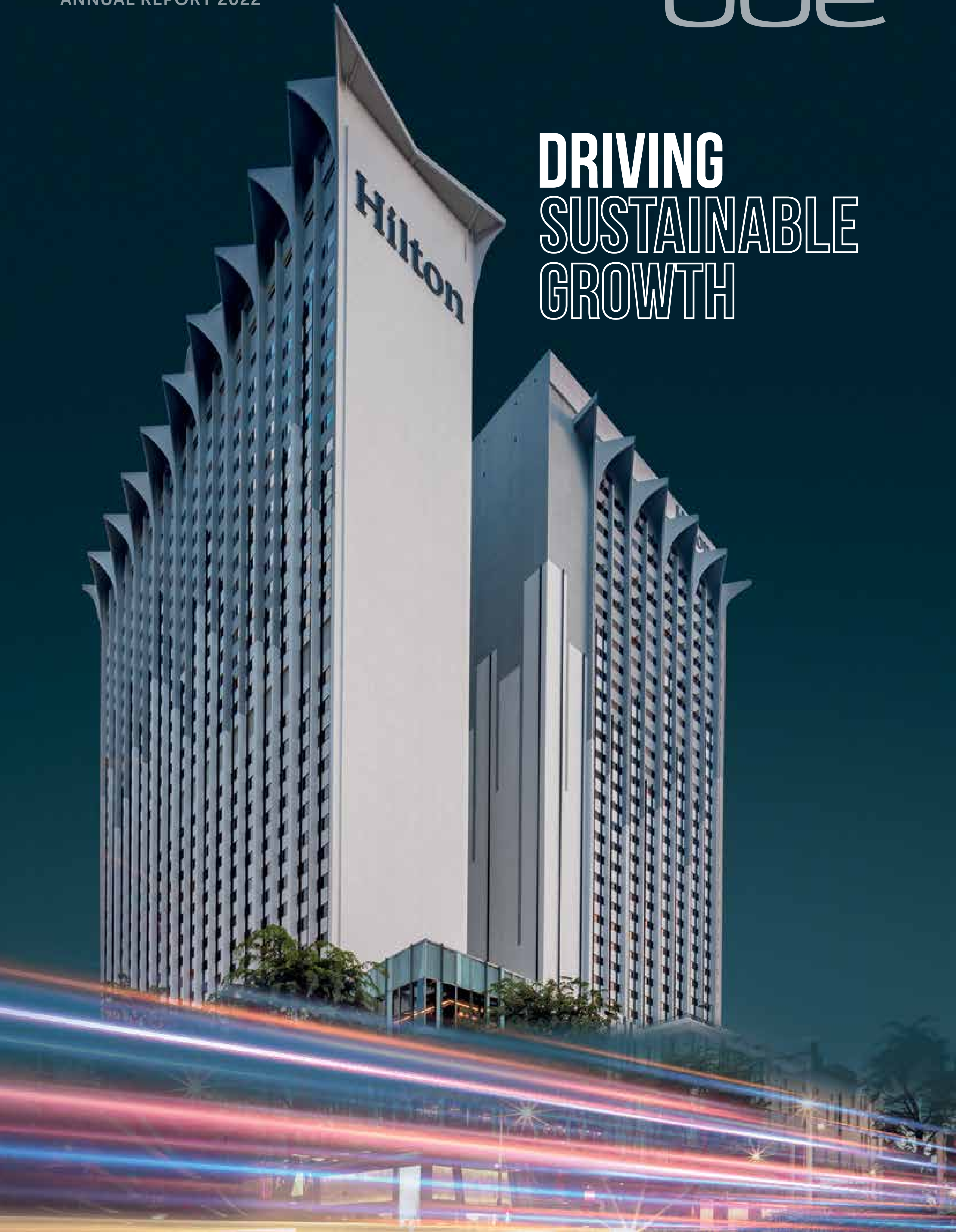
OUE LIMITED
ANNUAL REPORT 2022

DRIVING SUSTAINABLE GROWTH



DRIVING **SUSTAINABLE GROWTH**

Driving sustainable growth is a continuous journey. Over the years, we have built a solid foundation for our business by growing a high-quality and resilient portfolio of assets in strategic locations across Asia. We have a track record of constantly enhancing the value of our assets and, at all times, prudently and proactively managing our capital structure. Going forward, we remain agile and steadfast in our resolve to seize opportunities to further create value and drive future sustainable growth for our stakeholders.

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Hilton Singapore Orchard – ushering in a new era of world-class hospitality in the heart of Orchard Road

Scan here to view our Annual Report online

ABOUT **OUE LIMITED**

OUE Limited (SGX:LJ3) is a leading pan-Asian, full service real estate development, investment and management company with assets across the commercial, hospitality, retail, residential and healthcare sectors. Best known for its landmark property portfolio in Singapore, OUE consistently leverages its expertise in property development and asset management to maximise yield and unlock value. As at 31 December 2022, OUE's total assets were valued at S$9.5 billion.

OUE is the manager of two SGX-listed real estate investment trusts (REITs): OUE Commercial Real Estate Investment Trust and First Real Estate Investment Trust. As at 31 December 2022, OUE managed S$7.8 billion in funds under management across its two REIT platforms and its managed accounts.

Since 2017, OUE has expanded its business activities into the complementary and high-growth healthcare and consumer sectors. OUE is the controlling shareholder of OUE Lippo Healthcare Limited, an SGX-listed, integrated healthcare services provider that owns, operates and invests in high-quality healthcare assets in high-growth Asian markets.

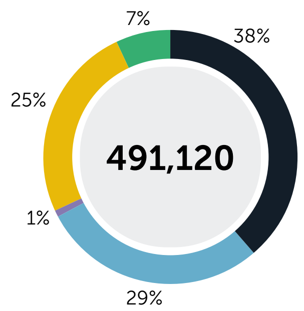
Anchored by its "Transformational Thinking" philosophy, OUE has built a reputation for developing iconic projects, transforming communities, providing exceptional service to customers and delivering long-term value to stakeholders.

Ginger.Lily Lounge & Bar at Hilton Singapore Orchard – an elegant ambience for indulging in afternoon tea and craft cocktails

OVERVIEW

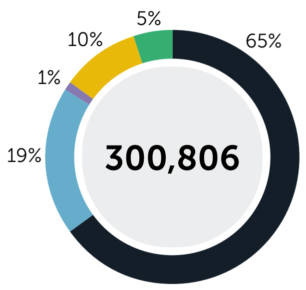
SEGMENTAL PERFORMANCE ANALYSIS

TOTAL TURNOVER BY BUSINESS SEGMENT
(S$'000)



2022

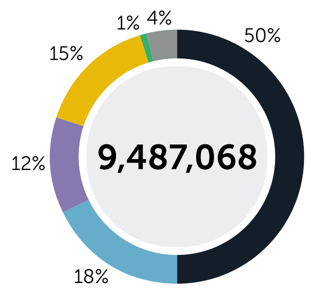
Investment properties	189,383	38%
Hospitality	142,623	29%
Development properties	2,704	1%
Healthcare	122,359	25%
Consumer	33,611	7%
Others	440	0%
Total	**491,120**	**100%**



2021

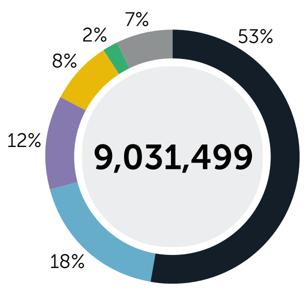
Investment properties	195,516	65%
Hospitality	57,581	19%
Development properties	1,701	1%
Healthcare	31,248	10%
Consumer	14,714	5%
Others	46	0%
Total	**300,806**	**100%**

TOTAL ASSETS BY BUSINESS SEGMENT
(S$'000)



2022

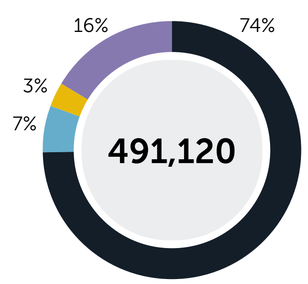
Investment properties	4,763,920	50%
Hospitality	1,730,584	18%
Development properties	1,130,413	12%
Healthcare	1,401,054	15%
Consumer	95,955	1%
Unallocated assets	365,142	4%
Total	**9,487,068**	**100%**



2021

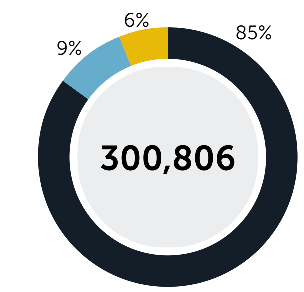
Investment properties	4,807,556	53%
Hospitality	1,607,263	18%
Development properties	1,093,246	12%
Healthcare	682,315	8%
Consumer	175,529	2%
Unallocated assets	665,590	7%
Total	**9,031,499**	**100%**

TOTAL TURNOVER BY GEOGRAPHICAL SEGMENT
(S$'000)



2022

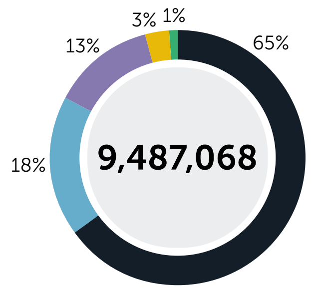
Singapore	364,670	74%
The People's Republic of China	31,831	7%
Japan	15,357	3%
Indonesia	79,262	16%
Total	**491,120**	**100%**



2021

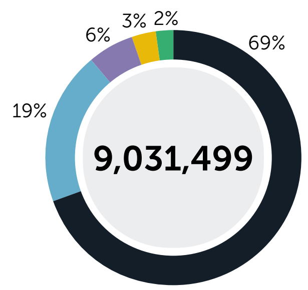
Singapore	255,908	85%
The People's Republic of China	28,097	9%
Japan	16,711	6%
Indonesia	90	0%
Total	**300,806**	**100%**

TOTAL ASSETS BY GEOGRAPHICAL SEGMENT
(S$'000)



2022

Singapore	6,175,791	65%
The People's Republic of China	1,661,298	18%
Indonesia	1,213,426	13%
Japan	306,839	3%
Others	129,714	1%
Total	**9,487,068**	**100%**



2021

Singapore	6,273,461	69%
The People's Republic of China	1,721,651	19%
Indonesia	532,249	6%
Japan	310,908	3%
Others	193,230	2%
Total	**9,031,499**	**100%**

FIVE-YEAR FINANCIAL SUMMARY

	2022 S$'000	%	2021 S$'000	%	2020 S$'000	%	2019 S$'000	%	2018 S$'000	%
Group Turnover										
Real Estate										
- Investment properties	189,383	38	195,516	65	264,816	50	287,607	31	276,491	43
- Hospitality	142,623	29	57,581	19	85,497	16	241,205	26	236,648	37
- Development properties	2,704	1	1,701	1	140,176	26	349,611	38	65,903	10
Healthcare	122,359	25	31,248	10	29,437	6	30,993	3	30,878	5
Consumer	33,611	7	14,714	5	10,473	2	20,983	2	17,144	3
Others	440	0	46	0	56	0	438	0	15,833	2
Total	**491,120**	**100**	**300,806**	**100**	**530,455**	**100**	**930,837**	**100**	**642,897**	**100**
Group Profit and Loss										
Profit before interest, tax and other gains/losses	345,234		313,419		246,654		330,295		182,477	
Profit/(Loss) attributable to owners of the Company	189,857		80,943		(343,383)		255,217		10,022	
Group Balance Sheet										
Investment properties	5,404,659		4,568,462		4,534,728		6,628,427		6,451,029	
Development properties	37,967		27,530		29,024		152,380		466,498	
Investments in equity-accounted investees	1,521,522		1,668,203		1,064,334		921,614		740,396	
Property, plant and equipment	1,760,752		1,651,297		1,700,486		1,774,343		55,419	
Cash and cash equivalents	327,846		518,858		559,527		477,712		409,371	
Asset held for sale	–		–		1,258,512		100,001		–	
Other investments	171,696		378,494		209,718		211,220		700,967	
Other assets	262,626		218,655		267,037		468,803		442,137	
Total assets	**9,487,068**		**9,031,499**		**9,623,366**		**10,734,500**		**9,265,817**	
Equity attributable to owners of the Company	3,688,470		3,849,956		3,740,004		4,073,296		3,938,405	
Perpetual securities	33,282		–		–		–		–	
Non-controlling interests	2,252,297		1,869,442		1,916,810		2,043,849		1,200,802	
Borrowings										
- Current	578,643		418,781		420,416		1,309,892		471,691	
- Non-current	2,388,483		2,406,062		3,055,709		2,679,731		3,024,564	
Other liabilities	545,893		487,258		490,427		627,732		630,355	
Total equity and liabilities	**9,487,068**		**9,031,499**		**9,623,366**		**10,734,500**		**9,265,817**	
Earnings per share (cents)	22.0		9.2		(38.2)		28.3		1.1	
Dividends per share (cents)										
- Interim dividend	1.0		1.0		–		1.0		1.0	
- Special dividend	–		–		–		4.0		11.0	
- Final dividend	1.5		1.0		1.0		1.0		1.0	
Total dividend	2.5		2.0		1.0		6.0		13.0	
Net asset per share (S$)	4.35		4.41		4.24		4.52		4.37	
Gearing ratio*	45%		41%		52%		58%		61%	

* Net Borrowings/Total Equity less Intangible Assets and Goodwill

PRUDENT

In managing capital efficiency

Estate at Hilton Singapore Orchard – all-day dining buffet restaurant with cosy residential-style interiors

STRATEGY & BUSINESS REVIEW

CHAIRMAN & GROUP CEO'S STATEMENT

"Notwithstanding the challenging landscape, OUE was able to navigate through the adversities of the past year to tap on strategic opportunities to sustain growth.

尽管形势极具挑战，华联企业仍能克服逆境来把握战略性商机，持续增长。"

DR. STEPHEN RIADY
Executive Chairman and
Group Chief Executive Officer

Dear Shareholders,

As we shake off the lingering effects of the COVID-19 pandemic, the current macro-environment, characterised by geopolitical tensions, persistently high inflation and tightening monetary policy, presents an uncertain outlook for the global economy.

Notwithstanding the challenging landscape, OUE was able to navigate through the adversities of the past year to tap on strategic opportunities to sustain growth. We will continue to stay nimble and adaptable in order to seize suitable opportunities as and when they arise, as well as maximise value and drive sustainable growth for the Group.

RECOVERING ECONOMY WITH BORDER REOPENING

In 2022, the gradual lifting of travel restrictions and the reopening of borders worldwide saw an improved operating environment and a strong return of international tourism. Our resilient and diversified businesses across the real estate, healthcare and consumer segments were able to tap on the recovery, resulting in higher growth for all three segments during the year. This diversification also mitigates the market cycles and volatility to ensure sustained growth.

OPTIMISING PORTFOLIO TO DRIVE GROWTH

We focused on investing strategically during the pandemic and downturns to be positioned ahead of the market to capture growth with asset enhancement initiatives. This positioned the Group favourably to capture the upside of the recovering economy and border opening. In 2020, the Group initiated a major makeover and re-branding of the former Mandarin Orchard Singapore into Hilton's flagship hotel in Singapore and the largest Hilton hotel in Asia Pacific. Hilton Singapore Orchard premiered its 634-room Mandarin Wing and 2,400 square metres of modern meetings, incentives, conventions and exhibitions (MICE) facilities in February 2022.

In January 2023, Hilton Singapore Orchard completed its full refurbishment works with the unveiling of its new 446-room Orchard Wing. Refreshed and renewed with its full inventory of 1,080 rooms and suites in operation, the hotel is well positioned to capture the increasing demand from international business and leisure travellers, as well as the resumption of MICE activities.

The newly refurbished hotel encompasses a comprehensive sustainability blueprint that affirms its commitment to reduce its environmental footprint through sustainable changes in its daily operations. These include reducing single-use plastics, supporting sustainable and local produce, improving energy and water efficiency, and using biodegradable products wherever possible. It also features a rooftop herb garden that grows produce for internal consumption and is fertilised with repurposed coffee grounds. Alongside its sustainability efforts, the hotel now offers fresh and exquisite food and beverage offerings that include *Estate*, *Ginger.Lily*, *Osteria Mozza*, two-MICHELIN-starred *Shisen Hanten* and the award-winning *Chatterbox*. Notably, the hotel was honoured with the AHEAD Asia 2022 Award for Hospitality Experience and Design for its Presidential Suite, Best Restaurant Design for Estate in the SBID International Design Awards, and Best New Meetings Hotel Asia in the M&C Asia Stella Awards.

On the Healthcare front, OUE, together with its healthcare subsidiary, OUE Lippo Healthcare Limited (OUELH), formed a medical partnership, Echo Healthcare Group, with three medical specialist groups in Singapore – two leading respiratory specialist practices and an established cardiothoracic surgery practice. This marked a significant milestone in our pursuit of building a healthcare business ecosystem anchored on Singapore's best medical practices to drive regional growth. With a total of 11 specialist doctors operating across 10 clinics, the integration of these medical partners into our healthcare network will bring us closer to realising our vision of becoming a leading healthcare group in the region.

The Group's other healthcare subsidiary, First Real Estate Investment Trust (First REIT), embarked on its next phase of growth to become Asia's premier healthcare trust following the debut of its "2.0 Growth Strategy". It took its first step to diversify into developed markets with the acquisition of 12 well-established freehold nursing homes in Japan from OUELH in March 2022 and two

CHAIRMAN & GROUP CEO'S STATEMENT

additional nursing homes from third parties in September 2022 to cater to the needs of the country's rapidly ageing population. This brings First REIT's portfolio in developed markets, together with its three Singapore assets, to 27.9% as at 31 December 2022, closing in on its goal to increase its portfolio size in developed markets to over 50.0% by 2027 to reduce its geographical concentration and enhance tenant diversification.

As part of its strategy to reshape its portfolio for capital-efficient growth, First REIT also divested Siloam Hospitals Surabaya, part of its initial portfolio since 2006, for S$40.3 million. At a gross premium of 139.9% over the original purchase price of the asset, it presented a great opportunity to recycle capital from a mature asset towards higher-growth areas.

Under the Group's Consumer segment, OUE Restaurants unveiled two fresh dining experiences at the newly re-branded Hilton Singapore Orchard. In March 2022, Chatterbox reopened its doors after completing a major refurbishment, revealing brand new interiors and a refreshed menu featuring staple signatures and new dishes. Shortly after in June 2022, the hotel welcomed the opening of Osteria Mozza, the only Asia eatery of celebrated American chef Nancy Silverton's one-MICHELIN-starred Cal-Italian restaurant in Los Angeles.

PRUDENT AND PROACTIVE CAPITAL MANAGEMENT

The Group prudently and proactively manages its capital structure. We stay responsive to fast-changing financial market conditions and developments while adopting a disciplined and effective capital management strategy. Consistent with this approach, in November 2022, OUE raised S$130 million through five-year debt facilities to early refinance existing debt facilities maturing in 2023 and 2024 at more competitive pricing.

In addition, in line with OUE's strategy to improve its capital structure and financial flexibility, the Group's subsidiary, OUE Commercial Real Estate Investment Trust (OUE C-REIT), successfully completed a S$150 million bond offering in May 2022, before the major increases in benchmark interest rates from the middle of 2022 onwards. Later, in August 2022, OUE C-REIT completed a landmark S$978 million unsecured sustainability-linked loan to refinance the existing secured borrowings. It was the largest sustainability-linked loan facility among the Singapore REITs (S-REITs). The S$978 million unsecured sustainability-linked loan was completed following OUE C-REIT's maiden sustainability-linked loan of S$540 million obtained in October 2021. More importantly, it increased the Group's financial flexibility with increased financing options.

This was a significant step for OUE C-REIT to access more diverse and competitive funding sources while keeping borrowing costs stable. With no refinancing needs until September 2023, the proportion of OUE C-REIT's unsecured debt increased significantly to 69.4% from 30.9% and sustainability-linked loans accounted for 57.7% of its total debt post refinancing. Its gearing as at 31 December 2022 stood at 38.8%. OUE C-REIT will continue to align future financing with its sustainability commitment to mitigate climate-related risks in line with the recommendations by the Task Force on Climate-related Financial Disclosures.

As part of its roadmap to enhance its capital structure and strengthen its financial position, OUELH's associated company in China, China Merchants Lippo Hospital Management (Shenzhen) Limited, secured two loan facilities from local banks in China during the year.

One was a RMB330 million loan to fund the development of Lippo Prince Bay Hospital (Prince Bay Hospital), which is expected to be commissioned in 2024.

The second loan of RMB115 million was used for the capital expenditure, renovations and procurement of equipment and systems for China Merchant-Lippo Obstetrics and Gynaecology Hospital in Changshu, China, which is expected to commence operations in 2H2023.

Acting on twin strategic pillars of its '2.0 Growth Strategy' to diversify funding sources and pivot to ride on megatrends, First REIT successfully priced Singapore's first-ever healthcare social bond for a REIT of S$100 million in April 2022, in conjunction with the launch of its Social Finance Framework that ties bonds and loans to social outcomes. Subsequently, it also secured a non-recourse social loan of JPY1.66 billion for the acquisition of the two additional Japan nursing homes. In November 2022, First REIT raised a S$300 million social term loan and revolving credit facilities which were used for the early refinancing of a S$260 million facility that was due in March 2023. Following the proactive refinancing initiative, First REIT has no refinancing needs until May 2025.

DRIVING SUSTAINABLE GROWTH

For the financial year ended 31 December 2022 (FY2022), the Group registered revenue of S$491.1 million, a 63.3% jump from S$300.8 million in the preceding year (FY2021), on higher contributions across all its business segments.

Revenue from the Group's Real Estate segment grew 31.4% to S$334.7 million in FY2022, mainly due to a 147.7% surge in revenue from its Hospitality division to S$142.6 million due to higher contributions from Hilton Singapore Orchard and Crowne Plaza Changi Airport on the back of continued recovery in the tourism and MICE sectors. The growth in this segment was partially offset by a slight 3.1% decline in revenue from the Investment Properties division to S$189.4 million, mainly due to the absence of contribution from OUE Bayfront following the divestment of a 50.0% interest in the property by OUE C-REIT in March 2021.

Revenue from the Group's Healthcare segment jumped almost fourfold to S$122.4 million in FY2022 from S$31.2 million in FY2021. The increase was largely due to contribution from First REIT, which was accounted for as a subsidiary of the Group since March 2022 as well as contribution from the newly acquired medical practices under the Echo Healthcare Group.

Revenue from the Group's Consumer segment more than doubled to S$33.6 million in FY2022 from S$14.7 million in FY2021 due to contributions from dining concepts that were launched in 2021 and the first half of 2022.

Adjusted earnings before interest and tax (adjusted EBIT) expanded 10.2% to S$345.2 million in FY2022 on higher contributions from the Group's Real Estate and Healthcare segments. The increase was partially offset by lower share of profit in equity-accounted investees.

The Group capped off the year with profit attributable to shareholders of S$189.9 million, more than double the S$80.9 million in FY2021. This was mainly due to higher adjusted EBIT, net write-back of impairment losses recognised on property, plant and equipment contributed by higher valuation recorded for Hilton Singapore Orchard and Crowne Plaza Changi Airport, and negative goodwill recognised for the purchase of shares in Gemdale Properties and Investment Corporation Limited during the year at below net asset value.

As at 31 December 2022, the Group's balance sheet remained healthy with cash and cash equivalents of S$327.8 million and total assets of S$9.5 billion, while net gearing ratio came in at 45%.

IN GRATITUDE

I would like to express my immense gratitude for the invaluable counsel of my fellow Board members, the dedication and hard work of the management team and staff, and the unwavering support of our strategic partners, financial advisors and bankers. You are the driving forces of the Group and strengthened our ability to remain resilient throughout the challenges faced during the pandemic.

My sincere appreciation also goes out to our valued shareholders for your support over the years. The Board of Directors is pleased to propose a final tax-exempt dividend of 1.5 Singapore cents per share. Together with the interim dividend of 1.0 Singapore cent per share paid in September 2022, total cash dividend for the current financial year amounts to 2.5 Singapore cents per share. As we continue to navigate new challenges in the new financial year, we will exercise prudence and maximise opportunities to create greater value for all our stakeholders.

Dr. Stephen Riady
Executive Chairman and Group CEO
March 2023

董事主席兼集团首席执行总裁致辞

各位尊敬的股东，

在全球正积极摆脱冠病疫情所带来的影响之际，由于目前的宏观环境逐渐以地缘政治紧张局势、居高不下的通货膨胀和收紧货币政策，呈献了一幅不明朗的全球经济前景。

尽管形势极具挑战，华联企业仍能克服逆境来把握战略性商机，持续增长。我们将继续以灵活和随机应变的应对方式抓紧合适的时机，并为本集团优化价值和推动可持续性增长。

边境重新开放，经济复苏
随着全球于2022年逐步放宽旅游限制及重新开放边境的趋势，经营环境呈献有所改善的局面，而促使国际旅游业绩强劲复苏。我们跨越房地产、医疗和消费部门的坚韧与多元化业务均从经济回弹趋势中受惠，使得所有三个部门全年呈献更高的增长。多元化的业务也减轻了市场周期和波动，以确保持续增长。

优化资产，推动增长
在大流行病和经济衰退期间我们专注于进行战略投资，以便领先于市场，通过资产增值措施获得增长。这使本集团在经济复苏和边境开放的情况下有利地抓住商机。在2020年，本集团对前新加坡文华大酒店（Mandarin Orchard Singapore）进行重大改造和将品牌重塑为希尔顿酒店集团设在新加坡的旗舰酒店，并打造其为亚太区域最大的希尔顿酒店，即新加坡希尔顿酒店（Hilton Singapore Orchard）。2022年2月，新加坡希尔顿酒店以634间客房的文华翼（Mandarin Wing）和2,400平方米的现代会议、会展及奖励旅游设施（MICE）首度全新亮相。

2023年1月，新加坡希尔顿酒店完成了全面翻新的工程，并为446间客房的乌节翼揭幕。焕然一新的新加坡希尔顿酒店共有1,080间客房和套房，占据有利地位以满足国际商务和休闲旅客日益增长的需求，以及恢复会展活动。

新加坡希尔顿酒店的翻新工程均按全面的可持续发展蓝图来进行，从而重申了新加坡希尔顿酒店对通过日常运营的可持续变化来减少环境影响的承诺。相关营运政策包括减少一次性塑料制品的使用、支持可持续的本地产品、提高能源使用和用水效率，以及尽可能使用可生物降解的产品。新加坡希尔顿酒店也设有一个屋顶香草园，种植供酒店内部食用的产物，并以咖啡渣来施肥。除了种种可持续措施外，新加坡希尔顿酒店还提供精致的新鲜餐饮选项，包括*Estate*、*Ginger.Lily*、*Osteria Mozza*、米其林两星的 *Shisen Hanten*，以及屡获殊荣的*Chatterbox*。值得一提的是新加坡希尔顿酒店的总统套房获颁 AHEAD Asia 2022年的酒店体验与设计大奖、*Estate*餐馆荣获SBID国际设计大奖的最佳餐馆设计奖项，以及M&C Asia Stella奖项的亚洲最佳新会议酒店殊荣。

在医疗方面，华联集团连同其医疗附属公司，华联力宝医疗有限公司（OUE Lippo Healthcare Limited）（华联力宝医疗）与新加坡三所专科医疗集团 – 即两家领先的呼吸专科机构和一家著名的心胸外科机构，组建了一个医疗合作伙伴关系（Echo医疗集团）。这项发展标志着我们以新加坡最佳医疗实践为基础来建立医疗业务生态系统，以借此推动区域增长的一个重要里程碑。将拥有10家诊所共计11名专科医生的医疗合作伙伴整合到我们的医疗网络中，可帮助实现成为本区域领先医疗保健集团的愿景。

本集团的另一家医疗附属公司，先锋医疗产业信托（First Real Estate Investment Trust）已在推出其"2.0增长策略"后，开启其成为亚洲医疗信托翘楚的下一个增长阶段。先锋医疗产业信托通过在2022年3月向华联力宝医疗收购旗下的12间稳健的永久地契日本疗养院，并在2022年9月从第三方收购另外两家疗养院以迎合国内人口迅速老龄化趋势的需求，迈出了向发达市场多元化发展的第一步。由此，先锋医疗产业信托于发达市场的投资组合联合其三项新加坡资产截至2022年12月31日已达27.9%。这使得先锋医疗产业信托更接近其为降低其地域集中度和促进租户多元化所设下于2027年将其发达市场资产规模增加至 50.0%以上的目标。

做为先锋医疗产业信托重塑其资产以实现资本效率增长战略的一部分，先锋医疗产业信托以4030万新元脱售了自2006年就被纳入其初始资产组合的泗水西罗亚医院（Siloam Hospitals Surabaya）。出售价比最初的收购价高出139.9%，为先锋医疗产业信托呈献了一个从成熟资产回收资本的机会，并将所收回的资本转而投向更高增长的领域。

本集团的消费部门通过华联集团餐馆形式于品牌重塑的新加坡希尔顿酒店掀开两项全新餐饮体验。其中Chatterbox在完成重大翻新后，于2022年3月重新开业，并以全新的室内装潢亮相，也推出由主打招牌菜和新添菜品组成的更新特色菜单。2022年6月，新加坡希尔顿酒店迎来了Osteria Mozza 的开幕。这是著名美国厨师Nancy Silverton位于洛杉矶的米其林一星加州意大利餐厅设在亚洲的唯一分店。

谨慎和积极的资本管理
集团谨慎而积极地管理资本结构。我们对快速变化的金融市场条件和发展保持灵活的反应，同时采取严格和有效的资本管理战略。根据这方针，2022年11月，华联企业通过5年的债务融资筹集了1亿3000万新元，以更有竞争力的债务利率为2023年和2024年到期的现有债务提前再融资。

此外，根据华联企业改善其资本结构和财务灵活性的战略，集团的附属公司，华联商业信托（OUE Commercial Real Estate Investment Trust）在基准利率从2022年中大幅度开始提升之前于2022年5月成功完成了1亿5000万新元的债券发行。之后，在2022年8月，华联商业信托完成了一项具有里程碑的9亿7800万新元无抵押可持续发展挂钩贷款，为其现有的有抵押借款进行再融资。这是新加坡房地产投资信托基金(S-REITs)中最大的可持续发展挂钩贷款。这笔9亿7800万新元的无抵押可持续发展挂钩贷款是继2021年10月华联商业信托完成的首笔5亿4000万新元的可持续发展挂钩贷款。更重要的是，它增加了集团的财务灵活性，增加了融资选择。

这是华联商业信托将借款成本保持平稳，并获得更多化和具竞争性的资金来源重大的一步。华联商业信托至2023年9月无需再融资，无抵押债务比例从30.9%显著增加至69.4%，而其中可持续性贷款再融资后占总债务的57.7%。截至2022年12月31日，其资产负债率为38.8%。华联商业信托将根据气候相关财务信息披露工作组（Task Force on Climate-related Financial Disclosures）的建议，继续把未来的融资与其可持续发展的承诺对齐，以缓解气候相关风险。

作为其加强资本结构和财务状况的部分路线图，华联力宝医疗在中国的联营公司，招商力宝医院管理(深圳)有限公司（China Merchants Lippo Hospital Management (Shenzhen) Limited）于同年向当地银行获得了两项贷款设施。

其一为一笔3亿3000万元人民币的贷款，为预计将于2024年投产的力宝太子湾医院（Lippo Prince Bay Hospital）项目提供资金。

第二笔为1亿1500万元人民币的贷款则用于即将在2023年下半年在中国常熟市开始营运的招商-力宝妇产科医院(China Merchant-Lippo Obstetrics and Gynaecology Hospital）的资本支出、装修，以及设备和系统的采购。

秉持其'2.0增长战略'的双重战略性支柱，为实现多元化资金来源和转向顺应大趋势的目标，先锋医疗产业信托配合其将债券和贷款与社会效应挂钩的社会金融框架的推出，于2022年4月成功发行了1亿新元的信托社会债券。该债券也是新加坡信托的首支医疗社会债券。随之，先锋医疗产业信托还获得了一笔16亿6000万日元的无追索权社会贷款，以收购另两家日本疗养院。除此之外，于2022年11月，先锋医疗产业信托也取得了一项3亿新元社会定期贷款和循环信贷来提前为已于2023年3月到期的2亿6000万新元贷款进行再融资。随着积极的再融资举措，先锋医疗产业信托至2025年5月没有再融资的需要。

推动可持续性增长
截至2022年12月31日的财务年度(2022财务年度)，本集团的营业收入因所有业务部门的较高贡献，从前财务年度(2021财务年度）的3亿零80万新元劲升63.3%至4亿9110万新元。

本集团房地产部门的营业收入于2022财务年度上升31.4%至3亿3470万新元。主要因为旅游业和会议、会展和奖励旅游部门持续复苏，使其酒店部门凭借新加坡希尔顿酒店和樟宜机场皇冠假日酒店（Crowne Plaza Changi Airport）的贡献上升，而呈献营业收入猛增147.7%至1亿4260万新元。然而，投资产业部门则因少了华联商业信托于2021年3月部分脱售的华联海湾大厦（OUE Bayfront）50%权益的贡献，导致营业收入略微下滑3.1%至1亿8940万新元，部分抵消了酒店部门的营业收入增长。

本集团的医疗部门的营业收入从2021财务年度的3120万新元跃升近四倍至2022财务年度的1亿2240万新元。这主要归功于从2022年3月起成为集团附属公司的先锋医疗产业信托的贡献，以及新收购的Echo医疗集团名下医疗机构的贡献。

本集团的消费部门则因2021年和2022上半年所推出的餐饮概念之贡献，令2022财务年度的营业收入从2021财务年度的1470万新元上升超过一倍达3360万新元。

调整后息税前收益因本集团的房地产部门和医疗部门的较高贡献，而上升10.2%至本财务年度的3亿4520万新元。反之，本集团在联营与合营公司的应占盈利有所下降，部分抵消了以上贡献。

本集团呈报比2021财务年度的8090万新元高出超过一倍的1亿8990万新元的股东应占净利润。这主要归因于较高的调整后息税前收益，由于新加坡希尔顿酒店和樟宜机场皇冠假日酒店的较高估值贡献导致物业、厂房和设备确认减值损失净回拨，以及于同年以低于资产净值认购金地商置集团有限公司（Gemdale Properties and Investment Corporation Limited）权益所确认的负商誉。

截至2022年12月31日，本集团的资产负债表保持稳健。现金及现金等值物为3亿2780万新元，而总资产为95亿新元，截至2022年12月31日的净资产负债率则为45%。

致谢
我要感谢董事会成员所提供的宝贵方针、管理团队和员工们的奉献和努力，以及战略伙伴、财务顾问和银行家的坚定支持。你们是本集团的动力，有了你们的帮助，我们才能在冠病疫情期间坚韧地克服挑战。

我也向多年来始终鼎力支持我们的股东们表达深切的谢意。为答谢股东，董事会建议派发每股新元1.5分的期末免税股息。连同2022年9月已支付的每股新元1.0分的中期股息，本财务年度的总现金股息为每股新元2.5分。

在迎接新财务年度的挑战之际，我们将继续谨慎行事和积极把握商机，为所有利益共享者创造更大的收益。

李棕博士
董事主席兼集团首席执行总裁
2023年3月

BOARD OF DIRECTORS

Seated (from left to right)
Mr. Christopher James Williams, Deputy Chairman and Non-Executive Non-Independent Director
Mr. Kin Chan, Non-Executive Non-Independent Director
Dr. Stephen Riady, Executive Chairman and Group Chief Executive Officer

Standing (from left to right)
Mr. Kelvin Lo Kee Wai, Independent Director
Mr. Brian Riady, Deputy Chief Executive Officer and Executive Director
Ms. Goh Min Yen, Independent Director
Dr. Lim Boh Soon, Lead Independent Director
Mr. Sin Boon Ann, Non-Executive Non-Independent Director

BOARD OF DIRECTORS

DR. STEPHEN RIADY, 63
Executive Chairman and
Group Chief Executive Officer

Date of first appointment as a Director:
30 November 2006

Date of last re-election as a Director:
28 April 2022

Length of service as a Director (as at 31 December 2022):
16 years 1 month

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Bachelor of Science, Business Administration, University of Southern California, United States of America
- Master of Business Administration, Golden Gate University, United States of America
- Honorary Degree of Doctor of Business Administration, Edinburgh Napier University, United Kingdom
- Honorary University Fellow, Hong Kong Baptist University
- Fellow of the Duke of Edinburgh's Award World Fellowship

Present Directorships (as at 1 January 2023):
Listed companies
- Healthway Medical Corporation Limited
- 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):
- Executive Vice President of China Federation of Overseas Chinese Entrepreneurs
- Founding honorary advisor of the University of Hong Kong Foundation for Education Development and Research
- Member of the Advisory Board of Sloan School of Management of the Massachusetts Institute of Technology, United States of America
- Member of the Advisory Council of One Country, Two Systems Research Institute
- Member of the Boards of Trustees of Volunteer Service Trust and The Better Hong Kong Foundation
- Member of the Committee to Promote Economic Co-operation between Fujian and Hong Kong, a committee established by the Provincial Government of Fujian, the People's Republic of China (PRC)
- Permanent honorary chairman of Singapore Research Centre of Institute for Global Development of Tsinghua University
- Trustee of the Global Board of Trustees of Asia Society

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
- OUE Lippo Healthcare Limited

Others:
- 2018 EY Asean Entrepreneurial Excellence Award
- Chevalier de L'Ordre des Arts et des Lettres awarded by the French government
- Strategic Investment Entrepreneur of the Year in Ernst & Young's annual Entrepreneur of the Year Awards Singapore 2007
- Hong Kong Affairs Advisor appointed by the Hong Kong and Macao Office of the State Council and Xinhua News Agency, Hong Kong Branch, PRC (from April 1995 to June 1997)
- Honorary Citizen of Shenzhen, PRC
- Deemed substantial shareholder of OUE Limited. Details of his deemed shareholdings can be found on page 260 and 261 of this Annual Report

MR. CHRISTOPHER JAMES WILLIAMS, 64
Deputy Chairman and
Non-Executive
Non-Independent Director

Date of first appointment as a Director:
19 July 2006

Date of last re-election as a Director:
28 April 2022

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

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Bachelor of Arts (Honours) in International Relations and Economics, the University of Reading, United Kingdom
- Solicitor, England and Wales
- Solicitor, Hong Kong

Present Directorships (as at 1 January 2023):
Listed companies
- First REIT Management Limited (the manager of First Real Estate Investment Trust)

Other principal directorships
- OUB Centre Limited

Major Appointments (other than directorships):
- Founding Partner, Howse Williams

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
- OUE Commercial REIT Management Pte. Ltd. (the manager of OUE Commercial Real Estate Investment Trust)
- OUE Hospitality Trust Management Pte. Ltd.
- OUE Hospitality REIT Management Pte. Ltd. (the manager of OUE Hospitality Trust)

Others:
Nil

BOARD OF DIRECTORS

DR. LIM BOH SOON, 67
Lead Independent Director

Date of first appointment as a Director:
1 January 2022

Date of last re-election as a Director:
28 April 2022

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

Board Committee(s) served on:
- Audit Committee (Member)
- Nominating Committee (Chairman)
- Remuneration Committee (Chairman)

Academic & Professional Qualification(s):
- Bachelor of Science (First Class Honours) in Mechanical Engineering, University of Strathclyde, United Kingdom
- PhD in Mechanical Engineering, University of Strathclyde, United Kingdom
- Graduate Diploma in Marketing Management, Singapore Institute of Management
- Diploma in Marketing, The Chartered Institute of Marketing, United Kingdom
- Fellow, Singapore Institute of Directors
- Senior Member of the Singapore Institute of Management
- Senior Member of the Singapore Computer Society
- Associate Member of the Royal Aeronautical Society in the United Kingdom
- Member of the Chartered Institute of Marketing in the United Kingdom

Present Directorships (as at 1 January 2023):
Listed companies
- Jumbo Group Limited
- Tomi Environmental Solutions Inc. (listed on the NASDAQ Stock Exchange)
- V.S. Industry Berhad (listed on the Main Market of Bursa Malaysia Securities Berhad)

Other principal directorships
- Arise Asset Management Pte Ltd

Major Appointments (other than directorships):
- Founder and Managing Partner, Arise Asset Management Pte Ltd

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
- CSE Global Limited
- OUE Commercial REIT Management Pte. Ltd. (the manager of OUE Commercial Real Estate Investment Trust)

Others:
- Chief Executive Officer, Kuwait Finance House (Singapore) Pte. Ltd. (from December 2007 to February 2010)
- Chief Executive Officer, Vietcombank Fund Management Company (from January 2005 to March 2007)

MR. KELVIN LO KEE WAI, 63
Independent Director

Date of first appointment as a Director:
19 July 2006

Date of last re-election as a Director:
22 May 2020

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

Board Committee(s) served on:
- Audit Committee (Chairman)

Academic & Professional Qualification(s):
- Master of Laws, University of Sydney, Australia
- Associate of the Hong Kong Institute of Certified Public Accountants
- Associate of the Chartered Professional Accountants Canada
- Associate Member of the Law Society of New South Wales, Australia
- Chartered financial analyst of the CFA Institute of United States
- Fellow of the Association of Chartered Certified Accountants of England
- Notary Public of New South Wales of Australia

Present Directorships (as at 1 January 2023):
Listed companies
Nil

Other principal directorships
- Alliance Law Group Pty Ltd

Major Appointments (other than directorships):
Nil

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
- Aveo Group Limited (previously listed on the Australian Stock Exchange)
- Aveo Funds Management Limited

Others:
- Chief Investment Officer of Value Creation Inc (from 2002 to 2007)
- Chief Executive Officer of Mreferral Corporation Ltd (from 2000 to 2001)
- Chief Financial Officer of Midland Realty Ltd (from 1999 to 2001)
- Financial Controller of Lippo Ltd (from 1992 to 1999)

BOARD OF DIRECTORS

MR. SIN BOON ANN, 65
Non-Executive Non-Independent Director

Date of first appointment as a Director:
25 May 2009

Date of last re-election as a Director:
30 April 2021

Length of service as a Director (as at 31 December 2022):
13 years 7 months

Board Committee(s) served on:
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualification(s):
- Bachelor of Arts and Bachelor of Laws (Honours) degrees, National University of Singapore
- Master of Laws, University of London, United Kingdom
- Admitted to Singapore Bar

Present Directorships (as at 1 January 2023):
Listed companies
- CSE Global Limited
- Healthway Medical Corporation Limited
- Rex International Holding Limited
- Sarine Technologies Ltd.
- The Trendlines Group Ltd.
- TIH Limited

Other principal directorships
Nil

Major Appointments (other than directorships):
- Consultant, Drew & Napier LLC

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
- At-Sunrice GlobalChef Academy Pte. Ltd.
- Datapulse Technology Limited
- Drew & Napier LLC
- DrewCorp Services Pte Ltd
- HRnetGroup Limited
- SE Hub Ltd.

Others:
- Former Deputy Managing Director, Corporate and Finance Department and Co-Head, Capital Markets Practice, Drew & Napier LLC
- Member of Parliament of Singapore, Tampines GRC (from 1996 to 2011)
- Lecturer, Faculty of Law of the National University of Singapore (from 1987 to 1992)

MR. KIN CHAN, 57
Non-Executive Non-Independent Director

Date of first appointment as a Director:
17 March 2010

Date of last re-election as a Director:
30 April 2021

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

Board Committee(s) served on:
- Audit Committee (Member)

Academic & Professional Qualification(s):
- AB degree, Princeton University
- Master's degree in Business Administration, the Wharton School of the University of Pennsylvania (Palmer Scholar)

Present Directorships (as at 1 January 2023):
Listed companies
- CITIC Resources Holdings Limited (listed on The Stock Exchange of Hong Kong Limited)
- TIH Limited

Other principal directorships
- Argyle Street Management Limited

Major Appointments (other than directorships):
- Chief Investment Officer of Argyle Street Management Limited
- Commissioner of PT Lippo Karawaci Tbk (a company listed on the Indonesia Stock Exchange)

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
- Mount Gibson Iron Limited
- The ONE Group Hospitality, Inc.

Others:
- Deemed substantial shareholder of OUE Limited. Details of his deemed shareholdings can be found on pages 260 and 261 of this Annual Report

BOARD OF DIRECTORS

MS. GOH MIN YEN, 63
Independent Director

Date of first appointment as a Director:
1 January 2022

Date of last re-election as a Director:
28 April 2022

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

Board Committee(s) served on:
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualification(s):
- Bachelor of Science High Distinction (Economics and Finance), Babson College, United States of America

Present Directorships (as at 1 January 2023):
Listed companies
- 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
- Eng Wah Global Pte. Ltd.

Major Appointments (other than directorships):
- Managing Director of Eng Wah Group

Past Principal Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

Others:
Nil

MR. BRIAN RIADY, 33
Deputy Chief Executive Officer and Executive Director

Date of first appointment as a Director:
1 January 2020

Date of last re-election as a Director:
22 May 2020

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

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 1 January 2023):
Listed companies
- OUE Commercial REIT Management Pte. Ltd. (the manager of OUE Commercial Real Estate Investment Trust)
- OUE Lippo Healthcare Limited
- Hongkong Chinese Limited (listed on The Stock Exchange of Hong Kong Limited) (Appointed on 30 March 2023)
- Lippo China Resources Limited (listed on The Stock Exchange of Hong Kong Limited) (Appointed on 30 March 2023)
- Lippo Limited (listed on The Stock Exchange of Hong Kong Limited) (Appointed on 30 March 2023)

Other principal directorships
Nil

Major Appointments (other than directorships):
- 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 December 2022):
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)

Dining room of the expansive King Presidential Suite on the top floor of Hilton Singapore Orchard

OPERATIONS REVIEW

REAL ESTATE SEGMENT

INVESTMENT PROPERTIES

OUE C-REIT's portfolio comprises seven prime commercial and hospitality properties strategically located in Singapore and Shanghai

COMMERCIAL REIT

TOTAL ASSETS[1]
(S$ billion)
6.0

PRIME COMMERCIAL SPACE
(sq ft)
~2.2 million

PORTFOLIO OF UPPER UPSCALE HOTELS
1,643
Guestrooms

[1] As at 31 December 2022

One of the largest diversified S-REITs

Listed on the SGX since 27 January 2014, *OUE Commercial REIT (OUE C-REIT)* is one of the largest diversified S-REITs with total assets of S$6.0 billion as at 31 December 2022. Comprising seven properties in Singapore and Shanghai, OUE C-REIT's commercial and hospitality portfolio spans approximately 2.2 million square feet of prime office and retail space, and 1,643 upper upscale hotel rooms.

OUE C-REIT's net property income (NPI) for FY2022 was S$196.9 million, 3.6% lower year-on-year (YoY) mainly due to the deconsolidation of OUE Bayfront post the divestment of a 50.0% interest on 31 March 2021. The decrease in NPI was partially offset by lower rental rebates and property expenses.

Factoring in lower income support for OUE Downtown Office, higher interest expense driven by macroeconomic factors and including the partial distribution of OUE Bayfront's divestment gain of S$4.6 million, the amount to be distributed was 18.2% lower YoY at S$116.2 million. Consequently, FY2022 distribution per unit (DPU) was 2.12 cents.

As at 31 December 2022, OUE C-REIT's net asset value per unit was 3.5% higher YoY at S$0.59.

The Manager undertook two major initiatives to strengthen OUE C-REIT's capital base and increase financial flexibility in 2022. In May, a S$150 million 4.20% fixed rate bond with a coupon step-down of 25 basis points on OUE C-REIT obtaining an investment grade rating was issued – a first in Singapore's capital markets. In August, the largest-ever unsecured sustainability-linked loan amongst S-REITs totalling S$978 million was obtained for refinancing existing secured borrowings.

Refinancing risks are mitigated as only 11.8% or S$273 million of total debt is due in September 2023 and none is due in 2024. The proportion of unsecured debt has also increased significantly to 69.4% as at 31 December 2022 and the balance sheet remains healthy with aggregate leverage at 38.8%. Approximately 71.5% of total debt is hedged, which partially mitigates the impact of rising interest rates on distributions.

OUE C-REIT's Singapore portfolio committed occupancy was healthy at 94.7%. Average office passing rents as of December 2022 were stable YoY with positive rental reversions achieved for FY2022. Mandarin Gallery recorded improving operational metrics with shopper traffic and tenant sales normalising to 95.0% and 85.0% of pre-COVID levels respectively, despite the absence of Chinese and Japanese tourists.

Following the reopening of borders across the world, OUE C-REIT's hospitality segment achieved a stronger performance in 2022 due to the return of tourism and recovery of the MICE sector in the second half. Hilton Singapore Orchard's FY2022 revenue per available room (RevPAR) was S$318.0, surpassing the previous RevPAR highs of the property before the successful re-branding while Crowne Plaza Changi Airport's FY2022 RevPAR increased 50.2% YoY to S$165.0. Consequently, the hospitality portfolio's FY2022 RevPAR increased by approximately three times YoY to S$256.0.

As at 31 December 2022, the Group owns an effective interest of 48.4% in OUE C-REIT. The REIT manager of OUE C-REIT, OUE Commercial REIT Management Pte. Ltd. is a wholly-owned subsidiary.

REAL ESTATE SEGMENT
INVESTMENT PROPERTIES

VALUATION[1]
(S$ million)
1,321.0

GROSS FLOOR AREA
(sq ft)
503,482

NET LETTABLE AREA[1]
(sq ft)

Total	Office	Retail
399,447	378,176	21,271

TENURE OF LAND

OUE Bayfront & OUE Tower
99-year lease
from 12 November 2007

OUE Link
15-year lease
from 26 March 2010

Underpass
99-year lease
from 7 January 2002

COMMITTED OCCUPANCY[1]

Overall	Office	Retail
98.4%	98.7%	92.2%

[1] As at 31 December 2022

01

OUE BAYFRONT

OUE Bayfront offers a sustainable workplace in a strategic location that is well connected to major transport networks, with easy access to the Raffles Place, Telok Ayer and Downtown Mass Rapid Transit (MRT) stations.

Green Mark Gold certified by Singapore's Building and Construction Authority (BCA) for its commitment to sustainable development, OUE Bayfront continues to create an environment that promotes well-being for tenants as well as the wider community. Under a pilot business improvement district programme initiated by the Urban Redevelopment Authority (URA), OUE Bayfront participates in a placemaking programme to encourage healthy living and promote vibrancy in the Central Business District (CBD) area by providing part of its concourse space to be used for fitness workouts. Having remained resilient throughout the challenges of the last few years due to the COVID-19 pandemic, the lifting of COVID-19 measures and restrictions in 2022 enabled the resumption of community engagement events and activities at OUE Bayfront, bringing a renewed energy to life along the waterfront.

Following the divestment of a 50.0% stake in OUE Bayfront in 2021 as part of its active portfolio reconstitution strategy, OUE C-REIT retains a 50.0% stake in this property.

Premium waterfront office space with Marina Bay views

Property Description

OUE Bayfront is a prestigious development prominently located on the waterfront in Singapore's CBD between the Marina Bay downtown area and the financial hub of Raffles Place. It includes an 18-storey premium Grade-A office building with stunning bay views, and two complementary properties with commercial facilities – OUE Tower and OUE Link.

OUE TOWER

A historical landmark accorded heritage conservation status, OUE Tower houses a revolving restaurant offering a fine dining experience with ever-changing Marina Bay and CBD views.

OUE LINK

OUE Link is an air-conditioned overhead pedestrian bridge with double-frontage retail shops, providing sheltered access to Raffles Place.

01 OUE Bayfront comprises a unique combination of modern and historic landmarks

02 OUE Tower alongside the OUE Link pedestrian bridge

02

REAL ESTATE SEGMENT

INVESTMENT PROPERTIES

OUE DOWNTOWN

From blue-chip companies in insurance, finance and IT, to multinational corporations, *OUE Downtown Office* attracts a prestigious tenant base with its strategic location and its seamless integration within a vibrant work-play-live environment.

This modern office landmark is located on Shenton Way, the financial corridor connecting the hubs of Raffles Place and Tanjong Pagar, where easy access to the Tanjong Pagar, Downtown, Shenton Way and upcoming Prince Edward MRT stations ensures a convenient commute.

OUE Downtown Office has achieved BCA Green Mark Gold certification for its sustainable building initiatives. Extensive landscaping, outdoor gardens and water features also elevate the work environment, creating restful spaces for executives to enjoy the revitalising energy of nature. Just beyond the office, the wide variety of dining, shopping, lifestyle and wellness offerings to be found at Downtown Gallery, the retail component of OUE Downtown, help to foster work-life balance.

As Singapore's container port facilities relocate to the island's west within the next decade, making way for the redevelopment of the greater southern waterfront as an extension of the CBD, OUE Downtown Office is poised to benefit from Tanjong Pagar's transformation into a business, residential and lifestyle hub.

