,666	-	-
Deferred tax liabilities		156,023	143,849	-	-
Other payables		45,157	44,955	407	410
Lease liabilities		33,180	34,757	659,616	671,048
Provision		-	4,204	-	-
Derivative liabilities		229	7,077	-	-
Non-current liabilities		2,503,826	2,643,570	660,023	711,156
Total liabilities		3,469,767	3,312,101	1,114,861	1,340,019
Net Assets		6,127,177	5,719,398	2,653,850	2,572,310
EQUITY					
Share capital	14	634,852	634,852	634,852	634,852
Other reserves		(198,264)	(69,233)	(153,076)	(148,016)
Accumulated profits		3,372,740	3,284,337	2,172,074	2,085,474
Equity attributable to owners of the Company		3,809,328	3,849,956	2,653,850	2,572,310
Non-controlling interests		2,317,849	1,869,442	-	-
Total equity		6,127,177	5,719,398	2,653,850	2,572,310

OUE LIMITED & ITS SUBSIDIARIES
For Half Year Ended 30 June 2022

C. Condensed interim statements of changes in equity

	<u>Note</u>	<u>Attributable to Owners of the Company</u>				<u>Non-controlling Interests</u>	<u>Total Equity</u>
		<u>Share Capital</u>	<u>Other Reserves</u>	<u>Accumulated Profits</u>	<u>Total</u>		
THE GROUP		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2022		634,852	(69,233)	3,284,337	3,849,956	1,869,442	5,719,398
Total comprehensive income for the period							
Profit for the period		-	-	88,699	88,699	38,924	127,623
Other comprehensive income							
Foreign operations:							
- currency translation differences		-	(18,220)	-	(18,220)	(21,118)	(39,338)
Share of other comprehensive income of equity-accounted investees:							
- currency translation differences		-	(40,465)	-	(40,465)	-	(40,465)
- other reserves		-	(536)	-	(536)	1,011	475
Net change in fair value of investments at fair value through other comprehensive income, net of tax		-	(64,181)	-	(64,181)	-	(64,181)
Cash flow hedges:							
- effective portion of changes in fair value of cash flow hedges		-	11,862	-	11,862	13,037	24,899
- hedging reserve reclassified to profit or loss		-	1,617	-	1,617	1,976	3,593
Total other comprehensive income, net of tax		-	(109,923)	-	(109,923)	(5,094)	(115,017)
Total comprehensive income for the period		-	(109,923)	88,699	(21,224)	33,830	12,606
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Own shares acquired		-	(5,060)	-	(5,060)	-	(5,060)
Dividends paid		-	-	(8,695)	(8,695)	(52,234)	(60,929)
Total contributions by and distributions to owners		-	(5,060)	(8,695)	(13,755)	(52,234)	(65,989)
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries	16	-	-	-	-	386,178	386,178
Changes in ownership interests in subsidiaries without a change in control		-	2,577	3,845	6,422	80,633	87,055
Total changes in ownership interests in subsidiaries		-	2,577	3,845	6,422	466,811	473,233
Total transactions with owners		-	(2,483)	(4,850)	(7,333)	414,577	407,244
Share of reserves of an equity-accounted investee		-	(12,329)	258	(12,071)	-	(12,071)
Transfer from fair value reserve to accumulated profits		-	(4,296)	4,296	-	-	-
At 30 June 2022		634,852	(198,264)	3,372,740	3,809,328	2,317,849	6,127,177

QUE LIMITED & ITS SUBSIDIARIES
For Half Year Ended 30 June 2022

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

	Attributable to Owners of the Company				Non-controlling Interests \$'000	Total Equity \$'000
	Share Capital \$'000	Other Reserves \$'000	Accumulated Profits \$'000	Total \$'000		
THE GROUP						
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 period						
Profit for the period	-	-	30,054	30,054	21,615	51,669
Other comprehensive income						
Foreign operations:						
- currency translation differences	-	3,412	-	3,412	3,659	7,071
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	-	15,590	-	15,590	-	15,590
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	(2,198)	-	(2,198)	-	(2,198)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	-	3,286	-	3,286	3,639	6,925
- hedging reserve reclassified to profit or loss	-	5,482	-	5,482	6,359	11,841
Total other comprehensive income, net of tax	-	25,572	-	25,572	13,657	39,229
Total comprehensive income for the period	-	25,572	30,054	55,626	35,272	90,898
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Own shares acquired	-	(4,611)	-	(4,611)	-	(4,611)
Cancellation of treasury shares	(58,463)	58,463	-	-	-	-
Dividends paid	-	-	(8,788)	(8,788)	(45,948)	(54,736)
Total contributions by and distributions to owners	(58,463)	53,852	(8,788)	(13,399)	(45,948)	(59,347)
Changes in ownership interests in subsidiaries						
Changes in ownership interests in subsidiaries without a change in control	-	-	(16,302)	(16,302)	(11,397)	(27,699)
Total changes in ownership interests in subsidiaries	-	-	(16,302)	(16,302)	(11,397)	(27,699)
Total transactions with owners	(58,463)	53,852	(25,090)	(29,701)	(57,345)	(87,046)
Share of reserves of an equity-accounted investee	-	(3,075)	2,953	(122)	-	(122)
At 30 June 2021	634,852	(116,528)	3,247,483	3,765,807	1,894,737	5,660,544

