OUE LIPPO Healthcare

EMPOWERING HEALTHCARE

Transforming Lives

ANNUAL REPORT 2022

Contents

EMPOWERING Transformation

2022 has seen OUE Lippo Healthcare Limited deepening our commitment to build a regional healthcare ecosystem via our three-pronged strategy including strategic partnerships, being asset-light, and expanding across Pan-Asia. The successful divestment of our nursing homes in Japan to First REIT showcases our capital recycling competency to unlock greater capital flexibility, whilst our partnership with three medical specialist practices in Singapore further enhances our healthcare ecosystem.

ABOUT OUE Lippo Healthcare

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

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

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

In Singapore, the 60:40 joint venture company between OUELH and OUE has formed a strategic partnership with two leading respiratory specialist practices and one leading cardiothoracic surgery practice in Singapore. The strategic partnership is an integral step for OUELH to build a healthcare ecosystem anchored on Singapore's medical best practices for regional growth.

OUELH is also the sponsor and the largest unitholder of First Real Estate Investment Trust ("**First REIT**"), Singapore's first listed healthcare real estate investment trust, where it directly owns approximately 33% of First REIT, as well as a 40% stake in the manager of First REIT.

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

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

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

This Annual Report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report. The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

Our Journey

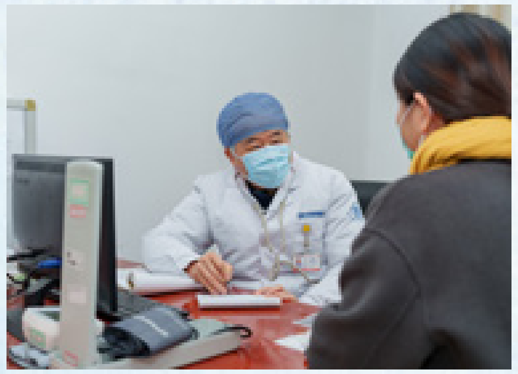
2018

- Established **strategic partnership with China Merchants Group** and formed joint venture company – China Merchants Lippo Hospital Management (Shenzhen) Limited ("**CM Lippo**")
- Welcomed **ITOCHU Corporation as a strategic shareholder** into OUELH
- Acquired stakes in **First REIT and its manager**

- CM Lippo announced its intent to **develop, operate and manage Shenzhen China Merchants - Lippo Prince Bay Hospital** with China Merchants Group in Shenzhen, Guangdong

2019

- Ventured into Myanmar's healthcare market
  – Joint venture with First Myanmar Investment Public Company Limited **to own, operate and manage Pun Hlaing Hospitals** in Myanmar



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

2020

- CM Lippo announced second hospital project - to **operate Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital** in Changshu, Jiangsu

2021

- Launched a **strategic recapitalisation plan** to convert shareholders' loans to perpetual securities
- Proposed the **divestment of 12 nursing homes in Japan to First REIT**

2022

- Completed the divestment of 12 nursing homes in Japan to First REIT and **increased direct holdings in First REIT to approximately 33.1%**
- Forged a **medical partnership with two leading respiratory specialist practices and one leading cardiothoracic surgery practice in Singapore** via Echo Healthcare Management Limited, a 60:40 joint venture company between OUE Lippo Healthcare and OUE Limited

Our Approach

With the vision to be the trusted partner for next-generation healthcare, the Group strives to build a sustainable and integrated healthcare ecosystem anchored on international best practices, underpinned by its organisational values of Ownership, Unity, Empathy, Learning and Honesty.

As part of its approach to build and strengthen its healthcare ecosystem, the Group has developed a three-pronged strategy viz establishing strategic partnerships, focusing on asset-light businesses, and expanding across Pan-Asia. The three-pronged strategy is an overarching guide for the Group to continually expand its healthcare network, solidify its healthcare presence and capitalise on healthcare opportunities.

In its pursuit to achieve business synergies and scalability, the Group believes in undertaking a systematic approach of competencies building, robust business planning and rigorous business execution.

Vision
Your trusted partner for next-generation healthcare

Mission
Build a sustainable and integrated healthcare ecosystem, anchored on international best practices

Values
Ownership Unity Empathy Learning Honesty

Guided by our Three-Pronged Strategy

- Strategic Partnerships
- Asset-Light Businesses
- Pan-Asian Expansion

Building Our Ecosystem Systematically

BUILDING COMPETENCIES ▶ **BUSINESS PLANNING & EXECUTION** ▶ **BUSINESS SYNERGIES & SCALABILITY**

Corporate Management
Financial Management
Business Management
Operations Management

Business Model
Hospital Operations
Clinical Service Plan
Market Position

OUELH'S REGIONAL HEALTHCARE BUSINESS ECOSYSTEM

OUELH'S REGIONAL HEALTHCARE BUSINESS ECOSYSTEM

Capital Recycling Platform

FIRST REIT
ASIA'S PREMIER HEALTHCARE TRUST

Asia Premier Healthcare Trust listed in Singapore

S$1.1 billion	32	447,738 sqm	12.7 Years
Total AUM	Properties	Total GFA	WALE

As at 31 December 2022

Strategic Partnerships

PUN HLAING HOSPITALS

招商力宝 CM LIPPO

Hospital Operations

Myanmar

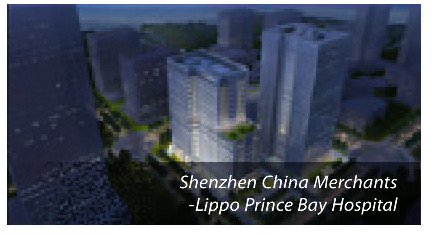

Pun Hlaing Hospitals Hlaing Tharyar, Yangon

China

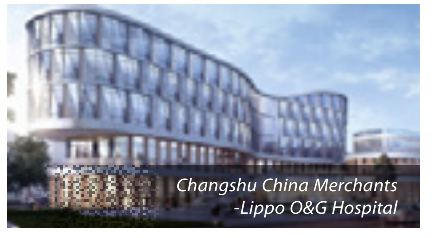

Wuxi Lippo Xi Nan Hospital

Project Developments

Own & Operate Model


Shenzhen China Merchants -Lippo Prince Bay Hospital

Lease & Operate Model


Changshu China Merchants -Lippo O&G Hospital

Medical Partnerships

Thoracic & Cardiovascular Surgery Specialist

Respiratory Medical Associates

The Respiratory Practice

Respiratory & Cardiothoracic Medical Specialists in Singapore

3	11	12
Medical Groups	Clinics	Specialist Doctors

As at 31 December 2022

EMPOWERING GROWTH THROUGH

Partnerships

Establishing partnerships remains at the heart of our business, particularly as we entrench our presence in Asia. As we integrate our expertise through strategic or medical collaborations, we will be able to empower transformative growth within OUELH.

DEEPENING COMPETENCIES WITH

Asset-light Approach

Leveraging on partnerships, we will be able to deepen our competencies and enhance capital efficiency. With a capital efficient and sustainable healthcare business ecosystem, our various healthcare businesses will be able to generate long-term value for all our shareholders.

REIMAGINING

Tomorrow's Healthcare in Asia

Driven by shifting demographics, rising consumers' demands, and technological innovations, we believe that we will be able to capitalise on burgeoning business opportunities amidst the evolving healthcare landscape in Asia.

Chairman's Statement

> *The Group stays committed in building a sustainable healthcare ecosystem in the region. With a Pan-Asian network and a strong focus on international best practices, we want to be a trusted partner in the markets we serve.*

Dear Valued Shareholders,

The year 2022 saw the opening up of international borders in most countries. International travels resumed, cross border supply chains restored and business sentiments improved. However, the global economy continued to battle inflationary pressures and rising interest rates.

These challenges notwithstanding, the Group remained steadfast in advancing our various projects of capacity building and business expansions. In FY2022, OUELH completed our divestment of our twelve nursing homes to our capital recycling platform, First Real Estate Investment Trust. We also made our first foray into the Singapore healthcare market.

SEEDING GROWTH

OUELH ventured into the Singapore healthcare market with the establishment of a medical partnership with three medical specialist groups (the "**Medical Partners**") via a 60:40 joint venture company with OUE Limited ("**OUE JV**"). OUE JV and the respective founders of the Medical Partners hold 60% and 40% in Echo Healthcare Services Pte Ltd ("**EHS**") respectively, while EHS in turn owns 60% of each of the Medical Partners.

Our medical partnership model is structured to ensure the clinical independence of our Medical Partners while enabling sustainable growth and aligning our interests. Furthermore, this partnership also serves as a platform for expertise exchange between our Singapore specialist clinics and our regional hospitals.

The construction of our two new hospitals in China progressed well. Currently, we are preparing to commission China Merchants – Lippo Obstetrics & Gynecology Changshu Hospital in mid-2023. The new hospital will provide a full suite of obstetrics & gynaecology healthcare services including postpartum recovery to patients in Changshu and the Yangtze River Delta region.

Concurrently, we also plan to commission Shenzhen China Merchants – Lippo Prince Bay Hospital ("**Prince Bay Hospital**") in 2024. Upon opening, Prince Bay Hospital will be a 200-bed, high-end hospital providing premium specialist services in the Greater Bay Area, a key economic hub of Southern China.

MOVING INTO NEXT-GENERATION OF HEALTHCARE

The COVID-19 pandemic has spurred policymakers to reassess healthcare systems, policy and practices. As a result, private sector healthcare players may have larger roles to play in the future. Singapore's "Healthier SG" initiatives exemplify such policy changes as the nation shifts towards patient-centered and preventive care, which could open up new business opportunities for private healthcare providers.

As the healthcare industry continues to evolve, collaborative partnerships will be essential to drive innovation, enhance patient experience, and improve overall healthcare quality. The Group stays committed in building a sustainable healthcare ecosystem in the region. With a Pan-Asian network and a strong focus on international best practices, we want to be a trusted partner in the markets we serve.

GIVING GRATITUDE

On behalf of the Board, I would like to express my heartfelt gratitude to all our shareholders for their confidence in the Group. I would also like to thank the Board of Directors for their invaluable counsel and contributions. In addition, I would like to extend my deep appreciation to our dedicated staff, strategic partners, and business associates for their continued support.

LEE YI SHYAN
Chairman
Non-independent Non-executive Director

> *As the healthcare industry continues to evolve, collaborative partnerships will be essential to drive innovation, enhance patient experience, and improve overall healthcare quality.*

主席致辞

尊敬的股东们，

大多数的国家在2022年开放了国际边境，使国际旅行、跨境供应链得到恢复，各种行业的业务也得到改善。然而，全球经济仍在与通货膨胀压力和不断上涨的利率抗争。

尽管面临着挑战，华联力宝医疗有限公司（“**华联力宝**”或“**公司**”，与其子公司一起称为“**集团**”）在截至2022年12月31日的财年（“**2022财年**”）继续专注于提供医疗保健服务。我们通过一系列战略举措推动了业务增长。这包括将 设在日本的12家护理院出售给我们的资本回收平台先驱房产信托以及进军新加坡医疗保健市场。

培育增长动力

华联力宝通过与三家医疗专科集团（“**医疗合作伙伴**”）建立的医疗伙伴关系，与华联企业成立了一个60:40的合资公司（“**华联合资**”），进军了新加坡医疗保健市场。华联合资和医疗合作伙伴的创始人分别持有Echo Healthcare Services Pte Ltd（“**EHS**”）的60%和40%，而EHS持有每个医疗合作伙伴的60%。

我们的医疗合作伙伴模式的结构确保了我们的医疗合作伙伴的临床独立性，同时实现了可持续增长和利益一致。此外，这个合作伙伴关系也为我们的新加坡专科诊所和我们的区域医院之间的专业知识交流提供了平台。

我们在中国的两家新医院的建设进展顺利。目前，招商-力宝妇产常熟医院将预计在2023年开业。常熟医院将为常熟市和长江三角洲地区的患者提供完整的妇产科保健服务，包括产后恢复。

同时，深圳招商-力宝太子湾医院（“**太子湾医院**”）也将在2024年开业。太子湾医院将是一个200床位的高端医院，为中国南部重要经济中心大湾区提供优质的专科服务。

走向下一代的医疗保健

新冠疫情促使政策制定者重新评估医疗保健系统和政策，从而在该地区的医疗保健格局中引起了重大变革。

> **集团致力于在该地区建立可持续的医疗保健生态系统，并且凭借泛亚网络和对国际医疗卓越的关注，我们相信集团已经做好了在下一代医疗保健中成为值得信赖的合作伙伴的准备。**

新加坡的“Healthier SG”改革就是这种政策变化的典范，逐步转向以患者为中心和预防为主的医疗保健，为私人医疗保健者提供新的商业机会。

随着医疗保健行业的不断发展，共赢的合作伙伴关系将成为推动医疗保健行业创新、提高患者体验和改善整体医疗保健质量的关键。集团致力于在该地区建立可持续的医疗保健生态系统，并且凭借泛亚网络和对国际医疗卓越的关注，我们相信集团已经做好了在下一代医疗保健中成为值得信赖的合作伙伴的准备。

感恩之情

我谨代表董事会，向所有股东表达我们的衷心感谢，感谢他们对本集团的信任。我还要感谢董事会为我们提供的宝贵建议和贡献。此外，我还要向我们的忠诚员工、战略合作伙伴和业务伙伴表示深深的感激，感谢他们一直以来的支持。我们致力于追求我们的愿景，成为下一代医疗保健中值得信赖的合作伙伴。

李奕贤
主席
非独立非执行董事

CEO's Statement

> *The integration of the Medical Partners into the OUELH healthcare network is a milestone for the Group in building a regional healthcare ecosystem centred on Singapore's renowned medical standards and quality.*

Dear Valued Shareholders,

Most countries emerged from the COVID-19 pandemic towards the end of 2022. Notwithstanding, there remains many uncertainties including the potential resurgence of COVID-19, inflationary pressure, rising interest rates, and a tense geopolitical landscape. In spite of these challenges, OUE Lippo Healthcare Limited ("OUELH" or the "Company," and together with its subsidiaries, the "Group") continued to make steady strides in our pursuit to build a sustainable healthcare ecosystem in the region for the financial year ended 31 December 2022 ("FY2022").

BUILDING A REGIONAL HEALTHCARE ECOSYSTEM

Capital Recycling

In March 2022, the Group completed the divestment of our twelve nursing homes in Japan to First Real Estate Investment Trust ("**First REIT**") for a consideration of S$165.9 million, comprising S$131.5 million in new First REIT units issued ("**Nursing Homes Divestment**"). The Nursing Homes Divestment is in line with the Group's asset-light strategy of recycling our capital through First REIT to enable the Company to redeploy our financial resources to optimise capital efficiency for OUELH. It also enhanced our capital structure as the additional First REIT units are more liquid as an asset class compared to the physical nursing homes.

Following the completion of the Nursing Homes Divestment, the Group's investment in First REIT was accounted for as a subsidiary of the Group, and the Group has since consolidated the financial results of First REIT. As at 31 December 2022, the Group held a direct interest of approximately 33% in First REIT and a 40% stake in First REIT Management Limited, which is the manager of First REIT.

Anchoring on Singapore's Medical Quality

In June 2022, the Group's 60:40 joint venture company with OUE Limited ("**OUE JV**") established a medical partnership with three medical specialist groups in Singapore, compromising two leading respiratory specialist practices as well as a leading cardiothoracic surgery practice ("**Medical Partners**").

CEO's Statement

Under the medical partnership, OUE JV and the respective founders of the Medical Partners own 60:40 shareholding in Echo Healthcare Services Pte. Ltd. ("**EHS**") respectively, which in turn owns 60% of each of the Medical Partners.

The integration of the Medical Partners into the OUELH healthcare network is a milestone for the Group in building a regional healthcare ecosystem centred on Singapore's renowned medical standards and quality.

GROUP FINANCIAL PERFORMANCE

The Group registered a revenue of S$119.8 million in FY2022 as compared to S$19.7 million in the previous corresponding period ("**FY2021**"), mainly due to the consolidation of revenue from First REIT and the Medical Partners with effect from 1 March 2022 and 1 July 2022 respectively. The improved performance of Wuxi Lippo Xi Nan hospital and the China pharmaceutical distribution business, has also contributed to the Group's top-line growth. In tandem, the Group recorded an operating profit of S$71.1 million, and a net profit of S$32.5 million for FY2022.

Net profit attributable to the owners of the Company stood at S$4.4 million for FY2022 compared to S$111.4 million for FY2021. The higher performance for FY2021 was mainly due to a one-off gain of S$110.0 million arising from the conversion of shareholder's loans and accrued interests into convertible perpetual securities.

The Group's financial position was also strengthened with total net assets of S$758.0 million as at 31 December 2022, compared to S$324.2 million as at 31 December 2021.

BUSINESS REVIEW

First REIT

First REIT continues to balance growth and stability of its asset portfolio under its 2.0 Growth Strategy by diversifying into developed markets with a target to grow its developed markets assets to more than 50% of its total portfolio over the next three to five years. It would also entail First REIT recycling its portfolio through divestment of its non-core, non-healthcare, and ageing assets to strengthen its capital structure to remain resilient by pivoting its asset portfolio to ride on megatrends.

> “*With a vision to be a trusted partner in next-generation healthcare, the Group believes that it is well-positioned to capture new healthcare business opportunities.*

Following the acquisition of 14 nursing homes in Japan and the divestment of Siloam Hospitals Surabaya in Indonesia, First REIT currently owns 32 properties, comprising 14 in Japan, 15 in Indonesia and 3 in Singapore with total asset under management of S$1.1 billion as at 31 December 2022, which is a 19.0% increase from S$962.4 million as at 31 December 2021. As such, First REIT's developed markets asset allocation has increased to 27.9% of its total asset under management.

China

Our strategic partnership with China Merchants Group ("**CMG**") is an integral part of our growth strategy in China. Our 50:50 joint venture company with CMG ("**CM Lippo**") continues to make progress in developing two pipeline hospitals in Changshu and Shenzhen respectively. Both hospitals will be operated by CM Lippo and will be part of the "China Merchants – Lippo" brand of hospitals in China.

Changshu China Merchants – Lippo Obstetrics & Gynaecology Hospital ("**Changshu Hospital**") is on track to be commissioned in mid-2023. The Changshu Hospital will be providing high-end obstetrics, gynaecology, and paediatric healthcare services. Further, to offer a full spectrum of holistic care, Changshu Hospital will also provide confinement services, medical aesthetics, post-delivery rehabilitation services, amongst others.

The Shenzhen China Merchants – Lippo Prince Bay Hospital ("**Prince Bay Hospital**") is positioned as a premium general hospital. It is currently undergoing interior renovations and medical fittings and is expected to be commissioned in 2024.

Myanmar

The political, social, and economic conditions in Myanmar remain fluid. The Group's joint venture in Myanmar, Yoma OUE Pun Hlaing Limited ("**Pun Hlaing Hospitals**" or "**PHH**"), currently operates three hospitals and four clinics. PHH's flagship hospital in Yangon, Pun Hlaing Hospital Hlaing Tharyar, completed a facility upgrade and capacity expansion in 2022 to enhance its revenue-generating capacity. Moving forward, PHH will continue to seek for growth opportunities while remaining vigilant to respond swiftly to the evolving market conditions.

LOOKING AHEAD

2023 will continue to be a year of uncertainties. With high interest rates and volatile economic conditions, we believe there will be increasing business restructuring and consolidation activities, including the healthcare sector. Business opportunities will emerge but financial prudence is critical to ensure sustainable growth.

The COVID-19 pandemic has acted as a transformation catalyst for the healthcare industry and has driven policymakers to rethink their healthcare systems and policies, spurring healthcare transformations in the region. With a vision to be a trusted partner in next-generation healthcare, the Group believes that it is well-positioned to capture new healthcare business opportunities.

APPRECIATION

On behalf of the Company, I would like to express my gratitude to our colleagues for their unwavering dedication and valuable contribution to OUELH in FY2022. I would also like to extend my sincere appreciation to all our shareholders and business partners for their strong support and understanding. We remain committed to delivering sustainable value to all our stakeholders in our journey to build a regional healthcare ecosystem.

YET KUM MENG
Chief Executive Officer
Executive Director

首席执行总裁致辞

尊敬的股东们,

2022年底,全球大多数国家已进入后疫情时代。然而,新冠疫情的复发风险、通货膨胀压力、银行利率上涨以及地缘政治紧张等不确定因素仍然存在。尽管如此,华联力宝医疗有限公司(“**华联力宝**”或“**公司**”,及其附属公司,统称为“**集团**”)在截止12月31日的财政年度(“**2022财年**”),就致力于建立区域性可持续医疗生态系统方面仍取得了稳健进步。

> “我们集团致力于成为未来医疗界可信赖的合作伙伴,并坚信自身将把握医疗保健行业的历史机遇,顺应时代的感召。

建立区域医疗保健生态系统

资本再循环

2022年3月,集团将其在日本拥有的12家护理院出售给先驱房产信托,交易金额为1.7亿新元,其中1.3亿新元是新发行的先驱房产信托单位(“**护理院出售**”)。此次交易响应集团的轻资产战略,通过先驱房产信托进行资本再循环并重新配置财务资源,实现资本效益最大化。同时,相比于实体护理院,先驱房产信托单位更具有流动性,也进一步巩固了集团的资本结构。

护理院出售完成之后,先驱房产信托按财会准则,作为集团的子公司,其财务业绩被纳入集团的合并报表。截至2022年12月31日,集团直接持有约33%的先驱房产信托单位和40%先驱房产信托管理有限公司的股份,后者是先驱房产信托的管理人。

对标新加坡医疗质量

2022年6月,集团与华联企业的60:40合资公司(“**华联合资**”)在新加坡与三家医疗专科集团建立了医疗伙伴关系,其中包括两家领先的呼吸专科医生集团和一家心胸外科专科医生集团(“**医疗伙伴**”)。

在此合作伙伴关系之下,华联合资和医疗伙伴的创始人分别持有Echo Healthcare Services Pte. Ltd.(“**EHS**”)60%和40%的股权,EHS持有每个医疗伙伴60%的股权。

将医疗伙伴纳入华联力宝医疗保健网络是集团的重要里程碑,有助于集团以新加坡知名的医疗标准和质量为基准,进一步建立区域性医疗保健生态系统。

集团财务表现

相较于去年同期的1,970万新元,集团2022财年的营收为1.2亿新元,主要因为先驱房产信托和医疗合作伙伴的收入自2022年3月1日和7月1日起分别被纳入集团的合并报表。此外,无锡力宝锡南医院和中国药品分销业务表现上扬,对总体营收亦有贡献。集团2022财年实现7,110万新元的运营利润和3,250万新元的净利润。

相较于2021财年的1.1亿新元,2022财年股东应占净利润为440万新元。2021财年的更高利润主要来自股东贷款和应计利息转换为可转换永久证券的一次性收益。

相较于截至2021年12月31日3.2亿新元的净资产总额,截至2022年12月31日,集团的净资产总额为7.6亿新元,集团的财务状况取得进一步强化。

业务回顾

先驱房产信托

先驱房产信托通过其2.0增长战略,继续平衡其资产组合的增长和稳定性。该战略计划多方位进入发达市场,在未来三到五年内将其在发达市场的资产比例提高到50%以上。此外,该战略还包括通过剥离非核心、非医疗保健或老化资产进行资产组合再循环,以及顺应时代趋势、围绕资产组合巩固资本结构以保持高度韧性。

在收购日本14家护理院和剥离位于印度尼西亚泗水的医院后,先驱房产信托目前拥有32个地产,其中14个在日本、15个在印尼、3个在新加坡。截至2022年12月31日,其资产管理规模达到11.5亿新加坡元,相较于截至2021年12月31日的9.6亿新加坡元增长了19.0%,先驱房产信托在发达市场的资产占比也增加至其管理总资产的27.9%。

中国

我们与招商局集团的战略伙伴关系对我们在中国的业务发展至关重要。我们与招商局集团成立的50:50合资公司(“**招商力宝**”)在常熟和深圳各自开发一家医院,这两家医院也将由招商力宝运营,并会成为“招商力宝”品牌旗下的医院。

常熟招商力宝妇产医院(“**常熟医院**”)正在按计划筹备中,并预计将于2023年中期开业,提供高端的妇产科和儿科医疗服务。此外,为了实现健康护理服务的全面化,常熟医院还将拓展高端月子护理、医疗美容和产后修复等服务。

深圳招商力宝太子湾医院(“**太子湾医院**”)定位为优质高端综合医院,目前正进行室内装修和医疗专项工程,并预计在2024开业。

缅甸

缅甸的政治、社会和经济仍存在较大不稳定性。集团在缅甸的合资企业 Yoma OUE Pun Hlaing Limited(“**Pun Hlaing 医院**”或“**PHH**”)目前正运营三家医院和四家诊所。PHH在仰光的旗舰医院 Pun Hlaing Hospital Hlaing Tharyar 已于2022年完成设施升级和容量扩充,以实现收益最大化。未来PHH将继续寻找增长机遇,同时保持警觉以快速应对不断变化的市场条件。

展望未来

2023年将继续是充满不确定性的一年。在高利率和经济不稳定因素的影响下,我们相信,包括医疗保健行业在内的各类企业重组和合并活动将会日渐增多。新的商业机会也将不断出现,但我们务必保持财务审慎,以实现可持续增长。

新冠疫情已成为医疗行业转型的催化剂,促使政策制定者重新审视医疗保健系统和相关政策,并推动区域性医疗保健的改革。我们集团致力于成为未来医疗界可信赖的合作伙伴,并坚信自身将把握医疗保健行业的历史机遇,顺应时代的感召。

致谢

我代表公司,衷心感谢我们的同事们在2022财年对华联力宝所做出的宝贵贡献。同时,我也要向我们所有的股东和业务伙伴表达最诚挚的感激之情,感谢他们给予我们的强大支持和充分理解。在构建区域性医疗保健生态系统的这一历程中,我们将持续努力,奋力为所有股东创造可持续价值。

易锦明
首席执行总裁
执行董事

BOARD OF Directors

01. Mr Lee Yi Shyan **02. Mr Brian Riady** **03. Mr Tetsuya Fujimoto**

04. Mr Yet Kum Meng **05. Mr Roger Tan Chade Phang** **06. Mr Eric Sho Kian Hin**

07. Mr Jackson Tay Eng Kiat **08. Ms Usha Ranee Chandradas**

01. Mr Lee Yi Shyan

Chairman and Non-Independent and Non-Executive Director

Date of first appointment as a Director:
17 July 2017

Length of service as a Director (as at 31 December 2022):
5 years 5 months

Board Committee(s) served on:
Nominating and Remuneration Committee

Academic & Professional Qualification(s):
- Bachelor of Engineering (Chemical), National University of Singapore
- Program for Management Development, Harvard Business School
- Tsinghua University Management Program

Present directorships (as at 31 March 2023):

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

Other principal directorships
- Business China (Chairman and Director)
- ICE Clear Singapore Pte. Ltd. (Chairman and Director)
- ICE Futures Singapore Pte. Ltd. (Chairman and Director)
- ICE Singapore Holdings Pte. Ltd. (Chairman and Director)
- Keppel Group Eco-City Investments Pte. Ltd. (Director)
- Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. (Director)
- Singapore Tianjin Eco-city Investment Holdings Pte. Ltd. (Director)
- Substantial Enterprises Limited (Director)
- Vysion Star Pte. Ltd. (Director)

Major Appointments (other than directorships):
- OUE Limited (Executive Adviser to the Chairman)
- Keppel Corporation Limited (Adviser)
- Luye Life Science Group Ltd (Adviser (non-executive))
- Chinese Development Assistance Council (CDAC) (Member of the board of Trustee)

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 March 2023):
- OUE Hospitality REIT Management Pte. Ltd.

Others:
- Member of Parliament of Singapore, East Coast GRC (from 2006 to 2020)
- Senior Minister of State and Minister of State of several Government Ministries (from 2006 to 2015)
- Chief Executive Officer of International Enterprise Singapore (from 2001 to 2006)
- Deputy Chief Executive Officer of SPRING Singapore (from 2000 to 2001)

02. Mr Brian Riady

Non-Independent and Non-Executive Director

Date of first appointment as a Director:
28 March 2022

Length of service as a Director (as at 31 December 2022):
9 months 3 days

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Bachelor of Science (Political Communication) and Bachelor of Arts (Economics), University of Texas at Austin
- Executive Education programmes, Harvard Business School

Present directorships (as at 31 March 2023):

Listed companies
- OUE Limited
- OUE Lippo Healthcare Limited
- OUE Commercial REIT Management Pte. Ltd. (as the manager of OUE Commercial Real Estate Investment Trust)
- Hongkong Chinese Limited (listed on The Stock Exchange of Hong Kong Limited)
- Lippo China Resources Limited (listed on The Stock Exchange of Hong Kong Limited)
- Lippo Limited (listed on the Stock Exchange of Hong Kong Limited)

Other principal directorships
Nil

Major Appointments (other than directorships):
- OUE Limited (Deputy Chief Executive Officer)
- Member of the Board of the Singapore Hotel Association
- Member of the Management Committee of the Real Estate Developers Association of Singapore
- Member of the Executive Committee of the Orchard Road Business Association

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 March 2023):
Nil

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

BOARD OF Directors

03. Mr Tetsuya Fujimoto

Non-Independent and Non-Executive Director

Date of first appointment as a Director:
1 April 2022

Length of service as a Director (as at 31 December 2022):
9 months

Board Committee(s) served on:
Nominating and Remuneration Committee

Academic & Professional Qualification(s):
- Bachelor of Engineering in the field of Mechanical Engineering, Kyoto University, Japan
- Advanced Management Program, Harvard Business School

Present directorships (as at 31 March 2023):
Listed companies
- OUE Lippo Healthcare Limited

Other principal directorships
Nil

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

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 March 2023):
Nil

Others:
Nil

04. Mr Yet Kum Meng

Chief Executive Officer and Executive Director

Date of first appointment as a Director:
28 February 2019

Length of service as a Director (as at 31 December 2022):
3 years 10 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Bachelor of Accountancy (First Class Honours), Nanyang Technological University, Singapore
- Master of Business Administration (Hospitality and Tourism Management), Nanyang Technological University, Singapore

Present directorships (as at 31 March 2023):
Listed companies
- OUE Lippo Healthcare Limited

Other principal directorships
Nil

Major Appointments (other than directorships):
- Chief Executive Officer of OUE Lippo Healthcare Limited

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 March 2023):
Nil

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

05. Mr Roger Tan Chade Phang

Lead Independent and Non-Executive Director

Date of first appointment as a Director:
23 January 2017

Length of service as a Director (as at 31 December 2022):
5 years 11 months

Board Committee(s) served on:
- Audit and Risk Committee
- Nominating and Remuneration Committee

Academic & Professional Qualification(s):
- Bachelor of Business in Accountancy, RMIT University
- Master of Finance, RMIT University

Present directorships (as at 31 March 2023):
Listed companies
- OUE Lippo Healthcare Limited
- Luminor Financial Holdings Ltd (f.k.a. Starland Holdings Limited)
- Y Ventures Group

Other principal directorships
- Voyage Research Pte Ltd

Major Appointments (other than directorships):
- President of Small and Middle Capitalisation Companies Association

Past Principal Directorships held over the preceding 5 years (from 1 January 2017 to 31 March 2023):
- TBK & Sons Holdings Limited (Independent Director)
- TIH Limited (Independent Director)
- Camsing Healthcare Limited (Independent Director)
- Dapai International Holdings Co., Ltd (Independent Director)
- Transcorp Holdings Limited (Independent Director)
- Bodhi Tree Network Pte Ltd
- Revez Corporation Ltd

Others:
Nil

06. Mr Eric Sho Kian Hin

Independent and Non-Executive Director

Date of first appointment as a Director:
23 January 2017

Length of service as a Director (as at 31 December 2022):
5 years 11 months

Board Committee(s) served on:
Audit and Risk Committee
Nominating and Remuneration Committee

Academic & Professional Qualification(s):
- Fellow member of the Association of Certified Chartered Accountants (FCCA)

Present directorships (as at 31 March 2023):
Listed companies
- OUE Lippo Healthcare Limited
- Choo Chiang Holdings Ltd.
- Versalink Holdings Limited
- Sim Leisure Group Ltd
- Quantum Healthcare Limited

Other principal directorships
- China Farm Equipment Pte. Ltd.
- Hartanah Kencana Sdn. Bhd.

Major Appointments (other than directorships):
- QT Vascular Ltd

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 March 2023):
Nil

Others:
- Member of Singapore Institute of Directors
- Corporate Development Director, Hunan Longzhou Farm Equipment Holdings Co., Ltd. (from 2013 to 2017)
- Executive Director and Chief Financial Officer, China Farm Equipment Ltd. (formerly listed on Main Board of SGX-ST) (from 2007 to 2013)

BOARD OF Directors

07. Mr Jackson Tay Eng Kiat

Independent and Non-Executive Director

Date of first appointment as a Director:
23 January 2017

Length of service as a Director (as at 31 December 2022):
5 years 11 months

Board Committee(s) served on:
- Audit and Risk Committee
- Nominating and Remuneration Committee

Academic & Professional Qualification(s):
- Bachelor of Accountancy (Minor in Marketing), Nanyang Technological University of Singapore
- Member of the Institute of Singapore Chartered Accountant

Present directorships (as at 31 March 2023):
Listed companies
- OUE Lippo Healthcare Limited
- Sapphire Corporation Limited

Other principal directorships
- Hafary Pte. Ltd.
- Hap Seng Investment Holdings Pte. Ltd.
- Xquisit Pte. Ltd.
- One Heart International Trading Pte Ltd

Major Appointments (other than directorships):
- Chief Operating Officer and Company Secretary of Hafary Holdings Limited Group

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 March 2023):
- Sim Leisure Group Ltd.
- Viet Ceramics International Joint Stock Company

Others:
Nil

08. Ms Usha Ranee Chandradas

Independent and Non-Executive Director

Date of first appointment as a Director:
15 November 2021

Length of service as a Director (as at 31 December 2022):
1 year and 1 month

Board Committee(s) served on:
- Audit and Risk Committee

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

Present directorships (as at 31 March 2023):
Listed companies
- OUE Lippo Healthcare Limited
- OUE Commercial REIT Management Pte. Ltd. (as the manager of OUE Commercial Real Estate Investment Trust)

Other principal directorships
- NUR Investment and Trading Pte Ltd

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

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 March 2023):
Nil

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

KEY Executive

Mr Yet Kum Meng

Chief Executive Officer and Executive Director

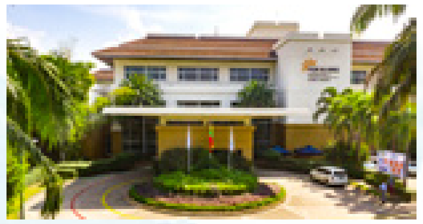
Please refer to the section entitled "Board of Directors" on page 22 of this Annual Report for Mr. Yet Kum Meng's biography.

BUILDING Our Ecosystem

1. CHINA

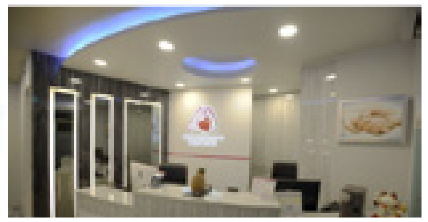
- Operating one general hospital in Wuxi
- Developing one hospital in Shenzhen
- To operate one O&G hospital in Changshu
- Owns hospital land and building in Wuxi

2. MYANMAR



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

3. SINGAPORE



- Managing and operating Echo Healthcare Services, which holds 60% of three medical groups in Singapore

FIRST REIT

4. INDONESIA

- 15 properties in Indonesia

5. JAPAN

- 14 properties in Japan

6. SINGAPORE

- 3 properties in Singapore

OUELH holds 33% of First REIT unitholdings and 40% of First REIT's manager

7. OTHER ASSETS

- Holds development land in Kuala Lumpur, Malaysia
- Holds medical use land in Dujiangyan, Chengdu, the People's Republic of China

AT A GLANCE
China

Presence in
3 Major Cities

50:50 Joint Venture
CM LIPPO
with China Merchants Shekou Industrial Zone Holdings Co., Ltd

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

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

OUELH also holds 70% stake in the operating company that operates Wuxi Lippo Xi Nan Hospital ("**Xi Nan Hospital**") in Wuxi, Jiangsu.

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

Prince Bay Hospital, China

SHENZHEN, GREATER BAY AREA

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

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

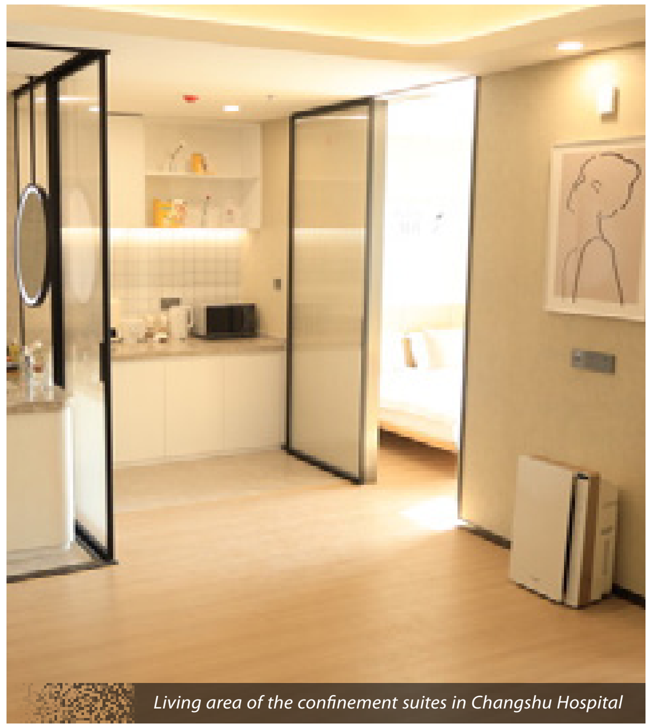
AT A GLANCE

China

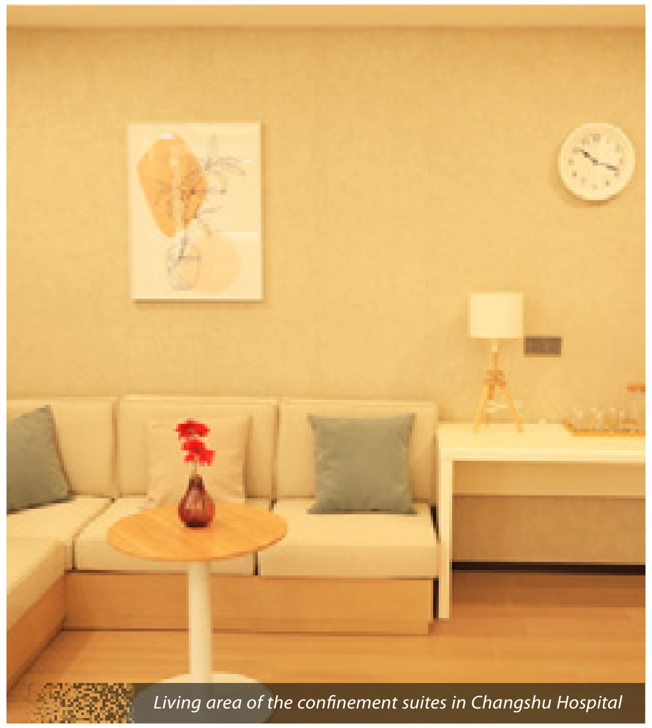
CHANGSHU, JIANGSU

Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital
Tapping on the local market opportunities, Changshu Hospital will be positioned as a premium specialist hospital. Targeting the affluent market segment, the Changshu Hospital will provide premium obstetrics, gynaecology and paediatric services, as well as postpartum care services.

Changshu Hospital, China

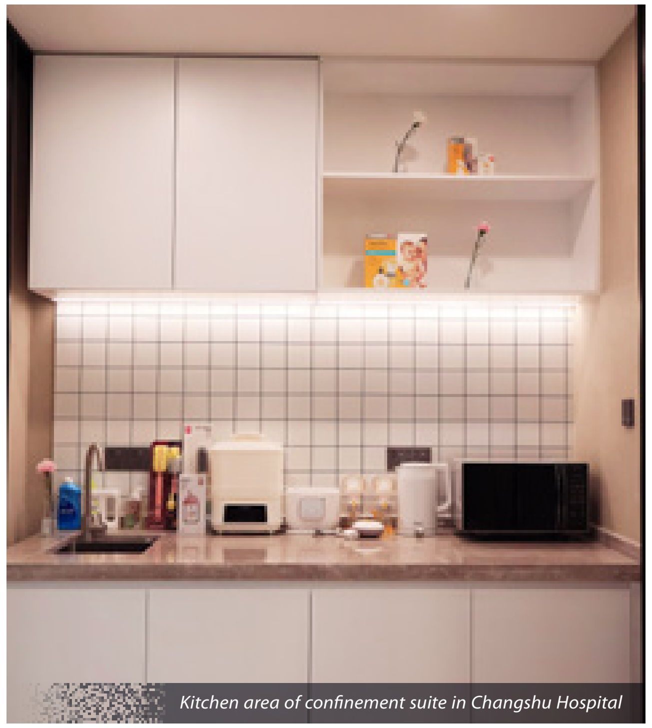


Living area of the confinement suites in Changshu Hospital



Living area of the confinement suites in Changshu Hospital

Welcome gift package to confinement centre's customers within confinement suite



Kitchen area of confinement suite in Changshu Hospital

AT A GLANCE

China

WUXI, JIANGSU

Wuxi Lippo Xi Nan Hospital
Xi Nan Hospital is a general hospital that provides quality healthcare services for the residents in Wuxi, Jiangsu. Located within the Jiangsu Wuxi Economic Development Zone, Xi Nan Hospital comprises specialties such as internal medicine, gynaecology, gastroenterology, nephrology, and a haemodialysis centre.

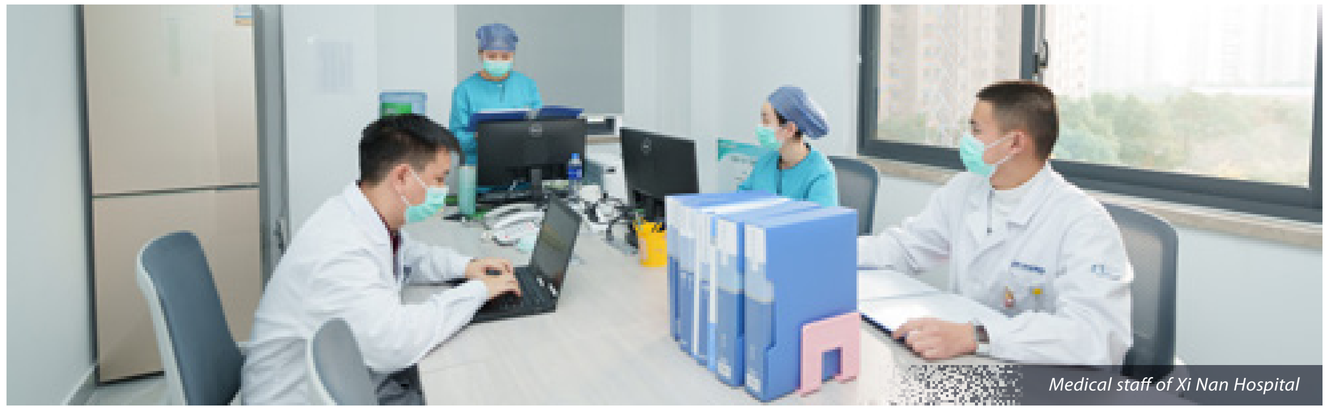
OUELH owns 70% stake of the operating company that operates Xi Nan Hospital.

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


Lobby of Xi Nan Hospital


Doctors of Xi Nan Hospital


Doctor of Xi Nan Hospital attending to patient


Medical staff of Xi Nan Hospital


Haemodialysis Centre within Xi Nan Hospital


Staff inspecting water quality in Xi Nan Hospital


Nurse operating dialysis machine


Treatment area of Haemodialysis Centre

Doctor at the Haemodialysis Centre


Xi Nan Hospital, China

AT A GLANCE

Singapore

3
SINGAPORE MEDICAL GROUPS

11
SINGAPORE CLINICS[1]

12
SPECIALIST DOCTORS[1]

MEDICAL PARTNERSHIPS WITH SINGAPORE SPECIALISTS

Two Respiratory Medical Practices & One Cardiothoracic Surgeon Practice

In June 2022, OUELH formed a partnership with three medical specialist groups (the "**Medical Partners**") in Singapore via its joint venture company with OUE ("**OUE JV**"). OUELH and OUE hold 60% and 40% respectively in OUE JV.

Under the partnership, OUE JV and the respective founders of the Medical Partners hold 60:40 shareholding in Echo Healthcare Services Pte. Ltd. ("**EHS**") respectively. EHS in turn owns 60% of each of the Medical Partners.