Integrated workplace within an all-in-one lifestyle destination

Property Description

OUE Downtown Office comprises the Grade-A office space at the OUE Downtown mixed-use development located along Shenton Way in Singapore's business district. It comprises the 35th to 46th storeys of OUE Downtown 1, a 50-storey high-rise tower, and the 7th to 34th storeys of OUE Downtown 2, a 37-storey high-rise tower. OUE Downtown Office is certified Green Mark Gold by the BCA.

OUE Downtown Office is part of OUE C-REIT's portfolio.

OUE Downtown's two office towers above the integrated development's six-storey retail mall

VALUATION[1]
(S$ million)
930.0
(Office components)

GROSS FLOOR AREA
(sq ft)
752,633
(Office)

NET LETTABLE AREA[1]
(sq ft)
529,850
(Office)

TENURE OF LAND
99-year lease
from 19 July 1967

COMMITTED OCCUPANCY[1]
93.4%
(Office)

[1] As at 31 December 2022

REAL ESTATE SEGMENT
INVESTMENT PROPERTIES

VALUATION[1]
(S$ million)
1,909.0

GROSS FLOOR AREA
(sq ft)
1,287,966
(Total)

NET LETTABLE AREA[1]
(sq ft)
605,228
(Office)

TENURE OF LAND

Office Tower 1
841-year lease
from 1 November 1985

Office Tower 2
99-year lease
from 26 May 1983

COMMITTED OCCUPANCY[1]
95.2%
(Office)

[1] As at 31 December 2022

One Raffles Place Towers 1 and 2 – a significant presence in the financial district

oneRafflesPlace

A well-recognised landmark in the heart of Singapore's financial district, *One Raffles Place Tower 1* counts leading businesses and corporations from a wide range of industries among its distinguished tenants. The 62-storey skyscraper impresses with an elegant entrance hall while a plethora of green features within have earned it the BCA Green Mark Gold certification. In addition to its prime office space, plans are underway to launch a new dining and entertainment concept on the rooftop, which offers spectacular 360-degree views of the Singapore skyline from one of the highest points in the city.

Completed in 2012, the 38-storey *One Raffles Place Tower 2* features a striking silhouette with bold lighting effects, expansive and flexible column-free floor plans, and public spaces graced with a collection of curated local and international artworks. In 2022, the building maintained its BCA Green Mark Platinum certification in recognition of its environmentally sustainable and energy-efficient design.

One Raffles Place enjoys excellent connectivity, being situated above and with a direct underground link to the Raffles Place MRT station, while an extensive underground network of pedestrian walkways provides easy access to surrounding areas.

Well-recognised landmark in the heart of the financial district

Property Description

One Raffles Place is an integrated development situated in the heart of Singapore's core financial district, Raffles Place. This prominent development comprises two towers of Grade-A office space: the 62-storey One Raffles Place Tower 1, one of the tallest buildings in Singapore, and the 38-storey One Raffles Place Tower 2.

The office towers are adjoined by One Raffles Place Shopping Mall, a six-storey retail podium providing a wide array of dining, retail and lifestyle options, with a direct link to the Raffles Place MRT interchange station at its basement level.

One Raffles Place is part of OUE C-REIT's portfolio.

REAL ESTATE SEGMENT
INVESTMENT PROPERTIES

LIPPO PLAZA

Shanghai

Lippo Plaza enjoys a prime location in the established Huangpu business district in the Puxi area of downtown Shanghai, an area occupied by a vibrant mix of multinational corporations, international financial institutions and local Chinese enterprises. The building's Grade-A offices contribute to this mix with a diverse tenant base spanning industries ranging from retail to consulting, financial services, and manufacturing.

This well-connected business address is located within walking distance of the South Huangpi Road Metro station serving Metro Line 1, as well as the Huaihai Zhong Road station on Metro Line 13. Other key commercial areas and transportation lines are also easily accessible via nearby major expressways.

This area is also a buzzing retail hotspot in Shanghai featuring many upscale stores and malls. The retail podium at Lippo Plaza immerses shoppers in an equally premium retail experience with its curation of renowned international and local brands as well as a variety of restaurants and dining outlets.

Lippo Plaza has achieved the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) Gold certification for its environmental performance and green features.

A landmark in Shanghai's key commercial zone

Property Description

Lippo Plaza comprises a 36-storey Grade-A office building adjoined by a three-storey upscale retail mall, located in China's bustling metropolis of Shanghai. It is situated on Huaihai Zhong Road, a major retail artery within one of the city's most established commercial districts, a prime spot for offices, retail and hotels, with convenient access to the metro network and major expressways.

Lippo Plaza is part of OUE C-REIT's portfolio.

01

02

VALUATION[1]
(RMB million)
2,640.0

GROSS FLOOR AREA
(sq ft)
629,920

NET LETTABLE AREA[1]
(sq ft)

Total	Office	Retail
421,817	361,007	60,810

TENURE OF LAND
50-year lease
from 2 July 1994

COMMITTED OCCUPANCY[1]

Overall	Office	Retail
82.6%	79.9%	97.8%

[1] As at 31 December 2022

01 Lippo Plaza's retail podium offers a premium shopping experience

02 Prime business address in downtown Shanghai's key commercial zone

REAL ESTATE SEGMENT
INVESTMENT PROPERTIES

A gem of upscale retail and gourmet offerings centrally located along Orchard Road

Mandarin Gallery

Mandarin Gallery satisfies a passion for life's finest dining, shopping and lifestyle experiences. Among the local and international fashion brand stores that occupy the mall's premium retail spaces are *Max Mara*, *Boss* and the first Southeast Asia flagship store of *Victoria's Secret*. In 2022, Mandarin Gallery welcomed another premium addition – the Singapore flagship store of South Korean lifestyle brand *MLB Korea*, which offers a range of streetwear apparel and lifestyle accessories, including its exclusive baseball cap collection.

As a dining destination, Mandarin Gallery entices taste buds with mouthwatering variety – from all-day breakfasts at *Wild Honey*, to exquisite beef yakiniku dining at *Yakiniquest*, and a sumptuous steakhouse experience at *Lawry's The Prime Rib*.

On the lifestyle front, visitors can explore stores such as *Rimowa*, renowned for luxury travelware, indulge in top-notch hair and beauty services at *Bada Hair* and *Clé de Peau Beauté*, and connect with their creativity at *Arteastiq Tea Lounge's* gourmet tea and art jam studio.

Mandarin Gallery has achieved BCA Green Mark Gold certification in its journey towards greater sustainability.

VALUATION[1]
(S$ million)
453.9

GROSS FLOOR AREA
(sq ft)
196,336

NET LETTABLE AREA[1]
(sq ft)
126,283

TENURE OF LAND
99-year lease
from 1 July 1957

COMMITTED OCCUPANCY[1]
91.9%

[1] As at 31 December 2022

Distinctive retail and lifestyle experiences at Orchard Road

Property Description

Mandarin Gallery exudes exclusivity and sophistication at its prominent location in the heart of Orchard Road, Singapore's premier shopping and entertainment precinct. Behind its 152-metre-wide Orchard Road frontage, which encompasses four duplex stores and six streetfront units, the mall offers four levels of distinctive shopping, dining and lifestyle offerings, including an eclectic mix of local brands, independent boutiques and flagship stores of international brands.

Mandarin Gallery is part of OUE C-REIT's portfolio.

REAL ESTATE SEGMENT
INVESTMENT PROPERTIES

DOWNTOWN Gallery

VALUATION[1]
(S$ million)
216.0

GROSS FLOOR AREA
(sq ft)
226,895

NET LETTABLE AREA[1]
(sq ft)
142,978

TENURE OF LAND
99-year lease
from 19 July 1967

COMMITTED OCCUPANCY[1]
93.3%

[1] As at 31 December 2022

Behind its attractive 262-metre-wide frontage, one of the longest single retail frontages in the CBD, *Downtown Gallery* caters to those living, working and staying in the area with a comprehensive directory of distinctive and innovative retail, dining, lifestyle and wellness experiences.

The BCA Green Mark Gold certified mall is home to novel concepts such as *Let's Yori!*, a 4,000 square feet communal cooking space featuring cooking stations that can be booked for corporate and private events; *The Gallery Edit*, a source for the latest modern living trends; and *The Work Project*, an entire floor of co-working space and serviced offices.

From breakfast to after-work hours, visitors can indulge in a wide variety of food and beverage options, whether gourmet comfort food at *The Providore* or a healthy protein-packed bowl at *The Autobus* bicycle café. Fashion stores include *The Fashion Pulpit*, a sustainable fashion swapping space, while the mall's extensive fitness offerings include *Strength Clinic Academy* and *Diva Pole Academy*, as well as boxing, rock climbing, high-intensity interval training classes and yoga and dance studios.

With beauty and hair salons, a farmer's market, a pre-school and health services also in the mix, Downtown Gallery has every essential need covered.

Vibrant destination for lifestyle and community

Property Description

Part of the OUE Downtown development on Shenton Way, Downtown Gallery provides a one-of-a-kind destination in the CBD to commune, devoted to enriching all aspects of well-being, grounded in the principles of "Look Well, Keep Well, Eat Well". Spanning approximately 150,000 square feet of premium retail space across six levels, including one basement level, it offers a refreshing mix of shopping, dining, lifestyle and wellness to the area's office workers, residents and shoppers, with a focus on the sharing economy, future trends and innovative, new-to-market concepts.

Downtown Gallery is owned by a wholly-owned subsidiary of OUE Limited.

Downtown Gallery's prominent street frontage along bustling Shenton Way

REAL ESTATE SEGMENT
INVESTMENT PROPERTIES

oneRafflesPlace

For those living and working in Singapore's CBD, *One Raffles Place Shopping Mall* meets everyday needs with a wide variety of retail and dining options as well as health, beauty and wellness services. The mall's inviting environment is a constant buzz of activity, drawing in the lunch and dinner crowds with a myriad of local and international dining options ranging from restaurants to cafes and bakeries, and providing cosy spots to unwind after work over coffee or cocktails.

The mall is also home to *Spaces*, a multi-level co-working space by IWG that has made One Raffles Place Shopping Mall a location synonymous with flexible working in the CBD. Occupying more than 30,000 square feet, its modern, flexible workspace options include three meeting rooms, 18 dedicated desks and over 500 workstations.

Lively shopping and dining destination in the midst of office skyscrapers

NET LETTABLE AREA[1]
(sq ft)
99,370
(Retail)

TENURE OF LAND

Shopping Mall
~75% of NLA is on
99-year lease
from 1 November 1985

With the balance 25% on
841-year lease
from 1 November 1985

COMMITTED OCCUPANCY[1]
88.8%
(Retail)

[1] As at 31 December 2022

Dynamic mix of shopping, dining and co-working

Property Description

One Raffles Place Shopping Mall is the largest purpose-built shopping mall in Raffles Place, the heart of Singapore's financial district. It comprises approximately 100,000 square feet of prime retail space across six storeys. Situated above and with a direct basement level link to the Raffles Place MRT interchange station, the mall is easily accessible via the North-South and East-West MRT lines, and is conveniently connected via underground walkways to other developments within Raffles Place and the Marina Bay area.

One Raffles Place Shopping Mall is part of OUE C-REIT's portfolio.

REAL ESTATE SEGMENT
HOSPITALITY

VALUATION[1]
(S$ million)
1,250.0

GROSS FLOOR AREA
(sq ft)
990,278

NUMBER OF GUESTROOMS
1,080

TENURE OF LAND
99-year lease
from 1 July 1957

[1] As at 31 December 2022

HILTON SINGAPORE ORCHARD

On 24 February 2022, *Hilton Singapore Orchard* reopened to guests following its landmark transformation and re-branding from the former Mandarin Orchard Singapore. This first phase of reopening unveiled the 634-room Mandarin Wing, refurbished with an elegant botanical design inspired by the locality – Singapore's premier fashion and retail district – and its origins as a spice and fruit plantation. The hotel interiors embody 'The Orchard Trail', a unique concept drawing on Orchard Road's agricultural heritage. Guests will also recognise retail design elements in the spaces. With the subsequent reopening of the 446-room Orchard Wing on 1 January 2023, the hotel is now operating at full room inventory and is well positioned to meet the increasing demand from international business and leisure travellers as well as local residents.

The hotel's modern MICE facilities include two pillarless ballrooms and 16 versatile meeting spaces. New dining venues include *Osteria Mozza* by celebrated Amercian chef Nancy Silverton, all-day dining restaurant *Estate*, and *Ginger.Lily* lounge and bar. The hotel's stellar culinary line-up also includes two-MICHELIN-starred *Shisen Hanten by Chen Kentaro* as well as the award-winning all-time favourite *Chatterbox*, which reopened with a fresh new look in March 2022.

In 2022, the flagship hotel earned multiple accolades, including Asia Suite Design Winner for its Presidential Suite in the AHEAD Awards; Best Restaurant Design for Estate in the SBID International Design Awards; and Best New Meetings Hotel Asia in the M&C Asia Stella Awards.

Already certified BCA Green Mark Gold, the hotel introduced further new green initiatives upon re-branding. To reduce single-use plastics, it became one of the first Hilton hotels to adopt reusable wooden key cards, which will help to eliminate approximately 40,000 plastic key cards a year. Other green and energy-saving initiatives include an in-house water filtration and glass bottling system, in-room motion air-con and light sensor technology, and a conscious commitment to source sustainable and local produce for its food and beverage offerings.

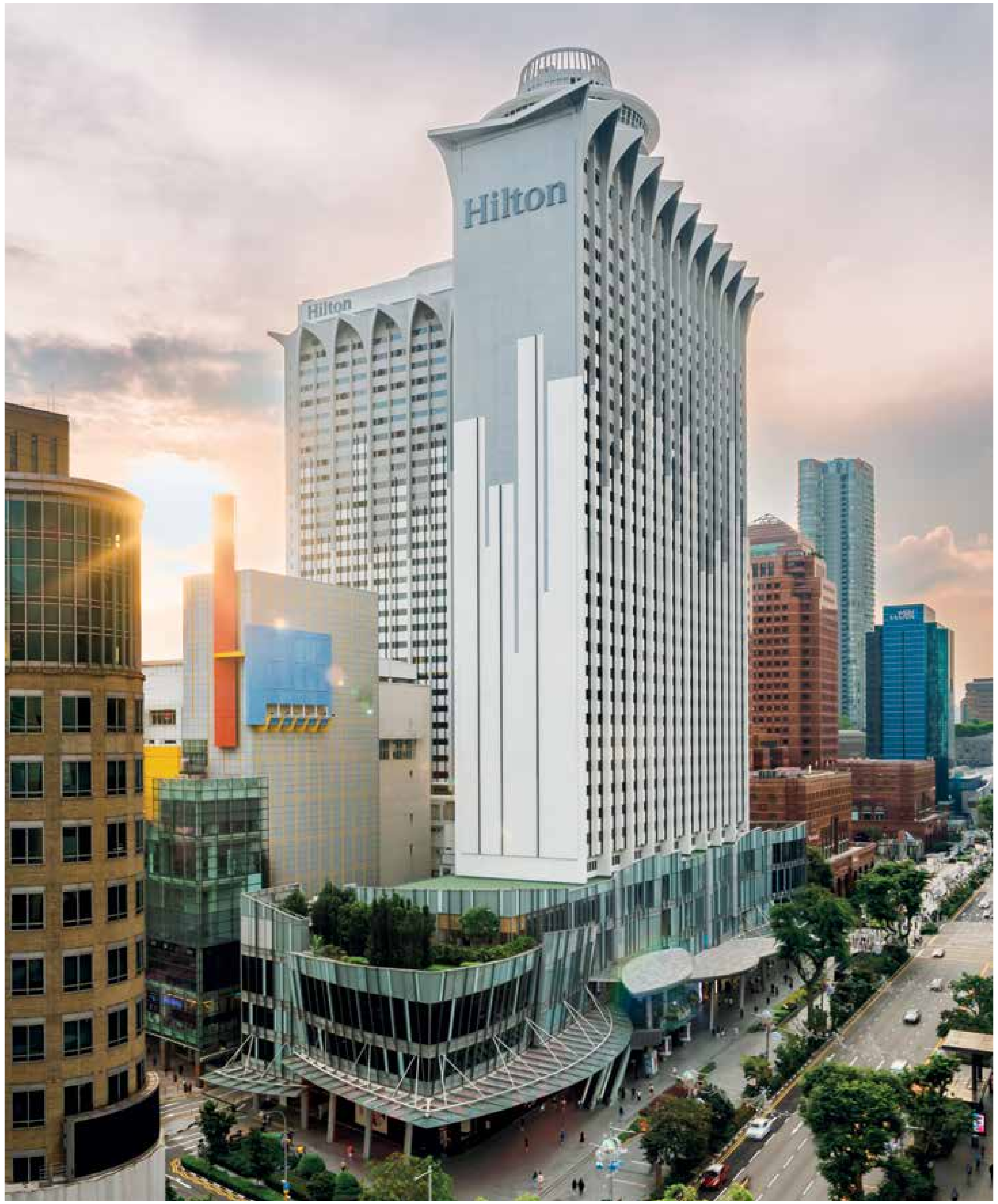
Luxury meets sustainability at Hilton's largest Asia Pacific hotel

Property Description

Hilton Singapore Orchard is a brand-defining and landmark hotel in Singapore and represents the largest Hilton hotel in Asia Pacific offering 1,080 botanical-inspired rooms, world-class dining experiences and extensive meeting facilities.

The hotel is located in the heart of Orchard Road, Singapore's premier shopping precinct, and is 10 to 15 minutes' drive from the CBD and Marina Bay area. It is also within walking distance of the Somerset and Orchard MRT stations, which connect to the nearby Dhoby Ghaut and City Hall interchange stations, and is close to major roads and expressways. With its superb connectivity, Hilton Singapore Orchard provides an ideal base for business trips in the city and for exploring the sights of Singapore.

Hilton Singapore Orchard is part of OUE C-REIT's portfolio.



Hilton Singapore Orchard offers a luxurious stay among the glittering malls of Orchard Road

REAL ESTATE SEGMENT
HOSPITALITY

CROWNE PLAZA®
AN IHG® HOTEL
CHANGI AIRPORT

Just minutes from the runway, *Crowne Plaza Changi Airport* welcomes international air travellers and domestic guests into an environment of peaceful gardens and comfortable noise-insulated rooms for restful stopovers and refreshing staycations. Guests can soak up the tropical atmosphere of *Lobby Lounge* or satisfy their appetite with delightful Asian and Western dining options at *Azur*.

With six function rooms, including a pillarless ballroom, the hotel is also an ideal venue for corporate and social events. The hotel's close proximity to Changi Business Park and Singapore EXPO Convention & Exhibition Centre, and easy access to downtown Singapore by expressway and the MRT, add to its attractiveness for business travellers.

Crowne Plaza Changi Airport continues its award-winning success, being named in March 2023 as the World's Best Airport Hotel and Best Airport Hotel in Asia by Skytrax for the eighth year. It was also awarded the ASEAN Green Hotel Award by the Singapore Hotel Association from 2022 to 2024 in recognition of its sustainable environmental practices. To conserve energy, a daily Earth Hour from 9:30 pm to 10:30 pm continues to be implemented, and guestrooms in the extension building are being upgraded with LED lighting.

Consistently ranked World's Best Airport Hotel by Skytrax

Property Description

Reigning as the World's Best Airport Hotel in the Skytrax Airport Awards, Crowne Plaza Changi Airport is an award-winning 563-room hotel managed by the InterContinental Hotels Group, located at Terminal 3 of Singapore Changi Airport. Comprising two interconnected buildings – a 320-room main building and a 243-room extension, the hotel offers seamless access to the passenger terminals and Jewel Changi Airport retail and entertainment complex via a pedestrian bridge.

Crowne Plaza Changi Airport is part of OUE C-REIT's portfolio.

01

02

VALUATION[1]
(S$ million)
460.2

GROSS FLOOR AREA
(sq ft)
440,389

NUMBER OF GUESTROOMS
563

TENURE OF LAND
74-year lease
from 1 July 2009

[1] As at 31 December 2022

01 Crowne Plaza Changi Airport's two buildings house 563 well-appointed guestrooms

02 Offering a rejuvenating stay within Singapore Changi Airport, linked to Terminal 3 and Jewel
Photo by Changi Airport Group

REAL ESTATE SEGMENT
DEVELOPMENT PROPERTIES

OUE TwinPeaks

OUE Twin Peaks offers a luxurious urban retreat with homes to suit different lifestyles, as well as the flexibility to combine one-bedroom apartments with two- or three-bedroom apartments for multi-generational living. All 462 apartments come ready to live in, fully furnished with a thoughtful selection of iconic furniture pieces by renowned designers such as Hans Wegner, Charles & Ray Eames, Tom Dixon and Matthew Hilton, transforming the living spaces with refined style and sophistication.

Within each of the development's two residential towers, residents can exercise in a state-of-the-art triple-volume indoor and outdoor sky gym on the 13th floor. On the 36th floor, an open-air Sky Loggia with a rooftop bar provides a spectacular space for entertaining friends or hosting private parties, surrounded by magnificent views of the cityscape.

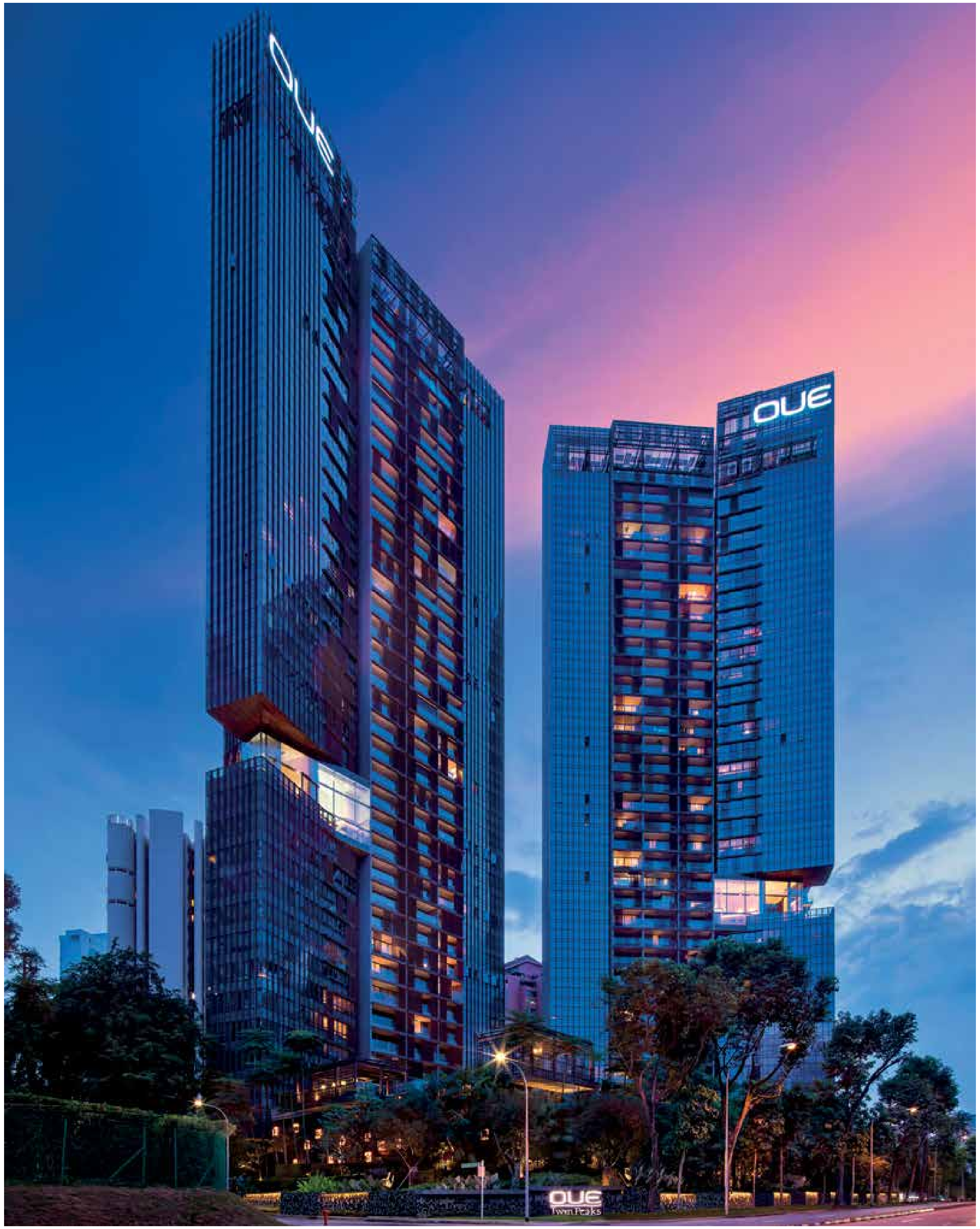
Other facilities include a resort-style swimming pool, jet spas and gourmet dining suites nestled within a lush environment of tropical gardens, water features, art installations and artful lighting. For its exceptional design and landscaping, OUE Twin Peaks has earned numerous awards and recognition, including the Landscape Excellence Assessment Framework (LEAF) certification in 2016 by National Parks, and the Skyrise Greenery Excellence Award, Multi-units Residential category, in 2017.

As at 31 December 2022, the Group holds 36 units with a carrying amount of S$88.3 million.

The height of urban sophistication

Property Description

OUE Twin Peaks is a luxury residential development nestled amid the serenity of Leonie Hill, a stone's throw from bustling Orchard Road, Singapore's premier shopping belt. It comprises two identical 35-storey towers housing 462 well-appointed one-, two- and three-bedroom apartments, set within a lush landscape designed by the acclaimed landscape architect Bill Bensley, and enriched with an impressive suite of resort-inspired facilities that elevate life in the city.



Towering above the city from the gentle slopes of Leonie Hill

BOOK VALUE[1]
(S$ million)
88.3

TENURE OF LAND
99-year lease
from 10 May 2010

[1] As at 31 December 2022

HEALTHCARE SEGMENT

OUE LIPPO Healthcare

Asia's leading healthcare company with a regional healthcare ecosystem

SGX Catalist Board-listed *OUE Lippo Healthcare Limited (OUELH)* is a pan-Asian healthcare group that owns, operates and invests in quality healthcare businesses in high-growth Asian markets. In 2022, OUELH continued to make steady progress in its vision to become Asia's leading healthcare company.

In Singapore, OUELH formed a medical partnership with three medical specialist groups via a joint venture company with OUE Limited, namely Echo Healthcare Management Pte. Ltd. (OUE JV), with OUELH and OUE holding 60.0% and 40.0% respectively in OUE JV. The medical partnership includes two leading respiratory specialist practices and one cardiothoracic surgery practice, which between them operate a total of 10 clinics. The medical partnership is an important milestone in OUELH's goal to build a healthcare business ecosystem anchored on Singapore's best medical practices for regional growth.

In China, OUELH currently operates one general hospital, Wuxi Lippo Xi Nan Hospital, which launched a new haemodialysis centre in December 2022. During the year, OUELH secured two loans to finance the development of the upcoming Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital and Shenzhen China Merchants-Lippo Prince Bay Hospital in Shekou, Shenzhen, which are on track to be commissioned in 2H2023 and 2024 respectively.

OUELH's Myanmar hospitals continue to operate as usual post-pandemic, providing vaccination services and rolling out new initiatives such as telehealth and family clinic services.

OUELH is the sponsor and the largest unitholder of First REIT, Singapore's first listed healthcare real estate investment trust, where it directly owns approximately 33.0% of the REIT. OUELH also holds a 40.0% stake in its manager, First REIT Management Limited.

In March 2022, OUELH completed the divestment of its 12 nursing homes in Japan to First REIT as part of its asset-light strategy, enabling the company to be well positioned for high-growth healthcare opportunities across Asia.

As at 31 December 2022, the Group's effective shareholding in OUELH is 70.4%.

VALUATION[1,2]
(S$ million)
56

COUNTRIES
China, Myanmar, Singapore, Japan[3], Indonesia[3] and Malaysia

[1] As at 31 December 2022
[2] Excludes First REIT's portfolio
[3] Presence in Japan and Indonesia are via First REIT Management and First REIT

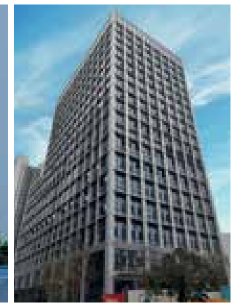
01 The joint venture of OUE and OUELH has formed a medical partnership known as Echo Healthcare Management Pte. Ltd., with three medical specialist groups in Singapore: Respiratory Medical Associates, The Respiratory Practice, and Thoracic & Cardiovascular Surgery Specialists, bringing OUELH a step closer to realising its vision to become a leading healthcare group in the region.

02 Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital in Changshu, Jiangsu – expected to be commissioned in 2H2023

03 Wuxi Lippo Xi Nan Hospital – general hospital in Wuxi, Jiangsu

04 Shenzhen China Merchants – Lippo Prince Bay Hospital in Shekou, Shenzhen – expected to be commissioned in 2024

01



02 03 04

CHINA

Wuxi Lippo Xi Nan Hospital

Shenzhen China Merchants - Lippo Prince Bay Hospital

Changshu China Merchants - Lippo Obstetrics & Gynaecology Hospital

Wuxi Phoenix Hospital

Chengdu Integrated Hospital Development Land

MALAYSIA

KLCC Development Land

SINGAPORE

Respiratory Medical Associates

The Respiratory Practice

Thoracic & Cardiovascular Surgery Specialists

MYANMAR

Pun Hlaing Hospital Hlaing Tharyar (Yangon)

Pun Hlaing Hospital Mandalay

Pun Hlaing Hospital Taunggyi

Pun Hlaing Clinic North Dagon

Pun Hlaing Clinic Star City

Pun Hlaing Clinic Nyaung Shwe

Pun Hlaing Clinic Taw Win

HEALTHCARE SEGMENT

FIRST REIT
ASIA'S PREMIER HEALTHCARE TRUST

TOTAL ASSETS UNDER MANAGEMENT[1]
(S$ billion)
1.15

NO. OF ASSETS
32
Singapore, Indonesia, Japan

GROSS FLOOR AREA
(sq ft)
4,819,412

TOTAL NO. OF BEDS/ SALEABLE ROOMS
6,539

[1] As at 31 December 2022

Balancing growth with stability

Listed on the Singapore Exchange since 2006, *First REIT* is Singapore's first healthcare real estate investment trust. It has a portfolio of 32 properties with a total asset value of S$1.15 billion. These include 15 properties in Indonesia comprising 11 hospitals, 2 integrated hospitals & malls, an integrated hospital & hotel and a hotel & country club; 3 nursing homes in Singapore; and 14 nursing homes in Japan which were acquired in FY2022.

The acquisition of 14 nursing homes in Japan is in line with First REIT's '2.0 Growth Strategy', which comprises four well-defined strategic pillars to drive sustainable long-term growth: diversify into developed markets; reshape portfolio for capital efficient growth; strengthen capital structure to remain resilient; and continue to pivot to ride megatrends.

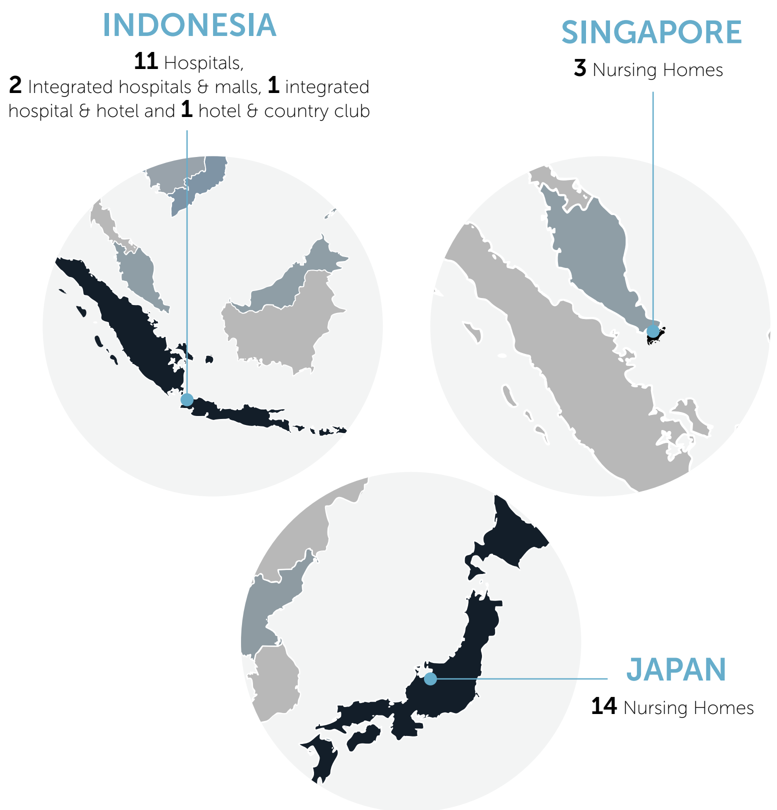
First REIT closed FY2022 with stable growth. Rental and other income grew 8.7% to S$111.3 million, largely due to contributions from Japan, as well as stable rental income from Indonesia properties following the restructuring of master lease agreements. Net property and other income rose 8.3% to S$108.6 million, despite an increase in property operating expenses. Distributable amount for the year increased 24.4% to S$52.4 million, bringing distribution per unit to 2.64 Singapore cents, up 1.1% from the preceding year.

As at 31 December 2022, First REIT's overall financial position remained strong with a gearing of 38.5% and interest coverage ratio at 5.0 times. Debt maturity profile improved, with no debt refinancing requirements until 2025. 59.6% of its debt is hedged or pegged to fixed rates, and Indonesian Rupiah foreign exchange risk was mitigated with financial derivatives. With a healthy financial position and strong sponsor support, First REIT is well positioned to continue diversifying its portfolio and to deliver sustainable distributions to unitholders.

As at 31 December 2022, the Group owns an effective interest of 33.4% in First REIT. The REIT manager of First REIT, First REIT Management Limited, is held via a 60:40 stake by OUE Limited and OUELH respectively.

01

02



01 Medical Rehabilitation Home Bon Sejour Komaki – a 10-storey nursing home located half an hour's drive from Nagoya City Centre

02 Loyal Residence Ayase – a 3-storey nursing home located between Tokyo and Yokohama

03 Except for Siloam Sriwijaya, Siloam Hospitals Kupang & Lippo Plaza Kupang, Siloam Hospitals Buton & Lippo Plaza Buton, properties in Indonesia hold the Hak Guna Bangunan (HGB) title, where the states retain ownership. For practical purpose, there is little difference from a freehold title.

Siloam Sriwijaya, Siloam Hospitals Kupang & Lippo Plaza Kupang, Siloam Hospitals Buton & Lippo Plaza Buton are under the Build, Operate and Transfer Scheme (BOT Scheme), where the Indonesian government owns the relevant land. Upon expiration of the term of the BOT agreement, which is extendable, the land together with any buildings and fixtures on top of the land must be returned without either party providing any form of compensation to the other.

04 Properties in Japan are freehold.

INDONESIA03

- Siloam Hospitals Lippo Village
- Siloam Hospitals Kebon Jeruk
- Imperial Aryaduta Hotel & Country Club
- Mochtar Riady Comprehensive Cancer Centre
- Siloam Hospitals Lippo Cikarang
- Siloam Hospitals Manado & Hotel Aryaduta Manado
- Siloam Hospitals Makassar
- Siloam Hospitals Bali
- Siloam Hospitals TB Simatupang
- Siloam Hospitals Purwakarta
- Siloam Sriwijaya
- Siloam Hospitals Kupang & Lippo Plaza Kupang
- Siloam Hospitals Labuan Bajo
- Siloam Hospitals Buton & Lippo Plaza Buton
- Siloam Hospitals Yogyakarta

JAPAN04

- Hikari Heights Varus Tsukisamu-Koen (Sapporo)
- Hikari Heights Varus Makomanai-Koen (Sapporo)
- Hikari Heights Varus Ishiyama (Sapporo)
- Hikari Heights Varus Kotoni (Sapporo)
- Hikari Heights Varus Fujino (Sapporo)
- Varus Cuore Yamanote (Sapporo)
- Varus Cuore Sapporo-Kita & Annex (Sapporo)
- Elysion Mamigaoka & Annex (Nara)
- Elysion Gakuenmae (Nara)
- Orchard Kaichi West (Nagano)
- Orchard Kaichi North (Nagano)
- Orchard Amanohashidate (Kyoto)
- Medical Rehabilitation Home Bon Sèjour Komaki (Aichi)
- Loyal Residence Ayase (Kanagawa)

SINGAPORE

- Pacific Healthcare Nursing Home @ Bukit Merah with 30-year lease from 2002
- Pacific Healthcare Nursing Home II @ Bukit Panjang with 30-year lease from 2003
- The Lentor Residence with 99-year lease from 1938

CONSUMER SEGMENT

OUE RESTAURANTS

Covering a diverse spectrum of dining concepts

From fine and bespoke to fast and casual, *OUE Restaurants* strives to create authentic dining experiences that cater to a diverse range of diners in Singapore and overseas, and create spaces where memories are made together.

Its growing portfolio of restaurants includes *VUE* spritz bar and grill, perched atop OUE Bayfront with panoramic Marina Bay views; *Takayama* and *Hashida Singapore*, offering an exquisite omakase experience; *Rempapa* by renowned Singapore chef Damian D'Silva, celebrating Singapore heritage cuisine; *Hanare by Takayama*, a dynamic communal kamameshi concept that pays homage to Japanese comfort food with traditional iron pot rice; as well as two-MICHELIN-starred *Shisen Hanten by Chen Kentaro* and *Chatterbox*.

Its casual dining concepts include familiar household brands dedicated to quality like *Chatterbox Café*, *Chatterbox Express*, and *Délifrance*; as well as family-friendly restaurants like *FuFu Pot*, which offers a modern individual hotpot concept brimming with Asian flavours, and Michelin Bib Gourmand Award winning *Chen's Mapo Tofu*.

In early 2022, OUE Restaurants unveiled two fresh experiences at the newly rebranded Hilton Singapore Orchard. Firstly, in March, Chatterbox reopened its doors after a major renovation, revealing brand new interiors and a refreshed menu featuring staple signatures and new dishes. This was followed in June by the launch of *Osteria Mozza* by celebrated American chef Nancy Silverton, featuring a revitalised menu of Italian classics from Silverton's original one-MICHELIN-starred eatery in Los Angeles alongside newly crafted dishes for Singapore.

01


02


COUNTRIES
Singapore,
Hong Kong

THE BRANDS
Fast Casual
& All-Day Dining

Restaurants
& Bars

01 The newly renovated Chatterbox at Hilton Singapore Orchard features a glass-enclosed balcony filled with natural light and garden views

02 Californian-Italian restaurant Osteria Mozza at Hilton Singapore Orchard, with co-founder chef Nancy Silverton

SINGAPORE
Chatterbox
Chen's Mapo Tofu
Délifrance
FuFu Pot
Hanare by Takayama
Hashida Singapore
Maxx Coffee
Osteria Mozza
Rempapa
Shisen Hanten by Chen Kentaro
Takayama
VUE

HONG KONG
Chatterbox Café
Chatterbox Express
Délifrance

The BRANDS

PRINCIPLED

In adopting corporate governance practices

Grand Ballroom – the largest event space at Hilton Singapore Orchard, featuring state-of-the-art movable LED walls

GOVERNANCE

CORPORATE INFORMATION

BOARD OF DIRECTORS

STEPHEN RIADY
(Executive Chairman and
Group Chief Executive Officer)

CHRISTOPHER JAMES WILLIAMS
(Deputy Chairman and
Non-Executive Non-Independent Director)

LIM BOH SOON
(Lead Independent Director)

KELVIN LO KEE WAI
(Independent Director)

SIN BOON ANN
(Non-Executive Non-Independent Director)

KIN CHAN
(Non-Executive Non-Independent Director)

GOH MIN YEN
(Independent Director)

BRIAN RIADY
(Deputy Chief Executive Officer and
Executive Director)

AUDIT COMMITTEE

KELVIN LO KEE WAI
(Chairman)

LIM BOH SOON

KIN CHAN

NOMINATING COMMITTEE

LIM BOH SOON
(Chairman)

SIN BOON ANN

GOH MIN YEN

REMUNERATION COMMITTEE

LIM BOH SOON
(Chairman)

SIN BOON ANN

GOH MIN YEN

SECRETARY

KELVIN CHUA

SHARE REGISTRAR

M & C SERVICES PRIVATE LIMITED
112 Robinson Road
#05-01
Singapore 068902
Telephone : (65) 6227 6660
Facsimile : (65) 6225 1452
Email : shareregistry@mncsingapore.com

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961
Partner in charge : Mr. Koh Wei Peng
Date of appointment : With effect from financial year ended 31 December 2022

PRINCIPAL BANKERS

Australia & New Zealand Banking Group Limited

BNP Paribas

China CITIC Bank International Limited Singapore Branch

CIMB Bank Berhad, Singapore Branch

DBS Bank Ltd

Malayan Banking Berhad

MUFG Bank, Ltd.

Oversea-Chinese Banking Corporation Limited

RHB Bank Berhad

Standard Chartered Bank (Singapore) Limited

The Bank of East Asia, Limited, Singapore Branch

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch

REGISTERED OFFICE

50 Collyer Quay
#18-01/02
OUE Bayfront
Singapore 049321
Telephone : (65) 6809 6000
Facsimile : (65) 6809 6060
Website : www.oue.com.sg

INVESTOR RELATIONS/ CORPORATE COMMUNICATIONS

LISA SAJOTO
Telephone : (65) 6809 6064
Email : investorrelations@oue.com.sg

CORPORATE GOVERNANCE REPORT

OUE Limited (the "**Company**" or "**OUE**", and together with its subsidiaries, the "**Group**") is committed to maintaining good standards of corporate governance. This 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 Code of Corporate Governance 2018 (the "**Code**"). The Company is pleased to report that it has complied with the principles under the Code and, substantially, with the provisions set out in the Code, save for certain deviations from the Code which are explained under the respective sections.

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

A. BOARD MATTERS

Principle 1 : The Board's Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Company is headed by an effective board of directors (the "**Board**") comprising a majority of non-executive directors ("**Directors**"). The Board is supported by three Board committees ("**Board Committees**"), namely, the Audit Committee ("**AC**"), Remuneration Committee ("**RC**") and Nominating Committee ("**NC**"). Each Board Committee is governed by clear written terms of reference, which have been approved by the Board and which set out its compositions, duties (including reporting back to the Board) and authority.

The principal roles and responsibilities of the Board include:

- providing entrepreneurial leadership and appropriate tone-from-the-top, setting strategic objectives and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;
- governance of risk, establishing a framework of prudent and effective internal controls which enables risks to be assessed and managed, and ensuring that the management of the Company ("**Management**") maintains a sound system of risk management and internal controls, in order to safeguard the Company's and shareholders' interests and the Company's assets;
- reviewing the performance of the Management, holding Management accountable for performance and ensuring proper accountability within the Company;
- identifying the key stakeholder groups, recognising that their perceptions affect the Company's reputation and considering and balancing their needs and interests, in order to ensure that the best interests of the Company are served; and
- establishing the Code of Business Conduct and Ethics and setting the Company's values and standards (including ethical standards) and desired organisational culture, ensuring that obligations to shareholders and other stakeholders are understood and met, and considering sustainability issues (including environmental and social factors) as part of the Company's overall strategy.

<u>Board's Guidance during the COVID-19 Period</u>

During FY2022, the Board has continued to work closely with Management in reviewing the business opportunities and challenges as the markets in which the Group operates transition to a COVID-19 endemic environment. In addition, the Board has been paying close attention to the level of financial discipline and portfolio management across the Group's businesses, taking into account high inflation and increasing interest rates.

FY2022 presented the Group with an unprecedented set of challenges, including COVID-19, an energy crisis, geopolitical tensions and steep inflationary pressures. However, the Board's agility and resolve enabled the Group to continue to seize new opportunities and stay resilient amid uncertainties in the financial landscape. The Group's timely rebranding of the former Mandarin Orchard Singapore into Hilton Singapore Orchard demonstrated the Group's ability to make use of the downtime during the COVID-19 period to make improvements to its key assets.

CORPORATE GOVERNANCE REPORT

Board Code of Conduct and Oversight of Management

The Board has put in place a Code of Business Conduct and Ethics to document the desired organisational culture, in order to ensure there is appropriate tone from the top, that all employees are cognisant of the standards expected and to ensure proper accountability within the Company. In addition, the current Board comprises highly qualified legal professionals who are able to render regular advice on the roles and responsibilities of the Board and provide adequate guidance on the corporate governance practices of the Company.

The Directors are fiduciaries who act objectively in the best interests of the Company, and Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Company has adopted internal guidelines which require Board approval for investments, divestments and bank borrowings. The Company has also adopted 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, as well as approval limits for operating and capital expenditure. The LOA also contains a schedule of matters specifically reserved for the Board's approval. These include approval of annual business plans, operating budgets, statutory accounts, declaration of interim and final dividends, and material transactions (namely, major acquisitions, joint ventures, strategic alliances, investment proposals, establishment of banking facilities and corporate restructuring). The internal guidelines and the LOA are clearly communicated to Management in writing.

Board Meetings and Activities

The Board conducts regular scheduled meetings on a quarterly basis and the Directors attend and actively participate in such meetings. *Ad hoc* meetings are also convened as and when required. In FY2022, the Board met four times. Directors who are unable to attend Board and/or Board Committee meetings may convey their views to the respective chairmen or the company secretary of the Company ("**Company Secretary**"). Further, the Company's Constitution provides for participation in meetings via telephone or video conference where Directors are unable to be physically present at such meetings. Directors may raise questions and seek clarification through discussion forums with Management in respect of significant matters passed via circular resolutions.

In order to enable the Directors to make informed decisions in the discharge of their duties and responsibilities, Management endeavours to provide the Board with complete and adequate information in a timely manner 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 internal financial statements.

The Directors also have separate and independent access to Management and the Company Secretary. The role of the Company Secretary and Management is to ensure that all Board procedures are followed and that applicable regulations and rules prescribed by the Companies Act 1967 (the "**Companies Act**"), the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and all other applicable laws and regulations are complied with. Under the direction of the chairman of the Board ("**Chairman**"), the responsibilities of the Company Secretary include ensuring timely information flows within the Board and Board Committees and between Management and non-executive Directors. The appointment and removal of the Company Secretary is a matter to be decided by the Board as a whole.

Directors may seek independent professional advice, at the Company's expense, as and when required.

Directors' Attendance for Board and Board Committee Meetings and the AGM

The Directors' attendance at Board and Board Committee meetings and the annual general meeting ("**AGM**") held in FY2022 is set out below. All Directors attended the AGM held in FY2022.

	Number of meetings attended in FY2022				
Name of Director	**Board**	**AC**	**NC**	**RC**	**AGM**
Dr. Stephen Riady	4	-	-	-	1
Mr. Christopher James Williams	4	-	-	-	1
Dr. Lim Boh Soon	4	4	1	1	1
Mr. Kelvin Lo Kee Wai	4	4	-	-	1
Mr. Sin Boon Ann	4	-	1	1	1
Mr. Kin Chan	3	3	-	-	1
Ms. Goh Min Yen	4	-	1	1	1
Mr. Brian Riady	4	-	-	-	1
Number of meetings held in FY2022	**4**	**4**	**1**	**1**	**1**

Board Orientation and Training

The Company conducts an orientation programme for newly-appointed Directors to familiarise them with the businesses, operations and financial performance of the Group. Directors (including newly-appointed and existing Directors) are at liberty to request for further explanations, briefings or informal discussions on any aspect of the Group's business, operations or financial issues from Management.

The newly-appointed Directors will also be briefed on their directorship duties (including their roles as executive, non-executive and independent directors), and the Company's governance practices, including board processes, policies on disclosure of interests in securities, prohibitions on dealing in the Company's securities and restrictions on disclosure of price-sensitive or trade-sensitive information.

Under Rule 210(5)(a) of the Listing Manual, a newly-appointed Director who has no prior experience as a director of an issuer listed on the SGX-ST must undergo mandatory training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST, unless the NC is of the view that training is not required because he or she has other relevant experience. In this regard, both Dr. Lim Boh Soon and Ms. Goh Min Yen, who were appointed as Directors on 1 January 2022, have prior experience as a director of an issuer listed on the SGX-ST, and so they are not required to undergo such mandatory training under Rule 210(5)(a) of the Listing Manual. Both Dr. Lim Boh Soon and Ms. Goh Min Yen attended the orientation programme for newly-appointed Directors conducted by the Company on 11 January 2022.

The Company has arrangements in place for the Directors to be routinely updated on developments in the Group's operating environment (including the real estate, hospitality, healthcare and food and beverage industries) and on changes in applicable laws and regulations (including directors' duties and responsibilities, corporate governance and financial reporting standards), so as to enable them to discharge their duties effectively as members of the Board and, where applicable, as members of the Board Committees.

CORPORATE GOVERNANCE REPORT

To keep pace with the fast-changing laws, regulations and commercial risks and to develop and maintain their skills and knowledge, the Directors have an ongoing budget to receive further relevant training of their choice at the Company's expense. This includes programmes run by the Singapore Institute of Directors. The Directors have opportunities for continuing education in a number of areas, including directors' duties and responsibilities (including the role as an executive, non-executive or independent director), corporate governance, financial reporting, insider trading, the Companies Act and the Listing Manual, relevant industry-related matters and other areas, to enhance their performance as Board and Board Committee members. They are also given unrestricted access to professionals for consultations as and when they deem it necessary at the expense of the Company.

Periodically, the Directors are provided with bespoke briefings by professional legal and financial advisors on the latest developments and trends in the respective areas in which the Directors are required to discharge their duties. For FY2022, these briefings covered topics relating to corporate governance for companies listed on the SGX-ST, sanctions-related risks and updates on geo-political and macroeconomic developments.

Under Rule 720(7) of the Listing Manual, an issuer must have all directors undergo training on sustainability matters as prescribed by the SGX-ST. In FY2022, each Director attended the prescribed mandatory training on sustainability matters.

Principle 2 : Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board currently comprises eight Directors with six non-executive Directors and, of the six non-executive Directors, the Board (after taking into account the NC's views) considers Dr. Lim Boh Soon, Mr. Kelvin Lo Kee Wai and Ms. Goh Min Yen to be independent. Non-executive Directors make up a majority of the Board, and independent Directors make up at least one-third of the Board.

Board Independence

The independence of each of the Directors is assessed annually, and as and when circumstances require, by the Board (after taking into account the NC's views), having regard to the definition of independence and guidance as to the types of relationships which would deem a Director to not be independent, under the Listing Manual, the Code and where relevant, the recommendations set out in the Practice Guidance accompanying the Code. In reviewing the independence of a Director, the NC takes into consideration, in particular, the Director's objective participation on the Board and a review of whether he or she has any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere or reasonably be perceived to interfere with his or her independent business judgment in the best interests of the Company. In addition to the annual review by the NC of the Directors' independence, each independent Director also submits an annual declaration regarding his or her independence and discloses to the Board any such relationship which may affect his or her independence. The NC is of the view that, in FY2022, the three independent Directors, namely Dr. Lim Boh Soon, Mr. Kelvin Lo Kee Wai and Ms. Goh Min Yen, demonstrated the ability to exercise sound and independent judgment in deliberations in the interests of the Company.

Ms. Goh Min Yen is currently an independent non-executive director of Lippo Limited ("**LL**") and Hongkong Chinese Limited ("**HKC**"), both of which are substantial shareholders of the Company. She is also an independent non-executive director of Lippo China Resources Limited ("**LCR**"), a subsidiary of LL. The NC and the Board are of the view that these appointments do not interfere, or would not reasonably be perceived to interfere, with her exercise of independent judgment as a director in the best interests of the Company, having regard to the following: (a) Ms. Goh Min Yen serves in her personal capacity as an independent non-executive director of LL, HKC and LCR; (b) she does not have any employment relationship with any of LL, HKC or LCR, and is not under any obligation to act in accordance with the directions, instructions or wishes of any of LL, HKC or LCR; and (c) her appointment as a director of the Company pre-dates her appointment as a director of LL, HKC and LCR, and she did not join the Board as a nominee of LL, HKC or LCR.

During FY2022, Mr. Kelvin Lo Kee Wai was regarded as an independent Director despite having served for more than nine years on the Board, as his continued appointment as an independent Director was approved by shareholders through the two-tier voting process under Rule 210(5)(d)(iii) of the Listing Manual (effective from 1 January 2022 to 10 January 2023) at the AGM held on 30 April 2021.

