OUE

OUE LIMITED
ANNUAL REPORT 2023

60 YEARS *of* TRANSFORMATION

Commemorating OUE's Diamond Jubilee Anniversary, a momentous milestone in a remarkable journey of transformation

Scan here to view our Annual Report online

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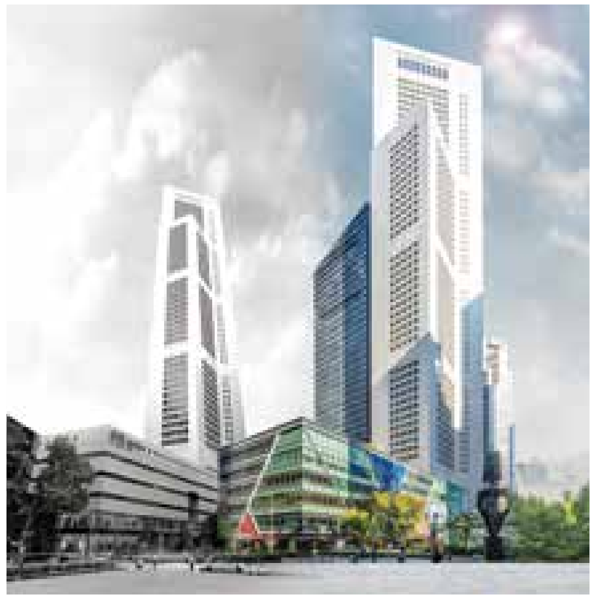

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/ 60 YEARS *of* TRANSFORMATION /

This year, OUE celebrates its **60th anniversary**. Incorporated on 8 February 1964, OUE has evolved from its early roots in hospitality to become a regional real estate and healthcare group, with an expanding presence across Asia today. Looking ahead, OUE continues to be grounded in "Transformational Thinking", ready to innovate, adapt, and embrace new trends as it charts the next phase of growth.

Scan here to trace our **60 Years *of* Transformation**

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ABOUT **OUE LIMITED**

OUE Limited (SGX:LJ3) is a leading real estate and healthcare group, growing strategically to capitalise on growth trends across Asia.

OUE's real estate activities include the development, investment and management of real estate assets across the commercial, hospitality, retail and residential sectors. OUE manages two SGX-listed REITs: OUE REIT, one of Singapore's largest diversified REITs, and First REIT (a subsidiary of OUE Healthcare), Singapore's first listed healthcare REIT. As at 31 December 2023, OUE's total assets were valued at S$9.3 billion, with S$7.9 billion in funds under management across OUE's two REIT platforms and managed accounts.

OUE Healthcare, an SGX Catalist-listed subsidiary of OUE, operates and owns high-quality healthcare assets in high-growth Asian markets. With a vision of creating a regional healthcare ecosystem that is anchored on Singapore's medical best practices, OUE Healthcare's portfolio of owned and operated businesses includes hospitals, medical centres, clinics and senior care facilities in Singapore, Japan, Indonesia and China.

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

/ A LEGACY *of* HOSPITALITY EXCELLENCE BEGINS /

OUE was incorporated in Singapore on 8 February 1964 as a subsidiary of Overseas Union Bank, one of Singapore's leading financial institutions at the time, which sought to enter the hotel industry. OUE was listed on the then Stock Exchange of Malaysia and Singapore under the Hotel Counter on 29 December 1969.

OUE's inaugural project, which began in 1966, was the construction of The Mandarin Singapore hotel (later renamed Mandarin Orchard Singapore) in the heart of Orchard Road. When the first of the hotel's two towers opened in 1971, it set a record as the tallest hotel in Southeast Asia and the largest hotel in Singapore with 700 rooms. Throughout the next 50 years it stood as a landmark of world-class hospitality rooted in "*Asian Grace, Warmth and Care*", before being rebranded and reopened as Hilton Singapore Orchard in January 2023.

From its opening in 1971 as The Mandarin Singapore, OUE's first hotel project lives on today as Hilton Singapore Orchard.

OUE acquired Crowne Plaza Changi Airport in 2011 and expanded its room capacity with an adjacent extension in 2016.

/TRANSFORMING *Urban* LANDSCAPES/

From the 1980s, in tandem with Singapore's development as an international business hub, OUE began to build a portfolio of prime office towers, and integrated retail and commercial developments. Among its first commercial landmarks was One Raffles Place Tower One (formerly OUB Centre), which opened in 1986 as the tallest skyscraper in Singapore.

As part of OUE's asset enhancement strategy, an existing low-rise podium was transformed into a second office tower, the 38-storey One Raffles Place Tower Two, which opened in 2012 alongside Tower One. Meanwhile, the outdated One Raffles Place Shopping Mall underwent a makeover, unveiling a new modern façade and a revamped tenant mix in 2014.

OUE went on to develop some of the most recognisable urban landmarks in the central business and commercial districts, including OUE Bayfront, which was redeveloped in 2007 from the former Overseas Union House, then housing an 8-storey carpark with a restaurant at the top.

In January 2010, Mandarin Gallery opened on Orchard Road, unveiling the transformation of the Mandarin Orchard Singapore hotel lobby into a premium retail and lifestyle mall in the heart of Singapore's prime shopping haven.

/UNLOCKING VALUE *through* REITS/

OUE REIT

10 YEARS *of* EXCELLENCE

One of the largest diversified S-REITs

Amid a booming REIT market in Singapore, OUE launched its first stapled securities group in 2013 – OUE Hospitality Trust, with its initial portfolio comprising Mandarin Orchard Singapore and Mandarin Gallery. Seven months later, in January 2014, OUE launched OUE Commercial REIT, with OUE Bayfront and Lippo Plaza Shanghai comprising its initial portfolio. The establishment of the two real estate management platforms allowed OUE to unlock and recycle the capital of its stabilised assets. The two REITs were subsequently merged in 2019, creating one of the largest diversified Singapore REITs with seven properties and S$6.9 billion of assets under management. In January 2024, OUE Commercial REIT celebrated its 10th anniversary and rebranded as OUE REIT.

FIRST REIT

ASIA'S PREMIER HEALTHCARE TRUST

Singapore's First Healthcare REIT

To capitalise on the tremendous growth in demand for quality and affordable healthcare across the region, OUE expanded into the healthcare sector through the acquisition of OUE Healthcare in 2017. This was followed by the acquisition of First REIT, Singapore's first listed healthcare focused REIT, and First REIT's manager in 2018.

/DIVERSIFYING *for* SUSTAINABLE GROWTH/

With a vision of creating a regional healthcare ecosystem anchored on Singapore's medical best practices, OUE continues to broaden and deepen its healthcare operating expertise across a regional healthcare platform spanning hospitals, nursing homes, medical groups, clinics and medical specialists in Singapore, Japan, Indonesia and China.

OUE also invests in businesses that are complementary to its core activities. In 2019, the company diversified into the F&B business through OUE Restaurants, tapping on the increasing growth of consumption in Singapore and Asia.

Chatterbox Café – home of the legendary Mandarin Chicken Rice

Takayama – offers kappo-style fine dining Japanese cuisine

VUE – rooftop spritz bar and grill overlooking Marina Bay

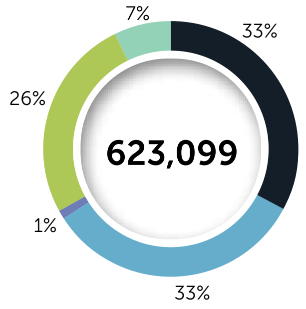
/60 YEARS *of* TRANSFORMATION/

OUE has completed a remarkable 60 years of transformation, from owning a single hotel asset along Orchard Road to becoming a leading regional real estate and healthcare player with over S$9.3 billion of total assets.

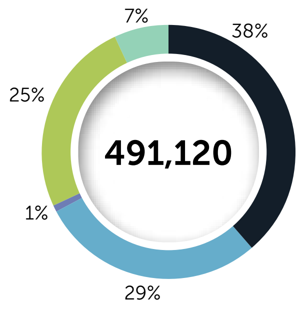
At OUE, we look at things differently, seizing opportunities to transform potential, be it in the way buildings and places are used, viewed and valued, or by enhancing lives and communities with exceptional and enriching experiences. By doing so, we go beyond making incremental improvements; we create value by making significant and profound changes in thinking, processes and outcomes.

SEGMENTAL PERFORMANCE ANALYSIS

TOTAL TURNOVER BY BUSINESS SEGMENT
(S$'000)

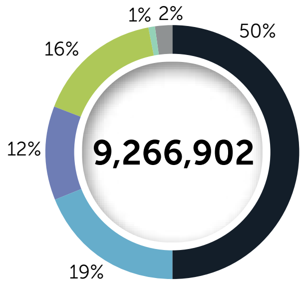


2023		
Investment Properties & Fund Management	204,719	33%
Hospitality	205,393	33%
Development Properties	9,791	1%
Healthcare	162,063	26%
Others	41,133	7%
Total	**623,099**	**100%**

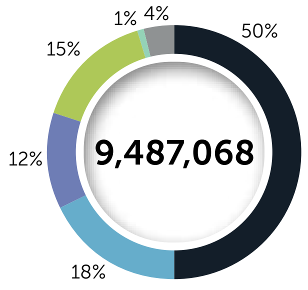


2022		
Investment Properties & Fund Management	189,383	38%
Hospitality	142,623	29%
Development Properties	2,704	1%
Healthcare	122,359	25%
Others	34,051	7%
Total	**491,120**	**100%**

TOTAL ASSETS BY BUSINESS SEGMENT
(S$'000)

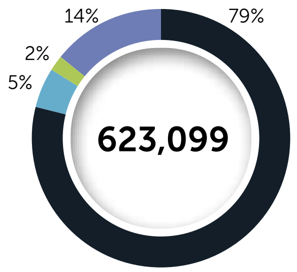


2023		
Investment Properties & Fund Management	4,649,368	50%
Hospitality	1,763,704	19%
Development Properties	1,097,977	12%
Healthcare	1,443,688	16%
Others	107,533	1%
Unallocated assets	204,632	2%
Total	**9,266,902**	**100%**

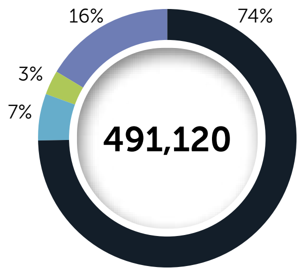


2022		
Investment Properties & Fund Management	4,763,920	50%
Hospitality	1,730,584	18%
Development Properties	1,130,413	12%
Healthcare	1,401,054	15%
Others	95,955	1%
Unallocated assets	365,142	4%
Total	**9,487,068**	**100%**

TOTAL TURNOVER BY GEOGRAPHICAL SEGMENT
(S$'000)

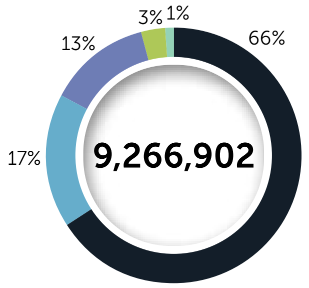


2023		
Singapore	489,856	79%
The People's Republic of China	28,809	5%
Japan	14,850	2%
Indonesia	89,584	14%
Total	**623,099**	**100%**

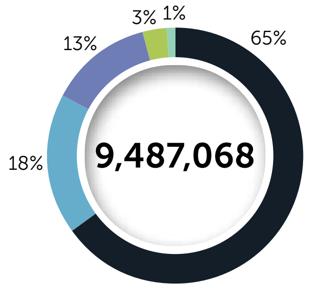


2022		
Singapore	364,670	74%
The People's Republic of China	31,831	7%
Japan	15,357	3%
Indonesia	79,262	16%
Total	**491,120**	**100%**

TOTAL ASSETS BY GEOGRAPHICAL SEGMENT
(S$'000)



2023		
Singapore	6,133,394	66%
The People's Republic of China	1,576,113	17%
Indonesia	1,179,895	13%
Japan	275,925	3%
Others	101,575	1%
Total	**9,266,902**	**100%**



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%**

FIVE-YEAR FINANCIAL SUMMARY

	2023 S$'000	%	2022 S$'000	%	2021 S$'000	%	2020 S$'000	%	2019 S$'000	%
Group Turnover										
Real Estate										
- Investment Properties & Fund Management	204,719	33	189,383	38	195,516	65	264,816	50	287,607	31
- Hospitality	205,393	33	142,623	29	57,581	19	85,497	16	241,205	26
- Development Properties	9,791	1	2,704	1	1,701	1	140,176	26	349,611	38
Healthcare	162,063	26	122,359	25	31,248	10	29,437	6	30,993	3
Others	41,133	7	34,051	7	14,760	5	10,529	2	21,421	2
Total	**623,099**	**100**	**491,120**	**100**	**300,806**	**100**	**530,455**	**100**	**930,837**	**100**
Group Profit and Loss										
Profits before interest, tax and other gains	289,401		345,234		313,419		246,654		330,295	
Profit/(Loss) attributable to owners of the Company	81,079		189,857		80,943		(343,383)		255,217	
Group Balance Sheet										
Investment properties	5,321,509		5,404,659		4,568,462		4,534,728		6,628,427	
Development properties	29,041		37,967		27,530		29,024		152,380	
Investments in equity-accounted investees	1,580,142		1,521,522		1,668,203		1,064,334		921,614	
Property, plant and equipment	1,790,928		1,760,752		1,651,297		1,700,486		1,774,343	
Cash and cash equivalents	182,602		327,846		518,858		559,527		477,712	
Asset held for sale	–		–		–		1,258,512		100,001	
Other investments	117,906		171,696		378,494		209,718		211,220	
Other assets	244,774		262,626		218,655		267,037		468,803	
Total assets	**9,266,902**		**9,487,068**		**9,031,499**		**9,623,366**		**10,734,500**	
Equity attributable to owners of the Company	3,640,336		3,688,470		3,849,956		3,740,004		4,073,296	
Perpetual securities	33,282		33,282		–		–		–	
Non-controlling interests	2,208,078		2,252,297		1,869,442		1,916,810		2,043,849	
Borrowings										
- Current	31,346		578,643		418,781		420,416		1,309,892	
- Non-current	2,842,190		2,388,483		2,406,062		3,055,709		2,679,731	
Other liabilities	511,670		545,893		487,258		490,427		627,732	
Total equity and liabilities	**9,266,902**		**9,487,068**		**9,031,499**		**9,623,366**		**10,734,500**	
Earnings per share (cents)	9.6		22.0		9.2		(38.2)		28.3	
Dividends per share (cents)										
- Interim dividend	1.0		1.0		1.0		–		1.0	
- Special dividend	2.0		–		–		–		4.0	
- Final dividend	1.0		1.5		1.0		1.0		1.0	
Total dividend	4.0		2.5		2.0		1.0		6.0	
Net asset per share (S$)	4.31		4.35		4.41		4.24		4.52	
Gearing ratio*	46%		45%		41%		52%		58%	

* Net Borrowings/Total Equity less Intangible Assets and Goodwill

CHAIRMAN & GROUP CEO'S STATEMENT

"Reflecting on our dynamic journey over the past 60 years, I am delighted at the remarkable progress the Group has made. As we celebrate this milestone, we remain committed to our philosophy of "Transformational Thinking".

"回顾过去60年的蓬勃发展历程，我为集团取得的显著进步感到欣慰。在庆祝这一个里程碑的同时，我们将继续秉承"变革思维"的理念，以不同的角度看待问题，抓住机遇，挖掘潜力，通过在思维、流程和成果上进行重大且深远的改革，推动我们创造价值。"

DR STEPHEN RIADY
Executive Chairman and
Group Chief Executive Officer

"We will continue to innovate, adapt, and embrace emerging trends as we embark on the next phase of our growth journey."

"未来，我们将继续创新，适应和把握新兴趋势，开启下一段成长旅程。"

Dear Shareholders,

CELEBRATING DIAMOND JUBILEE ANNIVERSARY

OUE kicked off 2024 with jubilation, marking a momentous milestone with its 60th anniversary.

Established in February 1964 and publicly listed on the then Stock Exchange of Malaysia and Singapore in December 1969, OUE's journey has seen it evolve from its early roots in hospitality to become a regional real estate and healthcare group with an expanding presence across Asia. Over six decades, the Group has navigated a myriad of changes in the economy and the property sector and when faced with unprecedented disruptions, has addressed them head-on to emerge stronger, even setting records along the way.

Reflecting on our dynamic journey over the past 60 years, I am delighted at the remarkable progress the Group has made. As we celebrate this milestone, we remain committed to our philosophy of "Transformational Thinking", looking at things differently and seizing opportunities to transform potential, which drives us to create value by making significant and profound changes in thinking, processes and outcomes. We will continue to innovate, adapt, and embrace emerging trends as we embark on the next phase of our growth journey.

RESILIENT PERFORMANCE

Together with our milestone celebration, the Group reported a commendable set of results for the financial year ended 31 December 2023 (FY2023) with a 26.9% topline growth to S$623.1 million compared to S$491.1 million in the preceding year (FY2022), from higher revenue contribution across all its business segments.

Revenue from the Group's Real Estate segment grew 25.5% to S$419.9 million for the year, largely due to a 44.0% jump to S$205.4 million in revenue from its Hospitality division, buoyed by strong recovery in the tourism and the meetings, incentives, conventions and exhibitions (MICE) sectors in Singapore which resulted in higher contribution from the full re-opening of Hilton Singapore Orchard (HSO) since January 2023 and Crowne Plaza Changi Airport (CPCA). Its Investment Properties division also contributed an 8.1% increase in revenue to S$204.7 million due to stable occupancies and rental growth.

Similarly, the Group's Healthcare segment saw a 32.4% growth in revenue to S$162.1 million in FY2023 on full-year contribution from First Real Estate Investment Trust (First REIT), which has been accounted for as a subsidiary since 1 March 2022, and from O2 Healthcare Group Pte. Ltd., the medical partnership with three Singapore medical specialist groups established in June 2022.

The Group's Others segment, mainly comprising contribution from its food and beverage operations, registered a 20.8% increase in revenue to S$41.1 million due to new dining concepts launched in 2022.

Share of results of equity-accounted investees declined 72.5% to S$43.2 million in FY2023 compared to S$157.0 million in FY2022, largely attributable to lower contributions from Gemdale Properties and Investment Corporation Limited as well as a lower share of results in joint venture (JV) company OUE Allianz Bayfront LLP due to higher financing costs. This was partially offset by higher contribution from the Group's JV company Auric Digital Retail Pte. Ltd., which holds shares in PT Matahari Department Store Tbk.

As a result, adjusted earnings before interest and tax (adjusted EBIT) slipped 16.2% to S$289.4 million in FY2023 from S$345.2 million in FY2022, while profit attributable to shareholders slid to S$81.1 million in FY2023 from S$189.9 million in FY2022.

The Group closed FY2023 with cash and cash equivalents of S$182.6 million, total assets of S$9.3 billion and a net asset value per share of S$4.31, while net gearing ratio stood at 46% as at 31 December 2023.

SEIZING GROWTH POTENTIAL

In 2023, we witnessed a resilient rebound in the tourism and MICE sectors, marked notably by the resurgence of concerts and festivals, with Singapore solidifying its status as a prime destination for global superstars, driving an upsurge in tourist arrivals and fostering optimism for the tourism and hospitality industries. This upward trajectory is poised to persist into 2024, propelled by a robust concert lineup and a calendar replete with significant events. Furthermore, the commencement of the China-Singapore 30-day mutual visa exemption in February 2024 is anticipated to further augment tourist arrivals from the Chinese market.

Despite improving operational performance, global and domestic economic recovery continues to be dampened by geopolitical tensions and inflationary pressures. Nevertheless, we remain steadfast in our commitment

CHAIRMAN & GROUP CEO'S STATEMENT

to delivering stable performance by leveraging on our strategically located commercial properties, refreshed hospitality assets, diversified tenant base and our growing healthcare segment anchored on Singapore's medical best practices. As we continue our journey of excellence and transformation, we are well-positioned to seize opportunities and navigate through uncertainties.

In January 2023, the final phase of the asset enhancement initiative (AEI) at HSO was completed, perfectly capturing the recovery of the tourism and MICE sectors. The hotel, strategically positioned in the heart of Orchard Road, Singapore's premier shopping district, was able to operate at its full 1,080-room inventory after launching the newly furnished 446-room Orchard Wing in January 2023. With 2,400 square metres of modern MICE facilities and a diverse range of food and beverage options, HSO effectively met the increasing demand for premium accommodation and event spaces in a prime location.

Riding on the post-pandemic recovery landscape, CPCA underwent a S$22.0 million AEI last August to add 12 new guest rooms comprising 10 premier rooms and two suites specifically designed for families and long-stay guests, increasing its inventory to 575 rooms. It also revitalised its meeting spaces, including a 352-square-metre multi-function room equipped with state-of-the-art audio-visual technology to cater to the growing MICE demand, revamped its all-day dining restaurant as Allora, the only Italian restaurant featuring weekend brunch buffets in the Changi Airport area, and introduced a contemporary Club Lounge with modernised meeting spaces to enhance the guest experience. Completed in January 2024, the strategic transformation of underutilised spaces into additional guest rooms and meeting facilities is expected to drive sustainable performance.

Coincidentally, OUE Real Estate Investment Trust (OUE REIT) (formerly known as OUE Commercial Real Estate Investment Trust (OUE C-REIT)) is also celebrating a significant milestone this year – its 10th year since listing in 2014, marking an incredible decade-long growth journey.

In conjunction with its 10th anniversary, OUE REIT was rebranded from its former name of OUE C-REIT, effective from 29 January 2024. This rebranding aims to better reflect its focus on the hospitality, office and retail sectors, aligning its identity with its core business areas.

In our ongoing commitment to create a comprehensive regional healthcare ecosystem anchored on Singapore's renowned medical standards, our healthcare arm, OUE Healthcare Limited (OUEH), achieved significant milestones in 2023. In May, it launched its inaugural JV hospital with 100 beds in Changshu, Jiangsu Province, China. This state-of-the-art facility provides a wide range of premium obstetrics, gynaecology, paediatric and other medical services, reflecting its dedication to delivering excellence in healthcare. Managed by OUEH's JV entity, China Merchants Lippo Hospital Management (Shenzhen) Limited, the hospital also includes a dedicated confinement centre with 27 suites, catering to postpartum rehabilitative needs.

Further, in October 2023, OUEH successfully completed the exit offer for Healthway Medical Corporation Limited (HMC) and HMC was voluntarily delisted from the Singapore Exchange Securities Trading Limited in November 2023. This strategic transaction positions OUEH to capitalise on potential synergies, driving cost efficiencies through streamlined operations and economies of scale, further solidifying its commitment to advancing healthcare excellence in the region.

With over three decades of experience in Singapore's healthcare sector, HMC is a highly regarded medical group. Its network includes more than 130 clinics and medical centres, mainly in Singapore, offering a wide range of services such as primary, secondary and ancillary care services, encompassing general practitioners, family medicine clinics, health screenings, specialists, dental services and allied healthcare services.

This transaction marks a significant step for OUEH as it strengthens its position in developing an integrated regional healthcare ecosystem focused on Singapore's renowned medical excellence. The expanded OUEH group will serve as a collaborative platform for all its healthcare business verticals to enhance growth, development and scalability across the region.