The Medical Partners comprise two leading Respiratory Specialist Practices in Singapore - Respiratory Medical Associates and The Respiratory Practice, as well as a leading Cardiothoracic Surgery Practice operating as Thoracic & Cardiovascular Surgery Specialist. In total, there are 12 specialist doctors operating in the 11 clinics within the Medical Partners.[2]

The partnership is an important milestone in OUELH's journey to build a regional healthcare ecosystem, comprising the full spectrum of tiered healthcare services anchored on Singapore's medical best practices.

Signing ceremony of OUE, OUELH and the Medical Partners

[1] *As at 31 December 2022*
[2] *In December 2022, TRP recruited a new respiratory specialist and set up their seventh clinic at Mount Elizabeth Novena Specialist Centre*

Respiratory Medical Associates ("RMA")

RMA is a medical group practice comprising five medical practitioners in respiratory medicine, and is located in three private medical centres in Singapore. RMA's medical clinics are specialist clinics for the diagnosis and treatment of lung, sleep and allergy disorders. It directly serves patients as its end customers.

The Respiratory Practice ("TRP")

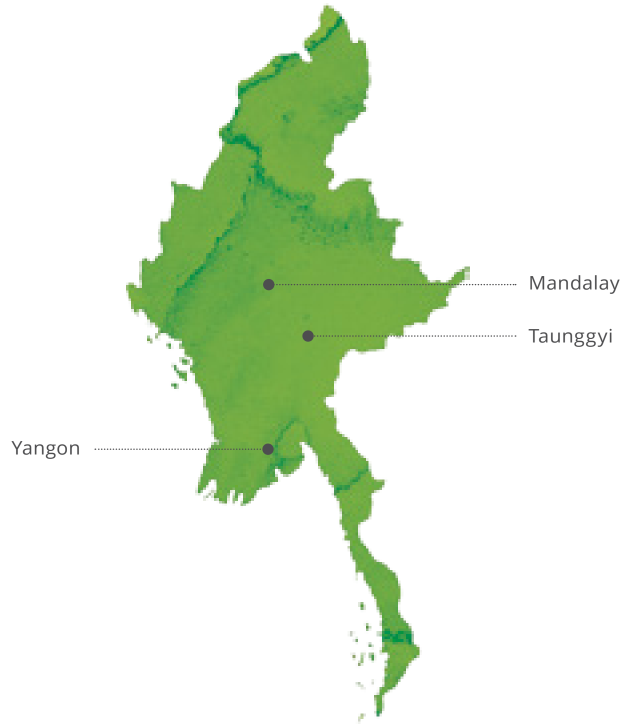
TRP, similar to RMA, is a medical group practice comprising six medical practitioners in respiratory medicine, and are currently located in seven private medical centres in Singapore. TRP's medical clinics are specialist clinics for lung (including sleep and allergy) and intensive care medicine. It directly serves patients as its end customers.

Thoracic & Cardiovascular Surgery Specialist ("TCSS")

TCSS is a medical practice with a sole medical practitioner, who is a cardiothoracic surgery specialist, and is located in a private medical centre in Singapore. It provides cardiac and minimally invasive cardiac surgery and thoracic and minimally invasive thoracic surgery. It directly serves patients as its end customers.

AT A GLANCE

Myanmar



1st

HOSPITAL IN MYANMAR WITH **JCI ACCREDITATION**

7

MYANMAR MEDICAL FACILITIES

370

TOTAL BED CAPACITY

Joint venture with First Myanmar Investment Public Company Limited ("FMI")

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

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

Yangon

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

Mandalay

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

Taunggyi

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

Pun Hlaing Hospital Hlaing Tharyar, Myanmar

AT A GLANCE

First REIT

32 ASSETS

15 IN INDONESIA

14 IN JAPAN

3 IN SINGAPORE

447,738 sqm TOTAL GFA

Sponsor and largest unitholder of First Real Estate Investment Trust ("First REIT"), Singapore's first healthcare real estate investment trust listed on the Main Board of the SGX-ST

First REIT was established with the principal investment strategy of investing in a diversified portfolio of income-producing real estate and/or real estate-related assets in Asia that are primarily used for healthcare and/or healthcare-related purposes.

OUELH and OUE Limited hold a 40% and 60% stake, in First REIT Management Limited respectively, the manager of First REIT. OUELH is also First REIT's sponsor and largest unitholder, holding approximately 33% of its units.

First REIT currently has a diversified portfolio of 32 high quality properties with stable cash flows and long lease terms in Indonesia, Japan and Singapore, which includes 11 hospitals in Indonesia, 14 nursing homes in Japan and three nursing homes in Singapore. First REIT also holds two integrated hospitals and malls, one integrated hospital and hotel, and one integrated hotel and country club in Indonesia.

First REIT's portfolio of hospitals in Indonesia are strategically located within large catchment areas of potential patients, with each hospital being a "Centre of Excellence" or having an area of specialty. These Indonesian hospitals are operated by PT Siloam International Hospitals Tbk, a subsidiary of PT Lippo Karawaci Tbk and Indonesia's leading private hospital network.

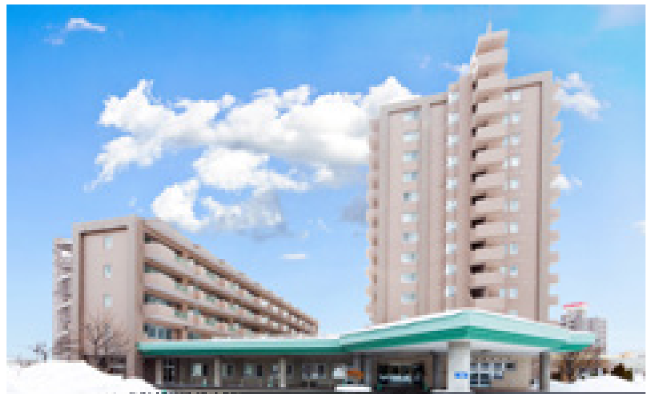
FIRST REIT

TOTAL ASSETS UNDER MANAGEMENT

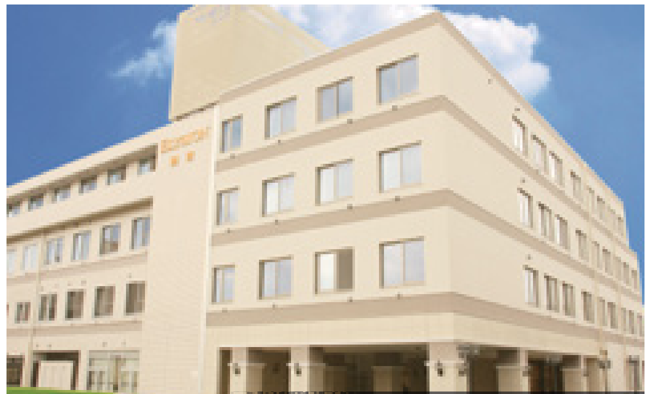
S$1,145.3 MILLION

AS AT 31 DECEMBER 2022

Siloam Hospitals Lippo Village, Indonesia



Hikari Heights Varus Kotoni, Hokkaido, Japan



Orchard Kaichi North, Nagano, Japan

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

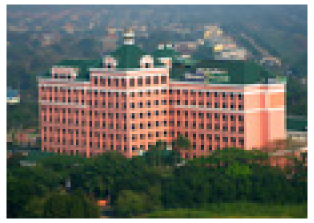
In 2022, First REIT successfully acquired 14 nursing homes in Japan, of which 12 of the nursing homes were acquired from OUELH. The 14 nursing homes in Japan are freehold assets with a combined gross floor area of approximately 103,234 square metres and 1,655 rooms, which are 100% master-leased to tenants who are well-established and experienced independent local nursing home operators.

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

AT A GLANCE

First REIT

INDONESIA



Siloam Hospitals Lippo Village

Mochtar Riady Comprehensive Cancer Centre

Siloam Hospitals Makassar

Siloam Hospitals Kupang & Lippo Plaza Kupang

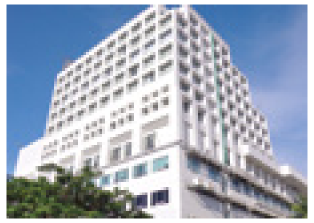
Siloam Sriwijaya

Siloam Hospitals Purwakarta

Siloam Hospitals Buton & Lippo Plaza Buton

Siloam Hospitals Labuan Bajo

Siloam Hospitals Bali



Siloam Hospitals Manado & Hotel Aryaduta Manado

Siloam Hospitals Kebon Jeruk

Siloam Hospitals Lippo Cikarang

Siloam Hospitals Tb Simatupang

Siloam Hospitals Yogyakarta

Imperial Aryaduta Hotel & Country Club

AT A GLANCE

First REIT

JAPAN

Hikari Heights Varus Fujino

Hikari Heights Varus Ishiyama

Hikari Heights Varus Kotoni

Hikari Heights Varus Makomanai-Koen

Hikari Heights Varus Tsukisamu-Koen

Varus Cuore Sapporo-Kita & Annex

Varus Cuore Yamanote

Orchard Amanohashidate

Orchard Kaichi North

Orchard Kaichi West

Elysion Gakuenmae

Elysion Mamigaoka & Annex

Medical Rehabilitation Home Bon Séjour Komaki

Loyal Residence Ayase

AT A GLANCE First REIT

SINGAPORE

Pacific Healthcare Nursing Home @ Bukit Merah

Pacific Healthcare Nursing Home II @ Bukit Panjang

The Lentor Residence

AT A GLANCE Other Assets

KUALA LUMPUR, MALAYSIA

OUELH currently owns a piece of land of approximately

50,849 SQ FT

in Kuala Lumpur, Malaysia.

CHENGDU, CHINA

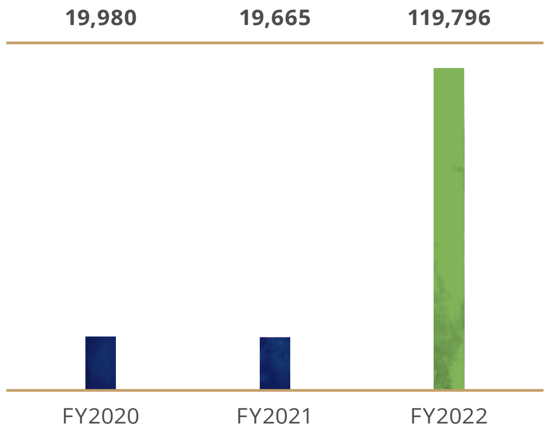
OUELH currently owns a piece of land of approximately

201,223 SQ FT

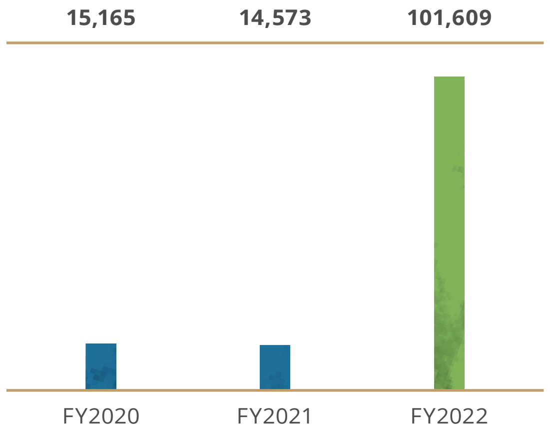
in Dujiangyan, Chengdu, the People's Republic of China.

3-YEAR Financial Highlights

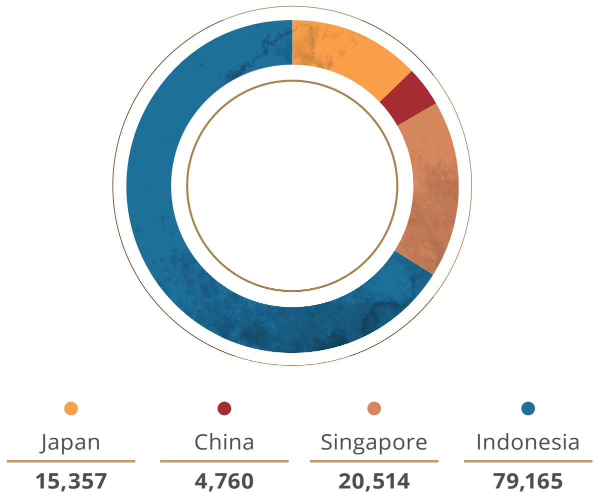
Group Revenue
($'000)



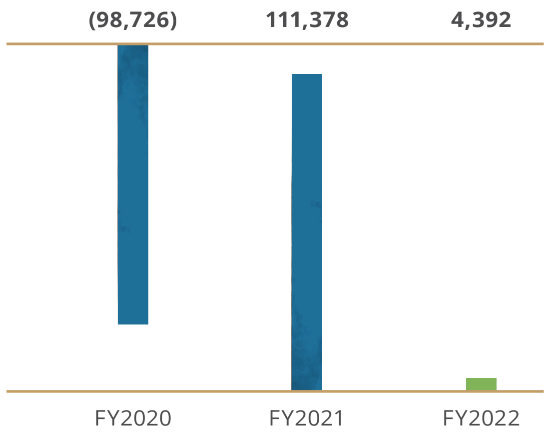
Gross Profit
($'000)



Revenue By Geographies
($'000)



Profit/(Loss) attributable to the owners of the Company
($'000)



Sustainability REPORT

BOARD STATEMENT (GRI 2-22)

The Board of Directors (the "**Board**") of OUE Lippo Healthcare Limited ("**OUELH**" or the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to present our sustainability report for the financial year ("**FY**") ended 31 December 2022 ("**FY2022**").

As a regional healthcare group providing quality healthcare services to local communities across Pan-Asia, we are deeply aware of our role and relevance in the markets that we operate in, and we take responsibility for the social and economic impacts we bring to these local communities. Henceforth, we began formalising and documenting our sustainability journey since 2017, and continue to integrate environmental, social and governance ("**ESG**") considerations into our strategies and key business decisions.

In FY2022, we refined our data collection processes to improve transparency and accuracy of our environmental, social and governance ("**ESG**") disclosures. As we are strengthening our sustainability commitments, we believe we will be able to create sustained value for our stakeholders and contribute to the United Nations Sustainability Development Goals ("**UN SDGs**").

The Board of OUELH oversees all sustainability-related matters of the Group. We are supported by a Sustainability Steering Committee ("**SSC**") that comprises representatives from key functions of OUELH. In line with the regulatory requirements of Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board is continuously building its competencies by equipping its directors with ESG knowledge through relevant sustainability training courses.

As we move forward, the Board will continue to strengthen its sustainability competencies and we can expect OUELH to increasingly integrate climate risks into the Group's Enterprise Risk Management ("**ERM**") framework in line with recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**").

Sustainability REPORT

ABOUT OUE LIPPO HEALTHCARE LIMITED (GRI 2-1, 2-6)

Who We Are

OUELH is a Pan-Asian healthcare group, headquartered in Singapore, that owns, operates, and invests in healthcare businesses in fast-growing Pan-Asian markets. OUELH is listed on the Catalist Board of SGX-ST, and the Group is a subsidiary company of OUE Limited ("**OUE**").

Our business segments include healthcare operations, healthcare assets, properties under development and investments.

OUELH currently operates Wuxi Lippo Xi Nan Hospital in Wuxi, Jiangsu, and has a pharmaceutical trading business in China. The company holds a 50% equity interest in China Merchants Lippo Hospital Management Limited ("**CM Lippo**") with a subsidiary of China Merchants Shekou Industrial Zone Holdings Co., Ltd, which is a member company of the China Merchants Group. CM Lippo is currently developing the Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital in Changshu, Jiangsu, and Shenzhen China Merchants – Lippo Prince Bay Hospital in Shekou, Shenzhen. Both hospitals will be operated by CM Lippo after they are commissioned in 2023 and 2024 respectively. In Myanmar, OUELH holds a 40% stake in First Myanmar Investment Public Company Limited that owns and operates seven medical facilities, branded under "Pun Hlaing Hospitals".

OUELH is also the sponsor and the largest unitholder of First Real Estate Investment Trust ("**First REIT**"), Singapore's first listed healthcare real estate investment trust. OUELH has approximately 33.1% direct ownership of First REIT, and a 40% stake in its manager, First REIT Management Limited. In March 2022, OUELH has divested its 12 nursing home assets in Japan to First REIT as part of its growth strategy.

In June 2022, OUELH formed a joint venture company with OUE Limited ("**OUE JV**"), which then partnered with three medical specialist practices in Singapore to establish Echo Healthcare Services Pte Ltd ("**EHS**"). This medical partnership will enable OUELH to build on and expand its regional healthcare business ecosystem anchored on high medical standards in Singapore. OUELH holds 60% stake in OUE JV, while OUE JV in turn holds 60% of EHS.

Finally, OUELH also owns a piece of land and building located in Wuxi, Jiangsu ("**Wuxi land and building**"), and two pieces of land in Dujiangyan, Chengdu, China and Kuala Lumpur, Malaysia. The Wuxi land and building is currently undergoing feasibility studies to reopen in the future and was not operational in FY2022.

Who We Want to Be (GRI 2-22, 2-23, 2-24)

OUELH's vision is to be a trusted partner for next-generation healthcare, in line with the purpose of "Building Trust, Transforming Lives" of the larger OUE Group of companies. Through its three-pronged strategy of establishing strategic partnerships, building an asset-light business model and expanding across Pan-Asia, the Group has made significant inroads to build a sustainable and integrated healthcare business ecosystem anchored on international best practices, which will bring comprehensive quality healthcare to its patients.

As we continue to stay focused on our path to build a regional healthcare ecosystem, we recognise the importance of sustainability and our contribution to the overall well-being of the communities that we are a part of. We are committed to embed sustainability principles in our implementation of our business strategies and operations to minimise potential negative impacts that our operations may bring.

OUELH upholds the values of ownership, unity, empathy, learning and honesty through a strong governance structure, sound policies and various initiatives. We are guided by our Code of Business Conduct and Ethics and the Employee Handbook that outline clear frameworks and guidelines to ensure responsible business standards and respect for human rights, taking reference from the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. The human rights clauses aim to respect human rights throughout our business activities, as we want to provide a healthy and inclusive working environment by eliminating any forms of forced labour and discrimination in our business. Our policies are reviewed and updated regularly to ensure that they remain valid and relevant.

ABOUT THIS REPORT (GRI 2-2, 2-3, 2-4, 2-5)

OUELH continues its sustainability journey while deepening our commitments and disclosures in this sixth sustainability report. This sustainability report highlights the economic and social impacts of our regional Pan-Asian operations, covering the financial year from 1 January 2022 to 31 December 2022 and outlines our approach to integrate sustainability into our business. Through the disclosures, we are providing insight into our sustainability strategies and sharing our commitments with our stakeholders.

The internal audit team conducted an internal review on this report as required by SGX-ST in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. All recommendations highlighted during the internal review were taken into consideration during the preparation of this report.

Reporting Scope

The reporting scope covers our healthcare operations, assets and activities in Singapore, China, and Japan, where we have more than 50% of operational control and interest. This includes OUELH Singapore's corporate office, Wuxi Lippo Xi Nan Hospital, the pharmaceutical trading business in China, and the Asset Management office in Japan, whereby full social and economic data is collected and recorded.

Given that EHS was only established in June 2022 and has yet to generate a full year of operational data, the Group will not be reporting data from EHS in this sustainability report. Additionally, the Group continued to include data from its Asset Management office in Japan as the transaction to divest OUELH Japan Medical Assets Pte. Ltd. to First REIT has yet to be completed as at 31 December 2022[1]. This report excludes First REIT as they have published their standalone sustainability report.

This report has been prepared in accordance with the Global Reporting Initiative ("**GRI**") 2021 standards as it is the most commonly adopted reporting framework globally, and it is suitable and relevant for our business and stakeholders. It also complies with the sustainability reporting requirements set out in the Listing Manual of the SGX-ST (Rules 711A and 711B). To enhance global sustainability efforts and contribute to common goals, OUELH continues to align its sustainability activities with the UN SDGs.

In December 2021, the Singapore Exchange Regulation ("**SGX RegCo**") announced that all issuers must provide climate reporting on a 'comply or explain' basis in their sustainability reports from FY2022 onwards. The framework also aligns with the requirements of the Guidelines on Environmental Risk Management ("**EnRM**") for Asset Managers set out by the Monetary Authority of Singapore ("**MAS**"). OUELH recognises that climate change and environmental considerations have a bearing on all aspects of our business, particularly in terms of our assets, operations, and the present and future value of investments. Therefore, we will be taking steps in subsequent years to introduce climate-related disclosures in our sustainability reports, referencing the TCFD recommendations, with the aim of reporting on climate-related financial information that may be of interest to our stakeholders and strengthen our approach to managing any climate-related risks.

OUELH's data owners and staff involved in the data collection process are trained accordingly to collect accurate data. We have not sought external assurance on this report but may consider doing so in the future. We welcome any feedback to help us to improve the approach we take to sustainability, our policies, and our performance. Please send your queries or suggestions to OUELH's SSC at info@ouelh.com.

SUSTAINABILITY AT OUELH

We recognise that the alignment of healthcare and sustainability principles can enhance the function, practicality, effectiveness, perception, and value of our healthcare businesses. We also believe that it is important for us to focus on the areas where we can have the most impact, through the assessment, validation, and management of OUELH's ESG material issues. The Board has validated the results of a materiality assessment that was conducted in 2021 to identify areas to concentrate our sustainability efforts on which will support our business strategy.

Following the validation of the materiality assessment, we report our sustainability performance for 2022 and set out targets for 2023. In 2022, our sustainability approach remained focused in areas most relevant to our businesses such as assessing how we manage our investments and operations, our human resource practices, and our corporate governance practices. We will, at an appropriate time, consider expanding our focus to include other areas.

Sustainability Governance (GRI 2-9, 2-12, 2-13, 2-14, 2-17, 2-18)

OUELH believes that a robust sustainability governance structure is crucial in our pursuit to build a sustainable healthcare business ecosystem. This is also reflected in our Corporate Governance Report, where sustainability issues are being considered as part of our overall strategy (see The Primary Functions of the Board on page 72).

The Board has oversight on all sustainability-related matters and the integration of sustainability

[1] *OUELH entered into a sale and purchase agreement (the "JMA SPA") with First REIT for the divestment of 100.0% of the issued and paid-up shares of OUELH Japan Medical Assets Pte. Ltd. to First REIT*

Sustainability REPORT

considerations into key business decisions and strategies. We have also established a SSC made up of C-suite management and representatives from the Company's key functions such as operational executives in our business units and corporate functions including the Finance, Legal, Human Resources and Communications teams. The SSC is led by the Chief Executive Officer and is responsible to monitor, manage and implement sustainability-related policies and practices aimed at improving the economic and social impact from our business. The SSC meets regularly to manage sustainability-related matters and reports any updates or issues to the Board, whenever applicable.

To keep abreast of latest sustainability trends and regulations, the Board also attends sustainable development training programmes, such as relevant ESG trainings mandated by SGX. Through these training programmes, the Board can enhance its understanding of relevant ESG issues for the Group to make strategic decisions and take sustainability into consideration, when they review and monitor policies and practices. Non-financial ESG key performance indicators are included in the annual performance appraisals and remuneration policies of the Board and employees.

A written policy is in place which sets out proper procedures and principles to guide Directors in dealing with potential or actual conflicts of interest. The policy aims to emphasise the Company's commitment to compliance with laws and upholding the highest standards of business ethics. The policy also highlights areas of ethical and corruption-related risks and requires any Director who has or appears to have a direct or deemed interest that may conflict with a subject matter under discussion by the Board to declare his or her interest and recuse himself or herself from discussion of the subject matter. The Audit and Risk Committee is established to monitor and review related party transactions (including interested person transactions and interested party transactions) on a quarterly basis.

The organisational structure and responsibilities of the sustainability governance at OUELH are illustrated in the table below:

Board of Directors

- Endorses and oversees the monitoring, managing, and approving of all sustainability-related matters and the integration of sustainability considerations into key business decisions and strategy
- Final approval and oversight on the sustainability statement, sustainability report and materiality assessment process

Sustainability Steering Committee ('SSC")

- Formulates overall strategic direction, implements, and manages sustainability-related policies and practices aimed at improving the economic and social impact from our business
- Conducts materiality assessment through stakeholder engagement to understand ESG impacts, risks and opportunities, leading to the identification of material issues
- Monitors key performance indicators and progress against targets
- Reports performance, updates or issues to the Board

Finance	Legal	Communications	Human Resources ("HR")

- The SSC includes operational executives from the various business units and corporate functions
- Provides their functional expertise for sustainability policies, practices and decision making
- Implements and monitors sustainability-related efforts at the business unit level

Stakeholder Engagement (GRI 2-29)

OUELH ensures regular and continual engagement with internal and external stakeholders across our operations and geographies. The objectives are to understand their concerns, needs and how our business activities impact them both negatively and positively. This helps us to identify potential risks and business opportunities, address issues that are material to our stakeholders and ensure the relevance of our sustainability strategy and approach.

We prioritise engagement with stakeholders who are affected or may be affected by OUELH's business activities. OUELH's stakeholder engagement activities are overseen by the SSC and the Board is kept informed on stakeholder feedback through annual meetings. The Board reviews recommendations made by the SSC to address any concerns of our stakeholders and if approved, they will come to fruition in the form of policies and processes.

Stakeholders	Engagement Methods & Frequency	Key ESG Topics of Concern	OUELH's Commitments to Sustainability
Investment Community (including shareholders, investors, analysts, and the media)	• Release of financial results, announcements, press releases, annual reports, and other relevant disclosures through SGXNET and our corporate website, throughout the year • Email alert subscriptions via OUELH's website • Annual General Meeting, once a year • Extraordinary General Meetings, where necessary • Virtual Dialogue Session where management answers relevant questions from shareholders in a live recording session, where necessary • Updates through one-on-one and group meetings and investor roadshows, as and when necessary	• Sustainable and long-term value creation and economic performance • Sound business strategies • Robust corporate governance and compliance	• Maintaining regular, timely and accurate disclosure of all material and financial sensitive information relating to OUELH's economic and operational performance, as well as corporate developments • Implementing sound risk management, procedures to ensure compliance, and business continuity plans
Customers	• Meetings with operators of the Japan nursing home facilities (prior to their disposal) • Feedback from patients, throughout the year	• Active management of operations to deliver sustainable and long-term value • Robust corporate governance and compliance • Data protection and customer privacy	• Continuous improvements and implementation of sustainability initiatives to increase efficiencies of our assets • Providing feedback channels for all matters and managing feedback effectively and promptly • Data protection policies and risk control procedures in place to ensure privacy of sensitive information

Sustainability

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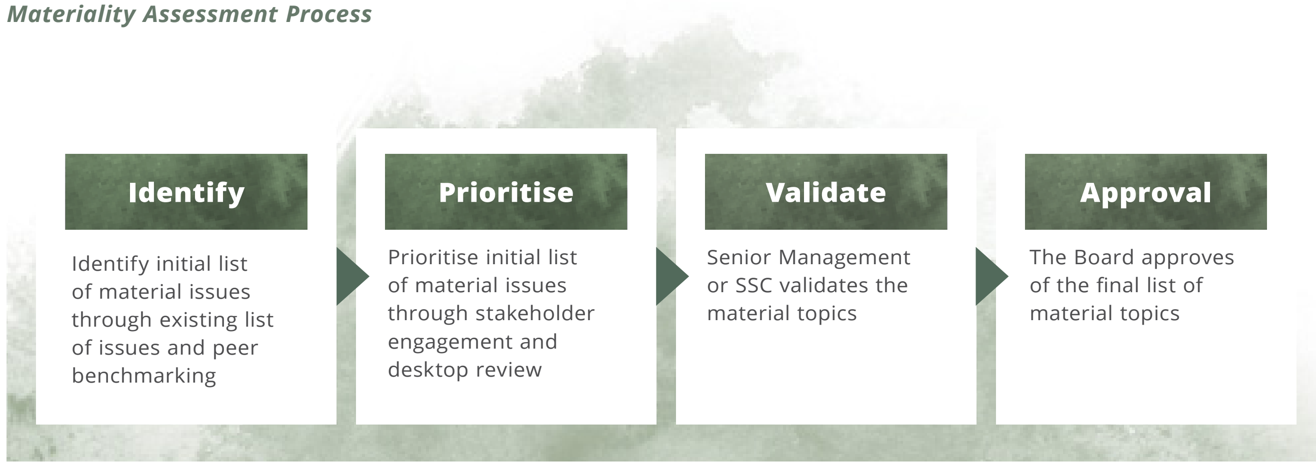
Stakeholders	Engagement Methods & Frequency	Key ESG Topics of Concern	OUELH's Commitments to Sustainability
Employees	• Training and development activities, as and when necessary • Annual performance reviews, once a year • Staff welfare and team bonding activities, as and when necessary	• Training opportunities for career development and growth • Fair and competitive employment practices • Diversity and non-discrimination • Safe, healthy, and productive working environment	• Developing a work culture that embraces diversity, teamwork, cohesiveness, and continuous learning • Providing fair and equal opportunities for all employees • Offering training programmes and career development opportunities • Health and safety guidelines in place to promote a safe and healthy workspace for employee wellness
Government and Regulators	• Industry networking functions, as and when necessary • Regulatory audits, once a year • Compliance with mandatory reporting requirements, throughout the year	• Regulatory compliance • Robust corporate governance • Ethical corporate business practices	• Maintaining regular, timely and accurate disclosure of all material and financial sensitive information relating to OUELH's economic and operational performance, as well as corporate developments • Implementing sound risk management, procedures to ensure compliance, and business continuity plans • Implementing policies and procedures to ensure compliance with relevant laws and regulations
Local Communities	• Community service	• Sustainable business practices • Support to local communities	• Regular community service activities to engage local communities

Materiality Assessment (GRI 3-1, 3-2)
OUELH conducted its first formal materiality assessment in FY2017 using a 4-step materiality assessment process which is illustrated below. The materiality assessment was performed with the SSC and in collaboration with an external consultant to determine the relevant economic, social and governance issues that are important to our business and stakeholders. The Board has ultimate oversight and approval of the materiality process and the topics identified as material.

In FY2021, we refreshed and revalidated our material issues and introduced new material issues to the original set of indicators, which we felt were relevant to the global context of our business. For this sustainability report, we conducted a materiality review considering stakeholders' feedback, global and local sustainability trends, and against industry peers. For FY2022, we confirmed that these ESG topics are still material to our operations and adjusted and renamed three of the material topics (Sustainability Impact driven by Economic Performance, Employee Engagement and Active Management of Operations) to provide a more holistic view of the topic coverage. The material topic of Active Management of Operations is applicable for EHS and will be reported after EHS has generated a full year of operational data. In total, we have eight material topics. We have categorised our material topics under three main categories namely – Our Economic Performance, Our People, and Our Governance.

Materiality Assessment Process



We recognise the significance to strive for sustainable value for our business and our stakeholders by actively managing these material factors to mitigate potential negative impacts. Our material ESG issues and focus areas are mapped against the UN SDGs which are a global call for action to conduct business responsibly. We strive to ensure that our sustainability efforts contribute to the achievement of these global goals.

Sustainability REPORT

OUELH's Material Topics and Approach

Material ESG Factor	Risks and Opportunities	Approach to address the topic	UN SDG & GRI references
Economic Dimension			
Sustainability Impact driven by Economic Performance	Poor economic performance may reduce the confidence of shareholders and other relevant stakeholders in investing into our business. Through better economic performance and well-maintained healthcare assets, OUELH's net income can help to create jobs, improve healthcare delivery services for the local economy and generate income for local communities and suppliers.	OUELH channels our economic growth to maintaining a high-quality portfolio, leading to the maximisation of net asset value and distribution to stakeholders. Our business decisions and strategies take into consideration the growth and positive impact on our shareholders, employees, and community.	GRI 201: Economic Performance 2016
Active Management of Operations	The success and value of our asset portfolio has a direct impact on the success of our business and the value that we can bring to our shareholders. The value generated from a high-quality portfolio is redistributed back to improving our infrastructures, healthcare services, and supporting the well-being of our community.	We work closely with our partners to invest in high-quality healthcare assets and continuously improve the types of healthcare delivery services to our stakeholders via active management of our activities. Through active management of our operations, we aim to support human well-being and bring quality healthcare services for all.	Non-GRI
Social Dimension			
Employee Engagement Fair Employment Practices Training & Development	Our stakeholders have always been key drivers of our success and it is paramount that OUELH continues to adapt to their changing needs and concerns. A fair and inclusive working environment, that encourages growth and development, is crucial to offer security and foster continued trust from its stakeholders.	To attract and retain talented individuals, we manage the various aspects of the employee engagement to ensure that our employment practices are inclusive, fair, and conducive for employees to thrive. These include the following: competitive remuneration, fair HR policies, opportunities for growth and career progression, and fostering a positive, cohesive, and respectful work culture.	GRI 401: Employment 2016 GRI 404: Training & Education
Health & Safety	Being in the healthcare industry, OUELH plays a key role in enhancing the health and well-being of the communities that we operate in. There is also rising expectations on health & safety practices and service quality of healthcare delivery operations.	We have an Occupational Health & Safety system and guidelines in place to identify and manage health and safety related risks through risk assessments. We also promote employee health and wellness through recreational and team bonding activities, insurance coverage, and other medical benefits.	GRI 403: Occupational Health & Safety 2018 GRI 416: Customer Health & Safety 2016
Local Communities	OUELH can help to build social and community cohesion, and contributing to the overall quality of life and healthcare services at the location of operation.	We continuously contribute to our local communities by providing affordable and accessible health services and education to those in need.	GRI 413: Local Communities 2016
Diversity & Non-Discrimination	It is imperative to the success of our business and retention of talents that we promote inclusivity, diversity, and a working environment free of discrimination and harassment.	Our recruitment practices are based on merits and competencies, such that we can create equal opportunities for all and employ qualified and talented individuals without discrimination.	GRI 405: Diversity & Equal Opportunity 2016 GRI 406: Non-Discrimination 2016

Sustainability
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Material ESG Factor	Risks and Opportunities	Approach to address the topic	UN SDG & GRI references
Governance Dimension			
Corporate Governance and Compliance	Non-compliance can have significant adverse reputational, operational, and financial impact, posing a threat to business continuity. We aim to conduct our business responsibly, complying with applicable laws and regulations, and the highest ethical standards to continue creating value for stakeholders.	Our Code of Business Conduct and Ethics sets out the expectations and procedures on governance, compliance, and corruption related topics. We adopt a zero-tolerance approach to regulatory breaches. Whistle blowing & grievance mechanisms are set in place to ensure that non-compliance risks are reduced and provides a safe avenue to report any concerns without fear.	GRI 2-27 GRI 205: Anti-Corruption 2016
Customer Privacy	Data breaches and leaks will significantly harm the reputation of our business and the trust in our relationships with our customers. We take the privacy and confidentiality of our customers' health data and personal information very seriously.	All employees are obligated to protect personal data in accordance with the Personal Data Protection Policies (PDPA) of the Company.	GRI 418: Customer Privacy 2016

OUR ECONOMY

Sustainability Impact Driven by Economic Performance (GRI 3-3, 201)
OUELH understands that we have a role to play as a healthcare service provider, in improving the social and economic fabric of the communities where we operate in. We are therefore, committed to sustain a high-quality portfolio of healthcare assets, operations, and investments to generate economic growth that translates into benefits for our stakeholders, including healthcare accessibility, and improving healthcare services delivery. Our three-pronged corporate growth strategy has helped to strengthen our financial performance.

In FY2022, the Group reported an annual gross revenue of S$119,796,000 and annual gross profit of S$101,609,000. Our full financial performance can be found on page 43 of our Annual Report.

Active Management of Operations
As we continue to set the pipelines to build an integrated regional healthcare business ecosystem, we prioritise active management of our operations to ensure that our practices are sustainable, compliant, and anchored on the highest standards. With properly managed assets, we can boost the success of our portfolio and positively impact the value we can bring to our stakeholders.

While we will not be reporting any data from EHS in this sustainability report as it has yet to generate a full year of operational data, we will work towards its sustainability disclosure and detailing our approach on active management of our operations in subsequent sustainability reports.

FY2022 performance against Targets

Active Management of Operations	
Targets	**FY2022 Performance**
Review and assess 100% of our assets and develop a maintenance and captital expenditure plan for each asset	Progress against this target will be tracked in FY2023 when we obtain a full year of operational data from EHS

OUR PEOPLE

Employee Engagement
Our employees are the key drivers of our success and the foundation to creating long-term growth and value of our business. We are committed to build a competent team of employees, by continuously adapting to their concerns, investing in their growth via training and education opportunities, and ensuring a fair, inclusive and conducive working environment. We hope to encourage personal development and well-being, such that our employees continue to feel valued and motivated in their work. To ensure a positive and nurturing working environment, we adhere to comprehensive HR policies and make sure they are applied fairly and consistently across OUELH.

Fair Employment Practices (GRI 2-7, 2-8, 3-3, 401)
With fair employment practices in place, we will be able to attract and retain a talented pool of employees who are vital in generating long-term value for our stakeholders through their competencies and dedication. Poor employment practices, on the other hand, will pose a significant reputational risk among the investor and local communities. Therefore, we are guided by OUELH's Employee Handbook and our HR policy on employment conditions and conduct that covers expectations and policies related to topics such as fair employment practices, unlawful harassment, disciplinary, grievances, employee conduct, code of business conduct and ethics. The Handbook and policy are communicated and acknowledged by all employees.

OUELH also strictly adheres to the Tripartite Alliance for Fair and Progressive Employment Practices guidelines and government employment legislation. As an equal opportunity employer, we adopt robust recruitment and talent development and retention practices. Our recruitment practices ensure that we hire qualified and competent individuals with an impartial and fair recruitment process, based on their qualifications, competencies, experience and assessed potential to contribute to the success of our business. This process helps us to build a team of diverse and talented individuals who are dedicated and innovative. We strictly do not tolerate any form of discrimination against age, gender, race, marital status, or religion.

Staff satisfaction and wellbeing is a priority for us, as it is often linked to higher productivity and retention rates. To promote satisfaction, we offer competitive remuneration packages and comprehensive benefits provided to our full-time employees to further attract and retain our talents. Our full-time employees are entitled to various leaves of absences such as for family care, marriage, compassionate, prolonged illness, and disability. They are also covered under a Group insurance that includes dental, hospital and surgical, clinical and specialist outpatient treatment, term life, and personal accident. We also provide regular health screenings and education support for our full-time employees. All our corporate employees in Singapore will receive a monthly contribution to their Central Provident Fund ("**CPF**") in accordance with statutory requirements. The CPF is a mandatory social security savings scheme funded by contributions from employers and employees, and it is used as a pension fund to serve our housing, healthcare and retirement needs.

As of 31 December 2022, our total headcount stands at 148 employees, and we do not employ workers who are not employees due to the nature of our business. While none of our employees are part of any workers' union, our HR policy ensures that their working conditions and terms of employment are fair and they are not put at a disadvantage.

Sustainability
REPORT

Staff mix and diversity

Total number of employees by employee contract (permanent and temporary) and gender

Gender	Permanent	Temporary	Total
Male	65	0	65
Female	82	1	83
Total	**147**	**1**	**148**

Total number of employees by employee contract (permanent and temporary) and gender

Region	Permanent	Temporary	Total
Singapore	24	1	25
China	120	0	120
Japan	3	0	3
Total	**147**	**1**	**148**

Total number of employees by employee type (full-time, part-time, and non-guaranteed hours[2]) and gender

Gender	Full-time	Part-time	Total
Male	53	12	65
Female	79	4	83
Total	**132**	**16**	**148**

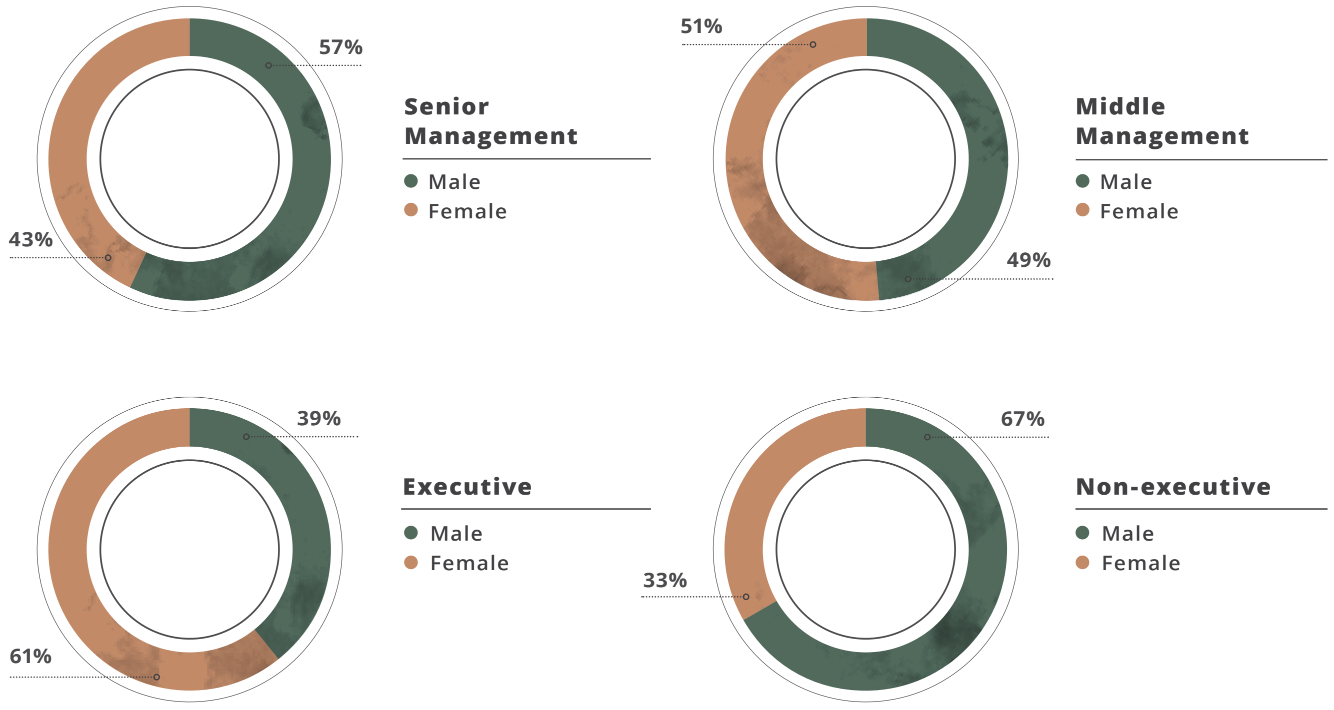
Total number of employees by employee type (full-time, part-time, and non-guaranteed hours[2]) and region

Region	Full-time	Part-time	Total
Singapore	24	1	25
China	105	15	120
Japan	3	0	3
Total	**132**	**16**	**148**

[2] Non-guaranteed hours employees refer to casual employees, employees with zero-hour contracts, on-call employees. We do not have non-guaranteed hours employees due to the nature of our business.