On 11 January 2023, Singapore Exchange Regulation ("**SGX RegCo**") announced that Rule 210(5)(d)(iii) of the Listing Manual will be removed with immediate effect. As transition, SGX RegCo provided a one-year transitional period where directors who have served for an aggregate period of more than nine years ("**LSIDs**") can continue to be regarded as independent up to the issuer's AGM for the financial year ending on or after 31 December 2023 ("**2024 AGM**"). Based on the transitional arrangements in Transitional Practice Note 4 of the Listing Manual, during the transitional period (between 11 January 2023 and the date of the 2024 AGM ("**Transitional Period**")), LSIDs can remain as independent directors for so long as they continue to fulfil the independence requirements under Rule 210(5)(d)(i) and Rule 210(5)(d)(ii) of the Listing Manual. Rule 210(5)(d)(iii) of the Listing Manual does not apply during the Transitional Period, including for LSIDs who are re-elected during the Transitional Period.

Based on the transitional arrangements as described above, Mr. Kelvin Lo Kee Wai, who will be retiring by rotation and seeking re-election at the forthcoming AGM, may remain as an independent Director if he is re-elected at the forthcoming AGM, for so long as he continues to fulfil the independence requirements under Rule 210(5)(d)(i) and Rule 210(5)(d)(ii) of the Listing Manual. Mr. Kelvin Lo Kee Wai will either step down from the Board or be redesignated as non-independent no later than at the Company's 2024 AGM. The Company will announce any relevant changes to the Board and Board composition in accordance with the Listing Manual requirements in due course.

The non-independent non-executive Directors also contribute constructively to recommendations from Management. The non-executive Directors would, without the presence of Management, also regularly, and from time to time as they consider necessary, discuss via telephone conference or otherwise, matters relating to the Company and/or the Group, including issues relating to Board processes, corporate governance initiatives and other matters to be discussed during Board meetings. The chairman of such meetings will provide feedback to the Board and/or Chairman as appropriate.

Under Provision 2.2 of the Code, independent Directors should make up a majority of the Board where the Chairman is not independent. However, the Directors are of the view that although independent Directors do not currently make up a majority of the Board, the Board is collectively able to exercise objective judgment in relation to the affairs of the Company. The external insights from the independent Directors and the non-independent non-executive Directors, who together make up more than half the composition of the Board, contribute to the robust deliberations with Management. In addition, the integrity and professionalism of the Directors have enabled and facilitated them to discharge their responsibilities with due care and diligence. Through active participation during Board meetings, the Directors constructively and judiciously challenge the proposals and assumptions of Management. No individual or small group of individuals dominates the Board's decision-making. Combined with the executive Directors' deep knowledge of the business of the Company, the current composition of the Board therefore 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.

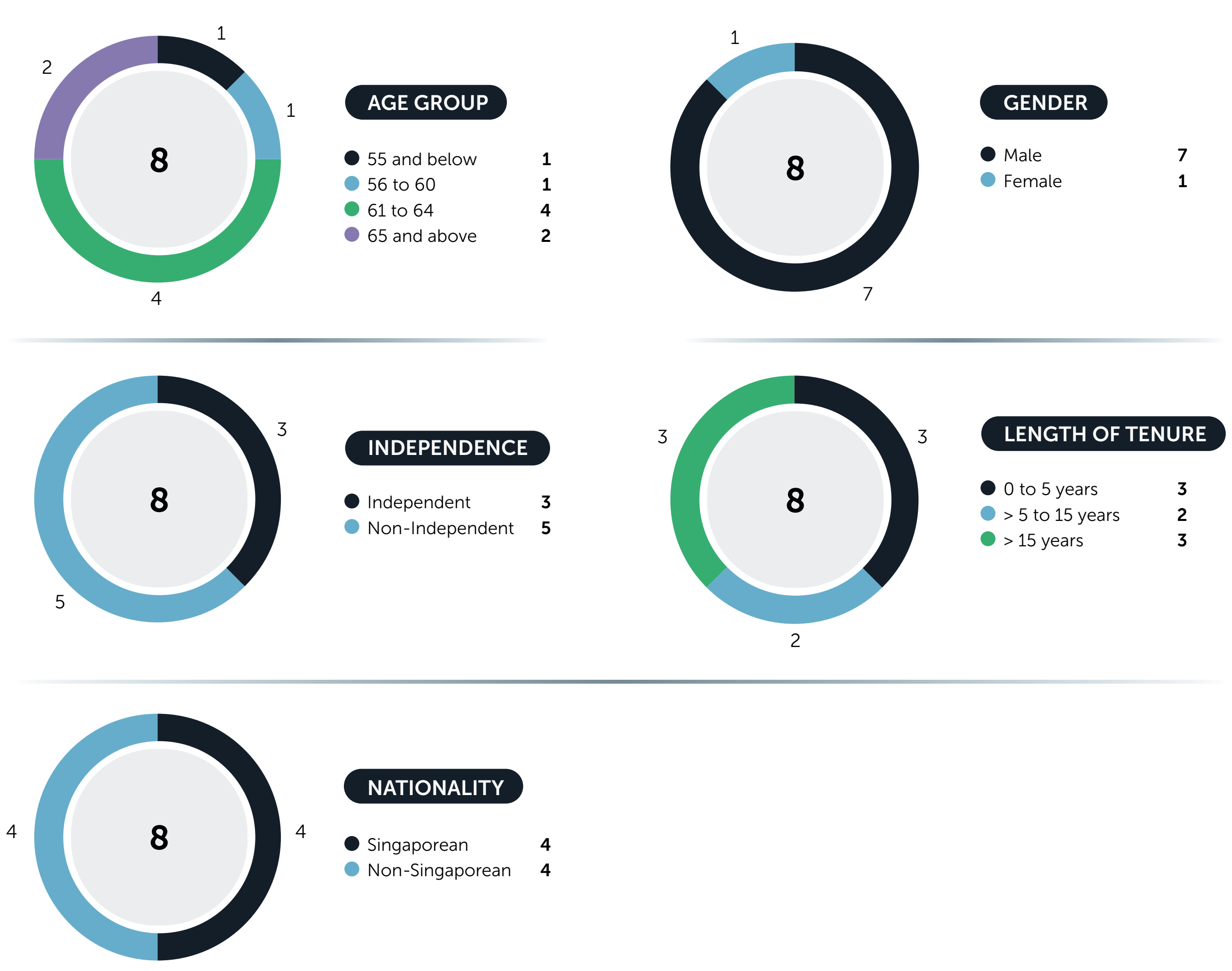
Board Size, Composition and Diversity Policy

The Board is of the opinion that the current size of the Board and Board Committees is appropriate, taking into account the nature and scope of the Company's businesses, for effective decision-making.

The Company recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of the Board's performance, and in supporting the Company's strategic objectives and sustainable development. The Board has, on recommendation by the NC, adopted a board diversity policy which takes into account relevant measurable objectives such as skills and experience (including management and geographical experience), age, gender, independence, length of tenure, nationality and other relevant factors. It is paramount that the Company continues to maintain the appropriate balance and mix of skills, knowledge and experience on the Board to support the needs and long-term sustainability of the Company's businesses. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors, the NC will consider candidates based on merit and against the objective criteria set by the Board, after having given due regard to the board diversity policy and the needs of the Board.

The current composition of the Board provides an appropriate balance and diversity of skills, experience and knowledge of the Company, and other aspects of diversity such as age, gender, independence, length of tenure and nationality, so as to avoid groupthink and foster constructive debate, contributing to improved risk management and more robust decision-making for the strategic future of the Company. The Board composition in terms of age group, gender, independence, length of tenure and nationality as at the end of FY2022 is as follows:

BOARD DIVERSITY METRICS



The Board, taking into account the views of the NC, considers that the current Board as a group possesses an appropriate balance and diversity necessary to manage and contribute effectively to the Company, as contemplated by the board diversity policy. In relation to skills and experience, the Directors are corporate and business leaders and professionals with varied backgrounds, expertise and experience in areas including real estate, hospitality, finance, accounting and audit, fund management, business management and law. Collectively, they have core competencies spanning the relevant areas of the Group's businesses and operations across the commercial, hospitality, retail, residential and healthcare sectors. In relation to tenure, the ongoing Board renewal and refreshment process is phased to ensure that the Company has a group of Independent Directors whose tenures are staggered across their terms of office. This provides continuity and stability for the conduct of Board matters while also ensuring that the Board is able to benefit from different perspectives and insights to overcome the challenging business environment of the Group. In relation to nationality, as the Group has multinational businesses across key markets including Singapore, China, Indonesia and Japan, the Board's diversity in nationality and geographical experience has provided the Company with international experience and insights, as well as in-depth understanding of the Group's investments and businesses in such countries. In identifying candidates for appointment to the Board, the range of diversity perspectives mentioned above will be taken into account.

The NC remains committed to implementing the board diversity policy and any progress made towards the implementation of the board diversity policy will be reported to the Board on an annual basis and disclosed in annual reports, as appropriate.

At the recommendation of the NC and in recognition of the merits of gender diversity, the Board has committed to (a) a target of at least 25% female Directors on the Board, which would allow for significant female representation on the Board; and (b) ensuring that female candidates are included for consideration when identifying suitable candidates for new appointments to the Board. The Board will strive to achieve the stated gender diversity target in the course of the progressive renewal of the Board by the end of 2030.

Dr. Lim Boh Soon and Ms. Goh Min Yen were appointed to the Board in FY2022. Dr. Lim Boh Soon has extensive experience in venture capital and private equity fund management, and has advised various corporations (including listed companies) globally and in Singapore. Ms. Goh Min Yen has extensive experience in the entertainment, property, hospitality and lifestyle industries through her senior appointment in Eng Wah group, which has operations in Singapore and Malaysia. The two newly appointed Directors contributed significantly to the diversity of the Board in terms of gender, skillsets, geographical experience and in-depth understanding of different industries. Apart from gender representation, the appointments of Dr. Lim Boh Soon and Ms. Goh Min Yen have also augmented other aspects of Board diversity in terms of professional qualifications and industry and geographical knowledge, skills and experience. In particular, Ms. Goh Min Yen enhances Board diversity with regard to its core competencies, as she brings with her considerable experience from the entertainment, property, hospitality and lifestyle industries. The different skillsets and expertise of the Directors and their geopolitical savviness with respect to the different geographical regions have allowed the Board to better navigate the COVID-19 crisis and recent geopolitical uncertainty, including by considering and addressing the various challenges faced by the Company more holistically.

The NC has recommended to the Board that Mr. Kelvin Lo Kee Wai, Mr. Kin Chan and Mr. Brian Riady be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC has considered each Director's overall contributions and performance as a director and his background, experience, knowledge and expertise which provide and complement the diversity of skillsets which are relevant to the Company.

Mr. Kelvin Lo Kee Wai will, upon re-election as a Director pursuant to Article 95 of the Company's Constitution, remain as the chairman of the AC. Mr. Kin Chan will, upon re-election as a Director pursuant to Article 95 of the Company's Constitution, remain as a member of the AC. Mr. Brian Riady will, upon re-election as a Director pursuant to Article 95 of the Company's Constitution, remain as Deputy Chief Executive Officer ("**CEO**") of the Company.

Further information on each Director proposed to be re-elected at the AGM can be found on pages 263 to 272 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Principle 3 : Chairman and Chief Executive Officer
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

On 1 January 2020, the Chairman, Dr. Stephen Riady, who has served as an executive Director of the Company since 30 November 2006, took on an expanded role upon his assumption of the position of Group CEO. In his expanded role as Executive Chairman and Group CEO, Dr. Stephen Riady has overall responsibility for the management, organisation, operation and development of the Group and all matters arising therefrom.

Lead Independent Director

Given that the Chairman is not independent, the Board has appointed a Lead Independent Director to serve as a sounding board for the Chairman and also as an intermediary between the non-executive Directors and the Chairman to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making. In addition, the Lead Independent Director is available to the shareholders whenever they have concerns which cannot be resolved or which may not be appropriate to be raised through normal contact channels with the Chairman or Management. Mr. Sin Boon Ann, who was appointed as an independent Director on 25 May 2009, was appointed as the Lead Independent Director on 17 February 2017. Mr. Sin Boon Ann was redesignated as a non-independent Director, and accordingly relinquished his position as Lead Independent Director, with effect from 1 January 2022. Dr. Lim Boh Soon was appointed as Lead Independent Director on 1 January 2022.

Roles and Responsibilities of Chairman and Group CEO

Dr. Stephen Riady's primary role and responsibilities as Chairman of the Board are to lead the Board in developing sound policies and strategies for the Company and ensuring that they are implemented effectively. In consultation with Management, he sets the agenda for Board meetings and ensures that they are held regularly and whenever necessary. He seeks to ensure that the Directors receive timely, clear and adequate information. As part of the Chairman's responsibilities, he also seeks to ensure that good standards of corporate governance are promoted and adhered to within the Company and by all Directors.

As Chairman of the Board, Dr. Stephen Riady also promotes and leads the Group in its commitment to achieve and maintain high standards of corporate governance. He bears primary responsibility for the workings of the Board by ensuring effectiveness in all aspects of its role, including setting the agenda for Board meetings with input from Management, ensuring sufficient allocation of time for thorough discussion of key agenda items at Board meetings, promoting an open environment within the Boardroom for constructive debate, encouraging the non-executive Directors to speak freely and contribute effectively, and exercising control over the quality, quantity and timeliness of information flow between the Board and Management.

As Group CEO, Dr. Stephen Riady is the most senior executive in the Company and bears overall responsibility for the Group's business. He is assisted by the Deputy CEO, Mr. Brian Riady. The Deputy CEO leads the members of the Management team and is responsible for implementing and reviewing the business direction and strategies for the Group as endorsed by the Board, and for ensuring the operational performance and organisational excellence of the Group. He is the son of Dr. Stephen Riady.

The Board is of the opinion that it is in the best interests of the Company to continue to have Dr. Stephen Riady serving as Executive Chairman and Group CEO so that the Board, and in particular the non-executive Directors, can have the benefit of a Chairman who is a visionary with strong commercial acumen and is knowledgeable about the businesses of the Company. For this reason, Dr. Stephen Riady is therefore better able to guide discussions and ensure that the Board is properly briefed in a timely manner on pertinent issues and developments. At the same time, the Board benefits from the objective and independent views of the independent Directors. Through the establishment of various Board Committees with power and authority to perform key functions without undue influence from the Executive Chairman, and the implementation of internal controls for proper accountability and effective oversight over the Company's business, the Company ensures that there is an appropriate balance of power which allows the Board to exercise objective decision-making in the best interests of the Company.

The Board is of the view that Dr. Stephen Riady's role as an Executive Chairman will continue to facilitate the Group's decision-making and implementation process without diminishing the capacity of the Board for independent decision-making.

The Board is also of the view that the current Board composition is effective in steering the Company's strategies. The Board believes that it is the person who fills the role that matters, as opposed to separating or combining the roles *per se*. Further, shareholders may approach any Director for assistance. The independent Directors actively seek clarification from, and engage with, Management as they deem necessary. They may also, led by the Lead Independent Director, set aside time to discuss matters relating to the Company and/or the Group separately without the presence of the other Directors or Management, especially where circumstances warrant such meetings. The chairman of such meetings will provide feedback to the Board and/or Chairman as appropriate. The Company is therefore of the view that despite its deviation from Provisions 3.1 and 3.2 of the Code, no one individual has unfettered powers of decision-making.

Principle 4 : Board Membership
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee

The NC currently comprises three non-executive Directors, namely, Dr. Lim Boh Soon and Ms. Goh Min Yen (both independent) and Mr. Sin Boon Ann. Dr. Lim Boh Soon, the Lead Independent Director of the Company, is the chairman of the NC.

The NC met once in FY2022.

The principal responsibilities of the NC in performing the functions of a nominating committee include, *inter alia*:

- reviewing and making recommendations to the Board on succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- reviewing the composition of the Board to identify gaps (if any) in the mix of skills, experience and other qualities so as to better identify suitable candidates for appointment to the Board;
- reviewing and evaluating nominations of directors (including alternate directors, if any) for appointment to the Board, and reviewing the retirement and re-election of Directors, and making recommendations to the Board in relation thereto;
- making recommendations to the Board on the process and criteria for evaluation of the performance of, and evaluating the performance of, the Directors and the Board as a whole and the Board Committees;
- reviewing and being mindful of the independence of the Directors at least annually, and as and when circumstances require; and
- reviewing and making recommendations to the Board on the training and professional development programmes for the Board and its Directors, including ensuring that new Directors are aware of their duties and obligations.

The NC determines on an annual basis, and as and when circumstances require, whether or not a Director is independent, taking into account the guidance on what constitutes an "independent" Director and the types of relationships which would deem a Director to not be independent, under the Listing Manual, the Code and where relevant, the recommendations set out in the Practice Guidance accompanying the Code. Under the Code, an "independent" Director is one who is independent in conduct, character and judgment, and who 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 his or her independent business judgment in the best interests of the Company. Under the Listing Manual, a Director will not be independent if he or she is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, or if he or she has an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the RC.

CORPORATE GOVERNANCE REPORT

Selection and Appointment of New Directors

In its search and selection process, the NC reviews the composition of the Board, including the mix of expertise, skills and attributes of existing Directors, so as to identify the competencies required and/or desired to supplement the Board's existing attributes, which is then used as one of the criteria for identifying and evaluating potential new directors. The NC also takes into consideration whether a candidate had previously served on the board of companies with adverse track records or a history of irregularities, and assesses whether a candidate's resignation from the board of any such company would cast any doubt on his or her ability to act as a Director of the Company.

When searching for candidates, where necessary or appropriate, the NC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates. Shortlisted candidates are required to furnish their curriculum vitae containing information on their academic and professional qualifications, work experience, employment history and experience as directors of other listed companies (if any).

In the recruitment of Directors, the NC is mindful of the importance of ensuring that the Board is well balanced and diverse. The details of the board diversity policy adopted by the Board are set out above under "Principle 2: Board Composition and Guidance". The selection and nomination process involves the following:

(a) in carrying out its review, the NC will take into account that the Board composition should reflect balance and diversity in matters such as skills and experience (including management and geographical experience), age, gender, independence, length of tenure, nationality and other relevant factors;

(b) the NC will identify suitable candidates for appointment to the Board having regard to the skills required and the skills represented on the Board, and will consider the candidate's track record, experience and capabilities and such other factors including, *inter alia*, age and gender, as may be determined by the NC to be relevant and which would contribute to the Board's collective skill set;

(c) external consultants may be used from time to time to access a wide base of potential non-executive directors. Those considered will be assessed against a range of criteria, including the nominee's track record, background, experience, professional skills, financial literacy, core competencies and personal qualities. The NC and the Board will 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 or her responsibilities as a Director; and

(d) the NC will make recommendations to the Board on candidates it considers appropriate for appointment.

As a result of the ongoing review of the Board composition, the Board is pleased to report that two new independent Directors, namely Dr. Lim Boh Soon and Ms. Goh Min Yen, were appointed to the Board on 1 January 2022.

Re-appointment and Re-election of Directors

Pursuant to the Company's Constitution, one-third of the Directors will retire from office by rotation at the Company's forthcoming AGM. All Directors are required to retire from office at least once every three years. Newly-appointed Directors appointed by the Board during the year must also retire from office at the next AGM immediately following their appointment, but will not be taken into account in determining the number of Directors who are to retire by rotation. All retiring Directors are eligible for re-election.

With regard to the re-appointment and re-election of existing Directors each year, the NC makes recommendations to the Board as to whether the Board should support the re-appointment and re-election of a Director who is retiring. In making recommendations, the NC evaluates the retiring Director's performance and contributions to the Board, taking into account factors such as attendance, preparedness and participation at meetings, the results of the Board performance evaluation exercise, the self-performance assessment undertaken by the Director 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 NC may have to consider the need to shape the Board in line with the Board diversity considerations and evolving needs of the Company.

Where Directors step down from the Board, cessation announcements providing detailed reason(s) for the cessation are to be released on SGXNET in compliance with the requirements of the Listing Manual.

Review of Directors' Time Commitments

Directors must ensure that they are able to give sufficient time and attention to the affairs of the Company, and as part of its review process, the NC decides whether or not a director is able to do so and whether he or she has been adequately carrying out his or her duties as a director of the Company. In determining whether a Director has been adequately carrying out his or her duties as a director of the Company, the NC takes into account the assessments of the individual Director's effectiveness and his or her actual conduct on the Board.

The NC believes 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 it should not be prescriptive. Instead, a qualitative and holistic approach is taken. The number of directorships each Director holds should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her individual capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and his or her near-term plan regarding some of the other appointments.

The NC is satisfied that for FY2022, each of the Directors has given sufficient time and attention in discharging his or her responsibilities as Director by providing invaluable guidance, advice and support to the Group. The NC and the Board are therefore satisfied that during the financial year under review, even where a Director had a significant number of other listed company board representations and/or other principal commitments, the Director was able to carry out and had been adequately carrying out his or her duties as a Director of the Company.

Key information on the Directors' particulars and background, and the listed company directorships and principal commitments of each Director, can be found on pages 14 to 23 of this Annual Report.

Principle 5 : Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC 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 effectiveness of the Board. A formal appraisal process to assess the effectiveness of the Board and Board Committees has been implemented. The Board 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 Company Secretary compiles the Directors' responses to the questionnaire into a consolidated report. The report is discussed at an NC meeting and then shared with the entire Board.

The NC has also set objective performance criteria and process for evaluating the effectiveness, performance and contribution of each Director, the Board as a whole and each Board Committee, which has been reviewed and approved by the Board. Key areas of focus include the Board size, Board and Board Committee composition, Board information and accountability, Board performance in discharging its principal functions and ensuring the integrity and quality of risk management and internal control systems, standards of conduct of Board members, the Directors' interactions with the Group CEO, Deputy CEO and senior management, and Board Committee performance in relation to discharging their responsibilities set out in their respective terms of reference. The performance criteria does not change from year to year, unless the NC is of the view that it is necessary to review the performance criteria, for example, in order to align with any changes to the Code or Listing Manual.

In evaluating each Director's performance, the NC considers, *inter alia*, the Director's attendance, contribution, participation and candour at Board and Board Committee meetings, the Director's individual evaluations, the degree of commitment to the role, the effectiveness and value of contribution to the development of strategy, and the Director's industry and business knowledge and functional expertise.

CORPORATE GOVERNANCE REPORT

Based on the NC's assessment and review, the Board is of the view that for FY2022, the Board and its Board Committees have operated effectively and each Director has contributed to the effectiveness of the Board. No external facilitator was used in the evaluation process for the financial year under review.

B. REMUNERATION MATTERS

Principle 6 : Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7 : Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Principle 8 : Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

<u>Remuneration Committee</u>

The RC currently comprises three non-executive Directors, namely, Dr. Lim Boh Soon and Ms. Goh Min Yen (both independent) and Mr. Sin Boon Ann. Dr. Lim Boh Soon is the chairman of the RC.

The RC met once in FY2022.

The principal responsibilities of the RC in relation to remuneration matters include, *inter alia*:

- recommending to the Board a general framework of remuneration for Directors and key management personnel; and
- developing policies for fixing of, and recommending to the Board, the remuneration packages of individual Directors and key management personnel.

The RC sets the remuneration policy to ensure that the remuneration offered by the Company is competitive and will attract, retain and motivate Directors and key management personnel of the required experience and expertise to run the Company successfully for the long-term. In developing and reviewing the policy for the remuneration packages for Directors and key management personnel, the Company's existing internal remuneration policy and other conditions within the industry and in comparable companies are taken into consideration. The remuneration policies of the Company are structured to attract and retain highly qualified persons, and the Company's overall goal in relation to such policies is to ensure the long-term sustainability and success of the Company, as well as value creation. In relation to the remuneration policy, the Board determines value creation to be the amount of value-add contributed by the individual, 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, and it is measured based on the monetary benefit and/or cost-savings which the Company receives as a result of the value-add contributed by the individual Director or key management personnel.

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. No termination, retirement or post-employment benefits were granted to Directors, the Group CEO, Deputy CEO or key management personnel of the Company during FY2022.

For the financial year under review, the Company did not engage any remuneration consultant with regard to the remuneration of Directors and key management personnel in view that the current remuneration evaluation process already takes into account the industry practices and norms on remuneration, including guidelines set out in the Statement of Good Practice issued by the Singapore Institute of Directors.

<u>Remuneration of Directors (including the Group CEO)</u>

Fees payable to the Directors are proposed as a lump sum. The lump sum is subject to the approval of shareholders of the Company at its forthcoming AGM. The remuneration of non-executive Directors in the form of Directors' fees is paid wholly in cash, and the remuneration of key management personnel in the form of salaries, annual bonuses and allowances is also paid wholly in cash. There is no non-monetary compensation in the form of stock options or shares in the Company paid to the Directors or the key management personnel. The Company does not have any employee share scheme as the Board is of the view that the current compensation framework is sufficient.

The structure of the Directors' fees for non-executive Directors comprises a base fee for serving as a Director, and additional fees for (a) serving as chairman or deputy chairman of the Board, or chairman of a Board Committee(s); (b) serving as Lead Independent Director; and/or (c) serving on Board Committees as a member, as the case may be. The Directors' fees take into account:

(i) the Directors' level of contribution, taking into account factors such as effort, time spent and respective responsibilities at Board meetings and Board Committee meetings; and

(ii) the industry practices and norms on remuneration, including guidelines set out in the Statement of Good Practice issued by the Singapore Institute of Directors.

On the basis of the above, the RC is of the view that the non-executive Directors are not over-compensated to the extent that their independence may be compromised.

Provision 7.1 of the Code requires a significant and appropriate proportion of executive directors' and key management personnel's remuneration to be structured so as to link rewards to corporate and individual performance. The remuneration framework for key management personnel (including executive Directors) of the Company comprises monthly salaries, annual bonuses and allowances. The Company links executive remuneration to corporate and individual performance, based on the performance appraisal of the key management personnel (including executive Directors). Such performance-related executive remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. The Company currently does not have in place long-term or short-term incentive schemes for executive Directors and key management personnel.

The remuneration framework for the Executive Chairman and Group CEO currently does not include a variable component linked to corporate and individual performance. The Company is of the view that despite its deviation from Provision 7.1 of the Code in respect of the Executive Chairman and Group CEO's remuneration, the structure of the Executive Chairman and Group CEO's remuneration is appropriate and proportionate to the sustained performance and value creation of the Company, as being a substantial shareholder of the Company, the Executive Chairman and Group CEO's interests are already aligned with the interests of shareholders and other stakeholders, including the promotion of the long-term success of the Company.

CORPORATE GOVERNANCE REPORT

Disclosure on the Remuneration of Directors (including the Group CEO) for FY2022

A breakdown (in percentage terms) showing the level and mix of the remuneration of each Director (including the Group CEO) payable for FY2022 is shown below:

Name of Director	Salary %	Bonuses %	Directors' Fees %	Others %	Total/Remuneration %
Below S$250,000					
Dr. Stephen Riady	100	-	-	-	100
Mr. Christopher James Williams	-	-	100	-	100
Dr. Lim Boh Soon	-	-	100	-	100
Mr. Kelvin Lo Kee Wai	-	-	100	-	100
Mr. Sin Boon Ann	-	-	100	-	100
Mr. Kin Chan	-	-	100	-	100
Ms. Goh Min Yen	-	-	100	-	100
S$1,000,000 to S$1,250,000					
Mr. Brian Riady	32	68	-	-	100

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

Name of Director	Directors' Fees (S$)[1]
Dr. Stephen Riady	Nil[2]
Mr. Christopher James Williams	100,000[3]
Dr. Lim Boh Soon	163,750[4]
Mr. Kelvin Lo Kee Wai	106,250[5]
Mr. Sin Boon Ann	75,000[6]
Mr. Kin Chan	68,750[7]
Ms. Goh Min Yen	75,000[8]
Mr. Brian Riady	Nil[9]

Notes:

(1) The framework for determining the Directors' fees in FY2022 is as follows: (i) S$50,000 for Chairman; (ii) S$50,000 for Deputy Chairman; (iii) S$50,000 for a member of the Board; (iv) S$20,000 for Lead Independent Director; (v) S$37,500 for chairman of the AC; (vi) S$18,750 for a member of the AC; (vii) S$25,000 for chairman of the NC; (viii) S$12,500 for a member of the NC; (ix) S$25,000 for chairman of the RC; and (x) S$12,500 for a member of the RC.

(2) Dr. Stephen Riady did not receive Directors' fees in respect of his position as Chairman and a member of the Board for FY2022.

(3) The fees received by Mr. Christopher James Williams for FY2022 comprise S$50,000 for being Deputy Chairman and S$50,000 for being a member of the Board, being a total of S$100,000.

(4) The fees received by Dr. Lim Boh Soon for FY2022 comprise S$50,000 for being a member of the Board, S$20,000 for being the Lead Independent Director, S$18,750 for being a member of the AC, S$25,000 for being the chairman of the NC, S$12,500 for being a member of the NC, S$25,000 for being the chairman of the RC and S$12,500 for being a member of the RC, being a total of S$163,750.

(5) The fees received by Mr. Kelvin Lo Kee Wai for FY2022 comprise S$50,000 for being a member of the Board, S$37,500 for being the chairman of the AC and S$18,750 for being a member of the AC, being a total of S$106,250.

(6) The fees received by Mr. Sin Boon Ann for FY2022 comprise S$50,000 for being a member of the Board, S$12,500 for being a member of the NC and S$12,500 for being a member of the RC, being a total of S$75,000.

(7) The fees received by Mr. Kin Chan for FY2022 comprise S$50,000 for being a member of the Board and S$18,750 for being a member of the AC, being a total of S$68,750.

(8) The fees received by Ms. Goh Min Yen for FY2022 comprise S$50,000 for being a member of the Board, S$12,500 for being a member of the NC and S$12,500 for being a member of the RC, being a total of S$75,000.

(9) Mr. Brian Riady did not receive Directors' fees in respect of his position as a member of the Board for FY2022.

Provision 8.1(a) of the Code requires companies to fully disclose the name, amount and breakdown of remuneration of each individual director and the CEO. After much deliberation, the Board is of the view that full disclosure of the specific remuneration of each of Dr. Stephen Riady and Mr. Brian Riady is not in the best interests of the Company or its shareholders. In arriving at its decision, the Board had taken into consideration, *inter alia*, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates, the importance of ensuring stability and continuity of business operations with a competent and experienced management team and the negative impact which such disclosure may have on the Group in attracting and retaining talent for the Company on a long-term basis. The Board is of the view that despite its deviation from Provision 8.1(a) of the Code, the Company has provided a high level of transparency on remuneration matters, as information on its remuneration policies, procedure for setting remuneration and the relationship between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of each of Dr. Stephen Riady and Mr. Brian Riady will not be prejudicial to the interest of shareholders.

Remuneration of Group CEO and Deputy CEO

Provision 8.1(b) of the Code requires companies to fully disclose the names, amounts and breakdown of remuneration of the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel. The Code defines "key management personnel" to mean the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board takes the view that in FY2022, there are only two persons, being Dr. Stephen Riady and Mr. Brian Riady (who are also Directors), who have the authority and responsibility for planning, directing and controlling the activities of the Company. There are no persons who are not Directors of the Company that have the authority and responsibility for planning, directing and controlling the activities of the Company.

Save for Dr. Stephen Riady (who is a substantial shareholder of the Company) and Mr. Brian Riady (being the son of Dr. Stephen Riady), there are no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during FY2022.

The following table shows a breakdown (in percentage terms) of the remuneration of Dr. Stephen Riady and Mr. Brian Riady, in bands of S$100,000:

Name of Employee	Salary %	Bonuses %	Directors' Fees %	Others %	Total/Remuneration %
S$100,000 to S$200,000					
Dr. Stephen Riady	100	-	-	-	100
S$1,000,000 to S$1,100,000					
Mr. Brian Riady	32	68	-	-	100

C. ACCOUNTABILITY AND AUDIT

Principle 9 : Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Principle 10 : Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

Audit Committee

The AC currently comprises three non-executive Directors, namely, Mr. Kelvin Lo Kee Wai and Dr. Lim Boh Soon (both independent) and Mr. Kin Chan. Mr. Kelvin Lo Kee Wai is the chairman of the AC.

The AC met four times in FY2022.

All the members of the AC have many years of experience in senior management positions and have between them recent and relevant expertise in accounting, financial management, corporate finance and law. The Board is of the view that the AC members are appropriately qualified to discharge their responsibilities, including the principal responsibilities of the AC as listed below. The AC does not comprise former partners or directors of the Company's existing auditors: (a) within a period of two years commencing on the date of their ceasing to be a partner or director of the Company's auditors; and in any case, (b) for as long as they have any financial interest in the Company's auditors.

The principal responsibilities of the AC include the following:

- reviewing the adequacy, scope and results of the external audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- reviewing at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- reviewing the assurance from the CEO and the Chief Financial Officer ("**CFO**") on the financial records and financial statements;
- reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit and control functions, and the hiring, removal, evaluation and compensation of the Company's internal audit and control functions;
- reviewing interested person transactions;
- making recommendations to the Board on (i) proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and (ii) the remuneration and terms of engagement of the external auditors; and
- oversight and monitoring of whistleblowing, including reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

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

In carrying out its duties, the AC is guided by the Guidebook for Audit Committees in Singapore. The external auditors, Messrs KPMG LLP, update the AC members on recent changes to financial reporting standards and regulatory developments. The AC is empowered to conduct or authorise investigations into any activity within its terms of reference, and obtain independent professional advice as it deems necessary. The AC has full access to and co-operation from Management and full discretion to invite any Director or executive officer to attend its meetings, and has adequate resources to enable it to discharge its functions properly.

For the financial year under review, the AC met with the external auditors and internal auditors to review the annual audit plans and the results of the audits performed by them. The AC also examined the adequacy and effectiveness of the Company's internal controls with the assistance of the external auditors. The AC further assessed the independence and objectivity of the external auditors and the non-audit services rendered by them. For the financial year under review, the half-year financial statements and full-year financial statements of the Group and the Company were also reviewed by the AC prior to their submission to the Board for approval and adoption. The AC meets with the external auditors and the internal auditors, in each case without the presence of Management, at least annually.

External Auditors

The AC has reviewed the non-audit fees paid to the external auditors. The AC has considered the nature and extent of the non-audit services provided and is satisfied that the independence and objectivity of the external auditors have not been compromised by the provision of such non-audit services. The amount of fees paid to the external auditors in FY2022 was S$255,000 for non-audit services and S$2,038,000 for audit services. The AC is satisfied that the Company has complied with the requirements of Rule 712 and Rule 715 read with Rule 716 of the Listing Manual in relation to the appointment of its auditing firm. Accordingly, the AC has recommended to the Board the nomination of the external auditors, Messrs KPMG LLP, for re-appointment at the forthcoming AGM to be held on 25 April 2023.

The details of the remuneration of the auditors of the Company during FY2022 are as follows:

	2022 (S$'000)
Audit services:	
- Auditors of the Company	2,038
- Other auditors	607
Non-audit services:	
- Auditors of the Company	255
- Other auditors	175

Whistle-blowing Policy

The Company has in place a whistle-blowing policy and procedure whereby staff of the Company and any other person may, in confidence and in good faith, raise concerns about possible improprieties, misconduct or wrongdoing relating to the Company or its officers in matters of financial reporting or other matters as well as any breach of the Company's Code of Business Conduct and Ethics, without fear of reprisals in any form. The AC has the responsibility of overseeing and monitoring this policy, which is administered with the assistance of the Head of Internal Audit. The Company has designated an independent function and put in place arrangements for the independent investigation of such matters raised in good faith and for appropriate follow-up action to be taken. The whistle-blowing procedure is publicly disclosed on the Company's website and clearly communicated to the Company's employees to encourage the reporting of any behaviour or action that might constitute impropriety in financial reporting or other matters. The Company is committed to ensuring that whistle-blowers will be protected against any detrimental or unfair treatment, and shall use reasonable best efforts to ensure that the confidentiality and anonymity of the complainants is protected.

CORPORATE GOVERNANCE REPORT

Adequacy and Effectiveness of Risk Management and Internal Controls

The Board, with the assistance of the AC, annually reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls, oversees the governance of risk, including determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation, and monitors the Group's risks through an Enterprise Risk Management ("**ERM**") framework which incorporates a Risk Register to capture significant business risks as well as the strategies and internal controls to mitigate these risks. The Risk Register is reviewed by the AC quarterly and any issues or matters arising from the Risk Register are highlighted by the AC to the Board. The Board is adequately assisted by the AC in its responsibility for the governance of risk, and having regard to the Group's business operations as well as its existing risk management and internal control systems, the Board is of the view that a separate risk committee is not required for the time being.

Based on the Board's review (with the assistance of the AC) of the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems established and managed by the Group, reviews performed by Management, and the assurance furnished by the Group CEO, the Deputy CEO, the Chief Operating Officer and the CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's system of internal controls and risk management systems is adequate and effective as at 31 December 2022, and addresses financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations. For the year under review, no material weaknesses in the internal controls or risk management systems were identified by the Board or the AC.

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be significantly 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 judgment in decision-making, human error, fraud or other irregularities.

The Board, AC and Management continue to re-evaluate the process and adequacy of the Group's risk management framework.

For FY2022, the Group CEO, the Deputy CEO, the Chief Operating Officer and the CFO have provided written confirmation to the Board that: (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the Group's risk assessment and management framework provides reasonable assurance on the adequacy and effectiveness of the risk management and internal control systems in addressing the material risks faced by the Group in its current business environment, including material financial, operational, compliance and information technology risks. This certification covers the Company and subsidiaries which are under the Company's management control. With respect to the financial year under review, in line with the Listing Manual, the Board provided negative assurance statements to shareholders in respect of the interim financial statements that nothing has come to their attention that would render the half-year financial results to be false or misleading.

Enterprise Risk Management Framework

The Group has in place an ERM framework to assist in evaluating and monitoring changes to business operations that may result in critical risk exposure to the organisation. In FY2022, the structured ERM framework and process, which includes a set of monitoring mechanisms and indicators, allowed the Board and Management to continuously evaluate various risk perspectives such as liquidity and cashflow, workforce health and safety, cyber security and regulatory compliance.

The ERM framework requires key functions and business units to report risk-related matters to the Board and Management on a regular basis. Timely reporting of high-risk areas also provides reference points and guidance for the Board and Management to assess the adequacy and effectiveness of controls in place to manage these risks. For example, many organisations have observed an increase in propensity of wrongdoing in the current economic climate. Management, as part of the ERM framework, maintains vigilance over the relevant internal controls through mechanisms such as regular reviews and self-assessment of controls. With this, prompt decision-making was undertaken to adjust operations to meet ongoing changes to the business environment due to regulatory advisory changes. The framework also provided enhanced clarity on potential financial challenges, which in turn allowed Management to monitor and react proactively to any potential incoming concerns.

During the year under review, the Company also paid particular attention to monitoring the Group's risk of becoming subject to, or violating, any sanctions-related law or regulation and, where appropriate, to ensuring timely and accurate disclosure to the SGX-ST and other relevant authorities. The Company has considered the Regulator's Column by SGX RegCo dated 7 March 2022, titled "Regulator's Column: What SGX expects of issuers in respect of sanctions-related risks, subject or activity", and has been monitoring the risks and exposure it faces in respect of any sanctions-related risk on an ongoing basis.

Through a regular risk review and monitoring process, Management and the Board are also better able to continuously engage and assure stakeholder groups that their interests remain a top priority for the organisation. Pertinent information is shared with stakeholders and shareholders in a timely manner as appropriate through various platforms including press releases, investor presentations and analyst reports.

The current ERM approach has also facilitated a balanced consideration between risk and strategy and allowed the Board and Management to deliberate on the Company's risk appetite, and to be nimble and able to re-purpose some of the Group's business operations to seize growth opportunities. COVID-19 has demonstrated that having an effective ERM function drives quick decision-making to not only focus on managing the downside of a pandemic, or value protection but to also look for areas for enhanced value creation. For example, in March 2020, the Group commenced the rebranding exercise of the hotel property previously managed and operated as "Mandarin Orchard Singapore". The rebranded hotel was relaunched as "Hilton Singapore Orchard", Hilton's flagship hotel in Singapore and the largest Hilton hotel in the Asia-Pacific region. The rebranding was carried out at an opportune time given the challenges faced by the hospitality sector in Singapore during the COVID-19 crisis, which saw the Singapore government imposing various safe management measures, including restrictions on group sizes. After extensive refurbishment, the rebranded hotel, Hilton Singapore Orchard, opened on 24 February 2022, featuring 1,080 guestrooms and suites, new and enhanced Meetings, Incentives, Conferences and Exhibitions (MICE) facilities, as well as revamped and fresh food and beverage offerings, strengthening the property's position as one of the top high-end hotels in the prime Orchard Road area. The reopening of the hotel was timely as it took place just as global economies were starting to reopen and travel demand was beginning to recover. The timely rebranding of the hotel also reflected the Group's ability to execute quick decision-making.

Further details on the Group's internal controls and risk management systems, philosophy and approach can be found in the "Managing Risks" section on pages 81 to 82 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Internal Audit Function

The Internal Audit department is headed by the Senior Vice President, Internal Audit who reports directly to the chairman of the AC and administratively to the Deputy CEO. The hiring, removal, evaluation and compensation of the Senior Vice President, Internal Audit is also approved by the AC. The Internal Audit department is responsible for assisting the AC in reviewing and evaluating the adequacy and effectiveness of the Group's system of internal controls to address financial, operational, compliance and information technology risks. It also audits the operations, regulatory compliance and risk management processes of the Group. The Internal Audit department has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Company. The scope of the internal audit reviews are carried out in accordance with the yearly plans prepared by the Senior Vice President, Internal Audit and approved by the AC. Any material non-compliance or lapses in internal controls together with corrective measures are reported to the AC.

In the course of their statutory duties, the Company's external auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal 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 AC.

In carrying out its functions, the Internal Audit department has adopted the International Standards for the Professional Practice of Internal Auditing ("**Standards**") set by The Institute of Internal Auditors ("**IIA**"). The AC reviews the independence, adequacy and effectiveness of the Internal Audit department annually and is satisfied that, for FY2022, the Internal Audit department is independent, effective, adequately resourced and is staffed with persons with relevant qualifications and experience, and that the Internal Audit department has appropriate standing. The Internal Audit department is a corporate member of IIA Singapore, which is an affiliate of the IIA with its headquarters in the United States of America. The Internal Audit department is guided by the Standards developed by IIA and has incorporated these Standards into its audit practices.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT AND MANAGING STAKEHOLDER RELATIONSHIPS

Principle 11 : Shareholder Rights and Conduct of General Meetings

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12 : Engagement with Shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Principle 13 : Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Engagement with Shareholders

The Board is 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 or trade-sensitive public reports and reports to regulators (if required). Management is accountable to the Board and provides the Board with half-year and full-year financial results, which are then reviewed and approved by the Board for release on SGXNET. Financial results and other price-sensitive or trade-sensitive information, annual reports and material corporate developments are disclosed via SGXNET.

Shareholders are informed of the Company's performance and developments through announcements, press releases, its half-year and full-year results and its annual reports, which are published on SGXNET and the Company's website. Shareholders are also regularly kept up-to-date on analyst coverage of the Company through the same channels. The Company also has an email alert service to which the public may subscribe (via the Company's website) to receive Company announcements and other SGXNET filings. Shareholders and potential investors are encouraged to visit the Company's website at www.oue.com.sg for information on the Company. The aim of such engagement is to provide shareholders and investors with prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance.

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communications with shareholders. The Company conducts analysts' briefings and investor roadshows, facilitated by its dedicated investor relations team, to maintain regular dialogue with investors and shareholders as well as to solicit and understand the views of shareholders. In addition, shareholders are given the opportunity to communicate their views and are encouraged to raise pertinent questions to the Board members and to vote at shareholders' meetings. All Directors attend general meetings of shareholders, and the respective chairmen of the AC, NC and RC, as well as the external auditors, are also present at shareholders' meetings to address questions raised by the shareholders about the conduct of audit and the preparation and content of the auditors' report.

The Company commits to disclosing material price-sensitive and trade-sensitive information to the public on a prompt and inclusive basis, and providing our stakeholders with the latest, most relevant information they require to make informed decisions about the value of the Company and the Company's long-term prospects. Material information relating to the Company's financial performance, business and strategic developments is published on SGXNET first, followed by the Company's website at www.oue.com.sg.

As required by the Listing Manual, the Company discloses the names of its substantial shareholders and a breakdown of their direct and deemed interests (including how such interests are held or derived) in its annual report every year. The Company also disseminates, via SGXNET, the notifications it receives from its substantial shareholders, in accordance with the provisions of the Securities and Futures Act 2001.

A dedicated investor relations section on our website enables access by our shareholders and the investment community to materials containing pertinent information about the Company such as annual reports, financial results and the latest corporate presentations.

The Company's investor relations policy also sets out the channels through which shareholders may contact the Company with questions and through which the Company may respond to such questions. Shareholders and potential investors are encouraged to call or write to the Company's investor relations department if they have questions. The contact details of the investor relations representative are set out in the press releases issued by the Company.

CORPORATE GOVERNANCE REPORT

Conduct of Shareholder Meetings

The notice of shareholders' meeting is dispatched to shareholders in the manner set out in the Listing Manual, accompanied with a proxy form with instructions on the appointment of proxies. Each item of special business included in the notice of shareholders' meeting is accompanied, where appropriate, by an explanation for the proposed resolution. The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications for doing so in the notice of the general meeting. The results of the resolutions put to a general meeting will be announced on the day the general meeting is held.

Under the multiple proxies regime under the Companies Act, "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities, and the Central Provident Fund ("**CPF**") Board, are allowed to appoint more than two proxies to attend, speak and vote at general meetings. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate at shareholders' meetings. If any shareholder (who is not a "relevant intermediary") is unable to attend, he or she is allowed to appoint up to two proxies to vote on his or her behalf at the meeting.

Voting for all resolutions at shareholders' meetings is conducted by electronic poll. The voting procedures are explained during the shareholders' meeting. Votes cast for or against, and the respective percentages on, each resolution are tallied and displayed 'live' on-screen to shareholders immediately after each poll is conducted. The total number of votes cast for or against the resolutions and the respective percentages are also announced on SGXNET and the Company's website on the same day of the shareholders' meeting. All polls are conducted in the presence of independent scrutineers.

The Company Secretary prepares minutes of shareholders' meetings, which incorporate substantial and relevant comments or queries from shareholders and responses from the Board and Management. Beginning from the AGM held in 2020, the minutes are published on the Company's website at www.oue.com.sg.

Provision 11.4 of the Code provides that an issuer's Constitution should allow for absentia voting at general meetings of shareholders. The Constitution of the Company currently does not, however, permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). The Company is of the opinion that despite its deviation from Provision 11.4 of the Code, shareholders nevertheless have opportunities to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. For example, shareholders may appoint proxies to attend, speak and vote, on their behalf, at the respective general meetings.

Conduct of AGMs in FY2021 and FY2022

The foregoing description of the Company's usual practices for shareholders' meetings is in relation to the conduct of its general meetings where there are no public health and other risks arising from the COVID-19 situation in Singapore to be taken into consideration. Due to the COVID-19 situation in Singapore, the AGMs held in FY2021 and FY2022 were convened and 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 (the "**COVID-19 Order**"). Shareholders were not able to attend the AGM in person, ask questions or vote at the AGM live during the audio-visual webcast or audio-only stream, or appoint any person other than the chairman of the meeting as proxy to attend, speak or vote on their behalf at the AGM. Shareholders instead participated at the AGMs held in FY2021 and FY2022 by:

(a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream;

(b) submitting questions in advance of the AGM; and

(c) appointing the chairman of the meeting as proxy to attend, speak and vote on their behalf at the AGM.

In respect of the AGMs held in FY2021 and FY2022, both the Company's responses to the substantial and relevant questions received from shareholders in advance of the AGM, as well as the minutes of the AGM, were published on the Company's website and on SGXNET.

The forthcoming AGM to be held on 25 April 2023 will continue to be convened and held by way of electronic means pursuant to the COVID-19 Order. Alternative arrangements relating to:

(a) attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream);

(b) submission of questions to the chairman of the meeting in advance of, or live via text-based questions through the audio-visual webcast platform at, the AGM, and addressing of substantial and relevant questions in advance of, or live at, the AGM; and

(c) voting at the AGM (i) live by the shareholder or his/her/its duly appointed proxy(ies) (other than the chairman of the meeting) via electronic means; (ii) live by the CPF or SRS investor via electronic means if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators; or (iii) by appointing the chairman of the meeting as proxy to vote on the shareholder's behalf at the AGM,

are set out in the Company's announcement dated 3 April 2023.

Dividend Policy

The Company has adopted an annual cash dividend policy with a view to paying annual dividends of at least 50% of the profit after tax of the Group after adjusting out for fair value gains and after taking into account the Group's capital requirements, expansion plans and other funding requirements. The Company has considered the Group's historical performance and previous dividend payments in determining this policy and believes that this policy is in line with the Company's intention to optimise returns to shareholders, enforce greater accountability to shareholders and allow for good balance sheet management.

Engagement with Stakeholders

The Company adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall strategy to ensure that the best interests of the Company are served. The Company considers emerging and existing sustainability-related trends to enable the Company to identify and manage any potential, current, or impending business risks that need to be managed, and/or take advantage of any opportunities they may provide.

The Company has arrangements in place to identify and engage with material stakeholder groups and to manage its relationships with such groups. These stakeholder groups are important to the Company, either because their actions impact the Company's business or the Company's business impacts their actions. They comprise the Company's shareholders, tenants and guests, employees as well as regulators. The Company's various teams interact with these stakeholders on a regular basis and the Company maintains a corporate website to facilitate communication and engagement with stakeholders.

For more information on the methods and strategies that the Company uses to engage its stakeholders and the key topics or areas of focus in relation to the management of its relationships with each stakeholder group, please see pages 87 to 88 of this Annual Report.

CORPORATE GOVERNANCE REPORT

E. ADDITIONAL INFORMATION

Interested Person Transactions Policy

The Company has established procedures to monitor and review interested person transactions ("**IPTs**"), including to ensure compliance with the provisions of the Listing Manual relating to IPTs. The AC and the Board review the IPTs on a quarterly basis. Any IPTs requiring disclosure are set out in this Annual Report. There were no IPTs during FY2022 which, pursuant to the Listing Manual, required immediate announcement or shareholders' approval.

Dealings in Company's Securities

The Company has issued guidelines on dealing in the Company's securities. These pertain to the applicability of insider trading laws and the rules and regulations with regard to dealings in the Company's securities by its Directors and officers. Following the amendments to Rule 705 of the Listing Manual which came into effect on 7 February 2020, the Board had, after due deliberation, decided not to continue with quarterly reporting (in the format prescribed by the Listing Manual) of the financial statements of the Company as such cessation will reduce compliance costs and time and attention from the Board of Directors and Management required for quarterly reporting, which time and attention can be better focused instead on long-term strategic matters concerning the Company. Accordingly, with effect from FY2020, the Company announces its financial statements on a semi-annual basis in the format prescribed by the Listing Manual.

Pursuant to Rule 1207(19)(c) of the Listing Manual, the Company and its officers should not deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full-year financial statements (if the Company announces its quarterly financial statements), or one month before the announcement of the Company's half-year and full-year financial statements (if the Company does not announce its quarterly financial statements).

For FY2022, the Company sent 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 during the following periods:

(a) one month before the announcement of the Company's half-year and full-year financial statements; and

(b) any time while in possession of price-sensitive or trade-sensitive information.

The Directors and officers of the Company are prohibited from communicating price-sensitive or trade-sensitive information to any person. In addition, the Company also discourages the Directors and officers of the Company from dealing in the Company's securities on short-term considerations.

Material Contracts

Save as disclosed in the "Interested Person Transactions" section on page 273 of this Annual Report, no material contracts to which the Company or any of its subsidiaries is a party and which involve the interests of the Group CEO, any Director or controlling shareholder subsisted at the end of FY2022, or have been entered into since the end of the previous financial year.

MANAGING RISKS

MANAGING RISK

Risk management is an integral element of the Group's decisions and business processes. The Enterprise Risk Management (ERM) framework, which includes the process of risk identification, assessment, monitoring and maintenance of Risk Registers, sets out the basis for the integration of risk management into decision-making and business processes across the Group.

External consultants have been appointed to support Management in the sustaining and regular review of the ERM framework and related risk management policies.

Risk workshops are carried out with the risk owners to identify, assess and prioritise the risks. Mitigating actions in managing the key risks, as well as action plans to address the gaps, are considered and documented. Risk tolerance limits are set to align with the risk appetite and are subject to quarterly review. Operating within the risk tolerances level provides Management with assurance that the Group remains within its risk appetite. The key risks which have been identified by the Group include the following:

MACROECONOMIC RISK

While the gradual easing of pandemic measures and the re-opening of borders has brought some economic relief, the after-effects of these measures and global uncertainties remain. Working from home, logistics disruptions, rising GST, higher interest rates, the possibility of a recession, and geo-political tensions present new challenges that require adaptiveness.