OUE LIMITED & ITS SUBSIDIARIES
For Half Year Ended 30 June 2022

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

THE COMPANY	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 period				
Profit for the period	-	-	95,295	95,295
Total comprehensive income for the period	-	-	95,295	95,295
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Own shares acquired	-	(5,060)	-	(5,060)
Dividends paid	-	-	(8,695)	(8,695)
Total transactions with owners of the Company	-	(5,060)	(8,695)	(13,755)
At 30 June 2022	634,852	(153,076)	2,172,074	2,653,850
At 1 January 2021	693,315	(187,974)	2,238,278	2,743,619
Total comprehensive income for the period				
Loss for the period	-	-	(14,775)	(14,775)
Total comprehensive income for the period	-	-	(14,775)	(14,775)
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Own shares acquired	-	(4,611)	-	(4,611)
Cancellation of treasury shares	(58,463)	58,463	-	-
Dividends paid	-	-	(8,788)	(8,788)
Total transactions with owners of the Company	(58,463)	53,852	(8,788)	(13,399)
At 30 June 2021	634,852	(134,122)	2,214,715	2,715,445

QUE LIMITED & ITS SUBSIDIARIES
For Half Year Ended 30 June 2022

D. Condensed interim consolidated statement of cash flows

	The Group	
	Half year ended 30/06/2022 \$'000	Half year ended 30/06/2021 \$'000
Cash flows from operating activities		
Profit after tax	127,623	51,669
Adjustments for:		
Depreciation of property, plant and equipment	26,240	24,528
Net change in fair value of investment properties	(4,213)	-
Net change in fair value of investments designated at fair value through profit or loss	(36,134)	(8,050)
Impairment loss/(reversal of impairment loss) on trade and other receivables	124	(138)
Net loss arising from the change in accounting treatment of an equity-accounted investee to a subsidiary	224	-
(Gain)/loss on disposal of property, plant and equipment	(48)	189
Property, plant and equipment written off	-	1
Finance expenses	53,560	51,170
Finance income	(5,329)	(3,854)
Share of results of equity-accounted investees, net of tax	(77,615)	(59,654)
Tax expense	12,297	13,499
	<u>96,729</u>	<u>69,360</u>
Changes in:		
- trade and other receivables and other assets	48,786	(6,027)
- inventories	(81)	(262)
- trade and other payables and provision	(57,045)	(27,270)
- deferred income	387	(1,069)
Cash generated from operations	<u>88,776</u>	<u>34,732</u>
Tax paid	<u>(22,243)</u>	<u>(18,803)</u>
Net cash from operating activities	<u>66,533</u>	<u>15,929</u>
Cash flows from investing activities		
Acquisition of interests in equity-accounted investees	(63,511)	(58,533)
Acquisition of other investments	(341)	(87,186)
Additions to property, plant and equipment	(18,884)	(10,312)
Additions to investment properties	(3,339)	(4,311)
Dividends from:		
- equity-accounted investees, net of tax	11,459	4,316
- other investments, net of tax	282	163
Interest received	2,313	1,059
Loans to equity-accounted investees	-	(24,000)
Proceeds from repayment of loan from an equity-accounted investee	14,059	-
Proceeds from sale of other investments	59,992	2,966
Proceeds from sale of an investment property	-	950,634
Acquisition of subsidiaries, net of cash acquired	39,845	-
Proceeds from disposal of property, plant and equipment	69	35
Net cash from investing activities	<u>41,944</u>	<u>774,831</u>

OUE LIMITED & ITS SUBSIDIARIES
For Half Year Ended 30 June 2022

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

	The Group	
	Half year ended 30/06/2022 \$'000	Half year ended 30/06/2021 \$'000
Cash flows from financing activities		
Acquisition of non-controlling interests	-	(27,659)
Dividends paid	(60,929)	(54,736)
Finance expense paid	(45,137)	(49,502)
Proceeds from borrowings	342,309	521,500
Repayment of borrowings	(524,867)	(1,403,686)
Principal repayment of leases	(2,566)	(902)
Repurchase of own shares	(5,060)	(4,611)
Changes in pledged deposits	(1,019)	7,970
Net cash used in financing activities	(297,269)	(1,011,626)
Net decrease in cash and cash equivalents	(188,792)	(220,866)
Cash and cash equivalents at the beginning of the financial period	487,901	520,615
Cash and cash equivalents at the end of the financial period¹	299,109	299,749

¹ Cash and cash equivalents as at 30 June 2022 excludes the Group's pledged deposits of \$31,976,000 (30 June 2021: \$30,942,000).