Number of individuals by employee category and gender

Percentage of individuals by employee category and gender



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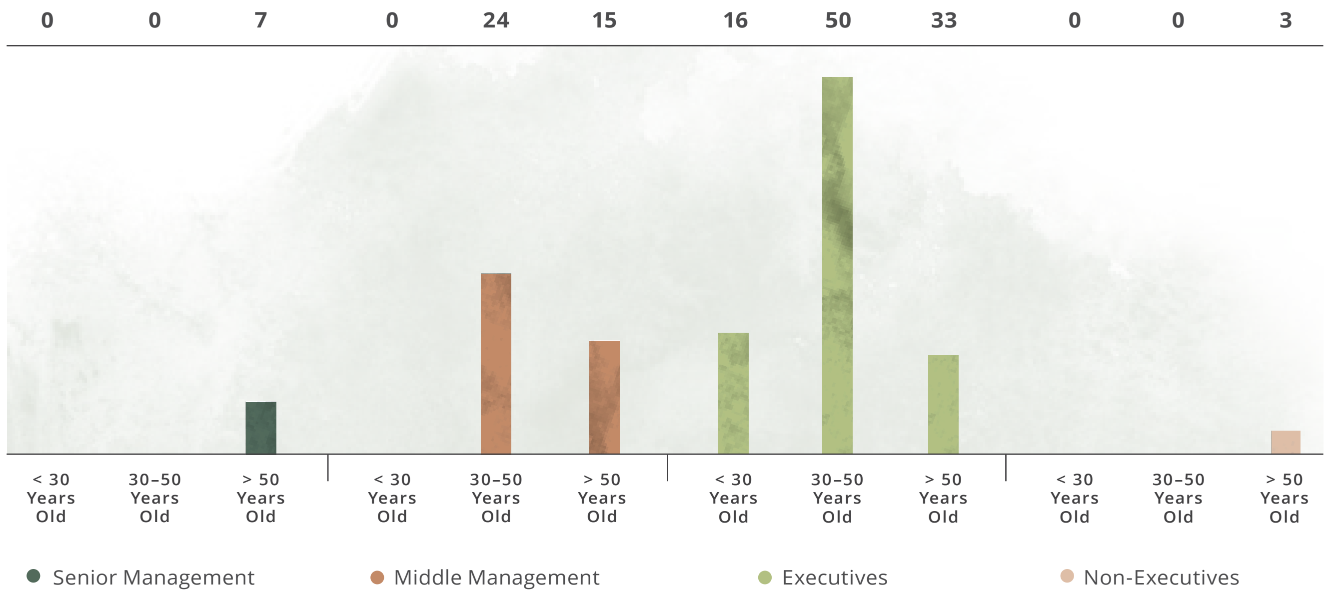
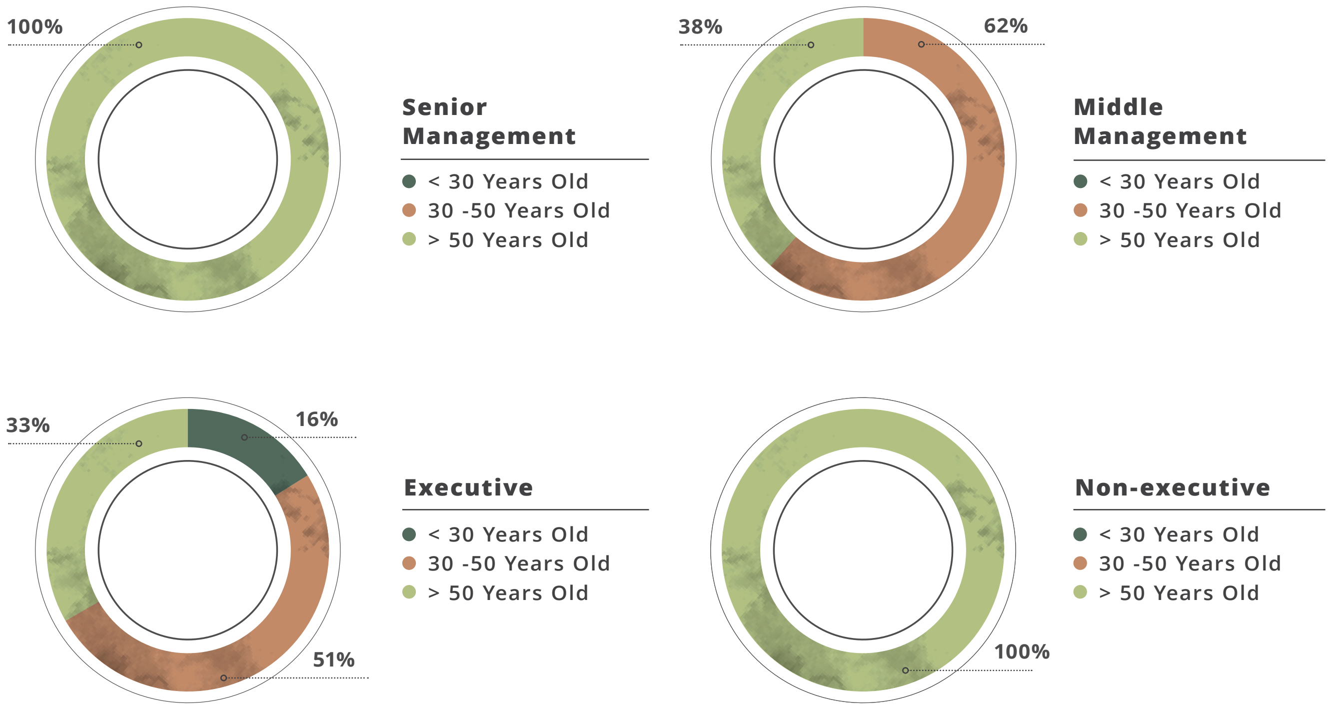
Number of individuals by employee category and age group



Number of individuals by employee category and age group

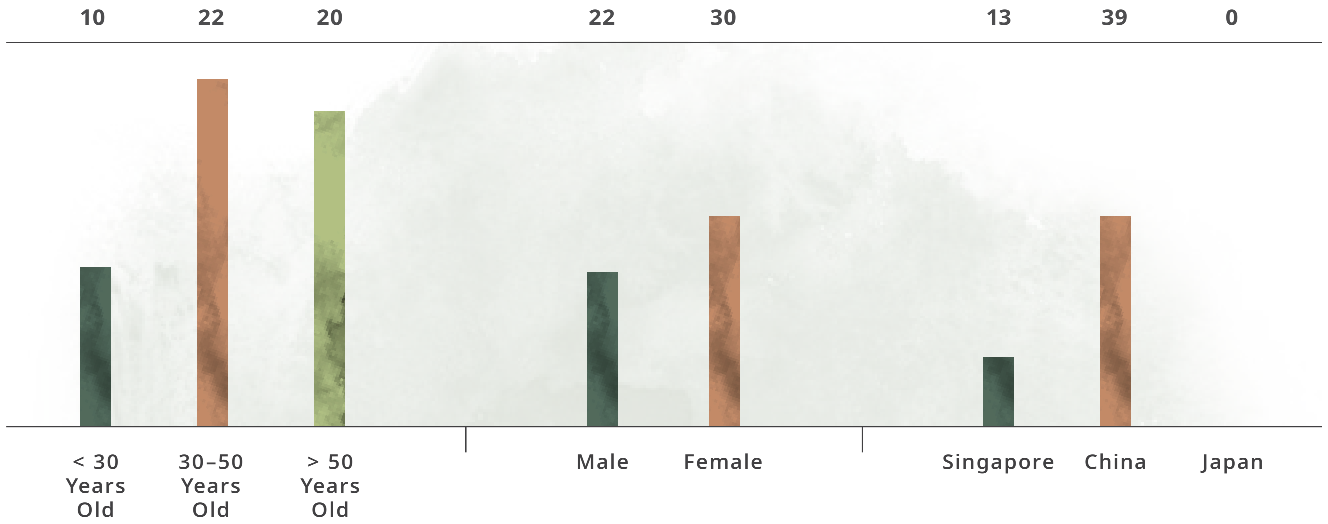


Parental Leave

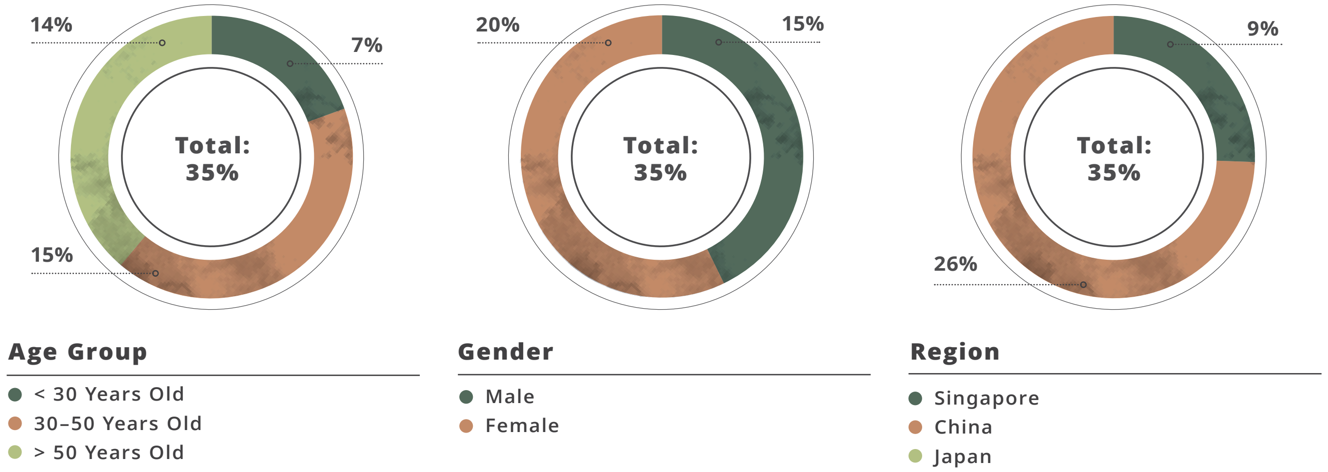
Parental Leave, by Gender

	Male	Female
Total No. of employees entitled to Parental Leave (only for employees with married status)	0	2
Total No. of employees that took Parental Leave	0	2
Total no. of employees that returned to work in the reporting period after parental leave ended	0	1
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0	1

Total number of new employee hires during FY2022, by age group, gender and region

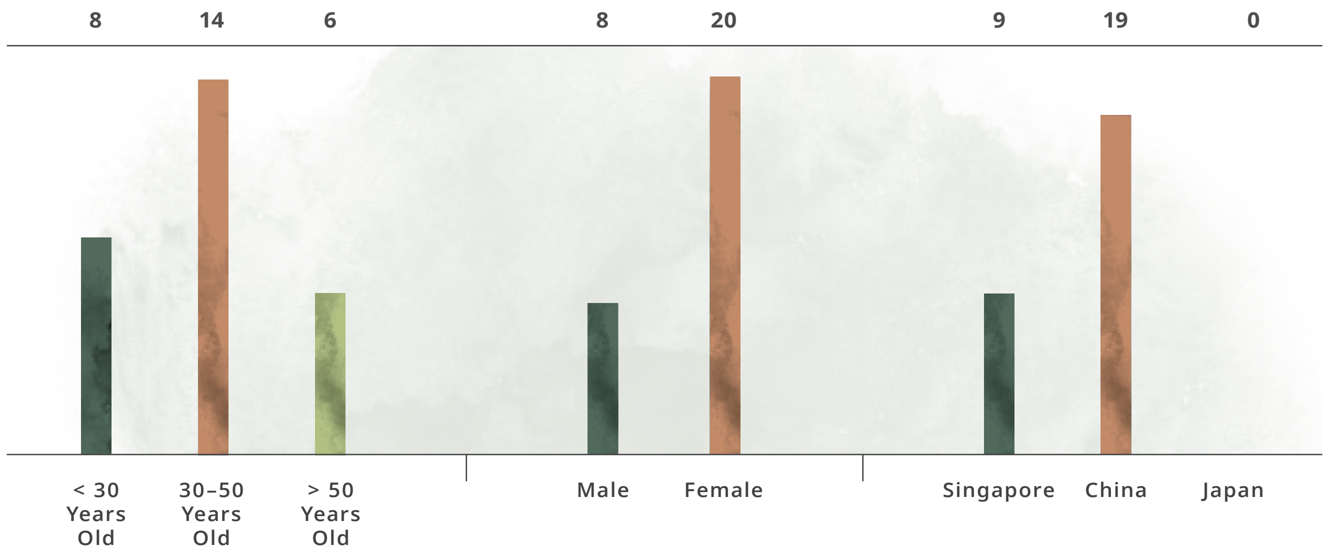


Rate of new employee hires during FY2022, by age group, gender and region

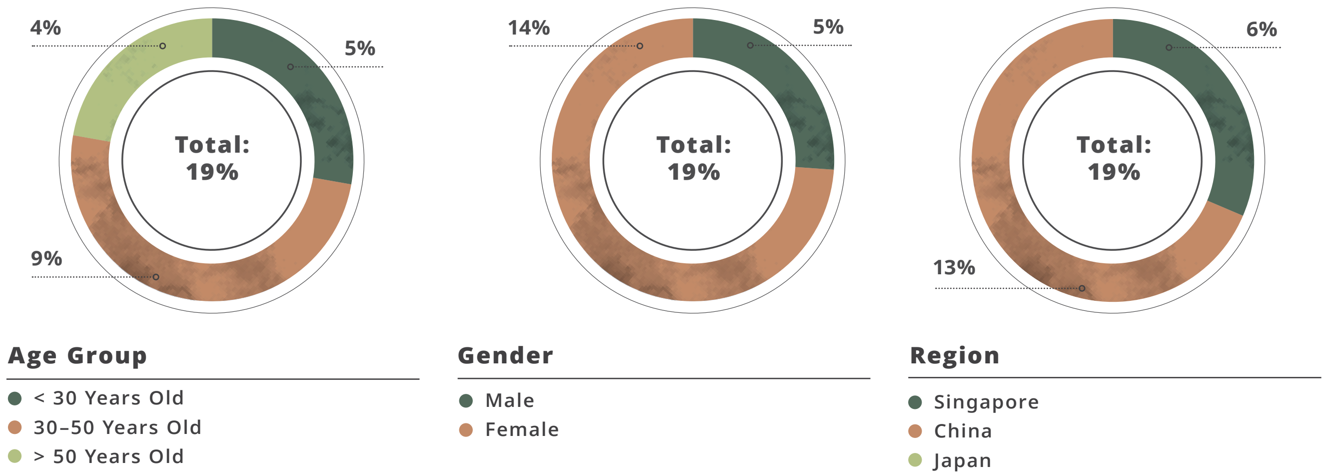


Sustainability
REPORT

Total number of employee turnover during FY2022 by age group, gender and region



Rate of employee turnover during FY2022 by age group, gender and region

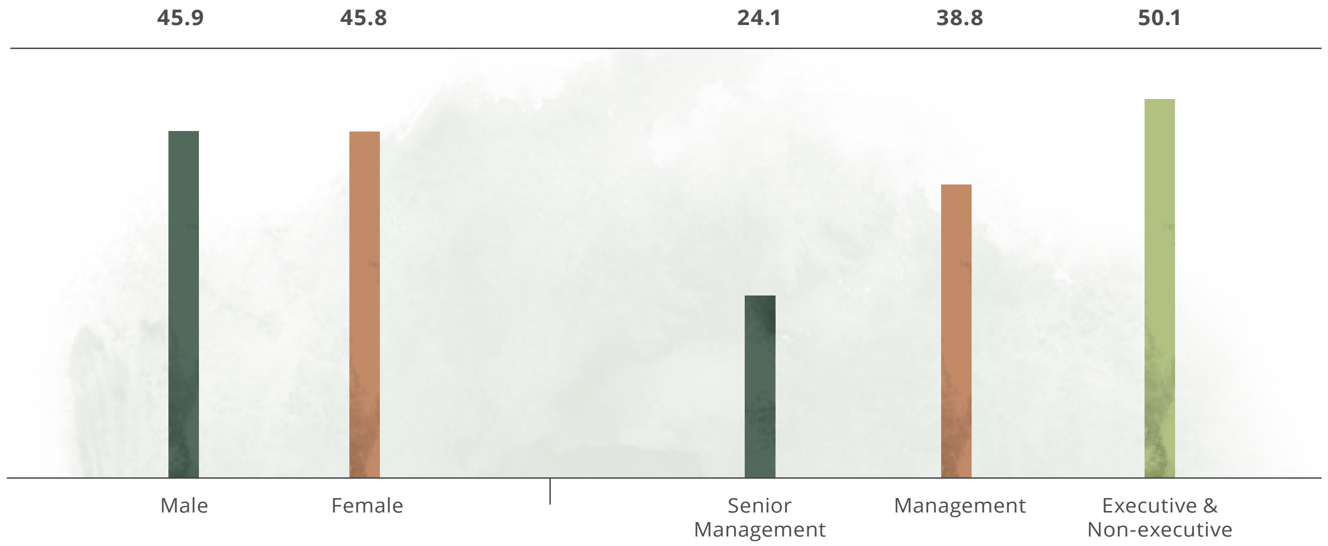


Training and Development (GRI 3-3, 404)
It is crucial that our employees continuously keep abreast with the latest in terms of their expertise and knowledge so that they can provide the highest quality healthcare services to meet the everchanging needs of local communities. We recognize that robust career development and enhancing of our employee's skillsets are key factors to our success and delivering sustainable, long-term value to our stakeholders.

Employment development is facilitated through learning and training opportunities, conducting regular performance appraisals, and promoting an inclusive, engaged and learning culture. All our permanent staff will undergo annual performance appraisals with their reporting officers, whereby they are given feedback on their performance for improvement. Their training interests are identified in the process, and employees are then provided with relevant opportunities and

training plans to upskill themselves. The types of training conducted includes informal learning on the job, coaching and mentoring, cross-functional projects, as well as internal and external training programmes. For FY2022, the Manager facilitated an average of 45.9 hours of training per employee.

Average hours of training employees have undertaken during FY2022 by gender and employee category



Through the performance appraisals, we encourage employees to express any concerns or expectations that they have on opportunities for promotion, advancement, or higher remuneration, based on their job performance and merit. We hope to promote a safe and open discussion space between employees and their reporting officers, with the aim to strengthen employee engagement and productivity.

FY2022 performance against Targets

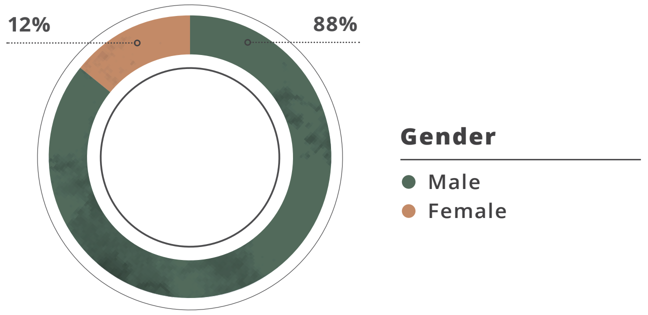
Training & Development	
Targets	**FY2022 Performance**
Conduct 100% performance appraisals for all staff	We conducted 100% performance appraisals for all eligible staff

Diversity, Inclusion and Non-Discrimination
(GRI 2-7, 405, 406)
OUELH recognises the importance of diversity and inclusion at both the employee and governance body level, to create a safe and conducive working environment. We are committed to foster a diverse and inclusive culture where we employ qualified individuals without any discrimination relating to age, gender, race, marital status, or religion. All our staff, regardless of their background, identity or circumstance, will be valued, respected, and supported.

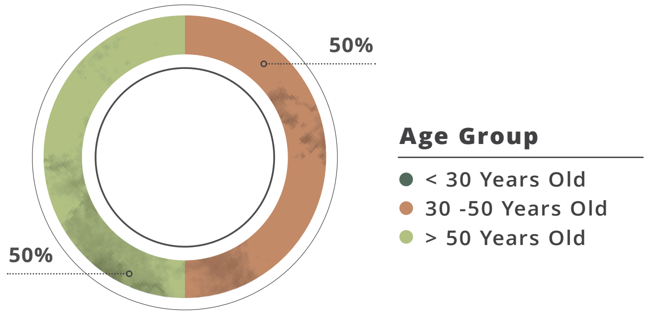
Our Code of Business Conduct and Ethics states very clearly that we have zero tolerance towards harassment, violence, intimidation, and discrimination of any kind involving race, colour, religion, national origin, gender, sexual orientation, age, disability or, where applicable, veteran, or marital status. This principle of fairness and impartiality is also applied in our recruitment, retention and development programmes of our employees, our service quality towards our customers, and other stakeholders. Employees are also encouraged to report any harassment or inappropriate behaviour at the workplace via our grievance mechanisms.

Sustainability REPORT

Percentage of individuals within the governance bodies by gender



Percentage of individuals within the governance bodies by age group



As of 31 December 2022, women make up about 56% of our workforce, with 12% of our governance body and 43% of our senior management being females. OUELH has a diversified workforce across all age groups, nationalities, and gender, supporting our alignment to the UN SDG Goal 5 of "Gender Equality".

FY2022 performance against Targets

Diversity, Inclusion and Non-Discrimination	
Targets	**FY2022 Performance**
Zero incidents of discrimination	We report zero incidents of discrimination

Health & Safety - Occupational, Customer & Public (GRI 3-3, 403)

As a healthcare service provider, the safety of our operations and assets must be upheld to the highest standards and conduct, so that we are able to deliver our services successfully. Therefore, the health and safety of our employees, customers, and stakeholders are of utmost importance. We strive to create a safe and healthy working environment, with the aim to enhance well-being, morale, and productivity.

Our corporate office in Singapore and the Japan Asset Management Team follows our Workplace Safe Management Policy, aimed to establish a system to ensure a safe working environment to minimise the risks of COVID-19 outbreaks at the workplace during the relevant time periods at the various locations of our operations. This policy sets out measures to reduce the spread of COVID-19, based on the Safe Management Measures by the Ministry of Manpower (MOM), the National Trades Union Congress (NTUC) and the Singapore National Employers Federation (SNEF). Our corporate employees follow the guidelines to provide a safe working environment amongst the COVID-19 pandemic.

Wuxi Lippo Xi Nan Hospital adheres by its set of Clinical Governance Protocols ("**CGP**") to ensure robust clinical governance within the hospital. The Clinical Governance Protocols is guided by OUELH International Healthcare Standards, which is a framework that took reference from international healthcare standards such as Joint Commission International, for comprehensive patient safety and standard of care. The CGP comprise an extensive set of policies. standards of procedures and work instructions, communicated to all departments within the hospital on all work-related hazards and risks including incident identification, reporting, investigation, management, and resolution. Any potential risks or incidents are investigated, and preventive or mitigative safety measures are implemented. The CGP is reviewed biannually by a clinical workgroup consisting of hospital management and OUELH operations team to address new hazards or risks found.

OUELH employees are also provided with comprehensive insurance coverage for various types of treatments and accidents, as well as dental care. This allows our employees to take charge of their health and shows our commitment to promoting a healthy workforce. We also organise regular recreational activities outside of work to push for greater mental health wellness and team-bonding. In FY2022, we reported zero high-consequence work-related injuries or fatalities, and there were also

Number and Rate of Work-related Incidents

	Employees	Other Workers[3]
Number of injuries[4]	0	0
Number of high-consequence injuries	0	0
Injury rate (per million man-hours worked)	0	0
High-consequence injury rate (per million man-hours worked)	0	0
Man-hours worked	301,880	0

Number and Rate of Work-related Ill-health

	Employees	Other Workers[3]
Number of illness[5]	0	0
Illness rate (per million man-hours worked)	0	0
Man-hours worked	301,880	0

FY2022 performance against Targets

Health & Safety	
Targets	**FY2022 Performance**
Zero work-related injury and ill health recorded	There were zero cases of work-related injuries and ill-health
Zero incidents of non-compliance with regulations concerning health and safety	There were zero cases of non-compliance

[3] *We do not employ workers who are not employees due to the nature of our business.*

[4] *Injuries as defined by Ministry of Manpower, Singapore: Employees injured in a work accident or resulting in any one of the following: outpatient / hospitalisation leave, light duty, death*

[5] *Illness as defined by Ministry of Manpower, Singapore: Occupational diseases resulting from exposure to hazards at work*

zero incidents of work-related ill-health. There were zero incidents of non-compliance with health & safety regulations resulting in a fine, penalty or warning. OUELH is committed to ensure a safe and secure environment for our employees, customers, and stakeholders.

Local Communities (GRI 3-3, 413)

Hospitals and healthcare service providers play an important role in promoting sustainable development and improving the social and economic fabric of the locations that they operate in. OUELH contributes to the well-being of the society by providing quality healthcare services and education to the local communities.

Due to movement control measures in China for the entire year, community service events and activities were greatly reduced in FY2022. Wuxi Lippo Xi Nan Hospital has recorded a total of 2 community service events and activities, including providing community medical services, health education, health lectures on senile diseases, carrying out activities that address health needs of the elderly and the disabled in the community and providing regular door-to-door services. Through these activities, we have successfully reached out to 10 beneficiaries, and 100% of our community service events and activities relate to local community development programs based on local communities' needs.

In the following year, we will continue to invest and contribute to the health and well-being of the communities that we operate in.

FY2022 performance against Targets

Local Communities	
Targets	**FY2022 Performance**
Maintain more than 20 events of community service work	We did not meet our target for FY2022, as we only had 2 community service events in FY2022 The reason for not meeting this target was due to the movement controls measures put in place in China throughout FY2022

Sustainability REPORT

OUR GOVERNANCE

Corporate Governance and Compliance

Business Conduct (GRI 3-3, 205)
Robust corporate governance and responsible business conduct form the foundation for a successful business. OUELH is committed to uphold the values of responsibility, integrity, and respect for our society and the countries where we operate in. This helps to establish our credibility, transparency, and reputation as a healthcare service provider.

Our corporate policies and sustainability commitments are built upon strong ethical business principles, responsible conduct, and compliance. We have a comprehensive ethics and compliance framework in place that allows us to navigate through stringent regulatory expectations and sustain the trust and confidence from our stakeholders.

Our Code of Business Conduct and Ethics outlines the expectations, principles, and practices of employees and members of the Board on issues such as anti-corruption, fraud, bribery, segregation of duties and anti-competitive conduct among others. This is made available to employees upon the commencement of employment, and they are required to sign a Certificate of Compliance as an acknowledgement of their understanding and commitment to comply with the Code. Once signed, employees are expected to uphold the principles of integrity in their business dealings and to refrain from any fraudulent or dishonest conduct throughout their tenure. Throughout their employment, they can access the Code of Business Conduct and Ethics through secured internal portals. In 2022, we communicated our anti-corruption practices to 100% of our employees.

Compliance (GRI 3-3, 2-16, 2-25, 2-26, 2-27)
As a listed company on the Catalist Board of the SGX-ST, OUELH complies with the listing rules, alongside the increasingly stringent laws, regulations, and requirements of healthcare establishments to ensure the safety and well-being of our customers. It is essential that we are kept abreast of the changing regulatory landscape as the risks of non-compliance with the relevant laws and regulations may include disruptions to our operations, litigation, fines, reputational loss and revocation of our license to operate. With our operations spanning across different regions in Asia, we make sure that we prioritise compliance with all applicable laws and regulations.

To further ensure that non-compliance is efficiently mitigated, we encourage our employees to identify and report any misconduct or non-compliance to the Group Ethical Officer nominated by OUELH. OUELH refers to its whistle-blowing policy, whereby there are channels provided to reach the Group's Ethical Officer, for employees to raise concerns in good faith on misconduct or wrongdoings in a confidential manner, without fear of reprisals in any form. The channels include call by telephone, mail or via a dedicated email address at groupethicalofficer@ouelh.com. We take all complaints and concerns reported in good faith seriously and they are kept strictly confidential.

OUELH also has a grievance mechanism in place, whereby employees can raise concerns and seek remediation if they have been negatively impacted. This includes harassment, inappropriate behaviour, or if their rights have been compromised in any way. The procedure of the grievance mechanism is communicated through the Employee Handbook, which is also acknowledged by all employees.

All concerns and complaints received via the whistle-blowing channels or grievance mechanisms will undergo thorough investigations, supported by the senior management team and the Audit & Risk Committee. Relevant follow-up actions will be taken to resolve these incidents.

We hope to promote a safe and inclusive working space, whereby open discussions are supported without fear of retaliation.

In FY2022, we received zero number of grievance cases and zero number have been investigated and resolved. We also report zero confirmed incidents of corruption and non-compliance.

FY2022 performance against Targets

Corporate Governance and Compliance	
Targets	**FY2022 Performance**
Zero confirmed cases of corruption	There were zero cases of corruption
Zero confirmed incidents of non- compliance in both environmental and socioeconomic regulations, that would result in fines or non-monetary sanctions	There were zero cases of non-compliance

Customer Privacy (GRI 3-3, 418)
The privacy of our customers is our priority, as we hold sensitive and confidential information such as health data and personal details. We are committed to protect our customers' data, in order to ensure their assurance and security. With technological advancements, cyber-attacks are becoming more prevalent and complex. Data breaches are taken very seriously at OUELH, as they will result in very significant financial impact and reputational damage. It is imperative that we are adequately prepared for any potential attacks by adopting robust and comprehensive data protection and security policies and processes.

As part of the OUE Group, OUELH abides by the necessary Information Technology ("**IT**") policies, procedures and control environment of OUE Group to mitigate cyber security and data breaches risks. OUE's IT team is responsible for analysing cyber security risks and identifying any gaps in internal controls as well as implementing action plans to manage the risk. Key principles such as segregation of duties, the never alone principle and access control principle are upheld in our operations to maintain adequate internal control. IT has also adopted a Zero Trust architecture network defence framework with high availability logical network segregation and continuous network traffic monitoring and logging. Vulnerability Assessment and Penetration Testing (VAPT) is also performed by an external party annually. With more devices in the modern workplace than ever before, each being used for different tasks, ensuring the security of corporate data has become unprecedentedly complex. IT has deployed Mobile Device Management (MDM) enabling remote wiping of emails from any connected device, the enforcement of passcode requirements, and preventing access to emails and documents according to company policies. Additionally, IT has switched to Veeam for better encryption and immutable backup to further protect sensitive and confidential information from ransomware.

The comprehensive information security awareness training programme is provided annually to our employees and is extended to our vendors and contractors, if appropriate. The training programme covers topics on IT security policies, standards and procedures, individual responsibilities for IT security, measures needed to safeguard information, and relevant laws, regulations and guidelines on IT security. To educate our employees on sound cyber security practices, OUE has implemented a mandatory cyber security awareness employee training quiz, and disseminates regular cyber security awareness newsletters. OUE has also conducted a phishing simulation exercise at the OUE Group level. At the property level, CPCA Information Security conducts at least one training a year as part of an information security awareness programme.

We understand the importance of protection of personal data in the digital age. OUELH also adheres to the Personal Data Protection Act 2012 (the PDPA) and implements various measures to comply with the PDPA, as documented in the Personal Data Protection Compliance Manual (Manual) of the wider OUE Group. All our employees are contractually required to comply with the Manual and report any suspected data breach to the OUE Group Data Protection Officer.

In FY2022, we had zero incidents of data breaches with our comprehensive data protection measures in place.

FY2022 performance against Targets

Customer Privacy	
Targets	**FY2022 Performance**
Zero incidents of substantiated complaints	There were zero cases of data breaches and complaints

Sustainability REPORT

GRI Content Index

Statement of use	OUELH has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

Gri Standard/ Other Source	Disclosure	Location and Reasons for Omission (if applicable)
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	Board Statement, page 45 About OUE Lippo Healthcare Limited > Who We Are, page 46
	2-2 Entities included in the organisation's sustainability reporting	About This Report, pages 46-47
	2-3 Reporting period, frequency and contact point	About This Report, pages 46-47
	2-4 Restatements of information	There has been no restatement of figures or information disclosed in our previous report.
	2-5 External assurance	About This Report, pages 46-47
	2-6 Activities, value chain and other business relationships	About OUE Lippo Healthcare Limited > Who We Are, page 46
	2-7 Employees	Employee Engagement > Fair Employment Practices, pages 55-56
	2-8 Workers who are not employees	We do not employ workers who are not employees due to the nature of our business.
	2-9 Governance structure and composition	Sustainability at OUELH > Sustainability Governance, pages 47-48 Annual Report > Corporate Governance Section, pages 76-78
	2-10 Nomination and selection of the highest governance body	Annual Report > Corporate Governance Section, pages 80-83
	2-11 Chair of the highest governance body	Annual Report > Corporate Governance Section, page 76
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability at OUELH > Sustainability Governance, pages 47-48
	2-13 Delegation of responsibility for managing impacts	Sustainability at OUELH > Sustainability Governance, page 48
	2-14 Role of the highest governance body in sustainability reporting	Sustainability at OUELH > Sustainability Governance, page 48
	2-15 Conflicts of interest	Annual Report > Corporate Governance Section, page 72
	2-16 Communication of critical concerns	Our Governance > Business Conduct and Compliance > Compliance, page 64

Gri Standard/ Other Source	Disclosure	Location
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	Sustainability at OUELH > Sustainability Governance, pages 47-48
	2-18 Evaluation of the performance of the highest governance body	The Nominating and Remuneration Committee is responsible for conducting a formal appraisal process of the Board and enhance the overall effectiveness of the Directors. As the Board retains oversight of the organization's impacts on the economy, governance, and people, the evaluation implicitly includes review of performance in these areas.
	2-19 Remuneration policies	Annual Report > Corporate Governance Section, pages 84-87
	2-20 Process to determine remuneration	Annual Report > Corporate Governance Section, pages 84-87 While there is no voting by stakeholders on remuneration policies and proposals, payment of the Directors' fees is approved by our shareholders.
	2-21 Annual total compensation ratio	Not disclosed due to confidentiality constraints. Given that OUELH operates in a highly competitive business environment and considering the commercial sensitivity of remuneration information, we will not be reporting this information to ensure stability and continuity of our operations.
	2-22 Statement on sustainable development strategy	Board Statement, page 45
	2-23 Policy commitments	Disclosed throughout Sustainability Report 2022
	2-24 Embedding policy commitments	Disclosed throughout Sustainability Report 2022
	2-25 Processes to remediate negative impacts	Our Governance > Business Conduct and Compliance > Compliance, page 64
	2-26 Mechanisms for seeking advice and raising concerns	Our Governance > Business Conduct and Compliance > Compliance, page 64
	2-27 Compliance with laws and regulations	Our Governance > Business Conduct and Compliance > Compliance, pages 64-65
	2-28 Membership associations	OUELH does not hold a significant role in any industry association or advocacy organisation.
	2-29 Approach to stakeholder engagement	Sustainability at OUELH > Stakeholder Engagement, pages 49-50
	2-30 Collective bargaining agreements	Our People > Employee Engagement > Fair Employment Practices, page 55
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability at OUELH > Materiality Assessment, page 51
	3-2 List of material topics	Sustainability at OUELH > Materiality Assessment, pages 52-54

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Gri Standard/ Other Source	Disclosure	Location and Reasons for Omission (if applicable)
Sustainability Impact Driven By Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Economy > Sustainability Impact Driven By Economic Performance, page 54
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Our Economy > Sustainability Impact Driven By Economic Performance, page 54
Active Management of Operations		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Economy > Active Management of Operations, page 54
Corporate Governance and Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Governance > Corporate Governance and Compliance > Business Conduct, pages 64-65
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Our Governance > Corporate Governance and Compliance > Business Conduct, page 64-65
Employee Engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People, Employee Engagement > Fair Employment Practices, pages 55-61
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our People, Employee Engagement > Fair Employment Practices, page 59-60
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People, Employee Engagement > Fair Employment Practices, page 56
	401-3 Parental leave	Our People, Employee Engagement > Fair Employment Practices, page 59
Health and Safety – Occupational, customer & public		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Health & Safety – Occupational, customer & public, pages 62-63
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Our People > Health & Safety – Occupational, customer & public, page 62
	403-2 Hazard identification, risk assessment, and incident investigation	Our People > Health & Safety – Occupational, customer & public, page 62
	403-3 Occupational health services	Our People > Health & Safety – Occupational, customer & public, page 62

Gri Standard/ Other Source	Disclosure	Location and Reasons for Omission (if applicable)
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Our People > Health & Safety – Occupational, customer & public, page 62
	403-6 Promotion of worker health	Our People > Health & Safety – Occupational, customer & public, page 62
	403-9 Work-related injuries	Our People > Health & Safety – Occupational, customer & public, pages 62-63
	403-10 Work-related ill health	Our People > Health & Safety – Occupational, customer & public, pages 62-63
Employees Engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Employee Engagement > Training and Development, pages 55-61
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our People > Employee Engagement > Training and Development, page 61
	404-2 Programs for upgrading employee skills and transition assistance programs	Our People > Employee Engagement > Training and Development, pages 60-61
	404-3 Percentage of employees receiving regular performance and career development reviews	Our People > Employee Engagement > Training and Development, page 61
Diversity, Inclusion and Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Diversity, Inclusion and Non-discrimination, pages 61-62
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our People > Diversity, Inclusion and Non-discrimination, page 61 Our People > Employee Engagement > Staff mix and diversity, pages 56-58
Diversity, Inclusion and Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Diversity, Inclusion and Non-discrimination, pages 61-62
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Our People > Diversity, Inclusion and Non-discrimination, page 62

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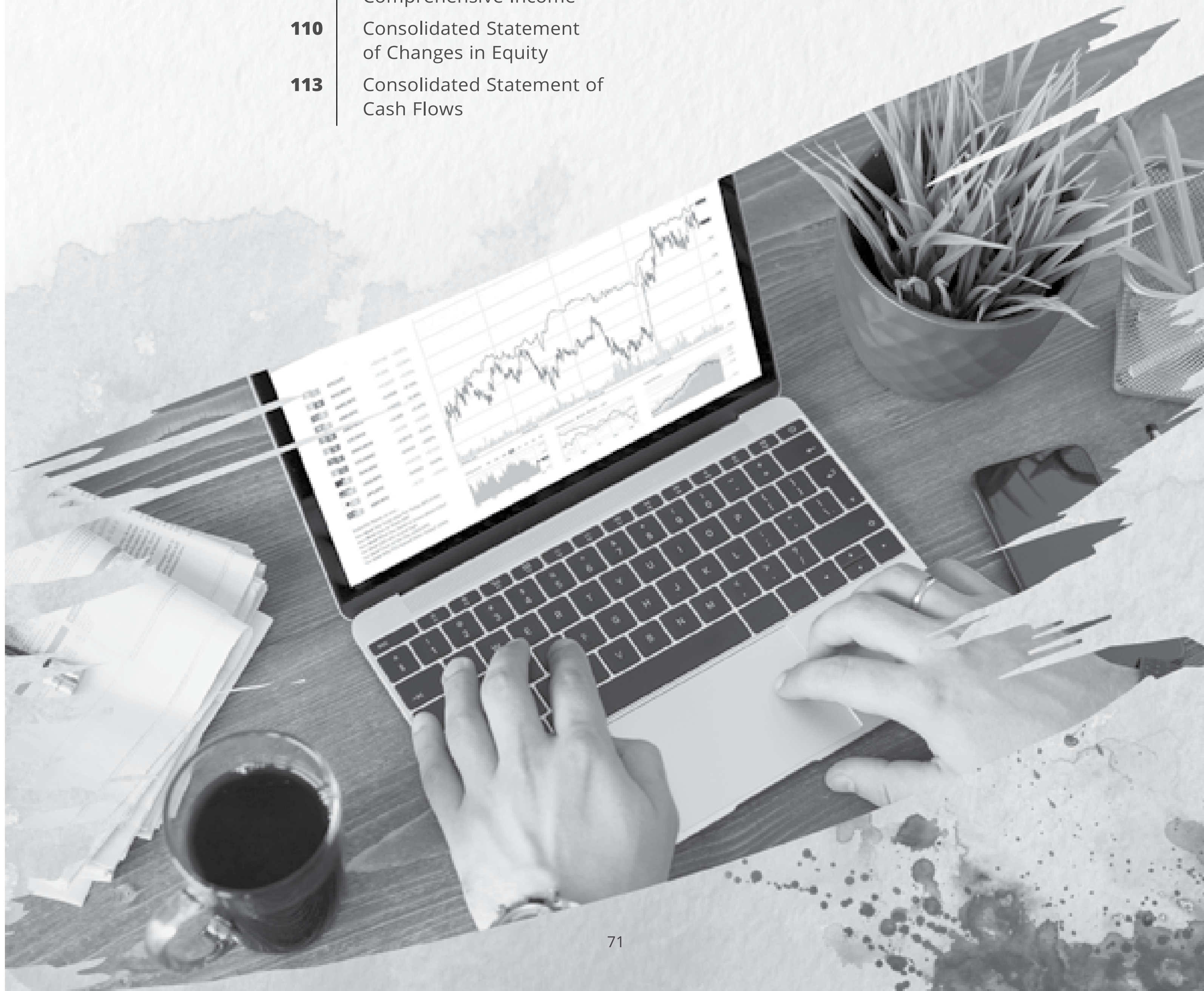
Gri Standard/ Other Source	Disclosure	Location and Reasons for Omission (if applicable)
Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Local Communities, page 63
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Our People > Local Communities, page 63
Health and Safety – Occupational, customer & public		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Health & Safety – Occupational, customer & public, pages 62-63
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Our People > Health & Safety – Occupational, customer & public, page 63
Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Governance > Customer Privacy, page 65
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Governance > Customer Privacy, page 65

Governance, Financial Statements
& OTHER INFORMATION



CORPORATE GOVERNANCE REPORT

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

This corporate governance report ("**Report**") describes the Company's corporate governance practices during the financial year ended 31 December 2022 ("**FY2022**"), with specific reference to the principles of the Singapore Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in January 2015.

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

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

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Primary Functions of the Board

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

The principal roles and responsibilities of the Board include:

- providing entrepreneurial leadership, setting strategic objectives and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;
- establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including the safeguarding of shareholders' interests and the Group's assets;
- reviewing the performance of the management of the Company ("**Management**");
- identifying key stakeholder groups and recognising that their perceptions affect the Company's reputation;
- setting the Company's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders (including creditors) are understood and met; and
- considering sustainability issues (including environmental and social factors) as part of the Company's overall strategy.

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

Board Orientation and Training (Provision 1.2 of the Code)

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

Newly appointed Directors will undergo an orientation session conducted by the Management to familiarise themselves with the business, operations and financial performance of the Group, and they will also be briefed on the Company's governance practices, including directors' duties, board processes, policies on disclosure of interest in securities, prohibition on dealings in the Company's securities and restrictions on disclosure of price-sensitive and trade-sensitive information. The new Director will also have access to a secured online resource centre containing information and documents relating to the Company including its constitutional documents, the terms of reference of the Board Committees, its relevant policies and procedures, as well as a Board and Board Committee meeting calendar for the year and minutes and meeting packs of all Board and Board Committee meetings in the past three (3) years. For a better understanding of the Group's business, the Directors are also given the opportunity to visit the operational facilities of the Group. Mr. Brian Riady and Mr. Tetsuya Fujimoto were appointed to the Board on 28 March 2022 and 1 April 2022 respectively, and they had both completed the orientation session within two (2) weeks from their respective dates of appointment.

In addition, as required under the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), a Director who has no prior experience as a director of a company listed on the SGX-ST must, in addition to the induction described above, undergo training as prescribed by the SGX-ST within one year from the date of his appointment to the Board, which includes attending certain specific modules of the Listed Entity Director ("**LED**") Programme conducted by the Singapore Institute of Directors ("**SID**") in order to acquire relevant knowledge of what is expected of a director of a listed company. Completion of the LED Programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, seeks to provide first-time Directors with a broad understanding of the roles and responsibilities of a director of a listed company and the requirements under the Companies Act 1967 of Singapore ("**Companies Act**"), the Catalist Rules and the Code. Mr. Brian Riady is not required to complete the LED Programme as he has prior experience as a director of a company listed on the SGX-ST. Mr. Tetsuya Fujimoto had completed all the requisite modules of the LED Programme by 22 July 2022.

Pursuant to Rule 720(6) of the Catalist Rules, all Directors have undergone training on sustainability matters as prescribed by the SGX-ST in FY2022, so as to equip themselves with essential knowledge on sustainability matters.

CORPORATE GOVERNANCE REPORT

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

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

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

In 2022, the Directors attended an in-house training session conducted by external speakers, which included the following topics:

1. case studies on recent developments and key topical issues in Singapore listed company's governance;
2. economic, trade and financial sanctions; and
3. geopolitical and macroeconomic update.

Board Approval (Provision 1.3 of the Code)

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

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

Delegation by the Board (Provision 1.4 of the Code)

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

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

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

The Board conducts scheduled meetings on a quarterly basis and ad-hoc meetings are convened whenever the need arises. The Board met four (4) times in 2022, which were held either by way of teleconference or video conference, or in the form of a hybrid meeting with physical attendance and teleconference or video conference.

CORPORATE GOVERNANCE REPORT

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

The report on Directors' attendance for Board and Board Committee meetings as well as general meetings (including Annual General Meeting) held in 2022 is set out below:

	Number of meetings attended in 2022			
Name of Director	**Board**	**ARC**	**NRC**	**General Meetings**
Mr. Lee Yi Shyan	4	-	1	2
Mr. Yet Kum Meng	4	-	-	2
Mr. Tadahiro Kiyosu (1)	1	-	1	1
Mr. Roger Tan Chade Phang	4	5	1	2
Mr. Eric Sho Kian Hin	4	5	1	2
Mr. Jackson Tay Eng Kiat	4	5	1	2
Ms. Usha Ranee Chandradas	4	5	-	2
Mr. Brian Riady (2)	3	-	-	1
Mr. Tetsuya Fujimoto (3)	3	-	-	1
Number of meetings held in 2022	4	5	1	2

Notes:

(1) Mr. Tadahiro Kiyosu resigned from the Board with effect from 1 April 2022. Between 1 January 2022 and 31 March 2022, one (1) Board meeting and one (1) NRC meeting were held. Mr. Tadahiro Kiyosu did not attend the Annual General Meeting for the financial year ending 31 December 2021 as it was held on 27 April 2022 after his effective date of resignation.