Management continues to monitor the situation, keeping abreast of latest developments in the global economy and industry in order to manage the economic risk and leverage good opportunities that may arise.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks rests with all functions at divisional and departmental levels. The Group recognises that operational risks cannot be eliminated completely and that cost effectiveness is a consideration in the management of operational risks. The Group therefore adopts a risk-based approach to managing operational risks. The pandemic has also brought about unprecedented challenges in operational risks such as human resource and business interruption risks. Key functions in the Group are guided by their policies, standard operating procedures, limits of authority and reporting framework. The framework enables management at the various levels to identify and assess key operational exposures and report such risk issues to senior management as early as possible so that the appropriate risk response can be taken. The internal audit function, which also conducts independent checks on operational issues and risk controls, reports directly to the Audit Committee.

INVESTMENT RISK

The Group's investment decision process is based on an investment framework and guided by a set of investment criteria. Balancing risks and returns across asset types and geographic regions are key considerations of the investment framework. Risk assessment is an important aspect of the investment decision process.

Each investment proposal submitted to the Board of Directors for approval is accompanied by an assessment of risk factors and risk mitigation strategies, including rigorous due diligence, financial modelling and sensitivity analysis on key investment assumptions and variables. This seeks to ensure that the Group's investment portfolios create value for its stakeholders on a risk-adjusted basis.

FINANCIAL RISK

In the normal course of business activities, the Group is exposed to a variety of financial risks, including market, liquidity and credit risks. The Group's overall objectives and policies focus on managing financial risks by using financial instruments, where appropriate. Financial market risks and capital structure are closely monitored and actively managed by Management, and reported to the Board.

Market Risk

Market risk is the risk that the Group's earnings and capital or its ability to meet its business objectives will be adversely affected by movement in foreign exchange rates, interest rates and asset prices. The Group hedges foreign exchange risk naturally as a general rule by financing asset purchases and borrowings in the local currency of the relevant markets in which it conducts business. Where necessary, the exposure to foreign exchange rate changes is hedged via forward foreign exchange contracts and cross currency swaps. The Group reduces its exposure to interest rate volatility, and thereby manages its funding costs by maintaining an optimal interest cost structure using a mix of fixed rate bonds and floating rate loans. Where necessary, the exposure to interest rate changes is hedged via interest rate swaps. Asset price risk arises from fluctuation in market prices of the Group's investment in financial assets. Management monitors the mix of debt and equity securities in its investment portfolio based on its

MANAGING RISKS

fair value and responds to fluctuation in market prices as and when necessary to optimise the Group's return.

Liquidity Risk

Liquidity risk is the potential that the Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group monitors cash flows and maintains a level of cash and credit facilities deemed adequate to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

Credit Risk

Credit risk is the risk of losses arising from a counterparty defaulting on an obligation which will result in an economic loss to the Group. The Group has credit policies and procedures in place to regularly monitor credit risk. The Group monitors its exposure to credit risk arising from trade consumers and corporate customers on an ongoing basis, and credit evaluations are performed on all customers requiring credit. The Group also spreads credit limits amongst a number of counterparties to avoid concentrations of credit exposure. The Group only enters into transactions involving financial instruments with financial institutions that are licensed and with acceptable credit ratings.

COMPLIANCE, LEGAL AND REGULATORY RISK

Compliance risk arises from the potential violations of regulations and laws that may result in adverse judgments in lawsuits or regulatory sanctions, and therefore negatively affect the Group's ability to meet its business objectives. The responsibility of compliance with laws and regulations lies with the heads of business units and oversight of the discharge of their responsibilities is provided by the Group Legal Department. Legal risk arises from the potential failure of the Group to meet the legal requirements which may result in unenforceable contracts, litigation or other adverse consequences. The Group identifies and manages legal risk through effective use of its internal and external legal counsel. Regulatory risk is the risk that laws or regulations may change in a way that adversely affects the Group's operations and competitive viability. The Group Legal Department monitors changes to applicable laws and regulations with support from external legal advisors.

INFORMATION TECHNOLOGY (IT) RISK

IT risk arises from system downtime or breach in security, and such risks may have an adverse impact on the integrity, accuracy and completeness of data and information. Cyber security threats have been on the rise since the start of the pandemic. As the Group continues to leverage more on technology in various aspects of the operations, it is our utmost priority to protect critical systems and data from cyber attacks. The Group recognises its responsibility in establishing and maintaining adequate cyber risk governance over its information assets and its preparedness against cyber threats and risks. The Group has in place comprehensive policies and procedures to manage these risks and to ensure the confidentiality, integrity and availability of the Group's information assets, including a disaster recovery strategy, backup and restore procedures and email security to prevent social engineering attacks such as phishing, impersonation and ransomware. The Group also conducts regular reviews and testing, including yearly vulnerability assessment and penetration testing to detect and resolve any vulnerability, threat or risk in the network, servers and network infrastructure. A roadmap has also been established to continuously strengthen controls and defences against cyber attacks.

SUSTAINABILITY REPORT

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors (the Board) of OUE Limited (the Company, and together with its subsidiaries, the Group or OUE) is pleased to present our sixth annual sustainability report for the financial year ended 31 December 2022 (FY2022). This report discloses OUE's environmental, social and governance (ESG) performance in our business operations and reflects the Group's commitment to high standards of corporate governance, and environmentally and socially responsible practices.

OUE is committed to integrating sustainability considerations into the Group's strategic decisions and business plans. Supported by the Sustainability Steering Committee (SSC), the Board provides guidance and support to OUE's management team in setting the strategic direction towards sustainable development.

With long-term and sustainable value creation for our stakeholders in mind, the Board continued to support and push for sustainability policies and initiatives. Through continuous improvement and innovation, OUE will strive to improve our ESG performance and to build a sustainable and resilient business.

ABOUT OUE

Who We Are

Headquartered in Singapore, OUE Limited is a leading pan-Asian, full service real estate development, investment and management company with assets across the commercial, hospitality, retail, residential and healthcare sectors. Best known for our landmark property portfolio in Singapore, we consistently leverage our expertise in property development and asset management to maximise yields and unlock value. As at 31 December 2022, OUE's total assets were valued at S$9.5 billion.

OUE is the manager of two SGX-listed REITs: OUE Commercial Real Estate Investment Trust (OUE C-REIT) and First Real Estate Investment Trust (First REIT). As at 31 December 2022, OUE managed S$7.8 billion in funds under management across its two REIT platforms and its managed accounts.

Since 2017, we have expanded our business activities into the complementary and high-growth healthcare and consumer sectors. OUE is the controlling shareholder of OUE Lippo Healthcare Limited, an SGX-listed, integrated healthcare services provider that owns, operates and invests in quality healthcare assets in high-growth Asian markets.

In 2022, Mandarin Orchard Singapore (MOS) officially reopened as Hilton Singapore Orchard (HSO), becoming the largest Hilton hotel in the entire Asia Pacific region. As OUE is a real estate developer, our only development project in 2022 was the renovation of HSO. As such, our supply chain was limited to building and renovation contractors. For more detailed information, please refer to the section on Responsible Supply Chain.

Who We Want to Be

With "Transformational Thinking" as a cornerstone of our core values, OUE continues to seize opportunities in transforming the way buildings, places and communities are used, viewed and valued through enhancement to existing assets. We aim to provide the best quality service to our customers and create long-term value for our stakeholders.

OUE has a clear vision to continuously harness our expertise to create social ecosystems, transforming the urban landscape to enrich and benefit our community. As a leading real estate development, investment and management company, OUE understands the role it plays in sustainability. As such, we have policy commitments in place to work towards making a positive impact on the economy, environment and socially while minimising negative impacts caused at the same time.

ABOUT THIS REPORT

This report has been prepared in accordance with the GRI 2021 Standards and complies with the sustainability reporting requirements set out in the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) (Rules 711A and 711B). OUE has adopted the GRI 2021 Standards due to the suitability to our business and high relevance to many stakeholders. In addition, it is one of the most commonly used sustainability reporting frameworks globally.

This report covers the Group's performance in the financial year dated 1 January to 31 December 2022 and includes performance data from Commercial (including Retail) and Hospitality buildings in Singapore and Shanghai. This includes all properties under OUE C-REIT and OUE Restaurants. We aim to expand the scope to include OUE Lippo Healthcare Limited and First REIT in the coming years. Till then, both entities continue to have their own stand-alone sustainability reports.

Performance data from OUE Bayfront (including OUE Tower and OUE Link), One Raffles Place, OUE Downtown Office, Downtown Gallery, Mandarin Gallery, HSO, Crowne Plaza Changi Airport (CPCA), OUE Restaurants in Singapore, as well as Lippo Plaza in Shanghai are covered in the FY2022 reporting scope. All assets listed above can also be found in OUE's financial report.

OUE's internal audit team is engaged in reviewing the sustainability report process and has carried out procedures to verify the accuracy of the data included in this report. We have not sought external assurance on this report and may consider doing so in the future. Please contact us if you have any questions about this report or OUE's sustainability practices at sustainability@oue.com.sg.

SUSTAINABILITY REPORT

SUSTAINABILITY AT OUE

Sustainability Governance

OUE adopts a top-down approach to integrating sustainability into its strategy formulation. The Board delegates its responsibilities to the SSC, comprising the C-suite and Heads of Department (HODs). The SSC reports directly to the Board on sustainability-related matters and is responsible for developing and reviewing OUE's sustainability vision, mission and strategy, as well as relevant sustainability policies, practices and initiatives. The SSC works closely with the Sustainability Task Force (STF), which is made up of representatives from various business units, to drive the implementation of various policies and initiatives, and develop action plans to achieve sustainability targets. The SSC and STF meet on a regular basis (e.g. monthly) to discuss and monitor sustainability performance and progress.

OUE's sustainability governance

With this structure in place, the Board is able to provide oversight and guidance and set the direction for the SSC to work towards when it comes to any sustainability matters. If there are urgent sustainability issues that require immediate attention, the SSC reports them to the Board.

OUE adheres and complies with the principles under the Code of Corporate Governance, including the principles relating to the Board's Conduct of Affairs, Board Composition and Guidance, Board Performance and Disclosure on Remuneration. In assessing the Board's performance, a questionnaire is disseminated to the Board which takes into account non-financial ESG key performance indicators and a range of criteria such as competencies, standard of conduct, risk management and sustainability considerations.

Proper procedures are in place to deal with potential conflicts of interest, requiring the Board to declare and the Audit Committee (AC) to monitor and review on a quarterly basis any interested party transactions (IPTs). Based on OUE's Sustainability Governance Structure and the Code of Corporate Governance, the Board of OUE sets the tone, articulates, and oversees the approach and integration of sustainability considerations into the overall strategy of OUE.

This is reflected in OUE's Corporate Governance, under Board Matters/Principle 1, where sustainability issues are being considered as part of OUE's overall strategy.

Stakeholder Engagement

OUE believes that stakeholder engagement is a fundamental part of our business operations and activities. Meaningful engagement with our stakeholders helps to better understand wider perspectives on the social and environmental trends and to ensure their concerns are addressed. Therefore, we continuously engage our key stakeholder groups through various methods, so that we can integrate wider interests into our decision-making processes. OUE hopes that by doing so, we will encourage open dialogue between OUE and our stakeholders.

OUE's stakeholder engagement activities are overseen by the SSC and led by the STF. The Board is kept informed through annual meetings on stakeholder feedback. 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.

OUE's key stakeholders

SUSTAINABILITY REPORT

SHAREHOLDERS & INVESTORS

Relevant ESG Topics
- Sustainable and long-term value creation
- Ethical business operations
- Market trends and changing customer demands
- ESG integration into operations and building designs

Engagement Methods
- Earnings calls, announcements, press releases and other disclosures through SGXNET, annual reports and OUE's website
- Email alert subscription
- Annual General Meeting and Extraordinary General Meeting
- One-on-one updates and group meetings
- Investor roadshows

Frequency of Engagement
- Throughout the year

EMPLOYEES

Relevant ESG Topics
- Safe, healthy and productive working environment
- Opportunities for career development and growth
- Competitive compensation and benefits
- Equal opportunities for promotion and reward
- Non-discrimination

Engagement Methods
- Training and development programmes
- Annual performance reviews
- Recreational and team-building activities
- Grievance and feedback channels
- Employee townhall sessions

Frequency of Engagement
- Throughout the year

SUPPLIERS & CONTRACTORS

Relevant ESG Topics
- Business relationships
- ESG performance

Engagement Methods
- Safety compliance for contractors
- Contractor evaluation
- Green Procurement Policy
- Briefings and meetings

Frequency of Engagement
- Throughout the year

COMMUNITY

Relevant ESG Topics
- Economic growth
- Social and environmental impact of our projects
- Local partnership and job opportunities
- Investment in the community

Engagement Methods
- Impact assessment before commencement of projects
- Community activities
- Donations to support community development

Frequency of Engagement
- Throughout the year

TENANTS & GUESTS

Relevant ESG Topics
- Modern, high quality and cost-efficient buildings and facilities
- Safety in the buildings

Engagement Methods
- Tenant engagement activities including informal gathering and networking sessions
- Management circulars and notices
- Green Guide for tenants
- Customer satisfaction survey

Frequency of Engagement
- Throughout the year

GOVERNMENT & REGULATORS

Relevant ESG Topics
- Regulatory compliance
- Ethical corporate business practices

Engagement Methods
- Industry networking functions
- Annual regulatory audits
- Mandatory reporting

Frequency of Engagement
- Throughout the year

Sustainability Framework

OUE has previously identified twelve (12) material ESG topics reflecting our focus areas, sustainability ambitions and priorities. The topics are regularly reviewed by taking into account stakeholders' feedback as well as global and local trends alongside best practices in the real estate sector.

For FY2022, due to the easing of COVID-19 measures, there was an increase in business activity. This meant that the consumption of energy and water as well as production of emissions and waste were likely to increase in comparison to FY2021. Additionally, the diversity and inclusion of our staff in all our properties continue to be important to us as a leading developer. With our operations heavily dependent on our employees, their health and well-being matter to us. We also ensure that our contractors and suppliers have the necessary insurances and follow safety practices when carrying out the work. More importantly, building trust among our stakeholders will allow OUE to flourish and bring long-term value.

As such, OUE confirms that our ESG topics remain valid and are unchanged compared to FY2021, as they are still material to our operation and investment activities. Our sustainability ambitions and focus areas are reflected in our long-term targets, and we are pleased to present our progress in FY2022 against these targets.

As a developer, an asset owner and a corporate citizen, we recognise the significance of corporate stewardship, striving for sustained value for our business and our stakeholders. OUE's sustainability efforts are linked to the United Nations' Sustainable Development Goals (UN SDGs) and we strive to uphold them and have identified relevant UN SDGs that tie in with our focus areas and material topics.

According to the International Labour Organisation (ILO), 87%[1] of total forced labour occurs in five sectors, with construction as one of them. OUE is committed to minimising the negative impacts on human rights such as forced labour and discrimination and providing a healthy and safe environment, guided by the ILO Declaration on Fundamental Principles and Rights at Work. We have internal policies in place which entail human rights clauses that aim to respect human rights throughout our business activities.

OUE's sustainability framework

[1] Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, International Labour Organisation (ILO), September 2022

SUSTAINABILITY REPORT

OUE's Material Topics and Targets

Sustainability Focus Areas and UN SDGs	Risks	Opportunities	OUE's Material Topics	Targets and Aspirations[2]
Stewarding the environment Contributing to UN SDGs:	Climate change will bring physical risks to our buildings caused by changing weather patterns such as higher maintenance and repair costs. Climate change will also bring transition risks in the forms of regulatory and technological changes. This will call for more prudent environmental management in our businesses.	OUE can capitalise on the rising customer demand for high-quality, durable, energy-efficient and resource-efficient buildings. Pursuing operational efficiency will result in reduced operational costs in the long run.	Climate Resilience	Using FY2017 as base year (i) **Commercial:** Reduce energy intensity per m^2 by 25% by 2030; **Hospitality:** Reduce energy intensity per occupied room by 25% by 2030; (ii) Reduce scope 2 greenhouse gas (GHG) emission intensity per m^2 by 25% by 2030; (iii) Actively pursue opportunities in renewable energy use
			Water Efficiency	Using FY2017 as base year **Commercial:** (i) Reduce water use intensity per m^2 by 25% by 2030; **Hospitality:** (ii) Reduce water use intensity per occupied room by 25% by 2030
			Waste Minimisation	Using FY2017 as base year **Commercial:** (i) Reduce non-hazardous waste intensity per m^2 by 15% by 2030; (ii) Increase recycling rate to 12.5% by 2030 **Hospitality:** (iii) Reduce paper waste by 50% by 2030; (iv) Reduce plastic waste by 50% by 2030
			Responsible Supply Chain (Environmental)	(i) All main contractors for new developments to be certified by recognised environmental management standards (such as ISO 14001 or BCA's Green and Gracious Builder Scheme); (ii) Full implementation of Green Procurement Policy by 2030
Strengthening social fabric Contributing to UN SDGs:	OUE needs to adapt to the changing needs of various stakeholders, including our employees, tenants and guests, and the wider community. We recognise that buildings in urban areas have important roles to play to enhance occupants' health and well-being, and to strengthen community cohesion.	By listening and responding to our stakeholders' changing needs, OUE can continue to stay relevant and create value for all stakeholders.	Health & Safety	(i) Maintain zero incidents resulting in employee fatality or permanent disability; (ii) All main contractors for new developments to be OHSAS 18001 or ISO 45001 certified
			Fair Employment Practices	(i) Maintain zero incidents of discrimination; (ii) Maintain the employee resignation rate below the national industry average; (iii) Maintain the proportion of women in senior management at 40% or more; (iv) Achieve 25 training hours per employee per year
			Creating Social Ecosystems	(i) As a longstanding partner of our community, OUE is committed to bringing about meaningful and sustainable impact through community-based initiatives in areas such as education, healthcare, the arts, sports as well as humanitarian and social development; (ii) Conduct social and environmental impact assessments for development projects; (iii) All new investment properties to be accessible to persons with disabilities and feature child-friendly facilities
			Innovation	(i) Actively seek opportunities to adopt new innovations and green building technologies
			Product Quality	(i) Zero significant incidents* of non-compliance with health and safety regulations; (ii) Achieve at least 80% customer satisfaction rate
Building trust Contributing to UN SDGs:	Changing regulatory requirements can incur high compliance costs and non-compliance will result in serious financial, operational and reputational consequences for the Group.	OUE is committed to conducting our businesses following applicable laws and regulations, and the highest ethical standards. This allows us to build trust in our relationships with stakeholders.	Ethical Business Practices	(i) Achieve 100% employee annual acknowledgement of all company policies, including Code of Business Conduct and Ethics; (ii) Zero confirmed incidents of corruption

[2] Please refer to respective sections for our FY2022 performance against targets.

* Taking reference from the Singapore Food Agency's Points Demerit System, a significant incident is defined as an incident that meets any of the following criteria:
1. Any incidence leading to the suspension of F&B outlets (12 points within 12 months)
2. Any incidence of a serious offence (6 points)
3. Any financial penalty greater than $500 per incident (that means either 2 major or 3 minor or any combination that triggers these penalties)

SUSTAINABILITY REPORT

Sustainability Focus Areas and UN SDGs	Risks	Opportunities	OUE's Material Topics	Targets and Aspirations
Building trust Contributing to UN SDGs:			Compliance	(i) Maintain zero incidents of non-compliance with laws and/or regulations, including competition laws, resulting in significant fines** and non-monetary sanctions; (ii) Maintain zero incidents of non-compliance with environmental laws and/or regulations resulting in significant fines** and non-monetary sanctions
			Cyber Security	(i) Maintain zero cyber incidents and data breaches

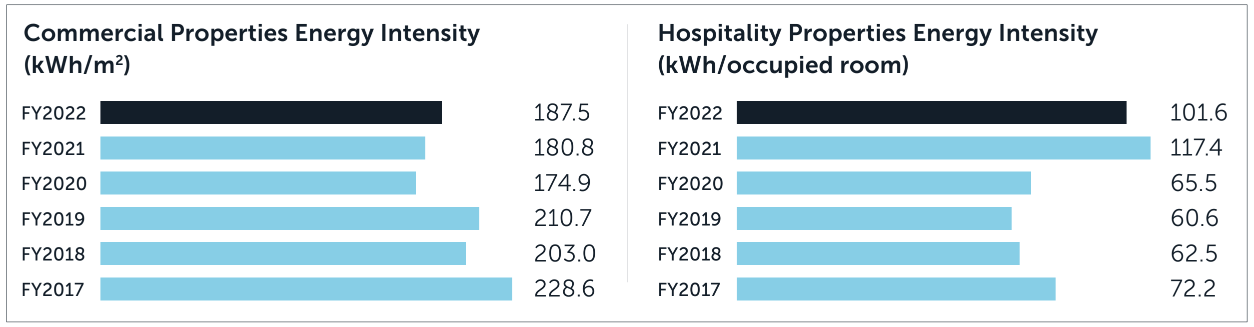
** A significant fine is a financial penalty that is equal to or above S$10,000 paid for a single incident

STEWARDING THE ENVIRONMENT

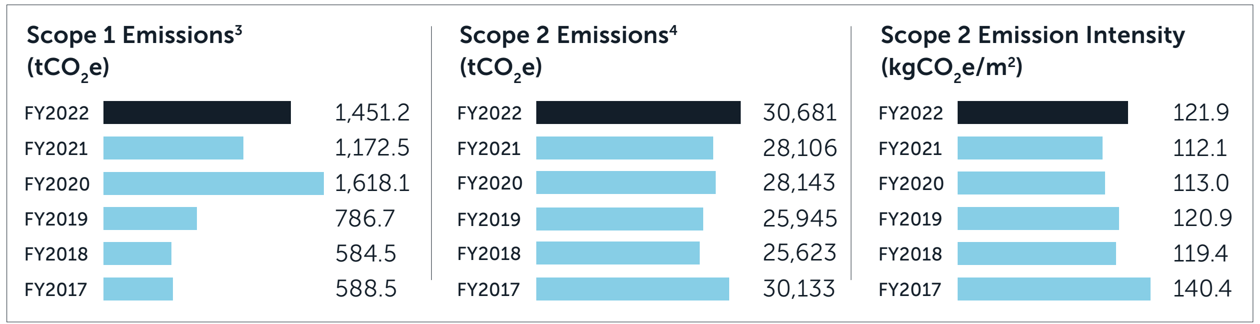
AT A GLANCE (ENVIRONMENTAL)

Energy and emissions:

OUE's energy intensity, by property type



OUE scope 1 and scope 2 emissions and emission intensity (commercial and hospitality properties)

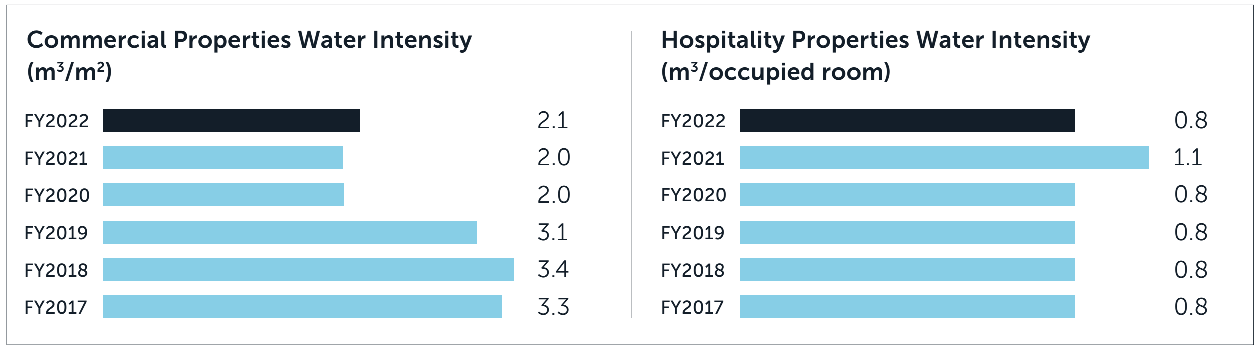


[3] Scope 1 GHG emissions reported here include CO_2 from the combustion of fossil fuels and HFC-based refrigerants. We converted quantities of fugitive HFC-based refrigerants to CO_2-equivalent using 100-year global warming potentials (GWPs) provided in the IPCC Fifth Assessment Report (AR5).

[4] Singapore grid emission factors are taken from Singapore Energy Statistics 2020 published by the Energy Market Authority and Shanghai grid emission factors are taken from《上海市温室气体排放核算与报告指南（试行）》(SH/MRV-001-2012).

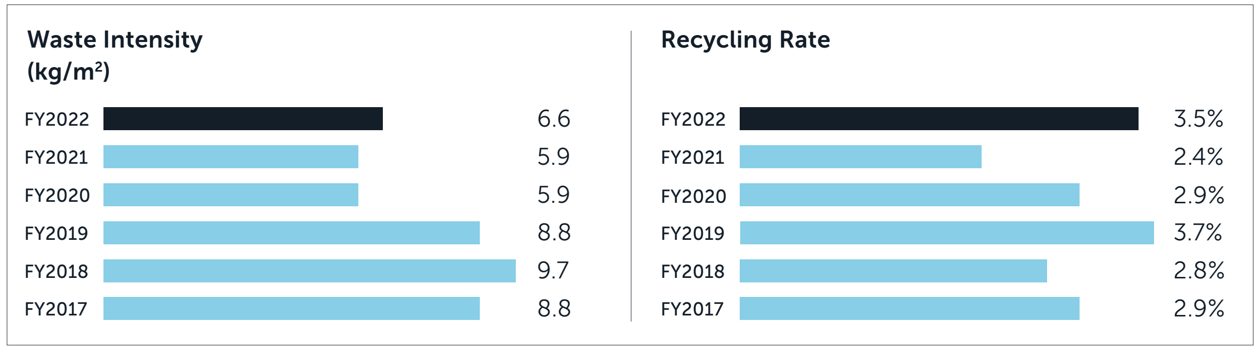
Water:

OUE's water intensity, by property type

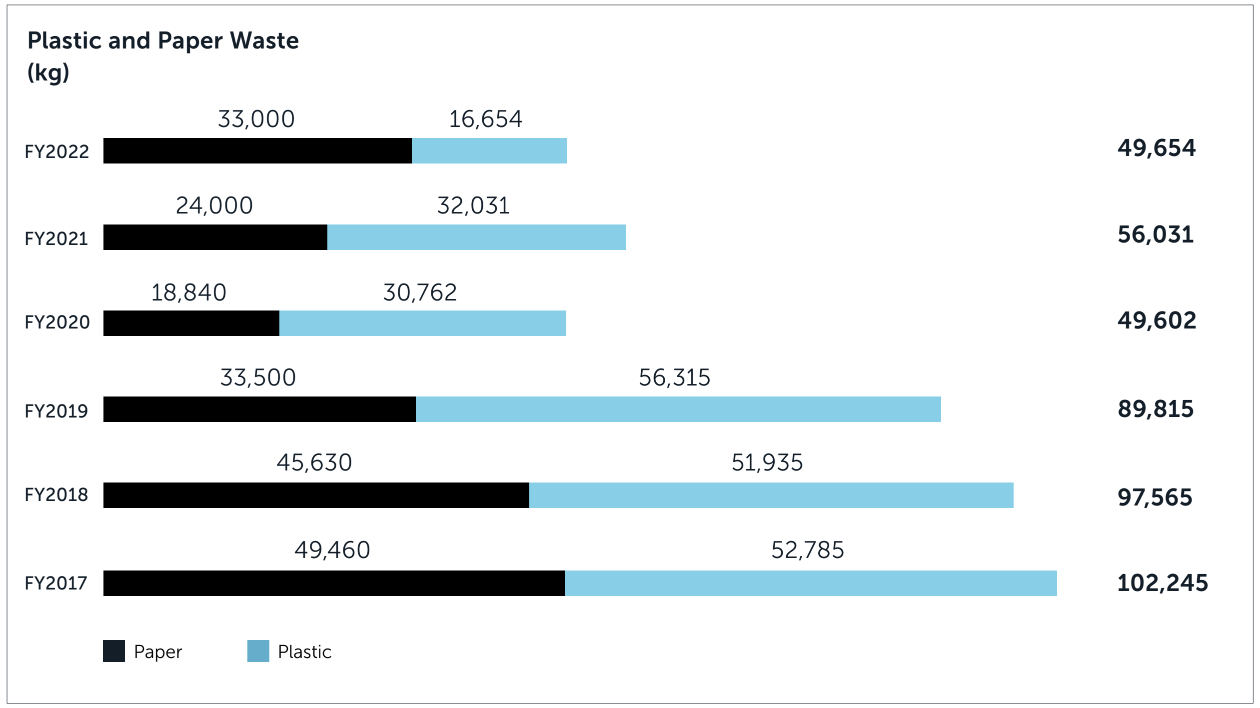


Waste:

Non-hazardous waste intensity and recycling rate (commercial properties)



Total weight of plastic and paper waste (hospitality properties)



SUSTAINABILITY REPORT

Climate Resilience

Nearly 40% of all carbon emissions are contributed by the building and construction sector[5]. Carbon emissions accelerate climate change, as seen with erratic weather patterns and more frequent cases of extreme weather events such as flooding. As a result, not only does infrastructure get damaged, but maintenance and repair costs can increase. As such, we strive to continuously improve our buildings' energy efficiency through a number of different policies and initiatives to reduce the carbon emissions produced.

In December 2021, it was announced by the Singapore Stock Exchange that all issuers must provide climate reporting that is aligned to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on a 'comply or explain' basis in their sustainability reports from the financial year commencing 2022. As part of the building sector, climate reporting will be mandatory for OUE commencing FY2024. As such, OUE is in the process of assessing its climate-related risks and opportunities as recommended in the four pillars of TCFD. We will be taking steps in the coming years to integrate the recommendations in our reporting, one of which includes aligning climate-related sustainability targets at the Group level and integrating them into our strategy.

Our subsidiary, OUE C-REIT, has disclosed, in line with TCFD, where scenario analyses have been conducted and are enhancing their climate risk assessment, by taking reference from TCFD recommendations. They are also looking to integrate them into their existing Environmental Risk Management (EnRM) framework, which is also in line with the expectations of the Monetary Authority of Singapore (MAS) around Environmental Risk Management guidelines.

To monitor and manage energy use in our buildings, an Energy Management Policy or Environmental, Health and Safety (EHS) policy has been implemented across all our buildings. It is part of the mandate of our property management teams to constantly explore new ways to reduce building energy usage. We focus on three key areas to achieve better energy performance: leveraging new technology, enhanced operational planning, and changing user behaviour.

Leveraging new technology

To maximise energy efficiency, OUE properties use energy-efficient appliances and products wherever possible. For instance, less energy-efficient lightings are being replaced by LED lightings in the office premises of OUE Downtown Office and at common areas of OUE Bayfront and One Raffles Place. At Lippo Plaza in Shanghai, China, energy-efficient LED lamps have been installed at various tenant office areas. OUE Bayfront, OUE Downtown Office and Downtown Gallery are currently exploring smart energy solutions to optimise operations and track energy usage for both common and tenants areas. OUE Bayfront is also exploring a district cooling system which will help to reduce carbon emissions by increasing efficiencies. The conversion of AHU fans at One Raffles Place from conventional to electronically commutated types is in the design stage and will be completed in the second quarter of 2023. HSO has incorporated a new water filtration and bottling system, Nordaq, within its own premises, using new technology that not only provides filtered purified water for guests but also sanitises, distils and seals 500 glass bottles of water in an hour. This helps to improve operational efficiency and carbon footprint is reduced since the transportation of bottled water is eliminated.

Enhanced operational planning

Through enhanced operational planning, greater energy efficiency can also be achieved. For example, we ensure that the air-conditioning temperature at selected properties is between 24 and 25.5 degrees Celsius, thereby saving energy. At the back of house of our commercial properties, alternate lightings are also installed to provide sufficient lighting without having to turn on all lightings at the same time.

At CPCA, the swimming pool circulation and water feature pumps are switched off from 9 pm to 5 am to conserve energy and daily Earth Hours continue to be implemented from 9:30 pm to 10:30 pm. At OUE Restaurants, all equipment is switched off after operating hours and lights are dimmed during non-peak hours. All air-conditioning units and filters are regularly serviced to ensure optimal air circulation and efficiency. Smaller bulk purchases are also made to prevent overstocking of refrigerators. Looking forward, we aim to upgrade the chillers and water pumps at some of our properties in 2023 to improve operational efficiency and reduce any potential refrigerant and water leakages.

[5] 2022 Global Status Report for Buildings and Construction.

Changing user behaviour

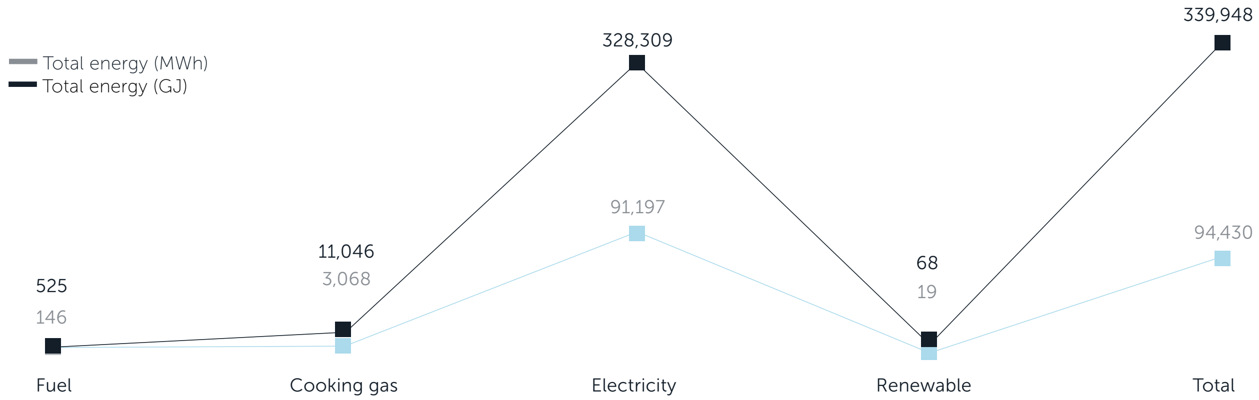
Without the cooperation of our stakeholders such as our tenants and employees, any energy-saving measures could be rendered futile. Therefore, we partner with our tenants and employees to deliver better results. A Green Guide which explains energy, water, waste and indoor air quality management is distributed to our tenants to seek their support in saving energy and resources. Tenants are also required to abide by our Green Guide for their fit-out and renovation works. Finally, our employees are advised to switch off lights when leaving workplaces to conserve energy.

FY2022 performance against Targets and Aspirations

Climate Resilience	
Targets & Aspirations	**FY2022 Performance**
Commercial: Reduce energy intensity per m^2 by 25%* by 2030	**Commercial:** Energy intensity reduced by 18.0%
Hospitality: Reduce energy intensity per occupied room by 25%* by 2030	**Hospitality:** Energy intensity increased by 40.8%
Reduce scope 2 GHG emission intensity per m^2 by 25%* by 2030	Scope 2 GHG emission intensity reduced by 13.2%
Actively pursue opportunities in renewable energy use	Conducted feasibility studies for installation of rooftop solar panels at OUE Bayfront and HSO. OUE is considering purchasing renewable energy certificates to affirm our commitment to renewable energy

* compared to FY2017 baseline

OUE's energy consumption breakdown in FY2022



In FY2022, OUE reported total energy consumption of 94,430 megawatt hours (MWh) from our commercial and hospitality properties. Energy intensity at our commercial properties saw a significant decrease of 18.0% compared to the FY2017 baseline, putting us on track to achieve a 25% reduction by 2030. While Singapore has eased up on COVID-19 measures, most of our tenants continue to work on a hybrid arrangement and thus not fully operational. We will consistently monitor and improve energy efficiency across our portfolio.

SUSTAINABILITY REPORT

Energy intensity at OUE's hospitality properties increased by 40.8% in FY2022, against the FY2017 baseline. Energy intensity increased due to a high number of guestrooms being put out of inventory during the renovation of one of the towers at HSO. As energy intensity takes into account both the energy consumed and the area it covers, having less rooms occupied will lead to an increase in energy intensity. In this case, energy consumption was not significantly reduced as electricity was still required for renovation and hotel operation.

The total absolute scope 2 GHG emissions from our commercial and hospitality properties increased by 9.2% from 28,106 tonnes of carbon dioxide equivalent (tCO_2e) in FY2021 to 30,681 tCO_2e in FY2022. This was partly attributable to increased electricity and cooling consumption at our buildings as more staff and tenants returned to the workplace. Nonetheless, scope 2 GHG emission intensity decreased by 13.2% compared to FY2017, as commercial activities have not returned fully to pre-pandemic levels.

Please see our detailed environmental performance in the AT A GLANCE (ENVIRONMENTAL) section.

Moving forward, OUE will strive towards minimising our environmental footprint and continue to report performance against our long-term targets in our future reports.

Water Efficiency

Water scarcity is a huge issue, especially in Singapore as it is ranked as one of the top countries most likely to be water-stressed by 2040[6]. With our water-intensive operations, particularly at our hospitality assets, and dependence on reliable water supply, it is imperative that OUE manages water efficiently. OUE implements water management processes and initiatives to combat against climate change impacts, reducing the risk of our operations being affected. It also allows our tenants to save costs with responsible water management practices.

Potable and NEWater (for non-potable use) are drawn from the Public Utilities Board's (PUB's) utility network and used for building operations and maintenance activities in our properties. To reduce water wastage, our Singapore properties have installed water-efficient fittings and adopted the PUB Water Efficient Building (WEB) recommended flow rates and flush volumes. Aside from upgrading our plumbing fixtures, reducing potable water consumption is also an area we have been exploring. For instance, treated greywater is used for irrigation and flushing in lavatories as well as in cooling towers. In recognition of OUE's performance in water management, all OUE buildings are certified as WEBs by PUB. In China, Lippo Plaza is committed to water usage monitoring and management by regularly checking and calibrating water meters and installing dedicated water meters at key water usage areas within the building.

At our Singapore properties, we continue to monitor and analyse daily and monthly potable and recycled water consumption patterns through our building management system. We also select suppliers that invest in water efficiency improvements following the guidelines set out by the PUB WEB Certification Programme. This ensures that any toilet upgrading projects will meet the standards set out by PUB guidelines and water is efficiently managed. At our hotels, we use NEWater for our cooling towers and irrigation system. In addition, we replaced the pipes and insulation for hot and chilled water to maintain temperature and system efficiency at CPCA. At OUE Restaurants, we repurpose balance water or ice for gutter cleaning, toilet flushing or plant watering. We also thaw ingredients overnight where possible to minimise use of running water for thawing during operational hours.

Our total water consumption is largely dictated by the daily water consumption of our tenants and guests. As such, it is crucial that we work closely with our stakeholders to induce water efficiency on our premises. We communicate regularly with our tenants about water efficiency improvement plans and other water provision matters.

[6] Maddocks, A. et al (August 26, 2015), Ranking the World's Most Water-Stressed Countries in 2040, World Resources Institute, https://www.wri.org/blog/2015/08/ranking-world-s-most-water-stressed-countries-2040.

FY2022 performance against Targets and Aspirations

Water Efficiency	
Targets & Aspirations	**FY2022 Performance**
Commercial: Reduce water use intensity per m^2 by 25%* by 2030	Commercial: Water use intensity reduced by 35.6%
Hospitality: Reduce water use intensity per occupied room by 25%* by 2030	Hospitality: Water use intensity reduced by 1.5%

* compared to FY2017 baseline

During the reporting period, we reported a total of 489,590 cubic metres (m^3) of water withdrawal[7]. Water intensity at our commercial and hospitality properties in FY2022 decreased by 35.6% and 1.5% respectively compared to the base year FY2017, partly due to activities being lower than pre-pandemic levels and renovation works at HSO which resulted in a significant decrease in occupied rooms and absolute water consumption.

Please see our detailed environmental performance in the AT A GLANCE (ENVIRONMENTAL) section.

Waste Minimisation

Singapore's first and only landfill, Semakau Landfill, is estimated to be filled by 2035[8] if the rate of waste generation remains the same. As such, the country aims to send 30% less waste to Semakau Landfill by 2030[9] in line with its Zero Waste Masterplan.

OUE supports Singapore's effort to become a zero-waste nation. We continue to monitor and track where waste is generated within our operations and value chain. From our hotels and restaurants, paper, plastic, food and general waste are generated from daily operations. Construction waste was also generated from the renovation of HSO. From our commercial buildings, paper, plastic and general waste are generated from tenants' business operations and visitors to our shopping malls.

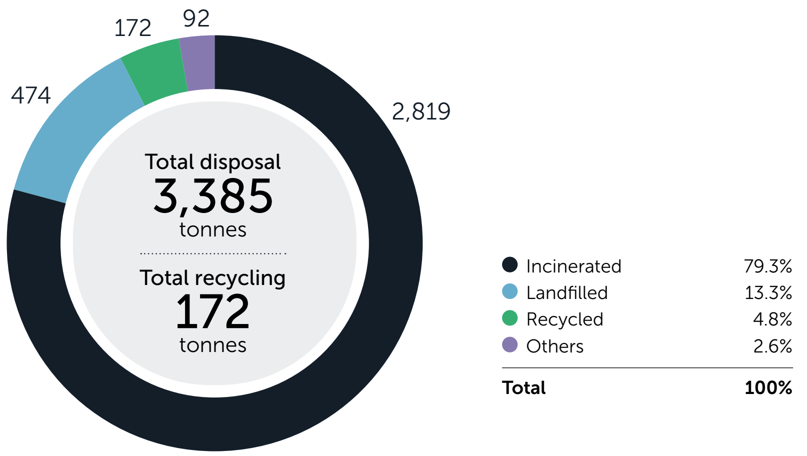
We place great emphasis on recycling to extend the lifespan of materials. The recycling plan and waste disposal consumption data are submitted to the NEA on an annual basis[10] for review and site checks for retail malls and hotels. Recycling bins have been placed in common areas to collect different types of recyclable materials, including glass, metal, plastic, food and electronic waste. Collected wastes are sorted and quantified before being transported to our contracted external vendor's recycling facilities.

Most waste generated in our operations is non-hazardous waste. In FY2022, non-hazardous waste generated by all our buildings amounted to 3,557 tonnes. We also generated 1.2 tonnes of hazardous waste, which was incinerated.

[7] All water withdrawal is freshwater and from a municipal supply.
[8] NEA, Semakau Landfill 20th Anniversary.
[9] Tan, A. (August 30, 2019). Singapore aims to send one-third less waste to Semakau Landfill by 2030: Amy Khor. The Straits Times.
[10] Mandatory Waste Reporting Exercise started in 2014.

SUSTAINABILITY REPORT

Breakdown of disposal method for non-hazardous waste in FY2022 (commercial and hospitality properties)



The property managers of our buildings are encouraged to implement innovative waste management measures. At One Raffles Place shopping mall, umbrella dryers have been procured for our visitors' use in replacement of plastic shields to reduce plastic waste. Regular e-circulars are also sent to tenants to encourage good recycling behaviours. HSO has also implemented various initiatives to reduce plastic use. The initiatives include replacing plastic keycards and pens with wooden keycards and pens and replacing mini plastic toiletries with refillable dispensers for guests. To further reduce single-use plastic, HSO has replaced plastic drinking water bottles with paper cartons and Nordaq glass water bottles in guest rooms.

At OUE Restaurants, we provide metal and paper straws for beverages and use biodegradable packaging for takeaways where possible to reduce the negative environmental impacts resulting from single-use plastics. We also partner with a third-party vendor to recycle used cooking oil into biodiesel and other products.

Tenant engagement is also an integral part of our waste management plan. We seek tenants' support in reducing waste on our premises. Our tenants in commercial properties are encouraged to recycle, minimise paper printing and use environmentally friendly or 100% recycled papers.

FY2022 performance against Targets and Aspirations

Waste Minimisation	
Targets & Aspirations	**FY2022 Performance**
Commercial: Reduce non-hazardous waste intensity per m² by 15%* by 2030	**Commercial:** Non-hazardous waste intensity reduced by 25.4%
Increase recycling rate to 12.5% by 2030	Recycling rate was 3.5% in FY2022
Hospitality: Reduce paper waste by 50%* by 2030	**Hospitality:** Paper waste reduced by 33.3%
Reduce plastic waste by 50%* by 2030	Plastic waste reduced by 68.4%[11]

* compared to FY2017 baseline

[11] Plastic data was based on procurement records.

To extend our commitment to waste reduction, we have set a long-term target to reduce non-hazardous waste intensity by 15% compared to our FY2017 baseline, and increase the recycling rate to 12.5% by 2030 for our commercial properties. In FY2022, the recycling rate at our commercial properties was 3.5%. As recycling is dependent on various factors, the SSC is currently reviewing this target to allow setting a progressive target that is in line with our effort. Nonetheless, OUE Bayfront and OUE Downtown Office continue to engage tenants in improving recycling activities.

Our waste intensity achieved a 25.4% decrease compared to the FY2017 baseline, generating 6.6 kilograms per square metre (kg/m²) of non-hazardous waste, partly because most of our tenants continue to work on a hybrid arrangement and thus not fully operational in FY2022. For our hospitality properties, we aim to reduce plastic and paper waste by 50% by 2030. In FY2022, our hotels achieved significant reductions of 33.3% in paper waste and 68.4% in plastic waste generated against the base year FY2017. We are pleased with our progress and will continue to enhance the effectiveness of our waste management systems.

Responsible Supply Chain (Environmental)

At OUE, we are committed to delivering environmental, social and business benefits through sustainable procurement practices. We are actively assessing how we can appropriately bring positive influence across our supply chains, in terms of environmental, health and safety, diversity and inclusion, and governance risks.

We have integrated human rights clauses, alongside environmental clauses, into our Green Procurement Policy. This policy applies only to building developments and projects. We are currently developing our sustainability supply chain processes with the aim of full implementation by 2030.

When selecting a supplier for new developments, a pre-qualification process takes place during the tender stage which includes a requirement to be certified by a recognised environmental management standard such as ISO 14001 or BCA's Green and Gracious Builder Scheme. We take environmental criteria into consideration, such as the energy efficiency and water efficiency performance of products, recycled material content, and whether products are bio-degradable or compostable.

One Raffles Place has included green label products for items such as hand towel rolls, toilet rolls, floor cleaners, hand soaps, etc., in their cleaning tender specifications. At OUE Bayfront and OUE Downtown, all tenants, vendors and service providers engaged are strongly encouraged to purchase and use green label products in line with our Green Procurement Policy. For instance, any water fittings, fixtures and appliances will be procured only if they have the Water Efficiency Labelling Scheme (WELS) rating. In our hospitality segment, responsible sourcing is being practised with continuous efforts put in place to ensure products sourced are environmentally friendly and do not violate any human rights during their production.

FY2022 performance against Targets and Aspirations

Responsible Supply Chain (Environmental)	
Targets & Aspirations	**FY2022 Performance**
All main contractors for new developments to be certified by recognised environmental management standards (such as ISO 14001 or BCA's Green and Gracious Builder Scheme)	In FY2022, we had only one ongoing development project, which was the re-brand of MOS as HSO. The main contractor had obtained the ISO 14001 certification
Full implementation of Green Procurement Policy by 2030	There was no new development project in FY2022. OUE is working to enhance the existing policy by conducting a risk assessment on potential ESG risks associated with suppliers for development projects.

SUSTAINABILITY REPORT

STRENGTHENING SOCIAL FABRIC

AT A GLANCE (SOCIAL)

Health & Safety

Number and rate of fatalities/high-consequence injuries/recordable injuries of employees and non-employees

	Number of injuries[12]	Number of high-consequence injuries	Injury rate (per million man-hours worked)	High-consequence injury rate (per million man-hours worked)	Man-hours worked
Employees	53	0	25.9	0	2,044,611
Other Workers	1	0	11.3	0	88,245

Number and rate of work-related ill-health of employees and non-employees

	Number of illness[13]	Illness rate (per million man-hours worked)	Man-hours worked
Employees	0	0	2,044,611
Other Workers	0	0	88,245

[12] Injuries as defined by Ministry of Manpower, Singapore: Employee was injured in a work accident resulting in any one of the following: outpatient/hospitalisation leave, light duty, death.
[13] Illness: Occupational disease resulting from exposure to hazards at work.

Staff mix and diversity[14]

Total number of employees by employee contract and gender

	Male	Female	Total
Permanent Employees	509	461	970
Temporary Employees	13	10	23

Total number of employees by employee contract and region

	Singapore	China	Total
Permanent Employees	955	15	970
Temporary Employees	20	3	23

Total number of employees by employee type and gender

	Male	Female	Total
Full-time Employees	521	471	992
Part-time Employees	1	0	1

[14] For the properties OUE Bayfront, OUE Downtown Office and Downtown Gallery, data excludes workers who are employed by a managing agent that has been appointed to manage the day-to-day operations of these properties.

SUSTAINABILITY REPORT

Total number of employees by employee type and region

Full-time Employees

Singapore	China	Total
975	17	992

Part-time Employees

Singapore	China	Total
0	1	1

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

By Age Group

< 30	30 – 50	> 50	Total
190 35.6%	311 58.2%	33 6.2%	534

By Gender

Male	Female	Total
290 54.3%	244 45.7%	534

By Region

Singapore	China	Total
534 100.0%	0 0%	534

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

By Age Group

< 30	30 – 50	> 50	Total
114 31.1%	196 53.6%	56 15.3%	366

By Gender

Male	Female	Total
205 56.0%	161 44.0%	366

By Region

Singapore	China	Total
365 99.7%	1 0.3%	366

Percentage of individuals within the governance bodies by gender

By Gender

Male	Female	Total
7 87.5%	1 12.5%	8

Percentage of individuals within the governance bodies by age group

By Age Group

< 30	30 – 50	> 50	Total
0 0%	1 12.5%	7 87.5%	8

Percentage of individuals by employee category and gender

Senior Management Level

Male	Female	Total
34 61.8%	21 38.2%	55

Middle Management Level

Male	Female	Total
100 49.3%	103 50.7%	203

Executive Level

Male	Female	Total
128 47.6%	141 52.4%	269

Non-Executive Level

Male	Female	Total
260 55.8%	206 44.2%	466

SUSTAINABILITY REPORT

Percentage of individuals by employee category and age group

Senior Management Level

	< 30	30 – 50	> 50
Number	0	41	14
Percentage	0%	74.5%	25.5%

55 Total

Middle Management Level

	< 30	30 – 50	> 50
Number	6	171	26
Percentage	3.0%	84.2%	12.8%

203 Total

Executive Level

	< 30	30 – 50	> 50
Number	69	169	31
Percentage	25.7%	62.8%	11.5%

269 Total

Non-Executive Level

	< 30	30 – 50	> 50
Number	143	175	148
Percentage	30.7%	37.5%	31.8%

466 Total

Training

Average hours of training employees have undertaken during FY2022 by gender

Male	Female
18.1 hours	18.3 hours

18.2 Total

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

Senior management	Middle management	Executive and non-executive
29.2 hours	24.0 hours	15.8 hours

18.2 Total

Health & Safety

With a firm belief in our people being our most important asset, we are committed to creating a safe and healthy working environment for all employees, regardless of the nature of their jobs. For instance, some employees are office-based while others are situated on site at our commercial and hospitality buildings, managing daily operations with potentially higher exposure to safety risks.

We have a robust occupational health and safety management system in place. This includes educating employees on health and safety issues during staff orientation programmes and at relevant stages throughout their careers. Workplace health and safety is integrated into our Human Resource policies and our Health & Safety framework is aligned with the Ministry of Manpower's (MOM) Workplace Safety and Health (WSH) Act. In FY2022, HSO obtained the ISO certification for Food Safety Management ISO 22000:2018.

OUE conducts regular risk assessments and walk-throughs to identify hazards that may lead to accidents. Any potential hazards identified are then alerted to our employees and preventive or mitigative safety measures are implemented. In the unfortunate event that an incident does occur, OUE complies with Workplace Safety and Health (Incident Reporting) Regulations when reporting work-related injuries. Our risk and hazard management plans are aligned with Singapore's bizSAFE programme. CPCA and HSO maintained their bizSAFE Level 4 accreditation and are subject to periodic audits by MOM-approved WSH auditors.

All our employees go through bi-annual fire evacuation drills so that in the event of a fire or any other emergencies, they have the knowledge on how to safely exit the building in a calm and collected manner. At One Raffles Place, workplace safety news is disseminated to staff by the WSH Council on a monthly basis. In addition, WSH is made a permanent meeting agenda for the monthly meetings with the main service providers, for instance, security, cleaning and facilities management. Selected operations' team members are sent for Workforce Skills Qualification training; which provides them with basic competencies and a lead as a WSH representative. Our managing agents for OUE Bayfront, OUE Downtown Office and Downtown Gallery also ensure workplace health and safety at the premises is monitored and discussed during the monthly meetings.