As we continue to innovate and reinvent our offerings to meet Singapore's evolving lifestyle preferences, our food and beverage operations, under the OUE Restaurants group, introduced HighHouse in December 2023, one of two new concepts under OUE Sky. Situated on levels 61 and 62 of One Raffles Place, this expansive venue spans over 10,000 square feet. HighHouse is a unique day-to-night sky bar offering breathtaking panoramic views of Singapore's skyline. It boasts distinctive features such as a double-height champagne room and a sky karaoke nook and delights guests with its Pan-Asian culinary offerings that are expertly paired with signature cocktails.

SUSTAINABILITY ROADMAP

In addition to enhancing the stability and resilience of our business portfolio to optimise returns for our stakeholders, we have diligently cultivated a culture of sustainability. Over the years, we have implemented strategies and set goals aimed at minimising our environmental footprint.

To strengthen this commitment and align our sustainability initiatives with global standards and climate goals, we initiated a comprehensive and strategic two-phase project in 2023. The first phase involved an extensive Group-wide review of our existing targets, aligning them with green building standards, sustainable taxonomies and national green targets. We also conducted interviews with stakeholders to understand challenges and set ambitious goals. In the second phase, we developed a sustainability roadmap to meet both existing and new targets, enhance our sustainability performance, and manage related risks and opportunities.

This roadmap is guided by three key principles: (i) Stewarding the Environment, (ii) Empowering Communities and (iii) Building Trust. With this in mind, the Group aims to contribute to reducing emissions, become a diverse and inclusive business, and champion Environmental, Social and Governance standards in every business aspect. The Group has committed to driving sustainability progress through sustainable investments and robust climate risk management, strengthening the social fabric and delivering high quality services, and ensuring strong corporate governance and regulatory compliance.

Consequently, the Group is announcing new sustainability targets for its real estate business segment, including reducing the absolute scope 1 and 2 greenhouse gas emissions of its operations and activities by 40% by 2030 (from 2023 baseline). To further align the sustainability goals with its financing needs, the Group's real estate segment is also committed to increasing the proportion of sustainability-linked loans to 90% of its total debt by 2030, while the Group, as a real estate owner and developer, will be strengthening its actions towards its supply chain targets.

The Group's healthcare business segment will progressively undertake its entity-specific roadmaps in the next two years. The Group will begin to report the results of this exercise and track the progress against the recalibrated targets in the sustainability report for the financial year ending 31 December 2024.

In line with the Group's sustainability action plan, OUE REIT successfully obtained its third sustainability-linked loan (SLL) of S$430.0 million as part of its refinancing exercise in 2023. With this SLL, sustainability financing accounts for 69.5% of OUE REIT's total debt, with no refinancing requirement until 2025. In addition, OUE REIT was assigned a BBB- investment grade credit rating from S&P Global Ratings, a strong endorsement of the REIT's sound capital management. Adding to its achievements in sustainability, in October 2023, OUE REIT received a three-star rating in the 2023 Global Real Estate Sustainability Benchmark assessment, a global sustainability benchmark for the real estate sector. OUE REIT was awarded the Green Star status with an overall improved score of 77 points.

IN GRATITUDE

Commemorating our '60 Years of Transformation' and in line with our belief in the value of empowering communities and enhancing social wellbeing, OUE has committed to donate S$1.0 million to the Community Chest (ComChest), the philanthropy and engagement arm of the National Council of Social Service. The donation will be disbursed over a period of three years till 2026. We will be working closely with ComChest to designate the donation to selected social service agencies and to organise volunteering activities for OUE staff.

To mark this momentous anniversary and express our gratitude for the unwavering support of our shareholders, the Board of Directors has declared a special dividend of 2.0 Singapore cents per share on top of the final tax-exempt dividend of 1.0 Singapore cent per share for FY2023. With the interim dividend of 1.0 Singapore cent paid in September 2023, the total cash dividend for the current financial year amounts to 4.0 Singapore cents per share.

I would also like to extend my heartfelt appreciation to the driving forces behind our success – the management and employees of the Group, our strategic partners, financial advisers, bankers, and my fellow Board members. Together, we look forward to scaling even greater heights in the years ahead!

Finally, my heartfelt gratitude goes out to our retiring Board members – Mr Christopher James Williams, Deputy Chairman and Non-Executive Non-Independent Director, and Mr Kelvin Lo Kee Wai, Independent Director, for their invaluable guidance and expertise during their 16 years of service on the Board. Their contributions have been instrumental in shaping our organisation, and I wish them every success in their future endeavours.

Dr Stephen Riady
Executive Chairman and Group CEO
March 2024

执行主席兼集团首席执行官致辞

各位尊敬的股东，

欢庆钻石周年纪念
2024年，华联企业在欢庆中拉开了序幕，迎来了其60周年的重要的里程碑。

华联企业成立于1964年2月，并于1969年12月在当时的马来西亚和新加坡证券交易所上市，其发展历程见证了集团从酒店业起步，逐渐发展成为一家在亚洲多地拓展业务的区域房地产和医疗保健集团。历经六十载，集团经历了经济和房地产行业的无数变化，面对前所未有的挑战，勇往直前，变得更加强大，甚至创造了多项纪录。

回顾过去60年的蓬勃发展历程，我为集团取得的显著进步感到欣慰。在庆祝这一个里程碑的同时，我们将继续秉承"变革思维"的理念，以不同的角度看待问题，抓住机遇，挖掘潜力，通过在思维、流程和成果上进行重大且深远的改革，推动我们创造价值。未来，我们将继续创新，适应和把握新兴趋势，开启下一段成长旅程。

稳健的业绩
截至2023年12月31日的财务年度(2023财务年度)，集团在庆祝里程碑的同时，呈报了一系列值得称道的业绩，所有业务部门的收入贡献均有所提高，集团营业收入从前一个财务年度(2022财务年度)的4亿9110万新元增长了26.9%，达到6亿2310万新元。

集团房地产部门的营业收入全年增长25.5%，达到4亿1990万新元，这主要归功于其酒店部门借助于新加坡旅游业以及会议、会展及奖励旅游(MICE)行业强劲复苏，促使从2023年1月起全新亮相的新加坡希尔顿酒店(Hilton Singapore Orchard)和樟宜机场皇冠假日酒店(Crowne Plaza Changi Airport)带来更高的贡献，而呈献营业收入跃升44.0%，达到2亿540万新元。由于租用率稳定和租金上涨，投资产业部门的营业收入也增长8.1%，达到2亿470万新元。

同样，集团医疗保健部门的营业收入在2023财务年度跃升32.4%，达到1亿6210万新元。这主要得益于自2022年3月1日起成为集团子公司的先锋医疗产业信托(First Real Estate Investment Trust)，以及于2022年6月与新加坡三所专科医疗集团组建的医疗合伙企业O2 Healthcare Group Pte. Ltd. 的贡献。

集团其他部门主要包括餐饮业务的贡献，由于在2022年推出新的餐饮概念，使收入增长20.8%，达到4110万新元。

集团的联营与合营公司的应占盈利从2022财务年度的1亿5700万新元，下降了72.5%，降至2023财务年度的4320万新元。主要因为金地商置集团有限公司(Gemdale Properties and Investment Corporation Limited)的贡献减少以及合资公司OUE Allianz Bayfront LLP因融资成本上升导致应占盈利减少。反之，持有PT Matahari Department Store Tbk权益的集团合资公司Auric Digital Retail Pte. Ltd.的贡献增加，部分抵消了以上降幅。

因此，调整后息税前利润从2022财务年度的3亿4520万新元，下滑16.2%至2023财务年度的2亿8940万新元，而股东应占净利润则从2022财务年度的1亿8990万新元，下跌至2023财务年度的8110万新元。

集团于2023财务年度结束时呈报的现金及现金等值物为1亿8260万新元，总资产为93亿新元，每股资产净值为4.31新元，而净资产负债率则为46%。

把握增长潜力
2023年，我们见证了旅游业和会议、会展和奖励旅游行业的强劲反弹，尤其是演唱会和节庆活动的复苏，使得新加坡巩固了其作为全球娱乐焦点的地位，推动了游客人数大幅攀升，为旅游和酒店业带来了乐观发展。此上升趋势预料将持续至2024年，届时多姿多彩的音乐会阵容和一系列活动将推波助澜。另外，2024年2月开始的中国-新加坡30天互免签证政策，预计将吸引更多中国游客入境。

尽管经营业绩有所改善，但全球和新加坡经济复苏仍受到地缘政治紧张局势和通胀压力的影响。尽管如此，我们仍然坚定决心，利用地理位置优越的商业地产、焕然一新的酒店资产、多元化的租户基础、以及以基于新加坡最佳医疗实践的不断增长的医疗保健业务，实现稳定业绩表现。在不断追求卓越和变革的过程中，我们已做好充分准备，抓住机遇，克服不确定因素，砥砺前行。

2023年1月，新加坡希尔顿酒店(Hilton Singapore Orchard)资产增值计划(AEI)的最后阶段完成，完美地抓住了旅游业和会议、会展、奖励旅游行业复苏的时机。该酒店位于新加坡黄金商圈乌节路的中心地带，地理位置优越，在2023年1月推出全新装璜的446间客房的乌节翼(Orchard Wing)后，全面运营的客房总数达1,080间。该酒店还拥有2,400平方米的现代化会议、会展和奖励旅游设施和多元化的餐饮选择，有效满足了顾客对优质住宿和活动空间的需求。

在疫情后复苏的背景下，樟宜机场皇冠假日酒店(Crowne Plaza Changi Airport)于去年8月斥资2200万新元，用于资产增值计划，新增了12间客房，其中包括10间高级客房和两间专为家庭和长住客人设计的套房，使客房总数增加到575间。此外，该酒店还对会议空间进行了改造，包括一个352平方米的多功能会议厅，配备顶尖视听科技，可满足日益增长的会议、会展和奖励旅游需求。该酒店还将全天候餐厅改造为Allora餐厅，这是樟宜机场片区独家提供周末早午餐自助餐的意大利餐厅。此外，该酒店还引入了一个配备现代化会议空间的现代俱乐部休息室，全面提升宾客体验。随着改造项目于2024年1月竣工，将未充分利用的空间改造成为其他客房和会议设施，预计将推动酒店的可持续发展。

无独有偶，华联房地产投资信托(OUE Real Estate Investment Trust)(简称OUE REIT)(前身为华联企业商业房地产投资信托(OUE Commercial Real Investment Trust)(简称OUE C-REIT)，今年也迎来了一个重大里程碑—即2014年上市以来的第十个年头，标志着长达十年的成长历程。

在其成立十周年之际，我们从2024年1月29日起将华联企业商业房地产投资信托(OUE C-REIT)品牌重塑为华联房地产投资信托(OUE REIT)。此次品牌重塑旨在更好地体现其将重心放在酒店、办公和零售行业，使其品牌与其核心业务领域更加切合。

以新加坡卓越医疗标准为基础，我们一直致力于创建一个全面的区域医疗保健生态系统，我们的医疗部门，华联医疗有限公司(OUE Healthcare Limited)(简称华联医疗(OUEH))在2023年达到了重要的里程碑。该公司5月在中国江苏省常熟市推出了首家合资医院，拥有100张床位。这家设施先进的医院提供一系列优质的产科、妇科、儿科和其他医疗服务，体现了其用心提供卓越医疗服务的决心。该医院由华联医疗(OUEH)的合资实体招商力宝医院管理(深圳)有限公司管理，还包括一个专门的月子中心、27间套房，可满足产后康复需求。

此外，2023年10月，华联医疗(OUEH)顺利完成了康威医疗集团有限公司(Healthway Medical Corporation Limited)(简称康威医疗集团(HMC))的退出要约，康威医疗集团(HMC)于2023年11月从新加坡证券交易所自愿除牌。这项战略交易让华联医疗(OUEH)利用潜在的协同效应，通过精简运营和规模经济提高成本效率，进一步兑现其推动本区域卓越医疗服务的承诺。

康威医疗集团(HMC)在新加坡医疗保健行业拥有三十多年的经验，是一家备受赞誉的医疗集团。其网络覆盖130多家主要分布在新加坡的诊所和医疗中心，提供广泛的服务，如一级、二级和辅助护理服务，包括全科医师、家庭医学诊所、健康检查、专科医师、牙科服务和联合医疗服务。

这次交易标志着华联医疗(OUEH)迈出了重要的一步，巩固了其在发展以新加坡著名的卓越医疗为重心的综合区域医疗生态系统的地位。经扩大的华联医疗(OUEH)集团将成为其所有医疗保健业务的合作平台，促进整个区域 范围内的增长、发展和可扩展性。

随着我们不断创新和重塑我们的产品，以满足新加坡不断演变的生活方式喜好，我们的食品和饮料业务，在OUE Restaurants集团的带领下，于2023年12月推出了HighHouse，即OUE Sky旗下的两大新概念之一。HighHouse位于莱佛士坊一号的61和62层，占地面积超过10,000平方英尺。HighHouse是一座独特的空中酒吧，从早到晚都能欣赏到新加坡天际线的壮丽全景。酒吧内设有双层净高香槟室和空中卡拉OK区等功能区，提供泛亚风味的美食，搭配招牌鸡尾酒，令宾客大饱口福。

可持续发展路线图
除了提升业务组合的稳定性和韧性，为股东、员工、顾客和商业伙伴带来最大回报，我们还努力培育可持续发展文化。多年来，我们实施了各种战略、并设定了目标，以减少对环境的影响。

为了加强这一承诺，并使我们的可持续发展举措与全球标准和气候目标保持一致，我们于2023年启动了一项全面的战略性项目，分为两个阶段。第一阶段侧重于在集团范围内对我们的现有目标进行深入审查，使之与绿色建筑标准、可持续性分类标准及国家绿色目标保持一致。我们还访问了利益相关者，以了解相关挑战并设定远大目标保持一致。在第二阶段，我们制定了一份可持续发展路线图，以达成现有和新目标，提高可持续发展绩效，管理相关风险和机遇。

该路线图遵循三项主要原则：(i) 保护环境；(ii) 为社区赋能；和 (iii) 建立互信。秉持该等原则，集团致力于积极减少排放、成为多元化和包容性的企业，并坚持环境、社会及治理标准。集团致力于通过可持续投资和稳健的气候风险管理，推动可持续发展进程，增强社会凝聚力，提供优质服务，确保良好的企业治理及监管合规。

为此，集团为其房地产业务部门提出新的可持续发展目标，包括到2030年减少其经营和业务活动的绝对范畴一和范畴二温室气体排放40%(相对于2023年基线)。为了进一步使可持续发展目标和其融资需求保持一致，集团房地产业务也致力于在2030年之前将可持续发展挂钩贷款比例提高到90%，同时，作为房地产业主和开发商，集团将加倍努力以实现供应链目标。

集团的医疗保健部门将在未来两年逐步开展与其实体相对应的路线图。集团将在截至2024年12月31日为止的财务年度的可持续发展报告中汇报该举措的成效，并跟进经调整目标的进展情况。

配合集团的可持续发展行动计划，在2023年再融资活动中，华联房地产投资信托(OUE REIT)成功取得4.3亿新元的第三笔可持续发展挂钩贷款。取得该笔贷款后，可持续发展融资占华联房地产投资信托(OUE REIT)债务总额的69.5%，在2025年之前无需再融资。此外，华联房地产投资信托(OUE REIT)获标普全球评级(S&P Global Ratings)给出BBB-投资级信用评级。2023年10月，华联房地产投资信托(OUE REIT)的可持续发展成果再添佳绩，在2023全球房地产可持续发展标准评估(2023 Global Real Estate Sustainability Benchmark assessment)中获得三星评级，该标准为房地产行业的全球性可持续标准。华联房地产投资信托(OUE REIT)凭借提高到77分的总得分，获评绿色之星。

致谢
为了纪念集团的"60年转型发展"，并彰显我们对为社区赋能和提升社会福祉的高度重视，华联企业承诺向公益金(ComChest)捐赠100万新元。公益金是新加坡国家福利理事会的慈善和社区参与机构。这笔捐款将在截至2026年为止的三年期间内发放。我们将与公益金携手密切合作，将捐款赠予选定的社会服务机构，并动员华联员工组织志愿服务活动。

值此盛事之际，为感谢股东们长期以来的坚定支持，董事会宣布在2023财务年度每股新元1.0分的免税末期股息基础上，额外加派每股新元2.0分的特别股息。加上2023年9月派付的每股新元1.0分的中期股息，本财务年度的现金股息总额为每股新元4.0分。

我也向集团管理层和员工、我们的战略合作伙伴、财务顾问、银行家以及董事会同仁表达衷心的感谢，你们是集团取得成功的动力。面向未来，让我们同心协力，再创佳绩！

最后，我衷心感谢即将卸任的公司董事会成员，副主席兼非执行非独立董事Christopher James Williams先生和独立董事Kelvin Lo Kee Wai先生，感谢他们在服务于董事会的16年里提供的宝贵指引和专业知识。他们的贡献对公司的发展起到了重要作用，我祝愿他们在未来的事业中取得成功。

李棕博士
执行主席兼集团首席执行官
2024年3月

BOARD OF DIRECTORS

DR STEPHEN RIADY, 64
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 2023):
17 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 2024):
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
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 2019 to 31 December 2023):
- Healthway Medical Corporation Limited
- OUE Healthcare Limited (formerly known as OUE Lippo Healthcare Limited)

Others:
- 2018 EY Asean Entrepreneurial Excellence Award
- Asia Society Global Game Changer Award
- Asia Society Southern California International Business Visionary Award
- ASEAN Entrepreneur of the Year 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 262 and 263 of this Annual Report

MR SIN BOON ANN, 66
Deputy Chairman and 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 2023):
14 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), National University of Singapore
- Master of Laws, University of London, United Kingdom
- Admitted to Singapore Bar

Present Directorships (as at 1 January 2024):
Listed companies
- CSE Global Limited
- Rex International Holding Limited
- Sarine Technologies Ltd.
- The Trendlines Group Ltd.
- TIH Limited

Other principal directorships
- Healthway Medical Corporation Limited

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

Past Principal Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
- At-Sunrice GlobalChef Academy Pte. Ltd.
- Datapulse Technology Limited
- 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)

BOARD OF DIRECTORS

DR LIM BOH SOON, 68
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 2023):
2 years

Board Committee(s) served on:
- Audit Committee (Chairman)[1]
- Nominating Committee (Member)[2]
- Remuneration Committee (Member)[3]

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 2024):
Listed companies
- 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 2019 to 31 December 2023):
- CSE Global Limited
- Jumbo Group Limited (retired with effect from 19 January 2024)
- OUE REIT Management Pte. Ltd. (the manager of OUE Real Estate Investment Trust, formerly known as 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)

Notes:
(1) Member of the Audit Committee from 1 January 2022 to 31 March 2024. Appointed as Chairman of the Audit Committee with effect from 1 April 2024.
(2) Chairman of the Nominating Committee from 1 January 2022 to 31 March 2024. Redesignated as a member of the Nominating Committee with effect from 1 April 2024.
(3) Chairman of the Remuneration Committee from 1 January 2022 to 31 March 2024. Redesignated as a member of the Remuneration Committee with effect from 1 April 2024.

MR KIN CHAN, 58
Non-Executive Non-Independent Director

Date of first appointment as a Director:
17 March 2010

Date of last re-election as a Director:
25 April 2023

Length of service as a Director (as at 31 December 2023):
13 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 2024):
Listed companies
- CITIC Resources Holdings Limited (listed on The Stock Exchange of Hong Kong Limited)
- Pioneer Global Group 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 2019 to 31 December 2023):
- The ONE Group Hospitality, Inc.

Others:
- Deemed substantial shareholder of OUE Limited. Details of his deemed shareholdings can be found on pages 262 and 263 of this Annual Report

BOARD OF DIRECTORS

MS GOH MIN YEN, 64
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 2023):
2 years

Board Committee(s) served on:
- Audit Committee (Member)[1]
- Nominating Committee (Chairman)[2]
- Remuneration Committee (Chairman)[3]

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

Present Directorships (as at 1 January 2024):
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 2019 to 31 December 2023):
Nil

Others:
Nil

Notes:
(1) Appointed as a member of the Audit Committee with effect from 1 April 2024.
(2) Member of the Nominating Committee from 1 January 2022 to 31 March 2024. Appointed as Chairman of the Nominating Committee with effect from 1 April 2024.
(3) Member of the Remuneration Committee from 1 January 2022 to 31 March 2024. Appointed as Chairman of the Remuneration Committee with effect from 1 April 2024.

MR BRIAN RIADY, 34
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:
25 April 2023

Length of service as a Director (as at 31 December 2023):
4 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 2024):
Listed companies
- OUE REIT Management Pte. Ltd. (the manager of OUE Real Estate Investment Trust, formerly known as OUE Commercial Real Estate Investment Trust)
- Hongkong Chinese Limited (listed on The Stock Exchange of Hong Kong Limited)
- Lippo China Resources Limited (listed on The Stock Exchange of Hong Kong Limited)
- Lippo Limited (listed on The Stock Exchange of Hong Kong Limited)

Other principal directorships
Nil

Major Appointments (other than directorships):
- 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 2019 to 31 December 2023):
- OUE Healthcare Limited (formerly known as OUE Lippo Healthcare Limited) (resigned with effect from 2 January 2024)

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)

REAL ESTATE SEGMENT

Investment Properties and Fund Management

OUE REIT's portfolio comprises seven prime office, retail and hospitality assets in Singapore and Shanghai

TOTAL ASSETS UNDER MANAGEMENT[1]
(S$ billion)
6.3

PRIME COMMERCIAL SPACE
(sq ft)
~2.2
million

PORTFOLIO OF UPPER UPSCALE HOTELS
1,655
Guestrooms

[1] As at 31 December 2023

One of the largest diversified Singapore REITs

OUE Real Estate Investment Trust (*OUE REIT*), formerly known as OUE Commercial Real Estate Investment Trust, is one of the largest diversified Singapore REITs (S-REITs) with total assets under management of S$6.3 billion as at 31 December 2023. Comprising six properties in Singapore and one in Shanghai, OUE REIT's commercial and hospitality portfolio spans approximately 2.2 million square feet of prime office and retail space, and 1,655 upper upscale hotel rooms. In FY2023, OUE REIT's revenue and net property income (NPI) increased by 18.0% and 19.3% year-on-year (YoY) to S$285.1 million and S$235.0 million respectively, underpinned by robust operational performance in OUE REIT's Singapore portfolio driven particularly by the full re-opening of Hilton Singapore Orchard on 1 January 2023 with an inventory of 1,080 rooms in FY2023 as compared to 634 rooms in FY2022. Stable occupancies and rental growth achieved at OUE REIT's other commercial properties also contributed to the growth.

Despite a lower share of joint venture results, the absence of income support for OUE Downtown Office and increased working capital retention, the amount available for distribution for FY2023 rose 3.3% YoY to S$115.3 million. FY2023 DPU was 2.09 cents compared to 2.12 cents in FY2022, but core DPU in FY2023 rose 2.5% YoY if capital distribution from the partial divestment of OUE Bayfront of S$4.6 million in the prior year is excluded.

As at 31 December 2023, OUE REIT's net asset value per unit was 1.7% higher YoY at S$0.60.

Benefitting from the robust performance of the Singapore office portfolio, OUE REIT's commercial segment revenue and NPI were 8.5% and 7.4% higher YoY at S$187.8 million and S$143.4 million, respectively, in FY2023. As at 31 December 2023, OUE REIT's Singapore office portfolio committed occupancy remained healthy at 95.2%, with average office passing rents reaching S$10.40 per square foot. Backed by positive retailer sentiment, Mandarin Gallery's operational metrics continued to improve, with committed occupancy (excluding short-term leases) reaching 96.6% as at 31 December 2023 and a high rental reversion of 13.7% for FY2023.