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 the half year ended 30 June 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 annual financial statements for the year ended 31 December 2021.

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.

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

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

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

Note 11 Classification of investment properties under development

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

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

Measurement of fair values

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

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

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

3. Revenue

	Half year ended 30/06/2022	Half year ended 30/06/2021	Change
	\$'000	\$'000	%
Real estate:			
- Investment properties income	89,880	105,223	(14.6)
- Hospitality income	50,330	25,824	94.9
- Development properties income	176	201	(12.4)
Healthcare income	44,538	14,654	>100.0
Consumer income	13,727	6,095	>100.0
Others	23	46	(50.0)
	<u>198,674</u>	<u>152,043</u>	30.7

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

3. Revenue (cont'd)

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

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

	Half year ended 30/06/2022		Half year ended 30/06/2021	
	At a point in time \$'000	Over time \$'000	At a point in time \$'000	Over time \$'000
Investment properties income	-	3,568	-	1,974
Hospitality income	50,330	-	25,824	-
Development properties income	176	-	201	-
Healthcare income	2,484	1,475	2,290	3,934
Consumer income	13,727	-	6,095	-
Others	23	-	46	-
	<u>66,740</u>	<u>5,043</u>	<u>34,456</u>	<u>5,908</u>

4. Finance expenses

	Half year ended 30/06/2022 \$'000	Half year ended 30/06/2021 \$'000	Change %
Borrowing costs	50,298	50,314	(0.0)
Finance expenses on lease liabilities	665	546	21.8
Net foreign exchange loss	2,512	-	n.m.
Unwinding of discount of non-current rental deposits	85	83	2.4
Change in fair value of financial derivatives	-	227	(100.0)
	<u>53,560</u>	<u>51,170</u>	<u>4.7</u>

5. Finance income

	Half year ended 30/06/2022 \$'000	Half year ended 30/06/2021 \$'000	Change %
Interest income	2,511	1,522	65.0
Net foreign exchange gain	-	1,160	(100.0)
Ineffective portion of changes in fair value of cash flow hedges	1,862	1,009	84.5
Change in fair value of financial derivatives	674	-	n.m.
Others	282	163	73.0
	<u>5,329</u>	<u>3,854</u>	<u>38.3</u>

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

6. Other gains – net

	Note	Half year ended 30/06/2022 \$'000	Half year ended 30/06/2021 \$'000	Change %
Net change in fair value of investment properties	(i)	4,213	-	n.m.
Net change in fair value of investments designated at fair value through profit or loss	(ii)(a)	36,134	8,050	>100.0
Net loss arising from change in accounting treatment of an equity-accounted investee to a subsidiary	16(a), (iii)	(224)	-	n.m.
Others		2	-	n.m.
		<u>40,125</u>	<u>8,050</u>	<u>>100.0</u>

- (i) This relates to a fair value gain recognised on Japan Nursing Homes held by First Real Estate Investment Trust ("First REIT"). First REIT was accounted for as a subsidiary of the Group on 1 March 2022.
- (ii) This relates to the 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.
 - (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.
- (iii) This relates to loss arising from the deemed disposal of First REIT as an associate of the Group of \$35,601,000, partially offset by the negative goodwill recognised from accounting of First REIT as a subsidiary of \$35,377,000 on 1 March 2022. The negative goodwill reflects the excess of fair value of assets and liabilities acquired over the consideration paid.

7. Profit before tax

	Note	Half year ended 30/06/2022 \$'000	Half year ended 30/06/2021 \$'000	Change %
Profit before tax is stated after charging/(crediting):				
- Depreciation of property, plant and equipment		26,240	24,528	7.0
- Government grants	(i)	-	(5,923)	(100.0)

- (i) For the half year ended 30 June 2021, the government grants relate to wage subsidies (Jobs Support Scheme) received from the Singapore Government in relation to COVID-19 pandemic. The grants received were recognised against the related expenses 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:

	Half year ended 30/06/2022 \$'000	Half year ended 30/06/2021 \$'000	Change %
The charge for income tax expense includes the following:			
Current tax expense:			
- Current year	12,405	8,898	39.4
- (Over)/Underprovision of current tax in respect of prior years	(2,917)	2,684	n.m.
Deferred tax expense:			
- Origination and reversal of temporary difference	2,809	1,917	46.5
	<u>12,297</u>	<u>13,499</u>	<u>(8.9)</u>

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

9. Net asset value

	The Group		The Company	
	30/06/22	31/12/21	30/06/22	31/12/21
Number of issued shares (excluding treasury shares)	868,184,660	872,030,760	868,184,660	872,030,760
Net asset value per ordinary share (\$)	4.39	4.41	3.06	2.95