OUE employees are provided with comprehensive medical coverage, entitled to outpatient, inpatient and specialist treatment. Family members of eligible employees also have coverage plans extended to them. If employees are injured at work, they are covered through Work Injury Compensation insurance coverage. Furthermore, Singapore-based employees in the corporate office that are above 40 years old and with at least one year of service are entitled to regular health screening. Similarly, permanent employees in China are also entitled to annual health screening.

With a greater push for mental wellness in Singapore, OUE strives to create a working environment with good work-life balance. A hybrid work arrangement was introduced to provide flexibility for employees. In addition, our corporate office employees are encouraged to leave the office early on scheduled days to spend quality time with their families.

Aside from immediate employees, the health and safety of our contractors, and other workers who are not directly employees but whose work is controlled by OUE, are also taken seriously. Contractors are informed of our EHS practices and expectations at the beginning of their engagement. They are also required to comply with our workmen's compensation policy and register for third-party liability insurance and contractor's all risks insurance before the commencement of any work. Additionally, all third-party service providers are required to maintain the OHSAS 18001 or ISO 45001 safety certifications throughout their engagement. OUE conducts regular meetings with service providers to ensure satisfactory health and safety performances.

SUSTAINABILITY REPORT

In FY2022, we reported zero incidents that resulted in high-consequence injuries or fatalities. We also had zero incidents of work-related ill-health. However, we recorded 54 work-related injuries. The main types of work-related injuries were slip and fall, hit by object, and cuts and scalds that took place in our kitchens.

Please see our detailed health & safety performance in the AT A GLANCE (SOCIAL) section.

FY2022 performance against Targets and Aspirations

Health & Safety	
Targets & Aspirations	**FY2022 Performance**
Maintain zero incidents resulting in employee fatality or permanent disability	Zero incidents
All main contractors for new developments to be OHSAS 18001 or ISO 45001 certified	In FY2022, we had only one ongoing development project, which was the re-brand of MOS as HSO. The main contractor had obtained the ISO 45001 certification

Fair Employment Practices

Poor employment practices will affect reputation among the community and result in weakened support from stakeholders. Therefore, our employees are vital to us and by having fair employment practices in place, they will help to generate long-term value for our stakeholders through their dedication. Not only that, maintaining a fair and inclusive workplace will allow OUE to attract a diverse pool of talents based on merit and staff retention. Employees are also provided with a myriad of opportunities to thrive and grow as a valued member of OUE.

Globally, we had a total of 993 employees as at 31 December 2022, about 21% of whom are part of the workers' union. For employees who are not part of any workers' union, we have proper processes in place to ensure that they are treated fairly throughout their tenure with us. To ensure a positive and nurturing working environment for all employees, a set of comprehensive policies have been established and are to be applied fairly and consistently across the Group. We also enagaged 188 (92 male and 96 female) casual workers in our hotels and restaurants during the year.

OUE also engaged managing agents for OUE Bayfront, OUE Downtown Office, Downtown Gallery as well as Lippo Plaza to manage the ground operations and attend to any tenant needs on behalf of OUE. In FY2022, 54 workers who are not employees worked at the above-mentioned buildings.

Recruitment and Employee Benefits

OUE is an equal opportunity employer where we take steps to ensure qualified candidates are hired. We ensure that the recruitment process from the beginning of job posting and sourcing to shortlisting candidates, interviews and extending job offers is impartial and fair. Potential employees are recruited based on their qualifications, competencies, attributes, experience and assessed potential to contribute to the business. We strictly do not tolerate any discrimination against age, gender, race, marital status or religion. This is in line with our Recruitment Policy and the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) guidelines.

To further attract more talents, selected properties have benefits that are provided to full-time employees only. For instance, in most of our Singapore commercial properties, full-time employees are provided with insurance coverage, dental benefits, health screening as well as retirement provisions. Full-time employees at HSO and CPCA are entitled to flexible benefits, F&B discounts as well as the hotel member travel programme, which is extended to family and friends.

Nonetheless, all employees, whether full-time, part-time or temporary, 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 which acts as a pension fund when employees hit the eligible retirement age. In China, full-time employees of Lippo Plaza are provided with five social insurances – pension fund, medical insurance, industrial injury insurance, unemployment insurance, and maternity insurance as well as one housing fund in accordance with the Labour Law of the People's Republic of China.

An employee engagement survey was also conducted at our corporate office to measure satisfaction and gather anonymous feedback from employees. OUE also provides parental leave to eligible employees. In FY2022, 20 eligible employees were entitled to parental leave with 12 female and 8 male employees utilising their parental leave benefits. As at 31 December 2022, 7 female employees had returned to work after their maternity leave ended while the rest continue to be on maternity leave. All male employees returned to work after their paternity leave ended.

Our overall employee resignation rate[15] in FY2022 was 29.8%. Our real estate services business saw a 31.3% resignation rate, which is higher than the national industry average[16] of 22.8%. The annual resignation rate of our accommodation and food services business was 29.6%, which is lower than the national industry turnover rate of 36.0%. Our overall turnover rate[17] in FY2022 was 36.9%.

Non-discrimination

OUE's Code of Business Conduct and Ethics clearly states 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. As such, we ensure that all our hires, including contractors, are based on merit to promote fairness and non-discrimination in our business dealings. During FY2022, we received zero complaints of discrimination.

Please see our detailed staff mix and diversity performance in the AT A GLANCE (SOCIAL) section.

Learning and Development

OUE aims to create a workforce which is motivated, skilful and competent that is capable of meeting both current and future business challenges. Therefore, we have specifically created a Learning and Development Policy to inculcate a culture of continuous learning. Through this policy, we hope that all our employees will be equipped with the necessary knowledge and skills to carry out their duties.

We enhance our employees' learning by making training opportunities accessible to our employees. Training needs are identified at various levels and stages from the newly joined to our director level throughout the year. For instance, the department- or team-specific training needs are identified by HODs and direct managers. Our employees can also request necessary training on both soft and technical skills for further career development and enhancement. Training can take the form of on-the-job-training, one-on-one training, company workshops, sponsorship for external workshops, coaching, mentoring, self-paced learning, etc., so that our employees can choose the one that suits their needs the most. A leadership development course targeted to enhance the leadership competencies of selected employees was organised at group level in collaboration with Talent Plus and supported by Singapore Management University Academy. At One Raffles Place, all employees are provided with a LinkedIn learning account to acquire professional training and accreditation in a flexible environment.

In FY2022, OUE achieved an average of 18.2 training hours per employee, falling short of our targeted 25 hours per employee. We will continue to monitor and ensure adequate training resources are provided to our employees to allow them to carry out their work responsibilities efficiently.

15 Includes only voluntary resignations during reporting period.
16 Average rate based on 1Q to 4Q 2022 resignation rate published by MOM Singapore.
17 Includes employees who resigned and those who were dismissed, retrenched, reached the end of their contract, or did not have their employment passes renewed.

SUSTAINABILITY REPORT

To further tap on our employees' potential to excel and enhance employee satisfaction, OUE conducts an annual performance and career development review. Respective discussions between the reporting manager and team members will take place for the appraising and monitoring of individual performance and achievements. It is also during this period that our employees can provide feedback on how OUE can further enhance their skillsets and working experience in the organisation. In FY2022, 100% of all eligible employees received the annual performance and career development review.

Please see our detailed training information in the AT A GLANCE (SOCIAL) section.

FY2022 performance against Targets and Aspirations

Fair Employment Practices	
Targets & Aspirations	**FY2022 Performance**
Maintain zero incidents of discrimination	Zero incidents of discrimination
Maintain the employee resignation rate below the national industry average (22.8% for real estate services and 36.0% for accommodation and food services)	Employee resignation rate was 31.3% for real estate services business and 29.6% for accommodation and food services business
Maintain the proportion of women in senior management at 40% or more	38.2% of employees in senior management are women
Achieve 25 training hours per employee per year	Average of 18.2 training hours per employee

Creating Social Ecosystems

As a developer with prime location buildings located in Asia, OUE believes strongly that our assets or development projects should contribute significantly to their occupants and the wider community around them and be seamlessly integrated into the social fabric of the cities they are located in. To minimise any negative impacts of our development projects on the environment and neighbouring communities, a mandatory environmental and social impact assessment would be conducted. This is done to better understand and evaluate the actual environmental and social risks that could be contributed by our projects. With a rise in universal design and accessibility to the end users, OUE ensures that all our new investment properties are accessible to persons with disabilities and feature child-friendly facilities.

OUE strongly believes in giving back to society. Other than providing positive benefits to the community, it also gives our employees a chance to engage with the community on a personal and meaningful level. We supported various projects in the community, including empowering the lives of adults with disabilities, education, the arts and the less privileged in society. At OUE, we believe that youths and adults from all backgrounds should have an equal opportunity to receive a good education. As such, OUE regularly contributes to the National University of Singapore, Singapore Management University and Singapore University of Technology and Design. During the year, OUE employees participated in various community events, including the Heartstring Walk and Fu Dai organised by Community Chest. In conjunction with Chatterbox's 51st anniversary and SG Cares Giving Week, OUE donated S$5.10 from the sale of every single portion of Chatterbox's Mandarin Chicken Rice to two beneficiaries supported by Community Chest.

In FY2022, with the lifting of restrictions due to COVID-19 measures, OUE resumed its community engagement events. One Raffles Place organises two workout sessions on a weekly basis as part of a collaboration with the Health Promotion Board to establish a "Healthy Workplace Ecosystem" for workers and tenants to achieve a healthier lifestyle. Under the Urban Redevelopment Authority's (URA) Business Improvement District programme, OUE Bayfront supports the Marina Bay Alliance activities by providing part of its concourse space on a complimentary basis for fitness workouts, festive markets and art-related workshops to encourage healthy living and promote vibrancy in the Central Business District area.

We encourage all our properties to actively participate in community engagement programmes. In the following year, we will continue to invest in the communities that we are part of.

FY2022 performance against Targets and Aspirations

Creating Social Ecosystems	
Targets & Aspirations	**FY2022 Performance**
As a long-standing partner of our community, OUE is committed to bringing about meaningful and sustainable impact through community-based initiatives in areas such as education, healthcare, the arts, sports as well as humanitarian and social development	OUE sought to play its part in the community and supported a diverse range of causes, including empowering the lives of adults with disabilities, education, the arts and the less privileged in society. During the year, OUE participated in various community events, including Heartstring Walk, Community Chest Fu Dai and Chatterbox fundraising events.
Conduct social and environmental impact assessments for development projects from FY2020 onwards	In FY2022, we had only one ongoing development project, which was the rebrand of MOS as HSO. The feasibility study for this project was completed in FY2019
All new investment properties to be accessible to persons with disabilities and feature child-friendly facilities	No new investment property was acquired in FY2022

Innovation

To keep up with increasingly tech-savvy and evolving consumers, technological advancements play a huge role. Newer and more efficient technology can help to reduce the energy, water and waste consumption or production impacts that accelerate climate change. Resources can also be redirected to other areas of OUE's operations where needed, maximising efficiency and effectiveness, bringing value to the economy as well as decreased labour intensity. Innovative technology also brings a fresh and elevated experience to our guests. As such, OUE needs to constantly innovate and be kept up to date with industry trends and best practices to stay ahead.

A culture of innovation is advocated at OUE. To improve the customer experience as well as our buildings' environmental performance, we leverage the latest technology and constantly challenge ourselves to be ahead, seeking to maximise the value generated for our shareholders. At HSO, Nordaq - a water filtration and bottling system, has been installed to contribute towards sustainability. HSO is the first hotel in Singapore to have an in-house custom-built plant to treat, purify, mineralise and bottle up to 500 reusable glass bottles of drinking water in an hour. This innovation will help to reduce the usage of single-use plastic bottled water and cups in rooms and for meetings and events across the hotel. OUE Bayfront, OUE Downtown Office and Downtown Gallery are also exploring smart solutions to optimise operations and track energy use. We are also reviewing a new district cooling system that can help to reduce carbon emissions by increasing efficiencies at OUE Bayfront.

FY2022 performance against Targets and Aspirations

Innovation	
Targets & Aspirations	**FY2022 Initiatives**
Actively seek opportunities to adopt new innovations and green building technologies	• Installation of motion sensor lights in refurbished guestrooms as well as Nordaq water filtration and bottling system at HSO • Installation of cooling tower monitoring system at HSO and OUE Bayfront • Exploring smart solutions to reduce carbon emissions in cooling systems and optimise operations and track energy use in some commercial properties

SUSTAINABILITY REPORT

Our sustained efforts in innovation have resulted in the attainment of industry awards for excellent environmental management. We are proud to share that most of our Singapore properties have attained BCA Green Mark Gold certification or above, which serves as a testimony of OUE's low environmental impact but high performance. Lippo Plaza in China is certified under LEED-Gold for its outstanding environmental performance. We are reviewing the BCA Green Mark 2021 certification requirements and CPCA's current environmental performance with the aim of achieving a Green Mark rating for the property.

Product Quality

"Transformational Thinking", a core value of OUE, pushes us to constantly be in pursuit of better and higher quality buildings. Iconic buildings have been acquired and transformed to enhance their desirability, durability and value.

Apart from better and higher quality buildings, providing a safe and positive environment for our tenants, guests and visitors is paramount to OUE. Hence, we begin from as early as the design stage – be it for our new development projects or any upgrading works, to the operation stage where regular maintenance is done to ensure that systems consistently perform at optimal levels. Individual property managers oversee the implementation of various policies and procedures, including the EHS Policy, the Fire Emergency Plan and the Company Emergency Response Team (CERT). The CERT is the first in line to rectify any health and safety risks assessed, identified, and reported by occupants within the buildings. One such way to do so is by conducting frequent risk assessments and on-site checks, especially on facilities in common areas such as lifts and escalators to ensure that they are in safe operating condition. Identified hazards will be signposted as a requirement of the property managers to prevent any accidents or injuries. In the event that any incidents do occur, detailed incident reports are required to be written by the property managers and these are submitted monthly, along with the maintenance records. To further lower the risk of accidents or injuries, maintenance and servicing of all equipment and machinery is conducted at least every quarter. Tenants are also briefed about safety guidelines in our buildings, as included in our tenant handbook.

Not forgetting our hotels and restaurants, the health and safety of our customers is vital to OUE. This is especially so as we are directly involved in food and beverage preparation, and any incident will reflect badly on the Group. In addition, it is also our moral and regulatory duty to strictly follow all health and safety protocols to create a healthy, clean and wholesome gastronomic experience for our customers. As such, all our restaurant employees, particularly the kitchen crew, have to go through mandatory food hygiene courses so that a high standard of food preparation environment is achieved.

On 8th June 2022, CPCA was issued a stern warning by the MOM for the provision of unacceptable accommodation for foreign workers. This has been rectified with enhanced measures put in place to check workers' living conditions.

FY2022 performance against Targets and Aspirations

Product Quality	
Targets & Aspirations	**FY2022 Performance**
Zero significant incidents* of non-compliance with health and safety regulations	1 incident of non-compliance
Achieve at least 80% customer satisfaction rate	Achieved an 89.1%** customer satisfaction rate in FY2022

* Taking reference from Singapore Food Agency's Points Demerit System, a significant incident is defined as an incident that meets any of the following criteria:
1. Any incidence leading to the suspension of F&B outlets (12 points within 12 months)
2. Any incidence of a serious offence (6 points)
3. Any financial penalty greater than S$500 per incident (that means either 2 major or 3 minor or any combination that triggers these penalties)

** 89.1% excludes customer satisfaction rate from HSO as part of the hotel was under renovation in FY2022

BUILDING TRUST

Ethical Business Practices

Ethical business practices and integrity are cornerstones of OUE, where our corporate policies and ESG commitments serve as a solid foundation for corporate governance. We have developed a comprehensive ethics and compliance framework, allowing us to navigate through increasingly complex regulatory requirements. Trust and loyalty amongst suppliers, the community, tenants and guests are built when there is good governance.

The OUE Code of Business Conduct and Ethics and the respective hotel operators' Codes of Conduct (collectively, the Code) serve as a guide to all our employees and cover compliance with applicable rules and regulations, anti-discrimination, anti-corruption, unlawful harassment, and retaliation, among others. Employees will be given a copy of the Code upon employment, and they will have to acknowledge their compliance with the Code either through an acknowledgement done on the online learning platform or by signing a Certificate of Compliance. Once acknowledged, there is an expectation of the employees that business integrity is to be upheld throughout their tenure and they should not be participating in any form of fraudulent or dishonest conduct. During the course of employment, all employees are required to provide an annual acknowledgement that they have reviewed, understood and will comply with the Code and other company policies. Fraud, bribery, and corruption are serious offences which could tarnish OUE's reputation and diminish the trust of our stakeholders.

The Group has a designated Group Ethical Officer, whom our employees are encouraged to contact if they have a reasonable belief of any misconduct. During the reporting period, we had zero confirmed incidents of corruption.

In 2022, OUE moved up the ranks from 351st to 128th amongst 489 listed companies in Singapore in the Singapore Governance and Transparency Index (SGTI) 2022. The SGTI assesses companies on their corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of the announcement of their financial results. For our full Corporate Governance Report, please refer to the OUE Annual Report 2022.

FY2022 performance against Targets and Aspirations

Ethical Business Practices	
Targets & Aspirations	**FY2022 Performance**
Achieve 100% employee annual acknowledgement of all company policies, including Code of Business Conduct and Ethics	All company policies, including Code of Business Conduct and Ethics, were acknowledged by all employees in FY2022.
Zero confirmed incidents of corruption	Zero confirmed incidents

SUSTAINABILITY REPORT

Compliance

As publicly listed entities, ensuring compliance with local and international laws and regulations is a priority for both OUE and its subsidiary OUE C-REIT. We are obligated to comply with, among others, the listing rules of SGX-ST, and the Securities and Futures Act 2001, as well as the relevant sectoral regulations such as the Code on Collective Investment Schemes issued by the MAS which is applicable to the REIT. As such, our day-to-day operations incorporate compliance processes allowing OUE to meet our stakeholders' expectations. For example, the building sector is expected to comply with increasingly stringent local environmental regulations, such as the Energy Conservation Act 2012 and the Environmental Protection and Management Act 1999.

It is important that we keep track of the changing regulatory landscape. Our legal team is responsible for the overall compliance of the Group with support from the internal audit team. The legal team monitors changes to applicable laws and regulations through media scans, press releases, professional advice and publications from legal counsels and by attending seminars organised by law firms or audit firms. Where necessary, OUE also engages external legal counsels to assist the team in implementing policies or frameworks for enhanced compliance with laws and regulations as well as to conduct training for the senior management and relevant departments within the Group. Under the listing rules of SGX-ST, all our directors have attended the prescribed mandatory training on sustainability matters.

In FY2022, OUE implemented the Data Retention Policy, which became effective from 1 June 2022 and is applicable to all employees of OUE Limited and its subsidiaries. The Policy dictates the retention period of various types of documents and processes for proper retention and destruction covering all forms of documents, whether in physical or electronic format. This will help to mitigate the risks of data leakage. To keep OUE leadership and staff abreast of the latest legal developments, a learning session for the Group's directors and management was organised in 2022. The session covered case studies on recent developments and key topical issues in Singapore listed company governance, sanctions, and a geopolitical and macroeconomic update.

At the property level, property managers are tasked to keep abreast of building regulation requirements, conduct regular checks and submit relevant environmental data to ensure compliance with building standards and regulations. Moreover, properties are subject to periodic environmental audits by the local authorities. If non-compliance is reported during the audits, legal and regulatory impacts will be assessed and remedial plans will be implemented.

In ensuring that issues which might lead to non-compliance do not occur, OUE has a whistle-blowing policy and procedure in place. Employees may raise concerns by telephone, mail or via a dedicated email address at groupethicalofficer@oue.com.sg, all of which are direct channels to reach the Group Ethical Officer. Employees can do so in confidence and in good faith about possible improprieties, misconduct or wrongdoing relating to the Company or its officers in matters of financial reporting or other matters, without fear of reprisals in any form.

OUE also has a grievance mechanism in place through which employees can raise concerns about any grievances. This would include disputes between employees. The grievance procedure is communicated to all our employees through the OUE Staff Handbook and employees are encouraged to use it to report any harassment or inappropriate behaviour faced at the workplace. In doing so, we aim to have a working environment that is not only open, but is also safe and inclusive. All concerns and complaints received through the whistle-blowing channel or grievance processes will undergo thorough investigation supported by the senior management team and the Audit Committee and relevant follow-up action will be taken. In FY2022, OUE had no grievance and whistle-blowing cases.

In FY2022, incidents of non-compliance with laws and/or regulations, including competition and environmental regulations, that would result in significant fines or non-monetary sanctions were minimised. In the interest of transparency, we wish to report one incident where CPCA was issued a stern warning for the lack of inadequate accommodation provided to foreign workers. Please see details in the Product Quality section.

FY2022 performance against Targets and Aspirations

Compliance	
Targets & Aspirations	**FY2022 Performance**
Maintain zero incidents of non-compliance with laws and/or regulations, including competition laws, resulting in significant fines* and non-monetary sanctions	Zero incidents of non-compliance
Maintain zero incidents of non-compliance with environmental laws and/or regulations resulting in significant fines* and non-monetary sanctions	Zero incidents of non-compliance

* A significant fine is a financial penalty that is equal to or above S$10,000 paid for a single incident

Cyber Security

To keep up with increased digitalisation in the building sector, OUE needs to ensure that a robust cyber defence system is in place to mitigate potential cyber attacks. It is estimated that a single data breach could cost a company US$4.35 million on average[18]. Thus, it is important to understand the cyber security risks in OUE's operations.

Managing Cyber Security Risk

With cyber attacks becoming more prevalent, targeted, and complex, OUE adopts industry best practices and invests in technology defence. This is to allow a robust foundation of identification and protection of our critical assets and, more importantly, the ability to detect and respond to threats. Hence, the main responsibility for managing security risks and overseeing the establishment of the necessary Information Technology (IT) policies, procedures and control environment to mitigate these risks falls on the Board and senior management team.

At the ground level, OUE's IT team serves as the first line of defence against cyber attacks. They are 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. OUE 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 is also performed by an external party annually. In addition, to protect sensitive and confidential information from ransomware, our IT team has switched to Veeam backup solution for better encryption and immutable backup.

To optimise the user experience without compromising information security, OUE has also adopted Microsoft Intune, a cloud-based management tool for mobile and endpoint devices. Microsoft Intune enables OUE to streamline app usage across all devices while protecting corporate data. With more employees working remotely, achieving greater efficiency in the cloud vitally enhances employee productivity.

At the property level, various measures to improve cyber security might be taken. One Raffles Place has upgraded its Network-Attached Storage capacity to future-proof the backup of data and information. Furthermore, to prevent breaching of company data, One Raffles Place has also taken steps to respond as quickly as possible to reports of phishing emails from their staff by blocking them. Not only that, they also actively push for security patches and updates for Google Chrome and Windows OS.

[18] IBM, Cost of a Data Breach Report (2022).

SUSTAINABILITY REPORT

Information Security Awareness Training

OUE provides comprehensive information security awareness training annually to our employees to build and enhance their knowledge and awareness towards information security. The training 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 implemented a mandatory cyber security awareness employee training quiz and disseminates regular cyber security awareness newsletters. We have 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.

Personal Data Protection

We understand the importance of protection of personal data in the digital age. OUE adheres to the Personal Data Protection Act 2012 (PDPA) and implements various measures to comply with the PDPA, as documented in our Personal Data Protection Compliance Manual (Manual). All our employees are contractually required to comply with the Manual and report any suspected data breach to our Group Data Protection Officer. The Manual lays out the principles for how OUE and our employees deal with personal data, which revolve around consent, purpose, access, correction, accuracy, protection or security, retention and transfer out.

In FY2022, we had zero incidents of data breaches with our comprehensive data protection measures in place. To ensure the protection of personal data and minimise the risk of accidental disclosure, we have also implemented automatic email encryption across the Group.

FY2022 performance against Targets and Aspirations

Cyber Security	
Targets & Aspirations	**FY2022 Performance**
Maintain zero cyber incidents and data breaches	Zero cyber incidents and data breaches

GRI CONTENT INDEX

Statement of use	OUE Limited 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)	GRI G4 Construction and Real Estate Sector (CRES). We will be validating our list of material topics with the latest GRI Sector Standard for the Construction and Real Estate industry when it is published by GRI.

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	**Reason**	**Explanation**
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details	About OUE > Who We Are, Page 84			
	2-2 Entities included in the organization's sustainability reporting	About this Report, Page 85			
	2-3 Reporting period, frequency and contact point	About this Report, Page 85			
	2-4 Restatements of information	None			
	2-5 External assurance	About this Report, Page 85			
	2-6 Activities, value chain and other business relationships	About OUE > Who We Are, Page 84 Stewarding the Environment > Responsible Supply Chain (Environmental), Page 99			
	2-7 Employees	At a glance (Social), Page 101 - 102 Strengthening Social Fabric > Fair Employment Practices, Page 106 - 108			

SUSTAINABILITY REPORT

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	Strengthening Social Fabric > Fair Employment Practices, Page 106 - 108			
	2-9 Governance structure and composition	Sustainability at OUE > Sustainability Governance, Page 86 Corporate Governance Report, Page 60 - 63			
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report, Page 65 - 67			
	2-11 Chair of the highest governance body	Corporate Governance Report, Page 64 - 65			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability at OUE > Sustainability Governance, Page 86			
	2-13 Delegation of responsibility for managing impacts	Sustainability at OUE > Sustainability Governance, Page 86			
	2-14 Role of the highest governance body in sustainability reporting	The Board has reviewed and approved of this report in SR2022.			
	2-15 Conflicts of interest	Corporate Governance Report, Page 58			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Building Trust, Compliance, Page 112 - 113			
	2-17 Collective knowledge of the highest governance body	Building Trust, Compliance, Page 112 - 113			
	2-18 Evaluation of the performance of the highest governance body	Sustainability at OUE > Sustainability Governance, Page 86			
	2-19 Remuneration policies	Corporate Governance Report, Page 68 - 71 OUE Limited's remuneration policy is presently not linked to sustainability.			
	2-20 Process to determine remuneration	Corporate Governance Report, Page 68 - 71 While there is no voting of stakeholders on remuneration policies and proposals, our Directors' fees have been approved by our shareholders at the AGM.			

SUSTAINABILITY REPORT

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio		Sub-requirement (a): Report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual); (b): report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual); (c): report contextual information necessary to understand the data and how the data has been compiled.	Confidentiality constraints	OUE Limited operates in a highly competitive business environment and considering the commercial sensitivity of remuneration information, we will not be disclosing it to ensure the stability and continuity of our operations. Nonetheless, the remuneration of our senior executives is reported in bands of $100,000 and can be found on page 71 of Annual Report 2022

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Board Statement, Page 84			
	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	Building Trust > Compliance, Page 112 - 113			
	2-26 Mechanisms for seeking advice and raising concerns	Building Trust, Compliance, Page 112 - 113 Corporate Governance Report, Page 73			
	2-27 Compliance with laws and regulations	Building Trust > Compliance, Page 112 - 113			
	2-28 Membership associations	Securities Investors Association (Singapore), Real Estate Developers' Association of Singapore and Orchard Road Business Association			
	2-29 Approach to stakeholder engagement	Sustainability at OUE > Stakeholder Engagement, Page 87 - 88			
	2-30 Collective bargaining agreements	21% of our employees are under Food, Drinks & Allied Workers Union (FDAWU)			

SUSTAINABILITY REPORT

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability at OUE > Sustainability Framework, Page 89			
	3-2 List of material topics	Sustainability at OUE > Sustainability Framework, Page 89			
ECONOMIC PERFORMANCE					
GRI 3: Material Topics 2021	3-3 Management of material topics	OUE Annual Report 2022, Page 129			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	OUE Annual Report 2022, Page 129			
ETHICAL BUSINESS PRACTICES					
GRI 3: Material Topics 2021	3-3 Management of material topics	Building Trust > Ethical Business Practices, Page 111 Sustainability at OUE > Sustainability Governance, Page 86			
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Building Trust > Ethical Business Practices, Page 111			
CLIMATE RESILIENCE					
GRI 3: Material Topics 2021	3-3 Management of material topics	Stewarding the Environment > Climate Resilience, Page 94 -96 Sustainability at OUE > Sustainability Governance, Page 86			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
CLIMATE RESILIENCE					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Stewarding the Environment > Climate Resilience, Page 94 - 96			
	302-2 Energy consumption outside of the organization	Stewarding the Environment > Climate Resilience, Page 94 - 96			
	302-3 Energy intensity	Stewarding the Environment > Climate Resilience, Page 94 - 96			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Stewarding the Environment > Climate Resilience, Page 94 - 96			
	305-2 Energy indirect (Scope 2) GHG emissions	Stewarding the Environment > Climate Resilience, Page 94 - 96			
	305-4 GHG emissions intensity	Stewarding the Environment > Climate Resilience, Page 94 - 96			
WATER EFFICIENCY					
GRI 3: Material Topics 2021	3-3 Management of material topics	Stewarding the Environment > Water Efficiency, Page 96 - 97 Sustainability at OUE > Sustainability Governance, Page 86			

SUSTAINABILITY REPORT

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
WATER EFFICIENCY					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Stewarding the Environment > Water Efficiency, Page 96 -97			
	303-2 Management of water discharge-related impacts	Stewarding the Environment > Water Efficiency, Page 96 -97			
	303-3 Water withdrawal	Stewarding the Environment > Water Efficiency, Page 96 -97 Water withdrawn in Singapore and Shanghai is freshwater and from a municipal supply. Based on WRI's Aqueduct Water Risk Atlas tool, Shanghai is currently located in water stress areas.			
WASTE MINIMISATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	Stewarding the Environment > Waste Minimisation, Page 97 -99 Sustainability at OUE > Sustainability Governance, Page 86			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
WASTE MINIMISATION					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Stewarding the Environment > Waste Minimisation, Page 97 - 99			
	306-2 Management of significant waste-related impacts	Stewarding the Environment > Waste Minimisation, Page 97 - 99			
	306-3 Waste generated	Stewarding the Environment > Waste Minimisation, Page 97 - 99			
	306-4 Waste diverted from disposal	Stewarding the Environment > Waste Minimisation, Page 97 - 99			
	306-5 Waste directed to disposal	Stewarding the Environment > Waste Minimisation, Page 97 - 99			
RESPONSIBLE SUPPLY CHAIN (ENVIRONMENTAL)					
GRI 3: Material Topics 2021	3-3 Management of material topics	Stewarding the Environment > Responsible Supply Chain (Environmental), Page 99 Sustainability at OUE > Sustainability Governance, Page 86			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Stewarding the Environment > Responsible Supply Chain (Environmental), Page 99			

SUSTAINABILITY REPORT

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
FAIR EMPLOYMENT PRACTICES					
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening Social Fabric > Fair Employment Practices, Page 106 - 108 Sustainability at OUE > Sustainability Governance, Page 86			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	At a glance (Social), Page 102 Strengthening Social Fabric > Fair Employment Practices, Page 106 - 107			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Strengthening Social Fabric > Fair Employment Practices, Page 106 - 107			
	401-3 Parental leave	Strengthening Social Fabric > Fair Employment Practices, Page 106 - 107	Sub-requirement (d): Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. (e): Return to work and retention rates of employees that took parental leave, by gender.	Information incomplete	As this is the first year that OUE is collecting parental leave data, information regarding employees who are still employed 12 months after their return to work and retention rates will be fully available in the following year.

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
FAIR EMPLOYMENT PRACTICES					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	At a glance (Social), Page 104 Strengthening Social Fabric > Fair Employment Practices, Page 107 - 108			
	404-2 Programs for upgrading employee skills and transition assistance programs	Strengthening Social Fabric > Fair Employment Practices, Page 107 - 108			
	404-3 Percentage of employees receiving regular performance and career development reviews	Strengthening Social Fabric > Fair Employment Practices, Page 107 - 108			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	At a glance (Social), Page 103 - 104			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Strengthening Social Fabric > Fair Employment Practices, Page 107			

SUSTAINABILITY REPORT

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening Social Fabric > Health & Safety, Page 105 - 106 Sustainability at OUE > Sustainability Governance, Page 86			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Strengthening Social Fabric > Health & Safety, Page 105 - 106			
	403-2 Hazard identification, risk assessment, and incident investigation	Strengthening Social Fabric > Health & Safety, Page 105 - 106			
	403-3 Occupational health services	Strengthening Social Fabric > Health & Safety, Page 105 - 106			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Strengthening Social Fabric > Health & Safety, Page 105 - 106			
	403-5 Worker training on occupational health and safety	Strengthening Social Fabric > Health & Safety, Page 105 - 106			
	403-6 Promotion of worker health	Strengthening Social Fabric > Health & Safety, Page 105 - 106			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
HEALTH AND SAFETY					
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Strengthening Social Fabric > Health & Safety, Page 105 - 106			
	403-8 Workers covered by an occupational health and safety management system	Strengthening Social Fabric > Health & Safety, Page 105 - 106			
	403-9 Work-related injuries	At a glance (Social) Page 100 Strengthening Social Fabric > Health & Safety, Page 105 - 106			
	403-10 Work-related ill health	At a glance (Social) Page 100 Strengthening Social Fabric > Health & Safety, Page 105 - 106			
CREATING SOCIAL ECOSYSTEMS					
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening Social Fabric > Creating Social Ecosystems, Page 108 - 109 Sustainability at OUE > Sustainability Governance, Page 86			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Strengthening Social Fabric > Creating Social Ecosystems, Page 108 - 109			

SUSTAINABILITY REPORT

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
PRODUCT QUALITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening Social Fabric > Product Quality, Page 110 - 111 Sustainability at OUE > Sustainability Governance, Page 86			
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Strengthening Social Fabric > Product Quality, Page 110 - 111			
CYBER SECURITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	Building Trust > Cyber Security, Page 113 - 114 Sustainability at OUE > Sustainability Governance, Page 86			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Building Trust > Cyber Security, Page 113 - 114			
INNOVATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	Strengthening Social Fabric > Innovation, Page 109 - 110 Sustainability at OUE > Sustainability Governance, Page 86			
GRI Sector Disclosures: Construction and Real Estate	CRE8 Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	Strengthening Social Fabric > Innovation, Page 109 - 110			

FINANCIAL STATEMENTS

OTHER INFORMATION

DIRECTORS' STATEMENT

Year ended 31 December 2022

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 141 to 258 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 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, 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:

Stephen Riady
Christopher James Williams
Lim Boh Soon
Kelvin Lo Kee Wai
Sin Boon Ann
Kin Chan
Goh Min Yen
Brian Riady

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the financial year		Holdings at end of the financial year	
	Stephen Riady	Kin Chan	Stephen Riady	Kin Chan
Deemed Interest				
The Company				
OUE Limited				
- ordinary shares	618,916,410	618,916,410	618,916,410	618,916,410

DIRECTORS' STATEMENT

Year ended 31 December 2022

Name of director and corporation in which interests are held	Holdings at beginning of the financial year		Holdings at end of the financial year	
	Stephen Riady	Kin Chan	Stephen Riady	Kin Chan
Deemed Interest				
Related Corporations				
Lippo ASM Asia Property Limited				
- Class A Shares	400	400	400	400
- Class B Shares	200	–	200	–
- Class C Shares	–	200	–	200
Fortune Crane Limited				
- ordinary shares	45,932	45,932	45,932	45,932
Golden Concord Asia Limited				
- ordinary shares	1,000	1,000	1,000	1,000
OUE Realty Pte. Ltd.				
- ordinary shares	50,000,000	50,000,000	50,000,000	50,000,000
First REIT Management Limited				
- ordinary shares	1,000,000	1,000,000	1,000,000	1,000,000
OUE Lippo Healthcare Limited				
- ordinary shares	3,126,400,252	3,126,316,752	3,126,316,752	3,126,316,752
Health Kind International Limited				
- ordinary shares	19,125,765	19,125,765	19,125,765	19,125,765
Health Kind International (Shanghai) Co., Ltd.				
- registered capital (USD)	2,000,000	2,000,000	2,000,000	2,000,000
Shanghai Yi Lin Medical Management Consulting Co., Ltd				
- registered capital (RMB)	1,200,000	1,200,000	1,200,000	1,200,000
Wuxi Lippo Xi Nan Hospital Co., Ltd				
- registered capital (RMB)	7,476,714	7,476,714	7,476,714	7,476,714

Except as disclosed in this statement, no director who held office at the end of the financial year 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 at the end of the financial year.

There were no changes in any of the above mentioned 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 whose objects are, or one of whose objects is, to enable 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

Year ended 31 December 2022

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 granted by the Company or its subsidiaries as at the end of the financial year.

AUDIT COMMITTEE

The Audit Committee comprises three non-executive Directors, two of whom are independent. The members of the Audit Committee during the year and as at the date of this statement are:

Kelvin Lo Kee Wai	(Chairman)
Lim Boh Soon	
Kin Chan	

The Audit Committee carried out its functions in accordance with Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee has 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 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 given by the Company's officers to the Audit Committee, the internal auditors and external auditors, where applicable;
- 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 Listing Manual).

DIRECTORS' STATEMENT

Year ended 31 December 2022

The Audit 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 Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee has conducted an annual review of the non-audit services provided by KPMG LLP and is satisfied that such services did not affect their independence as external auditors of the Company.

The Audit Committee 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 the auditors of the Company, subsidiaries and significant associated companies, the Group has complied with Rules 712 and 715 of the SGX Listing Manual.

AUDITORS

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

On behalf of the Board of Directors

Christopher James Williams
Deputy Chairman and
Non-Executive Non-Independent Director

Brian Riady
Deputy Chief Executive Officer and
Executive Director

31 March 2023

Members of the Company
OUE Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of OUE Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and 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 141 to 258.

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
(Refer to note 21 to the financial statements)

Risks

The Group has a portfolio of investment properties mainly in Singapore, Indonesia, Japan, and the People's Republic of China (the "PRC") with a carrying value of $5.4 billion as at 31 December 2022. Investment properties represent the most significant asset item on the statement of financial position. The Group's accounting policy is to state the investment properties at their fair values, which are based on independent external valuations.

The valuation reports obtained from certain external valuers have included market uncertainty clauses, highlighting that real estate markets have been impacted by a combination of global inflationary pressure, rising interest rate environment, geopolitical events in Ukraine and ongoing effects of COVID-19. The external valuers cautioned users to be more prudent in determining the relevancy between valuation reports and their needs, and have recommended to keep the valuation properties under frequent review.

INDEPENDENT AUDITORS' REPORT
Year ended 31 December 2022

The process for determining fair values of the properties involves significant judgement in determining the methods to be used and estimating the underlying assumptions to be applied. The valuations are sensitive to key assumptions applied and a change in key assumptions could have a significant impact.

Our response

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

We considered the valuation methods used, which included the discounted cash flow method, capitalisation method, direct comparison method and residual value method, against those generally applied for similar property types. We also involved our internal valuation specialists to assist us in the assessment of certain key assumptions of certain properties. We assessed the reasonableness of the key assumptions used in the valuations which included a comparison of the discount rates, terminal yield rates, capitalisation rates and price per square foot/metre, against historical trends and available industry data, taking into consideration comparability and market factors, as well as how the implications of the market uncertainty were considered in the valuations.

We also considered adequacy of disclosures in the financial statements in respect of estimation uncertainty and judgement applied.

Our findings

We are satisfied with the competency and objectivity of the external valuers. The valuers are members of professional bodies for valuers and have considered their own independence in carrying out their work.

The valuation methods used by the valuers were comparable to methods used for similar property types by other valuers and key assumptions were generally within range of available industry data. Where assumptions were outside the expected range, additional factors considered by the valuers were noted to be consistent with other corroborative evidence.

We also found the disclosures in the financial statements to be appropriate in their description of judgement inherent in key assumptions used in the valuations, including the inter-relationship between key unobservable inputs and their fair values.

Impairment of property, plant and equipment
(Refer to note 22 to the financial statements)

Risks

Property, plant and equipment of the Group with a total carrying amount of $1.8 billion as at 31 December 2022 include two hotel properties in Singapore. These properties, which are stated at cost less accumulated depreciation and accumulated impairment losses, are subject to an annual review to assess whether there is an indication that they may be impaired. Where indicators of impairment are identified, the recoverable amount of the property is estimated at the higher of value-in-use or fair value less cost to sell. Impairment losses recognised in prior periods are also 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 favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

The Group has determined the recoverable amount using the fair value less cost to sell and engaged external independent valuers to estimate the recoverable amounts of the respective properties based on their market values.

The process for determining recoverable amounts of the properties involves significant judgement in determining the methods to be used and estimating the underlying assumptions to be applied. The valuations are sensitive to the key assumptions applied and a change in key assumptions could have a significant impact.

Our response

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

We considered the valuation methods used, which included the discounted cash flow method and direct comparison method, against those generally applied for similar property types. We assessed the reasonableness of the key assumptions used in the valuations which included a comparison of the discount rates, terminal yield rates and price per hotel room, against historical trends and available industry data, taking into consideration comparability and market factors, as well as how the implications of the market uncertainty were considered in the valuations.

We also considered adequacy of disclosures in the financial statements in respect of estimation uncertainty and judgement applied.

Our findings

We are satisfied with the competency and objectivity of the external valuers. The valuers are members of professional bodies for valuers and have considered their own independence in carrying out their work.

The valuation methods used by the valuers were comparable to methods used for similar property types by other valuers and key assumptions were generally within range of available industry data. Where assumptions were outside the expected range, additional factors considered by the valuers were noted to be consistent with other corroborative evidence.

We also found the disclosures in the financial statements to be appropriate in their description of judgement inherent in key assumptions used in the valuations, including the inter-relationship between key unobservable inputs and their fair values.

Litigations, claims and other contingencies
(Refer to note 36 to the financial statements)

Risk

The Group's subsidiary, OUE Lippo Healthcare Limited ("OUELH") and its subsidiaries ("OUELH Group"), was involved in several on-going litigations and claims. 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, which can potentially affect the amount of provision required.

INDEPENDENT AUDITORS' REPORT
Year ended 31 December 2022

Our response

We assessed the reasonableness of management's basis for provisions made in relation to on-going litigations and claims. We held discussions with management and the external legal counsel engaged by OUELH Group. 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 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.

Accounting for business acquisition
(Refer to note 41 to the financial statements)

Risk

On 1 March 2022, OUELH Group transferred its 100% direct interest in subsidiaries, OUELH Japan Medical Facilities Pte. Ltd., which owns 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's units and $14.5 million in cash.

Management assessed that the transaction is within scope of SFRS(I) 3 *Business Combinations* (SFRS(I) 3). First REIT, an associate prior to the transaction, became a consolidated subsidiary of the Group on 1 March 2022. The Group recognised $35.6 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 consideration received. On consolidation of First REIT, the Group recorded $35.4 million bargain purchase gain in the profit or loss, arising from higher fair value of identifiable assets and liabilities assumed compared to fair value of interests in First REIT acquired.

Significant judgement is involved in assessing the accounting for acquisition of business due to the size and complexity of the transaction. There were judgements and estimates used in determining fair values of identifiable assets and liabilities assumed as part of the purchase price allocation (PPA), and in determining the fair value of consideration in exchange for the acquisition.

Our response

We evaluated management's basis for accounting of the acquisition by reviewing sale and purchase agreements.

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

- appropriateness and reasonableness of the methodology, judgements and key assumptions used, as well as fair value of purchase consideration; and
- completeness in identification of acquired intangible assets and contingent liabilities.

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

Our findings

We found the acquisition to be accounted in accordance with relevant financial reporting standards.

We found the methodology and key assumptions used in determining fair values of identifiable assets and liabilities acquired, and the purchase consideration to be appropriate.

We found the disclosures of the transaction in the financial statements to be adequate.

Valuation of interest in an equity-accounted investee
(Refer to note 19 to the financial statements)

Risks

The Group has investment in equity-accounted investees of S$1.5 billion as at 31 December 2022 which accounted for approximately 16% of its total assets. A significant portion of this investment was in a material associate, Gemdale Properties and Investment Corporation Limited ("GPI") that is listed on the Hong Kong stock exchange, with a carrying amount of $1.1 billion.

During the year, GPI's business was adversely impacted by the property sector slowdown in the People's Republic of China where it operates. GPI's share price was also affected as with other listed property counters in Hong Kong. Management identified the aforementioned as impairment indicators and performed impairment assessment on the Group's investment in GPI.

Management has determined the recoverable amount of the Group's investment in GPI to approximate its share of the underlying net assets of GPI.

Significant judgement is involved in the estimation of the recoverable amount of GPI, particularly around estimating the valuation of investment properties and net realisable value of the development properties held by GPI.

Our response

We evaluated management's assessment for indication of possible impairment for GPI and assessed the reasonableness of key assumptions and judgement used in assessing the recoverable amount.

Our findings

We found the identification of impairment indicators to be appropriate. We found the key assumptions and judgement used by management in ascertaining recoverable amount of the Group's investment in GPI to be balanced.

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.

INDEPENDENT AUDITORS' REPORT
Year ended 31 December 2022

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 of the Group, or has no realistic alternative but to do so.

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

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

Year ended 31 December 2022

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 law or regulation precludes 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 Koh Wei Peng.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2023

CONSOLIDATED STATEMENT OF **PROFIT OR LOSS** AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Revenue	4	491,120	300,806
Cost of sales		(204,822)	(144,506)
Gross profit		286,298	156,300
Marketing expenses		(6,508)	(3,760)
Administrative expenses		(77,552)	(63,735)
Other operating expenses		(13,961)	(7,254)
Share of results of equity-accounted investees, net of tax		156,957	231,868
		345,234	313,419
Finance expenses	7	(126,305)	(110,170)
Finance income	8	32,718	7,263
Other gains/(losses) – net	9	149,500	(72,309)
Profit before tax		401,147	138,203
Tax expense	10	(53,878)	(36,495)
Profit after tax		347,269	101,708
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign operations:			
- currency translation differences		(147,239)	26,204
Share of other comprehensive income of equity-accounted investees:			
- currency translation differences		(141,340)	51,899
- other reserves		3,820	–
Cash flow hedges:			
- effective portion of changes in fair value of cash flow hedges		7,811	11,352
- hedging reserve reclassified to profit or loss		2,025	20,740
		(274,923)	110,195
Items that will not be reclassified subsequently to profit or loss:			
Share of other reserves of an equity-accounted investee		651	(4,220)
Net change in fair value of investments at fair value through other comprehensive income, net of tax		(102,408)	(4,946)
		(101,757)	(9,166)
Other comprehensive income, net of tax		(376,680)	101,029
Total comprehensive income for the year		(29,411)	202,737
Profit attributable to:			
Owners of the Company		189,857	80,943
Perpetual securities holders		2,093	–
Non-controlling interests		155,319	20,765
		347,269	101,708
Total comprehensive income attributable to:			
Owners of the Company		(115,144)	156,083
Perpetual securities holders		2,093	–
Non-controlling interests		83,640	46,654
		(29,411)	202,737
Earnings per share for profit attributable to the owners of the Company			
Basic earnings per share (cents)	11	21.98	9.23
Diluted earnings per share (cents)	11	21.98	9.21

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

STATEMENTS OF **FINANCIAL POSITION**

As at 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Assets					
Cash and cash equivalents	12	327,846	518,858	121,614	233,529
Trade and other receivables	13	64,249	64,250	978,445	1,109,479
Inventories	14	1,659	892	179	95
Other investments	15	52,664	81,090	–	–
Development properties	16	37,967	27,530	–	–
Other assets	17	101,235	115,783	47,162	12,800
Loans to subsidiaries	20	–	–	912,430	1,118,194
Derivative assets	28	6,390	–	–	–
Current assets		592,010	808,403	2,059,830	2,474,097
Intangible assets and goodwill	18	58,394	30,676	–	–
Interests in equity-accounted investees	19	1,521,522	1,668,203	–	–
Investments in subsidiaries	20	–	–	967,494	808,235
Loan to a subsidiary	20	–	–	13,348	–
Other investments	15	119,032	297,404	–	–
Other assets	17	5,593	4,847	907	769
Investment properties	21	5,404,659	4,568,462	–	–
Property, plant and equipment	22	1,760,752	1,651,297	602,545	626,823
Deferred tax assets	23	2,047	1,247	3,255	2,405
Derivative assets	28	23,059	960	222	–
Non-current assets		8,895,058	8,223,096	1,587,771	1,438,232
Total assets		9,487,068	9,031,499	3,647,601	3,912,329
Liabilities					
Trade and other payables	24	179,139	145,500	124,280	80,250
Borrowings	25	578,643	418,781	–	10,000
Provision	26	24,656	23,775	–	–
Loans from subsidiaries	20	–	–	301,412	507,620
Current tax liabilities		87,363	72,076	5,162	5,137
Deferred income	27	3,439	682	–	–
Lease liabilities	29	6,456	6,172	26,473	25,856
Derivative liabilities	28	494	1,545	–	–
Current liabilities		880,190	668,531	457,327	628,863
Borrowings	25	2,388,483	2,406,062	18,955	39,698
Deferred income	27	309	2,666	–	–
Deferred tax liabilities	23	145,009	143,849	–	–
Other payables	30	60,726	44,955	1,304	410
Lease liabilities	29	38,302	34,757	653,723	671,048
Provision	26	–	4,204	–	–
Derivative liabilities	28	–	7,077	–	–
Non-current liabilities		2,632,829	2,643,570	673,982	711,156
Total liabilities		3,513,019	3,312,101	1,131,309	1,340,019
Net assets		5,974,049	5,719,398	2,516,292	2,572,310
Equity					
Share capital	31	470,546	634,852	470,546	634,852
Other reserves	32	(252,625)	(69,233)	(16,179)	(148,016)
Accumulated profits	33	3,470,549	3,284,337	2,061,925	2,085,474
Equity attributable to owners of the Company		3,688,470	3,849,956	2,516,292	2,572,310
Perpetual securities		33,282	–	–	–
Non-controlling interests	34	2,252,297	1,869,442	–	–
Total equity		5,974,049	5,719,398	2,516,292	2,572,310

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						
	Share capital $'000	**Other reserves $'000**	**Accumulated profits $'000**	**Total $'000**	**Perpetual securities $'000**	**Non-controlling interests $'000**	**Total equity $'000**
At 1 January 2022	634,852	(69,233)	3,284,337	3,849,956	–	1,869,442	5,719,398
Total comprehensive income for the year							
Profit for the year	–	–	189,857	189,857	2,093	155,319	347,269
Other comprehensive income							
Foreign operations:							
- currency translation differences	–	(68,188)	–	(68,188)	–	(79,051)	(147,239)
Share of other comprehensive income of equity-accounted investees:							
- currency translation differences	–	(141,340)	–	(141,340)	–	–	(141,340)
- other reserves	–	2,499	–	2,499	–	1,972	4,471
Net change in fair value of investments at fair value through other comprehensive income, net of tax	–	(102,408)	–	(102,408)	–	–	(102,408)
Cash flow hedges:							
- effective portion of changes in fair value of cash flow hedges	–	3,526	–	3,526	–	4,285	7,811
- hedging reserve reclassified to profit or loss	–	910	–	910	–	1,115	2,025
Total other comprehensive income, net of tax	–	(305,001)	–	(305,001)	–	(71,679)	(376,680)
Total comprehensive income for the year	–	(305,001)	189,857	(115,144)	2,093	83,640	(29,411)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Note	Share capital $'000	Other reserves $'000	Accumulated profits $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
		Attributable to owners of the Company						
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Own shares acquired		–	(32,469)	–	(32,469)	–	–	(32,469)
Cancellation of treasury shares	32	(164,306)	164,306	–	–	–	–	–
Dividends paid	35	–	–	(17,303)	(17,303)	–	(97,866)	(115,169)
Redemption of perpetual securities		–	–	2,618	2,618	(26,980)	5,240	(19,122)
Distribution to perpetual securities holders		–	–	–	–	(1,482)	–	(1,482)
Total contributions by and distributions to owners		(164,306)	131,837	(14,685)	(47,154)	(28,462)	(92,626)	(168,242)
Changes in ownership interests in subsidiaries								
Acquisition of subsidiaries		–	–	–	–	59,651	314,264	373,915
Changes in ownership interests in subsidiaries without a change in control	42	–	2,577	6,901	9,478	–	77,577	87,055
Total changes in ownership interests in subsidiaries		–	2,577	6,901	9,478	59,651	391,841	460,970
Total transactions with owners		(164,306)	134,414	(7,784)	(37,676)	31,189	299,215	292,728
Share of reserves of an equity-accounted investee		–	(7,249)	(1,417)	(8,666)	–	–	(8,666)
Transfer from fair value reserve to accumulated profits	32	–	(5,556)	5,556	–	–	–	–
At 31 December 2022		470,546	(252,625)	3,470,549	3,688,470	33,282	2,252,297	5,974,049

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Share capital $'000	Other reserves $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company					
At 1 January 2021	693,315	(192,877)	3,239,566	3,740,004	1,916,810	5,656,814
Total comprehensive income for the year						
Profit for the year	–	–	80,943	80,943	20,765	101,708
Other comprehensive income						
Foreign operations:						
- currency translation differences	–	17,422	–	17,422	8,782	26,204
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	–	51,899	–	51,899	–	51,899
- other reserves	–	(4,220)	–	(4,220)	–	(4,220)
Net change in fair value of investments at fair value through other comprehensive income, net of tax	–	(4,946)	–	(4,946)	–	(4,946)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	–	5,372	–	5,372	5,980	11,352
- hedging reserve reclassified to profit or loss	–	9,613	–	9,613	11,127	20,740
Total other comprehensive income, net of tax	–	75,140	–	75,140	25,889	101,029
Total comprehensive income for the year	–	75,140	80,943	156,083	46,654	202,737

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Note	Share capital $'000	Other reserves $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		Attributable to owners of the Company					
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Own shares acquired		–	(13,864)	–	(13,864)	–	(13,864)
Redemption of convertible bonds		–	(4,641)	4,626	(15)	–	(15)
Cancellation of treasury shares	32	(58,463)	58,463	–	–	–	–
Dividends paid	35	–	–	(17,525)	(17,525)	(80,655)	(98,180)
Total contributions by and distributions to owners		(58,463)	39,958	(12,899)	(31,404)	(80,655)	(112,059)
Changes in ownership interests in subsidiaries							
Changes in ownership interests in subsidiaries without a change in control	42	–	–	(14,332)	(14,332)	(13,367)	(27,699)
Total changes in ownership interests in subsidiaries		–	–	(14,332)	(14,332)	(13,367)	(27,699)
Total transactions with owners		(58,463)	39,958	(27,231)	(45,736)	(94,022)	(139,758)
Share of reserves of an equity-accounted investee		–	14,064	(14,459)	(395)	–	(395)
Transfer from fair value reserve to accumulated profits	32	–	(5,518)	5,518	–	–	–
At 31 December 2021		634,852	(69,233)	3,284,337	3,849,956	1,869,442	5,719,398

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	2022 $'000	2021 $'000
Cash flows from operating activities		
Profit after tax	347,269	101,708
Adjustments for:		
Depreciation for property, plant and equipment	52,313	51,070
Reversal of provision for site restoration	(910)	–
Impairment loss on a development property	2,282	–
Impairment loss on interests in an equity-accounted investee	5,000	–
Negative goodwill arising from the acquisition of additional interests in an equity-accounted investee	(43,808)	–
Reversal of provision for legal and related expenses	–	(5,000)
Adjustments on rental straight lining	(21,939)	–
Net change in fair value of investment properties	(32,964)	(13,290)
Net change in fair value of investments designated at fair value through profit or loss	(3,196)	(20,511)
Net loss arising from change in accounting treatment of an equity-accounted investee	224	–
(Writeback of impairment loss)/impairment loss on property, plant and equipment	(76,639)	106,129
Impairment loss on trade and other receivables	180	258
Bad debts written off	160	–
Loss on disposal of a subsidiary	511	–
(Gain)/Loss on disposal of property, plant and equipment	(99)	195
Gain on redemption of convertible bonds	–	(19)
Finance expenses	126,305	110,170
Finance income	(32,718)	(7,263)
Share of results of equity-accounted investees, net of tax	(156,957)	(231,868)
Tax expense	53,878	36,495
	218,892	128,074
Changes in:		
- trade and other receivables and other assets	23,070	58,478
- inventories	(767)	(216)
- development properties	883	1,494
- trade and other payables and provision	(5,333)	(36,647)
- deferred income	400	(3,571)
Cash generated from operations	237,145	147,612
Tax paid	(40,458)	(16,770)
Net cash from operating activities	196,687	130,842

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 interests in equity-accounted investees		(67,373)	(58,533)
Acquisition of other investments		(4,542)	(209,628)
Additions to property, plant and equipment		(54,846)	(74,408)
Additions to investment properties		(36,852)	(9,083)
Dividends from:			
- equity-accounted investees, net of tax		75,213	82,109
- other investments, net of tax		496	487
Interest received		6,471	2,300
Loans to equity-accounted investees		–	(12,517)
Proceeds from repayment of loans from equity-accounted investees		13,064	4,047
Proceeds from sale of other investments		93,480	38,616
Proceeds from sale of investment properties		–	950,634
Acquisition of subsidiaries, net of cash acquired		39,845	–
Proceeds from disposal of interests in subsidiaries, net of cash disposed		37,954	–
Proceeds from disposal of property, plant and equipment		104	104
Net cash from investing activities		103,014	714,128
Cash flows from financing activities			
Acquisition of non-controlling interests		–	(27,659)
Dividends paid		(115,169)	(98,180)
Finance expense paid	25	(120,322)	(97,799)
Proceeds from borrowings	25	1,754,816	1,273,173
Repayment of borrowings	25	(1,939,030)	(1,919,101)
Principal repayment of leases	25	(6,771)	(4,286)
Redemption of perpetual securities		(19,122)	–
Distribution to perpetual securities holders		(1,482)	–
Repurchase of own shares	31	(32,469)	(13,864)
Changes in pledged deposits		29,503	7,955
Net cash used in financing activities		(450,046)	(879,761)
Net decrease in cash and cash equivalents		(150,345)	(34,791)
Cash and cash equivalents at 1 January		487,901	520,615
Effect of exchange rate fluctuations on cash held		(11,164)	2,077
Cash and cash equivalents at 31 December	12	326,392	487,901

Significant non-cash transactions

In prior years, the Group had entered into an IDR138,800,000,000 (approximately $13,186,000) unquoted exchangeable bonds subscription agreement with a third party (the "Bond Issuer"). During the year, the exchangeable bonds were redeemed via the acquisition of a land parcel from the Bond Issuer for a consideration of IDR157,214,000,000 (approximately $14,936,000), with IDR18,414,000,000 (approximately $1,750,000) settled in cash.