Following the rising tide of Singapore's tourism recovery and the full opening of Hilton Singapore Orchard, OUE REIT's hospitality segment revenue and NPI grew by 42.2% and 44.4% YoY to S$97.3 million and S$91.6 million, respectively. For 2023, Hilton Singapore Orchard's revenue per available room (RevPAR) declined to S$274 due to the larger room inventory, as well as the time required to ramp up and stabilise performance. Crowne Plaza Changi Airport's FY2023 RevPAR surpassed pre-pandemic levels to reach S$205, representing an increase of 24.0% YoY. Consequently, the hospitality portfolio's FY2023 RevPAR increased 4.2% YoY to S$250.

In FY2023, the Manager remained proactive in driving balance sheet discipline and mitigating refinancing risk. In June 2023, OUE REIT's indirect subsidiary, OUB Centre Limited, successfully obtained an unsecured sustainability-linked loan (SLL) of S$430.0 million. With the new facility in place, there are no further refinancing requirements until 2025, and the proportion of SLLs has increased to 69.5% of OUE REIT's total borrowings as at 31 December 2023, one of the highest percentages amongst S-REITs.

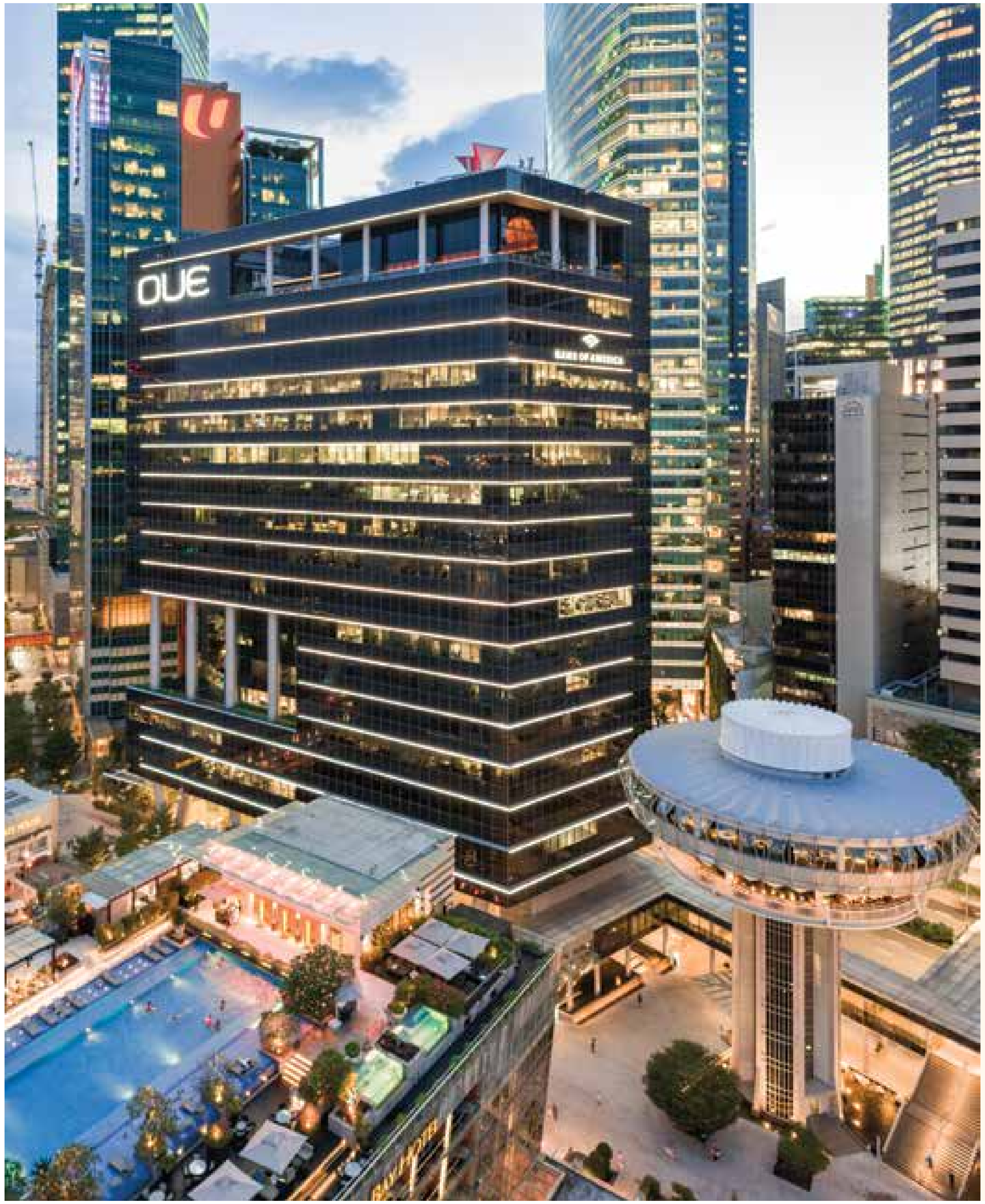
As a result of the Manager's continued efforts to strengthen the REIT's capital structure, OUE REIT was assigned an investment grade credit rating of BBB- with a stable outlook by S&P Global Ratings in October 2023. The rate of interest payable to holders of S$150 million 4.20% 5-year fixed-rate notes issued in May 2022 was reduced by 25 basis points to 3.95% per annum. Subsequently, in November 2023, OUE REIT established the Green Financing Framework to facilitate the issuance of green bonds and green loans.

OUE REIT's aggregate leverage decreased by 0.6 percentage points YoY to 38.2% as of 31 December 2023. Approximately 66.3% of total debt is hedged, which partially mitigates the impact of rising interest rates on distributions.

As at 31 December 2023, the Group owns an effective interest of 48.6% in OUE REIT. The REIT manager of OUE REIT, OUE REIT Management Pte. Ltd., is a wholly-owned subsidiary.

REAL ESTATE SEGMENT

Investment Properties and Fund Management



OUE Bayfront enjoys a commanding position in the bustling financial hub

VALUATION[1]
(S$ million)
1,340.0

GROSS FLOOR AREA
(sq ft)
504,851

NET LETTABLE AREA[1]
(sq ft)

Total	Office	Retail
399,611	378,339	21,272

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
97.6%	97.9%	92.3%

[1] As at 31 December 2023

OUE BAYFRONT

Offering prime waterfront office space elevated by panoramic Marina Bay views and easy access to the Raffles Place, Telok Ayer and Downtown Mass Rapid Transit (MRT) stations, *OUE Bayfront* remains a choice business address for leading financial, legal and professional services firms. Notable tenants include Bank of America, Aramco Asia Singapore, Allen & Overy LLP, Hogan Lovells Lee & Lee and Point72 Asia.

In recognition of its sustainability efforts, OUE Bayfront has achieved Green Mark Gold certification from Singapore's Building and Construction Authority (BCA). Beyond its green initiatives that contribute to a healthy workplace, OUE Bayfront also encourages healthy living for its tenants and the local community through well-being focused activities.

In 2023, OUE Bayfront provided concourse space for a variety of activities organised by Marina Bay Alliance – Marina Bay Active!, including a line-up of weekly exercise sessions ranging from yoga to high intensity interval training. Through such community engagement events, OUE Bayfront continues to contribute to the vibrancy of the Marina Bay precinct.

Following the divestment of a 50.0% stake in OUE Bayfront in 2021 as part of its asset-right strategy, OUE REIT retains a 50.0% stake in this property.

OUE TOWER

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

Premium offices on the Marina Bay waterfront

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 commercial properties – OUE Tower and OUE Link.

REAL ESTATE SEGMENT

Investment Properties and Fund Management

OUE DOWNTOWN

OUE Downtown Office offers efficiently designed office space amid an established business and commercial hub, adjoined by Downtown Gallery mall which offers a wide variety of dining, shopping, lifestyle and wellness options.

Its strategic location and seamless integration within a vibrant work-play-live destination attract a prestigious mix of tenants, ranging from blue-chip companies in insurance, finance and IT to multinational corporations.

Its location on Shenton Way, the financial corridor connecting the hubs of Raffles Place and Tanjong Pagar, is well served by road and public transport networks, including the Tanjong Pagar, Downtown, Shenton Way and upcoming Prince Edward Mass Rapid Transit (MRT) stations.

OUE Downtown Office has achieved BCA Green Mark Gold certification for its sustainable and energy-efficient building initiatives while lush landscaping, outdoor gardens and water features invite the revitalising energy of nature into the work environment. To further foster the well-being of office occupants, fitness activities that had been organised regularly prior to the COVID-19 pandemic will be reactivated in 2024 at one of the office levels.

As government plans for the future Greater Southern Waterfront, an exciting extension of the CBD, steadily progress, OUE Downtown Office is ideally placed to benefit from being on the doorstep of Singapore's major new business, urban living and lifestyle hub.

Vibrant workplace within a dynamic 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 REIT's portfolio.

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

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

NET LETTABLE AREA[1]
(sq ft)
529,969
(Office)

TENURE OF LAND
99-year lease
from 19 July 1967

COMMITTED OCCUPANCY[1]
92.6%
(Office)

[1] As at 31 December 2023

Two towers of premium office space integrated with a six-storey retail mall

REAL ESTATE SEGMENT

Investment Properties and Fund Management

One Raffles Place Towers 1 and 2 – the height of distinction on the CBD skyline

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

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

NET LETTABLE AREA[1]
(sq ft)
605,591
(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]
95.8%
(Office)

[1] As at 31 December 2023

oneRafflesPlace

The 62-storey *One Raffles Place Tower 1* features prime office space topped by two floors of restaurant space and a rooftop observation deck offering 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* is distinguished by a striking silhouette with bold lighting effects and public spaces showcasing artworks by renowned local and international artists, including Tony Cragg, Hiroshi Senju, Anna Chiara Spellini and Han Sai Por. Both towers have achieved BCA Green Mark Gold certification.

This prominent landmark provides a well-connected address for leading businesses and corporations from a wide range of industries. 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.

In 2023, *HighHouse*, a new nightlife and culinary destination spanning Levels 61 and 62 of Tower 1, opened its doors, unveiling an exciting day-to-night venue with sophisticated culinary offerings, a double-storey bar, digital art and a roster of live music. It is set to be joined in 2024 by *NOVA* on Level 63, the highest rooftop bar in Singapore.

Integrated office and retail landmark in 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 REIT's portfolio.

REAL ESTATE SEGMENT
Investment Properties and Fund Management

LIPPO PLAZA
Shanghai

Lippo Plaza enjoys prominence in the key commercial area of Puxi in downtown Shanghai. The building is sited near the eastern end of Huaihai Zhong Road in the well-established business district of Huangpu, an area that attracts multinational corporations, international financial institutions and local Chinese enterprises. Its superbly connected location is in close proximity to major expressways and a short walk from the South Huangpi Road and Huaihai Zhong Road Metro Stations, which are served by Metro Line 1 and 13 respectively.

Known as the "Champs-Élysées of the East", Huaihai Zhong Road is also an upscale shopping street lined with global designer brand stores, luxury retail malls, five-star hotels and restaurants. In its midst, Lippo Plaza's retail podium attracts the city's shoppers and diners with an exclusive mix of well-known international and local brands alongside a variety of dining venues.

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.

Situated in Shanghai's upscale commercial district

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 REIT's portfolio.

VALUATION[1]
(RMB million)
2,400.0

GROSS FLOOR AREA
(sq ft)
629,920

NET LETTABLE AREA[1]
(sq ft)

Overall	Office	Retail
421,817	361,006	60,811

TENURE OF LAND
50-year lease
from 2 July 1994

COMMITTED OCCUPANCY[1]

Overall	Office	Retail
84.9%	83.3%	94.5%

[1] As at 31 December 2023

Well-known office and retail landmark in downtown Shanghai

REAL ESTATE SEGMENT

Investment Properties and Fund Management

An exclusive shopping environment adjoined to Hilton Singapore Orchard

VALUATION[1]
(S$ million)
453.5

GROSS FLOOR AREA
(sq ft)
196,336

NET LETTABLE AREA[1]
(sq ft)
126,294

TENURE OF LAND
99-year lease
from 1 July 1957

COMMITTED OCCUPANCY[1]
97.6%

[1] As at 31 December 2023

Mandarin / Gallery

Mandarin Gallery stands out from the crowd on Orchard Road with a distinctive and refined mix of dining, shopping and lifestyle offerings, and a prime 152-metre frontage that offers a high degree of visibility.

Among the stores showcasing the latest fashion trends and inspirations are the first Southeast Asia flagship store of *Victoria's Secret*, which offers an immersive shopping experience across two floors; the Singapore flagship outlet of South Korean lifestyle brand *MLB*, retailing streetwear apparel and lifestyle accessories, including its exclusive baseball collection; and the first international store of *SNKRDUNK*, Japan's leading sneaker platform.

For the finest in lifestyle products and experiences, shoppers can explore the latest in luxury travelware at *Rimowa* and *TUMI*, or reserve a session of pampering hair and beauty services at *Bada Hair* and *Clé de Peau Beauté*.

On the dining front, Mandarin Gallery offers diverse gastronomic delights, both casual and gourmet – from all-day breakfasts at *Wild Honey* to exquisite beef yakiniku dining at *Yakiniquest*, and a fine dining omakase experience at *La D'Oro* that combines the essence of Italian and Japanese cuisine.

Mandarin Gallery has achieved BCA Green Mark Gold certification in recognition of its sustainability performance and initiatives.

Home of boutique sophistication

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 REIT's portfolio.

REAL ESTATE SEGMENT

Investment Properties and Fund Management

Downtown Gallery's prominent 262-metre frontage on Shenton Way

VALUATION[1]
(S$ million)
207.0

GROSS FLOOR AREA
(sq ft)
226,599

NET LETTABLE AREA[1]
(sq ft)
142,957

TENURE OF LAND
99-year lease
from 19 July 1967

COMMITTED OCCUPANCY[1]
98.3%

[1] As at 31 December 2023

Downtown Gallery features one of the longest single retail frontages in the commercial district, at 262 metres, and a comprehensive directory of food and lifestyle offerings. Its novel concepts include *Let's Yori!* Korean cooking studio, offering cooking classes within a 4,000 square feet communal cooking space, which can also be booked for corporate and private events.

Appetites are satisfied with diverse dining options, such as Indian vegetarian cuisine at *Annalakshmi*, signature Wagyu beef bowls at *Gyushi*, and nasi padang-style rice at *Mirana Signatures* café. Those looking for the perfect gift can explore design-led accessories at *Essential Extra Gift Store*, while cycling enthusiasts can kit themselves out with the latest cycling apparel from *Velo Velo*.

For a healthy lifestyle, the mall houses a range of fitness and wellness studios to suit different interests, including *Diva Pole Academy*, *STRONG Pilates* and *Legends Fencing*. For an indulgent experience, hair and beauty salons include *The Lash Chapter*, and *Barber 25 and Head & Hair Spa Lily*, a one-stop barbershop offering authentic Japanese head spas.

Other amenities at this BCA Green Mark Gold certified mall include a pre-school and medical and dental clinics.

Lifestyle heart of the CBD 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.

REAL ESTATE SEGMENT
Investment Properties and Fund Management

NET LETTABLE AREA[1]
(sq ft)
99,157
(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]
99.2%
(Retail)

[1] As at 31 December 2023

Sleek modern façade with mega LED screen – a captivating focal point in Raffles Place

oneRafflesPlace

One Raffles Place Shopping Mall meets the needs of busy executives with a wide variety of retail options as well as health, beauty and wellness services while drawing in the lunchtime and after-work crowds with plentiful dining options. Spanning bakeries, cafes and restaurants, there is something for everyone and every occasion, from local and international delights to coffee, craft beer and cocktails.

The mall also offers premium co-working space in the CBD with *Spaces*. Occupying approximately 30,000 square feet of multi-level space, it caters to flexible workspace needs with three meeting rooms, 18 dedicated desks and over 500 workstations.

In 2023, the mall welcomed a new dining venue, *Ammakase*, serving up a rich tapestry of Indian flavours, as well as the Singapore branch of *IDP* overseas education specialists.

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 REIT's portfolio.

REAL ESTATE SEGMENT

Hospitality

Hilton
SINGAPORE ORCHARD

Hilton Singapore Orchard, Hilton's flagship hotel in Asia Pacific, offers an exceptional experience for business and leisure travellers with 1,080 elegantly appointed guestrooms with city views, five distinct dining venues and 16 versatile, state-of-the-art event spaces.

The BCA Green Mark Gold certified hotel is replete with eco-friendly features for a sustainable stay. All rooms and suites are equipped with automated motion, air-conditioning and light sensors to maximise comfort in an energy-efficient way. The hotel is also one of the first Hilton hotels to use wooden key cards instead of plastic key cards, and is the first hotel in Singapore to have an in-house custom-built water filtration plant and bottling system to produce its own bottled drinking water. In addition, Hilton Singapore Orchard is working towards delivering a carbon neutral meeting experience in line with global net-zero goals.

Committed to driving responsible tourism and positive social impact, the hotel held a 'Travel with Purpose Week' from 9 to 13 October 2023, during which its team members clocked a total of 646 volunteer hours through meaningful activities. These included organising a 'Hotelier Experience' to provide youths with behind-the-scenes insights into the hospitality industry. The hotel also works closely with APSN Delta Senior School Singapore to provide differently abled students hands-on experience in various departments within the hotel.

In 2023, Hilton Singapore Orchard earned a steady stream of industry and travel accolades, including Gold (Hotel Category) – Trusted Brands Asia by Reader's Digest; Top Meeting Destinations and Top Meeting Hotels in Asia Pacific by Cvent; Traveller's Choice Top 10% of Hotels Worldwide by TripAdvisor; and Singapore Hotel Sustainability Award by the Singapore Hotel Association. In addition, in November 2023, *Osteria Mozza* and *Estate* were featured in the Tatler Dining Guide to the best restaurants in Singapore.

A true landmark of luxury and sustainability

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 and leisure trips in the city and for exploring the sights of Singapore.

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

VALUATION[1]
(S$ million)
1,346.0

GROSS FLOOR AREA
(sq ft)
990,278

NUMBER OF GUESTROOMS[1]
1,080

TENURE OF LAND
99-year lease
from 1 July 1957

[1] As at 31 December 2023

02

01

03

01 King Presidential Suite – an elegant residential-style retreat

02 Hilton Singapore Orchard, Hilton's flagship hotel in Asia Pacific

03 Grand Ballroom – versatile space that can be partitioned into smaller meeting rooms

REAL ESTATE SEGMENT

Hospitality

VALUATION[1]
(S$ million)
519.0

GROSS FLOOR AREA
(sq ft)
440,389

NUMBER OF GUESTROOMS[1]
575
(Hotel Rooms)

TENURE OF LAND
74-year lease
from 1 July 2009

[1] As at 31 December 2023

01 An unrivalled airport hotel experience with direct connection to Changi Airport

02 New guestroom with pool access designated for families and long-stay guests

03 Inspiring new function and meeting space catering to growing MICE demand

CROWNE PLAZA
AN IHG HOTEL
CHANGI AIRPORT

Crowne Plaza Changi Airport offers international air travellers and domestic guests a tranquil oasis for refreshing stopovers and staycations, with noise-insulated rooms and a resort-inspired outdoor pool in a lush tropical setting.

Its flexible meeting and functions rooms, 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 allure for business and leisure travellers.

On 3 January 2024, OUE Group completed a S$22 million asset enhancement, positioning the hotel to capitalise on the anticipated increase in leisure and business travellers in 2024 and beyond. The enhancements include the addition of 10 premier rooms and two suites specifically designed for families and long-stay guests, increasing the hotel's total inventory to 575 rooms.

A revamped all-day dining restaurant, *Allora,* was unveiled, offering contemporary Italian cuisine and weekend brunch buffets. To expand the hotel's meeting facilities, the original all-day dining area was repurposed into a 352-square-meter multi-function room, and the previous bar was transformed into a contemporary Club Lounge with modernised meeting spaces.

In recognition of its commitment to sustainability, the hotel was honoured in 2023 with the BCA Green Mark certification, earning a Gold rating. During the year, the hotel was also crowned World's Best Airport Hotel by Skytrax for the eighth consecutive time, and was voted Best Airport Hotel in Asia-Pacific for the sixth year running in the Business Traveller Asia-Pacific Awards.

Tropical oasis steps from Singapore's Changi Airport

Property Description

Reigning as the World's Best Airport Hotel in the Skytrax Airport Awards, Crowne Plaza Changi Airport is an award-winning 575-room hotel managed by the InterContinental Hotels Group, located at Terminal 3 of Singapore Changi Airport. Comprising two interconnected buildings – a 332-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 REIT's portfolio.

REAL ESTATE SEGMENT

Development Properties

OUE Twin Peaks creates a canvas for sophisticated city living with 462 ready-to-live-in apartments that all come fully furnished with iconic furniture pieces by renowned designers such as Hans Wegner, Charles & Ray Eames, Tom Dixon and Matthew Hilton. The flexibility to combine one-bedroom apartments with two- or three-bedroom apartments provides an ideal option for multi-generational living.

Beyond the stylish living spaces, each of the development's two residential towers houses a state-of-the-art triple-volume indoor and outdoor sky gym on the 13th floor, and an open-air Sky Loggia with a rooftop bar on the 36th floor, a spectacular space for entertaining against the captivating backdrop of the cityscape.

Residents can also indulge in an array of resort-style facilities, including a swimming pool, jet spas and gourmet dining suites, embraced by nature 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.

Luxurious resort-inspired living in the city

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.

BOOK VALUE[1]
(S$ million)
78.3

TENURE OF LAND
99-year lease
from 10 May 2010

[1] As at 31 December 2023

02

01

03

01 Designed with a whimsical touch, the 35-metre pool is a splashing ode to luxury

02 A haven of serenity and sophistication a few minutes' walk from Orchard Road

03 Master bedroom with a panoramic city view

HEALTHCARE SEGMENT

OUE HEALTHCARE

Building a regional healthcare ecosystem anchored on medical excellence

SGX Catalist Board-listed *OUE Healthcare Limited* (OUEH) is a regional healthcare group that owns, operates and invests in quality healthcare businesses in high-growth Asian markets. Its healthcare ecosystem comprises a respiratory and cardiothoracic specialist group in Singapore (O2 Healthcare Group), as well as two hospitals in operation and one under development in China. In addition, OUEH owns 40% in Pun Hlaing Hospitals, one of the largest private hospital groups in Myanmar. OUEH owns a controlling stake in First REIT, Singapore's first listed healthcare real estate investment trust.

In 2023, the company changed its name from OUE Lippo Healthcare to OUE Healthcare and continued to make great strides towards its vision to be the trusted healthcare provider of choice in the communities it serves.

In May 2023, OUEH launched its first joint venture hospital, the 100-bed Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital, in Changshu, Jiangsu Province, China. The first private obstetrics and gynaecology hospital to be commissioned in the city of Changshu, it provides a full spectrum of premium obstetrics, gynaecology and paediatric healthcare services, and houses 27 confinement suites, which provide postpartum rehabilitative services.

In addition, OUEH, via its joint venture company, inked an agreement with the Chinese University of Hong Kong (CUHK) for CUHK to provide consultancy services for the development, commissioning, clinical governance and management of an international medical centre (Prince Bay IMC) in the upcoming Shenzhen China Merchants-Lippo Prince Bay Hospital in Shekou, Shenzhen, which is on track to be commissioned in the second half of 2024.