(2) Mr. Brian Riady was appointed to the Board with effect from 28 March 2022. Between 28 March 2022 and 31 December 2022, three (3) Board meetings were held. Mr. Brian Riady did not attend the Extraordinary General Meeting on 28 January 2022 as it was held before his effective date of appointment.

(3) Mr. Tetsuya Fujimoto was appointed to the Board with effect from 1 April 2022. Between 1 April 2022 and 31 December 2022, three (3) Board meetings were held. Mr. Tetsuya Fujimoto did not attend the Extraordinary General Meeting on 28 January 2022 as it was held before his effective date of appointment.

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

The appointment and removal of the Company Secretary is a matter for the Board to decide on as a whole.

Principle 2: Board Composition and Guidance

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

The Board currently has eight (8) Directors, comprising seven (7) Non-Executive Directors. As the majority of the Board currently comprises Non-Executive Directors, the provision in the Code that Non-Executive Directors shall make up a majority of the Board is satisfied.

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

In reviewing the independence of a director, the NRC takes into consideration, in particular, the Director's objective participation in the Board meetings and whether he has any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere or be reasonably perceived to interfere with his independent judgement. Out of the seven (7) Non-Executive Directors, the NRC considers Mr. Roger Tan Chade Phang, Mr. Eric Sho Kian Hin, Mr. Jackson Tay Eng Kiat and Ms. Usha Ranee Chandradas to be independent and free from any material or financial connection with the Company. As the Independent Directors comprise at least one-third the Board, Rule 406(3)(c) of the Catalist Rules is satisfied. Although the provision of the Code that Independent Directors shall make up a majority of the Board where the Chairman is not an Independent Director is not satisfied, the Independent Directors comprise 50% of the Board and the Board has a Lead Independent Director, Mr. Roger Tan Chade Phang, to provide leadership in situations where the Chairman is conflicted.

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

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

The Board currently comprises the following Directors:

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

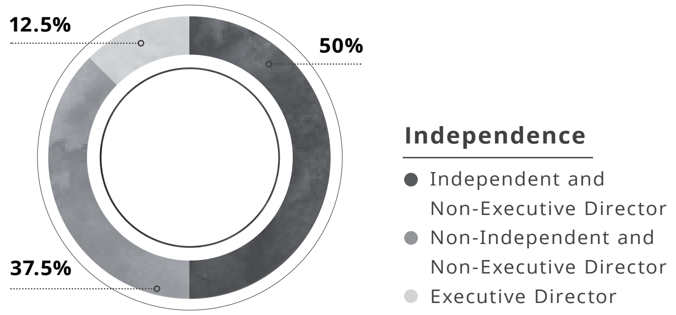
CORPORATE GOVERNANCE REPORT

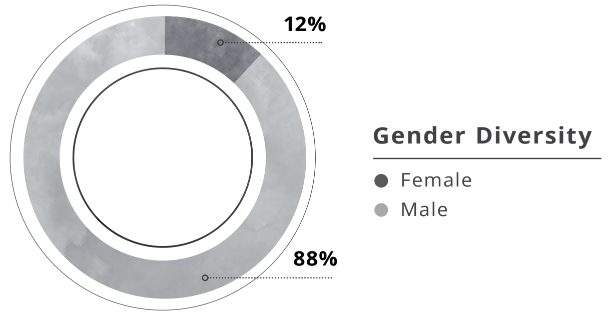
As required under the Code and based on the recommendation of the NRC, the Board has approved the adoption of a board diversity policy (the "**Board Diversity Policy**") which takes into account relevant measurable objectives such as skills, management experience, gender, age, ethnicity and other relevant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

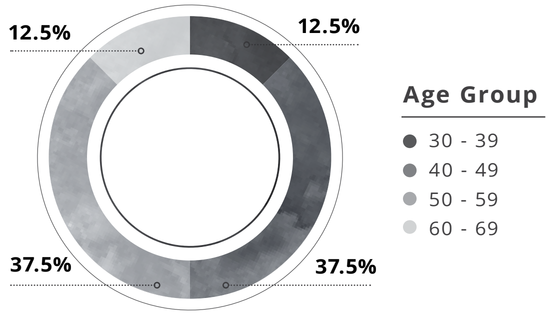
The Board, through the NRC, from time to time and at least on a yearly basis, examines its structure, size and diversity to ensure that the Directors, as a group, provide the appropriate balance and mix of skills, knowledge and experience for effective decision making, taking into account the scope and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

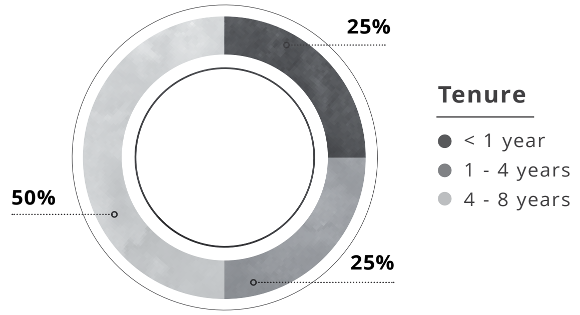
In March and April 2022, the Board welcomed Mr. Brian Riady and Mr. Tetsuya Fujimoto as its newest members. The Board comprises Directors with ages ranging from early 30s to 60s and who have served on the Board for different tenures. Please see below for further details on the board composition and diversity. The "Board Composition, Diversity and Balance Matrix" set out below provides a detailed breakdown of the experience, background and diversity of the Board.

Board Composition, Diversity and Balance Matrix
(as at 31 December 2022)









CORPORATE GOVERNANCE REPORT

Moving forward, the Company aims to have at least 25% of its Board to be consisted of female directors. This would allow for a more significant female representation on the Board, and the Company targets to achieve this in the course of its Board's succession and renewal process by no later than 2030, by ensuring that females are included for consideration when identifying suitable candidates for new appointment to the Board.

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

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

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

Key information on the Directors' particulars and background can be found on pages 20 to 24 of the Annual Report.

Board Skills Matrix Highlights by each Directors	
	Ratio (out of 8 Directors) (as at 31 December 2022)
Essential Technical Skills & Competencies	
Financial	*8 (100 %)*
Legal	*8 (100 %)*
Governance	*8 (100 %)*
Experience-based competencies	
Audit experience	*8 (100 %)*
Business / Commercial	*8 (100 %)*
Business Growth	*7 (88 %)*
Executive Management	*8 (100 %)*
International and Pan-Asian business experience	*8 (100 %)*
Listed company environment	*8 (100 %)*
Mergers & acquisitions	*8 (100 %)*
Project Management	*7 (88 %)*
Healthcare Management	*7 (88 %)*
Risk and Compliance	*8 (100 %)*
Stakeholder Communication	*8 (100 %)*
Strategy and planning	*8 (100 %)*

CORPORATE GOVERNANCE REPORT

NEDs' Participation (Provision 2.5 of the Code)

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

Principle 3: Chairman and Chief Executive Officer

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

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

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

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

The Board has delegated the management of the overall business and development of the Group to the CEO, who executes plans which are in line with the strategic decisions and goals set out by the Board, and ensures that the Directors are kept updated and informed of the Group's businesses.

Lead Independent Director (Provision 3.3 of the Code)

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

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

Principle 4: Board membership

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

The NRC currently comprises Mr. Roger Tan Chade Phang (who is the Lead Independent Director), Mr. Lee Yi Shyan, Mr. Tetsuya Fujimoto, Mr. Eric Sho Kian Hin and Mr. Jackson Tay Eng Kiat. More than half of the members of the NRC, including the chairman of NRC, Mr. Roger Tan Chade Phang, are independent. The NRC has written terms of reference that describe the responsibilities of its members. The NRC met once in 2022.

CORPORATE GOVERNANCE REPORT

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

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

For the FY2022 under review, the NRC reviewed all cessation (including retirement) and appointment of Directors and KMP by the Board during the year and nomination of Directors seeking re-appointment at the last Annual General Meeting ("**AGM**") of the Company. As part of its annual assessment, the NRC also reviewed the composition of the Board, the performance of the Board, Board Committees and individual Directors, multiple board representations and independence of each Director.

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

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

(i) in carrying out its review, the NRC takes into account that the Board composition should reflect balance in matters such as skill representation, tenure, experience, age spread and diversity as set out in the Board Diversity Policy;
(ii) the NRC identifies suitable candidates for appointment to the Board, having regard to the skills required and the skills represented on the Board;
(iii) external consultants may be used from time to time to access a wide base of potential non-executive directors;
(iv) those who are considered are assessed against a range of criteria including the candidate's track record, background, experience, professional skills, financial literacy, core competencies and personal qualities;
(v) the NRC and the Board also consider whether a candidate's skills and experience will complement the existing Board and whether the candidate has sufficient time available to commit to his responsibility as a director; and
(vi) the NRC makes recommendations to the Board on candidates it considers appropriate for appointment.

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

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

All Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Under Regulation 115 of the Constitution, any person appointed to the Board by the Directors shall hold office only until the next AGM of the Company, and shall then be eligible for re-appointment, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Under Regulation 111 of the Constitution, at least one third of the Board shall retire by rotation and subject themselves to re-appointment by shareholders at every AGM. Accordingly, the NRC has determined that Mr. Yet Kum Meng, Mr. Roger Tan Chade Phang and Mr. Jackson Tay Eng Kiat will retire at the forthcoming AGM. They will subject themselves to re-appointment by shareholders at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

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

The Board does not appoint alternate directors.

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

Each Independent Director submits an annual declaration regarding his independence. Of the seven (7) Non-Executive Directors, the NRC considers Mr. Roger Tan Chade Phang, Mr. Eric Sho Kian Hin, Mr. Jackson Tay Eng Kiat and Ms. Usha Ranee Chandradas to be independent. Based on the annual declarations, which includes disclosures of the Independent Director's relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect his independence, the NRC is satisfied that there is no relationship as set forth in the Catalist Rules and the Code (including the accompanying Practice Guidance) which could affect the independence of each of the existing Independent Directors. Each Independent Director has abstained from the deliberation of his or her own independence.

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

Key information on the current Directors, including their dates of appointment, re-appointment and directorships in other listed companies and their principal commitments can be found on pages 20 to 24 of this Annual Report.

				Directorship in other Listed Companies	
Name of Directors	**Position**	**Date of Appointment**	**Date of Re-appointment**	**Present (as at 31 March 2023)**	**For the Past 3 Years (since 1 January 2020)**
Mr. Lee Yi Shyan	Non-Independent and Non-Executive Chairman	17/07/2017	27/04/2022	OUE Commercial REIT Management Pte. Ltd. (the REIT manager of OUE Commercial Real Estate Investment Trust);	OUE Hospitality REIT Management Pte. Ltd. (the REIT manager)
Mr. Brian Riady	Non-Independent and Non-Executive Director	28/03/2022	27/04/2022	OUE Limited; OUE Commercial REIT Management Pte. Ltd. (the manager of OUE Commercial Real Estate Investment Trust); Hongkong Chinese Limited (listed on The Stock Exchange of Hong Kong Limited); Lippo China Resources Limited (listed on The Stock Exchange of Hong Kong Limited); Lippo Limited (listed on The Stock Exchange of Hong Kong Limited)	-
Mr. Tetsuya Fujimoto	Non-Independent and Non-Executive Director	01/04/2022	27/04/2022	-	-
Mr. Yet Kum Meng	Chief Executive Officer and Executive Director	28/02/2019	29/04/2021	-	-

CORPORATE GOVERNANCE REPORT

				Directorship in other Listed Companies	
Name of Directors	**Position**	**Date of Appointment**	**Date of Re-appointment**	**Present (as at 31 March 2023)**	**For the Past 3 Years (since 1 January 2020)**
Mr. Roger Tan Chade Phang	Lead Independent and Non-Executive Director	23/01/2017	29/04/2021	Luminor Financial Holdings Ltd; Y Ventures Group	Dapai International Limited; Transcorp Holdings Limited; TBK & Sons Holdings Limited; Camsing Healthcare Limited; TIH Limited; Revez Corporation Ltd
Mr. Eric Sho Kian Hin	Independent and Non-Executive Director	23/01/2017	29/04/2021	Choo Chiang Holding Ltd; Versalink Holdings Limited; Sim Leisure Group Ltd; Quantum Healthcare Limited	QT Vascular Ltd
Mr. Jackson Tay Eng Kiat	Independent and Non-Executive Director	23/01/2017	29/04/2021	Sapphire Corporation Limited	Sim Leisure Group Ltd
Ms. Usha Ranee Chandradas	Independent and Non-Executive Director	15/11/2021	27/04/2022	OUE Commercial REIT Management Pte. Ltd. (the REIT manager of OUE Commercial Real Estate Investment Trust);	-

Excluding their directorships in the Company, the number of listed company board representations currently held by each Non-Executive Director does not exceed five (5).

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

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

CORPORATE GOVERNANCE REPORT

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

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

Principle 5: Board performance

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

Based on the NRC's and Board's assessment and review, the performance of the Board as a whole is satisfactory, the Board Committees operate effectively and the Chairman and each Director is contributing to the overall effectiveness of the Board. Accordingly, the Board has met its performance objectives. No external facilitator was used in the evaluation process for the FY2022 under review.

REMUNERATION MATTERS

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

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

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

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

The composition of the NRC can be found on page 79 of the Annual Report. As recommended in the accompanying Practice Guidance of the Code, the NRC comprises all Non-Executive Directors with the majority (including the Chairman) being Independent Directors. The NRC considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, options, benefits-in-kind, short-term incentives like bonuses and termination terms, to ensure they are fair. The recommendations are submitted to the Board for endorsement. The remuneration policies of the Company are structured to attract and retain highly qualified persons, and also take into consideration the Company's overall goal to ensure value creation and the long-term sustainability and success of the Company. No Director is involved in deciding his own remuneration.

For FY2022, the NRC had reviewed the annual compensation framework and the total remuneration packages for the Directors and KMP, the disclosure of remuneration of the KMP for the purposes of the annual report and payment of the Directors' fees for shareholders' approval.

The NRC is entitled to obtain any external professional advice on matters relating to remuneration whenever such need arises at the expense of the Company. For the FY2022 under review, the Company has engaged an independent consultant, Management Resources Consultants (S) Pte. Ltd., to review the remuneration of KMP.

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

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

The NRC has reviewed the total remuneration package of the KMP including the variable component for the FY2022 under review and is satisfied that it is appropriate taking into account the KMP's performance, the Group's performance, business units' performance and industry practices.

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

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

Disclosure on the Remuneration of Directors, CEO and KMP for FY2022 (Provisions 8.1, 8.2 and 8.3 of the Code)

(a) A breakdown (in percentage terms) showing the level and mix of the remuneration of each Non-Executive Director and the CEO (who is also an Executive Director) payable for FY2022 (including payment made by its subsidiaries, if any):

Name of Director	Salary (%)	Bonuses (%)	Directors' Fees (%)	Others (%)	Total/ Remuneration (%)
S$250,000 or below					
Mr. Lee Yi Shyan	-	-	100	-	100
Mr. Tadahiro Kiyosu (2)	-	-	100	-	100
Mr. Roger Tan Chade Phang	-	-	100	-	100
Mr. Eric Sho Kian Hin	-	-	100	-	100
Mr. Jackson Tay Eng Kiat	-	-	100	-	100
Ms. Usha Ranee Chandradas	-	-	100	-	100
Mr. Brian Riady (3)	-	-	-	-	-
Mr. Tetsuya Fujimoto (4)	-	-	-	-	-
S$750,001 – S$1,000,000					
Mr. Yet Kum Meng	51	44	- (1)	5	100

Note:

(1) Director's fee of Mr. Yet Kum Meng for FY2022 was waived.
(2) Mr. Tadahiro Kiyosu resigned from the Board with effect from 1 April 2022.
(3) Mr. Brian Riady was appointed to the Board with effect from 28 March 2022.
(4) Mr. Tetsuya Fujimoto was appointed to the Board and as a member of the NRC with effect from 1 April 2022.

CORPORATE GOVERNANCE REPORT

(b) A breakdown of the Directors' fees payable to each Director for FY2022 is shown below:

Name of Director	Directors' Fees (S$) (1)
Mr. Lee Yi Shyan	112,500 (2)
Mr. Brian Riady	38,219.18 (3)
Mr. Tadahiro Kiyosu	15,582.19 (4)
Mr. Tetsuya Fujimoto	47,089.04 (5)
Mr. Yet Kum Meng	Nil (6)
Mr. Roger Tan Chade Phang	126,250 (7)
Mr. Eric Sho Kian Hin	118,750 (8)
Mr. Jackson Tay Eng Kiat	81,250 (9)
Ms. Usha Ranee Chandradas	68,750 (10)

Note:

(1) The framework for determining the Directors' Fees in FY2022 is as follows: (i) S$50,000 for acting as the Chairman of the Board; (ii) S$50,000 for acting as a member of the Board; (iii) S$20,000 for acting as the Lead Independent Director; (iv) S$37,500 for acting as the Chairman of the ARC; (v) S$18,750 for acting as a member of the ARC; (vi) S$25,000 for acting as the Chairman of the NRC; and (vii) S$12,500 for acting as a member of the NRC.

(2) The fees payable to Mr. Lee Yi Shyan comprise S$50,000 for acting as the Chairman of the Board, S$50,000 for being member of the Board and S$12,500 for being member of the NRC.

(3) The fees payable to Mr. Brian Riady comprise S$38,219.18 for being member of the Board as Mr. Brian Riady was appointed to the Board with effect from 28 March 2022.

(4) The fees payable to Mr. Tadahiro Kiyosu comprise S$12,465.75 for being member of the Board and S$3,116.44 for being member of the NRC as Mr. Tadahiro Kiyosu resigned from the Board with effect from 1 April 2022.

(5) The fees payable to Mr. Tetsuya Fujimoto comprise S$37,671.23 for being member of the Board and S$9,417.81 for being member of the NRC as Mr. Tetsuya Fujimoto was appointed to the Board with effect from 1 April 2022.

(6) Director's fee payable to Mr. Yet Kum Meng for FY2022 was waived.

(7) The fees payable to Mr. Roger Tan Chade Phang comprise S$50,000 for being member of the Board, S$20,000 for being the Lead Independent Director, S$18,750 for being member of the ARC, S$25,000 for being the Chairman of the NRC and S$12,500 for being member of the NRC.

(8) The fees payable to Mr. Eric Sho Kian Hin comprise S$50,000 for being member of the Board, S$37,500 for being the Chairman of the ARC, S$18,750 for being member of the ARC and S$12,500 for being member of the NRC.

(9) The fees payable to Mr. Jackson Tay Eng Kiat comprise S$50,000 for being member of the Board, S$18,750 for being member of the ARC and S$12,500 for being member of the NRC.

(10) The fees payable to Ms. Usha Ranee Chandradas comprise S$50,000 for being member of the Board and S$18,750 for being member of the ARC.

The total proposed payment of Directors' fees for FY2022 will be subject to the approval of shareholders of the Company at its forthcoming AGM.

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

Remuneration for FY2022	Number of Directors (as at 31 December 2022)	Number of KMP (1) (who are not also Directors or the CEO) (as at 31 December 2022)
S$250,000 or below	7	-
S$750,001 – S$1,000,000	1	-
Total	8	0

Note:

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

CORPORATE GOVERNANCE REPORT

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

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

The Code also recommends companies to provide full disclosure of the name and remuneration (with breakdown) of the top five (5) KMP (who are not Directors or the CEO) within bands of S$250,000 and in aggregate the total remuneration paid to such KMP. The Company takes the view that save for the CEO (who is also an Executive Director), there were no other KMP in the Group during FY2022, as only the CEO (who is also an Executive Director) has the authority and responsibility for planning, directing and controlling the activities of the Company. Accordingly, there is no disclosure of the aggregate total remuneration paid to the top five (5) KMP (who are not Directors or the CEO).

There are no employees who are substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during FY2022.

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

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

Oversight of Risk Management (Provision 9.1 of the Code)

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

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

CORPORATE GOVERNANCE REPORT

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

Management's Assurance (Provision 9.2 of the Code)

The Board has received assurance from the CEO and the Group Finance Director (the position of Chief Financial Officer ("**CFO**") is currently vacant) that (a) the financial records have been properly maintained and the financial statements for FY2022 gave a true and fair view of the Group's operations and finances, and (b) the Group's risk management and internal control systems are adequate and effective in identifying and addressing the material risks faced by the Group in its current business environment including financial, operational, compliance and information technology risks. This assurance covers the Company and subsidiaries which are under the Company's management control.

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

Based on the respective work done by the internal audit function and the external auditors as well as the Company's enterprise risk management framework, the assurance given by the CEO and the Group Finance Director (the position of CFO is currently vacant), as well as the ARC's review of the effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems which the Group considers relevant and material to its operations, the Board, with the concurrence of the ARC, is of the opinion that the Group's systems of internal controls and risk management are adequate and effective as at 31 December 2022.

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

Principle 10: Audit Committee

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

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

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

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

CORPORATE GOVERNANCE REPORT

The key terms of reference of the ARC which set out the duties of the ARC are, amongst others, as follows:

- to review the adequacy, scope and performance/results of the external audit, its cost effectiveness, and the independence and objectivity of the external auditors;
- to review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- to review at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems, including financial, operational, compliance and information technology controls;
- to review the assurance from the CEO and the CFO (or Group Finance Director if the position of CFO is vacant) on the financial records and financial statements;
- to review the Company's policy and arrangements regarding possible improprieties in financial reporting or other matters to be safely raised by the employees of the Group and any other persons, and to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action;
- to review the effectiveness of the Group's internal audit and control functions, and the hiring, removal, evaluation and compensation of the Group's internal audit and control functions;
- to review interested party transactions;
- to make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority; and
- to review the remuneration and terms of engagement of the external auditors.

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

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

The ARC conducts scheduled meetings on a quarterly basis and ad-hoc meetings are convened as and when the need arises. The ARC met five (5) times in 2022. The quarterly and full year financial statements of the Group and the Company were reviewed by the ARC during the quarterly meetings, prior to their submission to the Board for approval and adoption. In their review of the financial statements for FY2022, the ARC has discussed with both the Management and the external auditors the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements.

For the FY2022 under review, the ARC met with the external auditors and internal audit staff to review the annual audit plans and the results of the audits performed by them. The ARC also examined the adequacy and effectiveness of the Company's internal controls with the assistance of the internal audit team and the external auditors. The ARC further assessed the independence and objectivity of the external auditors and the non-audit services rendered by the external auditors.

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

The scope of the internal audit is:

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

CORPORATE GOVERNANCE REPORT

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

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

Meeting with Auditors (Provision 10.5 of the Code)

The ARC has met with the external auditors i.e. Messrs KPMG LLP and the internal audit team without the presence of the Management for the FY2022 under review. The external auditors have also presented to the ARC relevant updates relating to any change of accounting standards which have a direct impact on financial statements before an audit commences.

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

The amount of fees paid to the external auditors i.e. Messrs KPMG LLP in FY2022 was S$172,000 for non-audit services (including audit-related services) and S$1,186,000 for audit services. The details of the remuneration of all the auditors of the Company during FY2022 are as follows:

	S$000
Audit services	
– Auditors of the Company	1,033
– Member firms of the auditors of the Company	153
– Other auditors	261
Non-audit services	
– Auditors of the Company	172
– Other auditors	225

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

Save for six (6) Singapore-incorporated subsidiaries which are not principal subsidiaries and are audited by Foo Kon Tan LLP., all the Company's subsidiaries are audited by Messrs KPMG LLP. Messrs KPMG LLP is an auditing firm approved under the Accountants Act 2004 and Ms. Ong Li Qin, being the audit partner-in-charge assigned to the audit, is a public accountant under the same Act. The Board and ARC are satisfied that the appointment of different external auditors would not compromise the standard and effectiveness of the audit of the Company. The Company is in compliance with Rule 712 and Rule 716 of the Catalist Rules in relation to its external auditors.

Accordingly, the ARC, with the concurrence of the Board, has recommended the nomination of the external auditors, Messrs KPMG LLP, for re-appointment at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

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

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

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

SHAREHOLDERS RIGHTS AND ENGAGEMENT, MANAGING STAKEHOLDERS RELATIONSHIPS

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

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

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

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

The Company strongly encourages and supports shareholder participation at general meetings. The Company holds its general meetings at central locations in Singapore with convenient access to public transportation or in the case of virtual-only general meetings, utilises real-time electronic communication to accord shareholders with the same full rights of participation as physical general meetings. Under the Constitution and pursuant to the Companies Act, the Central Provident Fund Board and relevant intermediaries may appoint more than two (2) proxies to attend and vote on their behalf. A registered shareholder who is not a relevant intermediary may appoint up to two (2) proxies. There are separate resolutions at general meetings on each substantially separate issue with the necessary information provided on each resolution so as to enable shareholders to exercise their vote on an informed basis. At the AGM, shareholders will be given the opportunity and time to air their views and ask the Directors or the Management questions regarding the Company. The respective Chairman of the ARC and NRC, the Directors, as well as the external auditors will be present and on hand to address issues raised at the AGM.

CORPORATE GOVERNANCE REPORT

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

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

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

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

Shareholders' Meetings held in 2022

In view of the COVID-19 pandemic, the Company's last AGM held on 27 April 2022 ("**2022 AGM**") was conducted by way of electronic means in accordance with the COVID-19 Order and guidelines or directives issued by government agencies or regulatory authorities relating to the conduct of meetings. Shareholders participated in the 2022 AGM via live audio-visual webcast or live audio-only stream and appointed the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2022 AGM. Shareholders were invited to submit questions related to the resolutions to be tabled for approval at the 2022 AGM to the Chairman of the meeting, in advance of the 2022 AGM. The same arrangement was adopted for the extraordinary general meeting of the Company held on 28 January 2022 ("**2022 EGM**"). Shareholders were also allowed to deposit their proxy forms and submit the questions in advance by post and by electronic mail. All Directors, including the Chairman of the ARC, the Chairman of the NRC, as well as the external auditors also attended the 2022 AGM and 2022 EGM by way of a live audio-visual webcast. The minutes of 2022 AGM and 2022 EGM were published on the Company's corporate website and SGXNET within one (1) month after the date of the 2022 AGM and 2022 EGM.

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

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

Taking into account the Company's financial performance in FY2022 and the need for the Company to deploy resources for the development and growth of the Group's business, no dividend was recommended or declared for FY2022. The Company's decision not to declare a dividend and its reasons for not doing so were announced when the Company released its financial statements for FY2022 on 27 February 2023.

CORPORATE GOVERNANCE REPORT

Communication with shareholders (Provision 12.1 of the Code)

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

The Board has adopted half-yearly announcement of its financial results since the financial year ended 31 December 2020 pursuant to Rule 705(3)(b)(ii) of the Catalist Rules.

In addition, the Company has sponsored Securities Investors Association Singapore ("**SIAS**") Associate membership to our shareholders in 2022. As a SIAS Associate member, the Company's shareholders will be notified of all the activities of SIAS as well as attend most of SIAS' investor educational programmes for free. In addition, the shareholders would be able to access "members only" events, which will aid them in understanding the investing landscape in Singapore.

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

The Company maintains an investor relations policy that ensures fair and open communication with its shareholders and other stakeholders. For example, shareholders may submit questions via an enquiry form on the Company's corporate website and such questions will be directed to the Company's Investor Relations department and attended to within five (5) working days. The contact details of the Company's Investor Relations department are also available on the Company's corporate website. Further, the Investor Relations department maintains regular dialogues with and solicits views from the investment community through organising group or individual meetings with investors, investor conferences and/or non-deal investor roadshows. Such roadshows are attended by the Management, including the CEO.

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

The Company understands the importance of maintaining regular engagement with its stakeholders (including creditors) and its stakeholders engagement approach is set out in its Sustainability Report, which can be found in pages 49 to 50 in this Annual Report. Stakeholders who have any questions regarding the Group may submit questions via an enquiry form on the Company's corporate website or contact info@ouelh.com.

DEALING IN SECURITIES (CATALIST RULES 1204(19))

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

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

CORPORATE GOVERNANCE REPORT

Pre- and Post-Dealing Procedures

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

Handling, Protection and Disclosure of Confidential Information

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

In relation to the retention of documents, the Company has in place a Data Retention Policy which specified the retention periods, procedures for the proper retention and destruction of documents which no longer serve any legal or business purposes.

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

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirmed that except as disclosed in the paragraph on interested person transactions below, and the sections entitled "Directors' Statement" and "Notes to the Financial Statements" of this Annual Report, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of any Director or controlling shareholder of the Company, either still subsisting at the end of FY2022 or if not then subsisting, which were entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS (CATALIST RULE 1204(17))

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

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

CORPORATE GOVERNANCE REPORT

The interested person transactions entered into by the Group during FY2022 are set out below:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the FY2022 under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Browny Healthcare Pte. Ltd. ("**Browny**"), ITOCHU Singapore Pte Ltd ("**ITOCHU SG**") and ITOCHU Corporation ("**ITOCHU Corp**")	Browny is a controlling shareholder of the Company and is a subsidiary of ITOCHU SG. ITOCHU SG is in turn wholly-owned by ITOCHU Corp.	S$579,536 [(1)]	-
OUELH (SEA) Pte. Ltd. and TI Echo Pte. Ltd.	OUELH (SEA) Pte. Ltd. is a subsidiary of the Company and TI Echo Pte. Ltd. is an associate of OUE Limited, which is a controlling shareholder of the Company.	S$16,800,000 [(2)]	-
The Company and OUE Commercial Real Estate Investment Trust ("**OUE C-REIT**")	OUE C-REIT is a related entity of the Company, being a fellow subsidiary under OUE Limited.	S$876,200 [(3)]	

Notes:

(1) Pursuant to a secondment agreement entered into by the Company with Browny, ITOCHU SG and ITOCHU Corp dated 15 February 2018 (as supplemented by way of a supplemental letter dated 21 March 2021), pursuant to which Browny, ITOCHU SG and/or ITOCHU Corp have the right to second up to two (2) employees to the Company. Pursuant to the secondment agreement and related documentation, the Company is obliged to make remuneration-related payments either directly to the seconded employees and/or in the form of secondment fees payable to ITOCHU SG. In total, the sum of the payments made by the Company pursuant to these secondment arrangements in FY2022 is S$579,536.

(2) On 23 May 2022, the Company announced the establishment 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 are known as the "**Medical Partners**". The OUE JV is a 60:40 joint venture between the Company and OUE Limited. 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 (2) leading respiratory specialist practices and an established cardiothoracic surgical practice.

(3) On 1 December 2022, the Company accepted a letter of offer for a lease agreement with OUE C-REIT in respect of 6 Shenton Way, OUE Downtown 2, #10-10 Singapore 068809, being the premises for the Company's new office space with effect from 1 January 2023. The estimated rent for the term of three (3) years is S$876,200.

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

In FY2022, no non-sponsor fee was paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2022.

In our opinion:

(a) the financial statements set out on pages 107 to 223 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

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

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

Directors

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

Lee Yi Shyan	
Brian Riady	(Appointed on 28 March 2022)
Yet Kum Meng	
Tadahiro Kiyosu	(Resigned on 1 April 2022)
Roger Tan Chade Phang	
Eric Sho Kian Hin	
Jackson Tay Eng Kiat	
Usha Ranee Chandradas	
Tetsuya Fujimoto	(Appointed on 1 April 2022)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), no director who held office at the end of the financial year (including those held by their spouse and infant children) had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in the interests in the Company between the end of the financial year and 21 January 2023.

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

DIRECTORS' STATEMENT

Share options

During the financial year, there were:

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

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

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

Audit and Risk Committee

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

Eric Sho Kian Hin (Chairman), Independent Director
Roger Tan Chade Phang, Lead Independent Director
Jackson Tay Eng Kiat, Independent Director
Usha Ranee Chandradas, Independent Director

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

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

The Audit and Risk Committee also reviewed the following:

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

DIRECTORS' STATEMENT

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

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

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

Auditors

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

On behalf of the Board of Directors

Lee Yi Shyan
Director

Yet Kum Meng
Director

28 March 2023

INDEPENDENT AUDITORS' REPORT

Members of the Company
OUE Lippo Healthcare Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of OUE Lippo Healthcare Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 107 to 223.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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

Risk

As at 31 December 2022, the Group has a portfolio of investment properties in Singapore, Indonesia and Japan, and investment properties under development in the People's Republic of China ("PRC") and Malaysia, with a total carrying value of $1,197.6 million. Investment properties and investment properties under development represent the most significant asset item on the statements of financial position.

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

In addition to the above, for investment properties under development – Wuxi land with carrying value of $13.3 million (2021: $16.3 million), the estimated total construction cost, market comparable used, and any changes to the proposed development plans may also impact the valuation significantly.

INDEPENDENT AUDITORS' REPORT

Members of the Company
OUE Lippo Healthcare Limited

For investment properties under development – Kuala Lumpur land, with carrying value of $39.0 million (2021: $41.4 million), the directors and management continued to apply the "forced sale value" determined by valuer as fair value as at 31 December 2022, after taking into consideration the economic conditions, market expectations and property market outlook in Malaysia.

Our response

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

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

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

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

Our findings

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
OUE Lippo Healthcare Limited

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

Risk

The Group has significant investments in joint ventures as at 31 December 2022. The Group assessed that impairment indicator(s) exists for the following investments and performed an impairment assessment by estimating the recoverable amount for each of these investment:

- Yoma OUE Pun Hlaing Limited and Pun Hlaing International Hospital Limited (collectively known as "Myanmar Group")
- Riviera Quad International Limited ("Riviera Quad"); and
- China Merchant Lippo Hospital Management (Shenzhen) Limited ("CMJV")

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

For Myanmar Group, the recoverable amount was calculated to be below the carrying value of the joint venture and an impairment loss of $5.0 million (2021: $nil) was recognised in the profit or loss with a corresponding reduction of the carrying value of the investment.

The recoverable amount for the Riviera Quad and CMJV was calculated to be in excess of the carrying amounts, and thus no impairment was determined.

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

Our response

We evaluated management's assessment for indication of possible impairment for the joint ventures.

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

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

Our findings

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

We found the key assumptions and estimates used in determining the recoverable amount for Riviera Quad and CMJV to be within a supportable range. No impairment was noted for Riviera Quad and CMJV. For Myanmar Group, an impairment of $5.0 million was recorded based on management's assessment of the value-in-use ("VIU"). We found that certain assumptions used in management's VIU calculation of Myanmar Group to be slightly optimistic. However, as the resultant impact from our sensitivity analysis did not deviate materially from the impairment recorded, we therefore concluded no further impairment charge was required.

The Group included disclosure of quantitative information of a reasonably possible change in key assumptions that would result in higher impairment for the Myanmar Group, and an impairment for the Riviera Quad and CMJV, in note 10 to the financial statements. Key assumptions and estimates made by management in determining the recoverable values, and sensitivity analysis are adequately disclosed in the financial statements.

INDEPENDENT AUDITORS' REPORT

Members of the Company
OUE Lippo Healthcare Limited

Accounting for business acquisitions and goodwill impairment assessment
(Refer to notes 6 and 31 to the financial statements)

Risk

During the year, the Group completed the following acquisitions:

(i) On 1 March 2022, the Group transferred its 100% interest in subsidiaries, OUELH Japan Medical Facilities Pte. Ltd., which owns in 12 nursing homes located in Japan, and OUELH Japan Medical Assets Pte. Ltd. (collectively the "Japan Subsidiaries") to First Real Estate Investment Trust ("First REIT") for $131.5 million settled in First REIT units and $14.5 million in cash; and
(ii) On 30 June 2022, the Group acquired controlling interests in a group of respiratory and cardiothoracic medical practices in Singapore ("Echo Group") for a total consideration of $28.0 million.

Management assessed that the acquisitions are within the scope of SFRS(I) 3 *Business Combinations*. Significant judgement is involved in assessing the accounting for acquisition of business. There were judgements and estimates used in determining the PPA to the fair value of identifiable assets, including intangible assets acquired and liabilities assumed, and in determining the fair value of consideration in exchange.

The resultant goodwill is also reviewed for impairment at least annually. The determination of recoverable value involves significant management judgement and estimations.

Acquisition accounting

First REIT, an associate prior to the transaction, became a consolidated subsidiary of the Group on 1 March 2022. The Group recognised $22.5 million loss on deemed disposal of First REIT as an associate, based on the higher carrying value of the investment in First REIT compared to the fair value of the consideration received. On consolidation of First REIT, the Group recorded $25.6 million bargain purchase gain in the profit or loss, arising from the higher fair value of identifiable assets and liabilities assumed compared to the fair value of interests in First REIT acquired.

The Group paid $18.7 million cash and recognised $9.3 million as liability (contingent consideration) on acquisition of the Echo Group. Management engaged an external independent valuer to assist them with the allocation of the purchase price ("PPA") for Echo Group. No intangible assets was identified and the Group recognised goodwill of $27.8 million.

Goodwill impairment assessment

The $27.8 million goodwill recognised on acquisition of Echo Group. The determination of recoverable value of Echo Group involves significant estimation uncertainties, which includes developing key assumptions on discount rate, revenue growth rates and terminal growth rate. These assumptions are key inputs used in the cash flow model prepared by the management to assess the recoverable amounts of goodwill and whether an impairment charge is required.

INDEPENDENT AUDITORS' REPORT

Members of the Company
OUE Lippo Healthcare Limited

Our response

Acquisition accounting

We evaluated management's basis for the acquisitions by reviewing the sale and purchase agreements against the requirements under the relevant accounting standards.

We assessed the appropriateness of PPA performed by management on assets and liabilities acquired, including:

- the appropriateness and reasonableness of the methodology, judgements and key assumptions used, as well as the fair value of purchase considerations;
- the completeness in the identification of acquired intangible assets and contingent liabilities; and
- the competency, capabilities and objectivity of the independent valuer involved in the PPA exercise.

We evaluated the adequacy of disclosures in accordance with SFRS(I) 3 requirements.

Goodwill impairment assessment – Echo Group

We evaluated the appropriateness of the determination of CGUs and methodology used to estimate the recoverable amount.

We assessed the reasonableness of management's forecasts and the key assumptions applied. We challenged the key assumptions developed by management whether the assumptions are realistic and achievable and consistent with the external and/or internal environment. We reviewed sensitivity analysis on key assumptions applied. We also assessed adequacy of disclosures in the financial statements.

Our findings

Acquisition accounting

We found the accounting treatment of the acquisitions to be in accordance with the relevant accounting standards.

The allocation of the purchase price to the respective assets acquired and liabilities assumed to be in accordance with the accounting standard.

Key assumptions and estimates made by management in determining the fair values of the identifiable assets and liabilities acquired, and the purchase considerations, are adequately disclosed in the financial statements.

Goodwill impairment assessment – Echo Group

We found the determination of CGU is reasonable and methodology used is acceptable.

We found the key assumptions developed by management are supportable, reasonable and consistent with external and internal environment. We have challenged key assumptions with reference to available economic and industry forecasts.

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
OUE Lippo Healthcare Limited

Litigations, claims and other contingencies
(Refer to notes 24 and 33 to the financial statements)

Risk

The Group was involved in several on-going litigations and claims, and the provision for legal and related expenses amounted to $20.7 million (2021: $21.0 million) as at 31 December 2022. There are uncertainties as to the possible outcome of these on-going litigations and claims, and the eventual outcome may be subjected to change, which can potentially affect the amount of provision required.