In 2021, the sale of an investment property held for sale as at 31 December 2020 to a joint venture was completed for a total consideration of $1,267,512,000, comprising a cash consideration of $950,634,000 and a contribution in kind of $316,878,000 to the joint venture.

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 31 March 2023.

1 DOMICILE AND ACTIVITIES

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

The principal activities of the Company are those of hospitality services, property investment and investment holding. The principal activities of its significant subsidiaries are set out in note 43 to the financial statements.

The consolidated financial statements 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 OUE Realty Pte. Ltd., a company incorporated in Singapore. The ultimate holding company is Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands.

2 BASIS OF PREPARATION

2.1. Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s").

2.2. Basis of measurement

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

2.3. 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 has been rounded to the nearest thousand, unless otherwise stated.

2.4. 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.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

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 21 Classification of investment properties under development
- Note 43 Assessment of ability to control over partly owned investments

Information about assumptions and estimation uncertainties at the reporting date 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:

- Note 18 Impairment testing of intangible assets: key assumptions underlying recoverable amounts
- Note 19 Determination of recoverable amount of interests in equity-accounted investees
- Note 21 Determination of fair value of investment properties
- Note 22 Determination of recoverable amount of property, plant and equipment
- Note 36 Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 41 Acquisition of subsidiaries: fair value of the consideration transferred (including 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. This includes a team that regularly reviews significant unobservable inputs and valuation adjustments and reports to the Group Chief Financial Officer who has overall responsibility for all significant fair value measurements. If third party information, such as broker quotes or independent valuers' report, is used to measure fair values, then the 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 Committee.

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.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values (cont'd)

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 21 Investment properties
- Note 38 Financial instruments

2.5. 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) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

3.1. 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 3.1 (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 consideration transferred (generally measured at fair value); plus
- the recognised amount of any non-controlling interest ("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 measured at 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

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 for each business combination. 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.

(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 consolidated financial statements of the Group's controlling shareholder. 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, the Group 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.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. 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 associates and joint ventures are accounted for using the equity method. They are initially recognised 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.

(vi) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) 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.

(viii) Subsidiaries, associates and joint ventures in the separate financial statements

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

3.2 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

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 generally recognised in profit or loss and presented within finance costs/income. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an equity investment 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; and
- qualifying cash flow hedges to the extent that the hedges are effective.

(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 the dates of the transactions.

Foreign currency differences are recognised in OCI. 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 translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 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.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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 (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) 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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

The estimated annual rates used for the current and comparative years are as follows:

	%
Leasehold improvements	$3^1/_2 - 33^1/_3$
Freehold premises	2
Plant, machinery and office equipment	$5 - 33^1/_3$
Furniture and fittings	$10 - 33^1/_3$
Motor vehicles	10 – 25

Leasehold land and buildings are depreciated evenly over the lease period ranging from 16 years to 64 years. Construction and renovation in progress are not depreciated.

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

3.4 Intangible assets and goodwill

(i) Goodwill

Goodwill arising from acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, refer to note 3.1(i).

Goodwill is subsequently measured at cost less accumulated impairment losses. In respect of associates 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 associates and joint ventures.

(ii) Medical distribution licences

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

(iii) Management rights

Management rights acquired is initially recognised at cost and subsequently measured at cost less accumulated impairment losses, if any. The useful life of the management rights is estimated to be indefinite as management believes there is no foreseeable limit to the period over which management rights is expected to generate net cash inflows for the Group.

(iv) 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, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Intangible assets and goodwill (cont'd)

(v) 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 and intangible assets that have indefinite useful lives, from the date they are available for use. The estimated useful lives for medical distribution licences are 5 years.

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

3.5 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Investment properties include properties that are being constructed or developed for future use as investment properties.

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

Any gain or loss on disposal of an investment property (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 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 a 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.

Property that is being constructed for future use as investment property is accounted for at fair value.

Transfers to, or from, investment properties are made where there is a change in intent and use, evidenced by:
- development with a view to sell, for a transfer from investment properties to development properties for sale;
- commencement of leasing activities and/or capital appreciation for a transfer from development properties for sale to investment properties;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 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.

(i) 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 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.

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.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

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 or if the Group changes its assessment of whether it will exercise the 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 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 "Lease liabilities" in the statement of financial position.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

(i) As a lessee (cont'd)

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.

Covid-19 related rent concessions

The Group has applied *Covid-19-Related Rent Concessions and Covid-19 Related Rent Concessions beyond 30 June 2021* (Amendments to SFRS(I) 16). The Group applied the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

(ii) 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.

The Group leases out its investment properties and has classified these leases as operating leases.

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

3.7 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-down to net realisable value is presented as allowance for impairment losses.

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method or first-in first-out allocation 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.

3.9 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued 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, or minus, 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, subsequent measurement and gain and losses

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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.

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.

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.

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (cont'd)

(ii) Classification, subsequent measurement and gain and losses (cont'd)

Non-derivative financial assets (cont'd)

Debt investments at FVOCI

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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.

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.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above 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.

Financial assets: Business model assessment

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;

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (cont'd)

(ii) Classification, subsequent measurement and gain and losses (cont'd)

Financial assets: Business model assessment (cont'd)

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; 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.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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 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 compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

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.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (cont'd)

(ii) Classification, subsequent measurement and gain and losses (cont'd)

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses (cont'd)

Other financial liabilities (i.e. borrowings (excluding convertible bonds) and trade and other payables) 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 either substantially all of the risks and rewards of ownership of the financial asset are transferred or 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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (cont'd)

(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.

Pledged deposits are excluded for the purpose of the statement of cash flows. Cash and cash equivalents comprise cash balances and deposits with financial institutions which are subject to an insignificant risk of changes in their fair values.

(vi) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its 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.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. A similar exception is also provided for a discontinued cash flow hedging relationship.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the contractual cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

Hedges directly affected by interest rate benchmark reform (cont'd)

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. 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.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by using an approach other than changing the basis for determining the contractual cash flows of the hedging instrument;
- the chosen approach is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group also amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(vii) Convertible bonds

Convertible bonds that 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 are accounted for as compound financial instruments.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured. Interest related to the financial liability is recognised in profit or loss.

When the conversion option is exercised, the carrying amount of the liability and equity components will be transferred to the share capital. When the conversion option lapses, the carrying amount of the equity component will be transferred to accumulated profits.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) is allocated to the liability and equity components of the convertible bonds at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (cont'd)

(viii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new 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 *Income Taxes*.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Distribution of non-cash assets to owners of the Company

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed less costs to distribute. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(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 *Financial Instruments* and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers*.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

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. 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.

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).

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

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment (cont'd)

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

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 and debt investments at FVOCI 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 borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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) Associates and joint ventures

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 note 3.10(iii). 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.

(iii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than investment properties, inventories, development properties and deferred tax assets, 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment (cont'd)

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

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. 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, and then to reduce the carrying amounts of the other assets in the CGU on a *pro rata* basis.

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 an associate or joint venture 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.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities 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 the related services are rendered by the 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.

3.12 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.

(i) Provision for income guarantee

A provision for income guarantee is recognised when the Group enters into a contractual arrangement to make top-up payments for any shortfall of guaranteed rental amounts in respect of a property. The provision is measured at the present value of the payments expected to be made under the income guarantee arrangement.

(ii) Levies

A provision for levies is recognised when the condition that triggers the payment of the levy is specified in the relevant legislation is met.

3.13 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.

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue recognition (cont'd)

(i) Goods and services sold (cont'd)

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 POs if it relates specifically to those POs.

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

Rental income from operating leases on investment properties is recognised in profit or loss on a straight-line basis over the lease term. Contingent rentals are recognised as income in the accounting period in which they are earned. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

(iii) Property and fund management fee

Property management and fund administrative services are provided as a series of distinct goods or services that are substantially the same and transferred over time, either separately or in combination as an integrated offering, and are treated as a single PO. Accordingly, the property and fund management fee from property management and fund administrative services is recognised as the service is performed over time.

(iv) Hospitality revenue

Revenue from the rental of hotel rooms and other hotel facilities is recognised at the point when the services are rendered to the customer. Revenue from the sale of food and beverage is recognised at the point when the goods are delivered.

(v) Development properties for sale

The Group develops and sells residential development projects to customers through fixed-price contracts. Revenue is recognised when the control over a development property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue recognition (cont'd)

(v) Development properties for sale (cont'd)

Where a development property has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to date arising from the contractual terms, revenue is recognised over time by reference to the Group's progress towards completing the construction of the development property. The measure of progress is determined based on the stage of completion of construction certified by quantity surveyors. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of contracts where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised only when the completed property is delivered to the customer and the customer has accepted it in accordance with the sales contract.

Revenue is measured at the transaction price agreed under the contract entered into with customers. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced based on a payment schedule which is typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

(vi) Healthcare income

i) Rental income

Revenue from rental income from operating leases (net of any incentives given to the lessees) derived from nursing facilities is recognised on a straight-line basis over the lease term.

ii) Rendering services

Revenue from hospital and other healthcare services is recognised at the point when the services are rendered.

iii) Sale of medicine and medical equipment

Revenue from the sale of medicine and medical equipment is recognised at the point when the medicine and medical equipment are delivered to customers.

(vii) Consumer income

Revenue is recognised at a point in time following the timing of satisfaction of the PO, when food and beverages are delivered to customers. Revenue excludes service charges, goods and services taxes or other sales taxes and is arrived at after deductions of any discounts.

(viii) Dividend income

Dividend income is recognised in profit or loss when the right to receive payment is established.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss net of the related expenses on a systematic basis in the same 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.

3.15 Finance expenses and finance income

The Group's finance income and finance costs include:
- interest income;
- interest expense;
- foreign currency gain or loss on financial assets and financial liabilities;
- hedge ineffectiveness recognised in profit or loss;
- derivative gains or losses; and
- the reclassification of net gains and losses previously recognised in OCI on cash flow hedges of interest rate risk for borrowings.

Interest income or expense is recognised using the effective interest rate 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.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

3.16 Income 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, measured 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.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Tax (cont'd)

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.

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 relating to investments in subsidiaries, associates 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.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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 properties that are measured at fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale. 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 utilised. 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.

3.17 Dividends to the Company's shareholders

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 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 effects of all dilutive potential ordinary shares.

3.19 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 senior management whose members are responsible for making decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the senior management 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 (primarily the Company's headquarters), corporate expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and additions to investment properties.

3.20 New standards and interpretations not adopted

A number of new standards and amendments to standards are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 44.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

4 REVENUE

	Group 2022 $'000	Group 2021 $'000
Investment properties income	189,383	195,516
Hospitality income	142,623	57,581
Development properties income	2,704	1,701
Healthcare income	122,359	31,248
Consumer income	33,611	14,714
Others	440	46
	491,120	300,806

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

Timing of revenue recognition for products and services transferred*:

	2022 At a point in time $'000	2022 Over time $'000	2021 At a point in time $'000	2021 Over time $'000
Investment properties income	–	7,009	–	5,391
Hospitality income	141,489	–	57,581	–
Development properties income	2,704	–	1,701	–
Healthcare income	22,797	1,497	5,397	9,140
Consumer income	33,611	–	14,714	–
Others	440	–	46	–
	201,041	8,506	79,439	14,531

* Excluding rental income

Included in the Group's rental income is variable rent recognised of $2,590,000 (2021: $1,453,000). During the financial year, the Group has provided a total of $5,321,000 (2021: $8,676,000) COVID-19 pandemic relief measures as part of its tenant support measures via rental rebates and assistance schemes for eligible tenants affected during the period.

Government grants

In 2021, the Group was awarded two government grants in Singapore in response to the COVID-19 pandemic, comprising:

(i) $3,694,000 pertaining to a rental support programme, i.e. rental support scheme. The grant income was recognised in profit or loss in revenue; and

(ii) $10,063,000 pertaining to a wage subsidy programme, i.e. the Jobs Support Scheme. The grant income was recognised in profit or loss against the related wages of employees (note 6).

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

5 EXPENSES BY NATURE

	Note	Group 2022 $'000	Group 2021 $'000
Advertising and promotion expense		4,061	1,954
Bad debts recovered		–	(116)
Bad debts written off		160	–
Impairment loss on trade and other receivables	38	180	258
Depreciation of property, plant and equipment	22	52,313	51,070
Development costs included in cost of sales		2,141	1,488
Employee benefits	6	89,794	60,010
(Gain)/Loss on disposal of property, plant and equipment		(99)	195
Hospitality supplies and services		33,734	16,456
Healthcare supplies and services		12,671	2,065
Operating lease expense		2,935	2,115
Professional and legal services		10,316	12,715
Property tax		20,544	23,778
Reversal of provision for legal and related expenses	26	–	(5,000)
Repair and maintenance expense		22,952	20,786
Utility charges		11,868	7,887
Others		39,273	23,594
Total cost of sales, marketing, administrative and other operating expenses		302,843	219,255

6 EMPLOYEE BENEFITS

	Group 2022 $'000	Group 2021 $'000
Salaries, bonuses and other costs	82,260	53,829
Contributions to defined contribution plans	7,534	6,181
	89,794	60,010

Government grants relating to wage subsidies under the Jobs Support Scheme (note 4(ii)) were recognised against the related wages of the employees.

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

7 FINANCE EXPENSES

	Group 2022 $'000	Group 2021 $'000
Interest expense	97,154	85,088
Amortisation of transaction costs	22,213	12,316
Borrowing costs	119,367	97,404
Net foreign exchange loss	4,834	9,593
Unwinding of discount of non-current rental deposits	166	167
Finance expenses on lease liabilities	1,346	1,114
Hedging reserve transferred from equity due to discontinuation of hedge accounting	–	1,892
Net change in fair value of financial derivatives	592	–
	126,305	110,170

The above finance expenses include interest expense in respect of liabilities not at fair value through profit or loss of $117,237,000 (2021: $75,686,000).

8 FINANCE INCOME

	Group 2022 $'000	Group 2021 $'000
Interest income:		
- bank deposits	3,676	1,793
- investments in debt securities	912	1,199
- loan to a related company	571	569
- loan to a third party	1,050	95
	6,209	3,656
Ineffective portion of changes in fair value of cash flow hedges	2,177	1,364
Net change in fair value of financial derivatives	1,778	1,756
Hedging reserve transferred from equity due to discontinuation of hedge accounting	22,058	–
Dividend income	496	487
	32,718	7,263

The above finance income includes interest income in respect of assets not at fair value through profit or loss of $6,209,000 (2021: $3,656,000).

9 OTHER GAINS/(LOSSES) – NET

	Note	Group 2022 $'000	2021 $'000
Net change in fair value of investments designated at FVTPL		3,196	20,511
Impairment loss on a development property	16	(2,282)	–
Impairment loss on interests in an equity-accounted investee	19	(5,000)	–
Negative goodwill arising from the acquisition of additional interests in an equity-accounted investee	19	43,808	–
Net change in fair value of investment properties	21	32,964	13,290
Reversal of impairment loss/ (impairment loss) on property, plant and equipment	22	76,639	(106,129)
Reversal of provision for site restoration	26	910	–
Gain on redemption of convertible bonds		–	19
Net loss arising from the acquisition of a subsidiary previously held as an equity-accounted investee	41	(224)	–
Loss on disposal of a subsidiary	41	(511)	–
		149,500	(72,309)

10 TAX EXPENSE

	Group 2022 $'000	2021 $'000
Tax recognised in profit or loss		
Current tax expense		
Current year	24,660	18,181
Underprovision in respect of prior years	24,277	24,177
	48,937	42,358
Withholding tax	5,778	1,143
Deferred tax expense		
Origination and reversal of temporary differences	505	(2,131)
Overprovision in respect of prior years	(1,342)	(4,875)
	(837)	(7,006)
	53,878	36,495

10 TAX EXPENSE (CONT'D)

	Group 2022 $'000	2021 $'000
Reconciliation of effective tax rate		
Profit before tax	401,147	138,203
Less:		
Share of results of equity-accounted investees, net of tax	(156,957)	(231,868)
	244,190	(93,665)
Tax using the Singapore tax rate of 17% (2021: 17%)	41,512	(15,923)
Effect of tax rates in foreign jurisdictions	1,072	1,617
Non-deductible expenses	18,352	31,052
Income not subject to tax	(47,980)	(13,678)
Effect of taxable distribution from subsidiaries	6,958	8,066
Singapore statutory stepped income exemption	(189)	(186)
Current tax losses for which no deferred tax assets are recognised	1,942	2,209
Change in unrecognised deductible temporary differences	(3)	2
Effect of tax losses not available for carry forward	3,501	2,891
Underprovision in respect of prior years	22,935	19,302
Withholding tax	5,778	1,143
Tax expense	53,878	36,495

11 EARNINGS PER SHARE

The calculation of basic earnings per share was based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, adjusted for own shares held.

	Group 2022 $'000	2021 $'000
Profit attributable to owners of the Company	189,857	80,943

Weighted average number of ordinary shares

	Group 2022 '000	2021 '000
Issued ordinary shares at 1 January	872,031	882,763
Effect of own shares held	(8,302)	(5,460)
Weighted average number of ordinary shares during the year	863,729	877,303
Basic earnings per share (cents per share)	21.98	9.23

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

11 EARNINGS PER SHARE (CONT'D)

The calculation of diluted earnings per share was based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for own shares held and the effects of all dilutive potential ordinary shares.

Profit attributable to owners of the Company (diluted)

	Group	
	2022 $'000	2021 $'000
Profit attributable to owners of the Company (basic)	189,857	80,943
Interest expense on convertible bonds	–	1,580
Amortisation of transaction costs related to convertible bonds	–	276
Profit attributable to owners of the Company (diluted)	189,857	82,799

The convertible bonds were fully redeemed as at 31 December 2021.

Weighted average number of ordinary shares (diluted)

	Group	
	2022 '000	2021 '000
Weighted average number of ordinary shares (basic)	863,729	877,303
Effect of conversion of convertible bonds	–	22,040
Weighted average number of ordinary shares (diluted) during the year	863,729	899,343
Diluted earnings per share (cents per share)	21.98	9.21

12 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash at bank and on hand	210,688	397,413	37,083	179,746
Time deposits with financial institutions	117,158	121,445	84,531	53,783
	327,846	518,858	121,614	233,529
Deposits pledged	(1,454)	(30,957)		
Cash and cash equivalents in the statement of cash flows	326,392	487,901		

Deposits pledged relate to bank balances of subsidiaries pledged as security to obtain credit facilities (note 25).

Bank balances of $20,475,000 (2021: $19,563,000) are included as part of the floating charge for borrowings of the Group (note 25). This amount is included as part of cash and cash equivalents as the utilisation of these bank balances is not restricted.

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

13 TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivables:					
- Joint venture		1,560	1,942	–	–
- Subsidiaries		–	–	49,114	52,797
- Third parties		31,877	28,932	4,780	750
Trade receivables		33,437	30,874	53,894	53,547
Less: impairment loss					
- Third parties		(753)	(993)	–	(7)
Trade receivables - net		32,684	29,881	53,894	53,540
Promissory notes	(i)	31,565	34,369	–	–
Non-trade receivables:					
- Subsidiaries		–	–	1,158,359	1,221,029
Non-trade receivables		31,565	34,369	1,158,359	1,221,029
Less: impairment loss					
- Subsidiaries		–	–	(233,808)	(165,090)
Non-trade receivables - net		31,565	34,369	924,551	1,055,939
		64,249	64,250	978,445	1,109,479

The non-trade receivables due from subsidiaries are unsecured, interest-free and repayable on demand. Apart from the impairment loss on receivables from third parties and subsidiaries, there is no impairment loss on the other outstanding balances as the ECLs are not material.

The Company has non-trade receivables from its subsidiaries of $1,158,359,000 (2021: $1,221,029,000). These balances are amounts lent to subsidiaries to satisfy short term funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, the impairment on these balances has been measured at an amount equal to 12-month ECLs. The impairment loss amounted to $233,808,000 (2021: $165,090,000) as at 31 December 2022.

The exposure of the Group and Company to credit risk, market risk and impairment loss for trade and other receivables, are disclosed in note 38.

(i) Promissory notes

The promissory notes of IDR361,004,000,000 (approximately $31,565,000) (2021: approximately $34,369,000)) is expected to be utilised by way of acquisition of lands or properties.

14 INVENTORIES

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Food and beverage	821	595	179	95
Pharmacy supplies	92	269	–	–
Medical and surgical supplies	682	28	–	–
Others	64	–	–	–
	1,659	892	179	95

The cost of inventories recognised as expense and included in "Cost of sales" amounted to $22,564,000 (2021: $8,949,000).

15 OTHER INVESTMENTS

	Note	Group 2022 $'000	Group 2021 $'000
Current			
Financial assets designated at amortised cost:			
- Debt investments	(i)	2,495	2,500
Financial assets designated at FVOCI:			
- Interests in limited partnerships		2,138	–
Financial assets designated at FVTPL:			
- Equity investments - quoted		3,122	38,881
- Mutual funds		44,909	39,709
		52,664	81,090
Non-current			
Financial assets designated at amortised cost:			
- Debt investments	(i)	–	64,059
Financial assets designated at FVOCI:	(ii)		
- Equity investments:			
- Quoted		40,342	118,989
- Unquoted		13,835	11,953
- Interests in limited partnerships		64,855	102,403
		119,032	297,404

(i) The debt investments at amortised costs are denominated in Singapore Dollar (2021: Singapore Dollar and Indonesian Rupiah) and will mature in 2023 (2021: 2022 and 2023). The debt investments denominated in Singapore Dollar bear interests ranging from 2.25% to 6.96% (2021: 2.25% to 3.21%) per annum.

(ii) The Group has elected to present changes in fair value in OCI for these equity investments and interests in limited partnerships that are not held-for-trading.

The exposure of the Group to credit risk, market risk and fair value measurement, are disclosed in note 38.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

16 DEVELOPMENT PROPERTIES

	Group 2022 $'000	Group 2021 $'000
Completed development property		
Completed property	27,709	30,438
Less: Impairment loss	(2,468)	(2,908)
	25,241	27,530
Land held for development		
Land cost	14,860	–
Less: Impairment loss	(2,134)	–
	12,726	–
	37,967	27,530

The movement in allowance for impairment in respect of the development properties is as follows:

	Note	Group 2022 $'000	Group 2021 $'000
At 1 January		2,908	3,087
Impairment loss	9	2,282	–
Utilised		(440)	(179)
Effects of movements in exchange rates		(148)	–
At 31 December		4,602	2,908

Measurement of net realisable values of development properties

The Group estimates the net realisable values of the completed development property and land held for development by reference to recent transacted prices for comparable properties or lands, market conditions, expected selling expenses and the development expenditure incurred. Market conditions may however change which may affect the future selling prices of the remaining unsold units of the development property and accordingly, the carrying value of development property for sale may have to be written down in future periods.

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

17 OTHER ASSETS

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Sundry receivables	20,052	45,054	41,518	4,770
Less: impairment loss	(1,152)	(10,621)	–	–
	18,900	34,433	41,518	4,770
Grant receivables	–	382	–	247
Rental deposits:				
- Joint venture	839	769	835	769
Loan to a related company	10,500	10,500	–	–
Loan to a third party	21,000	21,000	–	–
Other deposits	48,192	48,052	76	155
	99,431	115,136	42,429	5,941
Prepayments	7,397	5,494	5,640	7,628
	106,828	120,630	48,069	13,569
Current	101,235	115,783	47,162	12,800
Non-current	5,593	4,847	907	769
	106,828	120,630	48,069	13,569

The loan to a related company is unsecured, bears interest rate at 5.44% (2021: 5.44%) per annum with date of repayment extended to June 2023 (2021: September 2022).

The loan to a third party (the "Borrower") is secured by a property owned by the Borrower (the "Property"), bears interest rate at 8% (2021: 5%) per annum and matures at the earlier of May 2023 (2021: November 2022) and the date of disposal of the Property by the Borrower. At the same time, an option to purchase the Property has been granted by the Borrower to the Group.

The exposure of the Group and the Company to credit and market risks, and impairment loss for other assets, are disclosed in note 38.

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

18 INTANGIBLE ASSETS AND GOODWILL

	Note	Goodwill $'000	Medical distribution licences $'000	Intangible asset $'000	Total $'000
Group					
Cost					
At 1 January 2022		24,029	675	36,808	61,512
Addition	41(ii)	27,754	–	–	27,754
Effect of movements in exchange rates		(36)	(67)	–	(103)
At 31 December 2022		51,747	608	36,808	89,163
Accumulated amortisation and impairment losses					
At 1 January 2022		20,963	675	9,198	30,836
Effect of movements in exchange rates		–	(67)	–	(67)
At 31 December 2022		20,963	608	9,198	30,769
Cost					
At 1 January 2021		23,967	639	36,808	61,414
Effect of movements in exchange rates		62	36	–	98
At 31 December 2021		24,029	675	36,808	61,512
Accumulated amortisation and impairment losses					
At 1 January 2021		20,963	639	9,198	30,800
Effect of movements in exchange rates		–	36	–	36
At 31 December 2021		20,963	675	9,198	30,836
Carrying amounts					
At 31 December 2021		3,066	–	27,610	30,676
At 31 December 2022		30,784	–	27,610	58,394

Impairment test for goodwill

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

	Group 2022 $'000	Group 2021 $'000
Echo Healthcare Management Pte. Ltd. ("ECHM") and its subsidiaries	27,754	–
CGU without significant goodwill	3,030	3,066
	30,784	3,066

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

18 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

ECHM

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
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 last year's cash flow projection.

The following table shows the amount by which each of the assumption would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for the carrying amount to equal the recoverable 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**
Year ended 31 December 2022

18 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment test for intangible asset

Intangible asset comprises management rights acquired. The recoverable amount of the management rights is determined based on value-in-use calculation using a cash flow projection from the provision of asset management services. The key assumptions used in the estimation of the recoverable amount 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:		
Discount rate	15.9	15.0
Budgeted earnings before interest and tax growth rate (average of next five years)	(3.1)	0.7

The discount rate was a pre-tax measure based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 36.9% (2021: 34.9%) at a market interest rate of 5.3% (2021: 5.3%). The cash flow projection included specific estimates for five years and a terminal growth rate thereafter.

In 2022 and 2021, no impairment loss was recognised.

19 INTERESTS IN EQUITY-ACCOUNTED INVESTEES

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

Details of the significant equity-accounted investees are included in note 43.

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

19 INTERESTS IN EQUITY-ACCOUNTED INVESTEES (CONT'D)

Associates

As at 31 December 2022, the Group has one (2021: one) associate that is material and a number of associates that are individually immaterial to the Group. All are equity accounted.

	Gemdale Properties and Investment Corporation Limited ("GPI")
Nature of business	Property development, property investment, and property management
Principal place of business/Country of incorporation	Hong Kong/Bermuda
Ownership interest/voting rights held	
- 2022	25.2%
- 2021	22.8%
Fair value of ownership interest (if listed)	
- 2022	$463.9 million[1]
- 2021	$550.6 million[1]

[1] Based on quoted market price at 31 December (Level 1 in the fair value hierarchy).

Included in the share of results of equity-accounted investees, net of tax in the statement of comprehensive income is the provisional negative goodwill arising from the acquisition of additional equity interest in GPI of approximately $43,808,000, which is based on the provisional fair value of the identifiable assets and liabilities of GPI. The results of the purchase price allocation ("PPA") have not been finalised as at the date of these financial statements were authorised for issue. The provisional negative goodwill may be adjusted when the PPA is finalised.

The following table summarises the consideration paid and the proportionate share of provisional fair value of net assets of GPI:

	2022 $'000
Total consideration paid	61,511
Less: Proportionate share of provisional fair value of net assets	(105,319)
Provisional negative goodwill	43,808

19 INTERESTS IN EQUITY-ACCOUNTED INVESTEES (CONT'D)

The following summarises the financial information of the Group's material associate, based on its consolidated financial statements prepared in accordance with SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

Summarised statement of comprehensive income

	GPI 2022 $'000	GPI 2021 $'000
Revenue	2,083,349	2,957,530
Profit after tax	486,484	902,413
Other comprehensive income	(94,941)	26,628
Total comprehensive income	391,543	929,041
Dividends received	52,115	63,718

Summarised statement of financial position

	GPI 2022 $'000	GPI 2021 $'000
Non-current assets	8,862,781	8,545,795
Current assets[1]	8,318,578	7,972,157
Non-current liabilities	(4,670,626)	(4,425,437)
Current liabilities	(7,297,301)	(6,822,961)
Net assets	5,213,432	5,269,554
Attributable to investee's shareholders	4,319,857	4,658,695
Attributable to NCI	893,575	610,859
Group's share of net assets/carrying amount of investment	1,089,658	1,062,018

[1] Includes cash and cash equivalents of $1,322,250,000 (2021: $2,057,457,000).

Immaterial associates

As at 31 December 2022, the Group has interests in a number of individual immaterial associates. The following table summarises, in aggregate, the carrying amount and share of profit/(losses) and other comprehensive income of these associates that are accounted for using the equity method:

	2022 $'000	2021 $'000
Carrying amount of interests in immaterial associates	8,084	187,738
Group's share of:		
- (Loss)/Profit after tax	(1)	17,242
- Other comprehensive income	(1,518)	1,098
- Total comprehensive income	(1,519)	18,340

19 INTERESTS IN EQUITY-ACCOUNTED INVESTEES (CONT'D)

Joint ventures

As at 31 December 2022, the Group has seven (2021: seven) joint ventures that are immaterial to the Group. All are equity accounted for.

The following table summarises, in aggregate, the carrying amount and share of profits and other comprehensive income of these joint ventures that are accounted for using the equity method:

	2022 $'000	2021 $'000
Carrying amount of interests in immaterial joint ventures	389,749	371,422
Group's share of:		
- Profit after tax	39,342	23,250
- Other comprehensive income	(837)	(3,960)
- Total comprehensive income	38,505	19,290

Financial guarantee

The Group provided guarantee to a bank in respect of a loan granted to a joint venture. The periods in which the financial guarantee will expire are as follows:

	2022 $'000	2021 $'000
Within one year	4,600	600
Between two to five years	10,000	16,000
	14,600	16,600

Impairment test for investments in equity-accounted investees

As at 31 December 2022, the Group assessed the recoverable amounts for each cash generating unit ("CGU") based on the greater of value-in-use and its fair value less costs of disposal, taking into consideration the potential impact from the prevailing economic conditions and market outlook on the estimated future cash flows and discount rates.

During the year, GPI, a material associate of the Group was adversely impacted by the property sector slowdown in the People's Republic of China (the "PRC") where it operates. GPI's share price was also affected as with other listed property counters in Hong Kong. The aforementioned were identified as impairment indicators and impairment assessment was performed on the Group's investment in GPI.

The recoverable amount of the Group's investment in GPI approximates its share of the net assets of GPI as at 31 December 2022. Accordingly, no impairment was recognised.

Significant underlying assets of GPI include investment properties measured at fair value and development properties measured at lower of cost and net realisable value ("NRV"). Fair value of investment properties determined are sensitive to the key assumptions applied and a change in key assumptions could have a significant impact. NRV of development properties is determined based on the expected selling prices and estimated costs of completion for development properties under development. Accordingly, NRV is subject to market uncertainty that may affect the future selling prices and the estimated cost of completion.

Based on the assessment of recoverable amount of an immaterial joint venture, an impairment loss of $5,000,000 (2021: Nil) was recognised in the profit and loss as the estimated recoverable amount for the CGU is lower than the carrying amount.

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Year ended 31 December 2022

20 INVESTMENTS IN SUBSIDIARIES AND LOANS TO/(FROM) SUBSIDIARIES

	Company 2022 $'000	Company 2021 $'000
Investments in subsidiaries		
Equity investment at cost	1,025,762	866,503
Less: Impairment loss	(58,268)	(58,268)
	967,494	808,235
Loans to subsidiaries		
Loans to subsidiaries	1,210,033	1,443,340
Less: Impairment loss	(284,255)	(325,146)
	925,778	1,118,194
Current	912,430	1,118,194
Non-current	13,348	–
	925,778	1,118,194

Details of the significant subsidiaries are included in note 43.

The current portion of loans to subsidiaries are unsecured and repayable on demand. These balances are interest-free except for an amount of $839,370,000 (2021: $1,129,794,000) for which interest is charged at interest rates ranging from 1.00% to 3.75% (2021: 1.00% to 4.00%) per annum.

The non-current portion of loans to subsidiaries of $13,348,000 as at 31 December 2022 is interest bearing at 4.00% per annum, unsecured and has no fixed terms of repayment.

During the year, the Company carried out an impairment assessment of its investments in certain subsidiaries and loans to these subsidiaries, following changes in the financial performance of these subsidiaries. The recoverable amounts were estimated by taking into consideration the estimated selling prices of the underlying properties or investments held by the subsidiaries (as the case may be) and the liabilities to be settled. Based on this assessment, there was no further impairment loss (2021: additional impairment loss of $27,268,000) on its investments in subsidiaries and the Company reversed an impairment loss of $40,856,000 (2021: $37,209,000) on the loans to its subsidiaries.

The exposure of the Group and the Company to credit and market risks, and impairment loss for loans to subsidiaries, are disclosed in note 38.

	Company 2022 $'000	Company 2021 $'000
Loans from subsidiaries		
Loans from subsidiaries	301,412	507,620

The loans from subsidiaries are unsecured, repayable on demand and bear interests of 4.00% (2021: 2.10% to 4.00%) per annum.

21 INVESTMENT PROPERTIES

	Note	Completed investment properties $'000	Investment properties under development $'000	Total $'000
Group				
At 1 January 2022		4,374,655	193,807	4,568,462
Acquisition of a subsidiary	41	955,235	–	955,235
Additions[a]		41,495	1	41,496
Disposal of a subsidiary	41	(40,438)	–	(40,438)
Disposal		(32)	–	(32)
Net change in fair value	9	38,390	(5,426)	32,964
Effect of movements in exchange rates		(159,782)	(15,185)	(174,967)
Lease incentives		21,939	–	21,939
At 31 December 2022		5,231,462	173,197	5,404,659
At 1 January 2021		4,326,756	207,972	4,534,728
Additions		10,567	–	10,567
Net change in fair value	9	29,577	(16,287)	13,290
Effect of movements in exchange rates		9,425	2,122	11,547
Lease incentives		(1,900)	–	(1,900)
Reclassified from property, plant and equipment	22	230	–	230
At 31 December 2021		4,374,655	193,807	4,568,462

[a] During the year, the Group acquired two Japan nursing homes, Medical Rehabilitation Home Bon Sejour Komaki and Loyal Residence Ayase, for a total consideration of JPY 2,580,000,000 (approximately $27,606,000), with a total acquisition cost capitalised amounting to $3,455,000.

(i) The following amounts were recognised in profit or loss:

	Group 2022 $'000	Group 2021 $'000
Rental income	281,573	190,125
Direct operating expenses (including repairs and maintenance expense) arising from investment properties that generate rental income	59,081	56,348

(ii) Security

As at 31 December 2022, investment properties with a total carrying amount of $2,283,906,000 (2021: $2,478,416,000) were pledged as security for banking facilities (note 25).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

21 INVESTMENT PROPERTIES (CONT'D)

(iii) The Group's material completed investment properties were appraised at the following open market values:

	Date of appraisal	Open Market Value 2022 $'000	Open Market Value 2021 $'000
OUE Downtown	31 December	1,146,000	1,118,000
Mandarin Gallery	31 December	453,900	453,900
Lippo Plaza	31 December	509,785	574,539
One Raffles Place	31 December	1,909,000	1,867,700
OUE Twin Peaks (comprising 23 units held as investment properties)	31 December	63,060	65,890
Hikari Heights Varus Kotoni	31 December	67,728	74,508
Hikari Heights Varus Makomanai-Koen	31 December	48,858	53,700
Elysion Mamigaoka & Elysion Mamigaoka Annex	31 December	24,480	28,680
Varus Cuore Sapporo-Kita/Varus Cuore Sapporo-Kita Annex	31 December	30,702	34,164
Hikari Heights Varus Fujino	31 December	17,238	18,888
Elysion Gakuenmae	31 December	16,932	19,080
Orchard Kaichi North	31 December	13,668	15,564
Varus Cuore Yamanote	31 December	11,526	12,084
Orchard Amanohashidate	31 December	9,180	11,268
Hikari Heights Varus Ishiyama	31 December	8,639	10,128
Hikari Heights Varus Tsukisamu-Koen	31 December	6,753	7,632
Orchard Kaichi West	31 December	4,325	4,860
Medical Rehabilitation Home Bon Séjour Komaki	31 December	15,606	– (a)
Loyal Residence Ayase	31 December	11,628	– (a)
Pacific Healthcare Nursing Home @ Bukit Merah	31 December	8,500	– (a)
Pacific Healthcare Nursing Home II @ Bukit Panjang	31 December	8,900	– (a)

21 INVESTMENT PROPERTIES (CONT'D)

(iii) The Group's material completed investment properties were appraised at the following open market values: (cont'd)

	Date of appraisal	Open Market Value 2022 $'000	2021 $'000
The Lentor Residence	31 December	15,100	– (a)
Siloam Hospitals Lippo Village	31 December	162,185	– (a)
Siloam Hospitals Kebon Jeruk	31 December	70,843	– (a)
Imperial Aryaduta Hotel & Country Club	31 December	27,550	– (a)
Mochtar Riady Comprehensive Cancer Centre	31 December	124,445	– (a)
Siloam Hospitals Lippo Cikarang	31 December	50,440	– (a)
Siloam Hospitals Manado & Hotel Aryaduta Manado	31 December	77,703	– (a)
Siloam Hospitals Makassar	31 December	65,407	– (a)
Siloam Hospitals Bali	31 December	61,710	– (a)
Siloam Hospitals TB Simatupang	31 December	41,119	– (a)
Siloam Hospitals Purwakarta	31 December	21,550	– (a)
Siloam Sriwijaya	31 December	22,805	– (a)
Siloam Hospitals Kupang & Lippo Plaza Kupang	31 December	48,528	– (a)
Siloam Hospitals Labuan Bajo	31 December	9,952	– (a)
Siloam Hospitals Buton & Lippo Plaza Buton	31 December	22,480	– (a)
Siloam Hospitals Yogyakarta	31 December	18,863	– (a)

[a] Acquired in 2022 via the acquisition of First REIT (note 41)

The fair value of each investment property at the reporting date is determined by independent professional valuers based on assumptions and estimates that reflect its market value. The independent professional valuers have relied on various widely accepted methodologies to perform the fair value assessments that are reflective of the prevailing market conditions. The valuation methods take into consideration the discount rate, terminal yield rate and capitalisation rate applicable to the nature and type of asset in question and selling price of comparable properties.

As at 31 December 2022, the valuation reports obtained from certain external valuers have included market uncertainty clauses, highlighting that real estate markets have been impacted by a combination of global inflationary pressure, rising interest rate environment, geopolitical events in Ukraine and ongoing effects of COVID-19. The external valuers cautioned users to be more prudent in determining the relevancy between valuation reports and their needs and have recommended to keep the valuation properties under frequent review.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

21 INVESTMENT PROPERTIES (CONT'D)

The investment properties are mainly leased to third parties. The majority of the leases contain an initial non-cancellable period of one to fifteen (2021: one to ten) years. Subsequent renewals are negotiated with the lessees.

(iv) The Group's investment properties under development as at 31 December 2022 are:

Description	Unexpired term of leasehold land
Land – South Jakarta, Indonesia	16 years
Land – Wuxi, the PRC ("Wuxi land")	33 years
Land – Kuala Lumpur, Malaysia	85 years

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. A land or a portion of land to be redeveloped for future rental or capital appreciations are held as investment properties under development while a land or a portion of land to be redeveloped for own use are held as property, plant and equipment (note 22). The relevant portion of the land continues to be classified as investment properties under development based on management's assessment of the above factors which is in line with the Group's existing plans. The classification is primarily based on all prevailing information available to date which imminently may vary depending on the Group's future intentions and developments.

(v) Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined annually by independent professional valuers having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement of all investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

21 INVESTMENT PROPERTIES (CONT'D)

(vi) Level 3 fair values

Valuation techniques and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Country				Inter-relationship between key unobservable inputs and fair value measurement
		Singapore	The PRC	Indonesia	Japan	
Completed investment properties						
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	6.8% – 8.75% (2021: 6.8% – 7.0%)	7.0% (2021: 6.5%)	9.8% to 13.5%	4.0% – 5.0% (2021: 4.2% – 4.5%)	An increase in price per square foot in isolation would result in a higher fair value measurement. Conversely, an increase in discount rate, terminal yield rate and capitalisation rate in isolation would result in a lower fair value measurement.
	Terminal yield rate	3.5% – 5.8% (2021: 3.5% – 5.8%)	4.3% (2021: 3.5%)	8.6% to 10.4%	4.3% – 5.3% (2021: 4.5% – 4.8%)	
Capitalisation method: The capitalisation method capitalises an income stream into a present value using single-year capitalisation rates	Capitalisation rate	3.4% – 7.0% (2021: 3.4% – 5.3%)	4.0% (2021: Not applicable)	Not applicable	Not applicable (2021: 4.4% – 4.7%)	
Direct comparison method: The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to those reflective of the investment properties	Price per square foot	$1,755 – $3,594 (2021: $1,704 – $3,594)	Not applicable (2021: $1,360)	$47	Not applicable	

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

21 INVESTMENT PROPERTIES (CONT'D)

(vi) Level 3 fair values (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

Valuation techniques	Significant unobservable inputs	Country			Inter-relationship between key unobservable inputs and fair value measurement
		Indonesia	Malaysia	The PRC	
Investment properties under development					
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	Not applicable	Not applicable	15.0% (2021: 15.0%)	An increase in price per square metre, plot ratio, net operating profit margin and developer's profit in isolation would result in a higher fair value measurement. Conversely, an increase in discount rate, terminal yield rate and construction costs per square metre in isolation would result in a lower fair value measurement.
	Terminal yield rate	Not applicable	Not applicable	13.0% (2021: 13.0%)	
	Plot ratio	Not applicable	Not applicable	2.0 (2021: 2.0)	
	Construction costs per square metre	Not applicable	Not applicable	$1,443 (2021: $1,569)	
	Net operating profit margin	Not applicable	Not applicable	8.0% to 32% (2021: 8.0% to 32%)	
Direct comparison method: The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to those reflective of the investment properties under development	Price per square metre	$15,595 (2021: $17,015)	$10,313 (2021: $10,960)	Not applicable	
Residual value method: The value of the investment properties under development is arrived at by deducting the estimated cost to complete as of valuation date and other relevant costs from the gross development value of the proposed development assuming satisfactory completion and accounting for developer profit	Construction costs per square metre	$14,877 (2021: Not applicable)	Not applicable	Not applicable	
	Developer's profit	13.0% (2021: Not applicable)	Not applicable	Not applicable	

21 INVESTMENT PROPERTIES (CONT'D)

(vi) Level 3 fair values (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

Valuation techniques	Significant unobservable inputs	Country: Indonesia	Country: Malaysia	Country: The PRC	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties under development (cont'd)					
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	Not applicable	$8,251 (2021:$8,768)	Not applicable	

In addition to the above, the valuation of the investment properties under development in Indonesia and the PRC included critical assumptions as follows:

(a) Indonesia

Plot ratio and renewal/extension of the Right To Build ("Hak Guna Bangunan" or the "HGB") land title certificate

Plot ratio represents a building's total floor area (gross floor area) to the size of the piece of land upon which it is built.

The valuation of the land parcel at South Jakarta, Indonesia as at 31 December 2022 and 31 December 2021 was based on the management's assessment that:
- written local Indonesia government's approval will be granted for an increase in plot ratio to a minimum of 9.5; and
- the renewal/extension of the HGB land title certificate which expires on 22 March 2038 will be obtained with no excessive charges by the relevant authorities.

If the written approval is not granted or the approved plot ratio is lower from the current assumptions, the valuation of the land parcel at South Jakarta, Indonesia will decrease.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

21 INVESTMENT PROPERTIES (CONT'D)

(vi) Level 3 fair values (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

(b) The PRC

Critical assumptions made by OUELH management included the following:

(i) *Development plan*

The valuation of the Wuxi land is dependent on OUELH 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, OUELH management's intention is to build a specialist centre and hospital based on the existing approved plot ratio of 2.0, which requires class 2 hospital license. Any changes to the current proposed development plan will significantly affect the valuation of the Wuxi land.

(ii) *Construction* costs

In arriving at the average construction cost for the Wuxi land, OUELH's management has relied on construction cost furnished by Savills Real Estate Valuation (Guangzhou) Ltd, an independent global property consultant.

	2022 RMB'000	2022 $'000	2021 RMB'000	2021 $'000
Wuxi land				
Estimated construction cost per square metre	7.5	1.4	7.3	1.6

Any change in the proposed development plan will result in a change in construction costs, and consequently, a change in the valuation of the Wuxi land.