10. Intangible assets and goodwill

The Group's intangible asset comprises 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	16	40,271	-	-	40,271
Effect of movements in exchange rates		32	(22)	-	10
At 30 June 2022		64,332	653	36,808	101,793
Accumulated amortisation and impairment losses					
At 1 January 2022		20,963	675	9,198	30,836
Effect of movements in exchange rates		-	(22)	-	(22)
At 30 June 2022		20,963	653	9,198	30,814
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 30 June 2022		43,369	-	27,610	70,979
At 31 December 2021		3,066	-	27,610	30,676

Impairment test for goodwill

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

	30/6/2022 \$'000
Echo Healthcare Services Pte. Ltd. ("EHS")	40,271
Cash-generating units without significant goodwill	3,098
	43,369

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

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

10. Intangible assets and goodwill (cont'd)

Echo Healthcare Services Pte. Ltd. ("ECHS")

On 30 June 2022, the Group through its indirect 60%-owned subsidiary, ECHS, acquired a 60% equity stake in two Respiratory Medicine Clinic Group and a clinic specialising in thoracic and cardiovascular surgery ("The Respiratory Medical Practices"). Provisional goodwill arising from acquisition of The Respiratory Medical Practices of \$40,271,000 was determined on a provisional basis as the final results of the purchase price allocation ("PPA") have not been finalised as at the date of the condensed interim consolidated financial statements. Provisional goodwill will be adjusted accordingly when the PPA is finalised.

11. Investment properties

	Completed investment properties \$'000	Investment properties under development \$'000	Total \$'000
Group			
At 1 January 2022	4,374,655	193,807	4,568,462
Acquisition of subsidiaries	955,235	-	955,235
Additions	5,512	1	5,513
Disposal	(32)	-	(32)
Net change in fair value	4,213	-	4,213
Effect of movements in exchange rates	(61,118)	(3,042)	(64,160)
Lease incentives	8,835	-	8,835
At 30 June 2022	<u>5,287,300</u>	<u>190,766</u>	<u>5,478,066</u>
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	<u>4,374,655</u>	<u>193,807</u>	<u>4,568,462</u>

As at 30 June 2022, investment properties with a total carrying amount of \$2,810.3 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 Group engaged independent external valuers to perform full valuation of its investment properties at each financial year end. The last full valuation of the investment properties was conducted on 31 December 2021.

The carrying amounts of the investment properties as at 30 June 2022 are based on valuations performed by independent external valuers as at 31 December 2021 or a later valuation report where available, adjusted for capital expenditure capitalised in the period from 1 January 2022 to 30 June 2022. Management conducted an internal assessment of the valuation of the investment properties as at 30 June 2022, including considering any significant changes in operating performance of the properties, assessed whether movement in market data, such as discount rates, capitalisation rates, have any significant impact to the valuation of the investment properties. Based on the assessment, management is of the view that the fair value of the investment properties has not materially changed from 31 December 2021 valuation.

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

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

11. Investment properties (cont'd)

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.

The fair values were derived based on the discounted cashflow method, capitalisation method, direct comparison method, forced sale value and residual value method. The valuation methods involve certain estimates including those relating to discount rate, terminal yield rate, capitalisation rate and price per square metre, 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 valuers of certain properties of the Group have highlighted in their valuation reports that given unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case.

12. Property, plant and equipment

For the half year ended 30 June 2022, the Group acquired assets amounting to \$27.5 million (31 December 2021: \$93.4 million).

As at 30 June 2022, property, plant and equipment with a total carrying value of \$1,129.9 million (31 December 2021: \$1,130.0 million) 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. The Group engaged independent external valuers to perform full valuation of its significant property, plant and equipment at each financial year end. The last full valuation of each significant property, plant and equipment was conducted on 31 December 2021.

The recoverable amount of the Group's significant property, plant and equipment as at 30 June 2022 are based on valuations performed by independent external valuers as at 31 December 2021, adjusted for capital expenditure capitalised in the period from 1 January 2022 to 30 June 2022. Management conducted an internal assessment of the valuation as at 30 June 2022, including considering any significant changes in operating performance of the properties, assessed whether movement in market data, such as discount rates, capitalisation rates, have any significant impact to the valuation of the properties. Based on the assessment, management is of the view that the recoverable amount of the Group's significant property, plant and equipment has not materially changed from 31 December 2021 valuation and there were no indicator of impairment as at 30 June 2022.

The recoverable amounts were derived based on the 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.