Our response

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

Our findings

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

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
OUE Lippo Healthcare Limited

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Members of the Company
OUE Lippo Healthcare Limited

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Ong Li Qin.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 March 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
ASSETS					
Property, plant and equipment	5	8,201	7,460	248	453
Intangible assets and goodwill	6	30,785	3,066	–	–
Investment properties	7	1,145,343	290,556	–	–
Investment properties under development	8	52,283	57,691	–	–
Subsidiaries	9	–	–	*	84,092
Associate and joint ventures	10	70,550	175,711	23,607	23,607
Other investment	11	2,817	–	–	–
Trade and other receivables	12	3,358	3,215	58,872	9,792
Derivative financial instruments	13	1,248	–	–	–
Non-current assets		1,314,585	537,699	82,727	117,944
Inventories	14	774	296	–	–
Trade and other receivables	12	20,350	12,579	259,295	215,458
Cash and cash equivalents	15	66,877	43,823	9,648	6,057
Current assets		88,001	56,698	268,943	221,515
Total assets		1,402,586	594,397	351,670	339,459
EQUITY					
Share capital	16	418,913	418,913	418,913	418,913
Convertible perpetual securities	17	79,635	79,635	79,635	79,635
Capital reserve	18	4,203	–	–	–
Asset revaluation reserve	18	3,630	3,630	–	–
Foreign currency translation reserve	18	(39,517)	(6,791)	–	–
Fair value reserve	18	(25,920)	(22,797)	–	–
Accumulated losses		(142,210)	(147,967)	(206,811)	(262,189)
Equity attributable to owners of the Company		298,734	324,623	291,737	236,359
Non-controlling interests	19	459,289	(429)	–	–
Total equity		758,023	324,194	291,737	236,359

* Less than $1,000

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

		Group		Company	
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
LIABILITIES					
Loans and borrowings	20	449,614	146,272	–	–
Trade and other payables	21	29,023	7,448	–	–
Lease liabilities	22	1,252	911	–	132
Deferred tax liabilities	23	51,772	34,597	–	–
Non-current liabilities		531,661	189,228	–	132
Loans and borrowings	20	52,933	40,847	30,189	30,189
Trade and other payables	21	35,895	17,161	9,020	51,564
Provisions	24	20,724	22,507	20,724	20,957
Lease liabilities	22	1,024	407	–	258
Current tax liabilities		1,832	53	–	–
Derivative financial instruments	13	494	–	–	–
Current liabilities		112,902	80,975	59,933	102,968
Total liabilities		644,563	270,203	59,933	103,100
Total equity and liabilities		1,402,586	594,397	351,670	339,459

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

		2022	2021
	Note	$'000	$'000
Revenue	25	119,796	19,665
Cost of sales		(18,187)	(5,092)
Gross profit		101,609	14,573
Administrative expenses		(24,344)	(12,985)
Other (expenses)/income, net	26	(6,140)	97,824
Results from operating activities		71,125	99,412
Finance income		456	260
Finance costs		(20,373)	(4,043)
Net finance costs	27	(19,917)	(3,783)
Share of results of equity-accounted investees (net of tax)		(1,473)	12,648
Profit before tax	28	49,735	108,277
Tax (expense)/credit	29	(17,239)	2,672
Profit after tax for the year		32,496	110,949
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences relating to foreign operations		(82,476)	(8,819)
Share of foreign currency translation differences of equity-accounted investees		(5,886)	(3,873)
Items that will not be reclassified to profit or loss			
Share of fair value reserve of equity-accounted investees		(3,123)	5,065
Other comprehensive income, net of tax		(91,485)	(7,627)
Total comprehensive income for the year		(58,989)	103,322
Profit/(Loss) attributable to:			
Owners of the Company		4,392	111,378
Non-controlling interests		28,104	(429)
		32,496	110,949
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(36,087)	103,751
Non-controlling interests		(22,902)	(429)
		(58,989)	103,322
Earnings per share			
Basic earnings per share (cents)	30	0.10	2.51
Diluted earnings per share (cents)	30	0.06	1.69

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Note	Attributable to owners of the Company									
		Share capital	Convertible perpetual securities	Capital reserve	Asset revaluation reserve	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2022											
At 1 January 2022		418,913	79,635	–	3,630	(6,791)	(22,797)	(147,967)	324,623	(429)	324,194
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	4,392	4,392	28,104	32,496
Other comprehensive income											
Foreign currency translation differences relating to foreign operations		–	–	–	–	(31,470)	–	–	(31,470)	(51,006)	(82,476)
Share of foreign currency translation differences of equity-accounted investees		–	–	–	–	(5,886)	–	–	(5,886)	–	(5,886)
Share of fair value reserve of equity-accounted investees		–	–	–	–	–	(3,123)	–	(3,123)	–	(3,123)
Total other comprehensive income, net of tax		–	–	–	–	(37,356)	(3,123)	–	(40,479)	(51,006)	(91,485)
Total comprehensive income for the year		–	–	–	–	(37,356)	(3,123)	4,392	(36,087)	(22,902)	(58,989)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Perpetual securities redemption, distribution and gain on redemption, net transaction costs by a subsidiary	19	–	–	–	–	–	–	2,593	2,593	(21,715)	(19,122)
Distribution to perpetual securities holders by a subsidiary	19	–	–	–	–	–	–	–	–	(1,481)	(1,481)
Dividend and distribution to unitholders by a subsidiary	19	–	–	–	–	–	–	–	–	(24,059)	(24,059)
Total contributions by and distributions to owners		–	–	–	–	–	–	2,593	2,593	(47,255)	(44,662)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Note	Attributable to owners of the Company									
		Share capital	Convertible perpetual securities	Capital reserve	Asset revaluation reserve	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2022											
Changes in ownership interest in subsidiaries											
Changes in ownership interests in subsidiaries without a change in control	37(b)	–	–	–	–	–	–	(1,228)	(1,228)	1,228	–
Disposal of subsidiaries to non-controlling interests without a change in control	37(a)	–	–	4,203	–	4,630	–	–	8,833	92,190	101,023
Capital contribution from a fellow subsidiary		–	–	–	–	–	–	–	–	400	400
Acquisition of a subsidiary with perpetual securities holders	31(a)	–	–	–	–	–	–	–	–	59,651	59,651
Acquisition of subsidiaries with non-controlling interest	31	–	–	–	–	–	–	–	–	376,406	376,406
Total changes in ownership interests in subsidiaries		–	–	4,203	–	4,630	–	(1,228)	7,605	529,875	537,480
Total transactions with owners		–	–	4,203	–	4,630	–	1,365	10,198	482,620	492,818
At 31 December 2022		418,913	79,635	4,203	3,630	(39,517)	(25,920)	(142,210)	298,734	459,289	758,023

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

		Attributable to owners of the Company								
	Note	Share capital $'000	Convertible perpetual securities $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2021										
At 1 January 2021, restated		418,913	–	3,630	5,901	(27,862)	(259,345)	141,237	*	141,237
Total comprehensive income for the year										
Profit/(Loss) for the year		–	–	–	–	–	111,378	111,378	(429)	110,949
Other comprehensive income										
Foreign currency translation differences relating to foreign operations		–	–	–	(8,819)	–	–	(8,819)	–	(8,819)
Share of foreign currency translation differences of equity-accounted investees		–	–	–	(3,873)	–	–	(3,873)	–	(3,873)
Share of fair value reserve of equity-accounted investees		–	–	–	–	5,065	–	5,065	–	5,065
Total other comprehensive income, net of tax		–	–	–	(12,692)	5,065	–	(7,627)	–	(7,627)
Total comprehensive income for the year		–	–	–	(12,692)	5,065	111,378	103,751	(429)	103,322
Transactions with owners, recognised directly in equity										
Issuance of convertible perpetual securities	17	–	79,635	–	–	–	–	79,635	–	79,635
Total transactions with owners		–	79,635	–	–	–	–	79,635	–	79,635
At 31 December 2021		418,913	79,635	3,630	(6,791)	(22,797)	(147,967)	324,623	(429)	324,194

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Profit after tax		32,496	110,949
Adjustments for:			
Depreciation of property, plant and equipment	5	1,496	882
Fair value losses on investment properties	7	8,692	–
Fair value losses on investment properties under development	8	1,429	17,514
Net fair value losses of derivative financial instruments		420	–
Property, plant and equipment written-off		5	–
Adjustment on rental straight-lining	7	(16,358)	–
Impairment losses on property, plant and equipment	5	–	2,371
Interest income	27	(456)	(260)
Interest expense	27	19,271	3,950
Net gain from the First REIT transaction	31(a)	(3,144)	–
Losses on disposal of quoted shares		30	–
Loss on disposal of a subsidiary	32	713	–
Reversal of provision for site restoration	24	(910)	–
Reversal of provisions for legal and related expenses	24	–	(5,000)
Reversal of impairment losses of other receivables	12	–	(801)
Gain on shareholder loan conversion	17	–	(109,973)
Share of results of equity-accounted investees, net of tax		1,473	(12,648)
Manager's management fees settled in units		3,980	–
Tax expense/(credit)	29	17,239	(2,672)
Trade and other receivables written off	28	127	–
		66,503	4,312
Changes in:			
- Inventories		(478)	(77)
- Trade and other receivables		14,959	465
- Trade and other payables		(26,333)	(539)
Cash generated from operations		54,651	4,161
Tax paid		(3,032)	(70)
Net cash from operating activities		51,619	4,091

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Cash flows from investing activities			
Acquisition of equity-accounted investees		–	(32,651)
Acquisition of investment properties	7	(31,061)	–
Capital expenditure to investment properties	7	(4,278)	(1,104)
Acquisition of other investment	11	(2,817)	–
Acquisition of subsidiaries, net of cash acquired	31(b)	(18,639)	–
Capital contribution in equity-accounted investees		(4,901)	–
Capital contribution from a fellow subsidiary		400	–
Dividends from an equity-accounted investee		2,830	5,516
Fund received from litigation		–	4,821
Investment in quoted shares		(383)	–
Disposals of quoted shares		492	–
Net cash inflow from the First REIT transaction	31(a)	58,484	–
Net cash inflow from disposal of a subsidiary	32	37,954	–
Loans to joint ventures		–	(9,103)
Repayment of loan from joint venture	35	3,000	2,925
Repayment of advance to joint venture partner		2,310	–
Interest received		413	584
Purchase of property, plant and equipment		(610)	(954)
Net cash from/(used in) investing activities		43,194	(29,966)
Cash flows from financing activities			
Proceeds from borrowings	20	379,271	15,000
Repayment of borrowings	20	(387,968)	(9,194)
Payment of lease liabilities	20, 22	(1,066)	(665)
Loan from a fellow subsidiary	35	8,000	–
Perpetual securities redemption, distribution and gain on redemption, net transaction costs by a subsidiary	19	(19,122)	–
Distribution to perpetual securities holders by a subsidiary	19	(1,481)	–
Dividend and distribution to unitholders by a subsidiary	19	(24,059)	–
Payment of transaction costs related to loans and borrowings	20	(7,176)	–
Interest paid	20	(14,328)	(3,111)
Net cash (used in)/from financing activities		(67,929)	2,030

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Net increase/(decrease) in cash and cash equivalents		26,884	(23,845)
Cash and cash equivalents at beginning of financial year		43,823	68,973
Effect of exchange rate fluctuations on cash and cash equivalents		(3,830)	(1,305)
Cash and cash equivalents at end of financial year	15	66,877	43,823

Significant non-cash transactions

During the year, there were the following significant non-cash transactions:

On 1 March 2022, 431,147,541 units in First Real Estate Investment Trust ("First REIT"), amounting to approximately $131,500,000 were issued to the Company, as part of the consideration paid to the Company pursuant to the divestment of Japan subsidiaries to First REIT (note 31(a) and 37(a)). In addition, existing balances with the Japan subsidiaries amounting to $20,158,000, net, were novated to First REIT as part of the settlement of the consideration.

For the period from 1 March 2022 to 31 December 2022, 6,089,765 new First REIT units, amounting to approximately $1,658,000 were issued by First REIT to its manager, First REIT Management Limited ("FRML") as satisfaction of the base management fee paid to the manager. In addition, the manager's performance management fees, for the period from 1 March 2022 to 31 December 2022, amounting to approximately $2,322,000 will be settled through the issuance of new First REIT units based on 10 days volume weighted average price as at 31 December 2022.

On 22 December 2022, 791,394 new First REIT units, amounting to approximately $202,000 were issued by First REIT to FRML as divestment fees for the divestment of an indirect subsidiary that held the Siloam Hospitals Surabaya (note 32).

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

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 March 2023.

1. DOMICILE AND ACTIVITIES

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

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

The financial statements of the Group as at and for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in equity-accounted investees.

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

2. GOING CONCERN

The Group reported a net profit of $32,496,000 (2021: $110,949,000) for the year ended 31 December 2022.

As at 31 December 2022, the Group's net current liabilities amounted to $24,901,000 (2021: $24,277,000).

Notwithstanding the Group's net current liability position as at 31 December 2022, the financial statements have been prepared on a going concern basis because management, having assessed the sources of liquidity and funding available to the Group, believes that the Group can continue as a going concern for the foreseeable future. These include the projected net operating cash inflows for the next 12 months and available cash reserves as at 31 December 2022 to finance the Group's working capital and day-to-day operation requirements.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

3. BASIS OF PREPARATION (CONT'D)

3.4 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

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

- note 8 – classification of investment properties under development; and
- notes 9 and 10 – assessment of ability to control or exert significant influence over partly owned investments

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

- notes 5 and 6 – measurement of recoverable amounts for property, plant and equipment and goodwill;
- notes 7 and 8 – determination of fair value of investment properties and investment properties under development;
- notes 9, 10 and 12 – measurement of recoverable amounts for subsidiaries, and associate and joint ventures;
- notes 24 and 33 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and
- notes 31 – acquisition of subsidiaries: fair value of the consideration transferred (including contingent consideration and fair value of the assets acquired and liabilities assumed).

Measurement of fair values

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

3. BASIS OF PREPARATION (CONT'D)

3.4 Use of estimates and judgements (cont'd)

Measurement of fair values (cont'd)

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).

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

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

- note 7 – investment properties;
- note 8 – investment properties under development;
- note 11 – other investment;
- note 13 – derivative financial instruments; and
- note 34 – financial instruments.

3.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2022:

- Amendments to SFRS(I) 16: *Covid-19 Related Rent Concessions beyond 30 June 2021*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-3: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

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

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Basis of consolidation

(i) Business combinations

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

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

The Group measures goodwill at the date of acquisition as:

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(ii) Subsidiaries

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

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

(iii) Acquisitions from entities under common control

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

(iv) Loss of control

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(vi) Transactions eliminated on consolidation

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

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

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

4.2 Foreign currency

(i) Foreign currency transactions

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

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

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at fair value through other comprehensive income ("FVOCI");
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedges are effective.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Foreign currency (cont'd)

(ii) Foreign operations

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

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

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

4.3 Financial instruments

(i) Recognition and initial measurement

<u>Non-derivative financial assets and financial liabilities</u>

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

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

(ii) Classification and subsequent measurement

<u>Non-derivative financial assets</u>

On initial recognition, a financial asset is classified as measured at amortised cost and FVOCI – equity investment.

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

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

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

Financial assets at amortised cost

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

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

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income ("FVOCI") are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

<u>Financial assets: Business model assessment</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

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

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

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

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

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

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

<u>Non-derivative financial assets: Subsequent measurement and gains and losses</u>

Financial assets at amortised cost

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

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

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

<u>Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses</u>

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

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

(iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Interest rate benchmark reform (cont'd)

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

(iv) Offsetting

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

(v) Cash and cash equivalents

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

(vi) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(vii) Share capital

Ordinary shares

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

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

(viii) Convertible perpetual securities

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

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

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

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

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

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

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

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

4.4 Property, plant and equipment

(i) Recognition and measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

• Leasehold land held for own use	50 years
• Buildings	16 – 35 years
• Properties leased for own use	2 – 8 years
• Office renovation, furniture, fixtures and equipment	1 – 8 years
• Medical equipment	3 – 8 years
• Motor vehicles	5 years

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

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Intangible assets and goodwill

(i) Goodwill

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

Subsequent measurement

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

(ii) Medical distribution licences

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

(iii) Subsequent expenditure

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

(iv) Amortisation

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

• Medical distribution licences	5 years

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

4.6 Investment properties and investment properties under development

Investment properties (including those under development) are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties and investment properties under development are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investment properties and investment properties under development (cont'd)

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

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

4.7 Leases

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

As a lessee

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Leases (cont'd)

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

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

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

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

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

Short-term leases and leases of low-value assets

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

As a lessor

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

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

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

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

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

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Inventories

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

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

4.9 Impairment

(i) Non-derivative financial assets

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

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

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

Simplified approach

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

General approach

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

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

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Impairment (cont'd)

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

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

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

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

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

The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held). The Company only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Impairment (cont'd)

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

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, investment properties under development and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro-rata* basis.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in associate or joint ventures is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

4.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Revenue recognition

(i) Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

(ii) Rental income from operating leases

Rental income received under operating leases is recognised as 'revenue" on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of the benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received.

(iii) Rendering of services

Revenue from hospital and other healthcare services is recognised in the period in which the services are rendered.

4.13 Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities; and
- amortisation of transaction cost.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Tax (cont'd)

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associate and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Tax requirement for subsidiary, First REIT

The Inland Revenue Authority of Singapore ("IRAS") has issued the Tax Transparency Ruling and Foreign-Sourced Income Tax Exemption Ruling to First REIT.

Tax Transparency Ruling

Pursuant to the Tax Transparency Ruling issued by the IRAS, tax transparency treatment has been granted to First REIT in respect of certain taxable income ("Specified Taxable Income"). Subject to meeting the terms and conditions of the Tax Transparency Ruling, which includes a distribution of at least 90% of the Specified Taxable Income of First REIT, First REIT is not subject to tax on the Specified Taxable Income distributed to the Unitholders in the same year in which the Specified Taxable Income was derived. Instead, First REIT and First REIT Manager ("FRML") would undertake to deduct income tax at the prevailing corporate tax rate (currently at 17%) from distributions made to Unitholders out of such Specified Taxable Income, except:

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Tax (cont'd)

(i) Where the beneficial owners are Qualifying Unitholders, First REIT and FRML will make the distributions to such Unitholders without deducting income tax; or

(ii) Where the beneficial owners are Qualifying Foreign Non-individual Unitholders, First REIT and FRML will deduct Singapore income tax at the reduced rate of 10% for distributions made up to 31 December 2025, unless the concession is extended.

(iii) Where the beneficial owners are Qualifying Foreign Non-Resident Fund, First REIT and FRML will deduct Singapore income tax at the reduced rate of 10% for distributions for the period from 1 July 2019 to 31 December 2025, unless the concession is extended.

A "Qualifying Unitholder" is a Unitholder who is:

- an individual;
- a company incorporated and tax resident in Singapore;
- a Singapore branch of a company incorporated outside Singapore;
- a body of persons (excluding partnerships) incorporated or registered in Singapore, including:

  (i) a charity registered under the Charities Act (Cap. 37) or established by any written law;
  (ii) a town council;
  (iii) a statutory board;
  (iv) a co-operative society registered under the Co-operative Societies Act (Cap. 62); or
  (v) a trade union registered under the Trade Unions Act (Cap. 333);

- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); or
- a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

A Qualifying Foreign Non-Individual Unitholder is a person other than an individual who is not resident in Singapore income tax purposes and who:

- does not have a permanent establishment in Singapore; or
- carries an operation in Singapore through a permanent establishment in Singapore, where the funds used by that person to acquire units of First REIT are not obtained from that operation.

A Qualifying Non-resident Fund is a non-resident fund that qualifies for tax exemption under Section 13CA, 13X or 13Y of the Income Tax Act (Cap. 134) and who:

- does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or
- carries an operation in Singapore through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used by that qualifying fund to acquire units of First REIT are not obtained from that operation.

The Tax Transparency Ruling does not apply to gains or profits from the disposal of any properties such as immovable properties and shares that are determined by the IRAS to be revenue gains chargeable to tax and income derived by First REIT but not distributed to the Unitholders in the same year in which the income is derived. Tax on such gains or profits will be subject to tax in accordance with Section 10(1)(a) of the Income Tax Act (Cap. 134). Distribution made out of the after-tax amount will not be subject to any further tax. Where the disposal gains are regarded as capital in nature, they will not be subject to tax and First REIT and FRML may distribute the capital gains without tax being deducted at source.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Tax (cont'd)

Any distributions made by First REIT to the Unitholders out of tax-exempt income and taxed income would be exempt from Singapore income tax in the hands of all Unitholders, regardless of their corporate or residence status.

4.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effect of all dilutive potential ordinary shares, which comprise redeemable convertible perpetual bonds.

4.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (the "Group CEO") (the chief operating decision maker) of the Company to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment properties, investment properties under development and intangible assets other than goodwill.

4.18 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts and* amendments to SFRS(I) 17 *Insurance Contracts*
- Amendment to SFRS(I) 1-1- and SFRS(I) *Practice Statement 2: Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I)1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

NOTES TO THE FINANCIAL STATEMENTS

5 PROPERTY, PLANT AND EQUIPMENT

	Note	Right-of-use assets $'000	Buildings $'000	Office renovation, furniture, fixtures and equipment $'000	Medical equipment $'000	Motor vehicles $'000	Leasehold property under development $'000	Total $'000
Group								
Cost								
At 1 January 2021		7,838	2,178	1,760	3,747	320	37,579	53,422
Additions		1,049	–	83	5	–	867	2,004
Reversal of provision for site restoration	24	–	–	–	–	–	(4,250)	(4,250)
Write off		–	–	(1)	–	–	–	(1)
Effect of movements in exchange rates		300	118	52	188	17	2,518	3,193
At 31 December 2021		9,187	2,296	1,894	3,940	337	36,714	54,368
At 1 January 2022		9,187	2,296	1,894	3,940	337	36,714	54,368
Additions		578	–	581	15	14	–	1,188
Acquisition of subsidiaries	31	1,664	–	195	137	–	–	1,996
Derecognition of right-of-use assets		(1,864)	–	–	–	–	–	(1,864)
Write off		–	–	(351)	–	–	–	(351)
Effect of movements in exchange rates		(749)	(234)	(133)	(374)	(33)	(4,052)	(5,575)
At 31 December 2022		8,816	2,062	2,186	3,718	318	32,662	49,762

NOTES TO THE FINANCIAL STATEMENTS

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Right-of-use assets $'000	Buildings $'000	Office renovation, furniture, fixtures and equipment $'000	Medical equipment $'000	Motor vehicles $'000	Leasehold property under development $'000	Total $'000
Group							
Accumulated depreciation and impairment losses							
At 1 January 2021	2,383	1,201	1,371	3,660	320	31,959	40,894
Depreciation charge for the year	645	38	184	15	–	–	882
Impairment loss	–	–	–	–	–	2,371	2,371
Write off	–	–	(1)	–	–	–	(1)
Effect of movements in exchange rates	64	68	44	185	17	2,384	2,762
At 31 December 2021	3,092	1,307	1,598	3,860	337	36,714	46,908
At 1 January 2022	3,092	1,307	1,598	3,860	337	36,714	46,908
Depreciation charge for the year	1,023	263	172	36	2	–	1,496
Derecognition of right-of-use assets	(1,603)	–	–	–	–	–	(1,603)
Write off	–	–	(346)	–	–	–	(346)
Effect of movements in exchange rates	(196)	(137)	(107)	(368)	(34)	(4,052)	(4,894)
At 31 December 2022	2,316	1,433	1,317	3,528	305	32,662	41,561
Carrying amounts							
At 1 January 2021	5,455	977	389	87	–	5,620	12,528
At 31 December 2021	6,095	989	296	80	–	–	7,460
At 31 December 2022	6,500	629	869	190	13	–	8,201

As at 31 December 2022, property, plant and equipment of the Group with carrying amounts of $629,000 (2021: $989,000) are mortgaged to banks to secure the related borrowings (note 20(d)(i)).

NOTES TO THE FINANCIAL STATEMENTS

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Right-of-use assets $'000	Office renovation, furniture, fixtures and equipment $'000	Total $'000
Company			
Cost			
At 1 January 2021	1,409	459	1,868
Additions	–	–	–
At 31 December 2021	1,409	459	1,868
At 1 January 2022	1,409	459	1,868
Additions	–	249	249
Derecognition of right-of-use assets	(1,409)	–	(1,409)
Write off	–	(347)	(347)
At 31 December 2022	–	361	361
Accumulated depreciation			
At 1 January 2021	767	312	1,079
Depreciation	249	87	336
At 31 December 2021	1,016	399	1,415
At 1 January 2022	1,016	399	1,415
Depreciation	262	55	317
Derecognition of right-of-use assets	(1,278)	–	(1,278)
Write off	–	(341)	(341)
At 31 December 2022	–	113	113
Carrying amounts			
At 1 January 2021	642	147	789
At 31 December 2021	393	60	453
At 31 December 2022	–	248	248

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Ownership interests in leasehold land held for own use, carried at depreciated cost	(i)	4,311	4,829	–	–
Other properties leased for own use, carried at depreciated cost	(ii)	2,189	1,266	–	393
		6,500	6,095	–	393

NOTES TO THE FINANCIAL STATEMENTS

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(i) Ownership interests in leasehold land held for own use

The Group holds a piece of leasehold land in the Republic of China ("PRC"), where its hospital is located. The leases expire in 2055. The Group is the registered owner of the property interests. Lump sum payments were made upfront to acquire these property interests from the PRC government authorities, and there is no ongoing payments to be made under the terms of the land lease.

(ii) Other properties leased for own use

The Group and the Company have obtained the right to use other properties as their offices through tenancy agreements.

Impairment test for property, plant and equipment

The Group reviews the carrying amounts of the assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. When considering impairment indicators, the Group considers both internal (e.g. adverse changes in operating and financial performance of the assets) and external sources (e.g. adverse changes in the business environment). If an indicator of impairment is noted, further management estimate is required to determine the amount of impairment, if any. The recoverable amount of the Group's property, plant and equipment was determined based on the higher of fair value less costs to sell and value-in-use calculation.

Determining the value-in-use of property, plant and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment losses could have a material adverse impact on the Group's financial condition and results of operations.

Leasehold property under development (Chengdu land)

In 2021, based on management's evaluation of the current status of the Chengdu land, discussions with the relevant authority and the legal advice obtained in relation to the Group's contractual obligations, an impairment loss of $2,371,000 was recorded as management had assessed that the recoverable value of the Chengdu land is $nil.

As at 31 December 2022, the Group continues to carry the Chengdu land at $nil. There were no further development and no changes to management's assessment in 2022.

NOTES TO THE FINANCIAL STATEMENTS

6 INTANGIBLE ASSETS AND GOODWILL

	Note	Goodwill $'000	Medical distribution licences $'000	Total $'000
Group				
Cost				
At 1 January 2021		5,273	1,108	6,381
Effect of movements in exchange rates		81	–	81
At 31 December 2021		5,354	1,108	6,462
At 1 January 2022		5,354	1,108	6,462
Acquisition of subsidiaries	31(b)	27,754	–	27,754
Effect of movements in exchange rates		(159)	–	(159)
At 31 December 2022		32,949	1,108	34,057
Accumulated amortisation and impairment losses				
At 1 January 2021		2,269	1,108	3,377
Effect of movements in exchange rates		19	–	19
At 31 December 2021		2,288	1,108	3,396
At 1 January 2022		2,288	1,108	3,396
Effect of movements in exchange rates		(124)	–	(124)
At 31 December 2022		2,164	1,108	3,272
Carrying amounts				
At 1 January 2021		3,004	–	3,004
At 31 December 2021		3,066	–	3,066
At 31 December 2022		30,785	–	30,785

Impairment test for goodwill

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

	Group 2022 $'000	Group 2021 $'000
Brainy World Holdings Limited ("BWH") and its joint ventures	3,031	3,066
Echo Healthcare Management Pte Ltd ("ECHM") and its subsidiaries	27,754	–
	30,785	3,066

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

NOTES TO THE FINANCIAL STATEMENTS

6 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

BWH

In 2018, the Group acquired 100% equity interests in BWH, a limited company incorporated in the British Virgin Islands. BWH is an investment holding company which owns 50% equity interest in a joint venture company, China Merchants Lippo Hospital Management (Shenzhen) Limited ("CMJV") (note 10). The acquisition provides the Group with the opportunity to establish a strategic partnership with China Merchants Shekou Industrial Zone Holdings Co., Ltd, a member of China Merchants Group ("CMG") for expanding its healthcare business across PRC.

The recoverable amount is determined based on value-in-use calculation using a discounted cash flow projection covering a 9-year period (2021: 10-year period), including construction period of 1 year (2021: 2 years). Management considers the 8-year operating period (2021: 8-year operating period) used in discounted cash flow is appropriate considering the investment cycle of the healthcare industry. The estimated recoverable amount of the CGU exceeded its carrying amount by approximately $23,691,000 (2021: $19,273,000). The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

	2022 %	2021 %
Key assumptions used for value-in-use calculations:		
Revenue growth rate[1]	2nd to 4th year: 59.2	3rd to 5th year: 59.2
	5th to 9th year: 24.4	6th to 10th year: 24.4
EBITDA margin[2]	2nd year: (16)	3rd year: (16)
	3rd to 9th year: 1 to 29	4th to 10th year: 1 to 29
Discount rate[3]	11.0	13.0
Enterprise value[4]	18 times	18 times

1 Weighted average growth rate used to extrapolate cash flows
2 Earnings before interest, tax, depreciation and amortisation expenses ("EBITDA") as a percentage of the revenue
3 Pre-tax discount rate applied to the pre-tax cash flow projections, based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 82% (2021: 80%) at a market interest rate of 4.35% (2021: 4.8%)
4 Enterprise value determined based on multiples of EBITDA from the 9th year's (2021: 10th year's) cash flow projection

The following table shows the amount by which the assumption would need to change for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount	
	2022 %	2021 %
Group		
Revenue growth rate	(10.1)	(9.5)
EBITDA margin	(6.6)	(6.8)
Discount rate	3.7	3.5
Enterprise value	(5.4) times	(5.2) times

NOTES TO THE FINANCIAL STATEMENTS

6 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

ECHM

On 30 June 2022, the Group, via its 60% owned subsidiary, Echo Healthcare Management Pte. Ltd. ("ECHM"), acquired 60% interest in Echo Healthcare Services Pte. Ltd. ("ECHS"). Upon completion of the transaction, ECHS owns 60% of equity interest in 2 respiratory specialist practices and a thoracic and cardiovascular surgical practice (note 31(b)) ("Echo Group Acquisition").

Goodwill of $27,754,000 arising from the Echo Group Acquisition was determined on a Purchase Price Allocation ("PPA") exercise.

The recoverable amount is determined based on value-in-use calculation using a discounted cash flow projection based on financial budgets and forecasts approved by the management. The cash flow projections of 5 years are based on management's assessment of future trends and actual operating results. The estimated recoverable amount of the CGU exceeded its carrying amount by approximately $12,649,000. The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

	2022 %
Key assumptions used for value-in-use calculations:	
Revenue growth rate[1]	1st year: 30.0 2nd to 5th year: 5.2
EBITDA margin[2]	24.0
Discount rate[3]	9.5
Terminal value growth rate[4]	2.2

1 Revenue annual growth for 2023 is higher due to a lower starting base revenue, which took into account the actual revenue for 2022 and the revenue from new doctors who joined in late 2022 and early 2023.
2 Earnings before interest, tax, depreciation and amortisation expenses ("EBITDA") as a percentage of the revenue.
3 Pre-tax discount rate applied to the pre-tax cash flow projections, based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 7% at a market interest rate of 4.8%.
4 Terminal growth rate to determine terminal value from the 5th year's cash flow projection.

The following table shows the amount by which each of the assumptions would need to change for the estimated recoverable amount to be equal to the carrying amount.

	2022 %
Group	
Revenue growth rate	(1.9)
EBITDA margin	(7.2)
Discount rate	3.3
Terminal value growth rate	(5.6)

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT PROPERTIES

	Note	Group 2022 $'000	Group 2021 $'000
At 1 January		290,556	308,749
Capex expenditures		4,278	1,104
Acquisition of investment properties		31,061	–
Acquisition of a subsidiary	31(a)	955,235	–
Fair value losses recognised in profit or loss	26	(8,692)	–
Adjustment on rental straight-lining		16,358	–
Disposal of a subsidiary	32	(40,438)	–
Effect of movements in exchange rates		(103,015)	(19,297)
At 31 December		1,145,343	290,556

During the year, the Group has acquired two Japan nursing homes, Medical Rehabilitation Home Bon Sejour Komaki and Loyal Residence Ayase, for a total consideration of JPY 2,580,000,000 (equivalent to approximately $27,606,000), with a total acquisition cost capitalised amounting to $3,455,000.

As at 31 December 2022, investment properties of the Group with carrying amounts of $1,098,930,000 (2021: $290,556,000) are mortgaged to banks to secure the related borrowings (notes 20(c), (e), (f) and (g)).

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT PROPERTIES (CONT'D)

As at 31 December 2022, the details of investment properties held by the Group are set out below:

Investment Property	Tenure	Principal activity	Location
Japan			
Hikari Heights Varus Fujino	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Ishiyama	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Kotoni	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Makomanai-Koen	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Tsukisamu-Koen	Freehold	Skilled nursing facility	Hokkaido, Japan
Varus Cuore Yamanote	Freehold	Skilled nursing facility	Hokkaido, Japan
Varus Cuore Sapporo-Kita & Varus Cuore Sapporo-Kita Annex	Freehold	Skilled nursing facility	Hokkaido, Japan
Elysion Gakuenmae	Freehold	Skilled nursing facility	Nara, Japan
Elysion Mamigaoka & Elysion Mamigaoka Annex	Freehold	Skilled nursing facility	Nara, Japan
Orchard Amanohashidate	Freehold	Skilled nursing facility	Kyoto, Japan
Orchard Kaichi North	Freehold	Skilled nursing facility	Nagano, Japan
Orchard Kaichi West	Freehold	Skilled nursing facility	Nagano, Japan
Medical Rehabilitation Home Bon Sejour Komaki	Freehold	Skilled nursing facility	Nagoya, Japan
Loyal Residence Ayase	Freehold	Skilled nursing facility	Tokyo, Japan
Singapore			
Pacific Healthcare Nursing Home	Leasehold	Skilled nursing facility	Bukit Merah, Singapore
Pacific Healthcare Nursing Home II	Leasehold	Skilled nursing facility	Bukit Panjang, Singapore
The Lentor Residence	Leasehold	Skilled nursing facility	Lentor Avenue, Singapore
Indonesia			
Siloam Hospitals Lippo Village	Leasehold	Hospital	Banten, Indonesia
Siloam Hospitals Kebon Jeruk	Leasehold	Hospital	West Jakarta, Indonesia
Siloam Hospitals Surabaya[1]	Leasehold	Hospital	East Java, Indonesia
Imperial Aryaduta Hotel & Country Club	Leasehold	Hotel & Country Club	Banten, Indonesia
Mochtar Riady Comprehensive Cancer Centre	Leasehold	Hospital	Central Jakarta, Indonesia
Siloam Hospitals Lippo Cikarang	Leasehold	Hospital	Bekasi, Indonesia
Siloam Hospitals Manado	Leasehold	Hospital	North Sulawesi, Indonesia
Hotel Aryaduta Manado	Leasehold	Hotel	North Sulawesi, Indonesia
Siloam Hospitals Makassar	Leasehold	Hospital	South Sulawesi, Indonesia
Siloam Hospitals Bali	Leasehold	Hospital	Bali, Indonesia
Siloam Hospitals TB Simatupang	Leasehold	Hospital	South Jakarta, Indonesia
Siloam Hospitals Purwakarta	Leasehold	Hospital	West Java, Indonesia
Siloam Sriwijaya	Leasehold	Hospital	South Sumatra, Indonesia
Siloam Hospitals Kupang	Leasehold	Hospital	East Nusa Tenggara, Indonesia
Lippo Plaza Kupang	Leasehold	Mall	East Nusa Tenggara, Indonesia
Siloam Hospitals Labuan Bajo	Leasehold	Hospital	East Nusa Tenggara, Indonesia
Siloam Hospitals Buton	Leasehold	Hospital	Sulawesi Tenggara, Indonesia
Lippo Plaza Buton	Leasehold	Mall	Sulawesi Tenggara, Indonesia
Siloam Hospitals Yogyakarta	Leasehold	Hospital	Yogyakarta, Indonesia

[1] Siloam Hospitals Surabaya was disposed in September 2022.

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value

Fair value hierarchy

The fair value of investment properties were determined by external valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The external valuers provide the fair value of the Group's investment property portfolio every year.

For the Group's refinancing purposes, management engaged external valuers to perform an annual valuation for the Group's investment portfolio (excluding the two Japan nursing homes acquired in September 2022) with a valuation date as of 7 November 2022 ("Annual Valuation 2022").

For annual year-end reporting purposes, management engaged those external valuers who performed the Annual Valuation 2022 and those external valuers who performed the valuation of the two Japan nursing homes as at 21 September 2022, to conduct a valuation update of the key assumptions and key parameters for the valuation of each investment property. These independent external valuers have generally maintained the same valuation methodologies with an update of the key parameters and assumptions as of 31 December 2022.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value as at the reporting date, the external valuers have adopted a combination of valuation methods, including discounted cash flow, income capitalisation and direct comparison method. The valuation methods involve certain estimates including those relating to market-corroborated discount rate, terminal capitalisation rate, capitalisation rate and price per square metre. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations.

The fair value measurement of all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (note 3.4).

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

Valuation tehniques and inputs used in Level 3 fair value measurements

The following table shows the valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	**Significant unobservable inputs**			**Inter-relationship between key unobservable inputs and fair value measurement**
	Singapore[5]	**Indonesia**[5]	**Japan**[6]	
Direct comparison method: The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sales price to those reflective of the investment properties under development.	Not applicable	Price per square metre ("psm"): $506	Not applicable	The estimated fair value would increase (decrease) if price psm was higher (lower).
Income capitalisation method: The income capitalisation method capitalises an income stream into a present value using single-year capitalisation rates.	Capitalisation rates ranging from: 6.8% to 7.0%	Not applicable	Capitalisation rates ranging from: Not applicable (2021: 4.4% to 4.7%)	The higher the capitalisation rate, the lower the fair value.
Discounted cash flow method: The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.	Discount rate: 8.8%	Discount rate: Restructured properties[1] ranging from: 12.3% to 13.5% Non-restructured properties[2] ranging from: 9.8% to 10.5%	Discount rate ranging from: 4.0% to 5.0% (2021: 4.2% to 4.5%)	The higher the discount rate, the lower the fair value.
	Terminal capitalisation rate[3]: Not applicable	Terminal capitalisation rate[4]: Restructured properties[1] ranging from: 8.6% to 10.4% Non-restructured properties[2] ranging from: 9.7% to 10.1%	Terminal capitalisation rate ranging from: 4.3% to 5.3% (2021: 4.5% to 4.8%)	The higher the terminal capitalisation rate, the lower the fair value.

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

Valuation techniques and inputs used in Level 3 fair value measurements (cont'd)

1 The restructured Indonesia properties comprise Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Mochtar Riady Comprehensive Cancer Centre, Siloam Hospitals Manado (excluding Hotel Aryaduta Manado), Siloam Hospitals Makassar, Siloam Hospitals Bali, Siloam Hospitals TB Simatupang, Siloam Hospitals Purwakarta, Siloam Sriwijaya, Siloam Hospitals Kupang (excluding Lippo Plaza Kupang), Siloam Hospitals Labuan Bajo, Siloam Hospitals Buton (excluding Lippo Plaza Buton) and Siloam Hospitals Yogyakarta.

2 The non-restructured Indonesia properties comprise Imperial Aryaduta Hotel & Country Club, Siloam Hospitals Lippo Cikarang, Hotel Aryaduta Manado (excluding Siloam Hospitals Manado), Lippo Plaza Kupang (excluding Siloam Hospitals Kupang) and Lippo Plaza Buton (excluding Siloam Hospitals Buton).

3 The direct discounting analysis is applied in 2022 with the cashflow period projected until the end of the leasehold term of respective properties. No terminal capitalisation rate was applied for all properties located in Singapore as the land together with buildings are expected to be returned to the government upon the expiration of the term of the leasehold land.

4 No terminal capitalisation rate was used for the valuation of Siloam Sriwijaya, Siloam Hospitals Kupang & Lippo Plaza Kupang and Siloam Hospitals Buton & Lippo Plaza Buton whose respective agreements with the provincial governments only allow for a fixed lease period each.

5 Singapore and Indonesia nursing homes were acquired in 2022, no comparatives in 2021.

6 On 1 March 2022, the Group divested its 2 wholly-owned subsidiaries, OUELH Japan Medical Facilities Pte. Ltd., which owns 100% interest in 12 nursing home located in Japan; and OUELH Japan Medical Assets Pte. Ltd. to First REIT.

In 2022, the income capitalisation method was not considered as one of its valuation techniques by the external valuer of Japan properties. The change in valuation techniques has not resulted in a material impact on the valuation of the investment property.

8 INVESTMENT PROPERTIES UNDER DEVELOPMENT

		Group	
		2022	**2021**
	Note	**$'000**	**$'000**
At 1 January		57,691	74,492
Fair value losses recognised in profit or loss	26	(1,429)	(17,514)
Effect of movements in exchange rates		(3,979)	713
At 31 December		52,283	57,691

The details of investment properties under development held by the Group are set out below:

Description	**Unexpired term of leasehold land**
Land – Wuxi land, PRC	33 years
Land – Kuala Lumpur, Malaysia	85 years

An investment property under development with carrying amount of $38,976,000 (2021: $41,421,000) is mortgaged to secure bank borrowings (see note 20(d)(ii)).

Changes in fair values are recognised as gains or losses in profit or loss and included within "other income/(expenses), net" in the consolidated statement of comprehensive income. All gains or losses are unrealised.

NOTES TO THE FINANCIAL STATEMENTS

8 INVESTMENT PROPERTIES UNDER DEVELOPMENT (CONT'D)

Classification of investment properties under development

The classification of the land as owner-occupied property or investment property is a matter of judgement, involving consideration of the purpose and usage of the land, and future development plans. Portion of land to be redeveloped for future rental or capital appreciations are held as investment properties under development while portion of land to be redeveloped for own use are held as property, plant and equipment. The relevant portion of the land continue to be classified as investment properties under development based on management's assessment of the above factors.

Fair value hierarchy

The fair value of investment properties under development were determined annually by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement of all of the investment properties under development of $52,283,000 (2021: $57,691,000) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (note 3.4).

For the land in Kuala Lumpur, management has adopted the forced sale value determined by independent valuer as the fair value, instead of the market value based on direct comparison method, after taking into consideration the economic conditions, market expectations and property market outlook in Malaysia. The forced sale value is computed at a discount of 20% of the market value. Management assessed that the forced sale value is a better representation of fair value of the asset as at reporting date, based on on-going negotiations with various interested parties and available market data.

Valuation techniques and inputs used in Level 3 fair value measurements

The following table shows the valuation techniques used in measuring the fair value of investment properties under development as well as the significant unobservable inputs used:

Valuation techniques	**Key inputs**		**Inter-relationship between key inputs and fair value measurement**
	Malaysia	**PRC**	
Direct comparison method: The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sales price to those reflective of the investment properties under development.	Price per square metre ("psm"): $10,313 (2021: $10,960)	Not applicable	The estimated fair value would increase (decrease) if price psm was higher (lower).
Forced sale value: The forced sale value refers to the amount which may reasonably be received from the sale of an asset under forced sale conditions which do not meet all the criteria of a normal market transaction.	Price per square metre ("psm"): $8,251 (2021: $8,768)	Not applicable	The estimated fair value would increase (decrease) if price psm was higher (lower).

NOTES TO THE FINANCIAL STATEMENTS

8 **INVESTMENT PROPERTIES UNDER DEVELOPMENT (CONT'D)**

Valuation techniques and inputs used in Level 3 fair value measurements (cont'd)

Valuation techniques	Key inputs		Inter-relationship between key inputs and fair value measurement
	Malaysia	PRC	
Discounted cash flow method: The discounted cash flow method involves the estimation of construction costs and other relevant costs to complete the proposed development as of valuation date assuming satisfactory completion and projection of an income stream over a period after completion. Development costs and the income stream were discounted with an internal rate of return to arrive at the market value.	Not applicable	Discount rate: 15.0% (2021: 15.0%) Terminal capitalisation rate: 13.0% (2021: 13.0%) Plot ratio: 2.0 (2021: 2.0) Net operating profit margin: 8.0% to 32.0% (2021: 8.0% to 32.0%) Construction costs psm: $1,443 (2021: $1,569)	The estimated fair value would increase (decrease) if: • Discount rate was lower (higher); • Termination capitalisation rate was lower (higher); • Projected income stream was higher (lower); • Estimated total construction cost was lower (higher).

The valuation of the PRC property included critical assumptions made by management as follows:

(1) *Development plan*

The valuation of the Wuxi land is dependent on management's proposed development plan, which took into consideration the current market conditions and demand for healthcare services. As at 31 December 2022 and 2021, management's intention is to build specialist centre and hospital based on the existing approved plot ratio of 2, which require class 2 hospital license. Any changes to the current proposed development plan will significantly affect the valuation of the Wuxi land.

(2) *Construction costs*

In arriving at the average construction cost for Wuxi land for 2022 and 2021, management has relied on construction cost furnished by Savills Real Estate Valuation (Guangzhou) Ltd ("Savills Guangzhou"), an independent global property consultant.

	2022		2021	
	RMB'000	$'000	RMB'000	$'000
Wuxi land				
Estimated construction cost per square metre	7.5	1.4	7.3	1.6

Any changes to the proposed development plan will result in a change in construction costs, and consequently, a change in the valuation of Wuxi land.

NOTES TO THE FINANCIAL STATEMENTS

9 **SUBSIDIARIES**

	Company	
	2022 $'000	2021 $'000
Equity investments at cost	98,423	116,937
Less: Allowance for impairment loss	(14,808)	(33,322)
Less: Divestment of Japan subsidiaries	(83,615)	–
	*	83,615
Loan to a subsidiary	14,883	14,883
Corporate guarantees issued for subsidiaries' borrowings	4,320	4,320
Less: Allowance for doubtful receivables	(18,726)	(18,726)
Less: Divestment of Japan subsidiaries	(477)	–
	–	477
Total subsidiaries	*	84,092

* Less than $1,000

Loan to a subsidiary is unsecured, interest-free and have no fixed term of repayment. The settlement of the loan is neither planned nor likely to occur in the foreseeable future and hence the loan is classified as non-current.

Movement in allowance for impairment loss in respect of the loan to a subsidiary and corporate guarantee issued were as follows:

	Company	
	2022 $'000	2021 $'000
At 1 January	18,726	18,726
Impairment loss	–	–
At 31 December	18,726	18,726

Allowance for impairment loss on investments in subsidiaries

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. This assessment takes into account the assumptions about future business outlook, operational and financial cash flows of the investee companies. The recoverable amount is determined based on the higher of fair value less costs to sell and value-in-use calculations by management, on cash generating unit ("CGU") basis.

The recoverable amounts of the subsidiaries were based on the fair value less cost to sell estimated taking into consideration the fair value of the underlying assets of the companies and the liabilities to be settled. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used (note 3.4).

As at 31 December 2022, there were no indications of impairment or reversal of previously recognised impairment loss for its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

9. SUBSIDIARIES (CONT'D)

Allowance for impairment loss on investments in subsidiaries (cont'd)

Movement in allowance for impairment losses were as follows:

	Company	
	2022	**2021**
	$'000	**$'000**
At 1 January	33,322	33,322
Utilisation of impairment losses	(18,514)	–
At 31 December	14,808	33,322

The Group's significant subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Group 2022 %	2021 %
Held by the Company				
OUELH Japan Medical Facilities Pte. Ltd. [(a)] *	Investment holding	Singapore	**	100
OUELH Japan Medical Assets Pte. Ltd. [(a)]	Investment holding	Singapore	**	100
Held by subsidiaries				
OLH Healthcare Investment Pte. Ltd. [(a)]	Investment holding	Singapore	100	100
OUELH Seasons Residences Sdn. Bhd. [(b)]	Property investment	Malaysia	100	100
OUELH Japan First TMK [(c)]	Property investment	Japan	**	51.0*
Healthkind Medical Holding Co., Ltd. [(d)]	Property investment	PRC	100	100
First Real Estate Investment Trust ("First REIT") [(a) (f)]	Property investment	Singapore	32.9	–
Echo Healthcare Management Pte. Ltd. ("ECHM") [(a)]	Investment holding	Singapore	60.0	–
Held by First REIT				
OUELH Japan Medical Facilities Pte. Ltd. [(a)] *	Investment holding	Singapore	32.9	**
OUELH Japan Medical Assets Pte. Ltd. [(a)]	Investment holding	Singapore	32.9	**
OUELH Japan First TMK [(c)]	Property investment	Japan	51.0*	**
Held by ECHM				
Echo Healthcare Services Pte. Ltd. ("ECHS") [(a)(g)]	Investment holding	Singapore	36.0	–
Held by ECHS				
Breathing Heart Pte. Ltd. ("BH") [(e)(g)]	Specialised medical services	Singapore	21.6	–
RMA Global Pte. Ltd. ("RMA") [(e)(g)]	Investment holding	Singapore	21.6	–
The Respiratory Practice (Farrer) Pte. Ltd. ("TRPF") [(e)(g)]	Clinic and other general medical services	Singapore	21.6	–

(a) audited by KPMG LLP, Singapore
(b) audited by Roger Yue, Tan & Associates, Malaysia
(c) audited by KPMG AZSA LLC, Tokyo
(d) not required to be audited under the laws of the country of incorporation
(e) audited by Foo Kon Tan LLP, Singapore

NOTES TO THE FINANCIAL STATEMENTS

9. SUBSIDIARIES (CONT'D)

(f) On completion of the acquisition of First REIT on 1 March 2022 (note 31(a)), the Group directly holds 33.1% equity interest in First REIT. In accordance with SFRS(I) 3 *Consolidated Financial Statements*, management has performed control assessment in respect of its interest in First REIT. Based on the assessment, management has determined that the Group has control over First REIT from 1 March 2022, on the basis that the Group has de-facto power over First REIT. The Group's effective interests in First REIT, including the First REIT units held by the Group's joint venture, First REIT Management Limited ("FRML"), increased from 19.4% on 31 December 2021 to 36.4% on 1 March 2022. The Group's overall exposure to variable returns, both from FRML's remuneration and the interests in First REIT, is significant.