22 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building $'000	Leasehold improvements $'000	Freehold premises $'000	Plant, machinery and office equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Construction and renovation in progress $'000	Right-of-use assets $'000	Total $'000
Group									
Cost									
At 1 January 2022	1,727,013	12,548	944	23,787	12,297	3,997	124,027	77,243	1,981,856
Acquisition of subsidiaries	–	–	–	136	195	–	–	1,665	1,996
Additions	–	3,726	–	1,234	790	14	69,102	9,780	84,646
Disposals/Written off	–	(814)	–	(384)	(488)	–	–	(2,685)	(4,371)
Reclassification	–	150,355	–	1,756	1,025	–	(153,136)	–	–
Exchange differences	(234)	–	–	(260)	(131)	(33)	(4,052)	(708)	(5,418)
At 31 December 2022	1,726,779	165,815	944	26,269	13,688	3,978	35,941	85,295	2,058,709
Accumulated depreciation/ impairment losses									
At 1 January 2022	235,654	6,201	308	12,433	7,216	3,463	36,714	28,570	330,559
Depreciation (note 5)	37,678	2,655	18	3,061	1,414	250	–	7,237	52,313
(Reversal of)/Provision for impairment loss (note 9)	(81,654)	1,459	–	262	46	–	–	3,248	(76,639)
Disposals/Written off	–	(808)	–	(223)	(452)	–	–	(1,938)	(3,421)
Exchange differences	(136)	–	–	(381)	(112)	(35)	(4,052)	(139)	(4,855)
At 31 December 2022	191,542	9,507	326	15,152	8,112	3,678	32,662	36,978	297,957

22 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and building $'000	Leasehold improvements $'000	Freehold premises $'000	Plant, machinery and office equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Construction and renovation in progress $'000	Right-of-use assets $'000	Total $'000
Group									
Cost									
At 1 January 2021	1,727,122	9,091	944	19,675	11,080	4,184	41,853	58,094	1,872,043
Additions	–	3,545	–	3,596	511	41	85,745	18,844	112,282
Disposals/Written off	–	(428)	–	(379)	(145)	(245)	(7)	–	(1,204)
Reclassification	–	340	–	694	799	–	(1,833)	–	–
Reclassified to investment properties (note 21)	(230)	–	–	–	–	–	–	–	(230)
Reversal of provision for site restoration (note 26)	–	–	–	–	–	–	(4,250)	–	(4,250)
Exchange differences	121	–	–	201	52	17	2,519	305	3,215
At 31 December 2021	1,727,013	12,548	944	23,787	12,297	3,997	124,027	77,243	1,981,856
Accumulated depreciation/ impairment losses									
At 1 January 2021	108,940	4,951	289	10,130	5,919	3,440	31,959	5,929	171,557
Depreciation (note 5)	39,893	1,511	19	2,419	1,339	250	–	5,639	51,070
Impairment loss (note 9)	86,754	–	–	–	–	–	2,371	17,004	106,129
Disposals/Written off	–	(261)	–	(310)	(89)	(244)	–	–	(904)
Exchange differences	67	–	–	194	47	17	2,384	(2)	2,707
At 31 December 2021	235,654	6,201	308	12,433	7,216	3,463	36,714	28,570	330,559
Carrying amounts									
At 1 January 2021	1,618,182	4,140	655	9,545	5,161	744	9,894	52,165	1,700,486
At 31 December 2021	1,491,359	6,347	636	11,354	5,081	534	87,313	48,673	1,651,297
At 31 December 2022	1,535,237	156,308	618	11,117	5,576	300	3,279	48,317	1,760,752

22 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold improvements $'000	Freehold premises $'000	Plant, machinery and office equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Renovation in progress $'000	Right-of-use assets $'000	Total $'000
Company								
Cost								
At 1 January 2022	–	944	9,668	5,777	3,786	–	713,595	733,770
Additions	–	–	201	41	–	–	9,147	9,389
Disposals	–	–	(76)	–	–	–	–	(76)
At 31 December 2022	–	944	9,793	5,818	3,786	–	722,742	743,083
Accumulated depreciation								
At 1 January 2022	–	307	7,127	4,310	3,292	–	91,911	106,947
Depreciation	–	19	1,241	546	234	–	31,606	33,646
Disposals	–	–	(55)	–	–	–	–	(55)
At 31 December 2022	–	326	8,313	4,856	3,526	–	123,517	140,538
Cost								
At 1 January 2021	824	944	9,496	4,976	3,989	1,130	713,807	735,166
Additions	–	–	56	2	41	–	–	99
Disposals	(824)	–	(208)	–	(244)	(7)	(212)	(1,495)
Reclassification	–	–	324	799	–	(1,123)	–	–
At 31 December 2021	–	944	9,668	5,777	3,786	–	713,595	733,770
Accumulated depreciation								
At 1 January 2021	487	288	6,278	3,734	3,303	–	60,410	74,500
Depreciation	–	19	1,000	576	233	–	31,606	33,434
Disposals	(487)	–	(151)	–	(244)	–	(105)	(987)
At 31 December 2021	–	307	7,127	4,310	3,292	–	91,911	106,947
Carrying amounts								
At 1 January 2021	337	656	3,218	1,242	686	1,130	653,397	660,666
At 31 December 2021	–	637	2,541	1,467	494	–	621,684	626,823
At 31 December 2022	–	618	1,480	962	260	–	599,225	602,545

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22 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(i) Right-of-use assets classified within property, plant and equipment

Leases as lessees (SFRS(I) 16)

Information about leases presented as right-of-use assets for which the Group and the Company are lessees are presented below.

Right-of-use assets

	Land use rights[1] $'000	Retail space[3] $'000	Office space[4] $'000	Total $'000
Group				
2022				
At 1 January	33,515	10,813	4,345	48,673
Acquisition of a subsidiary	–	–	1,665	1,665
Additions	–	178	9,602	9,780
Derecognition of right-of-use assets	–	(615)	(132)	(747)
Depreciation	(551)	(2,648)	(4,038)	(7,237)
Impairment loss	(3,248)	–	–	(3,248)
Exchange differences	(475)	–	(94)	(569)
At 31 December	29,241	7,728	11,348	48,317
2021				
At 1 January	51,340	–	825	52,165
Additions	-	12,477	6,438	18,915
Depreciation	(1,063)	(1,664)	(2,912)	(5,639)
Impairment loss	(17,004)	–	–	(17,004)
Exchange differences	242	–	(6)	236
At 31 December	33,515	10,813	4,345	48,673

	Hotel property[2] $'000	Retail space[3] $'000	Office space[4] $'000	Total $'000
Company				
2022				
At 1 January	618,775	–	2,909	621,684
Additions	–	–	9,147	9,147
Depreciation	(28,697)	–	(2,909)	(31,606)
At 31 December	590,078	–	9,147	599,225
2021				
At 1 January	647,474	107	5,816	653,397
Derecognition of right-of-use assets	–	(107)	–	(107)
Depreciation	(28,699)	–	(2,907)	(31,606)
At 31 December	618,775	–	2,909	621,684

[1] Comprise land leases of a subsidiary which expire in 2055 and land leases in relation to the Crowne Plaza Changi Airport ("CPCA") site. Under the terms of the CPCA lease agreement, the land rent payable comprises a fixed component and a variable component computed based on certain percentage of the hotel revenue.

[2] The lease for the hotel property with a subsidiary runs for a period of fifteen years, with an option to renew after the lease expiry date.

[3] Retail space lease runs for two to five years (2021: three to five years).

[4] Office space leases typically run for a period of one to five years (2021: two to three years).

22 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(ii) Security

As at 31 December 2022, there was no property, plant and equipment (2021: property, plant and equipment with carrying amount of $1,130,000,000) which is mortgaged to financial institutions to secure credit facilities (note 25).

(iii) Impairment test for property, plant and equipment

The Group reviews the carrying amounts of property, plant and equipment at each reporting date to determine whether there is any indication of impairment. When considering impairment indicators, the Group considers both internal (e.g. adverse changes in operating and financial performance of the asset) and external sources (e.g. adverse changes in the business environment). Where indicators of impairment are identified, management estimate is required to determine the recoverable amount of the asset. 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.

(a) Leasehold land and building, and right-of-use asset

As at 31 December 2022, the Group's major leasehold land and buildings, and right-of-use asset are:

			Open Market Value	
			2022	**2021**
	Description and Location	**Tenure of Land**	**$'000**	**$'000**
Hilton Singapore Orchard	a 37-storey Orchard Wing with a 39-storey Mandarin Wing known as the "Hilton Singapore Orchard" at Orchard Road, Singapore with 1,080 rooms	99-year lease from 1 July 1957	1,250,000	1,130,000
CPCA	a 563-room hotel located within Singapore Changi Airport with a direct link to Terminal 3 and land use rights representing land lease in relation to the CPCA site	74-year lease from 1 July 2009	460,200	455,200

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22 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(iii) Impairment test for property, plant and equipment (cont'd)

(a) Leasehold land and building, and right-of-use asset (cont'd)

The Group has engaged external independent valuers to estimate the recoverable amounts of the respective properties based on their market values. The fair value measurement was categorised as Level 3 fair value based on the inputs to the valuation techniques used. The following table shows the valuation techniques used in measuring the recoverable amounts of Hilton Singapore Orchard, CPCA and the land-use right, as well as the significant unobservable inputs used:

Valuation techniques	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
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 property	Price per hotel room: $0.8 million – $1.2 million (2021: $0.9 million - $1.0 million)	An increase in price per hotel room in isolation would result in a higher fair value measurement. Conversely, an increase in discount rate and terminal yield rate in isolation would result in a lower fair value measurement.
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: 6.8% (2021: 6.8%) Terminal yield rate: 5.0% - 5.8% (2021: 5.0% - 5.8%)	

During the year, arising from the recovery of the hospitality sector, a reversal of impairment loss of $78,406,000 (2021: impairment loss of $103,758,000) was recognised for Hilton Singapore Orchard, CPCA and the land-use rights to their estimated recoverable amounts. Any adverse movement in a key assumption would lead to impairment.

23 DEFERRED TAXES

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and when the deferred taxes relate to the same fiscal authority.

The movement in the deferred tax assets and liabilities during the year is as follows:

	Property, plant and equipment $'000	Investment properties $'000	Subsidiaries $'000	Compound financial instruments $'000	Others $'000	Total $'000
Group						
Deferred tax liabilities						
At 1 January 2022	12,234	84,760	33,021	–	13,834	143,849
Recognised in:						
- Profit or loss	1,080	(4,117)	5,346	–	(2,348)	(39)
- Other comprehensive income	–	–	–	–	(5,498)	(5,498)
Acquisition of a subsidiary	–	20,427	–	–	–	20,427
Effects of movements in exchange rates	(1,270)	(6,974)	(5,486)	–	–	(13,730)
At 31 December 2022	12,044	94,096	32,881	–	5,988	145,009
At 1 January 2021	10,697	86,406	33,068	90	17,969	148,230
Recognised in:						
- Profit or loss	657	(4,405)	2,005	(87)	(4,423)	(6,253)
- Other comprehensive income	–	–	–	–	288	288
Effects of movements in exchange rates	880	2,759	(2,052)	–	–	1,587
Others	–	–	–	(3)	–	(3)
At 31 December 2021	12,234	84,760	33,021	–	13,834	143,849

Tax charged/(credited) to other comprehensive income is recognised in the fair value reserve for equity investments at FVOCI.

	Tax losses $'000	Others $'000	Total $'000
Group			
Deferred tax assets			
At 1 January 2022	22	1,225	1,247
Recognised in:			
- Profit or loss	(22)	822	800
At 31 December 2022	-	2,047	2,047
At 1 January 2021	21	472	493
Recognised in:			
- Profit or loss	–	753	753
Effects of movements in exchange rates	1	–	1
At 31 December 2021	22	1,225	1,247

23 DEFERRED TAXES (CONT'D)

Unrecognised deferred tax assets

As at 31 December 2022, deferred tax assets have not been recognised in respect of tax losses and other deductible temporary differences of $131,549,000 (2021: $120,125,000) and $8,135,000 (2021: $8,154,000), respectively. 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

At 31 December 2022, deferred tax liabilities of $17,190,000 (2021: $13,917,000) for temporary differences of $101,116,000 (2021: $81,867,000) related to the Group's investments in certain subsidiaries were not recognised because the Group controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future. Deferred tax liabilities of $1,300,000 (2021: $761,000) for temporary differences of $7,649,000 (2021: $4,475,000) related to the Company's investment in a subsidiary were not recognised by the Company.

As at 31 December 2022, deferred tax liabilities of $5,894,000 (2021: $5,869,000) for temporary differences of $23,577,000 (2021: $23,371,000) related to withholding taxes that would be payable on the unremitted earnings of the Group's investments in certain subsidiaries were not recognised as the timing of the reversal of the temporary difference arising from such amounts can be controlled and it is probable that such temporary differences will not be reversed in the foreseeable future.

	Property, plant and equipment $'000	Distribution from a subsidiary $'000	Compound financial instruments $'000	Total $'000
Company				
Deferred tax assets				
At 1 January 2022	(1,214)	(1,191)	–	(2,405)
Recognised in:				
- Profit or loss	(825)	(25)	–	(850)
At 31 December 2022	(2,039)	(1,216)	–	(3,255)
At 1 January 2021	394	(1,380)	90	(896)
Recognised in:				
- Profit or loss	(1,608)	189	(87)	(1,506)
Others	–	–	(3)	(3)
At 31 December 2021	(1,214)	(1,191)	–	(2,405)

24 TRADE AND OTHER PAYABLES

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Trade payables:				
- Subsidiaries	–	–	7,327	6,566
- Joint venture	41	75	41	75
- Third parties	32,242	17,907	19,304	6,762
	32,283	17,982	26,672	13,403
Non-trade payables:				
- Subsidiaries	–	–	58,252	46,781
- Joint venture	498	476	–	–
- Third parties	20,446	20,139	1,815	2,754
Interest payable	10,764	9,580	86	3
Accruals	95,522	77,412	32,717	17,186
Retention sums payable	5,035	1,055	4,722	78
Rental deposits	14,591	18,856	16	45
	179,139	145,500	124,280	80,250

Non-trade payables to subsidiaries and a joint venture are unsecured, interest-free and repayable on demand.

The exposure of the Group and the Company to liquidity risk are disclosed in note 38.

25. BORROWINGS

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Current					
Loans from third parties		189	189	–	–
Secured bank loans		19,491	198,993	–	–
Secured Tokutei Mokutei Kaisha ("TMK") bonds	(i)	1,453	1,714	–	–
Unsecured notes	(ii)	199,892	199,885	–	–
Unsecured bank loans		357,618	18,000	–	10,000
		578,643	418,781	–	10,000
Non-current					
Secured bank loans		663,249	1,271,571	18,955	–
Secured TMK bonds	(i)	106,672	126,971	–	–
Unsecured notes	(ii)	593,618	643,745	–	–
Guaranteed bonds	(iii)	95,571	–	–	–
Unsecured bank loans		929,373	363,775	–	39,698
		2,388,483	2,406,062	18,955	39,698
Total		**2,967,126**	**2,824,843**	**18,955**	**49,698**

The exposure of the Group and the Company to market and liquidity risks are disclosed in note 38.

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25 BORROWINGS (CONT'D)

(i) Secured TMK bonds

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. These TMK Bonds 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 TMK Bonds pertain to bond issued by a subsidiary of the Group.

(ii) *Unsecured* notes

The unsecured notes of the Group comprise the following:

- $397,966,000 (2021: $597,004,000) comprising 2 series (2021: 3 series) of notes issued by a wholly-owned subsidiary of the Group at various interest rates as part of an unsecured $3 billion Multicurrency Debt Issuance programme. The unsecured notes are redeemable at their principal amounts on their respective maturity dates in 2023 and 2026. The Company has provided a guarantee in respect of the notes issued.

- $395,544,000 (2021: $246,626,000) comprising 3 series (2021: 2 series) of notes issued by a subsidiary of the Group at various interest rates under a $2 billion Multicurrency Debt Issuance programme. The unsecured notes are redeemable at their principal amounts on their respective maturity dates between 2025 and 2027.

(iii) Guaranteed bonds

On 7 April 2022, $100,000,000 guaranteed bonds at a coupon rate of 3.25% due in April 2027 were issued by First REIT. The guaranteed bonds are unconditionally and irrevocably guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank and are listed on the Singapore Exchange Securities Trading Limited.

The TMK Bonds are secured against:
(i) the total assets of a subsidiary of the Group which mainly comprise investment properties in Japan (note 21) and cash and cash equivalents (note 12); and
(ii) a corporate guarantee from First REIT (2021: OUELH).

The secured borrowings and guaranteed bonds of the Group are generally secured on the following:
- bank deposits of $1,454,000 (2021: $30,957,000) (note 12);
- floating charge over bank deposits of $20,475,000 (2021: $19,563,000) (note 12);
- investment properties with carrying amount of $2,283,906,000 (2021: $2,478,416,000) (note 21);
- property, plant and equipment with carrying amount of $Nil (2021: $1,130,000,000) (note 22); and
- assignment of all rights, titles, benefits and interests in connection with the sale, lease and insurance proceeds of certain property, plant and equipment, and investment properties.

In August 2022, OUE C-REIT completed the refinancing of a secured loan of $978,000,000 with an unsecured sustainability-linked loan of the same quantum. The new loan incorporates interest rate reductions (0.02% per annum every interest period) lined to predetermined sustainability performance targets which will allow OUE C-REIT to enjoy savings in interest costs when targets are achieved.

25 BORROWINGS (CONT'D)

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees given by the Company in respect of unsecured notes issued by a wholly-owned subsidiary and an amount drawn down under an uncommitted facility obtained by OUELH. The periods in which the financial guarantees will expire are as follows:

	2022 $'000	2021 $'000
Within one year	240,353	216,278
Between two to five years	219,044	428,553
	459,397	644,831

Terms and debts repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate	Year of maturity	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Unsecured bank loans						
- SGD	3.64% – 4.88% (2021: 1.20% – 2.21%)	2023 – 2027 (2021: 2022 – 2023)	1,286,991	381,775	–	49,698
Secured bank loans						
- MYR	5.60% (2021: 4.79%)	2023 (2021: 2022 – 2023)	4,047	8,602	–	–
- SGD	4.14% – 6.00% (2021: 1.22% – 6.00%)	2023 – 2027 (2021: 2022 – 2026)	661,620	1,439,082	18,955	–
- RMB	4.80% (2021: 4.75% – 4.80%)	2023 (2021: 2022 – 2024)	444	22,880	–	–
- JPY	1.00%	2026	16,629	–	–	–
Unsecured notes						
- SGD	3.50% – 4.20% (2021: 3.50% – 4.00%)	2023 – 2027 (2021: 2022 – 2026)	793,510	843,630	–	–
Secured TMK bonds						
- JPY	1.00% (2021: 1.00%)	2025 (2021: 2025)	108,125	128,685	–	–
Guaranteed bonds						
- SGD	3.25%	2027	95,571	–	–	–
Loans from third parties						
- SGD	Not applicable	2023 (2021: 2022)	189	189	–	–
			2,967,126	2,824,843	18,955	49,698

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25 BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Derivative (assets)/liabilities			
	Borrowings $'000	Interest payable $'000	Lease liabilities $'000	Interest rate swap-assets $'000	Interest rate cap-assets $'000	Interest rate swap-liabilities $'000	Total $'000
Group							
Balance at 1 January 2022	2,824,843	9,580	40,929	(960)	–	8,622	2,883,014
Changes from financing cash flows							
Proceeds from borrowings	1,754,816	–	–	–	–	–	1,754,816
Repayment of borrowings	(1,939,030)	–	–	–	–	–	(1,939,030)
Principal repayment of leases	–	–	(6,771)	–	–	–	(6,771)
Transaction costs/finance costs paid	(22,763)	(95,818)	(1,346)	–	(395)	–	(120,322)
Total changes from financing cash flows	(206,977)	(95,818)	(8,117)	–	(395)	–	(311,307)
Acquisition of subsidiaries	349,875	–	1,701	–	–	–	351,576
Effect of changes in foreign exchange rates	(22,828)	(152)	(212)	–	–	–	(23,192)
Change in fair value	–	–	–	(26,485)	(1,609)	(8,622)	(36,716)
Other changes							
Liability related							
Amortisation of transaction costs	22,213	–	–	–	–	–	22,213
Interest expense	–	97,154	1,346	–	–	–	98,500
Additions to lease liabilities	–	–	9,780	–	–	–	9,780
Derecognition of lease liabilities	–	–	(669)	–	–	–	(669)
Total liability-related other changes	22,213	97,154	10,457	–	–	–	129,824
Balance at 31 December 2022	2,967,126	10,764	44,758	(27,445)	(2,004)	–	2,993,199

25 BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities				Derivative (assets)/liabilities			
	Borrowings $'000	Convertible bonds $'000	Interest payable $'000	Lease liabilities $'000	Interest rate swap-assets $'000	Interest rate swap-liabilities $'000	Equity component of convertible bonds $'000	Total $'000
Group								
Balance at 1 January 2021	3,330,677	145,448	11,921	26,369	–	40,980	4,641	3,560,036
Changes from financing cash flows								
Proceeds from borrowings	1,273,173	–	–	–	–	–	–	1,273,173
Repayment of borrowings	(1,772,429)	–	–	–	–	–	–	(1,772,429)
Redemption of convertible bonds	–	(146,672)	–	–	–	–	–	(146,672)
Principal repayment of leases	–	–	–	(4,286)	–	–	–	(4,286)
Transaction costs/finance costs paid	(10,369)	–	(86,316)	(1,114)	–	–	–	(97,799)
Total changes from financing cash flows	(509,625)	(146,672)	(86,316)	(5,400)	–	–	–	(748,013)
Effect of changes in foreign exchange rates	(8,249)	–	(146)	2	–	–	–	(8,393)
Change in fair value	–	–	–	–	(960)	(32,358)	–	(33,318)
Other changes								
Liability related								
Amortisation of transaction costs	12,040	276	–	–	–	–	–	12,316
Interest expense	–	967	84,121	1,114	–	–	–	86,202
Gain on redemption of convertible bonds	–	(19)	–	–	–	–	–	(19)
Additions to lease liabilities	–	–	–	18,844	–	–	–	18,844
Total liability-related other changes	12,040	1,224	84,121	19,958	–	–	–	117,343
Total equity-related other changes	–	–	–	–	–	–	(4,641)	(4,641)
Balance at 31 December 2021	2,824,843	–	9,580	40,929	(960)	8,622	–	2,883,014

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26 PROVISION

	Legal and related expenses $'000	Site restoration $'000	Income guarantee $'000	Total $'000
Group				
2022				
At 1 January	20,957	1,550	5,472	27,979
Reversal during the year	–	(910)	–	(910)
Utilisation during the year	(233)	(566)	(1,540)	(2,339)
Exchange differences	–	(74)	–	(74)
At 31 December	20,724	–	3,932	24,656
2021				
At 1 January	27,601	5,619	–	33,220
Provision made during the year	–	–	6,000	6,000
Reversal during the year	(5,000)	(4,250)	–	(9,250)
Utilisation during the year	(1,644)	–	(528)	(2,172)
Exchange differences	–	181	–	181
At 31 December	20,957	1,550	5,472	27,979
2022				
Current	20,724	–	3,932	24,656
2021				
Current	20,957	1,550	1,268	23,775
Non-current	–	–	4,204	4,204
	20,957	1,550	5,472	27,979

Provision for legal and related expenses

As at 31 December 2022, the provision of $20,724,000 (2021: $20,957,000) relates to legal and related expenses made by OUELH Group (note 36). In 2021, 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 OUELH and the Crest Entities.

Provision for site restoration

This provision relates to reinstatement cost for the restoration of OUELH Group's leasehold property under development in Dujiangyan, Chengdu in the PRC required under its contract with the local government. The restoration costs were completed during the year and any remaining unutilised provision was reversed.

Provision for income guarantee

The provision for income guarantee relates to the guarantee provided by OUE Commercial Real Estate Investment Trust ("OUE C-REIT") to PIMCO Prime Real Estate Asia Pacific Pte. Ltd (formerly known as Allianz Real Estate Asia Pacific Pte. Ltd.) on net property income of OUE Bayfront of up to $6,000,000, for a period of 2 years to 31 March 2023. In 2022, $1,540,000 (2021: $528,000) was utilised.

27 DEFERRED INCOME

	Group 2022 $'000	Group 2021 $'000
Non-refundable deposits	3,748	3,348
	3,748	3,348
Current	3,439	682
Non-current	309	2,666
	3,748	3,348

This relates mainly to non-refundable deposits received for units in the completed development property (note 16) sold under deferred payment schemes.

28 DERIVATIVES

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Current				
Derivative assets				
Interest rate caps	710	–	–	–
Interest rate swaps	5,680	–	–	–
	6,390	–	–	–
Derivative liabilities				
Forward exchange contracts	(494)	–	–	–
Interest rate swaps	–	(1,545)	–	–
	(494)	(1,545)	–	–
Non-current				
Derivative assets				
Interest rate caps	1,294	–	222	–
Interest rate swaps	21,765	960	–	–
	23,059	960	222	–
Derivative liabilities				
Interest rate swaps	–	(7,077)	–	–

The Group uses interest rate swaps and interest rate caps to manage its exposure to interest rate movements on certain floating rate interest-bearing bank loans. Further details are set out in note 38. During the year, the Group entered into forward exchange contracts to manage the foreign currency exposures arising from Indonesia Rupiah.

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29 LEASE LIABILITIES

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Lease liabilities:				
Current	6,456	6,172	26,473	25,856
Non-current	38,302	34,757	653,723	671,048
	44,758	40,929	680,196	696,904

During the year, the incremental borrowing rates of the Group's and the Company's lease liabilities range from 0.89% to 5.25% and 3.19% to 4.22% (2021: 0.89% to 5.00% and 2.85% to 3.19%) per annum, respectively.

Lease liabilities of the Company pertain to a hotel property with a subsidiary and office space lease with a joint venture under non-cancellable operating lease agreements.

Amounts recognised in profit or loss

	Group 2022 $'000	Group 2021 $'000
Finance expenses on lease liabilities	1,346	1,114

Amounts recognised in statement of cash flows

	Group 2022 $'000	Group 2021 $'000
Total cash outflow for leases	8,117	5,400

Leases as lessors (SFRS(I) 16)

Operating lease

The Group leases out its investment properties (note 21) under non-cancellable leases. 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.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Operating leases				
Less than one year	261,954	177,113	3,535	1,162
One to two years	219,632	120,137	1,951	1,231
Two to three years	178,862	75,063	1,781	170
Three to four years	135,668	46,156	1,781	–
Four to five years	102,984	29,865	1,781	–
More than five years	897,757	4,051	1,039	–
Total	1,796,857	452,385	11,868	2,563

30 OTHER PAYABLES

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Rental deposits	47,414	37,025	408	410
Retention sums payable	896	4,890	896	–
Others	12,416	3,040	–	–
	60,726	44,955	1,304	410

The exposure of the Group and the Company to liquidity risk is disclosed in note 38.

31 SHARE CAPITAL

	Company Number of shares 2022 '000	Company Number of shares 2021 '000	Company Amount 2022 $'000	Company Amount 2021 $'000
At 1 January	951,602	981,602	634,852	693,315
Cancellation of treasury shares	(91,764)	(30,000)	(164,306)	(58,463)
At 31 December	859,838	951,602	470,546	634,852

All issued ordinary shares are fully paid, with no par value. All shares rank equally with regard to the Company's residual assets.

During the year, the Company acquired 24,773,500 (2021: 10,731,900) of its own shares for a total consideration of $32,469,000 (2021: $13,864,000).

At 31 December 2022, the Group held 12,580,200 (2021: 79,571,100) of the Company's shares as treasury shares (note 32).

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32 OTHER RESERVES

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Currency translation reserve	(143,003)	63,948	–	–
Hedging reserve	2,418	(3,866)	–	–
Fair value reserve	(96,559)	10,754	–	–
Reserve for own shares	(16,179)	(148,016)	(16,179)	(148,016)
Capital reserve	698	7,947	–	–
	(252,625)	(69,233)	(16,179)	(148,016)

The movement of other reserves of the Group is as follows:

	Group Currency translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Reserve for own shares $'000	Capital reserve $'000	Total $'000
At 1 January 2022	63,948	(3,866)	10,754	(148,016)	7,947	(69,233)
Other comprehensive income						
Foreign operations:						
- currency translation differences	(68,188)	–	–	–	–	(68,188)
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	(141,340)	–	–	–	–	(141,340)
- other reserves	–	1,848	651	–	–	2,499
Net change in fair value of investments at fair value through other comprehensive income, net of tax	–	–	(102,408)	–	–	(102,408)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	–	3,526	–	–	–	3,526
- hedging reserve reclassified to profit or loss	–	910	–	–	–	910
Total other comprehensive income, net of tax	(209,528)	6,284	(101,757)	–	–	(305,001)
Total other comprehensive income for the year	(209,528)	6,284	(101,757)	–	–	(305,001)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Changes in ownership interests in subsidiaries without a change in control	2,577	–	–	–	–	2,577
Own shares acquired	–	–	–	(32,469)	–	(32,469)
Cancellation of treasury shares	–	–	–	164,306	–	164,306
Total contributions by and distribution to owners	2,577	–	–	131,837	–	134,414
Total transactions with owners	2,577	–	–	131,837	–	134,414
Share of transfer of reserves of an equity-accounted investee	–	–	–	–	(7,249)	(7,249)
Transfer from fair value reserve to accumulated profits	–	–	(5,556)	–	–	(5,556)
At 31 December 2022	(143,003)	2,418	(96,559)	(16,179)	698	(252,625)

32 OTHER RESERVES (CONT'D)

	Group					
	Currency translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Reserve for own shares $'000	Capital reserve $'000	Total $'000
At 1 January 2021	(5,373)	(18,851)	25,438	(192,615)	(1,476)	(192,877)
Other comprehensive income						
Foreign operations:						
- currency translation differences	17,422	–	–	–	–	17,422
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	51,899	–	–	–	–	51,899
- other reserves	–	–	(4,220)	–	–	(4,220)
Net change in fair value of investments at fair value through other comprehensive income, net of tax	–	–	(4,946)	–	–	(4,946)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	–	5,372	–	–	–	5,372
- hedging reserve reclassified to profit or loss	–	9,613	–	–	–	9,613
Total other comprehensive income, net of tax	69,321	14,985	(9,166)	–	–	75,140
Total other comprehensive income for the year	69,321	14,985	(9,166)	–	–	75,140
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Own shares acquired	–	–	–	(13,864)	–	(13,864)
Cancellation of treasury shares	–	–	–	58,463	–	58,463
Redemption of convertible bonds	–	–	–	–	(4,641)	(4,641)
Total contributions by and distribution to owners	–	–	–	44,599	(4,641)	39,958
Total transactions with owners	–	–	–	44,599	(4,641)	39,958
Share of transfer of reserves of an equity-accounted investee	–	–	–	–	14,064	14,064
Transfer from fair value reserve to accumulated profits	–	–	(5,518)	–	–	(5,518)
At 31 December 2021	63,948	(3,866)	10,754	(148,016)	7,947	(69,233)

32 OTHER RESERVES (CONT'D)

Currency translation reserve

The currency translation reserve comprises:

(a) exchange differences arising from the translation of financial statements of foreign operations;

(b) share of currency translation reserves 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.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of the financial assets designated at FVOCI until the investments are derecognised or impaired.

Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group.

During the year, the Company cancelled 91,764,000 (2021: 30,000,000) of the treasury shares amounting to $164,306,000 (2021: $58,463,000). At 31 December 2022, the Group held 12,580,200 (2021: 79,571,100) of the Company's shares as treasury shares.

Capital reserve

The reserve mainly relates to the Group's share of units/shares issue costs of subsidiaries and share of reserves of an equity-accounted investee.

33 ACCUMULATED PROFITS

Movements in the accumulated profits of the Company are as follows:

	Company	
	2022 $'000	2021 $'000
At 1 January	2,085,474	2,238,278
Net loss for the year	(6,246)	(139,905)
Dividends paid (note 35)	(17,303)	(17,525)
Redemption of convertible bonds	–	4,626
At 31 December	2,061,925	2,085,474

Movements in the accumulated profits of the Group are shown in the consolidated statement of changes in equity.

34 NON-CONTROLLING INTERESTS

The following subsidiaries have NCI that are material to the Group:

Name	Principal place of business/Country of incorporation	Ownership interests held by NCI 2022	2021
OUE C-REIT	Singapore	51.6%	51.8%
OUELH	Singapore	29.6%	29.6%

The following summarises the financial information of the Group's subsidiaries with material NCI, based on consolidated financial statements prepared in accordance with SFRS(I)s, including consolidation adjustments but before intercompany eliminations with other companies in the Group.

	OUE C-REIT $'000	OUELH $'000	Immaterial subsidiaries $'000	Total $'000
31 December 2022				
Revenue	241,507	119,796		
Profit after tax	247,065	27,444		
Other comprehensive income	(34,887)	(88,362)		
Total comprehensive income	212,178	(60,918)		
Attributable to NCI:				
- Profit for the year	133,417	20,966	936	155,319
- Other comprehensive income	(17,691)	(53,988)	–	(71,679)
- **Total comprehensive income**	115,726	(33,022)	936	83,640
Non-current assets	5,803,480	1,318,565		
Current assets	76,464	91,359		
Non-current liabilities	(1,862,858)	(528,063)		
Current liabilities	(421,978)	(112,902)		
Net assets	3,595,108	768,959		
Net assets attributable to NCI	1,865,356	387,132	(191)	2,252,297
Net assets attributable to perpetual securities holders	–	33,282	–	33,282
Cash flows from operating activities	183,534	51,619		
Cash flows (used in)/from investing activities	(30,848)	43,194		
Cash flows used in financing activities (Dividends to NCI of OUE C-REIT: $75,129,000 and NCI of OUELH: $22,737,000)	(159,120)	(67,929)		
Net (decrease)/ increase in cash and cash equivalents	(6,434)	26,884		

34 NON-CONTROLLING INTERESTS (CONT'D)

	OUE C-REIT $'000	OUELH $'000	Immaterial subsidiaries $'000	Total $'000
31 December 2021				
Revenue	249,884	19,665		
Profit/(Loss) after tax	30,535	(15,616)		
Other comprehensive income	56,288	(12,692)		
Total comprehensive income	86,823	(28,308)		
Attributable to NCI:				
- Profit/(Loss) for the year	24,029	(4,930)	1,666	20,765
- Other comprehensive income	29,650	(3,761)	–	25,889
- **Total comprehensive income**	53,679	(8,691)	1,666	46,654
Non-current assets	5,675,458	546,281		
Current assets	86,577	59,913		
Non-current liabilities	(1,957,536)	(189,981)		
Current liabilities	(280,722)	(80,975)		
Net assets	3,523,777	335,238		
Net assets attributable to NCI	1,826,568	43,161	(287)	1,869,442
Cash flows from operating activities	166,801	3,520		
Cash flows from/(used in) investing activities	902,523	(29,966)		
Cash flows (used in)/from financing activities (Dividends to NCI of OUE C-REIT: $80,655,000)	(1,100,661)	2,601		
Net decrease in cash and cash equivalents	(31,337)	(23,845)		

Significant restrictions

Other than the restrictions resulting from the regulatory framework within which OUE C-REIT and First REIT operate, there is no significant restriction on the Group's ability to access or use the assets and settle the liabilities of OUE C-REIT and First REIT.

OUE C-REIT and First REIT are regulated by the Monetary Authority of Singapore ("MAS") and are supervised by the SGX-ST for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions with OUE C-REIT and First REIT are either subject to review by OUE C-REIT's and First REIT's trustee or must be approved by a majority of votes by the minority unitholders of OUE C-REIT and First REIT at a meeting of unitholders. The consolidated assets of OUE C-REIT and First REIT are held in trust by their trustees for the unitholders.

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

35 DIVIDENDS

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

For the year ended 31 December

	Note	Group and Company 2022 $'000	Group and Company 2021 $'000
Paid by the Company to owners of the Company			
Interim dividend of 1 cent (2021: 1 cent) per ordinary share in respect of current year		8,608	8,737
Final dividend of 1 cent (2021: 1 cent) per ordinary share in respect of prior year		8,695	8,788
	33	17,303	17,525

	Group 2022 $'000	Group 2021 $'000
Paid by subsidiaries to NCI		
Distribution of 1.98 cents per qualifying First REIT unit in respect of current year	22,737	–
Distribution of 1.08 cents (2021: 1.23 cents) per qualifying OUE C-REIT unit in respect of current year	30,474	34,706
Distribution of 1.37 cents (2021: 1.43 cents) per qualifying OUE C-REIT unit in respect of prior year	38,655	40,349
Final dividend of 15.0 cents (2021: 14.0 cents) per ordinary share in respect of prior year	6,000	5,600
	97,866	80,655

After the reporting date, the following exempt (one-tier) dividends were proposed by the directors. These dividends have not been provided for.

	Group and Company 2022 $'000	Group and Company 2021 $'000
Final dividend of 1.5 cents (2021: 1 cent) per ordinary share	12,709*	8,720*

* The dividend is based on the number of issued ordinary shares (excluding treasury shares) of 847,257,260 (2021: 872,030,760) as at 31 December 2022.

NOTES TO **THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

36 LITIGATION CASES

OUELH Group, a subsidiary of the Group, is exposed to several litigation cases as at 31 December 2022.

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

In 2013, OUELH Group acquired a 74.97% effective interest and control over Health Kind International Limited 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 then controlled by David Lin, sought a court order for the shares in Wuxi Co to be transferred to Weixin. The Shanghai Courts have rendered a judgement and appeal judgement in favour of Weixin. Consequently, OUELH Group deconsolidated Wuxi Co in 2018.

Arbitration proceedings against David Lin

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

Recognition and enforcement proceedings

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

As at 31 December 2022:

- Hong Kong: OUELH continues to hold a charging order absolute over David Lin's shares in Healthcare Solution Investment Limited ("HSIL") and Hong Kong Life Sciences and Technologies Group Limited. OUELH has also obtained an order to appoint receivers over David Lin's interest in the HSIL shares. HSIL is the sole shareholder of Weixin;
- Shanghai: The Shanghai No. 1 Court received approximately RMB3.25 million in November 2020. The funds have been transferred to a subsidiary of OUELH in March 2021; and
- Taiwan: In March 2021, OUELH also received the sum of SGD711,000, 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 property in New Taipei City was sold during a public auction for the sum of NTD5,880,000, of which OUELH received a sum net of costs and expenses.

36 LITIGATION CASES (CONT'D)

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

Claim by Wuxi Hongshen

In 2021, Wuxi Hongshen Pharmacy Co., Ltd ("Wuxi Hongshen") commenced a creditor subrogation claim against Wuxi Yilin Real Estate, a subsidiary of OUELH Group, before the People's Court of Xinwu District, Wuxi (the "Subrogation Claim"), on the allegation that:

(i) Wuxi Hongshen was owed an outstanding sum of 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 OUELH Group);
(ii) Wuxi Yilin Real Estate did not pay the consideration for the land and building at No. 20 Changjiang North Road, New District, Wuxi Jiangsu Province acquired from Wuxi Co; and
(iii) Wuxi Hongshen was therefore entitled to recover the outstanding sum of RMB 1.5 million (as a creditor of Wuxi Co.) directly from Wuxi Yilin Real Estate (as a subrogated debtor of Wuxi Co.) under PRC law.

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 Hongshen. All of Wuxi Hongshen's claims against OUELH Group had been fully satisfied as at 31 December 2022.

(b) Other claim(s) against OUELH

OUELH received a letter of demand from Fan 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 OUELH dated 1 February 2016.

This letter demanded payment of the same sums previously claimed by Fan in his letter of demand to OUELH dated 27 January 2017. In 2017, OUELH responded to Fan to seek further particulars and supporting documents in support of his claims, however, no response was forthcoming. OUELH 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 provision is made given that there is lack of details to support the claims.

In accordance to paragraph 92 of SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*, details of the provisions made for each litigation case were not disclosed in order not to prejudice OUELH Group's legal position in the proceedings.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

37 COMMITMENTS

Capital commitments

Other than as disclosed elsewhere in the financial statements, the Group has the following capital commitments:

	Group 2022 $'000	Group 2021 $'000
Property, plant and equipment	433	29,761
Investment properties	1,142	5,980

38 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 risks, and the Group's management of capital.

Risk management framework

The Board of Directors reviews and agrees policies, procedures and limits of authority for the management of the above risks. In setting the financial risk policies and procedures framework, the Board of Directors endeavours to strike a balance between costs of risks occurring and the costs of managing the risks. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee provides independent oversight on the effectiveness of the risk management policies, procedures and processes through review of the Group's exposure to financial risks on half-yearly basis and independent internal audit reporting.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

38 FINANCIAL INSTRUMENTS (CONT'D)

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 primarily from the Group's and the Company's receivables from customers, debt investments, and the Company's loans and non-trade amounts due from subsidiaries. Rental deposits are received, where appropriate, to reduce credit risk.

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk.

Trade and other receivables, other assets, and loans to subsidiaries

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables, other assets (excluding promissory notes and prepayments), and loans to subsidiaries at the reporting date by geographic region was:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
By geographical areas				
Singapore	70,953	70,494	1,549,220	1,853,390
Indonesia	57,068	67,360	–	–
The PRC	2,491	1,759	–	–
Others	1,603	5,404	397,432	380,224
	132,115	145,017	1,946,652	2,233,614

There is no concentration of customer risk at the Group and Company level, other than balances with related parties.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

38 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Expected credit loss assessment

The Group uses an allowance matrix to measure the ECLs for trade receivables. In measuring ECLs, trade receivables are grouped based on similar credit risk characteristics and days past due. Loss rates are based on actual credit loss experience over the past three to five years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The exposure to credit risk and ECLs for trade receivables as at 31 December 2022 and 31 December 2021 is insignificant.

For other receivables, other assets and loan to subsidiaries, the Group and the Company assess on a forward-looking basis the expected credit loss associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables, other assets (excluding promissory notes and prepayments), and loans to subsidiaries:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Not past due	115,292	152,470	2,395,811	2,677,319
Past due 1 – 30 days	8,379	2,376	8,005	3,011
Past due 31 – 60 days	2,964	672	3,552	3,098
Past due over 60 days	7,385	1,113	57,347	40,429
	134,020	156,631	2,464,715	2,723,857
Less: Impairment loss	(1,905)	(11,614)	(518,063)	(490,243)
	132,115	145,017	1,946,652	2,233,614

Movements in impairment loss in respect of trade and other receivables, other assets (excluding promissory notes and prepayments) and loans to subsidiaries

The movement in the impairment loss in respect of trade receivables (note 13) was as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
At 1 January	993	2,953	7	1,189
Impairment loss recognised/(reversed)	171	(893)	–	4
Utilised during the year	(304)	(1,186)	(7)	(1,186)
Effects of movements in exchange rates	(107)	119	–	–
At 31 December	753	993	–	7

38 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Expected credit loss assessment (cont'd)

The movement in the impairment loss in respect of non-trade receivables (note 13) and other assets (note 17) (excluding promissory notes and prepayments) was as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	10,621	9,456	165,090	41,494
Impairment loss recognised	9	1,151	68,718	123,596
Utilised during the year	(9,465)	–	–	–
Effects of movements in exchange rates	(13)	14	–	–
At 31 December	1,152	10,621	233,808	165,090

The movement in the impairment loss in respect of loans to subsidiaries (note 20) was as follows:

	Company	
	2022	**2021**
	$'000	**$'000**
At 1 January	325,146	362,355
Impairment loss reversed	(40,856)	(37,209)
Exchange difference	(35)	–
At 31 December	284,255	325,146

Derivatives

Derivatives are entered into with bank and financial institution counterparties with sound credit ratings.

Debt investments

The Group limits its exposure to credit risk on investments held by investing only with counterparties that are of acceptable credit quality.

The exposure to credit risk for debt investments at the reporting date by geographic region was as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Singapore	2,495	53,373
Indonesia	–	13,186
	2,495	66,559

There is no impairment recognised on the debt investments as at 31 December 2022 and 31 December 2021 and the ECLs is not material.

NOTES TO **THE FINANCIAL STATEMENTS**
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38 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Cash and cash equivalents

Cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposure. 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 of impairment on cash and cash equivalents was negligible.

Guarantees

A subsidiary of the Group provides financial guarantees to a joint venture. The maximum exposure of the Group in respect of the intra-group financial guarantees provided to the joint venture is disclosed in note 19.

The Company provides financial guarantees to subsidiaries, where appropriate. The maximum exposure of the Company in respect of the intra-group financial guarantees provided to subsidiaries is disclosed in note 25.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its liquidity management, the Group maintains sufficient level of cash and cash equivalents, and instruments that are readily convertible into cash. The Group also strives to maintain available credit facilities at a reasonable level to its overall debt position.

The Group has contractual commitments to incur capital expenditure with regard to its property, plant and equipment and investment properties, and capital commitments for financial assets designated at FVOCI.

38 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

Exposure to liquidity risk

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 flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group					
31 December 2022					
Non-derivative financial liabilities					
Trade and other payables	239,865	(239,865)	(179,139)	(58,996)	(1,730)
Lease liabilities	44,758	(77,079)	(7,843)	(14,569)	(54,667)
Borrowings	2,967,126	(3,301,248)	(698,629)	(2,602,619)	–
	3,251,749	(3,618,192)	(885,611)	(2,676,184)	(56,397)
Derivative financial instruments					
Derivative assets					
Interest rate swaps (net-settled)	(27,445)	28,265	21,314	6,951	–
Interest rate caps (net-settled)	(2,004)	1,898	1,735	163	–
Derivative liabilities					
Forward exchange contracts (net-settled)	494	(494)	(494)	–	–
Capital commitments for financial assets designated at FVOCI	–	(18,402)	(18,402)	–	–
	3,222,794	(3,606,925)	(881,458)	(2,669,070)	(56,397)

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

38 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group					
31 December 2021					
Non-derivative financial liabilities					
Trade and other payables	190,455	(190,455)	(145,500)	(39,941)	(5,014)
Lease liabilities	40,929	(73,785)	(7,381)	(10,737)	(55,667)
Borrowings	2,824,843	(3,024,540)	(543,107)	(2,481,433)	–
	3,056,227	(3,288,780)	(695,988)	(2,532,111)	(60,681)
Derivative financial instruments					
Derivative assets					
Interest rate swaps used for hedging (net-settled)	(960)	972	(34)	1,006	–
Derivative liabilities					
Interest rate swaps used for hedging (net-settled)	8,622	(8,506)	(9,372)	866	–
Capital commitments for financial assets designated at FVOCI	–	(14,072)	(14,072)	–	–
	3,063,889	(3,310,386)	(719,466)	(2,530,239)	(60,681)
Company					
31 December 2022					
Non-derivative financial liabilities					
Trade and other payables	125,584	(125,584)	(124,280)	(1,304)	–
Lease liabilities	680,196	(935,206)	(48,264)	(186,668)	(700,274)
Borrowings	18,955	(24,050)	(827)	(23,223)	–
Loans from a subsidiary	301,412	(313,468)	(313,468)	–	–
	1,126,147	(1,398,308)	(486,839)	(211,195)	(700,274)
Derivative financial liabilities					
Derivative assets	(222)	155	139	16	–
Interest rate caps (net-settled)	1,125,925	(1,398,153)	(486,700)	(211,179)	(700,274)
31 December 2021					
Non-derivative financial liabilities					
Trade and other payables	80,660	(80,660)	(80,250)	(410)	–
Lease liabilities	696,904	(973,352)	(48,078)	(180,000)	(745,274)
Borrowings	49,698	(51,234)	(10,842)	(40,392)	–
Loans from subsidiaries	507,620	(527,735)	(527,735)	–	–
	1,334,882	(1,632,981)	(666,905)	(220,802)	(745,274)

The maturity analyses show the undiscounted cash flows of the financial liabilities of the Group and the Company on the basis of their earliest possible contractual maturity. It is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

38 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

Exposure to liquidity risk (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

Foreign currency risk arises from transactions denominated or settled in foreign currencies and translation of net assets of investments in foreign subsidiaries and associates.

The Group is exposed to foreign currency risk arising from transactions that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk include United States Dollars ("USD") and Indonesia Rupiah ("IDR"). Currency exposure to the net assets of the Group's subsidiaries are mainly to those in Indonesia.

The Group management monitors the Group's foreign currency risk exposure and when appropriate, uses financial derivatives such as currency forward contracts and cross currency swaps to hedge such exposure, only to the extent that the foreign currency exposure relates to monetary items. The Group does not hedge foreign currency exposure arising from (i) non-monetary items; and (ii) translation of Group's entities financial statements.

Exposure to currency risk

The Group's exposure to currency risk (expressed in Singapore Dollar ("SGD") equivalent) is as follows:

	Group	
	USD $'000	IDR $'000
31 December 2022		
Cash and cash equivalents	5,540	6
Trade and other receivables	3,935	–
Other investments	115,347	40,342
Other assets	180	13,050
	125,002	53,398
31 December 2021		
Cash and cash equivalents	32,307	–
Trade and other receivables	3,986	–
Other investments	151,617	132,175
Other assets	1,676	14,250
	189,586	146,425

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38 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Exposure to currency risk (cont'd)

The Company's exposure to currency risk (expressed in SGD equivalent) is as follows:

	Company	
	2022 USD $'000	2021 USD $'000
Cash and cash equivalents	700	23,260
Due from subsidiaries	–	960
Loans to subsidiaries	31,314	96,986
Other assets	180	–
	32,194	121,206

Sensitivity analysis

A reasonably possible strengthening of the respective foreign currencies, as indicated below, against SGD at 31 December would have increased profit or loss and equity (excluding tax effects) by the amounts shown below. A similar weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Company	
	Profit or loss $'000	Equity $'000	Profit or loss $'000	Equity $'000
2022				
USD (6% strengthening)	3,274	4,226	1,932	–
IDR (8% strengthening)	1,044	3,227	–	–
2021				
USD (3% strengthening)	2,622	3,063	3,636	–
IDR (1% strengthening)	274	1,190	–	–

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the cash balances, loans to/from subsidiaries and associates and borrowings.

The Group manages its interest rate exposure by borrowing in a mix of fixed and variable rate borrowings, entering into interest rate cap transactions, and also uses interest rate swaps as cash flow hedges of future interest payments, whenever it is appropriate.

38 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (cont'd)

Interest rate risk (cont'd)

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some IBORs with alternative nearly risk-free rates (referred to as "interest rate benchmark reform"). The Group had exposures to Swap Offer Rate ("SOR") on its financial instruments that will be replaced or reformed as part of these market wide initiatives. In 2022, the Group has undertaken amendments to its financial instruments with contractual terms indexed to SOR such that they incorporate the new benchmark (i.e. SORA). As at 31 December 2022, the Group's remaining IBOR exposure is indexed to SOR.

Derivatives

The Group holds interest rate swaps and interest rate caps for risk management purposes that are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR or SORA. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association ("ISDA")'s master agreements. The Group is still in the process of communication with the counterparties for all SOR indexed exposures and specific changes have yet been agreed.

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by interest rate benchmark reform as at 31 December 2022. Certain of the Group's hedged items and hedging instruments continue to be indexed to SOR. These benchmark rates are quoted each day and the SOR cash flows are exchanged with its counterparties as usual.

The Group's SOR cash flow hedging relationships extend beyond the anticipated cessation date for IBOR. The Group is still in the process of communication with the counterparties for the remaining SOR indexed exposures and the relevant hedging instruments and hedged items have not been amended to transition from SOR. The Group continues to apply the amendments to SFRS (I) 9 issued in December 2020 (Phase 1) to those hedging relationships directly affected by IBOR reform and assumes that the cash flows of the hedged item and hedging instrument will not be materially altered as a result of interest rate benchmark reform.

Hedging relationships impacted by interest rate benchmark reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Singapore-dollar SOR broker quotes for SOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in SOR on a similar basis.

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38 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd)

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language as at 31 December 2022. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

	SOR	
	Total amount of unreformed contracts $'000	**Amount with appropriate fallback clause $'000**
Group		
31 December 2022		
Financial asset		
Debt investment	2,500	–
Derivatives		
Interest rate swaps	165,000	612,500
31 December 2021		
Financial asset		
Debt investment	2,500	–
Financial liabilities		
Borrowings	325,000	939,000
Derivatives		
Interest rate swaps	265,000	800,000

The Group's exposure to SOR-based derivatives in hedging relationships is $165,000,000 (2021: $1,065,000,000) nominal amount at 31 December 2022, representing both the nominal amount of the hedging interest rate swap and the principal amount of the Group's hedged SGD-denominated bank loan liabilities maturing in 2023 (2021: 2022 to 2026).

The Group is actively engaging with lenders to include appropriate fall-back provisions in its floating-rate liabilities with maturities after 2022 and expects that the hedging instruments will be modified accordingly.

38 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd)

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to management, was as follows:

	Group Notional amount		Company Notional amount	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Fixed rate instruments				
Cash and cash equivalents*	117,158	34,288	84,531	–
Loans to subsidiaries	–	–	852,718	1,129,794
Loan to a related company	10,500	10,500	–	–
Loan to a third party	21,000	21,000	–	–
Borrowings	(900,444)	(850,000)	–	–
Loans from a subsidiary	–	–	(301,412)	(497,620)
Interest rate swaps	(1,197,500)	(1,405,000)	–	–
Interest rate caps	(210,000)	–	(20,000)	–
	(2,159,286)	(2,189,212)	615,837	632,174
Variable rate instruments				
Cash and cash equivalents*	–	87,157	–	53,783
Other investments	2,500	53,373	–	–
Borrowings	(2,096,246)	(1,997,912)	(20,000)	(50,000)
Loan from a subsidiary	–	–	–	(10,000)
Interest rate swaps	1,197,500	1,405,000	–	–
Interest rate caps	210,000	–	20,000	–
	(686,246)	(452,382)	–	(6,217)

* Excluding cash at bank and on hand

All of the Group's and the Company's financial assets and liabilities at floating rates are repriced at intervals of 6 months or less.

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.

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Year ended 31 December 2022

38 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 50 (2021: 50) basis points ("bp") in interest rates at the reporting date would have increased/(decreased) profit or loss (excluding tax effects) and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation.