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

13. Borrowings

	Group		Company	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year or less, or on demand				
Secured	449,301	200,707	-	-
Unsecured	254,723	218,074	39,804	10,000
	<u>704,024</u>	<u>418,781</u>	<u>39,804</u>	<u>10,000</u>
Amount repayable after one year				
Secured	1,326,273	1,398,542	-	-
Unsecured	941,041	1,007,520	-	39,698
	<u>2,267,314</u>	<u>2,406,062</u>	<u>-</u>	<u>39,698</u>
	<u>2,971,338</u>	<u>2,824,843</u>	<u>39,804</u>	<u>49,698</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

14. Share capital

Issued share capital

	The Group and Company	
	Number of shares	Amount
	'000	\$'000
Balance at 1 January 2022 and 30 June 2022	<u>951,602</u>	<u>634,852</u>

As at 30 June 2022, the Company's total number of issued shares excluding treasury shares is 868,184,660 (30 June 2021: 878,799,660).

For the half year ended 30 June 2022, the Company acquired 3,846,100 of its own shares for a total consideration of \$5,060,000.

As at 30 June 2022, the Company held 83,417,200 (30 June 2021: 72,802,200) treasury shares which represented 9.6% (30 June 2021: 8.3%) of the total number of issued shares (excluding treasury shares).

As at 30 June 2021, 1,212,938 shares may be issued, assuming conversion of all outstanding convertibles.

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

15. Dividends

	Group and Company	
	Half year ended	Half year ended
	30/06/2022	30/06/2021
	\$'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
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	-
	<u>52,234</u>	<u>45,948</u>

16. Acquisition 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)
Perpetual securities holders' fund	(59,651)
Net identifiable assets and liabilities acquired	<u>562,213</u>

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

16. Acquisition of subsidiaries (cont'd)

(b) First REIT (cont'd)

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
Fair value of identifiable net assets	<u>(562,213)</u>
Provisional negative goodwill	<u><u>(35,377)</u></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><u>(35,601)</u></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><u>58,484</u></u>

(c) 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. The existing team of 11 specialist doctors operate in 10 clinics located in key locations in Singapore.

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	459
Lease liabilities	<u>(145)</u>
Provisional net identifiable assets and liabilities acquired	<u><u>314</u></u>

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

16. Acquisition of subsidiaries (cont'd)

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

Provisional goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Note	\$'000
Total consideration transferred		40,384
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of acquiree		201
Fair value of identifiable net assets		(314)
Provisional goodwill	10	<u>40,271</u>

Cash flows relating to the acquisition

	\$'000
Purchase consideration	(40,384)
Add: outstanding consideration as at 30 June 2022	9,319
Add: settlement by issuance of new shares of a subsidiary, ECHS	<u>12,426</u>
Net cash outflow from acquisition of a subsidiary	<u>(18,639)</u>

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

17. Litigation cases

The status of the litigation cases of OUELH and its subsidiaries ("OUELH Group") is summarised as below.

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 30 June 2022, OUELH has obtained permission to enforce the award in Hong Kong, Taiwan and Shanghai.

As at 30 June 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: 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. OUELH has received the sum of SGD 279,847 on or around 24 September 2021. 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

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)

17. 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.

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. Similarly, on 25 June 2021, 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.

18. Commitments

Capital commitments

The Group has the following capital commitments:

	Group	
	30/06/2022	31/12/2021
	\$'000	\$'000
Financial assets designated at FVOCI	14,184	14,072
Property, plant and equipment	45,823	29,761
Investment properties	4,477	5,980

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

19. Financial assets and liabilities

The carrying amounts and fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy are set out below. 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 convertible bonds and unsecured notes which are classified within Level 2 of the fair value hierarchy.

	Carrying amount				Fair value			
	Mandatorily at FVTPL \$'000	Designated at FVOCI \$'000	Fair value - hedging instruments \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group								
30/6/2022								
Financial assets measured at fair value								
Other investments - FVTPL	110,873	-	-	110,873	31,066	79,807	-	110,873
Equity investments - FVOCI	-	73,032	-	73,032	61,164	-	11,868	73,032
Interests in limited partnerships - FVOCI	-	85,833	-	85,833	-	-	85,833	85,833
Derivative assets	-	-	23,149	23,149	-	23,149	-	23,149
	<u>110,873</u>	<u>158,865</u>	<u>23,149</u>	<u>292,887</u>				
Financial liabilities measured at fair value								
Derivative liabilities	-	-	(456)	(456)	-	(456)	-	(456)
	<u>-</u>	<u>-</u>	<u>(456)</u>	<u>(456)</u>				
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)
	<u>-</u>	<u>-</u>	<u>(8,622)</u>	<u>(8,622)</u>				

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

20. Related party transactions

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

	Group	
	Transaction value	
	Half year ended	Half year ended
	30/06/22	30/06/21
	\$'000	\$'000
Associates and joint ventures		
Management fees earned	4,583	5,487
Lease payments	1,573	726
Other related parties		
Rental and rental related income	650	768
Hotel services income	441	-
Management fees earned	180	167
Royalty fee income	78	78
Interest income	283	281
Reimbursement of expenses paid on behalf	96	58