In October 2023, OUEH completed its investment in Healthway Medical Corporation (HMC), one of Singapore's largest private healthcare providers. HMC was delisted in November 2023.

As at 31 December 2023, the Group's effective shareholding in OUEH is 70.4%.

COUNTRIES
China, Myanmar, Malaysia, Indonesia[1], Singapore and Japan[1]

[1] Presence in Indonesia, Singapore and Japan is via First REIT Management and First REIT

Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital – positioned to cater to an affluent market segment

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
- Development Land in Kuala Lumpur

SINGAPORE
- Respiratory Medical Associates
- The Respiratory Practice
- Thoracic & Cardiovascular Surgery Specialists
- Kang Ning Cardiothoracic Surgery

MYANMAR
- Pun Hlaing Hospital Hlaing Tharyar (Yangon)
- Pun Hlaing Hospital Mandalay
- Pun Hlaing Hospital Taunggyi
- Pun Hlaing Clinic North Dagon
- Pun Hlaing Clinic Taw Win
- Pun Hlaing Clinic Star City
- Pun Hlaing Clinic Thingganyun
- Pun Hlaing Clinic Pyapone
- Pun Hlaing Clinic San Chaung

O2 HEALTHCARE GROUP

Asia's lung centre for respiratory health

In 2022, OUEH and OUE established a joint venture company (OUE JV), with shareholding proportions of 60.0% and 40.0% respectively. OUE JV then formed a medical partnership with three medical specialist groups in Singapore known as O2 Healthcare Group (O2).

The medical partnership includes two leading respiratory specialist practices and one cardiothoracic surgery practice, which comprise 13 specialists under four commercial brands. The partnership represents an important milestone in building a healthcare business ecosystem anchored on Singapore's best medical practices for regional growth.

Positioning itself as Asia's Lung Centre, O2 aims to reshape respiratory care in Asia with tailored solutions and a patient-focused approach. With its dynamic alliance of lung specialists trained in cardiac surgery, thoracic surgery, pulmonary medicine and intensive care, the centre offers comprehensive and personalised specialist medical services tailored to address a diverse range of heart and lung conditions.

HEALTHCARE SERVICES
Respiratory Care
Cardiothoracic Surgery

MEDICAL BRANDS[1]
4

SPECIALISTS[1]
11 respiratory physicians and
2 cardiothoracic surgeons

[1] As at 31 December 2023

Singapore Medical Partners and Brands

Thoracic & Cardiovascular Surgery Specialists · Respiratory Medical Associates · The Respiratory Practice · KANGNING

HEALTHCARE SEGMENT

Healthway Medical Group

One of the largest private medical networks in Singapore

Healthway Medical Corporation (HMC) is an established medical group with over 30 years of experience in Singapore's healthcare sector.

With over 130 clinics and medical centres in its network, mainly in Singapore, HMC provides a comprehensive spectrum of services covering primary, secondary and ancillary care, including general practitioner and family medicine clinics, health screening, specialists, dental services and allied healthcare services.

In January 2024, HMC expanded its network with the opening of Cura Day Surgery at Camden Medical Centre. The new surgical facility offers comprehensive and specialised medical services delivered with surgical expertise, quality nursing care and modern surgical technology. Coupled with patient suites with private bathrooms, it provides a quiet, comfortable and conducive environment for a speedy recovery.

GP CLINICS[1]
74

HEALTH SCREENING CENTRES[1]
3

DENTAL CLINICS[1]
15

ALLIED HEALTH CENTRES[1]
4

SPECIALIST CLINICS[1]
39

[1] As at 31 December 2023

PRIMARY CARE SERVICES

GP & Health Screening Centres

Healthway Medical · Healthway Japanese Medical · Healthway Screening @ Downtown · Healthway Screening @ Centrepoint · Healthway Screening @ Capitol · Silver Cross Medical · The Clinic Group

Dental

Healthway Dental · Healthway Japanese Dental · ToothStories · Dental Care

SPECIALISTS & ALLIED HEALTH SERVICES

Adults

Nobel Eye & Vision Centre · Nobel Heart Centre · Nobel Psychological Wellness Centre · Nobel Gastroenterology Centre · Nobel ENT Centre · Nobel Diabetes, Thyroid & Endocrine Centre · Island Orthopaedics · PsycHealth · Straits Podiatry · TEN

Women & Children

Nobel Paediatric Surgery Centre · sbcc · sbcc · Amazing · HeadStart for Life growing without barriers · TeleHope Speech Therapy

01 Healthway Medical empowers healthier lives by putting patients first, placing them at the core of its healthcare ecosystem

02 With a vision for a healthier Asia, HMC is committed to providing care that is accessible and affordable

03 Patients have access to an extensive network of resources and specialists

04 Patient suite designed to provide privacy and comfort

HEALTHCARE SEGMENT

FIRST REIT
ASIA'S PREMIER HEALTHCARE TRUST

Singapore's first healthcare REIT

Listed on the Singapore Exchange since 2006, *First REIT* is a premier healthcare real estate investment trust focused on investing in a diverse portfolio of yield-accretive healthcare and healthcare-related real estate assets throughout Asia. Its portfolio of 32 properties spans Singapore, Japan, and Indonesia, with a total asset value of S$1.14 billion.

As at 31 December 2023, 25.5% of First REIT's assets under management (AUM) are in developed markets, putting the Trust at the halfway mark towards reaching its target of having more than 50.0% of its AUM in developed markets by FY2027.

Amidst heightened global uncertainty in FY2023, healthcare real estate continued to be a resilient asset class. First REIT's Rental and Other Income, without an accounting adjustment[2], increased 1.6% YoY to S$93.4 million in FY2023. This was largely due to a built-in increment in rental income from Indonesia and Singapore, as well as a full-period contribution of rental income from the 14 Japan nursing homes acquired in FY2022. With the accounting adjustment[2], Rental and Other Income dipped 2.4% YoY to S$108.6 million in FY2023.

First REIT's Distribution Per Unit (DPU) for FY2023 of 2.48 Singapore cents was 6.1% lower year-on-year, mainly due to higher financing costs and a depreciation of the Indonesian Rupiah and the Japanese Yen against the Singapore Dollar.

First REIT's capital structure strengthened after an early refinancing of a Japanese Yen denominated bond with a new onshore banking institution in June 2023. First REIT's overall financial position remained strong with a gearing of 38.7% and healthy interest coverage ratio at 4.1 times as at 31 December 2023. Together with strong sponsors' support, First REIT is well positioned to deliver sustainable distributions in the long term.

[2] FRS 116 Adjustment on rental straight-lining

TOTAL ASSETS UNDER MANAGEMENT[1]
(S$ billion)
1.14

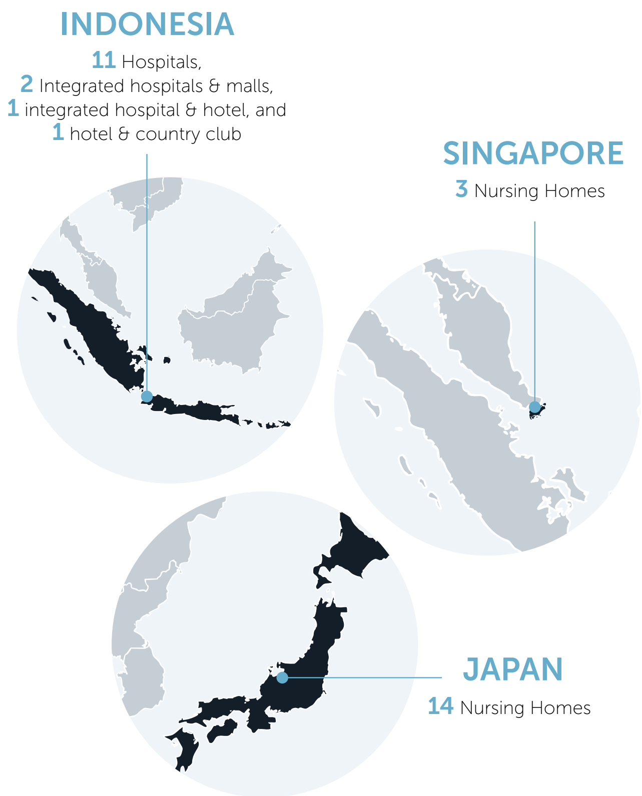
NO. OF ASSETS[1]
32
Singapore, Indonesia, Japan

GROSS FLOOR AREA
(sq ft)
4,830,240

MAXIMUM NO. OF BEDS AND ROOMS[1]
6,522

[1] As at 31 December 2023

First REIT's portfolio includes hospitals and nursing homes in Singapore, Japan and Indonesia



INDONESIA

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 Baubau & Lippo Plaza Baubau

Siloam Hospitals Yogyakarta

JAPAN

Sapporo

Hikari Heights Varus Tsukisamu-Koen

Hikari Heights Varus Makomanai-Koen

Hikari Heights Varus Ishiyama

Hikari Heights Varus Kotoni

Hikari Heights Varus Fujino

Varus Cuore Yamanote

Varus Cuore Sapporo-Kita & Annex

Nara

Elysion Mamigaoka & Annex

Elysion Gakuenmae

Nagano

Orchard Kaichi West

Orchard Kaichi North

Kyoto

Orchard Amanohashidate

Aichi

Medical Rehabilitation Home Bon Sèjour Komaki

Kanagawa

Loyal Residence Ayase

SINGAPORE

Pacific Healthcare Nursing Home @ Bukit Merah

Pacific Healthcare Nursing Home II @ Bukit Panjang

The Lentor Residence

OTHERS SEGMENT

OUE RESTAURANTS

Wide spectrum of dining concepts

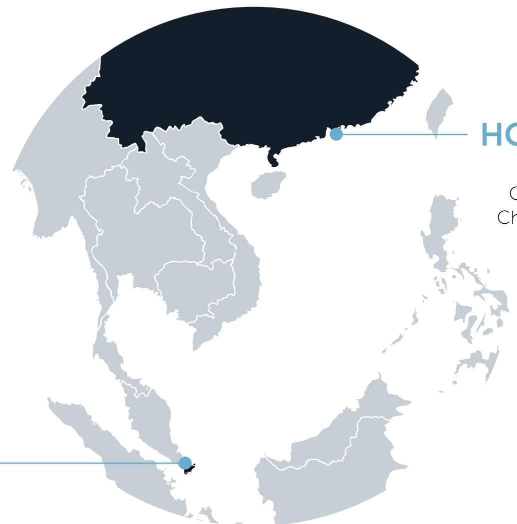
With its diverse portfolio of restaurants and bars – from fine and bespoke, to fast and casual, *OUE Restaurants* aims to create authentic dining experiences and unique spaces that are memorable.

In 2023, its portfolio grew further with new openings locally and overseas. These include a new *Délifrance* outlet at Sengkang Hospital in Singapore, and two new outlets of *Chatterbox Café* at The Wai and Airside shopping malls, bringing the authentic taste of Singapore cuisine to Hong Kong.

Along with Chatterbox, *Rempapa* is renowned for its authentic Singapore flavours. In November 2023, Rempapa's Chef Damian D'Silva was awarded the prestigious Artisan and Authenticity Award 2024 from La Liste, a French ranking and restaurants guide, for his dedication to championing Singapore's heritage cuisine, making him the first Singaporean to receive the award.

From 10 November to 17 December 2023, Chatterbox, Rempapa and *Hanare* by *Takayama* participated in a 'Let Us Feed Kindness Together' fundraising campaign as part of OUE's community support initiatives, with OUE donating an amount per sale of specific menu items to Willing Hearts and Food from the Heart through Community Chest.

The year ended on a high note in December 2023 with the opening of *HighHouse*, a transcendent day-to-night nightlife and culinary destination spanning Levels 61 and 62 of One Raffles Place Tower 1, where exceptional cocktails, exquisite gastronomy, music and art come together surrounded by 360-degree views of the Singapore skyline. This is the first of two stylish 'OUE Sky' concepts, with the upcoming NOVA set to take its place on Level 63 as the city's highest rooftop bar in 2024.



SINGAPORE
Chatterbox
Chen's
Délifrance
FuFu Pot
Hanare by Takayama
Hashida Singapore
Osteria Mozza
Rempapa
Shisen Hanten by Chen Kentaro
Takayama
VUE
HighHouse
NOVA

HONG KONG
Alfafa
Chatterbox Café
Chatterbox Express
Délifrance

COUNTRIES
Singapore,
Hong Kong

THE BRANDS
Fast Casual
& All-Day Dining

Restaurants
& Bars

01 Star-shaped sculptural art commissioned for NOVA at the pinnacle of One Raffles Place

02 One of two new Chatterbox Cafés launched in Hong Kong

03 Chef Damian D'Silva of Rempapa receiving the La Liste Artisan & Authenticity Award at a gala ceremony in Paris

The BRANDS

CORPORATE INFORMATION

BOARD OF DIRECTORS

STEPHEN RIADY
(Executive Chairman and
Group Chief Executive Officer)

SIN BOON ANN
(Deputy Chairman and Non-Executive
Non-Independent Director)

LIM BOH SOON
(Lead 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

LIM BOH SOON
(Chairman)

KIN CHAN

GOH MIN YEN

NOMINATING COMMITTEE

GOH MIN YEN
(Chairman)

SIN BOON ANN

LIM BOH SOON

REMUNERATION COMMITTEE

GOH MIN YEN
(Chairman)

SIN BOON ANN

LIM BOH SOON

SECRETARY

KELVIN CHUA

SHARE REGISTRAR

BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632
Telephone : (65) 6536 5355
Facsimile : (65) 6438 8710

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
Hong Leong Finance Limited
Industrial and Commercial Bank of China Limited, Singapore Branch
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 2023 ("**FY2023**") with specific reference to the principles and provisions 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 enable 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, 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, social and governance factors) as part of the Company's overall strategy.

Global and domestic economic recovery continues to be dampened by geopolitical tensions and inflationary pressures in FY2023. With the latest global geopolitical developments, there are increasing concerns that the global economic headwinds may continue to prevail into FY2024. The Board continues to work closely with Management in reviewing business opportunities and challenges while remaining vigilant in monitoring the evolving geopolitical and economic landscapes.

CORPORATE GOVERNANCE REPORT

During FY2023, the final phase of the asset enhancement initiative at Hilton Singapore Orchard was completed, and the hotel was able to maximise its full 1,080 room inventory and modern meetings, incentives, conferences and exhibitions ("**MICE**") facilities to capitalise on the rebound in the tourism and MICE sectors. Crowne Plaza Changi Airport also underwent an asset enhancement to transform underutilised spaces to add 12 new guest rooms and revitalise its meetings offerings.

In May 2023, OUE Healthcare Limited ("**OUEH**") opened its joint venture 100-bed hospital in Changshu, Jiangsu province, China. This state-of-the-art facility provides a wide range of premium obstetrics, gynaecology, paediatric, and other medical services, and includes a dedicated confinement centre with 27 suites. In October 2023, OUEH successfully completed the voluntary delisting and exit offer for Healthway Medical Corporation Limited, which marks a significant milestone for the Group by strengthening its position in developing and growing an integrated regional healthcare ecosystem focused on Singapore's renowned medical excellence.

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 a highly qualified legal professional who is 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 FY2023, 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 FY2023 is set out below.

	Number of meetings attended in FY2023				
Name of Director	**Board**	**AC**	**NC**	**RC**	**AGM**
Dr Stephen Riady	3	-	-	-	-[1]
Mr Christopher James Williams	4	-	-	-	1
Mr Sin Boon Ann	4	-	1	1	1
Dr Lim Boh Soon	4	4	1	1	1
Mr Kelvin Lo Kee Wai	4	4	-	-	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 FY2023	**4**	**4**	**1**	**1**	**1**

Note:

[1] Dr Stephen Riady was unable to attend the AGM in FY2023 as he was travelling for business.

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. No new directors were appointed in FY2023.

CORPORATE GOVERNANCE REPORT

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.

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 FY2023, these briefings covered topics relating to regulatory updates, recent issues affecting real estate investment trusts, and updates on geo-political and macroeconomic developments.

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.

As at 31 December 2023, the Board comprised eight Directors with six non-executive Directors and, of the six non-executive Directors, the Board (after taking into account the NC's views) considered Dr Lim Boh Soon, Mr Kelvin Lo Kee Wai and Ms Goh Min Yen to be independent. Based on the foregoing, non-executive Directors made up a majority of the Board, and independent Directors made up at least one-third of the Board, as at 31 December 2023. Please refer to the "Changes to the Board and Board Committees after 31 December 2023" section on page 69 of this Annual Report for changes to the Board composition which took effect after 31 December 2023.

<u>Board Independence</u>

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 conduct, character, judgement and 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 FY2023, the three Directors who were regarded as independent Directors during FY2023, 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, and (in her capacity as an executor of an estate) is deemed to be interested in 200,000 ordinary shares in, representing approximately 0.02% of the issued shares of, LCR. The NC and the Board are of the view that these circumstances 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; (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; and (d) her deemed interest in LCR is immaterial.

During FY2023, Mr Kelvin Lo Kee Wai was regarded as an independent Director of the Company. Mr Kelvin Lo Kee Wai first joined the Board as an independent Director on 19 July 2006 and reached nine years of service on 19 July 2015. Prior to 11 January 2023, he 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 had been approved by shareholders at the AGM held on 30 April 2021 through the two-tier voting process under the then applicable Rule 210(5)(d)(iii) of the Listing Manual (effective from 1 January 2022 to 10 January 2023). But for the recent amendment to the Listing Manual implemented by the SGX-ST to cap the tenure of independent directors of issuers to nine years (as discussed in the next paragraph), the requisite approvals obtained under Rule 210(5)(d)(iii) in relation to the independence status of Mr Kelvin Lo Kee Wai would have remained in force until (i) his retirement or resignation as a Director, or (ii) the conclusion of the third AGM following the passing of the relevant resolutions for his continued appointment as an independent Director, whichever is the earlier.

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 and introduced new Rule 210(5)(d)(iv) of the Listing Manual which limits the tenure of independent directors serving on the boards of listed issuers to nine years. 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, the Board (after taking into account the NC's views and having considered that Mr Kelvin Lo Kee Wai continued to fulfil the independence requirements under Rule 210(5)(d)(i) and Rule 210(5)(d)(ii) of the Listing Manual) had approved the continued appointment of Mr Kelvin Lo Kee Wai as an independent Director from 11 January 2023 until no later than the conclusion of the Company's 2024 AGM, which is to be held on 26 April 2024. Mr Kelvin Lo Kee Wai has since stepped down from the Board, and as the chairman of the AC, with effect from 1 April 2024. Please refer to the "Changes to the Board and Board Committees after 31 December 2023" section on page 69 of this Annual Report for the other changes to the composition of the Board and Board Committees which took effect from 1 April 2024.

CORPORATE GOVERNANCE REPORT

In addition to the independent Directors, the non-independent non-executive Directors also contribute constructively to recommendations from Management. The independent Directors and non-independent non-executive Directors, led by the Lead Independent Director, would, without the presence of Management, 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 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. The Company is of the view that despite its deviation from Provision 2.2 of the Code, its practice was nevertheless consistent with Principle 2 of the Code which requires the Board to have 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.

Board Size, Composition and Diversity Policy

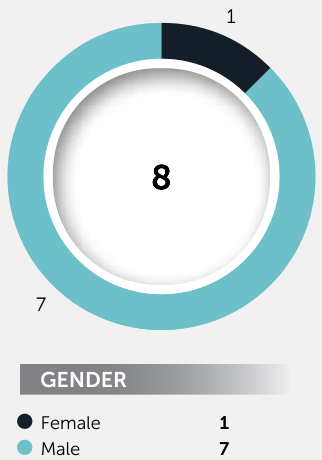
The Board is of the opinion that the current size of the Board and Board Committees are, taking into account the nature and scope of the Company's businesses, appropriate for effective decision-making.

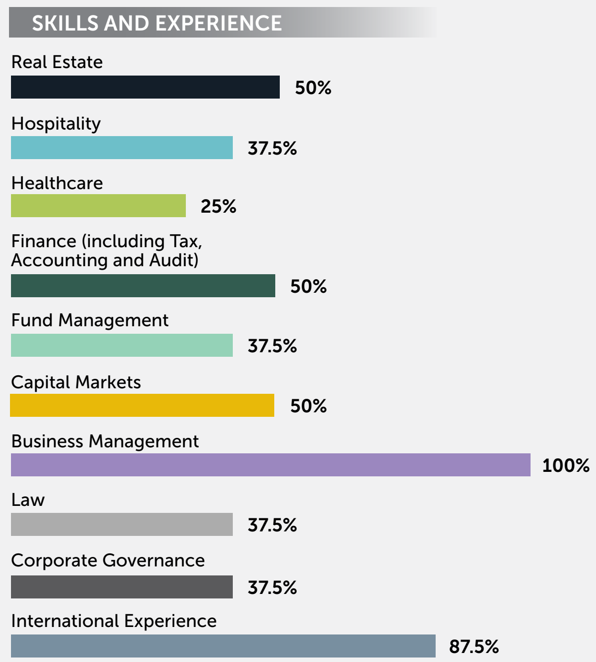
The Company recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of the Board's performance, and in supporting the Company's strategic objectives and sustainable development. The Board has, on recommendation by the NC, adopted a board diversity policy which takes into account relevant measurable objectives such as gender, skills and experience, age group, length of tenure, independence, nationality and other relevant factors. It is paramount that the Company continues to maintain the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity on the Board, so as to avoid groupthink, foster constructive debate and 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.

Board Diversity Targets, Plans, Timelines and Progress (as at 31 December 2023)

The Company's board diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets as at 31 December 2023, are set out below.

Diversity Targets, Plans and Timelines	Progress Towards Achieving Targets
Gender 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. The Company believes that achieving the optimum gender representation on the Board would benefit the Company by providing different perspectives. The push for greater gender diversity would also broaden the Company's talent pool and improve its critical thinking and problem-solving capabilities.	**In Progress** - As at 31 December 2023, 1 out of 8 Directors (i.e. 12.5% of the Board) is female.
Skills and Experience To ensure that the Directors as a group possess the core skills and experience in the areas of real estate, hospitality, healthcare, finance (including tax, accounting and audit), fund management, capital markets, business management, law, corporate governance and international experience, which are identified by the Board as critical for the Board to carry out its oversight of the business affairs, and to exercise effective stewardship and corporate governance of the Group. The Company believes that diversity in skills and experience would support the needs of the Company, especially in the key operational sectors which the Group operates in. The diversity in the range of views and perspectives and the breadth of experience of the Directors would enhance the deliberations of the Board and facilitate the effective oversight of management.	**Achieved** - As at 31 December 2023, the Board comprises Directors who are corporate and business leaders and professionals with varied backgrounds, expertise and experience and possess the core skills and experience identified by the Board. Collectively, the Directors have core competencies spanning the relevant areas specified above, which are critical for the support of the Group's businesses and operations across the commercial, hospitality, retail, residential, healthcare and consumer sectors.