	Profit or loss		Equity	
	50 bp increase $'000	50 bp decrease $'000	50 bp increase $'000	50 bp decrease $'000
2022				
Group				
Variable rate instruments	(10,469)	10,469	–	–
Interest rate swaps	5,138	(5,138)	933	(924)
Interest rate caps	1,050	(1,050)	–	–
	(4,281)	4,281	933	(924)
Company				
Variable rate instruments	(100)	100	–	–
Interest rate caps	100	(100)	–	–
2021				
Group				
Variable rate instruments	(9,287)	9,287	–	–
Interest rate swaps	7,025	(7,025)	1,095	(1,103)
	(2,262)	2,262	1,095	(1,103)
Company				
Variable rate instruments	(31)	31	–	–

Other market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

Equity price risk arises from equity instruments at FVOCI as well as investments measured at FVTPL.

(a) FVOCI

The Group has investments in equity securities and interests in limited partnerships designated at FVOCI. The fair values of these investments are estimated based on the quoted market price of the investments; or adjusted net asset values of the investee entities.

If the quoted market price/adjusted net asset value of the investee entities were to increase/decrease by 10% (2021: 10%), the Group's other comprehensive income (net of tax) and fair value reserve will increase/decrease by approximately $10,521,000 (2021: $21,071,000).

38 FINANCIAL INSTRUMENTS (CONT'D)

Other market price risk (cont'd)

(b) FVTPL

The Group is exposed to price changes from its quoted equity investments and investments in mutual funds measured at FVTPL. If the fair value of these investments were to increase/decrease by 10% (2021: 10%) at the reporting date, profit before tax would increase/decrease by approximately $4,803,000 (2021: $7,859,000).

Hedge accounting

Cash flow and interest rate hedges

The Group held the following instruments to hedge exposures to changes in interest rates.

	Maturity	
	1-12 months	**More than one year**
Group		
2022		
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	315,000	50,000
Average fixed interest rate	1.89% - 2.13%	1.78% - 1.97%
2021		
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	290,000	1,115,000
Average fixed interest rate	1.45% - 2.17%	0.51% - 2.13%

The amounts at the reporting date relating to items designated as hedged items were as follows.

	Change in value used for calculating hedge ineffectiveness $'000	Cash flow hedge reserve $'000
Group		
31 December 2022		
Interest rate risk		
Variable-rate instruments	(8,790)	7,527
31 December 2021		
Interest rate risk		
Variable-rate instruments	(15,786)	(5,464)

There are no balances remaining in cash flow hedging reserve from hedging relationships for which hedge accounting no longer applied.

NOTES TO **THE FINANCIAL STATEMENTS**
Year ended 31 December 2022

38 FINANCIAL INSTRUMENTS (CONT'D)

Hedge accounting (cont'd)

Cash flow and interest rate hedges (cont'd)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

	As at 31 December				During the period				
Group	**Nominal amount $'000**	**Carrying amount – assets $'000**	**Carrying amount – liabilities $'000**	**Line item in the statement of financial position where the hedging instrument is included**	**Changes in the value of the hedging instrument recognised in OCI $'000**	**Hedge ineffective-ness recognised in profit or loss $'000**	**Line item in profit or loss that includes hedge ineffective-ness**	**Amount reclassified from hedging reserve to profit or loss $'000**	**Line item in profit or loss affected by the reclassifica-tion**
2022									
Interest rate risk									
Interest rate swaps	365,000	3,502	–	Derivative assets/ liabilities	7,811	2,177	Finance income	2,025	Finance cost
2021									
Interest rate risk									
Interest rate swaps	1,405,000	960	(8,622)	Derivative assets/ liabilities	11,352	1,364	Finance income	20,740	Finance cost

Capital management

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure so as to maximise shareholders' value. Capital consists of all components of equity, including NCIs.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, and obtain new borrowings to leverage on lower cost of borrowings versus the Group's weighted average cost of capital or sell assets to reduce borrowings.

From time to time, the Group purchases its own shares on the market, the timing of these purchases depends on market prices. Buy and sell decisions are made on a specific transaction basis by management, the Group does not have a defined share buy-back plan.

Management monitors capital based on a set of financial ratios with the primary focus on gearing ratio. The net gearing ratio is calculated as net debt divided by net tangible assets. Net debt is calculated as borrowings less cash and cash equivalents. Net tangible assets is calculated as total equity less intangible assets and goodwill.

38 FINANCIAL INSTRUMENTS (CONT'D)

Capital management (cont'd)

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Borrowings	2,967,126	2,824,843	18,955	49,698
Less: Cash and cash equivalents	(327,846)	(518,858)	(121,614)	(233,529)
	2,639,280	2,305,985	(102,659)	(183,831)
Net tangible assets	5,915,655	5,688,722	2,516,292	2,572,310
Net gearing ratio	44.6%	40.5%	(4.1%)*	(7.1%)*

* The Company is in net cash position as at 31 December 2022 and 31 December 2021.

The Group has income derived from its investments in the PRC. The conversion of these RMB denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange promulgated by the government of the PRC.

The Group's subsidiaries, OUE C-REIT and its subsidiaries ("OUE C-REIT Group") and First REIT and its subsidiaries ("First REIT Group"), are subject to the aggregate leverage limit as defined in the Property Funds Appendix of the Code on Collective Investment Schemes (the "CIS Code") issued by the MAS.

Under the Property Funds Appendix of the CIS Code, the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not exceed 45.0% of its Deposited Property (as defined in the CIS Code). For periods on or after 1 January 2022, the Aggregate Leverage should not, on or after 1 January 2022, exceed 45.0% of its Deposited Property. S-REITs are to have a minimum adjusted interest coverage ratio of 2.5 times before they are allowed to increase their leverage to beyond the prevailing 45% limit (up to 50%).

The Aggregate Leverage of OUE C-REIT Group and First REIT Group as at 31 December 2022 was 38.8% (2021: 38.7%) and 38.5% of its Deposited Property respectively. The ICR was 2.4 times (2021: 2.8 times) and 5.0 times for OUE C-REIT Group and First REIT Group respectively. This complied with the Aggregate Leverage limit as described above.

Apart from that disclosed above, neither the Company nor its other subsidiaries are subject to externally imposed capital requirements.

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38 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 set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount						Fair value			
	Note	Amortised cost $'000	Mandatorily at FVTPL $'000	Designated at FVOCI $'000	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group											
31 December 2022											
Financial assets measured at fair value											
Other investments - FVTPL	15	–	48,031	–	–	–	48,031	3,122	44,909	–	48,031
Equity investments - FVOCI	15	–	–	54,177	–	–	54,177	40,342	–	13,835	54,177
Interests in limited partnerships - FVOCI	15	–	–	66,993	–	–	66,993	–	–	66,993	66,993
Derivative assets	28	–	–	–	29,449	–	29,449	–	29,449	–	29,449
		–	48,031	121,170	29,449	–	198,650				
Financial assets not measured at fair value											
Cash and cash equivalents	12	327,846	–	–	–	–	327,846				
Trade and other receivables[1]	13	32,684	–	–	–	–	32,684				
Debt investments – at amortised costs	15	2,495	–	–	–	–	2,495				
Other assets[2]	17	99,431	–	–	–	–	99,431				
		462,456	–	–	–	–	462,456				
Financial liabilities measured at fair value											
Derivative liabilities	28	–	–	–	(494)	–	(494)	–	(494)	–	(494)
Financial liabilities not measured at fair value											
Trade and other payables	24	–	–	–	–	(179,139)	(179,139)				
Borrowings:											
- Loans and other borrowings	25	–	–	–	–	(2,078,045)	(2,078,045)				
- Unsecured notes	25	–	–	–	–	(793,510)	(793,510)	–	(771,032)	–	(771,032)
- Guaranteed bonds	25					(95,571)	(95,571)	–	(95,356)	–	(95,356)
Other payables:											
- Rental deposits	30	–	–	–	–	(47,414)	(47,414)	–	–	(42,709)	(42,709)
- Retention sums payable	30	–	–	–	–	(896)	(896)				
- Others	30	–	–	–	–	(12,416)	(12,416)				
		–	–	–	–	(3,206,991)	(3,206,991)				

(1) Excluding promissory notes
(2) Excluding prepayments

38 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Note	Carrying amount Amortised cost $'000	Mandatorily at FVTPL $'000	Designated at FVOCI $'000	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total $'000	Fair value Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group											
31 December 2021											
Financial assets measured at fair value											
Other investments - FVTPL	15	–	78,590	–	–	–	78,590	38,881	39,709	–	78,590
Equity investments - FVOCI	15	–	–	130,942	–	–	130,942	118,989	–	11,953	130,942
Interests in limited partnerships - FVOCI	15	–	–	102,403	–	–	102,403	–	–	102,403	102,403
Derivative assets	28	–	–	–	960	–	960	–	960	–	960
		–	78,590	233,345	960	–	312,895				
Financial assets not measured at fair value											
Cash and cash equivalents	12	518,858	–	–	–	–	518,858				
Trade and other receivables[1]	13	29,881	–	–	–	–	29,881				
Debt investments – at amortised costs[2]	15	53,373	–	–	–	–	53,373				
Other assets[3]	17	115,136	–	–	–	–	115,136				
		717,248	–	–	–	–	717,248				
Financial liabilities measured at fair value											
Derivative liabilities	28	–	–	–	(8,622)	–	(8,622)	–	(8,622)	–	(8,622)
Financial liabilities not measured at fair value											
Trade and other payables	24	–	–	–	–	(145,500)	(145,500)				
Borrowings:											
- Loans and other borrowings	25	–	–	–	–	(1,981,213)	(1,981,213)				
- Unsecured notes	25	–	–	–	–	(843,630)	(843,630)	–	(858,881)	–	(858,881)
Other payables:											
- Rental deposits	30	–	–	–	–	(37,025)	(37,025)	–	–	(36,549)	(36,549)
- Retention sums payable	30	–	–	–	–	(4,890)	(4,890)				
- Others	30	–	–	–	–	(3,040)	(3,040)				
		–	–	–	–	(3,015,298)	(3,015,298)				

[1] Excluding promissory notes
[2] Excluding debt investment denominated in IDR
[3] Excluding prepayments

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38 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Note	Carrying amount Amortised cost $'000	Other financial liabilities $'000	Fair value – hedging instruments $'000	Total $'000	Fair value Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company									
31 December 2022									
Financial assets measured at fair value									
Derivative assets	28	–	–	222	222	–	222	–	222
Financial assets not measured at fair value									
Cash and cash equivalents	12	121,614	–	–	121,614				
Trade and other receivables	13	978,445	–	–	978,445				
Other assets[1]	17	42,429	–	–	42,429				
Loans to subsidiaries	20	925,778	–	–	925,778				
		2,068,266	–	–	2,068,266				
Financial liabilities not measured at fair value									
Loans from subsidiaries	20	–	(301,412)	–	(301,412)				
Trade and other payables	24	–	(124,280)	–	(124,280)				
Borrowings:									
- Loans and other borrowings	25	–	(18,955)	–	(18,955)				
Other payables	30	–	(1,304)	–	(1,304)				
		–	(445,951)	–	(445,951)				
31 December 2021									
Financial assets not measured at fair value									
Cash and cash equivalents	12	233,529	–	–	233,529				
Trade and other receivables	13	1,109,479	–	–	1,109,479				
Other assets[1]	17	5,941	–	–	5,941				
Loans to subsidiaries	20	1,118,194	–	–	1,118,194				
		2,467,143	–	–	2,467,143				
Financial liabilities not measured at fair value									
Loans from subsidiaries	20	–	(507,620)	–	(507,620)				
Trade and other payables	24	–	(80,250)	–	(80,250)				
Borrowings:									
- Loans and other borrowings	25	–	(49,698)	–	(49,698)				
Other payables	30	–	(410)	–	(410)				
		–	(637,978)	–	(637,978)				

[1] Excluding prepayments

38 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

(i) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Group			
Mutual funds – FVTPL Unquoted equity investments – FVOCI Interests in limited partnerships – FVOCI	The fair value is calculated using the adjusted net asset value of the investee entity, which take into consideration the fair value of the underlying investments.	Net asset values	An increase/decrease in the net asset value would result in a higher/lower fair value measurement.
Derivatives	The fair values are based on broker quotes.	N/A	N/A

Financial instruments not measured at fair value

Type	Valuation technique
Group and Company	
Borrowings – unsecured notes and guaranteed bonds	Market quoted prices
Other payables – rental deposits	Discounted cash flows

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38 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

(ii) Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values in respect of financial assets measured at fair value:

	Group 2022 $'000	Group 2021 $'000
Equity investments and interests in limited partnerships – FVOCI		
At 1 January	114,356	97,532
Purchases	5,173	8,659
Disposals	(9,657)	(12,253)
Net change in fair value recognised in other comprehensive income	(28,122)	20,224
Effect of movements in exchange rates	(922)	194
At 31 December	80,828	114,356

39 RELATED PARTIES

Key management personnel remuneration

Key management personnel remuneration comprised:

	Group 2022 $'000	Group 2021 $'000
Short-term employee benefits	1,855	1,452
Post-employment benefits (including contributions to defined contribution plans)	22	15
	1,877	1,467

39 RELATED PARTIES (CONT'D)

Other related party transactions

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

	Group Transaction value for the year 2022 $'000	2021 $'000
Associates and joint ventures		
Management fees earned	7,765	13,909
Lease payments	3,078	2,814
Other related parties		
Acquisition of quoted equity investments designated at FVOCI	–	96,133
Rental and rental related income	76,671	1,381
Rental and rental related expense	267	–
Hotel services income	1,016	–
Management fees earned	360	180
Support services fees	195	272
Royalty fee income	174	168
Interest income	571	569
Reimbursement of expenses paid on behalf	216	258

The Group and the Company made loans and advances to subsidiaries, associates and joint ventures as disclosed in notes 13, 19 and 20 of the financial statements. None of the outstanding balances with the related parties is secured.

40 OPERATING SEGMENTS

The Group has three (2021: three) 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 senior management (the chief operating decision makers) review internal management reports of each division at least quarterly. The senior management comprises the Chief Executive Officer, the Deputy Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, and the department heads of each business segment.

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

(i) Real Estate

a) Investment properties (Singapore, Indonesia and the PRC) – rental of investment properties owned by the Group and management of real estate investment trusts and investment properties under development.

b) Hospitality – operation of hotels and hotel management.

c) Development properties (Singapore and the PRC) – sale of residential properties and other properties under development.

40 OPERATING SEGMENTS (CONT'D)

(ii) Healthcare – operation of investment holding, development of medical real estate, healthcare-related assets and integrated mixed-use developments and provision of healthcare services and management of healthcare investments trusts.

(iii) Consumer – operation of food and beverage outlets and consumer-related investments.

Other operations include mainly investment operations and do not meet any of the quantitative thresholds for determining reportable segments in 2022 and 2021.

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

	Real Estate									
	Investment Properties									
2022	**Singapore $'000**	**Others $'000**	**Hospitality $'000**	**Development Properties $'000**	**Segment Subtotal $'000**	**Healthcare $'000**	**Consumer $'000**	**Reportable Segments $'000**	**Elimination and unallocated items $'000**	**Total $'000**
Revenue										
External revenue	162,215	27,168	142,623	2,704	334,710	122,359	33,611	490,680	440	491,120
Inter-segment revenue	818	–	2,028	–	2,846	–	270	3,116	(3,116)	–
Segment revenue (including inter-segment revenue)	163,033	27,168	144,651	2,704	337,556	122,359	33,881	493,796	(2,676)	491,120
Segment profit/(loss)[1]	142,057	22,716	14,884	117,287	296,944	83,719	(5,109)	375,554	(30,320)	345,234
Depreciation of property, plant and equipment	(1,184)	(33)	(38,687)	–	(39,904)	(2,118)	(7,457)	(49,479)	(2,834)	(52,313)
Finance expenses	(82,701)	(455)	23	–	(83,133)	(21,206)	(1,407)	(105,746)	(20,559)	(126,305)
Finance income	26,677	738	69	8	27,492	456	8	27,956	4,762	32,718
Share of results of equity-accounted investees, net of tax	37,108	–	–	117,615	154,723	307	1,927	156,957	–	156,957
Other material items										
Impairment loss on interests in an equity-accounted investee	–	–	–	–	–	(5,000)	–	(5,000)	–	(5,000)
Negative goodwill arising from the acquisition of additional interests in an equity-accounted investee	–	–	–	43,808	43,808	–	–	43,808	–	43,808
Net change in fair value of investment properties	58,072	(15,263)	–	–	42,809	(9,845)	–	32,964	–	32,964
Net change in fair value of investments designated at fair value through profit or loss	–	–	–	–	–	–	–	–	3,196	3,196
Writeback of impairment/ (Impairment loss) on property, plant and equipment	–	–	81,653	–	81,653	(3,247)	(1,767)	76,639	–	76,639
31 December 2022										
Reportable segment assets[2]	3,681,594	734,994	1,730,584	41,109	6,188,281	1,359,120	53,357	7,600,758	364,788	7,965,546
Interests in equity-accounted investees	347,332	–	–	1,089,658	1,436,990	41,934	42,598	1,521,522	–	1,521,522
Reportable segment liabilities	2,164,669	27,952	44,094	3,860	2,240,575	570,582	17,958	2,829,115	683,904	3,513,019
Capital expenditure	5,907	821	69,461	5	76,194	35,760	4,165	116,119	243	116,362

[1] Segment profit/(loss) is defined as profit/(loss) before interest, tax and other gains/(losses)
[2] Excluding interests in equity-accounted investees

40 OPERATING SEGMENTS (CONT'D)

	Real Estate									
	Investment Properties									
	Singapore	Others	Hospitality	Development Properties	Segment Subtotal	Healthcare	Consumer	Reportable Segments	Elimination and unallocated items	Total
2021	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue										
External revenue	170,283	25,233	57,581	1,701	254,798	31,248	14,714	300,760	46	300,806
Inter-segment revenue	315	–	63	–	378	–	90	468	(468)	–
Segment revenue (including inter-segment revenue)	170,598	25,233	57,644	1,701	255,176	31,248	14,804	301,228	(422)	300,806
Segment profit/(loss)[1]	122,771	20,209	(27,243)	190,824	306,561	31,308	5,599	343,468	(30,049)	313,419
Depreciation of property, plant and equipment	(1,188)	(46)	(40,879)	–	(42,113)	(1,784)	(3,122)	(47,019)	(4,051)	(51,070)
Finance expenses	(77,264)	(1,064)	(7)	–	(78,335)	(4,209)	(582)	(83,126)	(27,044)	(110,170)
Finance income	3,258	1,051	7	3	4,319	260	2	4,581	2,682	7,263
Share of results of equity-accounted investees, net of tax	13,236	–	–	191,378	204,614	17,133	10,121	231,868	–	231,868
Other material items										
Net change in fair value of investment properties	30,664	140	–	–	30,804	(17,514)	–	13,290	–	13,290
Net change in fair value of investments designated at FVTPL	–	–	–	–	–	–	–	–	20,511	20,511
Impairment loss on property, plant and equipment	–	–	(86,754)	–	(86,754)	(19,375)	–	(106,129)	–	(106,129)
31 December 2021										
Reportable segment assets[2]	3,593,371	892,131	1,607,263	31,616	6,124,381	455,583	118,131	6,698,095	665,201	7,363,296
Interests in equity-accounted investees	322,054	–	–	1,062,019	1,384,073	226,732	57,398	1,668,203	–	1,668,203
Reportable segment liabilities	2,098,144	52,865	21,761	4,786	2,177,556	229,432	17,678	2,424,666	887,435	3,312,101
Capital expenditure	7,847	1,749	87,761	–	97,357	2,264	4,284	103,905	100	104,005

1 Segment profit/(loss) is defined as profit/(loss) before interest, tax and other gains/(losses)
2 Excluding interests in equity-accounted investees

40 OPERATING SEGMENTS (CONT'D)

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

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

Reconciliations of reportable segment assets and liabilities

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

40 OPERATING SEGMENTS (CONT'D)

Geographical information

	Revenue		Non-current assets*	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore	364,670	255,908	5,780,661	5,702,152
The PRC	31,831	28,097	1,650,391	1,693,076
Japan	15,357	16,711	287,355	290,595
Indonesia	79,262	90	977,184	170,333
Others	–	–	49,736	62,482
	491,120	300,806	8,745,327	7,918,638

* Non-current assets relate to the carrying amounts of investments in equity-accounted investees, investment properties, property, plant and equipment, intangible assets and goodwill.

For the year ended 31 December 2022, a related party contributed more than 10% of the Group's revenue in aggregate.

41 ACQUISITION / DISPOSAL OF SUBSIDIARIES

(i) First REIT

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

Following the completion, the Group's voting interests in First REIT increased to 44.2% (31 December 2021: 28.8%) and First REIT was deemed disposed as an associate and accounted for as a subsidiary of the Group.

For the ten months ended 31 December 2022, First REIT contributed revenue of $95,393,000 and profit after tax 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 $505,540,000, and consolidated profit for the year would have been $349,776,000. 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
Fair value of the existing shares in associate	140,406
Fair value of the Japan subsidiaries transferred to NCI	72,544
Total consideration transferred	212,950

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41 ACQUISITION / DISPOSAL OF SUBSIDIARIES (CONT'D)

(i) First REIT (cont'd)

Fair value of associate – Level 1 quoted price

The fair value of the associate, First REIT, was based on the listed closing share price on 28 February 2022 at $0.30 per share.

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 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.

Identifiable assets acquired and liabilities assumed

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

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

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.

Negative goodwill

Negative goodwill arising from the acquisition has been recognised as follows:

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

41 ACQUISITION / DISPOSAL OF SUBSIDIARIES (CONT'D)

(i) First REIT (Cont'd)

Remeasurement of previously held equity interest in an associate

	$'000
Fair value of associate on disposal date	140,406
Less: carrying amount of investment in associate	(176,007)
Loss on remeasurement of previously held effective equity interest	(35,601)
Net loss arising from the transaction recognised in profit or loss	(224)

Cash flows relating to the acquisition

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

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

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

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

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

Identifiable assets acquired and liabilities assumed

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

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

Goodwill

Goodwill arising from the acquisition has been recognised by the OUE JV as follows:

	Note	$'000
Total consideration transferred		27,958
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of acquiree		362
Fair value of identifiable net assets		(566)
Goodwill	18	27,754

41 ACQUISITION / DISPOSAL OF SUBSIDIARIES (CONT'D)

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

Cash flows relating to the acquisition

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

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

On 27 September 2022, the Group has through First REIT's indirect wholly-owned subsidiaries, Primerich Investments Pte. Ltd. and Surabaya Hospitals Investment Pte. Ltd., completed the disposal of 100% of issued and paid-up share capital of PT TPI for a total sales consideration of $40,345,000.

PT TPI previously contributed net profit of $2,106,000 from 1 March 2022 to the date of disposal.

Effect of the disposal

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

	Note	$'000
Investment properties	21	40,438
Cash and cash equivalents		-*
Other payables		-*
Net assets disposed		40,438
Realisation of foreign exchange reserve		44
Transaction costs		374
		40,856
Sales consideration		40,345
Loss on disposal of a subsidiary	9	(511)
Sales consideration		40,345
Less: Cash and bank balances of subsidiary disposed		-*
Less: Tax expense relating to the disposal		(2,017)
Less: Transaction costs		(374)
Net cash flow on disposal of a subsidiary		37,954

* *Amount less than $1,000*

42 CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES WITHOUT A CHANGE IN CONTROL

2022

In 2022, the Group received units in OUE C-REIT in return for management services provided to OUE C-REIT. Arising therefrom, the Group's interest in OUE C-REIT increased from 48.2% to 48.4% as at 31 December 2022.

Following the Divestment of Japan Nursing Homes on 1 March 2022, the Group's effective interests in OUELH Group's subsidiaries, OUELH Japan Medical Facilities Pte. Ltd. and OUELH Japan Medical Assets Pte. Ltd., decreased from 70.4% to 33.1%.

Subsequent to the acquisition of First REIT on 1 March 2022, the Group received units in First REIT in return for management services provided to First REIT. Arising therefrom, the Group's effective interest in First REIT increased from 33.1% to 33.4% as at 31 December 2022.

2021

In 2021, the Group received units in OUE C-REIT in return for management services provided to OUE C-REIT. Arising therefrom, the Group's interest in OUE C-REIT increased from 47.9% to 48.2% as at 31 December 2021.

On 31 March 2021, the Group acquired 266,587,752 OUELH shares from Browny Healthcare Pte. Ltd. for an aggregate consideration of $27,659,000. Arising therefrom, the Group's effective interest in OUELH increased from 64.4% to 70.4% as at 31 December 2021.

The following summarises the effect of changes in the Group's ownership interest in OUE C-REIT, subsidiaries of OUELH and First REIT:

	OUE C-REIT $'000	Subsidiaries of OUELH[1] $'000	First REIT $'000	Total $'000
2022				
Decrease/(Increase) in equity attributable to non-controlling interests	1,809	(81,261)	1,875	(77,577)
Increase in equity attributable to owners of the Company	1,809	5,794	1,875	9,478
2021				
Decrease in equity attributable to non-controlling interests	1,431	11,896	–	13,327
Increase/(Decrease) in equity attributable to owners of the Company	1,431	(15,763)	–	(14,332)

[1] This arose due to OUELH's disposal of 2 wholly-owned subsidiaries, OUELH Japan Medical Facilities Pte. Ltd and OUELH Japan Medical Assets Pte. Ltd. to First REIT during the year (note 41). There is no change in the Group's interest in OUELH during the year.

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43 LISTING OF ENTITIES IN THE GROUP

The following are the Group's significant subsidiaries and equity-accounted investees:

Name of company	Principal activities	Country of incorporation	% of paid-up capital held by The Company 2022 %	The Company 2021 %	Subsidiaries 2022 %	Subsidiaries 2021 %
Subsidiaries						
Alkas Realty Pte. Ltd.	Property investment	Singapore	–	–	100	100
Cove Development Pte. Ltd.	Property development	Singapore	–	–	100	100
OUB Centre Limited	Property investment	Singapore	–	–	83.3[a]	83.3[a]
OUE Airport Hotel Pte. Ltd.	Hotel operation	Singapore	–	–	100	100
First Real Estate Investment Trust	Healthcare real estate investment trust	Singapore	–	–	44.2[b]	28.8[b]
OUE Commercial Real Estate Investment Trust	Real estate investment trust	Singapore	21.5	14.6	26.9	33.6
OUE Lippo Healthcare Limited and its subsidiaries	Investment holding, development of medical real estate, healthcare-related assets and integrated mixed-use developments and provision of healthcare services	Singapore	–	–	70.4	70.4
PT OUE Pengembangan Properti[c]	Property investment	Indonesia	–	–	100	100
PT Deer Pine Indonesia[c]	Property development	Indonesia	–	–	100	100
Associate						
Gemdale Properties and Investments Corporation[d]	Property development, property investment, property management and micro-financing	Bermuda	–	–	25.2	22.8

All significant subsidiaries and equity-accounted investees are audited by KPMG LLP, Singapore except as indicated below.

[a] As at the reporting date, the Group consolidated the company via OUE C-REIT and owns an effective equity interest of 40.3% (2021: 40.1%) in the company.

[b] First REIT was deemed disposed as an associate and became a subsidiary of the Group on 1 March 2022 (note 41). As at the reporting date, the Group consolidated First REIT via OUELH and owns an effective interest of 33.4% (2021: 23.1%).

Based on assessment performed by management in accordance with SFRS(I) 10 *Consolidated Financial Statements*, management has determined that the Group has control over First REIT on the basis that the Group's overall exposure to variable returns is significant.

[c] Audited by KAP Arif and Glorius.

[d] Audited by Ernst & Young, Hong Kong.

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44. NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards 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 in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Group's statement of financial position.

- SFRS(I) 17 *Insurance Contracts* and Amendments to SFRS(I) 17 *Insurance Contracts*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-Current*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

SHAREHOLDING STATISTICS

As at 24 March 2023

Total number of issued ordinary shares	: 859,837,460
Total number of issued ordinary shares excluding treasury shares	: 847,257,260
Class of shares	: Ordinary Shares
Total number of treasury shares held	: 12,580,200
Total number of subsidiary holdings	: 0
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued ordinary shares excluding treasury shares	: 1.48%
Voting rights (excluding treasury shares)	: 1 vote per share

Breakdown of Shareholdings

Size of Shareholdings	Number of Shareholders	% of Shareholders	Number of Shares	% of Issued Share Capital*
1 - 99	37	0.37	871	0.00
100 - 1,000	800	7.94	700,918	0.08
1,001 - 10,000	6,620	65.73	34,391,731	4.06
10,001 - 1,000,000	2,599	25.81	98,249,672	11.60
1,000,001 and above	15	0.15	713,914,068	84.26
TOTAL	**10,071**	**100.00**	**847,257,260**	**100.00**

Twenty Largest Shareholders

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital*
1.	BANK OF CHINA NOMINEES PTE LTD	618,916,410	73.05
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	25,049,012	2.96
3.	DBS NOMINEES PTE LTD	23,661,173	2.79
4.	OCBC SECURITIES PRIVATE LTD	18,565,705	2.19
5.	RAFFLES NOMINEES (PTE) LIMITED	5,827,199	0.69
6.	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,503,050	0.41
7.	PHILLIP SECURITIES PTE LTD	3,407,219	0.40
8.	OCBC NOMINEES SINGAPORE PTE LTD	3,124,000	0.37
9.	HENG SIEW ENG	2,429,500	0.29
10.	MORPH INVESTMENTS LTD	2,310,000	0.27
11.	JACK INVESTMENT PTE LTD	1,722,500	0.20
12.	NG POH CHENG	1,517,500	0.18
13.	MAYBANK SECURITIES PTE. LTD.	1,406,300	0.17
14.	UOB KAY HIAN PTE LTD	1,258,900	0.15
15.	ANG JWEE HERNG	1,215,600	0.14
16.	GOH YEW GEE	920,000	0.11
17.	DBSN SERVICES PTE LTD	860,453	0.10
18.	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	844,600	0.10
19.	ANG JUI KHOON	725,200	0.09
20.	HO PHENG THENG JEANNETTE	691,000	0.08
	TOTAL	**717,955,321**	**84.74**

* *The shareholding percentage is calculated based on the number of issued ordinary shares of the Company excluding treasury shares.*

SUBSTANTIAL SHAREHOLDERS

As shown in the Company's Register of Substantial Shareholders as at 24 March 2023

		Direct Interest		Deemed Interest	
		Number of Shares	%	Number of Shares	%
1.	OUE Realty Pte. Ltd. ("**OUER**")	502,513,060	59.31[20]	-	-
2.	Golden Concord Asia Limited ("**GCAL**")	116,403,350	13.74[20]	502,513,060[1]	59.31[20]
3.	Fortune Crane Limited ("**FCL**")	-	-	618,916,410[2]	73.05[20]
4.	Lippo ASM Asia Property Limited ("**LAAPL**")	-	-	618,916,410[3]	73.05[20]
5.	HKC Property Investment Holdings Limited ("**HKC Property**")	-	-	618,916,410[4]	73.05[20]
6.	Hongkong Chinese Limited ("**HCL**")	-	-	618,916,410[5]	73.05[20]
7.	Hennessy Holdings Limited ("**HHL**")	-	-	618,916,410[6]	73.05[20]
8.	Huge Success Limited ("**HSL**", formerly known as Prime Success Limited)	-	-	618,916,410[7]	73.05[20]
9.	Lippo Limited ("**LL**")	-	-	618,916,410[8]	73.05[20]
10.	Lippo Capital Limited ("**LCL**")	-	-	618,916,410[9]	73.05[20]
11.	Lippo Capital Holdings Company Limited ("**LCH**")	-	-	618,916,410[10]	73.05[20]
12.	Lippo Capital Group Limited ("**LCG**")	-	-	618,916,410[11]	73.05[20]
13.	Dr. Stephen Riady	-	-	618,916,410[12]	73.05[20]
14.	PT Trijaya Utama Mandiri ("**PT Trijaya**")	-	-	618,916,410[13]	73.05[20]
15.	Mr. James Tjahaja Riady	-	-	618,916,410[14]	73.05[20]
16.	Admiralty Station Management Limited ("**Admiralty**")	-	-	618,916,410[15]	73.05[20]
17.	Argyle Street Management Limited ("**ASML**")	-	-	618,916,410[16]	73.05[20]
18.	Argyle Street Management Holdings Limited ("**ASMHL**")	-	-	618,916,410[17]	73.05[20]
19.	Mr. Kin Chan ("**KC**")	-	-	618,916,410[18]	73.05[20]
20.	Mr. V-Nee Yeh ("**VY**")	-	-	618,916,410[19]	73.05[20]

SUBSTANTIAL SHAREHOLDERS

As shown in the Company's Register of Substantial Shareholders as at 24 March 2023

Notes:

(1) GCAL is deemed to have an interest in the Shares held by OUER. OUER is a wholly-owned subsidiary of GCAL.

(2) FCL has a deemed interest in the Shares through the direct and deemed interests of its wholly-owned subsidiary, GCAL.

(3) LAAPL is deemed to have an interest in the Shares in which its subsidiary, FCL, has a deemed interest.

(4) 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.

(5) 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.

(6) HHL is an intermediate holding company of HKC Property. Accordingly, HHL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(7) 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.

(8) 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.

(9) 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.

(10) 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.

(11) 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.

(12) 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. Dr. Stephen Riady is the Executive Chairman and Group Chief Executive Officer of the Company. Dr. Stephen Riady is also the chairman of LL and HCL, both of which have a deemed interest in the Shares.

(13) PT Trijaya holds more than 20% of the shares in LCL, which in turn 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.

(14) 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.

(15) LAAPL is jointly held by HKC Property and Admiralty. Accordingly, Admiralty is deemed to have an interest in the Shares in which LAAPL has a deemed interest.

(16) 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.

(17) 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.

(18) KC is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, KC is deemed to have an interest in the Shares in which ASMHL has a deemed interest.

(19) VY is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, VY is deemed to have an interest in the Shares in which ASMHL has a deemed interest.

(20) The shareholding percentage is calculated based on 847,257,260 issued Shares (excluding treasury shares) as at 24 March 2023.

PUBLIC FLOAT

Rule 723 of the Listing Manual of the SGX-ST requires that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed ("**Shares**") is at all times held by the public. The Company has complied with this requirement. As at 24 March 2023, approximately 26.00% of its Shares listed on the SGX-ST were held in the hands of the public.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

Pursuant to Rule 720(6) of the Listing Manual, information relating to Mr. Kelvin Lo Kee Wai, Mr. Kin Chan and Mr. Brian Riady (in the form set out in Appendix 7.4.1 of the Listing Manual) is provided below. The following additional information on Mr. Kelvin Lo Kee Wai, Mr. Kin Chan and Mr. Brian Riady, all of whom are seeking re-election as Director at the Annual General Meeting, is to be read in conjunction with their respective profiles in the "Board of Directors" section on pages 19, 21 and 23 of this Annual Report.

	MR. KELVIN LO KEE WAI *Independent Director*	**MR. KIN CHAN** *Non-Executive Non-Independent Director*	**MR. BRIAN RIADY** *Deputy Chief Executive Officer and Executive Director*
Date of appointment	19 July 2006	17 March 2010	1 January 2020
Date of last re-appointment (if applicable)	22 May 2020	30 April 2021	22 May 2020
Age	63	57	33
Country of principal residence	Australia	Hong Kong Special Administrative Region of the People's Republic of China	Singapore
The Board's comments on this re-appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The Nominating Committee, having considered the principles for determination of board size, composition and diversity of skillsets, recommends the re-election of Mr. Kelvin Lo Kee Wai after assessing his contributions and performance as a director and his background, experience, knowledge and expertise which provide and complement the diversity of skillsets which are relevant to the Company. The Board (with Mr. Kelvin Lo Kee Wai abstaining) has endorsed the Nominating Committee's recommendation.	The Nominating Committee, having considered the principles for determination of board size, composition and diversity of skillsets, recommends the re-election of Mr. Kin Chan after assessing his contributions and performance as a director and his background, experience, knowledge and expertise which provide and complement the diversity of skillsets which are relevant to the Company. The Board (with Mr. Kin Chan abstaining) has endorsed the Nominating Committee's recommendation.	The Nominating Committee, having considered the principles for determination of board size, composition and diversity of skillsets, recommends the re-election of Mr. Brian Riady after assessing his contributions and performance as a director and his background, experience, knowledge and expertise which provide and complement the diversity of skillsets which are relevant to the Company. The Board (with Mr. Brian Riady abstaining) has endorsed the Nominating Committee's recommendation.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive.	Non-Executive.	Executive. Assists the Executive Chairman and Group Chief Executive Officer in overseeing all business operations of the Group, setting the Group's strategic direction, and executing the Group's business strategies.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	MR. KELVIN LO KEE WAI *Independent Director*	MR. KIN CHAN *Non-Executive Non-Independent Director*	MR. BRIAN RIADY *Deputy Chief Executive Officer and Executive Director*
Job title	• Independent Director • Audit Committee (Chairman)	• Non-Executive Non-Independent Director • Audit Committee (Member)	Deputy Chief Executive Officer and Executive Director
Professional qualifications	1. Master of Laws, University of Sydney, Australia 2. Associate of the Hong Kong Institute of Certified Public Accountants 3. Associate of the Chartered Professional Accountants, Canada 4. Associate Member of the Law Society of New South Wales, Australia 5. Chartered financial analyst of the CFA Institute, United States of America 6. Fellow of the Association of Chartered Certified Accountants, England 7. Notary Public, New South Wales, Australia	1. AB degree, Princeton University 2. Master's degree in Business Administration, the Wharton School of the University of Pennsylvania (Palmer Scholar)	1. Bachelor of Science (Political Communication) and Bachelor of Arts (Economics), University of Texas at Austin 2. Executive Education programmes, Harvard Business School
Working experience and occupation(s) during the past 10 years	From March 2007 to present: Notary Public, Solicitor and Director, Alliance Law Group Pty Ltd, New South Wales, Australia	From December 2002 to present: Chief Investment Officer, Argyle Street Management Limited	From January 2020 to present: Deputy Chief Executive Officer, OUE Limited From October 2018 to December 2019: Chief Executive Officer, Hospitality Division, OUE Limited From January 2018 to December 2019: Executive Vice President, Lippo China Resources Limited, Hong Kong From September 2013 to September 2018: Vice President – Strategy, Lippo Group, Indonesia From December 2013 to October 2017: Chief Executive Officer, PT Cinemaxx Global Pasifik, Indonesia From July 2012 to August 2013: Analyst, Credit Suisse, United States of America

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	MR. KELVIN LO KEE WAI *Independent Director*	MR. KIN CHAN *Non-Executive Non-Independent Director*	MR. BRIAN RIADY *Deputy Chief Executive Officer and Executive Director*
Shareholding interest in the listed issuer and its subsidiaries	Nil	1. Please refer to pages 130 and 131 of this Annual Report. 2. Deemed interest of 2,701,508,033 units in OUE Commercial Real Estate Investment Trust ("**OUE C-REIT**").* 3. Deemed interest of 915,290,843 units in First Real Estate Investment Trust ("**First REIT**").* * OUE C-REIT and First REIT are not regarded as subsidiaries of the Company under the Companies Act 1967. Notwithstanding the foregoing, since each of OUE C-REIT and First REIT is treated as a subsidiary of the Company for accounting purposes, for completeness, the Company has elected to include information on Mr. Kin Chan's deemed interest in OUE C-REIT units and First REIT units, respectively.	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	MR. KELVIN LO KEE WAI *Independent Director*	MR. KIN CHAN *Non-Executive Non-Independent Director*	MR. BRIAN RIADY *Deputy Chief Executive Officer and Executive Director*
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Mr. Kin Chan is deemed to be a substantial shareholder of the Company. Please refer to pages 260 and 261 of this Annual Report.	Mr. Brian Riady is the son of Dr. Stephen Riady, the Executive Chairman and Group Chief Executive Officer of the Company and a substantial shareholder of the Company. He is also the nephew of Mr. James Tjahaja Riady, a substantial shareholder of the Company.
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments (as defined in the Code of Corporate Governance 2018) including Directorships			
Past (for the last 5 years)	Others: • Director, Aveo Group Limited • Director, Aveo Funds Management Limited	Listed Companies: • Director, Mount Gibson Iron Limited • Director, The ONE Group Hospitality, Inc.	Nil
Present	Other: • Director, Alliance Law Group Pty Ltd	Listed Companies: • Director, CITIC Resources Holdings Limited • Director, TIH Limited • Commissioner, PT Lippo Karawaci Tbk Other: • Director and Chief Investment Officer, Argyle Street Management Limited	Listed Companies: • Director, OUE Commercial REIT Management Pte. Ltd. (the manager of OUE C-REIT) • Director, OUE Lippo Healthcare Limited • Director, Hongkong Chinese Limited • Director, Lippo China Resources Limited • Director, Lippo Limited Others: • Member of the Board, Singapore Hotel Association • Member of the Management Committee, Real Estate Developers Association of Singapore • Member of the Executive Committee, Orchard Road Business Association

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	MR. KELVIN LO KEE WAI *Independent Director*	MR. KIN CHAN *Non-Executive Non-Independent Director*	MR. BRIAN RIADY *Deputy Chief Executive Officer and Executive Director*
Information Required Pursuant to Appendix 7.4.1 of the Listing Manual			
(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	No	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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	MR. KELVIN LO KEE WAI *Independent Director*	MR. KIN CHAN *Non-Executive Non-Independent Director*	MR. BRIAN RIADY *Deputy Chief Executive Officer and Executive Director*
(c) Whether there is any unsatisfied judgment against him?	No	No	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	No	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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	MR. KELVIN LO KEE WAI *Independent Director*	MR. KIN CHAN *Non-Executive Non-Independent Director*	MR. BRIAN RIADY *Deputy Chief Executive Officer and Executive Director*
(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	No	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	No	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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	MR. KELVIN LO KEE WAI *Independent Director*	MR. KIN CHAN *Non-Executive Non-Independent Director*	MR. BRIAN RIADY *Deputy Chief Executive Officer and Executive Director*
(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	No	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	No	None which is known which can be lawfully disclosed	No
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	No	None which is known which can be lawfully disclosed	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	MR. KELVIN LO KEE WAI *Independent Director*	MR. KIN CHAN *Non-Executive Non-Independent Director*	MR. BRIAN RIADY *Deputy Chief Executive Officer and Executive Director*
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	No	None which is known which can be lawfully disclosed	No
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,	No	None which is known which can be lawfully disclosed	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	MR. KELVIN LO KEE WAI *Independent Director*	MR. KIN CHAN *Non-Executive Non-Independent Director*	MR. BRIAN RIADY *Deputy Chief Executive Officer and Executive Director*
(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	Yes. The Monetary Authority of Singapore ("**MAS**") issued a supervisory warning letter to Mr. Kin Chan on 15 March 2016 in relation to a contravention of Section 83 of the Companies Act 1967 and Section 137 of the Securities and Futures Act 2001 due to a failure to notify a listed company and the Singapore Exchange Securities Trading Limited within the legally stipulated time frame of change in his interest in the voting shares of the listed company. The MAS and the Accounting and Corporate Regulatory Authority did not take further regulatory action in respect of the breach.	No

INTERESTED PERSON TRANSACTIONS

Entered into during the financial year 2022

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Lippo China Resources Limited	Associate of a director and controlling shareholders of the Company		
- Hotel services		891	–
- Management fee income from Delifrance Singapore Pte. Ltd.		360	–
- Reimbursement of expenses paid on behalf of Delifrance Singapore Pte. Ltd.		148	–
PT Maxx Coffee Prima	Associate of a director and controlling shareholders of the Company		
- Loan interest income		433	–
Auric Digital Retail Pte. Ltd.	Associate of a director and controlling shareholders of the Company		
- Provision of shareholder loan		8,000	–

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Sixtieth Annual General Meeting ("**AGM**") of OUE Limited (the "**Company**") will be convened and held by way of electronic means on Tuesday, 25 April 2023 at 10:00 a.m. (Singapore time) to transact the following business:

As Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 and the Auditors' Report thereon.

2. To declare a tax exempt (one-tier) final dividend of 1.5 cents per ordinary share for the year ended 31 December 2022.

3. To approve Directors' Fees of S$588,750 for the year ended 31 December 2022 (2021: S$488,750).

4. To re-elect the following Directors retiring pursuant to Article 95 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   (a) Mr. Kelvin Lo Kee Wai

   (b) Mr. Kin Chan

   (c) Mr. Brian Riady

5. To re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

As Special Business

To consider and, if thought fit, to pass, with or without modifications the following resolutions as Ordinary Resolutions:

6. That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors to:

   (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) 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

   (b) (notwithstanding 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:

   (1) 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 50 per cent. of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) 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 20 per cent. of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below);

   (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings at the time this Resolution is passed, after adjusting for:

   (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and

   (ii) any subsequent bonus issue or consolidation or sub-division of shares;

   and in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

   (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST 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

   (4) (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 AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

7. That:

   (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "**Companies Act**"), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

   (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

   (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

   and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held;

(ii) the date by which the next AGM of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out below) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed, in the case of both a market purchase of a Share and an off-market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he/she may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

KELVIN CHUA
Company Secretary
3 April 2023
Singapore

Explanatory Notes:

Resolution 4(a)
To re-elect Mr. Kelvin Lo Kee Wai, who is an Independent Director. Mr. Lo will, upon re-election, continue to serve as chairman of the Audit Committee. Further information can be found in the "Additional Information on Directors Seeking Re-election" section of the Annual Report 2022.

Resolution 4(b)
To re-elect Mr. Kin Chan, who is a Non-Executive Non-Independent Director. Mr. Chan will, upon re-election, continue to serve as a member of the Audit Committee. Further information can be found in the "Additional Information on Directors Seeking Re-election" section of the Annual Report 2022.

Resolution 4(c)
To re-elect Mr. Brian Riady, who is the Deputy Chief Executive Officer and Executive Director. Further information can be found in the "Additional Information on Directors Seeking Re-election" section of the Annual Report 2022.

Resolution 6
Resolution No. 6, if passed, will empower the Directors to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which up to 20 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) may be issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Resolution No. 6 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Resolution No. 6 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares. As at 24 March 2023 (the "**Latest Practicable Date**"), the Company had 12,580,200 treasury shares and no subsidiary holdings.

NOTICE OF ANNUAL GENERAL MEETING

Resolution 7
Resolution No. 7, if passed, will renew the mandate to enable the Company to purchase or otherwise acquire issued Shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use its internal resources or external borrowings or a combination of both to finance the purchase or acquisition of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired and the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the total number of issued and paid-up Shares as at the Latest Practicable Date and disregarding the 12,580,200 Shares held in treasury as at the Latest Practicable Date, and assuming that on or prior to the AGM, no further Shares are issued, no further Shares are purchased or acquired by the Company, no Shares purchased or acquired by the Company are held as treasury shares and no Shares are held as subsidiary holdings, the purchase by the Company of up to 10% of its Shares will result in the purchase or acquisition of 84,725,726 Shares. Assuming that the Company purchases or acquires 84,725,726 Shares at the Maximum Price, in the case of both market purchases and off-market purchases, of S$1.2726 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 84,725,726 Shares is approximately S$107,821,959.

The financial effects of the purchase or acquisition of Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 December 2022, based on certain assumptions, are set out in paragraph 2.7 of the Letter to Shareholders dated 3 April 2023 (the "**Letter**").

Please refer to the Letter for more details.

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. Printed copies of this Notice and the accompanying proxy form will not be sent to members. Instead, this Notice and the accompanying proxy form will be sent to members by electronic means via publication on the Company's website at the URL https://oue.com.sg/investor-relations/agm-egm and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. **As the AGM will be conducted in an electronic format, shareholders, including CPF and SRS investors, will not be able to attend the AGM in person.** Alternative arrangements relating to:

   (a) attendance at the AGM by shareholders, including CPF and SRS investors, via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream);

   (b) submission of questions to the Chairman of the Meeting by shareholders, including CPF and SRS investors, in advance of, or "live" at, the AGM, and addressing of substantial and relevant questions in advance of, or "live" at, the AGM; and

   (c) voting at the AGM (i) "live" by the shareholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; (ii) "live" by the CPF or SRS investor via electronic means if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators; or (iii) by the shareholder, or the CPF or SRS investor, appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM,

   are set out in the accompanying Company's announcement dated 3 April 2023. This announcement may be accessed at the Company's website at the URL https://oue.com.sg/investor-relations/announcements and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

   CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5:00 p.m. on 13 April 2023.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted:

      (i) via email to the Company's Share Registrar at GPD@mncsingapore.com; or

      (ii) via the pre-registration website at the URL https://oue.com.sg/agm2023-registration,

   in each case, not less than 72 hours before the time appointed for holding the AGM.

6. The Annual Report 2022 and the Letter to Shareholders dated 3 April 2023 (in relation to the proposed renewal of the share purchase mandate) may be accessed at the Company's website at the URL https://oue.com.sg/investor-relations/annual-reports as follows:

   (a) the Annual Report 2022 may be accessed by clicking on the hyperlink "2022 Annual Report"; and

   (b) the Letter to Shareholders dated 3 April 2023 may be accessed by clicking on the hyperlink "(Letter to Shareholders)" under "2022 Annual Report".

   The above documents may also be accessed on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (a) 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 and analysis by the Company (or its agents or service providers) of proxy(ies) and representative(s) appointed 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, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM
Annual General Meeting

OUE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 196400050E)

IMPORTANT:
1. The Annual General Meeting 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 the Notice of Annual General Meeting and this proxy form will not be sent to members. Instead, the Notice of Annual General Meeting and this proxy form will be sent to members by electronic means via publication on the Company's website at the URL https://oue.com.sg/investor-relations/agm-egm and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. **As the AGM will be conducted in an electronic format, shareholders, including CPF and SRS investors, will not be able to attend the AGM in person.** Alternative arrangements relating to:
   (a) attendance at the Annual General Meeting by shareholders, including CPF and SRS investors, via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream);
   (b) submission of questions to the Chairman of the Meeting by shareholders, including CPF and SRS investors, in advance of, or "live" at, the Annual General Meeting, and addressing of substantial and relevant questions in advance of, or "live" at, the Annual General Meeting; and
   (c) voting at the Annual General Meeting (i) "live" by the shareholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; (ii) "live" by the CPF or SRS investor via electronic means if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators; or (iii) by the shareholder, or the CPF or SRS investor, appointing the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting,

   are set out in the accompanying Company's announcement dated 3 April 2023. This announcement may be accessed at the Company's website at the URL https://oue.com.sg/investor-relations/announcements and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).**
4. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5:00 p.m. on 13 April 2023.
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 3 April 2023.

I/We____________________(Name)________________(NRIC/Passport/Company Registration Number)

of____(Address)

being a member/members of OUE LIMITED (the "**Company**"), hereby appoint:

Name	Address	Email Address	NRIC / Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	Email Address	NRIC / Passport No.	Proportion of Shareholdings (%)

or, failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Sixtieth Annual General Meeting of the Company to be convened and held by way of electronic means on Tuesday, 25 April 2023 at 10:00 a.m. (Singapore time) and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against	Abstain
1.	Directors' Statement and Financial Statements			
2.	Final Dividend			
3.	Directors' Fees			
4.	(a) Re-election of Mr. Kelvin Lo Kee Wai as Director			
	(b) Re-election of Mr. Kin Chan as Director			
	(c) Re-election of Mr. Brian Riady as Director			
5.	Re-appointment of Auditors			
6.	Authority for Directors to Issue Shares			
7.	Proposed Renewal of the Share Purchase Mandate			

*(Voting will be conducted by poll. If you wish your proxy/proxies 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 provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an "X" in the "**Abstain**" box provided in respect of that resolution. Alternatively, please indicate the number of shares your proxy/proxies is directed to abstain from voting in the "**Abstain**" box provided in respect of that resolution. **In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Annual General Meeting.**)*

Dated this____________day of____________2023

Total No. of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s) or Common Seal

____
Contact Number/Email Address of Member(s)

IMPORTANT: Please read notes on the reverse

Fold and seal here. Do not staple

Notes:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member can appoint the Chairman of the Meeting as his/her/its/proxy, but this is not mandatory.

3. A proxy need not be a member of the Company.

Please glue and seal along this edge

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 04910

The Company Secretary
OUE Limited
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

Please glue and seal along this edge

4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted:
   (i) via email to the Company's Share Registrar at GPD@mncsingapore.com; or
   (ii) via the pre-registration website at the URL https://oue.com.sg/agm2023-registration,

   in each case, not less than 72 hours before the time appointed for holding the Annual General Meeting.

5. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) 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. Where an instrument appointing a proxy(ies) 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), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email or via the pre-registration website, be emailed or, as the case may be, uploaded with the instrument, failing which the instrument may be treated as invalid.

6. The Company shall be entitled to reject an instrument appointing a proxy(ies) which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy(ies) (or any related attachment) if the member, being the appointor, is not shown to have shares entered against the member's name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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OUE LIMITED
COMPANY REG. NO. 196400050E

www.oue.com.sg

MIX
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