(g) The acquisition of subsidiaries held by ECHS (i.e. RMA, TRPF and RMA) was completed on 30 June 2022 (note 31(b)).

* OUELH Japan Medical Facilities Pte. Ltd. owns directly and indirectly 100% of the preferred shares in OUELH Japan First TMK. OUELH Japan Medical Facilities Pte. Ltd. and OUELH Japan One ISH as common shareholders of OUELH Japan First TMK have waived their rights to receive the economic benefits of OUELH Japan First TMK. Under Japanese laws, as the common shareholders have waived their rights to receive economic benefits of OUELH Japan First TMK, OUELH Japan Medical Facilities Pte. Ltd. is entitled to the full economic benefits of OUELH Japan First TMK via its direct and indirect ownership of 100% of the preferred shares in OUELH Japan First TMK, notwithstanding that OUELH Japan Medical Facilities Pte. Ltd. does not have full beneficial ownership of OUELH Japan First TMK.

** In 2022, the Company's 100% direct shareholding in OUELH Japan Medical Facilities Pte. Ltd. and OUELH Japan Medical Assets Pte. Ltd. was transferred to its subsidiary, First REIT, on completion of the acquisition of First REIT (note 31(a)).

KPMG LLP are the auditors of all significant Singapore-incorporated subsidiaries except RMA, TRPF and BH which are audited by Foo Kon Tan LLP. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

NOTES TO THE FINANCIAL STATEMENTS

10 ASSOCIATE AND JOINT VENTURES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Interest in an associate	–	110,645	–	–
Interests in joint ventures	79,685	81,455	40,553	40,553
Less: Allowance for impairment loss	(9,135)	(16,389)	(16,946)	(16,946)
	70,550	175,711	23,607	23,607

KPMG LLP is the auditor of the significant Singapore-incorporated associate and joint venture. An associated company or joint venture is considered significant as defined under the Singapore Exchange Limited Listing Manual if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits. The Group's associate and a joint venture met the definition of significant associate and joint venture.

Associate

The Group had one associate that was equity accounted, as follows:

	First Real Estate Investment Trust ("First REIT")
Nature of relationship with the Group	Healthcare real estate investment trust which invests in a diversified portfolio of income-producing real estate and/or real estate-related assets in Asia
Principal place of business/ Country of incorporation	Asia
Ownership interest	From 1 January 2022 to 28 February 2022: 15.3% (31 December 2021: 15.3%)
Fair value of ownership interest	$74,055,000 (2021: $75,289,000) *

* Based on the quoted market price at 28 February 2022 and 31 December 2021 (Level 1 in the fair value hierarchy).

As at 31 December 2022 and up to 28 February 2022, the Group had a direct equity interest of 15.3% in First REIT, and indirect equity interest of 4.1% in First REIT. Although the Group had less than 20% ownership in the equity interest of First REIT, the Group had determined that it had significant influence due to the Group's representation on the board of its manager.

On 1 March 2022, the Group equity interest in First REIT increased from 15.3% to 33.1% and the associate became a subsidiary from that date (note 31 (a)). Accordingly, the information presented in the below table includes the results of the associate for the two months period from 1 January 2022 to 28 February 2022.

NOTES TO THE FINANCIAL STATEMENTS

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

The following summarises the financial information of First REIT Group based on its (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	1 January to 28 February 2022 $'000	1 January to 31 December 2021 $'000
Revenue	15,882	102,346
Profit from continuing operations	3,534	63,113
OCI	(7,767)	3,705
Total comprehensive income	(4,233)	66,818
Attributable to Unitholders of Trust	(4,716)	63,613
Attributable to Perpetual securities holders	483	3,205
Non-current assets	955,261	962,475
Current assets	91,580	87,060
Non-current liabilities	(20,427)	(270,554)
Current liabilities	(390,038)	(127,161)
Net assets	636,376	651,820
Attributable to Unitholders of Trust	576,725	591,145
Attributable to Perpetual securities holders	59,651	60,675
Group's share of net assets attributable to Unitholders of Trust (15.3%)	88,411	90,291
Goodwill and transaction costs	8,100	8,100
Carrying amount of interest in investee at end of the period/year	96,511	98,391
Group's interest in net assets of investee at beginning of the year	98,391	61,785
Group's share of:		
- profit from continuing operations	544	8,904
- OCI	(794)	567
- total comprehensive income	(250)	9,471
Dividends received during the year	(1,630)	(5,516)
Group's contribution during the year - subscription of rights issues	–	32,651
Bargain purchase gain	–	12,254
Impairment of goodwill	–	(12,254)
Carrying amount of interest in investee at end of the period/ year	96,511	98,391

In February 2021, the Group subscribed for its pro-rata rights entitlement of 81,921,809 rights units and 81,334,795 excess rights units, at an issue price of $0.20 per rights unit, for an aggregate consideration of $32,651,000. Upon completion of the subscription to the rights issue, the Group's direct stake in First REIT was 15.3%.

NOTES TO THE FINANCIAL STATEMENTS

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

The following table summarises the non-underwritten rights issue consideration transferred and the proportionate share of fair value of net assets of First REIT as at 24 February 2021:

	First REIT 2021 $'000
Total non-underwritten right issue consideration transferred	32,651
Less: Proportionate share of fair value of net assets	(44,905)
Bargain purchase gain	(12,254)

The bargain purchase gain amounting to $12,254,000 arose from acquisition of additional 5.08% equity interest in First REIT. The amount had been included in the "share of results of equity-accounted investees, net of tax" in the statement of comprehensive income in 2021. The bargain purchase gain is attributable mainly to the difference between the share of fair value of net assets acquired and the rights issue consideration.

Joint Ventures

Details of the joint ventures as at 31 December are as follows:

Name of joint ventures	Country of incorporation	Effective ownership interest 2022 %	Effective ownership interest 2021 %
First REIT Management Limited ("FRML")	Singapore	40	40
Yoma OUE Pun Hlaing Limited (formerly known as Yoma Siloam Hospital Pun Hlaing Limited) ("YSHPH") #	Myanmar	40	40
Pun Hlaing International Hospital Limited ("PHIH") #	Myanmar	35	35
China Merchants Lippo Hospital Management (Shenzhen) Limited ("CMJV")	PRC	50	50
Riviera Quad International Limited ("Riviera Quad")	PRC	50	50
Subsidiaries held by CMJV			
Changshu China Merchants Lippo O&G Hospital Limited	PRC	50	50
Shenzhen China Merchants Lippo Prince Bay Hospital	PRC	50	50
Subsidiary held by Riviera Quad			
Le Kang Assets (Shenzhen) Co. Ltd.	PRC	50	50

\# The Group owns 40% economic interests in YSHPH and PHIH (collectively known as the "Myanmar Group"), in which 5% economic interests in PHIH is held via Deed of Assignment. The Myanmar Group is held by an indirect wholly-owned subsidiary, OUELH Investments (MM) Pte. Ltd., of the Company.

The Company has provided corporate guarantees totaling RMB222,500,000 (approximately $42,965,000) representing 50% of the loan facilities taken up by its joint ventures in PRC.

NOTES TO THE FINANCIAL STATEMENTS

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

The following table summarises the financial information of joint ventures of the Group based on their financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	FRML		Myanmar Group		CMJV Group		Riviera Quad Group	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Revenue	14,543	12,950	38,237	37,701	2,149	1,964	–	–
Profit/(Loss) from continuing operations	9,259	8,149	705	2,311	(2,173)	(672)	(69)	37
OCI	(7,807)	12,663	–	–	–	–	–	–
Total comprehensive income	1,452	20,812	705	2,311	(2,173)	(672)	(69)	37
Attributable to NCI	–	–	137	376	–	–	–	–
Attributable to investees' shareholders	1,452	20,812	568	1,935	(2,173)	(672)	(69)	37
Non-current assets	79,456	83,552	44,555	65,352	12,572	8,105	86,013	64,197
Current assets	10,307	11,208	14,630	20,257	8,759	980	2,900	10,670
Non-current liabilities	58	(12,071)	(8,156)	(10,842)	(9,736)	(8,187)	(19,202)	–
Current liabilities	(11,538)	(2,859)	(23,618)	(28,042)	(4,219)	(717)	(20,372)	(20,038)
Net assets	78,283	79,830	27,411	46,725	7,376	181	49,339	54,829
Attributable to NCI	–	–	1,542	1,466	–	–	–	–
Attributable to investees' shareholders	78,283	79,830	25,869	45,259	7,376	181	49,339	54,829
Group's interest in net assets of investee at beginning of the year	31,932	23,607	18,330	23,176	(57)	403	27,115	25,715
Group's share of:								
- profit/(loss) from continuing operations	3,704	3,260	383	812	(1,072)	(345)	(32)	17
- OCI	(3,123)	5,065	–	–	–	–	–	–
- total comprehensive income	581	8,325	383	812	(1,072)	(345)	(32)	17
Dividends received during the year	(1,200)	–	–	–	–	–	–	–
Impairment loss	–	–	(5,000)	–	–	–	–	–
Group's contribution during the year	–	–	–	–	4,901	–	–	–
Translation adjustments	–	–	(2,953)	(5,658)	305	(115)	(2,683)	1,383
Carrying amount of interest in investee at end of the year	31,313	31,932	10,760	18,330	4,077	(57)	24,400	27,115

NOTES TO THE FINANCIAL STATEMENTS

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

Recoverable amount of interests in associate and joint ventures

At each reporting date, the Group assesses whether the investments are impaired. This assessment takes into account the assumptions about future business outlook, operational and financial cash flows of the investee companies. Under the Group's formal impairment assessment of its investment, the recoverable amount is determined based on the higher of fair value less costs to sell and value-in-use calculations by management, on cash generating unit ("CGU") basis.

Based on the Group's assessment, there were indications of possible impairment for its joint ventures, CMJV Group, Riviera Quad Group and the Myanmar Group (2021: its associate, First REIT, and joint ventures, FRML and the Myanmar Group), at the reporting date.

CMJV and Riviera Quad are joint ventures with members of China Merchants Group. For the purpose of impairment testing, these joint ventures and its subsidiaries are identified as one CGU together with the BWH goodwill (note 6).

The carrying values of CGUs subject to impairment testing at reporting date (gross value before impairment) are as follows:

	2022	
	Group $'000	Company $'000
Myanmar Group	19,895	–
CMJV and Riviera Quad Group	31,508*	–

	2021	
	Group $'000	Company $'000
First REIT	110,645	–
FRML	31,932	40,553
Myanmar Group	22,465	–

* *Includes BWH goodwill of $3,031,000.*

At the Group level, the estimated recoverable amounts for each CGU are higher than their carrying amounts, except for the Myanmar Group, (2021: First REIT and the Myanmar Group), at the reporting date. The recoverable amounts were assessed based on value-in-use of each CGU.

As at 31 December 2021, the Company's estimated recoverable amount based on the value-in-use for the joint venture is lower than the carrying amount. As at 31 December 2022, the Company assessed the carrying amount of its investment in joint venture for indicators of impairment or reversal of previously recognised impairment loss. This assessment takes into account the assumptions about future business outlook, operational and financial cash flows of the investee companies. Based on the Company's assessment, there were no indications of impairment or reversal of previously recognised impairment loss for its joint venture.

NOTES TO THE FINANCIAL STATEMENTS

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

Recoverable amount of interests in associate and joint ventures (cont'd)

The recoverable amount of each of the CGUs at reporting date:

	2022	
	Group $'000	Company $'000
Myanmar Group	10,760	–
CMJV and Riviera Quad Group	55,200	–

	2021	
	Group $'000	Company $'000
First REIT	98,391	–
FRML	36,192	23,607
Myanmar Group	19,734	–

As at 31 December 2021, the value-in-use calculations used discounted cash flow projections based on financial projections prepared by management covering a 12-year period for First REIT, which was based on First REIT weighted average lease expiry period, and a 5-year period for FRML and the Myanmar Group.

As at 31 December 2022, the value-in-use calculation use discounted cash flow projections based on financial projections prepared by management covering a 5-year period (2021: 5-year) for the Myanmar Group and 9-year period for CMJV and Riviera Quad Group.

The key assumptions used in the estimation of the recoverable amount are set out below, except for CMJV and Riviera Quad Group (note 6). The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

NOTES TO THE FINANCIAL STATEMENTS

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

Recoverable amount of interests in associate and joint ventures (cont'd)

	Myanmar Group	
	2022	2021
	$'000	$'000
Key assumptions used for value-in-use calculations:		
Revenue growth rate[1]	17.0	17.0
EBITDA margin[2]	19.0	23.0
Discount rate[3]	26.5	20.0
Terminal growth rate[4]	6.5	5.5

	First REIT	FRML
	%	%
2021		
Key assumptions used for value-in-use calculations:		
Revenue growth rate[1]	Not applicable	4.0
Dividend growth rate[1]	4.1	Not applicable
Discount rate[3]	10.0	12.0
Terminal growth rate[4]	3.0	2.0

1 Weighted average growth rate used to extrapolate revenue.

2. Earnings before interest, tax, depreciation and amortisation expenses ("EBITDA") as a percentage of the revenue

3 Cost of equity discount rate was applied to dividend return projections of First REIT. Pre-tax discount rate was applied to the pre-tax cash flow projections of Myanmar Group (2021: FRML and Myanmar Group), based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 20.0% (2021: 0.8% and 22.8%) at a market interest rate of 14.7% (2021: 4.8% and 14.5%) for Myanmar Group (2021: FRML and Myanmar Group respectively).

4 Terminal growth rates to determine terminal value from the last year's cash flow projection.

NOTES TO THE FINANCIAL STATEMENTS

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

Allowance for impairment loss on interests in associate and joint ventures

Based on the assessment of recoverable amounts of the associate and joint ventures described above, an impairment loss of $5,000,000 (2021: $nil) on the Myanmar Group (2021: $12,254,000 on First REIT) was recognised in current year's profit or loss, in "share of results of equity-accounted investees, net of tax". Following the impairment loss recognised in the Myanmar Group (2021: First REIT), the recoverable amounts approximate the carrying amounts, and any adverse movement in a key assumption may lead to further impairment loss.

Movement in allowance for impairment loss was as follows:

		Group		Company	
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
At 1 January		16,389	4,135	16,946	16,946
Impairment loss		5,000	12,254	–	–
Disposal of an associate	31(a)	(12,254)	–	–	–
At 31 December		9,135	16,389	16,946	16,946

The recoverable amounts of the associate and joint ventures are sensitive to changes to the discount rate and terminal growth rate used in the value-in-use calculations. The following changes in assumptions would have resulted in increase in the impairment loss as follows:

	Impairment higher by $'000 for Myanmar Group
2022	
Key assumptions used for value-in-use calculations:	
A decrease of revenue/dividend growth rate by 1.0% per annum during projection period	821
An increase in discount rate by 1%	871
A decrease in terminal growth rate by 1%	555

	Impairment higher by $'000 for		
2021	First REIT	FRML	Myanmar Group
Key assumptions used for value-in-use calculations:			
A decrease of revenue/dividend growth rate by 1.0% per annum during projection period	6,706	No impairment	681
An increase in discount rate by 1%	12,215	No impairment	No impairment
A decrease in terminal growth rate by 1%	5,390	No impairment	No impairment

NOTES TO THE FINANCIAL STATEMENTS

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

Allowance for impairment loss on interests in associate and joint ventures (cont'd)

The following table shows the amount by which the assumption would need to change for the estimated recoverable amount to be equal to the carrying amount.

	FRML 2021 %
Group	
Revenue/Dividend growth rate	(4.4)
Discount rate	2.9
Terminal growth rate	(4.9)

11 OTHER INVESTMENT

	Group 2022 $'000
Non-current investments	
Equity investments – at FVOCI	2,817

Equity investment designated as at FVOCI

The Group designated the investments shown below as equity investments as at FVOCI because theses equity investment represent investment that the Group intends to hold for the long-term for strategic purposes.

	Group	
	Fair value at 31 December 2022 $'000	Dividend income recognised during 2022 $'000
Investment in Centaur Health Holdings, Inc	2,817	–

No strategic investment was disposed of during the 2022, and there was no transfer of any cumulative gain or loss within equity relating to these investments.

Market risks, and fair value measurement

Information about the Group's exposures to market risks, and fair value measurement, is included in note 34.

NOTES TO THE FINANCIAL STATEMENTS

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivables	10,196	746	–	–
Other receivables:				
- due from a non-controlling shareholder of certain subsidiaries	8,874	7,889	5,332	5,401
- others	2,219	1,351	763	682
Amount due from a third party	674	–	674	–
Amounts due from subsidiaries	–	–	495,478	375,223
Advance to a joint venture partner	1,800	4,110	–	–
Loans to joint ventures	5,592	8,946	–	3,000
	29,355	23,042	502,247	384,306
Less: Impairment losses	(7,785)	(7,889)	(184,395)	(159,286)
	21,570	15,153	317,852	225,020
Deposits	767	311	146	38
	22,337	15,464	317,998	225,058
Prepayments	1,371	330	169	192
Total trade and other receivables	23,708	15,794	318,167	225,250
Non-current	3,358	3,215	58,872	9,792
Current	20,350	12,579	259,295	215,458
	23,708	15,794	318,167	225,250

Amounts due from a non-controlling shareholder of certain subsidiaries, subsidiaries and loans to joint ventures are unsecured, interest-free and repayable on demand. Impairment losses recognised on amount due from a non-controlling shareholder of certain subsidiaries was $7,785,000 (2021: $7,889,000).

Amount due from a third party is unsecured, interest-bearing at 5% per annum and repayable in 2023 to 2025. The non-current and current portion of the amount due from a third party was $461,000 and $213,000 respectively.

Advance to a joint venture partner is unsecured, interest-bearing at 6% (2021: 6%) per annum and the repayable in 2023 (2021: 2022).

As at 31 December 2021, the non-current portion of the amounts due from Japan subsidiaries of $9,792,000 was unsecured and interest-bearing at 1% per annum. This balance was novated to First REIT on 1 March 2022.

The non-current portion of the loans to joint ventures of $2,897,000 (2021: $3,215,000) is unsecured, interest-free and repayment is not expected within the next twelve months.

The non-current amounts due from subsidiaries relate to balances for which settlement is neither planned nor likely to occur in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

12 TRADE AND OTHER RECEIVABLES (CONT'D)

Movement in allowance for impairment losses in respect of other receivables during the year were as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Balance at 1 January	7,889	29,478	159,286	128,862
Utilisation of impairment losses	–	(20,907)	–	(17,076)
Reversal of impairment losses	–	(801)	(168)	(801)
Impairment losses recognised	–	–	25,400	48,158
Effect of movements in exchange rates	(104)	119	(123)	143
Balance at 31 December	7,785	7,889	184,395	159,286

13 DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	Notional amounts 2022 $'000	Fair value 2022 $'000
Non-current		
Derivative assets		
Interest rate swaps	85,000	176
Interest rate cap	90,000	1,072
	175,000	1,248
Current		
Derivative liabilities		
Forward exchange contracts	15,000	494

Interest rate swaps and interest rate cap

The Group uses interest rate swaps and interest rate cap to manage the interest rate risk exposure arising from the bank loans with floating rates. The fair values of the derivatives are measured based on the quote from financial institutions (Level 2). Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Forward exchange contracts

The Group entered into forward exchange contracts to manage the foreign currency exposures arising from future IDR.

NOTES TO THE FINANCIAL STATEMENTS

14 INVENTORIES

	Group	
	2022 $'000	2021 $'000
Pharmacy supplies	92	269
Medical and surgical supplies	682	27
	774	296

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $5,302,000 (2021: $2,065,000).

15 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash on hand and at banks	66,877	43,823	9,648	6,057

Bank balances of $18,978,000 (2021: $19,563,000) and $12,141,000 are included as part of the floating charge to third parties and deposits with banks, respectively, to meet the requirement for borrowings of the Group (notes 20(c), (d), (e), (f) and (g)). This amount is included as part of cash and cash equivalents as the utilisation of these bank balances is not restricted.

Significant restrictions

Cash and bank balances of $456,000 (2021: $1,467,000) in the Group are held in the PRC and are subject to local exchange control regulations. The conversion of these RMB-denominated balances into foreign currencies is subject to the foreign exchange rules and regulations promulgated by the PRC government.

NOTES TO THE FINANCIAL STATEMENTS

16 SHARE CAPITAL

	2022		2021	
	No. of ordinary shares '000	Share capital $'000	No. of ordinary shares '000	Share capital $'000
Company				
At beginning and end of the year	4,443,129	418,913	4,443,129	418,913

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued ordinary shares are fully paid, with no par value. All shares rank equally with regard to the Company's residual assets.

17 CONVERTIBLE PERPETUAL SECURITIES

On 23 February 2021, the Company entered into a conversion agreement with Treasure International Holdings Pte. Ltd. ("TIHPL"). TIHPL is a wholly-owned subsidiary of OUE Limited ("OUE"). OUE is a controlling shareholder of the Company.

The convertible perpetual securities do not have a maturity date and distribution is at the discretion of the Company. The convertible perpetual securities can be converted into ordinary shares of the Company at a conversion price of $0.07 per ordinary shares, assuming no adjustments (for anti-dilution) to the conversion price are made, at the option of TIHPL on or after 31 August 2026.

As the Company does not have a contractual obligation to repay the principal nor make any distributions, the convertible perpetual securities are classified as equity. Any distributions made are directly debited from equity.

The Group recorded a one-off gain of $109,973,000 as "other income" in the consolidated statement of profit or loss for the year ended 31 December 2021, on basis that the shareholder is acting as a lender in the transaction. The one-off gain relates to the difference between the principal amount of $189,608,000 and the fair value of the convertible perpetual securities of $79,635,000. Significant judgements and assumptions are used in management's assessment of the accounting for the extinguishment of the shareholder loan and the fair value of the convertible perpetual securities.

NOTES TO THE FINANCIAL STATEMENTS

17 CONVERTIBLE PERPETUAL SECURITIES (CONT'D)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table shows the valuation techniques used in measuring the fair value of the convertible perpetual securities, as well as the significant unobservable inputs and key assumptions used, at issuance date of 16 March 2021:

Valuation techniques	Key unobservable inputs and assumptions	Inter-relationship between key unobservable inputs and fair value measurement
Present value of coupon payments prior to conversion and conversion value: The valuation method involves the analysis of the Company's projected dividend and coupon payments, conversion date, and conversion value based on the Company's traded share price on value date, adjusted to reflect contractual restrictions of the Convertible Perpetual Securities.	Discount for lack of marketability: 30% Coupon and dividend*: Nil Discount rate on coupon: 9.8%	The estimated fair value would increase (decrease) if: • Discount rate was lower (higher); • Coupon increase (decrease); • Dividend decrease (increase)

* The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

The fair value of the convertible perpetual securities is sensitive to changes to the discount for lack of marketability and projected coupon/dividend payments used in the calculations. The following changes in assumptions would have resulted in a significant increase in the fair value of convertible perpetual securities at issue date, holding other assumptions constant:

	2021 $'000
Change in key assumptions used for convertible perpetual securities calculations:	
A 4% coupon payment from year 6 to year 10 (dividend: nil)	12,800
A 4% coupon payment from year 6 to year 10 (dividend: 4%)	8,700
A decrease in discount for lack of marketability by 5%	5,688

NOTES TO THE FINANCIAL STATEMENTS

18 RESERVES

Capital reserve

The capital reserve recorded on the change of ownership interest in Japan subsidiaries without a change in control:

	Note	2022 $'000
Increase in equity attributable to owners of the Company	37	8,833
NCI's share of foreign currency translation reserve		(4,630)
		4,203

Asset revaluation reserve

Asset revaluation reserve represents the revaluation surplus recognised in property, plant and equipment.

Foreign currency translation reserve

The foreign currency translation reserve comprises:

(a) exchange differences arising from the translation of financial statements of foreign operations;

(b) share of currency translation reserve of foreign equity-accounted investees; and

(c) exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

Fair value reserve

The fair value reserve represents the share of fair value reserve of an equity-accounted investee arising from the cumulative net change in the fair value of the quoted equity investments until the investments are derecognised or impaired.

NOTES TO THE FINANCIAL STATEMENTS

19 NON-CONTROLLING INTERESTS

The following subsidiaries have NCI that are material to the Group:

Name of subsidiaries	Country of incorporation	Ownership interest held by the NCI 2022 %
First Real Estate Investment Trust ("First REIT")	Singapore	67.1
Echo Group		
Echo Healthcare Management Pte. Ltd.	Singapore	40.0
Echo Healthcare Services Pte. Ltd.	Singapore	64.0
Breathing Heart Pte. Ltd.	Singapore	78.4
RMA Global Pte. Ltd.	Singapore	78.4
The Respiratory Practice (Farrer) Pte. Ltd.	Singapore	78.4

In 2021, NCI was immaterial to the Group individually and in aggregate and accordingly, no summarised financial information for subsidiaries with NCI was disclosed.

The following summarised financial information of the Group's subsidiaries with material NCI, based on consolidated financial statement prepared in accordance with SFRS(1), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	First REIT* $'000	Echo Group* $'000	Immaterial subsidiaries $'000	Total $'000
31 December 2022				
Revenue	95,393	16,972		
Profit after tax	37,907	2,542		
Other comprehensive income	(84,186)	–		
Total comprehensive income	(46,279)	2,542		
Attributable to NCI:				
- Profit/(Loss) for the year	26,068	2,307	(271)	28,104
- Other comprehensive income	(51,064)	–	58	(51,006)
- **Total comprehensive income**	(24,996)	2,307	(213)	(22,902)
Non-current assets	1,146,606	29,480		
Current assets	52,020	12,322		
Non-current liabilities	(512,072)	(17,985)		
Current liabilities	(21,191)	(19,913)		
Net assets	665,363	3,904		
Net assets attributable to NCI**	456,861	3,069	(641)	459,289
Cash flows from operating activities	59,400	3,166		
Cash flows from/(used in) investing activities	10,463	(18,656)		
Cash flows (used in)/from financing activities	(81,041)	20,438		
Net (decrease)/increase in cash and cash equivalents	(11,178)	4,948		

NOTES TO THE FINANCIAL STATEMENTS

19. NON-CONTROLLING INTERESTS (CONT'D)

* Acquisition of First REIT and Echo Group was completed on 1 March 2022 and 30 June 2022, respectively (note 31(a) and 31(b)). Accordingly, the information relating to First REIT and Echo Group is only for the period from 1 March 2022 to 31 December 2022 and 1 July 2022 to 31 December 2022 respectively.

** Includes perpetual securities issued by First REIT, with movements as follows:

Perpetual securities issued by a subsidiary, First REIT

	Note	Group 2022 $'000
Acquisition of a subsidiary	31(a)	59,651
Amount reserved for distribution to perpetual securities holders		2,093
Distribution to perpetual securities holders by a subsidiary		(1,481)
Face value of perpetual securities redemption and distribution on redemption, net of transaction costs		(26,980)
At 31 December		33,283

In 2016, First REIT issued $60 million of subordinated perpetual securities at a fixed rate of 5.68% per annum, with the first distribution rate reset on 8 July 2021 and subsequent resets occurring every five years thereafter. The perpetual securities have no fixed redemption date and redemption is at the option of First REIT in accordance with the terms and conditions of the securities. The distribution will be payable semi-annually at the discretion of First REIT and will be non-cumulative. The distribution rate applicable to the perpetual securities in respect of the period from the first reset date (being 8 July 2021) to the immediately following reset date (being 8 July 2026) shall be 4.9817%, being the prevailing five-year swap offer rate of 1.0567% per annum with respect to the relevant reset date plus the initial spread of 3.925%, in accordance with the terms and conditions of the perpetual securities.

In terms of distribution payments or in the event of winding-up of First REIT:

- These perpetual securities rank *pari passu* with holders of preferred units (if any) and rank ahead of the unitholders of First REIT but junior to the claims of all present and future creditors of the First REIT.
- First REIT shall not declare or pay any distributions to the unitholders, or make redemption, unless First REIT declares or pays any distributions to the perpetual securities holders.

These perpetual securities are classified as equity. Management has taken the view that as there is no contractual obligation to repay the principal or to pay any distributions, the perpetual securities do not meet the definition for classification as a financial liability under *FRS 32 Financial Instruments: Disclosure and Presentation*. The perpetual securities are presented within equity, and the distributions are treated as dividends.

An amount of $2,093,000 was reserved for distribution to perpectual securities holders for the 10 months period ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

19. NON-CONTROLLING INTERESTS (CONT'D)

Perpetual securities issued by a subsidiary, First REIT (cont'd)

On 22 August 2022, there was a partial redemption of perpetual securities at purchase price of 70% of the principal amount of the securities, amounting to $26,750,000. The principal amount together with the distribution to perpetual securities holders and arising from the partial redemption, totalled $26,980,000. The gain from the partial redemption was $7,858,000, net of transaction cost of $167,000. The total net cash outflows from the partial redemption, distribution and gain on redemption of perpetual securities, net of transaction costs was $19,122,000.

As at 31 December 2022, the $33,283,000 presented in the statement of financial position represents the carrying value of the remaining perpetual securities and the total return attributable to the perpetual securities holders from the last distribution date.

	Group 2022 $'000
Gain on partial redemption of perpetual securities, net of transaction costs attributable to:	
Owners of the Company	2,593
Non-controlling interests	5,265
	7,858

Dividend and distribution to unitholders by a subsidiary, First REIT

	Group 2022 $'000
Distribution of 0.66 cents per unit for the period from 1 January to 31 March 2022	11,682
Distribution of 0.66 cents per unit for the period from 1 April to 30 June 2022	13,558
Distribution of 0.66 cents per unit for the period from 1 July to 30 September 2022	13,581
	38,821
Less: elimination intra-group dividends received by the Group	(11,569)
	27,252
Manager's management fees settled in units[1]	(3,193)
	24,059

[1] Included transaction costs on manager's divestment fees relates to disposal of PT TPI amounting to $202,000.

On 13 February 2023, the FRML declared a distribution of 0.66 cents per unit, amounting to $13,592,000 (included intra-group transactions of $4,475,000), in respect of the period from 1 October 2022 to 31 December 2022.

Current distribution policy:

The First REIT's current distribution policy is to distribute at least 90% of its taxable income, whereas the tax-exempt income and capitalised receipts with the actual level distribution to be determined at the Manager's discretion. The capital receipts comprise amounts received by the First REIT from redemption of redeemable preference shares and shareholder loans in the Singapore subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

20 LOANS AND BORROWINGS

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Current					
Loans from third parties	(a)	189	189	189	189
Loan from a fellow subsidiary	(b)	1,800	4,150	–	–
Secured Tokutei Mokuteki Kaisha ("TMK") Bond	(c)	1,453	1,714	–	–
Bank borrowings	(d)	49,491	34,794	30,000	30,000
		52,933	40,847	30,189	30,189
Non-current					
Secured TMK Bonds	(c)	106,672	126,971	–	–
Bank borrowings	(d)	–	19,301	–	–
Guaranteed bonds	(e),(h)	95,571	–	–	–
Social term loan A	(f),(h)	230,742	–	–	–
Social term loan B	(g)	16,629	–	–	–
		449,614	146,272	–	–
Total loans and borrowings		502,547	187,119	30,189	30,189

Total borrowings include secured liabilities of $500,558,000 (2021: $182,780,000) and $30,000,000 (2021: $30,000,000) of the Group and the Company respectively.

(a) Loans from third parties

The loan from a third party is unsecured.

(b) Loan from a fellow subsidiary

The loan from a fellow subsidiary, OUE Treasury Pte Ltd, is unsecured and interest-bearing at 4% per annum.

(c) TMK Bond

TMK is an investment vehicle incorporated under the Asset Liquidation Law of Japan to acquire real estate and obtain debt financing in real estate finance transactions in Japan. A TMK may issue TMK bonds, which are generally issued to qualified institutional investors. The TMK grants to holders of TMK bonds the right to receive all payments due in relation to such TMK bonds out of the assets of the TMK prior to any payments to other unsecured creditors. This statutory right is generally referred to as a general security interest. Unless otherwise provided in the Asset Liquidation Plan, such general security is automatically created by operation of law.

The secured TMK bonds pertain to a 5 year bonds issued by the First REIT's indirect subsidiary, OUELH Japan First TMK, for JPY10.6 billion (equivalent to approximately $108.1 million) due in May 2025 to Shinsei Bank Limited.

The secured TMK bonds agreement provides among other matters for the following:

1) Negative pledge against the total assets of the First REIT's indirect subsidiary, OUELH Japan First TMK, which mainly comprises investment properties in Japan and cash and cash equivalents.

2) A corporate guarantee from First REIT

NOTES TO THE FINANCIAL STATEMENTS

20. LOANS AND BORROWINGS (CONT'D)

(d) Bank borrowings

(i) $444,000 (2021: $493,000) is secured against a charge over the building and rights of the subsidiary pertaining of the working capital of the subsidiary (note 5);

(ii) $4,047,000 (2021: $8,602,000) is secured against:

- a charge created over an investment property under development of the Group (note 8);
- a debenture over the assets and rights of the subsidiary pertaining to a development project of the Group (note 8 and note 15);
- joint and several guarantees by certain shareholders;
- a corporate guarantee from the Company.

(iii) $30,000,000 (2021: $30,000,000) is secured by a corporate guarantee from the intermediate holding company; and

(iv) $15,000,000 (2021: $15,000,000) is secured by a corporate guarantee from the Company and memorandum of charge over units in a subsidiary held by one of the subsidiaries of the Company.

(e) Guaranteed bonds

On 7 April 2022, $100 million guaranteed bonds at a coupon rate of 3.25% due in April 2027 were issued by First REIT. The guaranteed bonds amounting to $100 million are unconditionally and irrevocably guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank. The interest of the bonds is payable half-yearly in arrears. The bonds are listed on the Singapore Exchange Securities Trading Limited.

(f) Social term loan A

On 25 November 2022, the First REIT entered into a facility agreement with two of the existing lenders, OCBC and CIMB in respect of a $300 million social term loan and revolving credit facilities agreement (the "Facilities"). On 1 December 2022, the First REIT drew down social term loan A amounting to $235 million under this Facilities which falls payable in May 2026.

(g) Social term loan B

On 29 September 2022, the First REIT's indirect subsidiary, First REIT Japan Two GK, secured a JPY1.66 billion (equivalent to approximately $16.9 million) non-recourse social loan due in 27 September 2026 from Shinsei Trust Bank, Limited. The proceeds from social term loan B was utilised to partially funded the acquisition of two nursing homes, Loyal Residence Ayase and Medical Rehabilitation Home Bon Sejour Komaki, in Japan during the year.

The secured social term loan B agreement provides amongst other matters for the following:

1) Negative pledge against the total assets of First REIT's indirect subsidiary, First REIT Japan Two GK, which mainly comprises of investment properties in Japan and cash and cash equivalents.

2) A corporate guarantee from First REIT.

NOTES TO THE FINANCIAL STATEMENTS

20. LOANS AND BORROWINGS (CONT'D)

(h) The social term loan A and guaranteed bonds agreements provide among other matters for the following:

1) Legal mortgage over the properties in Singapore and Indonesia of the First REIT Group except for Imperial Aryaduta Hotel and Country Club and Siloam Hospitals Yogyakarta.

2) Assignment to the banks of all of the First REIT Group's rights, titles, interests and benefits under any leases, tenancies, sales proceeds and cash flows in respect of the Indonesia properties and the Singapore properties except for Imperial Aryaduta Hotel and Country Club and Siloam Hospitals Yogyakarta.

3) Assignment to the banks of all of the First REIT Group's rights, titles and interests under the insurance policies in respect of the Indonesia properties and the Singapore properties, with the bank named as a "loss payee" except for Imperial Aryaduta Hotel and Country Club and Siloam Hospitals Yogyakarta.

4) A debenture containing first fixed and floating charges over all assets and undertakings of the First REIT's Singapore subsidiaries and subsidiaries of the First REIT's Singapore subsidiaries except for Lovage International Pte. Ltd., IAHCC Investment Pte. Ltd., Kalmore Investments Pte. Ltd. and Icon1 Holdings Pte. Ltd..

5) Charge of all of the First REIT's shares in the Singapore subsidiaries and subsidiaries of First REIT's Singapore subsidiaries except for Lovage International Pte. Ltd., IAHCC Investment Pte. Ltd., Kalmore Investments Pte. Ltd. and Icon1 Holdings Pte. Ltd..

6) Charge of all of the First REIT's Singapore subsidiaries' shares in the Indonesia subsidiaries except for the Joint-operation company, PT Yogya Central Terpadu.

7) A debenture by the First REIT Group covering first fixed and floating charges over all assets and undertakings in respect of the Singapore properties.

8) OUE Limited's interest held in the First REIT directly and indirectly is at least at 20%.

9) The Company's interest held in the First REIT directly and indirectly is at least at 20% (2021: 8%).

10) OUE Limited's interest held in First REIT Management Limited directly and indirectly is at least at 51% (2021: 40%).

11) Compliance with all financial covenants.

(i) Intra-group financial guarantee

Intra-group financial guarantees comprise corporate guarantees given by the Company:

(i) RMB222,500,000 (approximately $42,965,000) in respect of the Group's 50% share of the bank loan facilities taken up by its joint ventures in the PRC; and

(ii) $19,047,000 (2021: $137,287,000) to its subsidiaries in Malaysia and Singapore (2021: Malaysia and Japan).

At the reporting date, the Company has not recognised an ECL provision as the ECL amount was lower than that amortised liability for intra-group financial guarantee contracts. The Company does not consider it probable that a claim will be made against the Company under the guarantee. As at 31 December 2022, management has assessed that the fair value of intra-group financial guarantees is insignificant at initial recognition.

During the year, First REIT has entered into interest rate swaps and interest rate cap arrangements to manage the interest rate risk exposure arising from the bank loans with floating rates (note 13).

The carrying amount of the current and non-current borrowings except bank borrowing (d)(i) and (e), which are at floating variable market rates, approximately their fair values at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

20. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value $'000	Carrying amount $'000
Group					
2022					
Unsecured loans from third parties	SGD	0%	On demand	189	189
Unsecured loan from a fellow subsidiary	SGD	4%	On demand	1,800	1,800
Secured TMK Bonds	JPY	Offer rate + 1%	2022-2025	108,553	108,125
Secured bank loan	MYR	Cost of funds + 2%	2022-2023	4,047	4,047
Secured bank loan	RMB	4.8%	2023	444	444
Secured bank loan	SGD	Sora + 1.75%	On demand	30,000	30,000
Secured bank loan	SGD	Sora + 5.5%	2023	15,000	15,000
Guaranteed bonds	SGD	3.25%	2027	100,000	95,571
Social term loan A	SGD	5.12% - 5.56%	2026	235,713	230,742
Social term loan B	JPY	Offer rate + 1%	2026	16,932	16,629
				512,678	502,547
2021					
Unsecured loans from third parties	SGD	0%	On demand	189	189
Unsecured loan from a fellow subsidiary	SGD	4%	On demand	4,150	4,150
Secured TMK Bonds	JPY	Offer rate + 1%	2022-2025	129,426	128,685
Secured bank loan	MYR	Cost of funds + 2%	2022-2023	8,602	8,602
Secured bank loan	RMB	4.8%	2022	493	493
Secured bank loan	SGD	Sora + 0.8%	On demand	30,000	30,000
Secured bank loan	SGD	6%	2023	15,000	15,000
				187,860	187,119
Company					
2022					
Unsecured loans from third parties	SGD	0%	On demand	189	189
Secured bank loan	SGD	Sora + 1.75%	On demand	30,000	30,000
				30,189	30,189
2021					
Unsecured loans from third parties	SGD	0%	On demand	189	189
Secured bank loan	SGD	Sora + 0.8%	On demand	30,000	30,000
				30,189	30,189

NOTES TO THE FINANCIAL STATEMENTS

20. LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			
	Loans and borrowings $'000	**Lease liabilities $'000**	**Interest payable $'000**	**Total $'000**
Balance at 1 January 2022	187,119	1,318	119	188,556
Changes from financing cash flows				
Proceeds from borrowings	379,271	–	–	379,271
Repayment of borrowings	(387,968)	–	–	(387,968)
Payment of transaction costs related to loans and borrowings	(7,176)	–	–	(7,176)
Payment of lease liabilities	–	(1,066)	–	(1,066)
Interest paid	–	–	(14,328)	(14,328)
Total changes from financing cash flows	(15,873)	(1,066)	(14,328)	(31,267)
The effect of changes in foreign exchange rates	(23,268)	(91)	(192)	(23,551)
Other changes				
Liability-related				
Acquisition of subsidiary	349,875	1,701	1,907	353,483
New lease	–	595	–	595
Derecognition of lease liabilities	–	(261)	–	(261)
Amortisation of transaction costs	4,694	–	–	4,694
Interest expense	–	80	14,497	14,577
Total liability-related other changes	354,569	2,115	16,404	373,088
Balance at 31 December 2022	502,547	2,276	2,003	506,826

NOTES TO THE FINANCIAL STATEMENTS

20. LOANS AND BORROWINGS (CONT'D)

	Liabilities			
	Loans and borrowings $'000	**Lease liabilities $'000**	**Interest payable $'000**	**Total $'000**
Balance at 1 January 2021	355,701	833	23,824	380,358
Changes from financing cash flows				
Proceeds from borrowings	15,000	–	–	15,000
Repayment of borrowings	(9,194)			(9,194)
Payment of lease liability	–	(665)	–	(665)
Interest paid	–	–	(3,111)	(3,111)
Total changes from financing cash flows	5,806	(665)	(3,111)	2,030
The effect of changes in foreign exchange rates	(9,220)	2	(5)	(9,223)
Other changes				
Liability-related				
Non-cash settlement of shareholder loan through issuance of convertible perpetual securities (note 17)	(165,412)	–	(24,196)	(189,608)
New lease	–	1,049	–	1,049
Amortisation of transaction costs	244	–	–	244
Interest expense	–	99	3,607	3,706
Total liability-related other changes	(165,168)	1,148	(20,589)	(184,609)
Balance at 31 December 2021	187,119	1,318	119	188,556

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Current				
Trade payables	11,534	1,354	–	–
Other payables	7,618	6,557	1,007	1,039
Amounts due to subsidiaries	–	–	5,326	46,610
Amount due to a former shareholder	644	644	644	644
Interest payable	2,003	119	69	32
Accrued expenses	10,909	7,043	1,974	3,239
Deferred revenue	3,187	1,444	–	–
	35,895	17,161	9,020	51,564

NOTES TO THE FINANCIAL STATEMENTS

21 TRADE AND OTHER PAYABLES (CONT'D)

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Non-current				
Loan from a fellow subsidiary	8,000	–	–	–
Amount due to NCI	9,319	–	–	–
Rental deposit received	11,704	7,448	–	–
	29,023	7,448	–	–
Total trade and other payables	64,918	24,609	9,020	51,564

The amounts due to subsidiaries included $34,307,000 with Japan subsidiaries which were novated to First REIT on 1 March 2022.

The amount due to a former shareholder is unsecured, interest-free and repayable on demand.

The non-current loan from a fellow subsidiary is unsecured, interest-free and have no fixed term of repayment (note 35). The settlement of the loan is neither planned nor likely to occur in the foreseeable future.

The non-current amount due to NCI relate to the contingent consideration arising from the Echo Group Acquisition (note 31(b)).

The Group's and the Company's exposure to currency risk and liquidity risk related to trade and other payables is disclosed in note 34.

22 LEASES

Leases as lessee

The Group and the Company lease two (2021: five) office spaces and ten clinics (2021: nil) under non-cancellable operating lease agreements. The leases typically run for a period of between two and five years (2021: one and eight years) with escalation clauses and renewal rights.

Information about leases for which the Group and the Company as lessees are presented below.