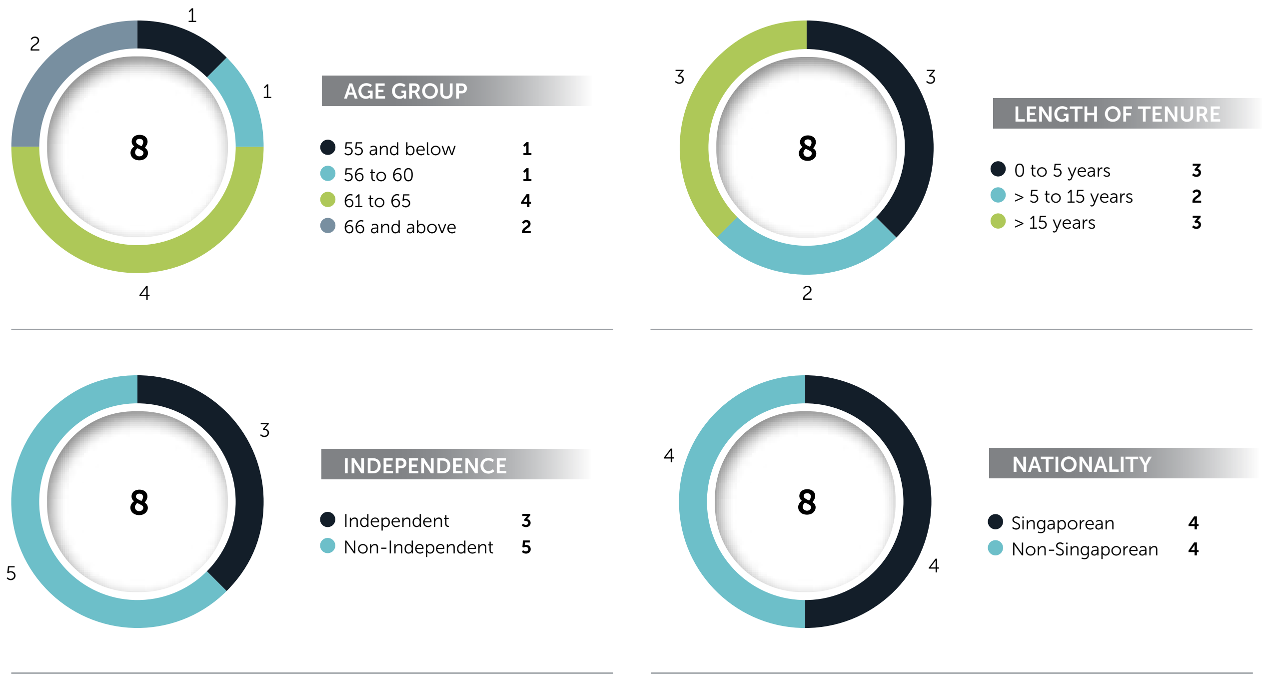




CORPORATE GOVERNANCE REPORT

Apart from gender and skills and experience, the Board composition in terms of age group, length of tenure, independence and nationality as at 31 December 2023 is as follows:

OTHER BOARD DIVERSITY METRICS



In relation to age group, the Company believes that age diversity would avoid the risk of groupthink and provide a wide range of viewpoints for more robust decision-making for the strategic future of the Company.

In relation to length of tenure, the Company believes that tenure diversity of Directors would facilitate Board renewal progressively and in an orderly manner. This ensures that the Company has a group of Directors whose tenures are staggered across their terms of office, providing 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 independence, the Company believes that independent directors on the Board would benefit the Company by promoting the exercise of objective independent judgement and by fostering constructive debate.

In relation to nationality, the Company believes that the diversity in its Directors' nationalities serves the needs of the Group as the Group has multinational businesses across various key markets including Singapore, China, Indonesia, Japan and Myanmar. The variety of perspectives shared by the multi-national Board has provided the Company with international experience and insights, as well as a better understanding of the Group's investments and businesses in such countries.

Although there were no new Board appointments during FY2023, the Company remains committed to implementing the board diversity policy and any progress made towards the implementation of such policy will be reported by the NC to the Board on an annual basis and disclosed in annual reports, as appropriate. 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.

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 Chief Executive Officer ("**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.

<u>Lead Independent Director</u>

Given that the Chairman is not independent, the Board has a Lead Independent Director, Dr Lim Boh Soon, 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.

<u>Roles and Responsibilities of Chairman and Group CEO</u>

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.

CORPORATE GOVERNANCE REPORT

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

As at 31 December 2023, the NC comprised 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, was the chairman of the NC as at 31 December 2023. Please refer to the "Changes to the Board and Board Committees after 31 December 2023" section on page 69 of this Annual Report for changes to the composition of the NC which took effect after 31 December 2023.

The NC met once in FY2023.

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 Group CEO, the Deputy 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, the Board as a whole and the Board Committees, including evaluating whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company;
- 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:

(a) 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;

(b) 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; or

(c) if he or she has been a director of the Company for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the Company.

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 gender, skills and experience, age group, length of tenure, independence, 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 group 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.

CORPORATE GOVERNANCE REPORT

Re-appointment and Re-election of Directors

Pursuant to the Listing Manual, all Directors must retire from office at least once every three years. Pursuant to the Company's Constitution, one-third of the Directors must retire from office by rotation at each AGM, and 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 Company's board diversity policy and evolving needs of the Company.

The NC has recommended to the Board that Dr Stephen Riady and Mr Sin Boon Ann 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 on the Board which are relevant to the Company.

Dr Stephen Riady will, upon re-election as a Director pursuant to Article 95 of the Company's Constitution, remain as the Executive Chairman and Group CEO of the Company. Mr Sin Boon Ann will, upon re-election as a Director pursuant to Article 95 of the Company's Constitution, remain as Deputy Chairman of the Board and a Non-Executive Non-Independent Director, and a member of each of the NC and RC.

Further information on each Director proposed to be re-elected at the AGM can be found on pages 265 to 271 of this Annual Report.

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 FY2023, 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 20 to 25 of this Annual Report.

Changes to the Board and Board Committees after 31 December 2023

In line with the Company's plans for Board refreshment and renewal, the following changes to the Board and Board Committees took place after 31 December 2023, with effect from 1 April 2024:

(a) Mr Christopher James Williams resigned as Deputy Chairman of the Board and a Non-Executive Non-Independent Director;

(b) Mr Kelvin Lo Kee Wai resigned as an Independent Director and chairman of the AC;

(c) Mr Sin Boon Ann was redesignated as Deputy Chairman of the Board in place of Mr Christopher James Williams;

(d) Dr Lim Boh Soon was appointed as chairman of the AC in place of Mr Kelvin Lo Kee Wai. He also ceased to be chairman of each of the NC and RC, but remains as a member of each of the NC and RC; and

(e) Ms Goh Min Yen was appointed as chairman of each of the NC and RC in place of Dr Lim Boh Soon, and as a member of the AC.

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.

CORPORATE GOVERNANCE REPORT

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.

Based on the NC's assessment and review, the Board is of the view that for FY2023, 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.

Remuneration Committee

As at 31 December 2023, the RC comprised 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 was the chairman of the RC as at 31 December 2023. Please refer to the "Changes to the Board and Board Committees after 31 December 2023" section on page 69 of this Annual Report for changes to the composition of the RC which took effect after 31 December 2023.

The RC met once in FY2023.

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, the Deputy CEO or key management personnel of the Company during FY2023.

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.

Remuneration of Directors (including the Group CEO)

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 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 FY2023

A breakdown (in percentage terms) showing the level and mix of the remuneration of each Director (including the Group CEO) payable for FY2023 is shown below:

Name of Director	Salary %	Bonuses %	Directors' Fees %	Others %	Total/Remuneration %
S$2,000,000 to S$2,250,000					
Dr Stephen Riady	100	-	-	-	100
S$1,000,000 to S$1,250,000					
Mr Brian Riady	36	64	-	-	100
Below S$250,000					
Mr Christopher James Williams	-	-	100	-	100
Mr Sin Boon Ann	-	-	100	-	100
Dr Lim Boh Soon	-	-	100	-	100
Mr Kelvin Lo Kee Wai	-	-	100	-	100
Mr Kin Chan	-	-	100	-	100
Ms Goh Min Yen	-	-	100	-	100

A breakdown of the Directors' fees payable to each Director for FY2023 is shown below:

Name of Director	Directors' Fees (S$)[1]
Dr Stephen Riady	Nil[2]
Mr Christopher James Williams	100,000[3]
Mr Sin Boon Ann	75,000[4]
Dr Lim Boh Soon	163,750[5]
Mr Kelvin Lo Kee Wai	106,250[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 FY2023 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 FY2023.

(3) The fees received by Mr Christopher James Williams for FY2023 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 Mr Sin Boon Ann for FY2023 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.

(5) The fees received by Dr Lim Boh Soon for FY2023 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.

(6) The fees received by Mr Kelvin Lo Kee Wai for FY2023 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.

(7) The fees received by Mr Kin Chan for FY2023 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 FY2023 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 FY2023.

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 FY2023, 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 FY2023.

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$2,000,000 to S$2,100,000					
Dr Stephen Riady	100	-	-	-	100
S$1,000,000 to S$1,100,000					
Mr Brian Riady	36	64	-	-	100

CORPORATE GOVERNANCE REPORT

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

As at 31 December 2023, the AC comprised three non-executive Directors, namely Mr Kelvin Lo Kee Wai and Dr Lim Boh Soon (both independent in FY2023) and Mr Kin Chan. Mr Kelvin Lo Kee Wai was the chairman of the AC as at 31 December 2023. Please refer to the "Changes to the Board and Board Committees after 31 December 2023" section on page 69 of this Annual Report for changes to the composition of the AC which took effect after 31 December 2023.

The AC met four times in FY2023.

All the members of the AC have many years of experience in senior management positions and have between them recent and relevant expertise in, amongst others, accounting, financial management and corporate finance. 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 Group CEO, the Deputy CEO, the Chief Operating Officer ("**COO**") 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 of the Group (KPMG LLP, firms affiliated with KPMG International Limited and other auditors) in FY2023 was S$495,000 for non-audit services and S$2,449,000 for audit services. The amount of fees paid to the external auditors of the Company in FY2023 was S$20,000 for non-audit services and S$395,000 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 auditing firms. Accordingly, the AC has recommended to the Board the nomination of the external auditors of the Company, Messrs KPMG LLP, for re-appointment at the forthcoming AGM to be held on 26 April 2024.

The details of the remuneration of the auditors of the Group during FY2023 are as follows:

	2023 (S$'000)
Audit services:	
- Auditors of the Company and other firms affiliated with KPMG International Limited	2,092
- Other auditors	357
Non-audit services:	
- Auditors of the Company and other firms affiliated with KPMG International Limited	354
- Other auditors	141

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.

CORPORATE GOVERNANCE REPORT

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.

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 COO 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 2023, 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 FY2023, the Group CEO, the Deputy CEO, the COO 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 significant risk exposure to the organisation. In FY2023, 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.

The Company, having 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", pays particular attention to monitoring the risks and exposure that the Group faces on an ongoing basis to ensure that there is no exposure to sanctions-related risks which are relevant and material to its operations. If there is any change in this position, the Company would then have to monitor the Group's risk of becoming subject to, or violating, any sanctions-related law or regulation and, where appropriate, ensure timely and accurate disclosure to the SGX-ST and other relevant authorities.

During the year under review, the Company also paid particular attention to monitoring the Group's risk of becoming subject to, or violating, any anti-money laundering ("**AML**") law or regulation. In FY2023, the Company implemented a new policy to comply with AML requirements for developers under the Developers (Anti-Money Laundering and Terrorism Financing) Act 2018 which took effect from 28 June 2023, and conducted AML training for relevant employees.

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.

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 83 to 84 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, risk management and sustainability reporting 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 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 FY2023, 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 (save where they are unable to do so due to business exigencies), 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 our shareholders and the investment community to access 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.

Conduct of Shareholder Meetings

The notice of shareholders' meeting is dispatched to shareholders in the manner set out in the Listing Manual, accompanied by 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.

CORPORATE GOVERNANCE REPORT

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 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. Moving forward, the Company will publish minutes of general meetings of shareholders on both SGXNET and the Company's website as soon as practicable after the relevant general meeting.

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

The AGM held in FY2023 ("**2023 AGM**") was 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 participated at the 2023 AGM by:

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

(b) submitting questions to the chairman of the meeting in advance of, or live via the text-based forum through the audio-visual webcast platform 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 he/she was appointed as proxy by his/her respective CPF Agent Bank or SRS Operator; or (iii) by appointing the chairman of the meeting as proxy to vote on the shareholder's behalf at the AGM.

The COVID-19 Order ceased on 1 July 2023. Pursuant to recent legislative amendments (with effect from 1 July 2023) to the Companies Act, as read with Rule 730A of the Listing Manual and recent practice note amendment by the SGX-ST on the conduct of general meetings by issuers on and after 1 July 2023, companies with a primary listing on the SGX-ST are required to hold all their general meetings either at a physical place in Singapore, or at a physical place in Singapore and using virtual meeting technology.

The forthcoming 2024 AGM to be held on 26 April 2024 will be conducted in a wholly physical format. There will be no option for shareholders to participate virtually. In addition to asking questions at the 2024 AGM itself, shareholders will also be given the opportunity to submit written questions in advance of the 2024 AGM, and all substantial and relevant questions received from shareholders by the submission deadline will be responded to at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies), through publication on SGXNET and the Company's website. Any substantial and relevant questions or follow-up questions submitted after the submission deadline will be responded to either within a reasonable timeframe before the 2024 AGM, or at the 2024 AGM itself.

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.

Further 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, can be found on pages 89 to 90 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 FY2023 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.

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).

The Company announces its financial statements on a semi-annual basis in the format prescribed by the Listing Manual. In FY2023, 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 272 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 FY2023, 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 have brought some economic relief, the after-effects of these measures and global uncertainties remain. Working from home, logistics disruptions, rising goods and services tax, higher interest rates, the possibility of a recession, and geopolitical 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 completely eliminated 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 fair value and responds to fluctuation in market prices as and when necessary to optimise the Group's returns.

MANAGING RISKS

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 breaches in security, and these risks may have an adverse impact on the integrity, accuracy and completeness of data and information. Cybersecurity threats have been on the rise since the start of the pandemic. As the Group continues to leverage technology in various aspects of its operations, its utmost priority is 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 ensuring preparedness against cyber threats and risks. Comprehensive policies and procedures are in place to manage these risks and to uphold the confidentiality, integrity and availability of the Group's information assets. These include a disaster recovery strategy, backup and restore procedures, and email protection. The Group conducts regular IT security awareness training sessions and phishing simulation exercises to enhance employee vigilance, mitigate risks and foster a security culture against various social engineering attacks, such as phishing, pretexting, impersonation and ransomware.

Additionally, the Group conducts regular reviews and testing, including yearly vulnerability assessments and penetration testing, to identify and detect known vulnerabilities, threats or risks in the network, servers, software applications and network infrastructure. A roadmap has also been established to continuously strengthen controls and defences against cyber attacks.

SUSTAINABILITY REPORT

SUSTAINABILITY REPORT

BOARD STATEMENT (GRI 2-22)

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 seventh annual sustainability report for the financial year ended 31 December 2023 (FY2023). 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.

In FY2023, we embarked on a strategic project with the aim of aligning and recalibrating the Group's existing targets as well as to develop a sustainability roadmap for OUE Real Estate Investment Trust (OUE REIT), formerly known as OUE Commercial Real Estate Investment Trust. In addition, we are further aligning ourselves with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in line with the Singapore Stock Exchange (SGX) Listing Rules by conducting a gaps analysis to determine areas of improvement in terms of strategy, governance, risk management, metrics and targets. We will be working towards strengthening our climate-related risks and opportunities disclosures to be published in our FY2024 sustainability report.

As we continue to hold long-term and sustainable value creation for our stakeholders in high regard, the Board continues to support and pushes 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 (GRI 2-1, 2-6)

Who We Are

Headquartered in Singapore, OUE Limited is a leading real estate and healthcare group, growing strategically to capitalise on secular growth trends across Asia. Incorporated in 1964 and listed in 1969, OUE has a proven track record of developing and managing prime real estate assets, with a portfolio spanning the commercial, hospitality, retail and residential sectors, including some of the most recognisable landmarks in Singapore's urban landscape. As at 31 December 2023, OUE's total assets were valued at S$9.3 billion.

OUE is the manager of two SGX-listed REITs: OUE REIT, one of Singapore's largest diversified REITs and First Real Estate Investment Trust, Singapore's first healthcare REIT. As at 31 December 2023, OUE managed S$7.9 billion in funds under management across its two REIT platforms and 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 Healthcare Limited (OUE Healthcare), an SGX Catalist-listed, integrated healthcare services provider that owns and operates high-quality healthcare assets in high-growth Asian markets. With a vision of creating a regional healthcare ecosystem that is anchored on Singapore's medical best practices, OUE Healthcare's portfolio of owned and operated businesses includes hospitals, medical centres, clinics and senior care facilities in Singapore, Japan, Indonesia and China.

Who We Want to Be

With our philosophy of "Transformational Thinking", OUE continues to seize opportunities in transforming the way buildings and places are used, viewed and valued, and we enrich lives and communities with exceptional and enriching experiences. We go beyond making incremental improvements; we create value by making significant and profound changes in thinking, processes and outcomes. By continuing to innovate, adapt and embrace emerging trends, we are committed to providing the best quality service to our customers and creating 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 community while minimising any negative impacts caused.

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

This report has been prepared in accordance with the Global Reporting Initiative (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. In this sustainability report, OUE will also be aligning to the 11 recommendations of the TCFD as prescribed in the SGX Listing rules. Refer to the section on Climate-related Financial Disclosures on pages 101 to 103 for more information.

This report covers the Group's performance in the financial year dated 1 January to 31 December 2023 and includes performance data from Commercial, Hospitality and Retail buildings in Singapore and Shanghai. This includes all properties under OUE REIT and OUE Restaurants. We aim to expand the scope to include OUE Healthcare and First REIT in the coming years. Until 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, Hilton Singapore Orchard (HSO), Crowne Plaza Changi Airport (CPCA), OUE Restaurants in Singapore, as well as Lippo Plaza in Shanghai are covered in the FY2023 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 (GRI 2-9, 2-12, 2-13, 2-18, 3-3)

The Board is accountable for identifying material ESG topics by providing oversight in assessing ESG-related risks and opportunities impacting OUE's financial and sustainability performance. The Board delegates its responsibilities to the SSC, comprising the C-suite and Heads of Department. The SSC is responsible for developing and reviewing OUE's sustainability vision, mission and strategy, as well as relevant sustainability policies, practices and initiatives. These sustainability policies, practices and initiatives are reviewed and finally signed off by the Board.

OUE's sustainability governance

The SSC meets quarterly to discuss sustainability-related matters, key initiatives and progress made. The Committee may also hold additional meetings as needed to address time-sensitive sustainability concerns. The Committee reports any issues and sustainability-related matters directly to the Board at least twice a year during Board meetings. During these Board meetings, climate-related matters are discussed and tabled as an agenda item. Outside of that, the SSC reports any urgent sustainability issues that require immediate attention to the Board as well.

With the direction provided by the SSC, the Sustainability Task Force (STF), made up of representatives from various business units, facilitates the implementation of policies and initiatives. The STF also develops action plans in response to OUE's sustainability targets, and focus areas comprising environment, health and safety, compliance, human resources, group procurement, and investments. The STF reports to the SSC monthly on the implementation of initiatives and action plans.

OUE adheres to 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 on pages 57 to 60, where both climate and the wider sustainability issues are being considered as part of OUE's overall strategy.

OUE's sustainability governance structure

Stakeholder Engagement (GRI 2-29)

A fundamental part of our business operations and activities is to engage our wide array of stakeholders. OUE believes that meaningful engagement with our stakeholders helps us to better understand any environmental or social impact that may have arisen as a result of our business operations, ensuring their concerns are addressed. As such, we continuously engage our key stakeholder groups through various methods, so that we can integrate the wider interests into our decision-making processes. OUE hopes that by doing so, we will encourage open dialogue between OUE and our stakeholders. This process is led by the STF and overseen by the SSC.

The Board is kept informed through annual meetings on the stakeholder engagement activities held and feedback collected. Any concerns and recommendations that have surfaced through the stakeholder engagement process are reviewed by the Board. If approved, they will come to fruition in the form of policies and process enhancements.

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 (GRI 3-1, 3-2)

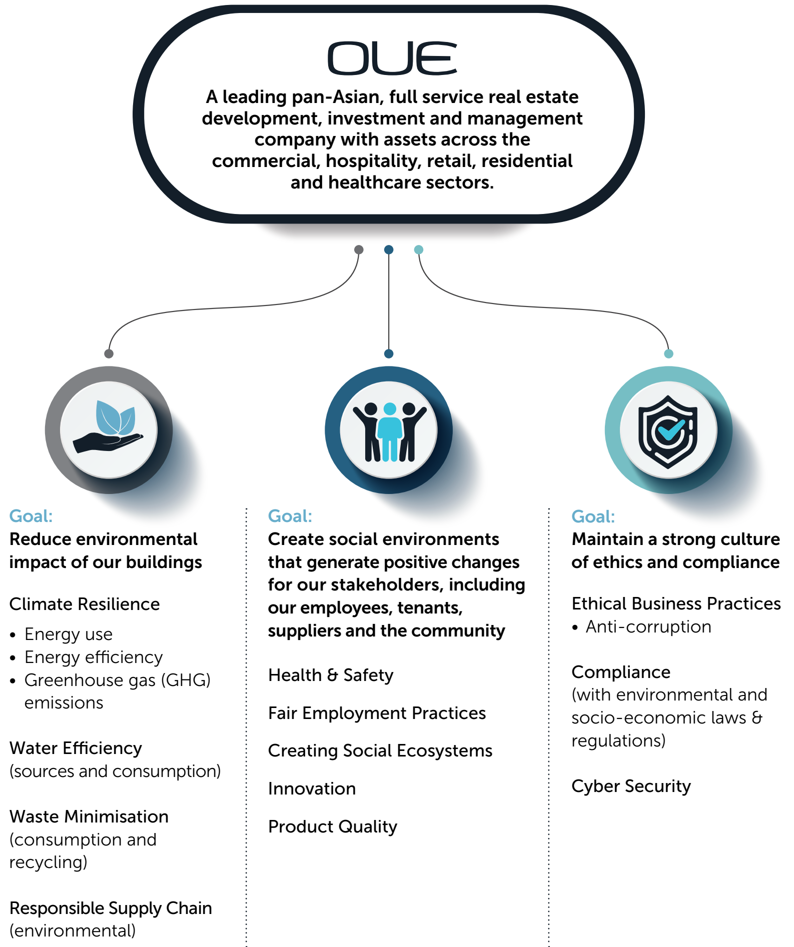
OUE's Sustainability Framework is guided by our materiality assessment, ambitions and aspirations. The framework contributes to the United Nations' sustainable development goals (UN SDGs) which are a global call for action to conduct business responsibly. Under the framework, we have three key pillars, namely Stewarding the Environment, Empowering Communities, and Building Trust. These pillars guide our wider business strategies, taking into account key material ESG topics.

Materiality

As such, material ESG topics are regularly reviewed by taking into account stakeholders' feedback, global and local trends alongside best practices in the real estate sector. In this review process, the Board is responsible for approving the material ESG topics and targets. Once they have given their approval, the Board also provides oversight on the management and monitoring of these ESG topics, ensuring that any negative impacts are monitored and controlled. OUE has previously identified twelve (12) material ESG topics reflecting its focus areas, sustainability ambitions and priorities. For FY2023, OUE confirms that our ESG topics remain valid and are unchanged compared to FY2022, 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 FY2023 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 UN SDGs. Relevant UN SDGs that tie in with our focus areas and material topics have been identified and we strive to uphold them.