21. Operating segments

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

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

(i) Real Estate

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

21. Operating segments (cont'd)

	Real Estate									
	Investment Properties			Development	Segment			Reportable	Elimination and	
Half year ended 30 June 2022	Singapore	Others	Hospitality	Properties	Subtotal	Healthcare	Consumer	Segments Total	unallocated items	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
- External revenue	79,601	10,279	50,330	176	140,386	44,538	13,727	198,651	23	198,674
- Intersegment revenue	295	-	144	-	439	-	78	517	(517)	-
Segment revenue	79,896	10,279	50,474	176	140,825	44,538	13,805	199,168	(494)	198,674
								-		
Segment profit/(loss)¹	62,044	5,754	(1,578)	54,479	120,699	33,053	10,193	163,945	(15,919)	148,026
Depreciation	(562)	(44)	(19,536)	-	(20,142)	(759)	(2,533)	(23,434)	(2,806)	(26,240)
Finance expense	(32,856)	(1,065)	(3)	-	(33,924)	(8,059)	(597)	(42,580)	(10,980)	(53,560)
Finance income	1,079	1,157	8	2	2,246	885	2	3,133	2,196	5,329
Share of results of equity-accounted investees, net of tax	8,297	-	-	54,768	63,065	943	13,607	77,615	-	77,615
Other material items										
Net change in fair value of investment properties	-	-	-	-	-	4,213	-	4,213	-	4,213
Net change in fair value of investments										
designated at fair value through profit or loss	-	-	-	-	-	-	-	-	36,134	36,134
Net loss arising from change in accounting										
treatment of an equity-accounted investee to a subsidiary	-	-	-	-	-	(224)	-	(224)	-	(224)
30 June 2022										
Reportable segment assets ²	3,583,847	810,526	1,615,754	29,600	6,039,727	1,471,055	66,410	7,577,192	516,035	8,093,227
Interests in equity-accounted investees	323,939	-	-	1,076,012	1,399,951	48,131	55,635	1,503,717	-	1,503,717
Reportable segment liabilities	2,117,345	52,776	32,884	4,230	2,207,235	577,506	19,449	2,804,190	665,577	3,469,767
Capital expenditure	3,961	624	22,316	-	26,901	3,264	2,792	32,957	108	33,065

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

² Excluding interests in equity-accounted investees

QUE LIMITED & ITS SUBSIDIARIES
For Half Year Ended 30 June 2022

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

21. Operating segments (cont'd)

	Real Estate									
	Investment Properties			Development	Segment			Reportable Segments	Elimination and unallocated	
Half year ended 30 June 2021	Singapore	Others	Hospitality	Properties	Subtotal	Healthcare	Consumer	Total	items	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
- External revenue	93,074	12,149	25,824	201	131,248	14,654	6,095	151,997	46	152,043
- Intersegment revenue	177	-	9	-	186	-	13	199	(199)	-
Segment revenue	93,251	12,149	25,833	201	131,434	14,654	6,108	152,196	(153)	152,043
Segment profit/(loss) ¹	63,637	9,905	(15,995)	49,724	107,271	10,322	(488)	117,105	(12,671)	104,434
Depreciation	(596)	(22)	(20,290)	-	(20,908)	(946)	(1,078)	(22,932)	(1,596)	(24,528)
Finance expense	(39,641)	(551)	-	-	(40,192)	(2,655)	(550)	(43,397)	(7,773)	(51,170)
Finance income	976	470	(3)	1	1,444	175	1	1,620	2,234	3,854
Share of results of equity-accounted investees, net of tax	4,066	-	-	49,897	53,963	4,900	791	59,654	-	59,654
Other material items										
Net change in fair value of investments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	8,050	8,050
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	2,041,799	109,210	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

² Excluding interests in equity-accounted investees

OUE LIMITED & ITS SUBSIDIARIES
For Half Year Ended 30 June 2022

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

21. Operating segments (cont'd)

Reconciliation of reportable segment revenue and profit before interest and tax

Reconciliation of reportable segment revenue and profit before interest and tax

	Half year ended 30/06/2022 \$'000	Half year ended 30/06/2021 \$'000
Total revenue for reportable segments	199,168	152,196
Unallocated amounts	23	46
Elimination of inter-segment revenue	(517)	(199)
Consolidated total revenue	198,674	152,043

Profit or loss

Total profit before interest, tax and other gains for reportable segments	163,945	117,105
Elimination of inter-segment profits	(552)	662
Finance expenses	(53,560)	(51,170)
Finance income	5,329	3,854
Other gains - net	40,125	8,050
Unallocated corporate expenses	(15,367)	(13,333)
Consolidated profit before tax	139,920	65,168