Right-of-use assets

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Balance at 1 January	6,095	5,455	393	642
Additions	578	1,049	–	–
Acquisition of a subsidiary	1,664	–	–	–
Depreciation charge for the year	(1,023)	(645)	(262)	(249)
Derecognition right-of-use assets	(261)	–	(131)	–
Effect of movement in exchange rates	(553)	236	–	–
Balance at 31 December	6,500	6,095	–	393

NOTES TO THE FINANCIAL STATEMENTS

22 LEASES (CONT'D)

Lease liabilities

Terms and conditions of lease liabilities are as follows:

	Currency	Incremental borrowing rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group					
31 December 2022					
Lease liabilities	RMB	5%	2027	797	702
Lease liabilities	SGD	2%	2023-2025	425	419
Lease liabilities	SGD	5.25%	2023-2025	1,141	1,085
Lease liabilities	JPY	0.89%	2024	71	70
				2,434	2,276
31 December 2021					
Lease liabilities	RMB	5%	2027	1,057	910
Lease liabilities	SGD	3%	2023	400	390
Lease liabilities	JPY	0.89%	2022	18	18
				1,475	1,318
Company					
31 December 2021					
Lease liabilities	SGD	3%	2023	400	390

Amounts recognised in profit or loss

	Group	
	2022	2021
	$'000	$'000
Leases under SFRS(I) 16		
Interest on lease liabilities	80	99

Amounts recognised in statement of cash flows

	Group	
	2022	2021
	$'000	$'000
Total cash outflow for leases	(1,066)	(665)

NOTES TO THE FINANCIAL STATEMENTS

22 LEASES (CONT'D)

Leases as lessor

The Group leases out healthcare-related facilities to non-related parties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 7 sets out the information about the operating leases of investment properties.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2022 $'000	2021 $'000
Operating leases		
Within one year	89,436	8,647
One to two years	90,382	1,669
Two to three years	93,027	–
Three to four years	91,667	–
Four to five years	90,633	–
More than five years	892,129	–
	1,347,274	10,316

23 DEFERRED TAX LIABILITIES

Deferred tax liabilities are attributable to the following:

	Group	
	2022 $'000	2021 $'000
Unremitted income from Japan subsidiaries	32,417	33,115
Investment properties	18,338	–
Investment properties under development	1,017	1,482
	51,772	34,597

NOTES TO THE FINANCIAL STATEMENTS

23 DEFERRED TAX LIABILITIES (CONT'D)

The movement in the deferred tax liabilities during the year is as follows:

	Unremitted income from Japan subsidiaries $'000	Investment properties $'000	Investment properties under development $'000	Total $'000
Group				
Deferred tax liabilities				
At 1 January 2021	33,109	–	6,070	39,179
Recognised in profit or loss	2,126	–	(4,881)	(2,755)
Effect of movements in exchange rates	(2,120)	–	293	(1,827)
At 31 December 2021	33,115	–	1,482	34,597
At 1 January 2022	33,115	–	1,482	34,597
Recognised in profit or loss	4,621	(765)	(325)	3,531
Acquisition of subsidiary	–	20,427	–	20,427
Effect of movements in exchange rates	(5,319)	(1,324)	(140)	(6,783)
At 31 December 2022	32,417	18,338	1,017	51,772

Unrecognised deferred tax assets

As at 31 December 2022, deferred tax assets have not been recognised in respect of tax losses of $30,530,000 (2021: $27,333,000). Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Tax losses and other deductible temporary differences do not expire under current tax legislation.

Unrecognised deferred tax liabilities

Deferred tax liabilities have not been recognised for withholding taxes that would be payable on the unremitted earnings of $23,577,000 (2021: $23,371,000) of the subsidiaries for the year ended 31 December 2022 as the timing of the reversal of the temporary differences arising from such amounts can be controlled and it is probable that such temporary differences will not be reversed in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

24 PROVISIONS

	Note	Legal $'000	Site restoration $'000	Total $'000
Group				
At 1 January 2021		27,601	5,619	33,220
Reversal of provision	26, 5	(5,000)	(4,250)	(9,250)
Utilisation during the year		(1,644)	–	(1,644)
Effect of movements in exchange rates		–	181	181
At 31 December 2021		20,957	1,550	22,507
At 1 January 2022		20,957	1,550	22,507
Reversal of provision	26	–	(910)	(910)
Utilisation during the year		(233)	(566)	(799)
Effect of movements in exchange rates		–	(74)	(74)
At 31 December 2022		20,724	–	20,724

	Note	Legal 2022 $'000	Legal 2021 $'000
Company			
At 1 January		20,957	27,601
Reversal of provision	26	–	(5,000)
Utilisation during the year		(233)	(1,644)
At 31 December		20,724	20,957

Legal

Provisions are related to legal and related expenses (note 33), which include provision relating to obligations arising from contract and commercial arrangement, based on the best estimate of the possible outflow considering both contractual and commercial factors. In accordance to paragraph 92 of SFRS(I) 1-37 *Provisions, Contingent liabilities and Contingent assets*, details of the provision made for each claims were not disclosed in order not prejudice the Group's legal position.

For the year ended 31 December 2021, provisions were utilised for legal costs incurred. A reversal of provision of $5,000,000 was recorded as full and final settlement agreement with Crest Capital, Crest Catalyst and EFIII ("Crest Entities") was signed in December 2021. Under the agreement, there will be no more claims between the Company and the Crest Entities.

For the year ended 31 December 2022, provisions were utilised for legal costs incurred.

Site restoration

Provision was made for site restoration costs to be incurred to restore the Group's leasehold property under development, Chengdu land (note 5).

In 2021, a reversal of provision of $4,250,000 was recorded as the actual restoration costs required were lower based on actual contracts awarded for the restoration works, which decreased mainly due to lower material costs required for the works and the required amount of works are lesser than estimated.

As of 31 December 2022, restoration works were completed and remaining unutilised provision was reversed.

NOTES TO THE FINANCIAL STATEMENTS

25. REVENUE

	Group 2022 $'000	Group 2021 $'000
Medical services	15,841	1,080
Rental income	98,065	16,711
Sale of medicine and medical equipment	5,890	1,874
	119,796	19,665

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms and the related revenue recognition policies:

Healthcare operations segment

Nature of goods or services	The Group principally generates revenue from providing medical services, selling medicine and medical equipment. The contracts with its customers for selling medicine and medical equipment are received on an ad-hoc basis. Goods may be sold separately or in bundled packages. For the bundled contracts, the Group accounts for individual goods separately if they are distinct i.e, if a good is separately identifiable from other items in the bundled package and if a customer can benefit from it.
When revenue is recognised	Revenue is recognised at point in time when customer receives the services or when customer obtains control, based on the relative stand-alone selling prices of each of the goods.
Significant payment terms	Payment is due when the goods or services are delivered to the customers.

Healthcare assets segment

Rental income received under operating leases is recognised as 'revenue" on a straight-line basis over the term of the lease.

In the following table, revenue is disaggregated by primary geographical markets, major product and services lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with Group's reportable segments (note 36).

	Healthcare operations 2022 $'000	Healthcare operations 2021 $'000
Primary geographical markets		
PRC	4,760	2,954
Singapore	16,971	–
	21,731	2,954
Major products and services lines		
Medical services	15,841	1,080
Sale of medicine and medical equipment	5,890	1,874
	21,731	2,954
Timing of revenue recognition		
Products transferred at a point in time	21,731	2,954

NOTES TO THE FINANCIAL STATEMENTS

25. REVENUE (CONT'D)

	Healthcare assets	
	2022	**2021**
	$'000	**$'000**
Primary geographical markets		
Japan	15,357	16,711
Indonesia	79,165	–
Singapore	3,543	–
	98,065	16,711
Major products and services lines		
Rental income	98,065	16,711
Timing of revenue recognition		
Products transferred over time	98,065	16,711

26 OTHER (EXPENSES)/INCOME NET

		Group	
		2022	**2021**
	Note	**$'000**	**$'000**
Fair value loss on investment properties	7	(8,692)	–
Fair value losses on investment properties under development	8	(1,429)	(17,514)
Loss on disposal of a subsidiary	32	(713)	–
Net fair value losses of derivative financial instruments		(420)	–
Impairment loss on property, plant and equipment	5	–	(2,371)
Property, plant and equipment written-off		(5)	–
Others		–	(48)
Other expenses		(11,259)	(19,933)
Gain on shareholder loan conversion	17	–	109,973
Net gain from the First REIT transaction	31(a)	3,144	–
Reversal of provision for site restoration	24	910	–
Reversal of provisions for legal and related expenses	24	–	5,000
Reversal of impairment losses of other receivables	12	–	801
Recovery from David Lin's enforcement proceedings	33	520	1,069
Recovery of litigation costs and settlement sum		500	617
Government grants		42	95
Others		3	202
Other income		5,119	117,757
Other (expenses)/income, net		(6,140)	97,824

NOTES TO THE FINANCIAL STATEMENTS

27 NET FINANCE COSTS

	Group	
	2022	**2021**
	$'000	**$'000**
Interest income	456	260
Finance income	456	260
Amortisation of transaction costs	(4,694)	(244)
Interest expense	(14,577)	(3,706)
Foreign exchange loss, net	(1,102)	(93)
Finance costs	(20,373)	(4,043)
Net finance costs	(19,917)	(3,783)

28 PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

		Group	
	Note	**2022**	**2021**
		$'000	**$'000**
Audit fees paid/payable to:			
- auditors of the Company		1,033	344
- member firms of the auditors of the Company		153	94
- other auditors		261	13
Non-audit fees paid/payable to:			
- auditors of the Company		172	114
- other auditors		225	4
Depreciation of property, plant and equipment	5	1,496	882
Employee benefits expense (see below)		8,054	6,183
Trade and other receivable written off		127	–
Manager's management fees		8,028	–
Operating expenses arising from rental of investment properties		2,749	1,474
Employee benefits expense			
Salaries, wages and related cost		7,048	5,378
Employer's contribution to defined contribution plan		668	504
Others		338	301
		8,054	6,183

NOTES TO THE FINANCIAL STATEMENTS

29 TAX EXPENSE/(CREDIT)

	Group	
	2022 $'000	2021 $'000
Current tax expense		
Current year	9,076	83
Withholding tax	4,632	–
	13,708	83
Deferred tax expense		
Origination and reversal of temporary differences	3,531	(2,755)
Total tax expense/(credit)	17,239	(2,672)

Reconciliation of effective tax rate

	Group	
	2022 $'000	2021 $'000
Profit before tax	49,735	108,277
Tax using Singapore tax rate of 17% (2021: 17%)	8,455	18,407
Effect of tax rates in foreign jurisdictions	47	(1,420)
Effects of results of equity-accounted investees presented net of tax	250	(2,150)
Tax-exempt income	(999)	(28,221)
Non-deductible expenses	1,504	4,225
Foreign withholding tax	4,632	–
Tax transparency	(529)	–
Current tax losses for which no deferred tax assets are recognised	544	683
Tax losses not allowed to be carried forward	3,335	5,804
	17,239	(2,672)

Tax losses not allowed to be carried forward

The Group has carried forward tax losses of $19,618,000 (2021: $34,141,000). The unutilised losses arise from investment holding companies which cannot be carried forward to offset the income of future years of assessment.

NOTES TO THE FINANCIAL STATEMENTS

30 EARNINGS PER SHARE

(i) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding.

Net profit attributable to ordinary shareholders of the Company

	Group	
	2022 $'000	2021 $'000
Net profit attributable to owners of the Company	4,392	111,378

Weighted average number of ordinary shares

	Group	
	2022 '000	2021 '000
Weighted average number of ordinary shares during the year	4,443,129	4,443,129

(ii) Diluted earnings per share

The calculation of diluted earnings per share is based on the following profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the financial year, after adjustment for the effect of conversion of the convertible perpetual securities, issued on 16 March 2021, to ordinary shares at the conversion price of $0.07 per ordinary share. Under the terms of the conversion agreement, the convertible perpetual securities (note 17) can only be converted into ordinary shares on or after 31 August 2026.

Net profit attributable to owners of the Company

	Group	
	2022 $'000	2021 $'000
Net profit attributable to owners of the Company	4,392	111,378

Weighted average number of ordinary shares

		Group	
	Note	2022 '000	2021 '000
Ordinary share issued at the reporting date		4,443,129	4,443,129
Effect of conversion of convertible perpetual securities into ordinary shares	17	2,708,681	2,159,524
Weighted average number of ordinary shares during the year		7,151,810	6,602,653

NOTES TO THE FINANCIAL STATEMENTS

31 ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF AN ASSOCIATE

(a) Acquisition of First REIT as subsidiary

As part of the Group's assets light strategy, on 1 March 2022, the Group divested its wholly-owned subsidiaries, (i) OUELH Japan Medical Facilities Pte. Ltd., which owns a 100% interest in 12 nursing homes located in Japan; and (ii) OUELH Japan Medical Assets Pte. Ltd. to First REIT. The consideration received included 431,147,541 new units in First REIT ("Consideration Units") at the issue price of $0.305 per unit, amounting to approximately $131,500,000. The Group's direct stake in First REIT increased from 15.3% to 33.1% and the Group became a controlling shareholder of First REIT. As such, the Group's investment in First REIT was deemed disposed by the Group as an associate and became a subsidiary of the Group ("First REIT transaction").

For the ten months ended 31 December 2022, First REIT contributed revenue of $95,393,000 and profit of $37,907,000 to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have been $135,678,000, and consolidated profit for the year would have been $35,485,000. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	Note	$'000
Fair value of the existing shares in associate	10	74,055
Fair value of the Japan subsidiaries transferred to 66.89% NCI	37	86,514
Total consideration transferred		160,569

Fair value of associate

The fair value of the existing 15.3% shareholding (246,850,287 units) in the associate, First REIT, was based on the fair value of First REIT units.

Fair value of Japan subsidiaries transferred to non-controlling interests (NCI) in First REIT

The fair value of Japan subsidiaries transferred to NCI was based on the 66.9% of the fair value of the Consideration Units on 28 February 2022. The fair value of the Consideration Units was based on the fair value of First REIT units, which is used as proxy to determine the fair value of the Japan subsidiaries.

Fair value of First REIT units – Level 1 quoted price

The fair value of the First REIT units was based on the listed closing share price of First REIT at 28 February 2022 of $0.30 per share.

NOTES TO THE FINANCIAL STATEMENTS

31 ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF AN ASSOCIATE (CONT'D)

(a) Acquisition of First REIT as subsidiary (cont'd)

Acquisition-related costs

The Group incurred acquisition-related costs of $211,000 (2021: $250,000) on legal fees and due diligence costs. These costs have been included in 'administrative expenses'.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of completion of the First REIT transaction.

	Note	$'000
Plant and equipment		26
Investment properties	7	955,235
Trade and other receivables		32,955
Cash and cash equivalents		58,484
Investment in quoted shares		141
Trade and other payables		(38,757)
Current tax liabilities		(733)
Deferred tax liabilities	23	(20,427)
Loans and borrowings	20	(349,875)
Derivative financial instruments		(673)
Perpetual securities holders' fund		(59,651)
Net book value		576,725
Cash consideration received		(14,512)
Net identifiable assets and liabilities acquired		562,213

Measurement of fair values

The valuation techniques use for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Investment properties	*Discounted cash flow, capitalisation and/or direct comparison methods:* The valuation methods involve certain key inputs and estimates including those relating to cash flows, interest rates, discount rates, terminal capitalisation rates, capitalisation rates and price per square metre.

NOTES TO THE FINANCIAL STATEMENTS

31 ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF AN ASSOCIATE (CONT'D)

(a) Acquisition of First REIT as subsidiary (cont'd)

Negative goodwill and net gain from First REIT transaction

Negative goodwill arising from First REIT transaction has been recognised as follows:

	Note	$'000
Total consideration transferred		160,569
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree		376,044
Fair value of identifiable net assets and liabilities		(562,213)
Negative goodwill		(25,600)
Disposal of First REIT as an associate		
Fair value of associate on disposal date		74,055
Less: interests in an associate on disposal date	10	(96,511)
Loss on disposal of First REIT as an associate		(22,456)
Net gain from First REIT transaction recognised in profit or loss		3,144
Cash flows relating to the acquisition of First REIT as a subsidiary		
Cash and bank balances of subsidiary acquired		43,972
Add: Cash consideration received from divestment of Japan subsidiaries	37(a)	14,512
Net cash inflow from the First REIT transaction		58,484

The remeasurement to fair value of the Group existing 15.3% interest in First REIT resulted a gain of $3,144,000. This amount has been recognised in "other income" in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF AN ASSOCIATE (CONT'D)

(b) Acquisition of respiratory and cardiothoracic medical practices in Singapore – Echo Group

During the year, the Group incorporated a new subsidiary, Echo Healthcare Management Pte. Ltd. ("ECHM"), which is 60% owned by the Group and 40% held by a subsidiary of OUE Limited, to acquire respiratory specialists and cardiothoracic surgical practice in Singapore (RMA, TRPF and BH, collectively known as the "Medical Partners"). The acquisition was completed on 30 June 2022.

Upon completion, ECHM owns 60% of Echo Healthcare Services Pte. Ltd. ("ECHS"), and ECHS owns 60% of equity interests in the Medical Partners ("Echo Group Acquisition"). The remaining 40% direct shares of ECHS and 40% direct shares of the Medical Partners are held by the founding shareholders of the Medical Partners.

The performance of the ECHM and its subsidiaries ("Echo Group") has been consolidated under the Group with effect from 1 July 2022.

For the six months ended 31 December 2022, Echo Group contributed revenue of $16,972,000 and profit of $2,542,000 to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have been $135,619,000, and consolidated profit for the year would have been $37,015,000. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	$'000
Cash	18,639
Contingent consideration	9,319
Total consideration transferred	27,958

Contingent consideration

The Group has assessed that it is highly probable that the Echo Group will achieve the performance target for the outstanding consideration in 2024 based on its forecasted results. The outstanding consideration is payable when the Echo Group's EBITDA exceeds 50% growth during the relevant period (June 2022 – May 2030). The Group has included $9,319,000 as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition.

Acquisition-related costs

The Group incurred acquisition-related costs of $620,000 (2021: $500,000) on legal fees and due diligence costs. These costs have been included in 'administrative expenses'.

NOTES TO THE FINANCIAL STATEMENTS

31 ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF AN ASSOCIATE (CONT'D)

(b) Acquisition of respiratory and cardiothoracic medical practices in Singapore – Echo Group (cont'd)

Identifiable assets acquired and liabilities assumed

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

	$'000
Plant and equipment	1,970
Deposit	207
Prepayment	90
Lease liabilities	(1,701)
Net identifiable assets and liabilities acquired	566

Cash flow relating to the Echo Group

	$'000
Purchase consideration	(27,958)
Add: Outstanding consideration unpaid as at year end	9,319
Net cash outflow	(18,639)

Measurement of fair values

The valuation techniques use for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Plant and equipment	*Market comparison technique and Cost technique:* Plant and equipment mainly relate to right-of-use ("ROU") assets. The valuation for ROU assets is by discounting the remaining lease payments as at date of valuation, and direct comparison methods involve certain parameters such as market rents and discount rate.

Goodwill

Goodwill arising from the Echo Group Acquisition has been recognised as follows:

	$'000
Total consideration transferred	27,958
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	362
Fair value of identifiable net assets and liabilities	(566)
Goodwill	27,754

The goodwill is attributable mainly to the field of cardiovascular and lung related specialisation, which medical services are interlinked and can provide synergy to the Group healthcare business. None of the goodwill recognised is expected to be deductible for tax purposes.

NOTES TO THE FINANCIAL STATEMENTS

32 DISPOSAL OF A SUBSIDIARY

On 27 September 2022, the Group has through its 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 Tata Prima Indah ("PT TPI") for a total sales consideration of IDR430,000,000,000 (approximately $40,345,000).

PT TPI previously contributed net profit after tax of $2,106,000 from 1 March 2022 to the date of disposal.

Effect of the disposal

	$'000
The cash flow and net asset of PT TPI were as follows:	
Investment properties	40,438
Other payables	*
Cash and cash equivalents	*
Net assets disposed	40,438
Realisation of foreign exchange reserves	44
Tax expense relating to the disposal	(2,017)
	38,465
Loss on disposal of a subsidiary (including transaction costs[1])	(713)
	37,752
Less: Cash and cash equivalents disposed	*
Add: Transaction costs – Manager's divestment fees paid in units	202
Net cash inflow on disposal of a subsidiary	37,954

* Less than $1,000

[1] Included in the transaction costs are the audit fees paid to the auditors amounting to $37,000.

33 LITIGATION AND CLAIM CASES

The Group is exposed to several litigation and claim cases as at 31 December 2022.

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

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

In 2017, Weixin Hospital Investment Management (Shanghai) Co. Ltd ("Weixin"), a company 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, the Group deconsolidated Wuxi Co in 2018.

<u>Arbitration Proceedings against David Lin</u>

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

NOTES TO THE FINANCIAL STATEMENTS

33 LITIGATION AND CLAIM CASES (CONT'D)

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

Recognition and enforcement proceedings

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

As at 31 December 2022:

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

- Shanghai: the Shanghai No. 1 Court received approximately RMB3.25 million in November 2020. The funds have been transferred to a subsidiary of the Company in March 2021; and

- Taiwan: In March 2021, the Company also received the sum of $711,000, being the deposit and trust assets held by David Lin in his bank accounts in Taiwan. Separately, David Lin's ¼ share in a real estate in New Taipei City was sold on 18 January 2021 during a public auction for the sum of NTD5,880,000, of which the Company received a sum net of costs and expenses.

Claim by Wuxi Hongshen

In 2021, Wuxi Hongshen Pharmacy Co., Ltd ("Wuxi Hongshen") commenced a creditor subrogation claim against Wuxi Yilin Real Estate, a subsidiary of the Group, before the People's Court of Xinwu District, Wuxi (the "Subrogation Claim"), on the allegation that:

(i) Wuxi Hongshen was owed an outstanding sum of RMB1.5 million by Wuxi Co pursuant to a PRC judgement based on a contractual dispute case between the two parties (which does not involve the Group);

(ii) Wuxi Yilin Real Estate did not pay the consideration for the land and building at No. 20 Changjiang North Road, New District, Wuxi Jiangsu Province acquired from Wuxi Co; and

(iii) Wuxi Hongshen was therefore entitled to recover the outstanding sum of RMB1.5 million (as a creditor of Wuxi Co) directly from Wuxi Yilin Real Estate (as a subrogated debtor of Wuxi Co.) under PRC law.

On 14 December 2021, the People's Court of Xinwu District, Wuxi agreed with the points raised by Wuxi Hongshen and ordered Wuxi Yilin Real Estate to pay the sum of RMB1,513,000 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 RMB1,513,000 plus interest and costs to be paid to Wuxi Hongsheng. All of Wuxi Hongsheng's claims against the Group have been fully satisfied as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

33 LITIGATION AND CLAIM CASES (CONT'D)

(b) Other claim(s) against the Company

The Company received a letter of demand from Fan Kow Hin's ("Fan") private trustees dated 25 June 2021, demanding payment of the sum of $850,000 allegedly owing to Fan pursuant to shareholder advances, expense claims and a Management Advisory Service Agreement between Fan and a wholly owned subsidiary of the Company dated 1 February 2016.

This letter demanded payment of the same sums previously claimed by Fan in his letter of demand to the Company dated 27 January 2017. In 2017, the Company responded to Fan to seek further particulars and supporting documents in support of his claims, though no response was forthcoming. The Company has 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.

34 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The Board of Directors continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables, and cash and cash equivalents.

The carrying amounts of financial assets in the statements of financial position represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets.

The Group limits its exposure to credit risk from trade receivables by collecting deposits as collateral, where possible.

In monitoring customer credit risk, the Group considers the trade history of the customers with the Group, aging profile, maturity and existence of previous financial difficulties.

The First REIT Manager has established credit limits for tenants, obtained security deposits and/or bank guarantees (where applicable) and monitors their balances on an on-going basis. Credit evaluations are performed by the First REIT Manager before lease agreements are entered into with tenants.

One of the tenants in Singapore has provided a bank guarantee in lieu of security deposits of $1,515,000. The lessees, PT Lippo Karawaci Tbk and its subsidiaries, have provided bank guarantees of $42,840,000 in lieu of security deposits for rental income from the properties. These guarantees which expired in 2022 have been renewed up to September and December 2023 as appropriate.

Exposure to credit risk

The exposure to credit risk for trade receivables at the reporting date by geographic region was as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
PRC	753	746
Indonesia	4,214	–
Singapore	5,229	–
	10,196	746

The exposure to credit risk for trade receivables at the reporting date by type of counterparty was as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Drug distribution companies	277	276	–	–
Medical service providers	476	470	–	–
Hospital patients	4,960	–	–	–
Tenant rental income	4,483	–	–	–
	10,196	746	–	–

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Expected credit loss assessment for trade receivables

The Group uses an allowance matrix to measure the lifetime ECL of trade receivables.

Loss rates are calculated using a 'roll-rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset to be in default if the counterparty fails to make contractual payments within six-months when they fall due and writes off the financial asset only when the Group is satisfied that no recovery of the amount owing is possible. When receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, those are recognised in profit or loss.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2022:

	Group	
	Gross carrying amount	**Impairment loss allowance**
	$'000	**$'000**
2022		
Not past due	2,847	–
Past due less than 30 days	3,135	–
Past due 31 to 60 days	1,068	–
Past due 61 to 90 days	1,004	–
Past due over 90 days	2,142	–
	10,196	–
2021		
Not past due	654	–
Past due less than 30 days	25	–
Past due 31 to 60 days	–	–
Past due 61 to 90 days	–	–
Past due over 90 days	67	–
	746	–

Non-trade amounts due from subsidiaries

The Company holds non-trade receivables from its subsidiaries of $495,478,000 (2021: $375,223,000). These balances are amounts lent to subsidiaries to satisfy their funding requirements. Impairment on these balances has been measured on the 12-month and lifetime expected credit loss basis. The amount of the allowance on non-trade receivables from its subsidiaries is $179,063,000 (2021: $153,830,000).

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Other receivables

The Group and the Company held other receivables of $11,093,000 and $6,095,000 respectively at 31 December 2022 (2021: $9,240,000 and $6,083,000 respectively). Impairment on these balances have been measured on the 12-month and lifetime expected credit loss basis. The amounts of the allowance on other receivables for the Group and the Company are $7,785,000 and $5,332,000 respectively (2021: $7,889,000 and $5,456,000 respectively).

Amount due from a third party

The Group and Company held amount due from a third party of $674,000 as at 31 December 2022. Impairment on these balances have been measured on the 12-month and lifetime expected credit loss basis. The amount of the allowance on amount due from a third party was negligible.

The Group believes that, apart from the above, no further impairment allowance is necessary in respect of the other receivables.

Advance to a joint venture partner and loans to joint ventures

The Group holds non-trade receivables from its joint venture partner of $1,800,000 (2021: $4,110,000) and loans to joint ventures of $5,592,000 (2021: $8,946,000). These balances are amounts lent to joint ventures to satisfy their funding requirements. Impairment on these balances have been measured on the 12-month and lifetime expected credit loss basis. The amount of the allowance on advance to the joint venture partner and the allowance on loans to joint ventures were negligible.

Derivatives

Derivatives are entered into with bank and financial institution counterparties with sound credit rating.

At reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the statement of financial position.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $66,877,000 and $9,648,000 respectively at 31 December 2022 (2021: $43,823,000 and $6,057,000 respectively). The cash and cash equivalents are held with bank and financial institution counterparties that have a sound credit rating.

Impairment on cash and cash equivalents have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Guarantees

The Group provides financial guarantees to subsidiaries and joint ventures, where appropriate.

Intra-group financial guarantees comprise guarantees given by the Company to financial institutions in respect of credit facilities granted to subsidiaries. The maximum exposure of the Company is $63,867,000 (2021: $158,211,000). At the reporting date, the Company has not recognised an ECL provision as the ECL amount was lower than the amortised liability for intra-group financial guarantee contracts. The Company does not consider it probable that a claim will be made against the Company under the guarantees.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and borrowings. In addition, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations and mitigate the effect of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash outflows $'000	Cash outflows: Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group					
2022					
Non-derivative financial liabilities					
Loans and borrowings	(502,547)	(578,013)	(74,138)	(503,875)	–
Trade and other payables*	(42,027)	(42,027)	(32,708)	(9,319)	–
Lease liabilities	(2,276)	(2,434)	(1,102)	(1,332)	–
Rental deposits received	(11,704)	(11,704)	–	(2,705)	(8,999)
	(558,554)	(634,178)	(107,948)	(517,231)	(8,999)
Derivative financial liabilities					
Interest rate swaps (net-settled)	176	240	459	(219)	–
Interest rate caps (net-settled)	1,072	934	787	147	–
Forward exchange contracts (net-settled)	(494)	(494)	(494)	–	–
	754	680	752	(72)	–
	(557,800)	(633,498)	(107,196)	(517,303)	(8,999)
2021					
Non-derivative financial liabilities					
Loans and borrowings	(187,119)	(193,596)	(43,003)	(150,593)	–
Trade and other payables*	(15,717)	(15,717)	(15,717)	–	–
Lease liabilities	(1,318)	(1,475)	(458)	(838)	(179)
Rental deposits received	(7,448)	(7,448)	–	–	(7,448)
	(211,602)	(218,236)	(59,178)	(151,431)	(7,627)

* *Excluding deferred revenue and loan from a felow subsidiary*

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash outflows $'000	Cash outflows: Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Company					
2022					
Non-derivative financial liabilities					
Loans and borrowings	(30,189)	(31,032)	(31,032)	–	–
Trade and other payables	(9,020)	(9,020)	(9,020)	–	–
Recognised financial liabilities	(39,209)	(40,052)	(40,052)	–	–
Financial guarantees	–	(63,867)	(63,867)	–	–
	(39,209)	(103,919)	(103,919)	–	–
2021					
Non-derivative financial liabilities					
Loans and borrowings	(30,189)	(30,553)	(30,553)	–	–
Trade and other payables	(51,564)	(51,564)	(51,564)	–	–
Lease liabilities	(390)	(400)	(267)	(133)	–
Recognised financial liabilities	(82,143)	(82,517)	(82,384)	(133)	–
Financial guarantees	–	(158,211)	(7,618)	(150,593)	–
	(82,143)	(240,728)	(90,002)	(150,726)	–

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group operates predominantly in the Asia-Pacific region with operations in countries such as Singapore, Malaysia, PRC, Japan and Indonesia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies"). Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Malaysian Ringgit ("MYR"), Japanese Yen ("JPY"), US Dollar ("USD"), Chinese Yuan Renminbi ("RMB") and Indonesian Rupiah ("IDR").

The Group's exposures to various foreign currencies are shown in Singapore dollars ("SGD"), translated using the spot rate as at 31 December as follows:

	SGD $'000	MYR $'000	JPY $'000	USD $'000	RMB $'000	IDR $'000
2022						
Financial assets						
Cash and cash equivalents	22	–	–	2	40	1,336
Other investment	–	–	–	2,817	–	–
Trade and other receivables	1,200	6	10,684	3,370	16,147	–
	1,222	6	10,684	6,189	16,187	1,336
Financial liabilities						
Trade and other payables*	(78,744)	(439)	(5,984)	(8,358)	(1,194)	–
Net exposure	(77,522)	(433)	4,700	(2,169)	14,993	1,336
2021						
Financial assets						
Cash and cash equivalents	72	–	–	634	44	–
Trade and other receivables	1,667	17	12,398	2,731	16,100	–
	1,739	17	12,398	3,365	16,144	–
Financial liabilities						
Trade and other payables*	(55,563)	(465)	(6,813)	(8,467)	(1,339)	–
Net exposure	(53,824)	(448)	5,585	(5,102)	14,805	–

* *Excluding intra-group balances for which settlement is neither planned nor likely to occur in the foreseeable future*

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

The Company's exposure to the following foreign currency is shown in SGD, translated using spot rate as at 31 December as follows:

	JPY $'000	USD $'000
2022		
Financial assets		
Trade and other receivables	–	674
2021		
Financial assets		
Trade and other receivables	10,247	–

Sensitivity analysis

A 5% strengthening of the SGD against the following currencies at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rate, remain constant.

	Profit or loss 2022 $'000	 2021 $'000
Group		
SGD	(3,876)	(2,691)
MYR	22	22
JPY	(235)	(279)
USD	108	255
RMB	(750)	(740)
IDR	(67)	–
Company		
JPY	–	(512)
USD	(34)	–

Interest rate risk

The Group's exposure to interest rate risk arises primarily from its variable-rate borrowings. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd)

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group Nominal amount		Company Nominal amount	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Fixed rate instruments				
Financial assets	1,800	4,110	–	9,792
Financial liabilities	(102,244)	(19,643)	–	–
Interest rate swaps	(85,000)	–	–	–
Interest rate cap	(90,000)	–	–	–
	(275,444)	(15,533)	–	9,792
Variable rate instruments				
Financial liabilities	(410,246)	(168,028)	(30,000)	(30,000)
Interest rate swaps	85,000	–	–	–
Interest rate cap	90,000	–	–	–
	(235,246)	(168,028)	(30,000)	(30,000)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bp increase $'000	100 bp decrease $'000
Group		
31 December 2022		
Variable rate instruments		
Effect of borrowings	(4,102)	4,102
Interest rate swap	850	(850)
Interest rate cap	900	(900)
	(2,352)	2,352
31 December 2021		
Variable rate instruments	(1,680)	1,680
Company		
31 December 2022		
Variable rate instruments	(300)	300
31 December 2021		
Variable rate instruments	(300)	300

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Other market price risk

Equity price risk arises from equity investment at FVOCI held for the long term for strategic purposes. The primary goal of the Group's investment strategy is to maximise investment return. A 10% increase in the underlying prices of the Group's investment at the reporting date would increase equity (before any tax effect) by the following amounts:

Sensitivity analysis - price risk

	2022 $'000
Unquoted investments at FVOCI	
Equity	282

A 10% decrease in the underlying prices at the reporting date would have had the equal but opposite effect on the equity to the amounts shown above, on the basis that all other variables remain constant.

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern. The Group defines "capital" as including all components of equity, including non-controlling interests.

The Company is a subsidiary of OUE Limited through its wholly-owned subsidiary, Treasure International Holdings Pte. Ltd.. As the Group is part of a larger group, the Group's sources of additional capital may also be affected by OUE Limited's capital management objectives. The Group receives financial support from its intermediate holding company for its working capital purposes, when required.

The Group's capital structure is reviewed and managed with due regard to the capital management practices of the group to which it belongs. Adjustments may be made to the capital structure in light of changes in economic conditions affecting the Company or the Group to the extent that these do not conflict with the directors' fiduciary duties towards the Company or the requirements of the Singapore Companies Act.

Apart from that disclosed above, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount					Fair value			
	Financial assets at amortised cost $'000	FVOCI-equity instrument $'000	Fair value financial derivatives $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
2022									
Financial assets not measured at fair value									
Trade and other receivables*	22,337	–	–	–	22,337	–	–	3,233	3,233
Cash and cash equivalents	66,877	–	–	–	66,877				
	89,214	–	–	–	89,214				
Financial assets measured at fair value									
Other investment	–	2,817	–	–	2,817	–	–	2,817	2,817
Derivative financial instruments									
- interest rate swaps (net-settled)	–	–	176	–	176	–	176	–	176
- interest rate cap (net-settled)	–	–	1,072	–	1,072	–	1,072	–	1,072
	–	2,817	1,248	–	4,065				
Financial liabilities measured at fair value									
Derivative financial instruments									
- forward exchange contracts (net-settled)	–	–	(494)	–	(494)	–	(494)	–	(494)
	–	–	(494)	–	(494)				
Financial liabilities not measured at fair value									
Loans and borrowings	–	–	–	(502,547)	(502,547)	–	(95,356)	–	(95,356)
Trade and other payables#	–	–	–	(50,027)	(50,027)	–	–	(17,319)	(17,319)
Rental deposits received	–	–	–	(11,704)	(11,704)	–	–	(9,001)	(9,001)
	–	–	–	(564,278)	(564,278)				

* *Excluding prepayments*
\# *Excluding rental deposits received and deferred revenue*

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amount			Fair value			
	Financial assets at amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group							
2021							
Financial assets not measured at fair value							
Trade and other receivables*	15,464	–	15,464	–	–	3,114	3,114
Cash and cash equivalents	43,823	–	43,823				
	59,287	–	59,287				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(187,119)	(187,119)				
Trade and other payables#	–	(15,717)	(15,717)				
Rental deposits received	–	(7,448)	(7,448)	–	–	(5,941)	(5,941)
	–	(210,284)	(210,284)				

* *Excluding prepayments*
\# *Excluding rental deposits received and deferred revenue*

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amount			Fair value			
	Financial assets at amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company							
2022							
Financial assets not measured at fair value							
Trade and other receivables*	317,998	–	317,998	–	–	58,872	58,872
Cash and cash equivalents	9,648	–	9,648				
	327,646	–	327,646				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(30,189)	(30,189)				
Trade and other payables	–	(9,020)	(9,020)				
	–	(39,209)	(39,209)				
2021							
Financial assets not measured at fair value							
Trade and other receivables*	225,058	–	225,058	–	–	9,643	9,643
Cash and cash equivalents	6,057	–	6,057				
	231,115	–	231,115				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(30,189)	(30,189)				
Trade and other payables	–	(51,564)	(51,564)				
	–	(81,753)	(81,753)				

* *Excluding prepayments*

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

The following table show the valuation techniques used in measuring level 2 and level 3 fair values.

Type	Valuation technique
Group	
Financial instruments not measured at fair value	
Rental deposits received and loan to joint venture	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.
Other long-term financial liabilities	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.
Financial instruments measured at fair value	
Equity investments – at FVOCI	Market comparison technique: The valuation model is based on recent transacted prices, through fund-raising exercise.
Interest rate swap, interest rate cap and forward exchange contracts	The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transaction in similar instruments.
Corporate guarantee	The fair values are calculated as the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee.
Contingent consideration	Discounted cash flows: The valuation model considers the present value of expected future payment, discounted using a risk-adjusted discount rate.

NOTES TO THE FINANCIAL STATEMENTS

35 RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties during the financial year:

	Group	
	2022	**2021**
	$'000	**$'000**
Interest expense paid/payable to a fellow subsidiary	(95)	(166)
Interest expense paid/payable to a shareholder	–	(1,070)
Recharge of employee expenses to a joint venture	71	553
Reversal of recharge of employee expenses to a joint venture	(335)	–
Management fees paid/payable to a joint venture, FRML, by a subsidiary, First REIT	8,007	–

An affiliated corporation is defined as one:

- in which a director of the Company has substantial financial interest or who is in a position to exercise significant influence; and/or
- which directly or indirectly, through one or more intermediaries, are under the control of a common shareholder.

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

NOTES TO THE FINANCIAL STATEMENTS

35 RELATED PARTY TRANSACTIONS (CONT'D)

Key management personnel compensation comprised:

	Group	
	2022	**2021**
	$'000	**$'000**
Salaries and other short-term employee benefits	778	655
Directors' fees of the Company	608	567
Post-employment benefits (including contributions to defined contribution plan)	17	17
	1,403	1,239

Included in the above is total compensation to directors of the Company amounting to $608,000 (2021: $567,000).

Loan to First REIT Management Limited ("FRML")

The Company granted an interest-free loan of $5,925,000 to FRML on 11 February 2021. As at 31 December 2022, the amount owing by FRML of $3,000,000 was fully paid. The FRML is a joint venture between the Company and OUE Limited, who hold 40% and 60% of the total issued and paid-up share capital of the FRML respectively.

The loan was to fund the FRML's subscription to its pro rata entitlement of the First REIT 2021 rights issue.

Loan to Riviera Quad International Limited ("Riviera Quad")

On 1 November 2021, the Company granted an interest-free loan of $3,178,000 (equivalent to RMB15,000,000) to Riviera Quad. As at 31 December 2022, the amount owing by Riviera Quad was $2,897,000. The Riviera Quad is a joint venture between the Company and Golden Pinnacle Enterprises Limited ("Golden Pinnacle"), both the Group and Golden Pinnacle hold 50% of the total issued share of Riviera Quad respectively. Golden Pinnacle is an indirect wholly-owned subsidiary of China Merchants Shekou Industrial Zone Holdings Co., Ltd.. The loan was for the Prince Bay project.

Shareholder loan from OUE Treasury Pte. Ltd. ("OUE Treasury")

The repayment date of the outstanding loan of $1,800,000 from OUE Treasury to OUELH Medical Assets Pte. Ltd. ("OMA") was extended from 29 March 2022 to 11 April 2023.

OUE Treasury is a wholly-owned subsidiary of OUE Limited, which is a controlling shareholder of the Company. OMA is a subsidiary of the Company. The interest on the loan is 4% per annum.

Loan from TI Echo Pte. Ltd. ("TI Echo")

A loan of $8,000,000 from TI Echo to Echo Healthcare Management Pte. Ltd. ("ECHM"). TI Echo is a wholly-owned subsidiary of Treasure International Holdings Pte. Ltd. ("TIHPL"), which is the Company's immediate holding company. TIHPL is a wholly-owned subsidiary of OUE Limited.

ECHM is a joint venture between the Company and OUE Limited. ECHM was setup for purpose of the Echo Group Acquisition.

The loan is TI Echo's share of loan to ECHM based on TI Echo's shareholding in ECHM and is interest free.

Please see note 31(b) for details of the Echo Group Acquisition.

NOTES TO THE FINANCIAL STATEMENTS

35 RELATED PARTY TRANSACTIONS (CONT'D)

Secondment agreement with Browny Healthcare Pte. Ltd. ("Browny"), ITOCHU Singapore Pte. Ltd. ("ITOCHU SG") and ITOCHU Corporation ("ITOCHU Corp") (collectively, the "ITOCHU Entities")

On 15 February 2018, the Company entered into a secondment agreement with the ITOCHU Entities, pursuant to which the ITOCHU Entities have the right to second up to three employees to the Company ("Secondment Agreement"). Pursuant to the Secondment Agreement and related documentation, the Company is obliged to make remuneration-related payments either directly to the seconded employees and/or in the form of secondment fees payable to ITOCHU SG.

On 23 March 2021, the Company entered into a letter supplemental to the Secondment Agreement with the ITOCHU Entities ("Supplemental Letter"). Pursuant to the Supplemental Letter, the number of employees in relation to the secondment arrangement with the ITOCHU Entities is reduced to two.

The total remuneration-related payments expected for 2022 is $580,000 (2021: $401,000).

36 OPERATING SEGMENTS

The Group's has the following four (2021: four) strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and marketing strategies. The Group's CEO reviews internal management reports of each division at least quarterly.

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

(i) Healthcare operations – Operation of hospitals, clinics and supply of medical equipment and pharmaceutical products. The Group currently has operations in the PRC, Myanmar and Singapore. Healthcare operation in Singapore was acquired through acquisition of subsidiaries in 2022 (note 31(b)).

(ii) Healthcare assets – Rental of investment properties and assets owned by the Group. The Group currently has assets in PRC, Indonesia, Singapore and Japan. Healthcare assets in Singapore and Indonesia were acquired through acquisition of a subsidiary in 2022 (note 31(a)).

NOTES TO THE FINANCIAL STATEMENTS

36 OPERATING SEGMENTS (CONT'D)

(iii) Properties under development – Development of medical facilities, healthcare-related assets and integrated mixed-used projects. The Group currently has development properties in PRC and Malaysia.

(iv) Investments – Investment in First Real Estate Investment Trust ("First REIT") and First REIT Manager, FRML. Effective from 1 March 2022, the Group's investment in First REIT was accounted for as a subsidiary of the Group after the First REIT transaction (note 31(a)) and reported under the Healthcare assets segment.

Others mainly comprise head office and corporate functions, including investment holding related activities.