OUE's sustainability framework



SUSTAINABILITY REPORT

OUE's Material Topics and Targets

Sustainability Focus Areas and UN SDGs	Risks	Opportunities	OUE's Material Topics	Targets and Aspirations[1]
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 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

[1] Please refer to respective sections for our FY2023 performance against targets.

Sustainability Focus Areas and UN SDGs	Risks	Opportunities	OUE's Material Topics	Targets and Aspirations
Empowering communities 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) Zero significant incidents* of non-compliance with health and safety regulations; (iii) 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 employee resignation rate below the national industry average; (iii) Achieve 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) 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

* 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

SUSTAINABILITY ROADMAP

As part of OUE Group's commitment to align our sustainability performance and targets with international benchmarks and climate pathways, OUE has embarked on a two-phased strategic project in FY2023. This exercise aims to keep the Group at pace with the evolving sustainability reporting landscape as well as escalating challenges posed by climate change conditions, to ensure that its operations and activities are resilient, ambitious, sustainable and contribute to the global transition to a low-carbon economy.

The two-phased strategic project commenced for the subsidiaries under the Real Estate business segment in FY2023, including OUE Limited and OUE REIT. The subsidiaries under the Healthcare business segment, including OUE Healthcare and First REIT, will progressively undertake this exercise in the next two years.

The strategic project adopts both a bottom-up and top-down approach, encompassing the recalibration of ESG targets and development of subsidiary-specific sustainability roadmaps (bottom-up) and the development of the common Group-wide sustainability direction and goals (top-down).

Phase One: ESG Target Recalibration

Phase one of the strategic project involved an extensive review of OUE's Real Estate business segment's ESG targets for recalibration, to align with industry peers, best market practices, national targets, and green building standards. The target calibration also aims to reflect OUE's existing and planned sustainability efforts and initiatives. This phase adopts a bottom-up approach, whereby targets were evaluated through:

- due diligence content interviews with various stakeholders, to understand and assess existing and planned sustainability efforts, for example around energy efficiency initiatives, green mark requirements, investments and upgrades planned, starting with OUE Limited and OUE REIT in FY2023;
- review of relevant GHG inventory consolidation approach to take with reference to the GHG Protocol, and its impact on baseline and environmental targets' calibration; and
- senior management workshops to sound the approach.

Phase Two: Sustainability Roadmap Development

Phase two of the strategic project involved the development of a sustainability roadmap, with the aim to establish a strategic plan to achieve the recalibrated targets, improve the Group's sustainability performance, and better manage sustainability-related risks and opportunities. The Group has adopted a top-down approach, whereby Group-wide principles, pathways, and key outcomes are developed to establish the Group-wide direction on future sustainability efforts, initiatives, and targets, applicable to all OUE's subsidiaries in the two business segments of Real Estate and Healthcare. Under each Group-wide principle, the Group has formalised key outcomes and Group-wide pathways which detail high-level action plans to be taken by the Group to contribute towards common sustainability goals.

The three key Group-wide principles build on the existing sustainability framework and strengthen its impacts and influence for (i) Stewarding the Environment; (ii) Empowering Communities; and (iii) Building Trust. With this in mind, the Group aims to contribute to reducing emissions, be a diverse and inclusive business, and champion high Environmental, Social and Governance standards in every business aspect. The Group has committed to driving sustainability progress through sustainable investments and robust climate risk management, strengthening social fabric, and delivering high quality services, as well as ensuring strong corporate governance and regulatory compliance.

With the Group-wide principles, pathways and key outcomes in place, the subsidiaries under the Real Estate business segment have also established subsidiary-specific roadmaps. The roadmaps consist of bottom-up and tailored actions that each subsidiary will embark on to contribute towards the Group's direction on sustainability, achieve their recalibrated ESG targets, and ensure full compliance with upcoming sustainability regulations.

GROUP-WIDE PRINCIPLES

Stewarding The Environment	Empowering Communities	Building Trust
OUE is committed to decarbonising in line with the 1.5°C pathway of the Paris Agreement and operating with respect for natural resources.	OUE is committed to attracting and retaining the best talent through inclusive practices, ensuring the health and wellbeing of employees and tenants, and positively impacting local communities.	OUE is committed to upholding strong corporate governance, maintaining ethical business practices and building trust among stakeholders.

KEY OUTCOMES

Stewarding The Environment	Empowering Communities	Building Trust
• Develop pathway to net zero by 2050 • Be resilient to climate change impacts • Optimise resource consumption and management	• Be diverse and inclusive as a business • Create a culture of wellbeing among employees, tenants and patients • Develop a strong sense of local community	• Comply with regulations and ethical business standards • Integrate ESG into risk management processes and policies, and steward investments responsibly • Establish robust ESG data management systems

GROUP-WIDE PATHWAYS

Stewarding The Environment	Empowering Communities	Building Trust
• Integrate ESG into entire building life cycles, and continuously elevate green building certifications via asset enhancement initiatives. • Increase the use of renewable energy from credible sources and parties via on-site solar power generation, renewable energy certificates and power purchase agreements. • Conduct comprehensive climate risk assessment and effectively manage climate-related risks and opportunities for our asset portfolio.	• Build a strong culture of learning, development, and diversity within the organisation. • Deliver high quality healthcare services, anchored on best practices, to the communities that we operate in. • Create corporate social responsibility opportunities and build social ecosystems to give back to society and make a positive difference.	• Enhance anti-money laundering, anti-bribery and anti-corruption, cybersecurity, and compliance risk management through continuous implementation of controls, reporting mechanisms, and security features. • Enrich enterprise risk management with ESG risks, increase capital through sustainable finance instruments, and create long-term sustainable outcomes through investments. • Tap on digitalisation to track the progress against environmental targets and analyse insights for transparency and portfolio optimisation.

SUSTAINABILITY REPORT

RECALIBRATED ESG TARGETS FOR FY2024

ESG Targets	Real Estate	Healthcare
Stewarding The Environment	• Reduce absolute Scope 1 and 2 GHG emissions for commercial properties by 40% by FY2030 from FY2023 baseline • Achieve 90% of green financing by FY2030* • Actively pursue opportunities in renewable energy use for commercial properties • Reduce water intensity for commercial properties by 25% by FY2030 from FY2017 baseline • Reduce non-hazardous waste intensity for commercial properties by 15% by FY2030 from FY2017 baseline • Increase annual recycling rate to 12.5% for commercial properties by FY2030 from FY2017 baseline • 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)** • Full implementation of Green Procurement Policy by FY2030**	• OUE Healthcare and First REIT under OUE's Healthcare business segment will embark on the ESG target recalibration & roadmap exercise by FY2025, to align with regulatory compliance expectations and the Group's sustainability direction.
Empowering Communities	• Achieve 25% of women represented on Board of Directors by FY2030* • Achieve the proportion of women in senior management at 40% or above • Maintain zero incidents of discrimination • Achieve at least 85% of employees participating in annual engagement survey • Achieve at least 70% employee engagement score • Achieve 30 training hours per employee • Include a target on specific ESG-related training • Contribute to communities' social well-being through at least 2 community service events • Maintain zero non-compliance with regulations and/or regulatory codes concerning the health and safety of tenants and building users resulting in a fine, penalty or warning • Achieve at least 80% tenant satisfaction rate in relation to commercial properties • Conduct social and environmental impact assessments for development projects** • All main contractors for new developments to be OHSAS 18001 or ISO 45001 certified**	
Building Trust	• Maintain zero confirmed incidents of corruption • Maintain zero incidents of non-compliance with laws and/or regulations • Achieve 100% employee annual acknowledgement of all company policies, including Code of Business Conduct and Ethics • Maintain zero cyber incidents and data breaches	

* Target is applicable to OUE REIT
** Target is applicable to OUE Limited

Consequently, the Group is announcing new sustainability targets for its Real Estate business segment, including reducing absolute Scope 1 and 2 GHG emissions of its operations and activities for commercial properties by 40% by FY2030, from FY2023 baseline. To further align the sustainability goals with its refinancing needs, OUE REIT from the Real Estate segment is also committed to increasing the proportion of sustainability-linked loans to 90% of its total debt by FY2030. The Group, as a real estate owner and developer, will be strengthening its actions towards its supply chain targets. These recalibrated targets have yet to be reported in OUE REIT's FY2023 sustainability report.

Moving forward, OUE will also be adopting operational control as the consolidation approach to determine organisational boundaries for our sustainability reporting scope. For the Real Estate business segment, the recalibrated ESG targets and subsidiary-specific roadmaps will now apply for our commercial properties, which we operationally manage and control.

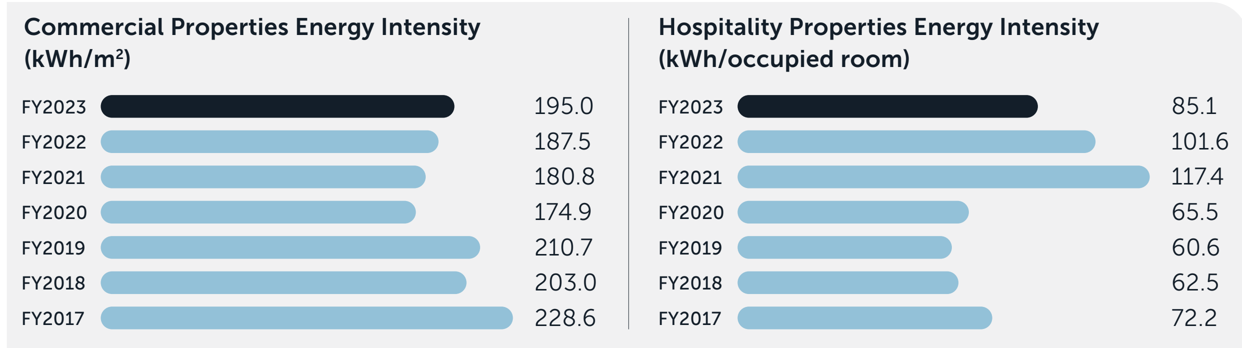
Both OUE Limited and OUE REIT will begin to report the results of this exercise and track the progress against the recalibrated targets in the subsequent sustainability report for the financial year ending 31 December 2024. The Group's Healthcare business segment will progressively undertake this exercise in the next two years.

STEWARDING THE ENVIRONMENT

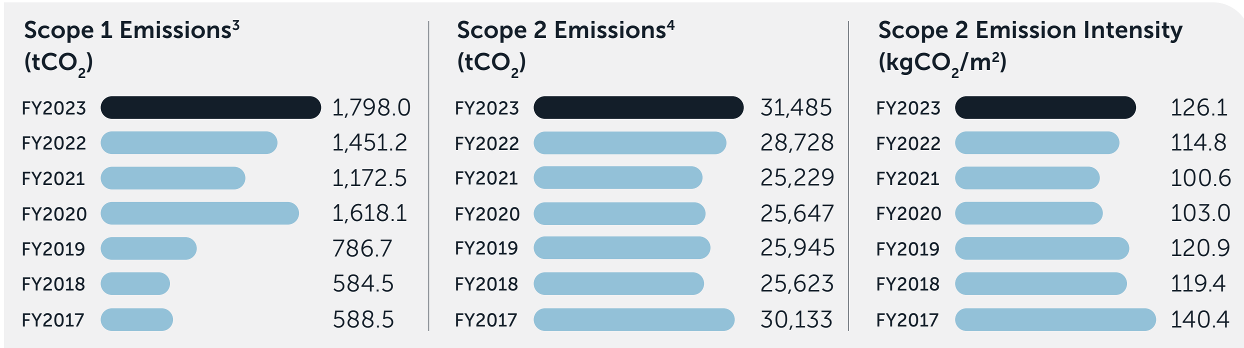
AT A GLANCE (ENVIRONMENTAL)

Energy and emissions:

OUE's energy intensity[2] by property type

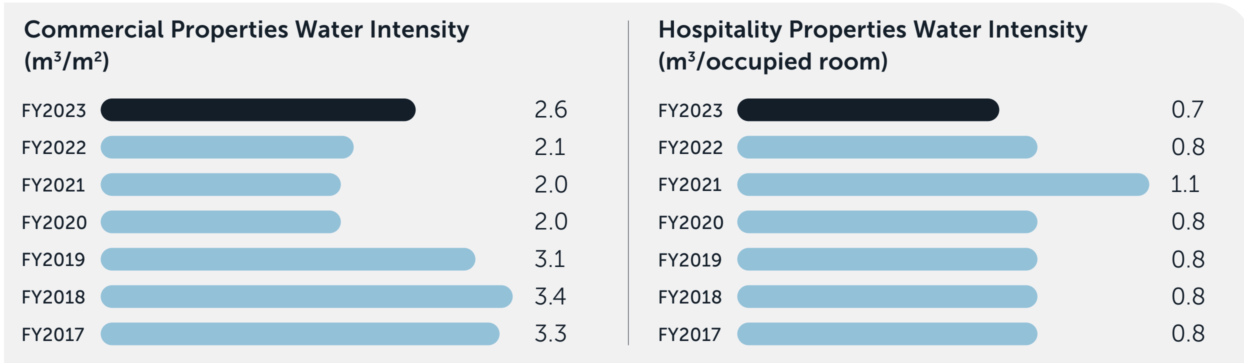


OUE scope 1 and scope 2 emissions and emission intensity (commercial and hospitality properties)



Water:

OUE's water intensity, by property type



[2] Energy intensity was calculated based on diesel, motor gasoline, cooking gas, electricity, and renewable energy consumption.

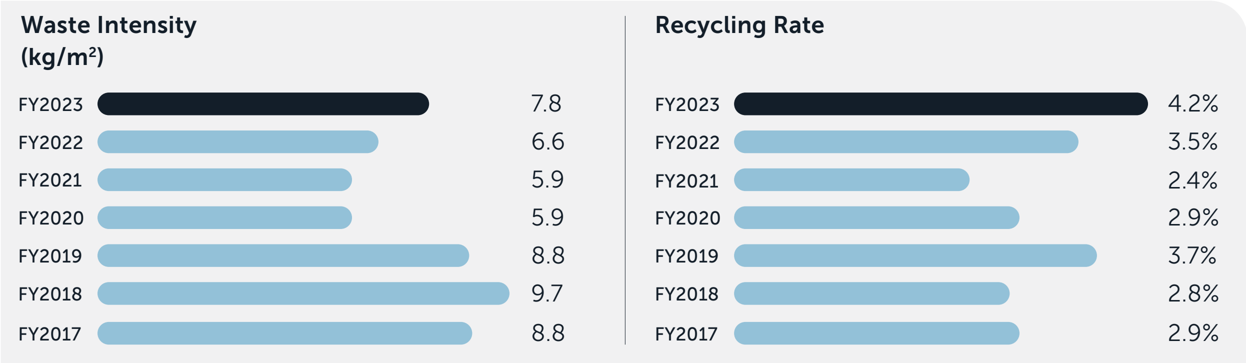
[3] Scope 1 GHG emissions reported here include CO_2 from the combustion of fossil fuels and hydro fluorocarbon (HFC) or HFC-based refrigerants. We converted quantities of fugitive HFC-based refrigerants to CO_2 emissions using 100-year global warming potentials (GWPs) provided in the IPCC Sixth Assessment Report (AR6).

[4] Scope 2 GHG emissions reported here include CO_2 from purchased electricity. Quantities of purchased electricity were converted to CO_2 emissions using grid emission factors from Singapore and Shanghai. Singapore's grid emission factor was taken from Singapore Energy Statistics 2023 published by the Energy Market Authority. The Shanghai Grid emission factor was taken from the Shanghai Municipal Bureau published in 2023《上海市生态环境局关于调整本市温室气体排放核算指南相关排放因子数值的通知》(沪环气〔2022〕34号). For accuracy, Shanghai's emission factor was updated to a country-specific emission factor, as compared to a region-specific emission factor used in previous years.

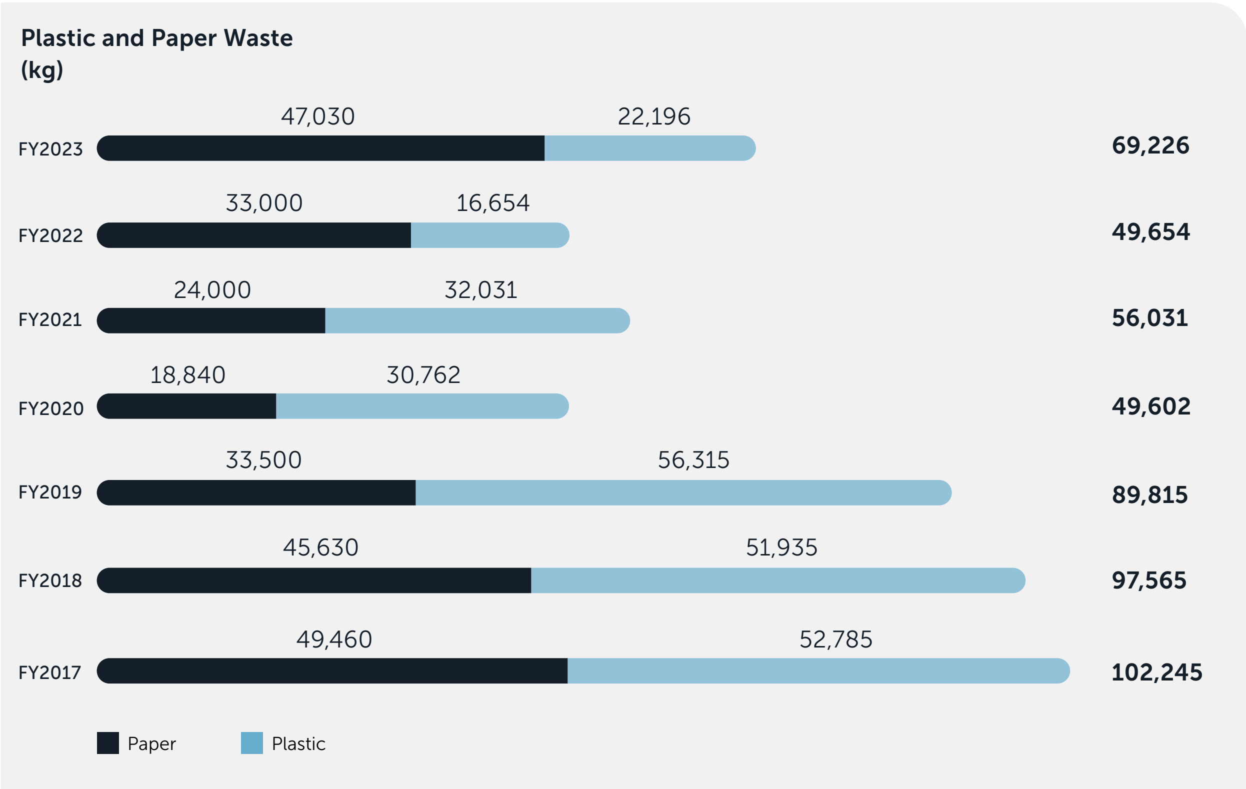
SUSTAINABILITY REPORT

Waste:

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



Total weight of plastic and paper waste (hospitality properties)



Climate Resilience (GRI 3-3, 302, 305)

In Singapore, embodied carbon can account for up to 40 per cent of emissions over a building's lifetime[5]. With the push towards net-zero emissions by 2050, decarbonising the building and construction sector by reducing carbon emissions is extremely vital. The results of climate change accelerated by carbon emissions can be seen in the form of erratic weather patterns and more frequent cases of extreme weather events such as flooding. In turn, infrastructure is now more prone to damage which may cause increased maintenance and repair costs. Therefore, OUE is committed to continuously improving our buildings' energy efficiency with a myriad of different policies and initiatives to reduce the carbon emissions produced.

Across all our properties, an Energy Management Policy and an Environmental, Health and Safety (EHS) Policy to monitor and manage energy use in our buildings have been implemented. It is part of our property management teams' mandate 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

OUE properties engage in asset enhancement initiatives such as replacement and the use of energy-efficient appliances and products wherever possible to achieve maximum energy efficiency. For example, besides the progressive replacement of less energy-efficient lighting to LED lighting in the office premises of OUE Downtown Office and OUE Bayfront and at common and tenanted areas, Automatic Meter Reading (AMR) devices have been installed at OUE Downtown Office and OUE Bayfront. The AMR devices aim to track and monitor both the landlord and tenants' electricity consumption to provide more accurate readings. One Raffles Place is also exploring smart solutions for air-side control and monitoring to promote better energy efficiency.

As part of Shanghai's "Fourteenth Five-Year Plan" which aims to conserve energy and reduce GHG emissions, an energy conservation consultant was appointed to complete an energy conservation scheme at Lippo Plaza in Shanghai. In addition, a LEED consultant was also appointed to conduct the renewal of LEED certification as part of our commitment towards having sustainable buildings in our portfolio. At HSO, a proprietary ESG management system, "LightStay", is utilised to track, analyse, and report on its energy and carbon, water, and waste performance.

Enhanced operational planning

To achieve greater energy efficiency, we enhance our operational planning through various methods. At One Raffles Place, a feasibility study for solar panel replacement is in progress and in addition to that, a new installation area is being explored. Non-essential lights in areas such as the rooftop garden, which are not accessible by tenants or visitors, are switched off.

To ensure energy efficiency, HSO has replaced conventional lighting with LED lighting at the back of house office and staircases and also replaced the analogue thermostat with a digital thermostat at the back of house air-conditioners. This replacement allows HSO to improve energy saving by locking the lowest air-conditioning temperature set point at desired level. 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. OUE Bayfront and OUE Downtown Office are also in the process of reviewing the efficiency of their chillers and are planning to replace or upgrade them to optimise operational efficiency and reduce any potential refrigerant and water leakages.

[5] The Straits Time, 28 Jun 2023, More decarbonising initiatives for S'pore's built environment sector in move towards net-zero by 2050.

SUSTAINABILITY REPORT

Changing user behaviour

We believe that a key part of reducing energy consumption is a change in behaviour. Therefore, we partner with our tenants and employees to enhance our energy-saving measures and to deliver better results. At all our properties, our tenants are given a copy of a Green Guide that explains the importance of energy, water, waste and indoor air quality management and to seek their support in saving energy and resources. The Green Guide also dictates the requirements for their fit-out and renovation works, which tenants are required to abide by. Our employees, on the other hand, are advised to switch off lights when leaving workplaces to conserve energy.

At the individual property level, OUE Bayfront meets and works with tenants on a yearly basis to discuss in good faith the processes to reduce its tenants' energy consumption, carbon emissions and waste for the premises. In addition to that, OUE Bayfront and OUE Downtown Office have both included a green clause in their respective tenancy agreements for new or renewed leases. The clause requests tenants to share data on energy consumption on an annual basis to better facilitate data tracking and monitoring.