Reconciliation of reportable assets and liabilities

	30/06/2022 \$'000	31/12/2021 \$'000
Assets		
Total assets for reportable segments	7,577,192	6,698,095
Interests in equity-accounted investees	1,503,717	1,668,203
	9,080,909	8,366,298
Elimination of inter-segment balances	(389)	(389)
Other unallocated amounts:		
- Property, plant and equipment	12,216	8,178
- Cash and cash equivalents	125,506	291,517
- Trade and other receivables	1,688	1,281
- Other investments	239,857	279,525
- Other assets	135,910	83,842
- Deferred tax assets	1,247	1,247
Consolidated total assets	9,596,944	9,031,499
Liabilities		
Total liabilities for reportable segments	2,804,190	2,424,666
Other unallocated amounts:		
- Borrowings	437,346	646,702
- Trade and other payables	9,578	21,798
- Lease liabilities	1,505	3,010
- Current tax liabilities	61,125	72,076
- Deferred tax liabilities	156,023	143,849
Consolidated total liabilities	3,469,767	3,312,101

Geographical information

	Half year ended 30/06/2022	Half year ended 30/06/2021
Revenue		
Singapore	147,206	130,196
The PRC	12,255	13,353
United States of America	-	26
Japan	7,664	8,424
Indonesia	31,549	44
	198,674	152,043

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

22. Subsequent event

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

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed interim consolidated statement of financial position of OUE Limited and its subsidiaries as at 30 June 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	1H 2022 \$'000	1H 2021 \$'000	Change %
Revenue	198,674	152,043	30.7
Profit before interest, tax and other gains (Adjusted EBIT)	148,026	104,434	41.7
Profit attributable to Owners of the Company	88,699	30,054	>100.0

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

Revenue

The Group recorded revenue of \$198.7 million in 1H 2022, a 30.7% increase over 1H 2021 revenue of \$152.0 million.

Real Estate Segment - Investment Properties Division

Revenue from the investment properties division decreased by \$15.2 million, or 14.4% decrease to \$90.2 million in 1H 2022 (1H 2021: \$105.4 million). The decrease was mainly due to the absence of revenue contribution from OUE Bayfront following the divestment of 50% interest in the property on 31 March 2021. The share of financial contribution from OUE Bayfront via the retained stake is equity-accounted for and included under the "Share of results of equity-accounted investees, net of tax".

Real Estate Segment - Hospitality Division

Revenue from the hospitality division increased by \$24.6 million, or 95.4% increase to \$50.5 million in 1H 2022 (1H 2021: \$25.8 million). The increase was led by the strong performance from Hilton Singapore Orchard which officially opened on 24 February 2022 after undergoing major renovation works in 2021 as part of its rebranding exercise.

The increase was also due to higher contribution from Crowne Plaza Changi Airport on the back of improved demand with the reopening of Singapore's borders.

Healthcare Segment

Revenue from the healthcare segment mainly pertains to revenue contribution from OUE Lippo Healthcare Limited and First REIT. Revenue increased by \$29.9 million, or 203.9% increase to \$44.5 million in 1H 2022 (1H2021: \$14.7 million). The increase was mainly due to the contribution from First REIT which was acquired and accounted for as a subsidiary from 1 March 2022.

Consumer Segment

Revenue from the consumer segment comprises contribution from the food and beverages operations of the Group. Revenue increased by \$7.7 million, or 126.0% to \$13.8 million (1H 2021: \$6.1 million) mainly due to contribution from new dining concepts that were launched during 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)

Administrative expenses

Administrative expenses increased by \$3.6 million, or 11.9% to \$34.1 million in 1H 2022 (1H 2021: \$30.5 million) mainly due to consolidation of First REIT as a subsidiary and an increase in corporate expenses.

Other Operating expenses

Other operating expenses increased by \$2.1 million, or 39.9% to \$7.2 million in 1H 2022 (1H 2021: \$5.2 million) mainly due to 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 increased by \$18.0 million, or 30.1% to \$77.6 million in 1H 2022 (1H 2021: \$59.7 million) mainly due to contribution from joint venture company, Auric Digital Retail Pte. Ltd. following its acquisition of approximately 32.0% stake in PT Matahari Department Store Tbk in July 2021, full period contribution from OUE Bayfront and higher contribution from Gemdale Properties and Investment Corporation Limited ("Gemdale") based on increased shareholdings. This is partially offset by the cessation of contribution from First REIT as an equity-accounted investee from 1 March 2022.

Adjusted EBIT

Adjusted EBIT increased by \$43.6 million, or 41.7% to \$148.0 million in 1H 2022 (1H 2021: \$104.4 million). The increase was due to higher contribution across all business segments.

Profit attributable to owners of the Company

In 1H 2022, the Group recorded a profit attributable to shareholders of \$88.7 million (1H 2021: \$30.1 million). This was mainly due to higher Adjusted EBIT and higher marked-to-market fair value gains on investments designated at fair value through profit or loss.