The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the key management. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Healthcare operations $'000	Healthcare assets $'000	Properties under development $'000	Investments $'000	Others $'000	Total $'000
Group						
31 December 2022						
Revenue						
External revenue	21,731	98,065	–	–	–	119,796
Inter-segment revenue	–	–	–	–	1,097	1,097
Segment revenue (including inter-segment revenue)	21,731	98,065	–	–	1,097	120,893
Segment (loss)/profit before tax	(3,985)	43,273	(3,504)	4,248	9,703	49,735
Depreciation	(1,060)	(55)	–	–	(381)	(1,496)
Interest expenses	(94)	(17,038)	(326)	–	(1,813)	(19,271)
Interest income	1	223	–	–	232	456
Net gain from First REIT transaction	–	3,144	–	–	–	3,144
Loss on disposal of a subsidiary	–	(713)	–	–	–	(713)
Share of results of equity-accounted investees, net of tax	(5,721)	–	–	4,248	–	(1,473)

NOTES TO THE FINANCIAL STATEMENTS

36 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Healthcare operations $'000	Healthcare assets $'000	Properties under development $'000	Investments $'000	Others $'000	Total $'000
Other material non-cash items						
Reversal of provision for site restoration	–	–	910	–	–	910
Fair value losses on investment properties	–	(8,692)	–	–	–	(8,692)
Fair value losses on investment properties under development	–	–	(1,429)	–	–	(1,429)
Net fair value losses of derivative financial instruments	–	(420)	–	–	–	(420)
Impairment losses on joint venture investment	(5,000)	–	–	–	–	(5,000)
Trade and other receivables written off	–	–	–	–	(127)	(127)
Reportable segment assets	66,659	1,203,224	53,162	31,313	48,228	1,402,586
Additions to:						
- Property, plant and equipment	2,644	26	–	–	514	3,184
- Investment properties	–	35,339	–	–	–	35,339
- Capital contribution in equity-accounted investees	4,901	–	–	–	–	4,901
Reportable segment liabilities	73,494	481,310	5,429	–	30,726	590,959
Current tax liabilities						1,832
Deferred tax liabilities						51,772
						644,563

NOTES TO THE FINANCIAL STATEMENTS

36 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Healthcare operations $'000	Healthcare assets $'000	Properties under development $'000	Investments $'000	Others $'000	Total $'000
Group						
31 December 2021						
Revenue						
External revenue	2,954	16,711	–	–	–	19,665
Inter-segment revenue	–	–	–	–	1,486	1,486
Segment revenue (including inter-segment revenue)	2,954	16,711	–	–	1,486	21,151
Segment (loss)/profit before tax	(1,288)	11,169	(21,475)	12,163	107,708	108,277
Depreciation	(354)	(84)	(3)	–	(441)	(882)
Interest expenses	(108)	(1,611)	(602)	–	(1,629)	(3,950)
Interest income	–	–	1	–	259	260
Gain on shareholder loan conversion	–	–	–	–	109,973	109,973
Share of results of equity-accounted investees, net of tax	485	–	–	12,163	–	12,648
Other material non-cash items						
Reversal of provision for legal and related expenses	–	–	–	–	5,000	5,000
Reversal of impairment losses of other receivables	–	–	–	–	801	801
Fair value losses on investment properties under development	–	–	(17,514)	–	–	(17,514)
Impairment loss on property, plant and equipment	–	–	(2,371)	–	–	(2,371)
Reportable segment assets	31,747	335,981	37,797	130,322	58,550	594,397
Additions to:						
- Property, plant and equipment	1,109	–	867	–	28	2,004
- Investment properties	–	1,104	–	–	–	1,104
- Investment in equity-accounted investees	–	–	–	32,651	–	32,651
Reportable segment liabilities	29,778	139,698	11,838	–	54,239	235,553
Current tax liabilities						53
Deferred tax liabilities						34,597
						270,203

NOTES TO THE FINANCIAL STATEMENTS

36 OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenue and profit before tax

	2022 $'000	2021 $'000
Revenue		
Total revenue for reportable segments	119,796	19,665
Revenue for other segment	1,097	1,486
Elimination of inter-segment revenue	(1,097)	(1,486)
Consolidated total revenue	119,796	19,665
Profit or loss		
Total profit before tax for:		
- Reportable segments	40,032	569
- Other segment	9,703	107,708
Consolidated profit before tax	49,735	108,277

Reconciliations of reportable segment assets and liabilities

	2022 $'000	2021 $'000
Assets		
Total assets for reportable segments	1,354,358	535,847
Assets for other segments	48,228	58,550
Consolidated total assets	1,402,586	594,397
Liabilities		
Total liabilities for reportable segments	560,233	181,314
Liabilities for other segments	30,726	54,239
Other unallocated amounts		
- Current tax liabilities	1,832	53
- Deferred tax liabilities	51,772	34,597
Consolidated total liabilities	644,563	270,203

Geographical information

	Revenue	
	2022 $'000	2021 $'000
Japan	15,357	16,711
PRC	4,760	2,954
Singapore	20,514	–
Indonesia	79,165	–
	119,796	19,665

NOTES TO THE FINANCIAL STATEMENTS

36 OPERATING SEGMENTS (CONT'D)

Geographical information (cont'd)

	Non-current assets *	
	2022	**2021**
	$'000	**$'000**
Japan	287,355	290,595
Malaysia	38,976	41,421
PRC	53,814	53,358
Singapore	94,822	133,995
Myanmar	10,760	18,330
Indonesia	825,580	–
US	2,817	–
Sri Lanka	461	–
	1,314,585	537,699

* Non-current assets relate to the carrying amounts of property, plant and equipment, intangible assets and goodwill, investment properties, investment properties under development, associate and joint ventures, other investment, derivative financial instruments and trade and other receivables.

Major customer

Revenues from top two (2021:one) customers of the Group's healthcare assets segment represents approximately $75,209,000 (2021: $11,737,000) of the Group's total revenues.

NOTES TO THE FINANCIAL STATEMENTS

37 CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES WITHOUT A CHANGE IN CONTROL

(a) Divestment of Japan subsidiaries

At completion of the First REIT transaction, the Group's effective shareholding interest in subsidiaries diluted from 100% to 33.1% without a change in control (note 31(a)).

Consideration received

The following table summarises the fair value of considerations received:

	Note	$'000
Cash		14,512
Fair value of 17.8% increase in shareholding in First REIT	31(a)	86,514
Total consideration received		101,026

Fair value of increase in shareholding in First REIT

The fair value of the First REIT units received was based on the fair value of 17.8% increase in the Group's direct interest in First REIT. At 28 February 2022, the fair value of First REIT was based on its units in issue of 1,616 million shares, and the listed closing share price of $0.30 per share.

	2022
	$'000
Carrying amount of Japan subsidiaries at 28 February 2022	157,994
Net balances with Japan subsidiaries transferred to First REIT	(20,158)
Net carrying value of Japan subsidiaries on disposal	137,836
Fair value of consideration received	101,023
66.9% of net carrying value in Japan subsidiaries	(92,190)
Increase in equity attributable to owners of the Company	8,833

(b) Dilution of First REIT

On 1 March 2022, the Group acquired 431,147,541 First REIT share for an aggregate consideration of $131,500,000. The Group's direct stake in First REIT increased from 15.3% to 33.1%. On 6 May 2022, 5 August 2022, 8 November 2022 and 22 December 2022, First REIT issued new share units totalling 11,102,642. Arising therefrom, the Group's interest in First REIT decreased from 33.1% to 32.9% as at 31 December 2022.

The following summaries the effect of changes in the Group's ownership interest in First REIT:

	First REIT
	$'000
Increase in equity attributable to non-controlling interests	1,228
Decrease in equity attributable to owners of the Company	(1,228)

STATISTICS OF SHAREHOLDINGS

As at 17 March 2023

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	642	14.38	28,641	0.00
100 - 1,000	1,009	22.60	493,467	0.01
1,001 - 10,000	1,646	36.86	7,222,648	0.16
10,001 - 1,000,000	1,109	24.84	124,252,514	2.80
1,000,001 AND ABOVE	59	1.32	4,311,131,936	97.03
TOTAL	4,465	100.00	4,443,129,206	100.00

As at 17 March 2023, the total number of issued Shares is 4,443,129,206. The Company does not hold any treasury shares and there are no subsidiary holdings.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	OCBC SECURITIES PRIVATE LIMITED	2,445,338,670	55.04
2	BROWNY HEALTHCARE PTE. LTD.	858,412,248	19.32
3	CITIBANK NOMINEES SINGAPORE PTE LTD	688,556,962	15.50
4	THE ENTERPRISE FUND III LTD	48,564,300	1.09
5	GOI SENG HUI	40,713,200	0.92
6	PHILLIP SECURITIES PTE LTD	26,137,189	0.59
7	DBS NOMINEES (PRIVATE) LIMITED	21,550,375	0.49
8	DB NOMINEES (SINGAPORE) PTE LTD	20,545,003	0.46
9	LIM CHAP HUAT	18,525,756	0.42
10	MORPH INVESTMENTS LTD	18,000,000	0.41
11	MAYBANK SECURITIES PTE. LTD.	14,900,025	0.34
12	LEE CHIN HUAT	9,499,700	0.21
13	YEO KAY BENG	7,700,000	0.17
14	RAFFLES NOMINEES (PTE.) LIMITED	6,812,444	0.15
15	ZENG LIREN	6,150,000	0.14
16	JIMMY LEE PENG SIEW	5,000,000	0.11
17	LAU HOI KOK	3,400,000	0.08
18	TAN KOON	3,300,874	0.07
19	IFAST FINANCIAL PTE. LTD.	3,224,848	0.07
20	JANE ANG LI HUA (HONG LIHUA)	3,200,000	0.07
TOTAL		4,249,531,594	95.65

SUBSTANTIAL SHAREHOLDERS

As shown in the Company's Register of Substantial Shareholders as at 17 March 2023

	Number of Shares			
	Direct Interest	Deemed Interest[2]	Total Interest	%[1]
Treasure International Holdings Pte. Ltd. ("**TIHPL**")	3,126,316,752	-	3,126,316,752	70.36
OUE Limited [3]	-	3,126,316,752	3,126,316,752	70.36
OUE Realty Pte. Ltd. ("**OUER**")[4]	-	3,126,316,752	3,126,316,752	70.36
Golden Concord Asia Limited ("**GCAL**")[5]	-	3,126,316,752	3,126,316,752	70.36
Fortune Crane Limited ("**FCL**")[6]	-	3,126,316,752	3,126,316,752	70.36
Lippo ASM Asia Property Limited ("**LAAPL**")[7]	-	3,126,316,752	3,126,316,752	70.36
HKC Property Investment Holdings Limited ("**HKC Property**")[8]	-	3,126,316,752	3,126,316,752	70.36
Hongkong Chinese Limited ("**HCL**")[9]	-	3,126,316,752	3,126,316,752	70.36
Hennessy Holdings Limited ("**Hennessy**")[10]	-	3,126,316,752	3,126,316,752	70.36
Huge Success Limited (formerly known as "Prime Success Limited" ("**HSL**"))[11]	-	3,126,316,752	3,126,316,752	70.36
Lippo Limited ("**LL**")[12]	-	3,126,316,752	3,126,316,752	70.36
Lippo Capital Limited ("**LCL**")[13]	-	3,126,316,752	3,126,316,752	70.36
Lippo Capital Holdings Company Limited ("**LCH**")[14]	-	3,126,316,752	3,126,316,752	70.36
Lippo Capital Group Limited ("**LCG**")[15]	-	3,126,316,752	3,126,316,752	70.36
PT Trijaya Utama Mandiri ("**PT Trijaya**")[16]	-	3,126,316,752	3,126,316,752	70.36
Admiralty Station Management Limited ("**Admiralty**")[17]	-	3,126,316,752	3,126,316,752	70.36
Argyle Street Management Limited ("**ASML**")[18]	-	3,126,316,752	3,126,316,752	70.36
Argyle Street Management Holdings Limited ("**ASMHL**")[19]	-	3,126,316,752	3,126,316,752	70.36
Mr. James Tjahaja Riady[20]	-	3,126,316,752	3,126,316,752	70.36
Dr. Stephen Riady[21]	-	3,126,316,752	3,126,316,752	70.36
Mr. Kin Chan[22]	-	3,126,316,752	3,126,316,752	70.36
Mr. V-Nee Yeh[23]	-	3,126,316,752	3,126,316,752	70.36
Browny Healthcare Pte Ltd ("**BHPL**")	858,412,248	-	858,412,248	19.32
ITOCHU Singapore Pte Ltd ("**ITOCHU SG**")[24]	-	858,412,248	858,412,248	19.32
ITOCHU Corporation ("**ITOCHU Corp**")[25]	-	858,412,248	858,412,248	19.32

SUBSTANTIAL SHAREHOLDERS

As shown in the Company's Register of Substantial Shareholders as at 17 March 2023

Notes:

(1) Based on the total number of 4,443,129,206 issued Shares as at 17 March 2023.

(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.

(3) OUE is deemed to have an interest in the Shares held by TIHPL. TIHPL is a wholly-owned subsidiary of OUE.

(4) OUER is deemed to have an interest in the Shares in which its subsidiary, OUE, has a deemed interest.

(5) GCAL is deemed to have an interest in the Shares in which its subsidiary, OUER, has a deemed interest.

(6) FCL is deemed to have an interest in the Shares in which its subsidiary, GCAL, has a deemed interest.

(7) LAAPL is deemed to have an interest in the Shares in which its subsidiary, FCL, has a deemed interest.

(8) LAAPL is jointly held by HKC Property and Admiralty. Accordingly, HKC Property is deemed to have an interest in the Shares in which LAAPL has a deemed interest.

(9) HCL is the immediate holding company of HKC Property. Accordingly, HCL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(10) Hennessy is an intermediate holding company of HKC Property. Accordingly, Hennessy is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(11) HSL is an intermediate holding company of HKC Property. Accordingly, HSL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(12) LL is an intermediate holding company of HKC Property. Accordingly, LL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(13) LCL is an intermediate holding company of HKC Property. Accordingly, LCL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(14) LCH is an intermediate holding company of HKC Property. Accordingly, LCH is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(15) LCG is the holding company of LCH, which in turn is an intermediate holding company of HKC Property. Accordingly, LCG is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(16) PT Trijaya holds more than 20% of the shares in LCL, which is an intermediate holding company of HKC Property. Accordingly, PT Trijaya is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(17) LAAPL is jointly held by Admiralty and HKC Property. Accordingly, Admiralty is deemed to have an interest in the Shares in which LAAPL has a deemed interest.

(18) ASML owns 100% of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the Shares in which Admiralty has a deemed interest.

(19) ASMHL is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Shares in which ASML has a deemed interest.

(20) Mr. James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20% of the shares in LCL. LCL in turn is an intermediate holding company of HKC Property. Accordingly, Mr. James Tjahaja Riady is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(21) Dr. Stephen Riady holds the entire issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of HKC Property. Accordingly, Dr. Stephen Riady is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(22) Mr. Kin Chan is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, Mr. Kin Chan is deemed to have an interest in the Shares in which ASMHL has a deemed interest.

(23) Mr. V-Nee Yeh is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, Mr. V-Nee Yeh is deemed to have an interest in the Shares in which ASMHL has a deemed interest.

(24) ITOCHU SG is deemed to have an interest in the Shares held by BHPL. ITOCHU SG holds 60% of the issued share capital of BHPL.

(25) ITOCHU Corp is deemed to have an interest in the Shares in which its subsidiary, ITOCHU SG, has a deemed interest. ITOCHU Corp also holds 40% of the issued share capital of BHPL.

PUBLIC FLOAT

Rule 723 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10.0% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed ("**Shares**") is at all times held by the public. The Company has complied with this requirement.

As at 17 March 2023, approximately 10.32% of its Shares were held in the hands of the public.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Please see below for information of Mr Yet Kum Meng who is seeking re-appointment as Directors at the 2023 Annual General Meeting as set out in the Appendix 7F of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). Additional information can also be found under her profile within the section entitled "Board of Directors" of the Annual Report.

Name of the person	Mr. Yet Kum Meng
Age (will not be disclosed in the Annual Report)	52
Country of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process), whether appointment is executive and if so, the area of responsibility.	The re-appointment of Mr. Yet Kum Meng as the Executive Director of the Company was recommended by the Nominating and Remuneration Committee and the Board has accepted the recommendation, after taking into consideration all factors such as his qualifications, expertise, past experiences, multiple directorships / principal commitments and overall contribution since he was appointed as a Director of the Company. Mr. Yet Kum Meng, upon, re-appointment, will continue to also serve as Chief Executive Officer of the Company to manage and oversee the overall business and development matters of the Group.
Details on date of appointment and last re-appointment (if applicable), professional qualification, working experience and occupation(s) during the past 10 years.	Please refer to page 22 of the Annual Report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/ or substantial shareholder of the Company or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking submitted to the Company in the form of Appendix 7H (Catalist Rule 720(1))	Nil
Shareholding interest in the Company and its subsidiaries?	Nil
Present Directorship(s)/Principal Commitment (as at 31 March 2023)	1. OUE Lippo Healthcare Limited 2. 北京视弘医院管理有限公司 3. 招商力宝医院管理（深圳）有限公司 4. 乐康置业（深圳）有限公司 5. 深圳招商力宝太子湾医院 6. 常熟招商力宝妇产科医院有限公司 7. Lippo Health Care Limited 8. Riviera Quad International Limited 9. Lippo Hospital Pte. Ltd. 10. OUELH Medical Assets Pte. Ltd. 11. OUELH (SEA) Pte. Ltd. 12. Echo Healthcare Management Pte. Ltd. 13. Echo Healthcare Services Pte. Ltd. 14. Yoma OUE Pun Hlaing Hospital Limited 15. Pun Hlaing International Hospital Limited 16. Robbinz Enterprise Management Consulting (Tianjin) Co., Ltd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Past Directorship(s)/Principal Commitment held over the preceding five years (1 January 2018 to 31 March 2023)	1. Brainy World Holdings Limited 2. EZmart Electronic Commerce Pte. Ltd. 3. Yooppo Trade Pte. Ltd 4. OUELH KLCC Investment Pte Ltd 5. OUELH Wuxi Hospital Pte. Ltd. 6. OUELH Chengdu Women and Child Hospital Pte. Ltd. 7. OUELH Japan Medical Facilities Pte. Ltd. 8. OUELH Japan Medical Assets Pte. Ltd. 9. MA Investment Holding Pte. Ltd. 10. MA China Medical Facilities Pte. Ltd. 11. OUELH Medical Development Pte. Ltd. 12. MA Trading Pte. Ltd. 13. OUELH Health Services Pte. Ltd. (f.k.a OLH Healthcare Asset Management Pte. Ltd.) 14. Yangzhou Robbinz Department Store Limited 15. YL Capital, LLC 16. Hyperion Planet Ltd. (dormant) 17. LEM Pte. Ltd. 18. Nationwide Building (England) Co., Ltd (dormant) 19. Nationwide Building International Co., Ltd (dormant) 20. OUELH Apex Limited 21. OUELH Peak Limited 22. OUELH Star Limited 23. OUELH Summit Limited 24. 康慧（成都）置业有限公司 25. Beijing Lippo Century Realty Co., Ltd 26. Beijing Lippo Commercial Consultants Limited 27. Fujian Tati Meizhou Industrial Park Development Co., Ltd 28. Hipermart Investment (China) Co., Ltd. 29. Hipermart Hypermarket (Changzhou) Co., Ltd 30. Hipermart Hypermarket (Suzhou) Co., Ltd 31. Hipermart Hypermarket (Tianjin) Co., Ltd 32. Hipermart Management (Suzhou) Co., Ltd 33. Hipermart Hypermarket (Xuzhou) Co., Ltd. 34. Lippo Realty (Jiangsu) Limited 35. Lippo Realty (Taizhou) Limited 36. Robbinz (China) Investment Co., Ltd 37. Robbinz Department Store (Chengdu) Limited 38. Robbinz Department Store (Tianjin) Limited 39. Robbinz Department Store (Changzhou) Limited 40. Robbinz Department Store (Shenyang) Limited 41. Robbinz Department Store (Suzhou) Limited 42. Skywealth Realty Taizhou Limited 43. Suzhou Paibo Hypermarket Co., Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the Person	Mr. Yet Kum Meng
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (i) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (i) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (i) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the SGX-ST? If yes, please provide details of prior experience. If no, please state if the director as attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the SGX-ST (if applicable)	Mr. Yet Kum Meng has been appointed as the Company's Chief Executive Officer and Executive Director from 28 February 2019.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Please see below for information of Mr Tan Chade Phang Roger who is seeking re-appointment as Director at the 2023 Annual General Meeting as set out in the Appendix 7F of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). Additional information can also be found under his profile within the section entitled "Board of Directors" of the Annual Report.

Name of the person	Mr. Roger Tan Chade Phang
Age (will not be disclosed in the Annual Report)	46
Country of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process), whether appointment is executive and if so, the area of responsibility.	The re-appointment of Mr. Roger Tan Chade Phang as the Lead Independent Director and Non-Executive Director of the Company was recommended by the Nominating and Remuneration Committee ("NRC") and the Board has accepted the recommendation, after taking into consideration all factors such as his independence, qualifications, expertise, past experiences, multiple directorships / principal commitments and overall contribution since he was appointed as a Director of the Company. Mr. Roger Tan Chade Phang will, upon re-appointment, continue to also serve as a Lead Independent Director, member of the Audit and Risk Committee, and Chairman of the NRC, of the Company. Mr. Roger Tan Chade Phang is considered independent for the purpose of Rule 704(7) of the Catalist Rules.
Details on date of appointment and last re-appointment (if applicable), professional qualification, working experience and occupation(s) during the past 10 years.	Please refer to page 23 of the Annual Report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/ or substantial shareholder of the Company or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking submitted to the Company in the form of Appendix 7H (Catalist Rule 720(1))	Yes
Shareholding interest in the Company and its subsidiaries?	Nil
Present Directorship(s)/Principal Commitment	1. OUE Lippo Healthcare Limited 2. Luminor Financial Holdings Ltd (f.k.a. Starland Holdings Limited) 3. Y Ventures Group 4. Voyage Research Pte Ltd 5. Small and Middle Capitalisation Companies Association

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Past Directorship(s)/Principal Commitment held over the preceding five years (1 January 2018 to 31 December 2022)	1. TBK & Sons Holdings Limited 2. TIH Limited 3. Camsing Healthcare Limited 4. Dapai International Holdings Co., Ltd 5. Transcorp Holdings Limited 6. Bodhi Tree Network Pte Ltd 7. Revez Corporation Ltd

Information required pursuant to Catalist Rules 704(6) and/or 704(7)

Name of the Person	Mr Roger Tan Chade Phang
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	Yes Mr. Roger Tan was appointed as Independent Director of Dapai International Holdings Co. Ltd. in March 2016 and was subsequently appointed as its Audit Committee's Chairman to oversee the agreed upon procedures (conducted by BDO LLP) and special audit (conducted by KordaMentha) in consultation with SGX on matters prior to his appointment. The findings of the special audit report were released on SGXNET on 7 July 2017.
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the SGX-ST? If yes, please provide details of prior experience. If no, please state if the director as attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the SGX-ST (if applicable)	Mr. Roger Tan Chade Phang has been appointed as the Company's director on 23 January 2017 and re-appointed on 29 April 2021. Currently, Mr. Roger Tan Chade Phang is also an Independent Director in various other companies listed on the Main Board of SGX-ST, such as Luminor Financial Holdings Ltd and Y Ventures Group which is a company listed on the Catalist Board of SGX-ST.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Please see below for information of Mr Jackson Tay Eng Kiat who is seeking re-appointment as Director at the 2023 Annual General Meeting as set out in the Appendix 7F of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). Additional information can also be found under his profile within the section entitled "Board of Directors" of the Annual Report.

Name of the person	Mr. Jackson Tay Eng Kiat
Age (will not be disclosed in the Annual Report)	45
Country of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process), whether appointment is executive and if so, the area of responsibility.	The re-appointment of Mr. Jackson Tay Eng Kiat as an Independent and Non- Executive Director of the Company was recommended by the Nominating and Remuneration Committee ("NRC") and the Board has accepted the recommendation, after taking into consideration all factors such as his independence, qualifications, expertise, past experiences, multiple directorships / principal commitments and overall contribution since he was appointed as a Director of the Company. Mr. Jackson Tay Eng Kiat will, upon re-appointment, continue to also serve as a member of the Audit and Risk Committee, and NRC of the Company. Mr. Jackson Tay Eng Kiat is considered independent for the purpose of Rule 704(7) of the Catalist Rules.
Details on date of appointment and last re-appointment (if applicable), professional qualification, working experience and occupation(s) during the past 10 years.	Please refer to page 24 of the Annual Report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/ or substantial shareholder of the Company or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking submitted to the Company in the form of Appendix 7H (Catalist Rule 720(1))	Yes
Shareholding interest in the Company and its subsidiaries?	Nil
Present Directorship(s) / Principal Commitment	1. OUE Lippo Healthcare Limited 2. Sapphire Corporation Limited 3. Hafary Balesier Showroom Pte. Ltd. 4. Hafary Crescent Pte. Ltd. 5. Hafary Element Pte. Ltd. 6. Hafary Flagship Store Pte. Ltd. 7. Hafary Centre Pte. Ltd. 8. Hafary Pte. Ltd. 9. Hafary W+S Pte. Ltd. 10. Hafary Trading Sdn. Bhd. 11. One Heart Investment Pte. Ltd. 12. Wood Culture Pte. Ltd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

	13. Xquisit Pte. Ltd. 14. One Heart International Trading Pte Ltd 15. Hap Seng Investment Holdings Pte. Ltd. 16. Hap Seng Building Materials Marketing Pte. Ltd. 17. HSC Melbourne Holding Pte. Ltd. 18. HSC Brisbane Holding Pte. Ltd. 19. HSC Manchester Holding Pte. Ltd. 20. HSC London Holding Pte. Ltd. 21. HSC Leeds Holding Pte. Ltd. 22. HSC Bristol Holding Pte. Ltd. 23. HSC Nottingham Holding Pte. Ltd. 24. MML Marketing Pte. Ltd. 25. International Ceramic Manufacturing Hub Pte. Ltd. 26. International Ceramic Manufacturing Hub Sdn. Bhd.
Past Directorship(s)/ Principal Commitment held over the preceding five years (1 January 2018 to 31 March 2023)	1. Sim Leisure Group Ltd. 2. Viet Ceramics International Joint Stock Company

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the Person	Mr. Jackson Tay Eng Kiat
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Any prior experience as a director of an issuer listed on the SGX-ST? If yes, please provide details of prior experience. If no, please state if the director as attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the SGX-ST (if applicable)	Mr. Jackson Tay Eng Kiat has been appointed as the Company's director on 23 January 2017 and was previously re-appointed on 29 April 2021. Mr. Jackson Tay Eng Kiat is also currently an Independent Director of Sapphire Corporation Limited, and the Chief Operating Officer and Company Secretary of Hafary Holdings Limited Group, both of which are companies listed on the Main Board of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of OUE LIPPO HEALTHCARE LIMITED (the "**Company**") will be convened and held by way of electronic means on Monday, 24 April 2023 at 2.00 p.m. (Singapore time), for the purpose of considering the following:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year ("**FY**") ended 31 December 2022 and the Auditors' Report thereon.

2. To approve the payment of S$608,390.41 as Directors' Fees for FY2022 (FY2021: S$567,174.66).

3. To re-appoint the following Directors retiring in accordance with the Company's Constitution and who, being eligible, offer themselves for re-appointment:

   a. Mr. Yet Kum Meng
   b. Mr. Roger Tan Chade Phang
   c. Mr. Jackson Tay Eng Kiat

4. To re-appoint Messrs KPMG LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS:

ORDINARY RESOLUTION – AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 161 OF THE COMPANIES ACT 1967 OF SINGAPORE

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution, with or without modifications:

5. that pursuant to Section 161 of the Companies Act 1967 of Singapore and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company to:

   a. (i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options (collectively, "**instruments**") that may or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

b. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force,

provided that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below);

(ii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings shall be calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings at the time of the passing of this Resolution, after adjusting for:

(1) new shares arising from the conversion or exercise of any convertible securities;

(2) new shares arising from exercise of share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(3) any subsequent bonus issue, consolidation or subdivision of shares;

adjustments in accordance with sub-paragraphs (1) and (2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION – PROPOSED CHANGE OF NAME OF THE COMPANY FROM “OUE LIPPO HEALTHCARE LIMITED” TO “OUE HEALTHCARE LIMITED”

To consider and, if thought fit, pass the following resolution as a Special Resolution, with or without modifications:

6. a. that the name of the Company be changed from “OUE Lippo Healthcare Limited” to “OUE Healthcare Limited” and that the name of “OUE Healthcare Limited” be substituted for “OUE Lippo Healthcare Limited” wherever the latter name appears in the Constitution of the Company; and

b. the directors of the Company or any one of them be and are hereby authorised to complete and do any and all such acts and things (including without limitation, to sign, execute and/or deliver, whether under hand or seal all such documents and to approve any amendments, alterations or modifications to any documents) as the directors or any of them may consider necessary, desirable or expedient to give effect to the proposed change of name of the Company.

By Order of the Board
OUE Lippo Healthcare Limited

Victor Chong Tun Foo
Company Secretary
31 March 2023
Singapore

EXPLANATORY NOTES:

(a) **Resolution 3(a)** – Re-appointment of Mr. Yet Kum Meng as a Director retiring by rotation under Regulation 111 of the Company’s Constitution.

Mr. Yet Kum Meng will, upon re-appointment, continue as the Chief Executive Officer and Executive Director of the Company. The profile of Mr. Yet Kum Meng can be found under the sections entitled “Board of Directors” and “Additional Information on Directors Seeking Re-appointment” in the Annual Report 2022.

(b) **Resolution 3(b)** – Re-appointment of Mr. Roger Tan Chade Phang as a Director retiring by rotation under Regulation 111 of the Company’s Constitution.

Mr. Roger Tan Chade Phang will, upon re-appointment, continue as the Lead Independent and Non-Executive Director, the Chairman of the Nominating and Remuneration Committee and a member of the Audit and Risk Committee of the Company. The profile of Mr. Roger Tan Chade Phang can be found under the sections entitled “Board of Directors” and “Additional Information on Directors Seeking Re-appointment” in the Annual Report 2022. The Board of Directors considers him independent for the purpose of Rule 704(7) of the Catalist Rules.

(c) **Resolution 3(c)** – Re-appointment of Mr. Jackson Tay Eng Kiat as a Director retiring by rotation under Regulation 111 of the Company’s Constitution.

Mr. Jackson Tay Eng Kiat will, upon re-appointment, continue as an Independent and Non-Executive Director, a member of the Nominating and Remuneration Committee and the Audit and Risk Committee of the Company. The profile of Mr. Jackson Tay Eng Kiat can be found under the sections entitled “Board of Directors” and “Additional Information on Directors Seeking Re-appointment” in the Annual Report 2022. The Board of Directors considers him independent for the purpose of Rule 704(7) of the Catalist Rules.

NOTICE OF ANNUAL GENERAL MEETING

(e) **Resolution 5** is to empower the Directors to issue shares in the capital of the Company and/or instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 5 (including shares to be issued in pursuance of instruments made or granted) shall not exceed one hundred per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings, with a sub-limit of fifty per cent (50%) for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) to shareholders of the Company.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings will be calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings at the time of the passing of Resolution 5, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares. The adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of Resolution 5.

Personal Data Privacy:

By completing and submitting the proxy form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration, analysis and facilitation by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, Catalist Rules, take-over rules, regulations and/or guidelines.

Notes:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Covid-19 Order**"). Printed copies of this Notice, the Annual Report 2022 and the Proxy Form will not be sent to members. Instead, this Notice, the Annual Report 2022 and the Proxy Form will be sent to members by electronic means via announcement on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements* and may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html*.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions either before or at the AGM and voting "live" by electronic means at the AGM or by appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy at the AGM, are set out in this Notice, which may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html*, and will also be made available on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.

   Registration to attend the AGM

3. **Members will not be able to attend the AGM in person. Shareholders, CPFIS Investors and SRS Investors who wish to follow the proceedings through a "live" audio-and-video webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio-only stream via telephone must pre-register at** *http://www.ouelh.com/AGM2023.html* **no later than 2.00 p.m. on 21 April 2023 (the "Registration Deadline")**. Following verification, an email containing instructions on how to access the "live" audio-and-video webcast and "live" audio-only stream of the proceedings of the AGM will be sent to authenticated shareholders, CPFIS Investors and SRS Investors by **5.00 p.m. on 23 April 2023**.

   Shareholders, CPFIS Investors and SRS Investors who do not receive any email by **5.00 p.m. on 23 April 2023**, but have registered by the Registration Deadline, should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at *agm.teame@boardroomlimited.com* stating: (a) his/her/its full name; and (b) his/her/its identification/registration number.

   An investor holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) ("**Investors**") (other than CPFIS Investors and SRS Investors) will not be able to pre-register at *http://www.ouelh.com/AGM2023.html* for the "live" broadcast of the AGM. An Investor (other than CPFIS Investors and SRS Investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email to *agm.teame@boardroomlimited.com* no later than **2.00 p.m. on 21 April 2023**.

NOTICE OF ANNUAL GENERAL MEETING

Voting "live" at the AGM or by proxy

4. Members (whether individual or corporate) who wish to exercise their voting rights at the AGM may:

   (i) (where such members are individuals) vote "live" via electronic means at the AGM or (whether such members are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on their behalf; or

   (ii) (whether such members are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM.

   For the avoidance of doubt, CPFIS Investors and SRS Investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.

   Pre-registration required for shareholders and proxies to vote "live"

5. Shareholders, CPFIS Investors and SRS Investors who wish to vote "live" via electronic means at the AGM must first pre-register themselves at the pre-registration website at *http://www.ouelh.com/AGM2023.html*. Shareholders who wish to appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on their behalf must, in addition to completing and submitting an instrument appointing a proxy(ies), ensure that their proxy(ies) pre-register separately via the registration link that will be sent to the appointed proxy(ies) via email, upon verification of the Proxy Form.

   Unique access details for "live" voting will be provided to shareholders (or their appointed proxy(ies)) who pre-registered and are verified to attend the AGM.

   Voting by proxy

6. As an alternative to "live" voting at the AGM in the foregoing manner, a member (whether individual or corporate) may submit his/her/its proxy form appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as his/her/its proxy (the "**Proxy Form**") to attend, speak and vote on his/her/its behalf at the AGM to exercise his/her/its voting rights at the AGM. The accompanying Proxy Form for the AGM will be announced together with this Notice and may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* and the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.

   Where a member (whether individual or corporate) appoints the Chairman of the AGM (or any person other than the Chairman of the AGM) as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy for that resolution will be treated as invalid.

   CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by **5.00 p.m. on 12 April 2023**, being at least seven (7) working days before the date of the AGM.

7. The Chairman of the AGM (or any person other than the Chairman of the AGM), as proxy, need not be a member of the Company.

8. The Proxy Form must be submitted to the Company in the following manner:

   (a) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at *agm.teame@boardroomlimited.com*; or

   (b) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,

   in either case, by **2.00 p.m. on 21 April 2023** (being 72 hours before the time appointed for holding the AGM).

   A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Members are strongly encouraged to submit completed Proxy Forms electronically via email.

   Submission of questions in advance

9. Members who wish to ask questions relating to the Resolutions to be tabled at the AGM prior to the AGM may complete and submit the question form for the AGM (the "**Question Form**"), which will be announced together with this Notice and may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* and will also be made available on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.

10. The Question Form must be submitted to the Company in the following manner:

   (a) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at *agm.teame@boardroomlimited.com*; or

   (b) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,

   in either case, by **2.00 p.m. on 11 April 2023** (being at least seven (7) calendar days after the Notice of AGM).

   A member who wishes to submit the Question Form must first download, complete and sign the Question Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING

Company's responses to all substantial and relevant questions

11. The Company will publish its responses to all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements* and the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* by **2.00 p.m. on 18 April 2023** (being 72 hours before the closing time for the lodgement of the Proxy Forms prior to the AGM). After the cut-off time for the submission of questions, if there are subsequent clarifications sought, or follow-up questions, the Company will endeavour to address them at the AGM, having regard to the limited time available at the AGM.

Shareholders' participation at the AGM

12. Shareholders or, where applicable, their appointed proxy or proxies who pre-registered and are verified to attend the AGM will also be able to ask questions at the AGM by submitting text-based questions during the AGM within a certain prescribed time limit. The Company will endeavour to respond to questions as far as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions. Consequently, not all questions may be individually addressed.

13. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on website of the SGX-ST and the Company's website, and the minutes will include the responses to the questions referred to above.

OUE LIPPO HEALTHCARE LIMITED
(Company Registration No. 201304341E)
(Incorporated in the Republic of Singapore)
(the "**Company**")

PROXY FORM

ANNUAL GENERAL MEETING
ON 24 APRIL 2023 AT 2.00 P.M.

IMPORTANT:

1. The Annual General Meeting ("**AGM**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Proxy Form will not be sent to members. Instead, it will be sent to members by electronic means via announcement on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements* and may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html*.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions either before or at the AGM and voting "live" by electronic means at the AGM or by appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy at the AGM, are set out in the Notice of AGM, which may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* and will also be made available on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.
3. **Members will not be able to attend the AGM in person. Shareholders may cast their vote for each resolution "live" at the AGM. Unique access details for "live" voting will be provided to shareholders who pre-registered and are verified to attend the AGM. As an alternative to "live" voting at the AGM in the foregoing manner, a member (whether individual or corporate) may submit his/her/its Proxy Form appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
4. CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by **5.00 p.m. on 12 April 2023**, being at least seven (7) working days before the date of the AGM.
5. By submitting an instrument appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 31 March 2023.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the AGM as a shareholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

I/We*, ______________________________ , ______________________________
(Name) *(NRIC/Passport No./Company Registration No.*)*

of ____
(Address)

being a member/members* of OUE Lippo Healthcare Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholding	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholding	
			No. of Shares	%

or failing whom, the **Chairman of the AGM**, as my/our* proxy to attend, speak and to vote for me/us* on my/our* behalf at the AGM of the Company to be convened and held by way of electronic means on **24 April 2023 at 2.00 p.m.** and at any adjournment thereof.

NO.	RESOLUTIONS	VOTING		ABSTAIN FROM VOTING**
		FOR**	AGAINST**	
ORDINARY BUSINESS				
1.	Adoption of the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31 December 2022 and the Auditors' Report thereon.			
2.	Approval of Directors' Fees			
3a.	Re-appointment of Mr. Yet Kum Meng as Director			
3b.	Re-appointment of Mr. Roger Tan Chade Phang as Director			
3c.	Re-appointment of Mr. Jackson Tay Eng Kiat as Director			
4.	Re-appointment of Messrs KPMG LLP as Auditors			
SPECIAL BUSINESS				
5.	Authority to issue Shares pursuant to Section 161 of the Companies Act 1967 of Singapore			
6.	Proposed change of name of the Company from "OUE Lippo Healthcare Limited" to "OUE Healthcare Limited"			

** Delete as appropriate*

*** Voting will be conducted by poll. If you wish the Chairman of the AGM (or any person other than the Chairman of the AGM) as your proxy to cast all your votes "for" or "against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "for" or "against" in the "For" or "Against" box in respect of that resolution. If you wish the Chairman of the AGM (or any person other than the Chairman of the AGM) as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain From Voting" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the AGM (or any person other than the Chairman of the AGM) as your proxy is directed to abstain from voting in the "Abstain From Voting" box in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM (or any person other than the Chairman of the AGM) as your proxy for that resolution will be treated as invalid.*

Dated this __________ day of ______________ 2023

Total Number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

____
Signature(s) of member(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy (the "Proxy Form") will be deemed to relate to all the shares held by the member.

2. **Members will not be able to attend the AGM in person. Shareholders may cast their vote for each resolution "live" at the AGM. Unique access details for "live" voting will be provided to shareholders who pre-registered and are verified to attend the AGM. As an alternative to "live" voting at the AGM in the foregoing manner, a member (whether individual or corporate) may submit his/her/its Proxy Form appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the AGM (or any person other than the Chairman of the AGM) as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy for that resolution will be treated as invalid.** The Proxy Form for the AGM will be announced together with the Notice of AGM and may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* and the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.

   CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPFIS Agent Banks or SRS Agent Banks to submit their votes by **5.00 p.m. on 12 April 2023**, being at least seven (7) working days before the date of the AGM.

3. The Chairman of the AGM (or any person other than the Chairman of the AGM), as proxy, need not be a member of the Company.

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PROXY FORM

The Share Registrar
OUE LIPPO HEALTHCARE LIMITED
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Please fold here

4. The Proxy Form must be submitted to the Company in the following manner:

   a. **if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at *agm.teame@boardroomlimited.com*; or**

   b, **if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,**

   in either case, by **2.00 p.m. on 21 April 2023** (being 72 hours before the time appointed for holding the AGM).

   A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Members are strongly encouraged to submit completed Proxy Forms electronically via email.

5. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

8. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form (or any related attachment) if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

OUE LIPPO HEALTHCARE LIMITED
(Company Registration No. 201304341E)
(Incorporated in the Republic of Singapore)
(the "**Company**")

QUESTION FORM

ANNUAL GENERAL MEETING
ON 24 APRIL 2023 AT 2.00 P.M.

Please read the notes overleaf which contain instructions on, inter alia, the submission of questions ahead of the Annual General Meeting ("AGM") and the timeframe for submission of questions. Shareholders and investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) ("Investors") will also be able to ask questions at the AGM of the Company "live" during the audio-and-video webcast and the audio-only stream.

Please complete all fields below as incomplete or incorrectly completed forms will not be processed.

Full Name (as per CDP / CPFIS / SRS / Scrip-based / DA records)	
NRIC / Passport No. / Company Registration No.	
Shareholding Type*	CDP Direct Account Holder / CPFIS / SRS Investment Account Holder Physical Scrip Holder Holder through Depository Agent

**delete as applicable*

QUESTIONS FOR THE BOARD OF DIRECTORS AND MANAGEMENT:
Note: Questions should be related to the resolutions to be tabled at the AGM. Please refer to the Summary of Resolutions for the number of the relevant resolution. Please include additional pages as necessary.

Question 1	**In relation to Resolution No. ____**
Question 2	**In relation to Resolution No. ____**
Question 3	**In relation to Resolution No. ____**

Dated this __________ day of ______________ 2023

____
Signature(s) of member(s) or
Common Seal of Corporate Shareholder

SUMMARY OF RESOLUTIONS	
No.	Resolutions
1.	Adoption of the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31 December 2022 and the Auditors' Report thereon
2.	Approval of Directors' Fees
3a.	Re-appointment of Mr. Yet Kum Meng as Director
3b.	Re-appointment of Mr. Roger Tan Chade Phang as Director
3c.	Re-appointment of Mr. Jackson Tay Eng Kiat as Director
4.	Re-appointment of Messrs KPMG LLP as Auditors
5.	Authority to issue Shares pursuant to Section 161 of the Companies Act 1967 of Singapore
6.	Proposed change of name of the Company from "OUE Lippo Healthcare Limited" to "OUE Healthcare Limited"

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions either before or at the AGM and voting "live" by electronic means at the AGM or by appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy at the AGM, are set out in the Notice of AGM, which may be accessed at the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* and will also be made available on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements*.

3. The Company will publish its responses to all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members on the website of the SGX-ST at the URL *https://www.sgx.com/securities/company-announcements* and the Company's website at the URL *https://investor.ouelh.com/agm_egm.html* by **2.00 p.m. on 18 April 2023** (being 72 hours before the closing time for the lodgement of the proxy forms prior to the AGM). After the cut-off time for the submission of questions, if there are subsequent clarifications sought, or follow-up questions, the Company will endeavour to address them at the AGM, having regard to the limited time available at the AGM.

4. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on website of the SGX-ST and the Company's website, and the minutes will include the responses to the questions referred to above.

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QUESTIONS FORM

The Share Registrar
OUE LIPPO HEALTHCARE LIMITED
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Please fold here

5. The Questions Form must be submitted to the Company in the following manner:

   a. **if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at *agm.teame@boardroomlimited.com*; or**
   b. **if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,**

   in either case, by **2.00 p.m. on 11 April 2023**.

6. A Shareholder who wishes to submit this Questions Form must first download, complete and sign the Questions Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Shareholders and Investors are strongly encouraged submit completed Questions Forms electronically via email.**

7. By completing and submitting this Questions Form, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of processing, administration, analysis and facilitation by the Company (or its agents or service providers) of the member's participation at the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes (including questions and answers) and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

Corporate INFORMATION

BOARD OF DIRECTORS

Lee Yi Shyan
(Non-Independent and Non-Executive Chairman)

Brian Riady
(Non-Independent and Non-Executive Director)

Tetsuya Fujimoto
(Non-Independent and Non-Executive Director)

Yet Kum Meng
(Chief Executive Officer and Executive Director)

Roger Tan Chade Phang
(Lead Independent and Non-Executive Director)

Eric Sho Kian Hin
(Independent and Non-Executive Director)

Jackson Tay Eng Kiat
(Independent and Non-Executive Director)

Usha Ranee Chandradas
(Independent and Non-Executive Director)

AUDIT AND RISK COMMITTEE

Eric Sho Kian Hin
(Chairman)

Roger Tan Chade Phang
Jackson Tay Eng Kiat
Usha Ranee Chandradas

NOMINATING AND REMUNERATION COMMITTEE

Roger Tan Chade Phang
(Chairman)

Lee Yi Shyan
Tetsuya Fujimoto
Eric Sho Kian Hin
Jackson Tay Eng Kiat

COMPANY SECRETARY

Victor Chong Tun Foo

REGISTERED OFFICE

6 Shenton Way
#10-10 OUE Downtown
Singapore 068809
Tel: (65) 6578 9188
Fax: (65) 6476 4647
www.ouelh.com
Co Reg No. 201304341E

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Tel: (65) 6536 5355

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

AUDITOR

KPMG LLP
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961
Partner-in-charge: Ong Li Qin
With effect from financial year ended
31 December 2022

OUE LIPPO HEALTHCARE LIMITED
(Company Reg. No. 201304341E)