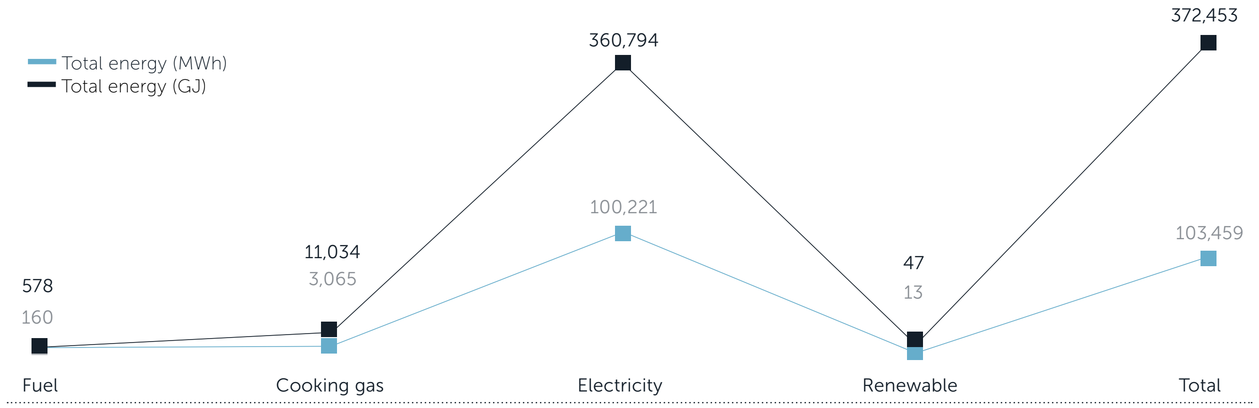
Apart from that, with the implementation of the AMR devices where real-time usage is tracked, we hope that this would encourage our tenants and employees alike to make adjustments to their consumption habits to reduce overall energy consumption. It also allows OUE Bayfront and OUE Downtown Office to understand usage patterns and come up with opportunities for conservation improvement.

FY2023 performance against Targets and Aspirations

Climate Resilience	
Targets & Aspirations	**FY2023 Performance**
Commercial: Reduce energy intensity per m^2 by 25%* by 2030	**Commercial:** Energy intensity reduced by 14.7%
Hospitality: Reduce energy intensity per occupied room by 25%* by 2030	**Hospitality:** Energy intensity increased by 17.8%
Reduce scope 2 GHG emission intensity per m^2 by 25%* by 2030	Scope 2 GHG emission intensity reduced by 10.2%
Actively pursue opportunities in renewable energy use	Solar energy generation at One Raffles Place Tower 2 accounted for a portion of the overall building electricity consumption in FY2023. At One Raffles Place, a solar panel replacement project will commence in FY2024 to increase the amount of solar energy generated.

* compared to FY2017 baseline

OUE's energy consumption breakdown in FY2023



In FY2023, OUE reported total energy consumption of 103,459 megawatt hours (MWh) from our commercial and hospitality properties. Energy intensity at our commercial properties saw a decrease of 14.7% compared to the FY2017 baseline, putting us on track to achieve a 25% reduction by 2030. Energy intensity at OUE's hospitality properties increased by 17.8% in FY2023, against the FY2017 baseline. We will consistently monitor and improve energy efficiency across our portfolio.

The total absolute scope 2 GHG emissions from our commercial and hospitality properties increased by 9.6% from 28,728 tonnes of carbon dioxide (tCO_2) in FY2022 to 31,485 tCO_2 in FY2023. However, Scope 2 GHG emission intensity decreased by 10.2% compared to FY2017.

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.

Climate-related Financial Disclosures (GRI 201)

In December 2021, it was announced by the SGX that all issuers must provide climate reporting that is aligned to the recommendations of the TCFD on a 'comply or explain' basis in their sustainability reports from FY2022. As part of the building sector, climate reporting will be mandatory for OUE commencing FY2024.

OUE recognises the severity of climate change impacts to its operation and portfolio of assets. In FY2023, OUE performed a gap analysis to align itself with the TCFD recommendations. OUE will be performing a climate scenario assessment in FY2024 to better articulate climate-related risks and their financial impacts. In addition, we are also taking steps to integrate climate-related risks into OUE's Enterprise Risk Management (ERM) framework and fully comply with all 11 recommendations in FY2024.

Governance	
a) The Board's oversight of climate-related risks and opportunities	The Board has oversight of climate-related risks and opportunities and tables sustainability, inclusive of environmental topics, as an agenda during Board meetings which occur twice a year. Through the Board meetings, goals and targets are presented where the Board oversees and monitors the progress and provides feedback and guidance to the SSC in progressing towards set targets. The Board also makes sure that climate-related issues are integrated into its overall business strategy, directing financial resources during the capital expenditure budget planning to make sure that impacts arising from its environmental material topics are well managed. Please refer to Sustainability Governance on page 88 for more information.
b) Management's role in assessing and managing climate-related risks and opportunities	The Board delegates climate-related responsibilities to the SSC, which comprises C-suite and Heads of Department. The STF is also set up to support proper management of environmental risks and to develop action plans in response to the sustainability targets guided by the SSC. The STF and the SSC work closely together and meet on a regular basis to monitor sustainability progress against climate-related targets and evaluate the effectiveness of these initiatives. The STF then reports to the SSC, which in turn reports to the Board, at least twice a year. Please refer to Sustainability Governance on page 88 for more information.

SUSTAINABILITY REPORT

Strategy	
a) The climate-related risks and opportunities OUE has identified over the short, medium, and long term b) The impact of climate-related risks and opportunities on OUE's businesses, strategy, and financial planning c) The resilience of OUE's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	OUE will be conducting a climate scenario analysis in FY2024 to identify climate-related risks and opportunities over different time horizons. We will also be assessing their impacts on our business, strategy and financial planning. Detailed information will be disclosed in our FY2024 sustainability report. Nonetheless, OUE is cognisant of climate-related risks that could impact our operations. For more details, please refer to the Climate Resilience, Water Efficiency and Waste Minimisation sections on pages 99 to 106 on the importance of managing our material topics that can be exacerbated by climate-related risks.

Risk Management	
a) OUE's processes for identifying and assessing climate-related risks b) OUE's processes for managing climate-related risks c) How OUE's processes for identifying, assessing, and managing climate-related risks are integrated into risk management	OUE has in place an ERM Framework which has been approved by the Board. Presently, the ERM Framework is used to determine the nature and extent of significant financial, operational, compliance and information technology risks to achieve strategic objectives and value creation. Under the ERM Framework, key risks are identified, with their likelihood and impact on OUE's business assessed. Specific internal controls are then established to manage or mitigate those risks. The information is maintained in a risk register, which is reviewed and endorsed by the AC and the Board (and updated as and when necessary). Internal auditors and external auditors conduct audits that involve testing the effectiveness of the material internal control systems of OUE. OUE has engaged an external consultant to review our ERM Framework and we will be integrating climate-related risks into our ERM Framework, developing appropriate internal controls to manage those risks.

Metrics and Targets	
a) The metrics used by OUE to assess climate-related risks and opportunities in line with its strategy and risk management process	The key metrics OUE uses to assess and monitor climate-related risks are carbon emissions, energy consumption, water consumption and waste generation. Long-term targets with the baseline of FY2017 have also been set for these metrics. The environmental data and performance are reviewed annually against OUE's long-term targets to ascertain the effectiveness of existing policies and initiatives in mitigating climate-related risks. These metrics are also reported annually in OUE's sustainability report for transparency. For more details, please refer to the Climate Resilience, Water Efficiency and Waste Minimisation sections on pages 99 to 106.
b) OUE's Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks	OUE presently discloses only Scope 1 and 2 GHG emissions for our properties in Singapore and Shanghai. OUE will continue to monitor the value chain and disclose Scope 3 emissions in future reports as concluded by the ACRA and SGX ISSB Consultation Paper. The accounting methodology used was based on the GHG Protocol Corporate Accounting and Reporting Standard, an internationally recognised framework, to ensure that the emission figures reported were consistent and accurate. Moving forward, OUE will be adopting the operational consolidation approach to determine organisational boundaries for our sustainability reporting scope, as an outcome of the target calibration and sustainability roadmap exercise. This approach will encompass our commercial properties, which we operationally manage and control.
c) The targets used by OUE to manage climate-related risks and opportunities and the performance against targets	OUE has set long-term environmental targets for energy consumption, water consumption, waste generation and GHG emissions across our operations. These targets help to track OUE's progress, monitor exposure to climate-related risks, and evaluate the efficacy of existing initiatives towards meeting the FY2030 targets. For more details, please refer to the Climate Resilience, Water Efficiency and Waste Minimisation sections on pages 99 to 106.

Water Efficiency (GRI 3-3, 303)

Water scarcity is not only a local issue but also a global one where, increasingly, there is a lack of clean potable water. This is exacerbated by climate change, among other issues such as pollution and destruction of nature, where the natural water cycle is disrupted, resulting in droughts. Singapore and Shanghai are ranked as countries that will face extreme water stress if water is not managed well. Our operations, particularly our hospitality properties, are highly dependent on reliable water supply, thus, it is vital that OUE manages water efficiently. Water management processes and initiatives to combat against climate change impacts have been implemented and explored to reduce the risk of our operations being affected. Better and more responsible water management also allows our tenants to save costs and be part of the water conservation process.

Building operations and maintenance activities in our properties utilise potable and NEWater (for non-potable use) that are drawn from the Public Utilities Board's (PUB's) utility network. All OUE buildings are certified as Water Efficient Building (WEB) by PUB in recognition of OUE's performance in water management. This is achieved by installing water-efficient and water-saving fittings at our Singapore properties, coupled with adopting PUB's WEB recommended flow rates and flush volumes to reduce water wastage. On the non-potable water aspect, we ensure that treated greywater is used for irrigation and flushing in lavatories as well as in cooling towers.

SUSTAINABILITY REPORT

At our Singapore commercial properties, the building management system in place allows us to monitor and analyse daily and monthly potable and recycled water consumption patterns. To manage water more efficiently, suppliers that invest in water efficiency improvements following the guidelines set out by the PUB WEB Certification Programme are selected. This ensures that any toilet upgrading projects will meet the standards set out by PUB guidelines. At the individual property level, One Raffles Place has also included water-saving fittings such as basin and bib taps, water closets, urinals and showerheads as part of the work specifications requirement found in the PUB guidelines for its toilet upgrading project.

One Raffles Place is also currently exploring the possibility of district cooling to reduce water consumption needed by its air-conditioning systems. In China, as part of its commitment to water usage monitoring and management, Lippo Plaza regularly checks and calibrates water meters. Dedicated water sub-meters are installed at key water usage areas within the building to monitor water usage, flow rates and flush volumes. At our hotels, we use NEWater for our cooling towers and irrigation systems. HSO replaced its back-of-house basin taps with auto dispensing taps to prevent wastage of water. At OUE Restaurants, we reuse any water or ice for gutter cleaning, toilet flushing, and the watering of plants. Additionally, to reduce the reliance on running water for thawing, we prefer to thaw ingredients overnight where feasible so that water is not wasted, and time can be used more efficiently in dish preparation during operational hours.

OUE recognises the importance of working closely with our stakeholders to not only have efficient water consumption but also to save water in the long run. This is especially so as our total water consumption is largely dictated by the daily water consumption of our tenants and guests. Therefore, we communicate regularly with our tenants about water efficiency improvement plans and other water provision matters. To better monitor and track water usage, OUE Bayfront and OUE Downtown Office have both included a green clause in their respective tenancy agreements for new or renewed leases, requesting tenants to share water consumption data on an annual basis.

FY2023 performance against Targets and Aspirations

Water Efficiency	
Targets & Aspirations	**FY2023 Performance**
Commercial: Reduce water use intensity per m^2 by 25%* by 2030	Commercial: Water use intensity reduced by 21.6%
Hospitality: Reduce water use intensity per occupied room by 25%* by 2030	Hospitality: Water use intensity reduced by 16.9%

* compared to FY2017 baseline

During the reporting period, we reported a total of 591,311 cubic metres (m^3) of water withdrawal[6]. Water intensity at our commercial and hospitality properties in FY2023 decreased by 21.6% and 16.9% respectively compared to the base year FY2017, attributed to the consistent effort in monitoring and water conservation efforts as well as more efficient water usage.

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

[6] All water withdrawal is freshwater and from a municipal supply.

Waste Minimisation (GRI 3-3, 306)

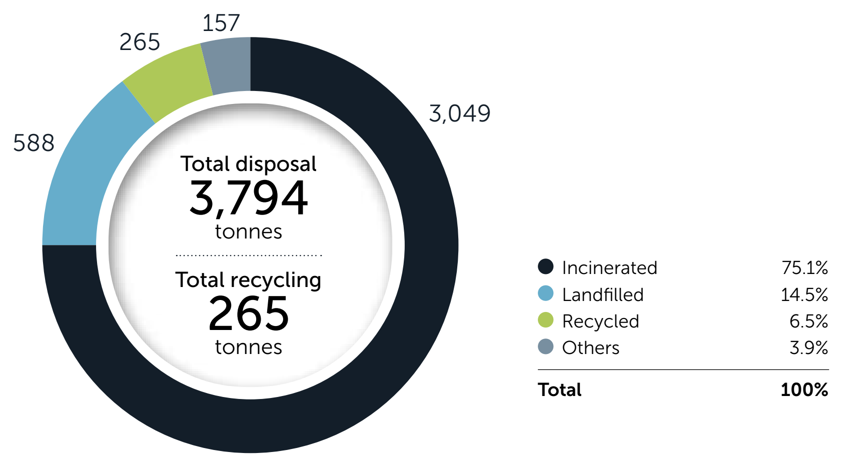
With the current rate of waste generation, Singapore's first and only landfill, Semakau Landfill, is expected to run out of space by 2035[7]. In line with its Zero Waste Masterplan, Singapore aims to reduce the amount of waste sent to the landfill by 30%[8].

OUE supports Singapore's effort to become a zero-waste nation and we continue to monitor and track where waste is generated within our operations and value chain. By tracking and monitoring the different types of waste generated, which includes paper, plastic, food and general waste from our hotels, we are able to direct resources to manage our waste streams more adequately. This also applies to our commercial buildings, where paper, plastic and general waste are generated from tenants' business operations and visitors to our shopping malls.

With decreasing resources and increasing consumerism, OUE places great emphasis on the circularity of materials whereby recycling is considered to extend the lifespan of materials. Under the Mandatory Waste Reporting Exercise, our retail malls and hotels submit an annual recycling plan and waste disposal consumption data to the National Environment Agency (NEA) for review and site checks. OUE places recycling bins in common areas to collect different types of recyclable materials, including glass, metal, plastic, food and electronic waste (e-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 FY2023, non-hazardous waste generated by all our buildings amounted to 4,059 tonnes. We also generated 0.4 tonnes of hazardous waste, which was incinerated.

Breakdown of disposal method for non-hazardous waste in FY2023 (commercial and hospitality properties)



At the property level, individual property managers are encouraged to implement innovative waste management measures. In FY2023, OUE Downtown Office and OUE Bayfront began their inaugural e-waste collection initiative with the help of a third-party vendor. To develop good recycling habits and behaviours, regular e-circulars are also sent to tenants to educate them on the importance of waste management. Likewise for waste monitoring and tracking, the green clause included in OUE Bayfront and OUE Downtown Office's tenancy agreements for new or renewed leases requests tenants to share waste data on an annual basis. OUE Bayfront also engages its tenants through closed-door meetings and discussion to reduce waste for its premises. At One Raffles Place, mobile recycling bins for glass bottle recycling were deployed at the bin centre to collect glass.

[7] NEA, Semakau Landfill 20th Anniversary.

[8] Tan, A. (August 30, 2019). Singapore aims to send one-third less waste to Semakau Landfill by 2030: Amy Khor. The Straits Times.

SUSTAINABILITY REPORT

In Shanghai, Lippo Plaza arranged waste management training for its tenants to be better educated on the different waste streams and how to manage them appropriately. At HSO, a new initiative was implemented whereby laundry plastic covers were replaced by non-woven covers to eliminate single-use plastic waste. At OUE Restaurants, we offer alternatives such as metal and paper straws for beverages. Additionally, we make a conscious effort to utilise biodegradable packaging for takeaways, aiming to minimise the adverse ecological effects associated with single-use plastics. In our commitment to responsible waste management, we also collaborate with a third-party vendor to recycle used cooking oil, transforming it 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.

FY2023 performance against Targets and Aspirations

Waste Minimisation	
Targets & Aspirations	**FY2023 Performance**
Commercial: Reduce non-hazardous waste intensity per m^2 by 15%* by 2030	**Commercial:** Non-hazardous waste intensity reduced by 11.4%
Increase recycling rate to 12.5% by 2030	Recycling rate was 4.2% in FY2023
Hospitality: Reduce paper waste by 50%* by 2030	**Hospitality:** Paper waste reduced by 4.9%
Reduce plastic waste by 50%* by 2030	Plastic waste reduced by 58.0%[9]

* compared to FY2017 baseline

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 FY2023, the recycling rate at our commercial properties was 4.2%. We will continue to engage tenants in improving recycling rates through different initiatives.

Our waste intensity achieved an 11.4% decrease compared to the FY2017 baseline, generating 7.8 kilograms per square metre (kg/m^2) of non-hazardous waste in FY2023. For our hospitality properties, we aim to reduce plastic and paper waste by 50% by 2030. In FY2023, our hotels managed to reduce 4.9% of paper waste and 58.0% of plastic waste generated against the base year FY2017. Moving forward, we hope to be able to reduce even more paper waste as we enhance the effectiveness of our waste management systems.

[9] Plastic data was based on procurement records.

Responsible Supply Chain (Environmental) (GRI 2-6, 3-3, 308)

Sustainable procurement is valued at OUE, where we are committed to delivering environmental, social and business benefits through sustainable procurement practices. Particularly in the building and construction sector, our role as a property developer and asset management company is crucial in ruling out potential risks in our supply chain. As such, we actively assess how we can appropriately bring positive influence across our supply chains, in terms of environmental, health and safety, diversity and inclusion, and governance risks.

OUE has in place a Green Procurement Policy which includes both human rights and environmental clauses. In FY2023, we drafted a Letter of Undertaking where suppliers and contractors will have to sign off to ensure their compliance with the Green Procurement Policy when we issue tenders for new building developments. We aim to integrate this Letter of Undertaking into new tenders commencing from FY2024.

In our commitment towards environmental sustainability, we ensure that all our selected suppliers are certified by a recognised environmental management standard such as ISO 14001 or BCA's Green and Gracious Builder Scheme. Thus, during the tender stage, our pre-qualification process includes this requirement. Environmental criteria such as the energy efficiency and water efficiency performance of products, recycled material content, and whether products are bio-degradable or compostable are taken into consideration.

In line with our Green Procurement Policy, we strongly encourage all our tenants, vendors and service providers to procure and use green label products at OUE Bayfront and OUE Downtown Office. One such example is the procurement of any water fittings, fixtures and appliances. They are required to have a Water Efficiency Labelling Scheme rating before procurement to ensure that we continue to contribute to water conservation efforts in water-scarce Singapore.

At HSO, cage-free eggs and Aquaculture Stewardship Council (ASC) salmon are purchased. Such products signal to customers that they are responsibly procured, as cage-free eggs come from hens who are free to roam around as they grow, and the ASC sets the standards for environmentally and socially responsible salmon farming. Not only are environmental impacts minimised, employees are paid and treated fairly, and proactive communication is made with the local communities to ensure that they are not negatively impacted.

FY2023 performance against Targets and Aspirations

Responsible Supply Chain (Environmental)	
Targets & Aspirations	**FY2023 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)	There was no new development project in FY2023.
Full implementation of Green Procurement Policy by 2030	There was no new development project in FY2023. OUE is in the process of integrating a Letter of Undertaking into new tenders for building developments in FY2024.

SUSTAINABILITY REPORT

EMPOWERING COMMUNITIES

AT A GLANCE (SOCIAL)

Health & Safety (GRI 403)

NUMBER AND RATE OF FATALITIES/HIGH-CONSEQUENCE INJURIES/RECORDABLE INJURIES OF EMPLOYEES AND NON-EMPLOYEES

	Employees	Other Workers
Man-hours worked	2,422,753	258,917
Number of injuries[10]	35	7
Number of high-consequence injuries	0	0
Injury rate (per million man-hours worked)	14.45	27.04
High-consequence injury rate (per million man-hours worked)	0	0

NUMBER AND RATE OF WORK-RELATED ILL-HEALTH OF EMPLOYEES AND NON-EMPLOYEES

	Employees	Other Workers
Man-hours worked	2,422,753	258,917
Number of illness[11]	0	0
Illness rate (per million man-hours worked)	0	0

Staff mix and diversity[12] (GRI 2-7, 401, 404, 405)

TOTAL NUMBER OF EMPLOYEES BY EMPLOYEE CONTRACT AND GENDER

	Permanent Employees	Temporary Employees
Total	1,141	23
Male	628	12
Female	513	11

TOTAL NUMBER OF EMPLOYEES BY EMPLOYEE CONTRACT AND REGION

	Permanent Employees	Temporary Employees
Total	1,141	23
Singapore	1,126	20
China	15	3

TOTAL NUMBER OF EMPLOYEES BY EMPLOYEE TYPE AND GENDER

	Full-time Employees	Part-time Employees
Total	1,163	1
Male	639	1
Female	524	0

10 Injuries as defined by Ministry of Manpower, Singapore: Employee was injured in a work accident or resulting in any one of the following: outpatient / hospitalisation leave, light duty, death.