Statements of financial position

1. "Other investments" decreased by \$90.7 million mainly due to the redemption of debt investments, marked-to-market fair value losses on investments designated at fair value through other comprehensive income, partially offset by marked-to-market fair value gains on investments designated at fair value through profit or loss.
2. The current portion of "Other assets" increased by \$40.8 million mainly due to dividend receivable from Gemdale, partially offset by the refund of value added tax incurred on investment property under development acquired.
3. "Intangible assets and goodwill" increased by \$40.3 million mainly due to the recognition of provisional goodwill arising from acquisition of the Respiratory Medical Practices on 30 June 2022.
4. "Interests in equity-accounted investees" decreased by \$164.5 million mainly due to the deemed disposal of First REIT as an associate on 1 March 2022.
5. As at 30 June 2022, the carrying amounts of the investment properties and recoverable amounts of significant property, plant and equipment are based on valuations performed by independent external valuers as at 31 December 2021 or a later valuation report where available, adjusted for capital expenditure capitalised in the period from 1 January 2022 to 30 June 2022. Management conducted an internal assessment of the valuation as at 30 June 2022, including considering any significant changes in operating performance of the properties, assessed whether movement in market data, such as discount rates, capitalisation rates, have any significant impact to the valuations. Based on the assessment, management is of the view that the fair value of the investment properties and the recoverable amounts of significant property, plant and equipment has not materially changed from 31 December 2021.

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

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

6. "Investment properties" increased by \$909.6 million mainly due to the inclusion of investment properties from First REIT.
7. "Trade and other payables" increased by \$20.4 million mainly due to the inclusion of First REIT's trade and other payables upon consolidation.
8. "Borrowings" increased by \$146.5 million mainly due to the inclusion of First REIT's borrowings, partially offset by the redemption of fixed rate notes of \$200.0 million issued by OUE Treasury Pte. Ltd. during the period.
9. "Derivative assets" and "Derivative liabilities" relate to the fair value of the interest rate swaps entered into to hedge the Group's exposure to floating interest rates on its borrowings.
10. As at 30 June 2022, the Group's negative working capital was \$276.0 million mainly due to the increase in current borrowings. The Group is in the process of refinancing these loans and borrowings.

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.

Based on advance estimates, the Singapore economy grew by 4.8% on a year-on-year (YoY) basis in the second quarter of 2022, extending the 4.0% growth recorded in the previous quarter¹. On a quarter-on-quarter seasonally adjusted basis, GDP was unchanged in the second quarter, after posting an expansion of 0.9% in the first quarter¹. The growth forecast for 2022 is for the Singapore economy to expand at the lower end of a 3% to 5% range².

For the first six months of 2022, Singapore's international visitor arrivals jumped almost 12 times YoY to reach 1.5 million³. As Singapore reopened its borders from 1 April 2022 under the Vaccinated Travel Framework and with global travel picking up pace, the Singapore Tourism Board expects between 4 and 6 million total arrivals in 2022 with tourism flows recovering to pre-COVID levels by the mid-2020s. While the outlook is positive, the hospitality sector faces staffing challenges and inflationary pressures.

In Singapore, vacancy levels in Core CBD (Grade A) tightened to 4.4% in 2Q 2022 while rents increased 3.2% quarter-on-quarter in 2Q 2022 to S\$11.30 psf per month⁴. While the hiring slowdown in the technology sector has raised concerns over potential demand risk, core CBD Grade A office rents are expected to remain healthy amidst a stable domestic economic outlook, limited supply pipeline and the back-to-office trend.

In Q2 2022, Shanghai's office market was affected by an outbreak of Covid, leading to overall sluggish demand⁵. As work and production resumes, Colliers expect the office market will gradually return to normal level in 2H 2022, but net absorption will likely fall YoY.

Overall

The Singapore economic activity has remained resilient despite rising inflation. Moving into next year, policymakers expect growth to moderate but do not expect a recession or stagflation². The Group has sufficient liquidity to meet its near-term debt obligations and operational needs and will continue to exercise prudence in managing its non-essential capital and operating expenditure.

¹ Singapore Ministry of Trade and Industry Press Release, 14 July 2022

² Channel News Asia Article, 4 July 2022, Singapore does not expect a recession or stagflation in 2023, but significant headwinds remain: MTI

³ Singapore Tourism Board Media Release, 14 July 2022

⁴ CBRE, Singapore Q2 2022

⁵ Colliers International, 2Q 2022 Shanghai Office Market, 15 July 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	Interim
Dividend type	Cash
Dividend per share	1 cent
Tax rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

29 September 2022.

(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 16 September 2022, 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 15 September 2022 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.

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

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

Pursuant to SGX-ST Rule 705(5), the Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim consolidated financial results of the Company and the Group for the half year ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dr Stephen Riady
Executive Chairman and
Group Chief Executive Officer

Mr Brian Riady
Deputy Chief Executive Officer and
Executive Director

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

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

BY ORDER OF THE BOARD

KELVIN CHUA
COMPANY SECRETARY
10 August 2022