11 Illness: Occupational disease resulting from exposure to hazards at work.

12 For the properties OUE Bayfront, OUE Downtown Office and OUE 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	Part-time Employees
Total	1,163	1
Singapore	1,146	0
China	17	1

TOTAL NUMBER AND RATE OF NEW EMPLOYEE HIRES DURING FY2023, BY AGE GROUP, GENDER AND REGION

By Age Group (522 Total)

< 30	30 – 50	> 50
261	237	24
50.0%	45.4%	4.6%

By Gender (522 Total)

Male	Female
299	223
57.3%	42.7%

By Region (522 Total)

Singapore	China
521	1
99.8%	0.2%

TOTAL NUMBER AND RATE OF EMPLOYEE TURNOVER DURING FY2023, BY AGE GROUP, GENDER AND REGION

By Age Group (352 Total)

< 30	30 – 50	> 50
138	171	43
39.2%	48.6%	12.2%

By Gender (352 Total)

Male	Female
181	171
51.4%	48.6%

By Region (352 Total)

Singapore	China
351	1
99.7%	0.3%

PERCENTAGE OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES BY GENDER

By Gender (8 Total)

Male	Female
7	1
87.5%	12.5%

PERCENTAGE OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES BY AGE GROUP

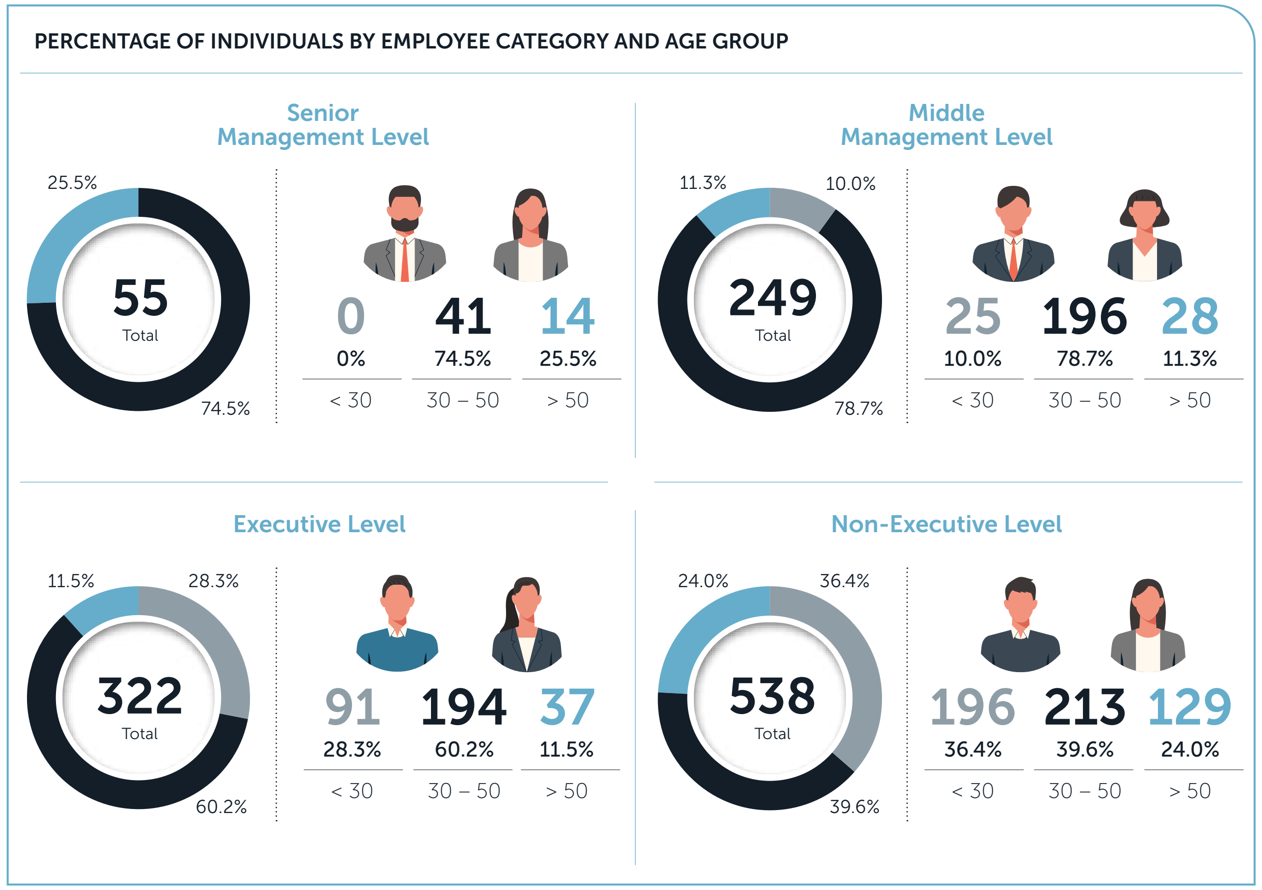
By Age Group (8 Total)

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

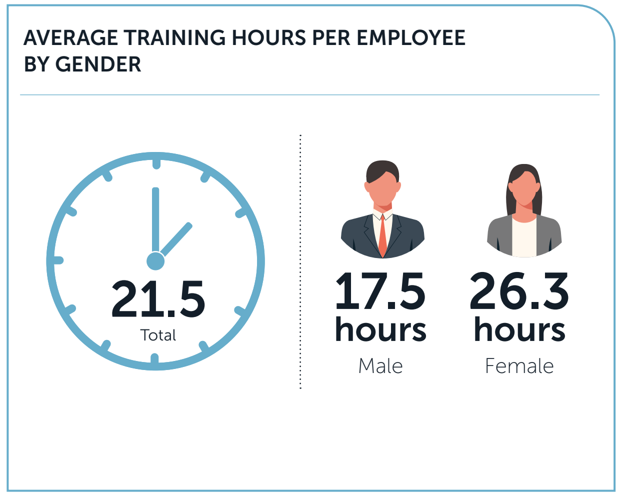
PERCENTAGE OF INDIVIDUALS BY EMPLOYEE CATEGORY AND GENDER

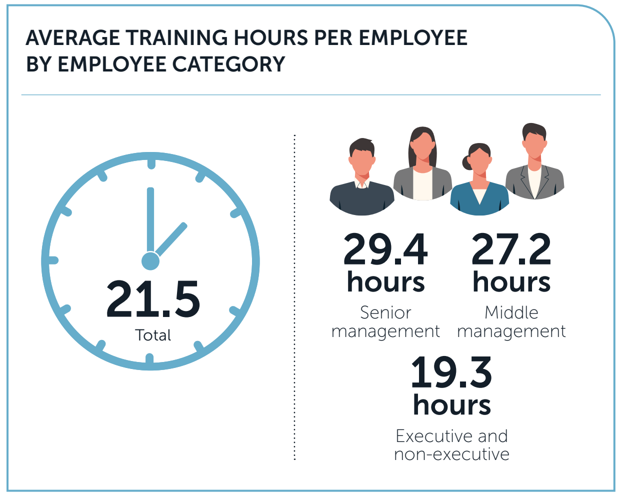
	Total	Male		Female	
Senior Management Level	55	35	63.6%	20	36.4%
Middle Management Level	249	134	53.8%	115	46.2%
Executive Level	322	160	49.7%	162	50.3%
Non-Executive Level	538	311	57.8%	227	42.2%

SUSTAINABILITY REPORT



Training





Health & Safety (GRI 3-3, 403, 416)
OUE believes firmly that our people are our most important asset, and we recognise our responsibility in 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.

A robust occupational health and safety management system is implemented in OUE and our Human Resource (HR) ensures that new staff are aware of the Workplace Safety and Health (WSH) policy through staff orientation programmes, and training at relevant stages throughout their careers. Our Health & Safety framework is aligned with the Ministry of Manpower's WSH Act. Our newly formed WSH committee, comprising representatives from various business units, is also tasked with ensuring that employees are familiar with the WSH policy.

In FY2023, the WSH committee worked with a third-party consultant to roll out an Occupational Health and Safety (OHS) management system for the Group based on the ISO 45001:2018 OHS Management Systems standard. The consultant has customised the system for the Group after consultation with the various OUE departments and business units. With this initiative in place, quarterly safety updates are being tabled to the Board. We are planning to roll out the WSH induction plans to the employees in FY2024.

At the property level, One Raffles Place implemented new WSH policies and processes following the ISO 45001:2018 standard in FY2023. The property adopts the Group's WSH practices and policies and these are being enhanced in response to the Code of Practice on Chief Executives' and Board of Directors' WSH Duties which was issued in October 2022. WSH legal responsibilities awareness training has also been conducted for all staff and a WSH consultant has been appointed to conduct monthly safety inspections within the property and provide post-inspection reports on the findings. CPCA is currently working together with the OUE WSH committee towards getting their OHS management system certified ISO 45001.

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 instance that an incident does occur, OUE complies with WSH (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. CPCA also included a shoe checking regime to ensure the soles of all employees' shoes are in good condition as part of its risk assessment.

WSH is made a mandatory meeting agenda during the monthly meetings with our managing agents at OUE Bayfront, OUE Downtown Office and Downtown Gallery, and with our Engineering and Security Team at Mandarin Gallery. Selected operations team members are sent for Workforce Skills Qualification training, which provides them with basic competencies and a lead as a WSH representative. In FY2023, Lippo Plaza staff attended the WSH training arranged by OUE and we also had regular meetings with the local team. 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 a building in a calm and collected manner. At CPCA, a monthly WSH refresher training is provided to all colleagues who are keen to refresh their knowledge.

Besides physical workplace safety and health, OUE ensures that our employees are taken care of by providing attractive healthcare benefits. This includes comprehensive medical coverage, where they are 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 the Work Injury Compensation insurance coverage. Furthermore, Singapore-based employees in the corporate office 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.

SUSTAINABILITY REPORT

With a greater push for mental wellness in Singapore and China, a good work-life balance is key and OUE strives to create that working environment. Our employees continue to work on a hybrid work arrangement providing 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. During the year, we also organised health talks covering topics on mental health and chiropractic care during lunch time for corporate office employees. At Lippo Plaza, regular wellness programmes, such as yoga, pilates, health and wellness talks and cardiopulmonary resuscitation trainings were arranged for tenants and employees.

Apart from immediate employees, the health and safety of our contractors, and other workers who are not employees but whose work is controlled by OUE, are also taken seriously. Our EHS practices and expectations are informed at the beginning of our engagement with contractors. Contractors are also required to comply with our workmen's compensation policy and register for third-party liability insurance and contractor's all risk insurance before the commencement of any work. In addition, 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.

In FY2023, we recorded 42 work-related injuries where the main types of work-related injuries were slip and fall, hit by object, and cuts and scalds that took place in our kitchens. On the other hand, we had zero incidents of work-related ill-health.

In April 2023, OUB Centre Limited (OUBC), an 83.33%-owned subsidiary of OUE REIT and the developer and manager of One Raffles Place, was fined SGD $260,000 in connection with an offence under the Workplace Safety and Health Act 2006 which resulted in one fatality when an employee of the tenant of the rooftop bar at One Raffles Place fell into a gondola pit. Following the incident, OUBC took immediate steps to enhance its safety procedures to prevent any future incident of a similar nature, including engaging a qualified contractor to review the method statements and risk assessments concerning the use of the gondola system for facade cleaning and replacing the facade cleaning contractor.

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

FY2023 performance against Targets and Aspirations

Health & Safety		
2023 Targets & Aspirations	**FY2023 Performance**	**2024 Targets & Aspirations**
Maintain zero incidents resulting in employee fatality or permanent disability	Zero incidents	Maintain zero non-compliance with regulations and/or regulatory codes concerning the health and safety of tenants and building users resulting in a fine, penalty or warning
Zero significant incidents* of non-compliance with health and safety regulations	One (1) incident of non-compliance	
All main contractors for new developments to be OHSAS 18001 or ISO 45001 certified	There was no new developement project in FY2023	All main contractors for new developments to be OHSAS 18001 or ISO 45001 certified

* 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)

Fair Employment Practices (GRI 2-7, 2-8, 3-3, 401, 404, 406)
Guided by the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, OUE is committed to minimising negative impacts on human rights, such as forced labour and discrimination, and providing a healthy and safe environment. Internal policies have been implemented which entail human rights clauses with the aim of respecting human rights throughout our business activities. To avoid reputational risks due to poor employment practices, we believe that a fair and inclusive workplace is key. This is reflected in our employment practices where not only are employees given ample opportunities to thrive and grow as a valued member of OUE but we also attract and retain our diverse pool of talents based on merit. In turn, we hope that this would create long-term value for our stakeholders through our employees' dedication.

As at 31 December 2023, we had a total of 1,164 employees globally, 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. A positive and nurturing working environment for all employees is imperative to us and as such, we established a set of comprehensive policies that are to be applied fairly and consistently across the Group. We also engaged 322 (167 male and 155 female) casual workers in our hotels and restaurants during the year.

Besides our own employees, managing agents are also engaged for OUE Bayfront, OUE Downtown Office, Downtown Gallery as well as Lippo Plaza. They manage the ground operations and attend to any tenant needs on behalf of OUE. In FY2023, 53 workers who are not employees worked at the above-mentioned buildings.

Recruitment and Employee Benefits
OUE subscribes to the belief of providing equal opportunities to all potential employees and we strictly do not tolerate any discrimination against age, gender, race, marital status or religion. Therefore, OUE takes steps to ensure qualified candidates are hired, ensuring 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. This is in line with our Recruitment Policy and the Tripartite Alliance for Fair and Progressive Employment Practices guidelines.

Attracting and retaining talents remains one of our priorities. As such, we provide benefits that are only available to full-time employees at selected properties. For instance, full-time employees are provided with insurance coverage, dental benefits, health screening as well as retirement provisions in most of our Singapore commercial properties. In FY2023, HSO introduced "Birthday Leave" for all full-time employees and all foreign male employees got to enjoy one week of paid parental leave that had been increased from the previous two days. The "Flexible" benefits that full-time employees at HSO are entitled to have been revamped to "Thrive" benefits and are paid out in two quantums in June and December annually. CPCA full-time employees are also entitled to flexible benefits, and both hotels offer F&B discounts as well as the hotel travel programme, which is extended to family and friends.

Nonetheless, all employees, whether full-time, part-time or temporary, will receive 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 accordance with the Labour Law of the People's Republic of China, full-time employees of Lippo Plaza are provided with five social insurances – pension fund, medical insurance, work injury insurance, unemployment insurance, and maternity insurance as well as one housing fund.

SUSTAINABILITY REPORT

To identify areas of improvement and to gain insight into our employees' experience working with us, we conducted an employee engagement survey at our corporate office and operations to gather anonymous feedback from our employees. In enhancing their experience, OUE also provides family care and parental leave to eligible employees. In FY2023, 26 eligible employees were entitled to parental leave with 16 female and 10 male employees utilising their parental leave benefits. All 16 female and 10 male employees had returned to work after their parental leave ended. This resulted in a 100% return to work rate. Of all employees who took parental leave in FY2022, 5 male and 8 female employees remained employed 12 months after returning to work, resulting in a 62.5% and 66.7% retention rate respectively.

Our overall employee resignation rate[13] in FY2023 was 22.5%. Our real estate service business saw a 25.2% resignation rate, which is higher than the national industry average[14] of 18.0%. The annual resignation rate of our accommodation and food business was 22.1%, which is lower than the national industry turnover rate of 31.2%. Our overall turnover rate[15] in FY2023 was 30.2%.

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 employees, including contractors, are based on merit to promote fairness and non-discrimination in our business dealings. During FY2023, 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

The learning and development of our employees are crucial in creating a motivated, skilful and competent workforce that is capable of meeting both current and future business challenges. Therefore, OUE has in place a Learning and Development Policy to inculcate a culture of continuous learning. Through this policy, we hope that all our employees will be able to navigate and perform their duties equipped with the necessary knowledge and skillsets. Training opportunities are made accessible to our employees to enhance their learning. OUE identifies training needs at various levels and stages from the newly joined to our director level throughout the year. This is done so through the Heads of Department and direct managers where they identify department- or team-specific training needs. 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 one that suits their needs the most.

In FY2023, employees attended a myriad of training programmes and workshops rolled out internally and conducted by external vendors. We launched our inaugural Compliance Training Programme with the goal of empowering our employees with the knowledge on navigating the complex landscape of compliance requirements. The programme covers a wide range of ESG topics, including but not limited to Business Ethics, Anti-Bribery and Anti-Corruption, Workplace Diversity, Equity and Inclusion, Workplace Safety, and ESG Initiatives.

To enhance the leadership competencies of our current people managers, a group level leadership development course was organised in collaboration with Singapore Management University Academy. The course is designed to help leaders and managers develop an in-depth understanding of their own leadership signature with authenticity and resiliency. In addition, employees also attended communication and effective writing workshops to strengthen their soft skills.

13 Includes only voluntary resignations during the reporting period.
14 Average rate based on 1Q to 4Q 2023 resignation rate published by MOM Singapore.
15 Includes employees who resigned and those who were dismissed, retrenched, reached the end of their contract, or did not have their employment passes renewed.

In FY2023, OUE achieved an average of 21.5 training hours per employee, falling short of our targeted 25 hours per employee. This was attributed to our restaurant employees who were unable to attend training as they were preoccupied with business operations. Moving forward, we will continue to monitor and provide adequate training resources so that our employees can carry out their work responsibilities efficiently with better skillsets.

OUE conducts an annual performance and career development review to provide a platform for two-way discussions allowing for improvements to be made in their careers and enhance employee satisfaction. Appraisals and monitoring of individual employee's performance and achievements take place during the respective discussions between the reporting manager and team members. 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 FY2023, 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.

FY2023 performance against Targets and Aspirations

Fair Employment Practices		
2023 Targets & Aspirations	**FY2023 Performance**	**2024 Targets & Aspirations**
Maintain zero incidents of discrimination	Zero incidents of discrimination	Maintain zero incidents of discrimination
Maintain the employee resignation rate below the national industry average (18.0% for real estate service and 31.2% for accommodation and food services)	Employee resignation rate was 25.2% for real estate services business and 22.1% for accommodation and food services	
Achieve the proportion of women in senior management at 40% or more	36.4% of employees in senior management are women	Achieve the proportion of women in senior management at 40% or above
Achieve 25 training hours per employee per year	Average of 21.5 training hours per employee	• Achieve 30 training hours per employee • Include a target on specific ESG-related training
		• Achieve at least 85% of employees participating in annual engagement survey • Achieve at least 70% employee engagement score

SUSTAINABILITY REPORT

Creating Social Ecosystems (GRI 3-3, 413)

The integration of the wider community into the social fabric that modern buildings provide allows positive changes to be brought about. As such, before embarking on any development project, OUE makes certain that any negative impacts on the environment and neighbouring communities are minimised. This is done by conducting a mandatory environmental and social impact assessment which enables better understanding and evaluation of the actual environmental and social risks that could be contributed by our projects.

OUE is committed to fostering inclusivity and accessibility at our properties, to create shared spaces where members of our local communities can connect. Hence, we ensure that all our new investment properties are accessible to persons with disabilities and feature child-friendly facilities. In FY2023, One Raffles Place worked closely with the Accessible City Network in the creation of Accessibility Maps for Raffles Place. These Accessibility Maps were created to make Raffles Place more inclusive through greater convenience for the working community as well as for persons with disabilities when getting around the Raffles Place precinct.

OUE also strongly believes in giving back to society. In line with our belief in the value of empowering communities and enhancing social wellbeing, OUE has committed to donate S$1.0 million to the Community Chest, the philanthropy and engagement arm of the National Council of Social Service. The donation will be disbursed over a period of three years till 2026. 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 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 equal opportunities to receive a good education. As such, OUE regularly donates to the National University of Singapore, Singapore Management University and Singapore Institute of Technology and Design.

During the year, OUE employees participated in various community events, including the Heartstring Walk organised by Community Chest. In conjunction with SG Cares Giving Week, Chatterbox, for the second year in a row, along with Rempapa and Hanare by Takayama for the first time, supported Community Chest in a fundraising campaign. OUE donated to the campaign S$5.20 from the sale of every single portion of Mandarin Chicken Rice at Chatterbox; S$58 from the sale of every 4-person set dinner at Rempapa; and S$5 from the sale of every Kamameshi set at Hanare by Takayama.

OUE is also actively participating in and organising community engagement events within our properties. For instance, under the Urban Redevelopment Authority's (URA) Business Improvement District programme, OUE Bayfront supported the Marina Bay Alliance activities by providing part of its concourse space on a complimentary basis for fitness workouts, festive markets, charity bazaars, and upcycling and sustainable art-related workshops to encourage healthy living and promote vibrancy in the Central Business District area.

Active participation in community engagement programmes is highly encouraged at all our properties to build trust and allow for better communication between OUE's assets and the community. In the following year, we will continue to invest in the communities that we are part of.

FY2023 performance against Targets and Aspirations

Creating Social Ecosystems		
2023 Targets & Aspirations	**FY2023 Performance**	**2024 Targets & Aspirations**
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 and fundraising campaign with Chatterbox, Rempapa and Hanare by Takayama.	Contribute to communities' social well-being through at least 2 community service events
Conduct social and environmental impact assessments for development projects	There was no new development project in FY2023	Conduct social & environmental impact assessments for development projects
All new investment properties to be accessible to persons with disabilities and feature child-friendly facilities	No new investment property was acquired in FY2023	

SUSTAINABILITY REPORT

Innovation (GRI 3-3)

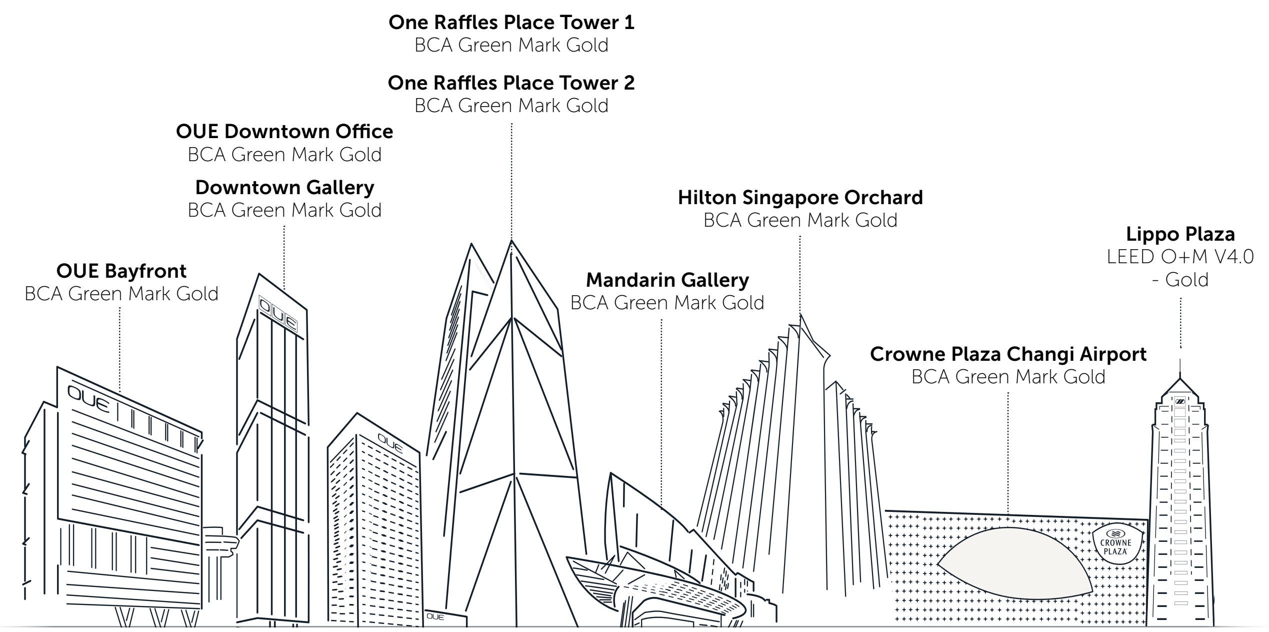
As the world advances to be more digitalised and tech-savvy, technological advancements play a pivotal role. Energy, water and waste consumption or production impacts that worsen the effects of climate change can be reduced through more innovative and efficient technology. Besides reduction in environmental impacts, innovative technology also brings about positive social impacts where our guests get to enjoy a fresh and elevated experience. 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. As such, constant innovation and keeping up with industry trends and best practices is essential to stay ahead.

OUE advocates a culture of innovation in order to improve our customer experience as well as our buildings' environmental performance. This is achieved by leveraging the latest technology and constantly challenging ourselves to be ahead, seeking to maximise the value generated for our shareholders. Ahead in the industry, 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 an hour. The system, Nordaq, aims to help reduce the usage of single-use bottles and cups in rooms and for meetings and events across the hotel. As a result, this has eliminated the disposal of up to 100,000 water bottles per month. In FY2023, OUE Bayfront, OUE Downtown Office and Downtown Gallery installed AMR devices to streamline data collection on energy consumption as well as rolled out a digital dashboard platform to have a consolidated view on which areas of the assets require attention. At One Raffles Place, smart solutions are also being explored for air-side control and monitoring to ensure that indoor air quality is optimal for both occupants and shoppers. In addition, the smart solution could optimise the Air Handling Unit in the air-conditioning system allowing for potential savings in energy consumption.

FY2023 performance against Targets and Aspirations

Innovation	
Targets & Aspirations	**FY2023 Initiatives**
Actively seek opportunities to adopt new innovations and green building technologies	• Installation of AMR devices for energy consumption and digital dashboard platform for OUE Bayfront, OUE Downtown Office and Downtown Gallery. • Exploring smart solutions to improve air quality in One Raffles Place

Due to our sustained efforts in innovation, we have attained industry awards for excellent environmental management. We are proud to share that in FY2023, CPCA achieved the BCA Green Mark Gold certification, a testimony to OUE's low environmental impact but high performance as all our Singapore properties have attained BCA Green Mark Gold Certification. Lippo Plaza in China is certified under LEED-Gold for its outstanding environmental performance and it has engaged a LEED consultant for the renewal of its LEED certification.



Product Quality (GRI 3-3)

As part of our core value of "Transformational Thinking", OUE is of the belief that better and higher quality buildings come hand-in-hand with providing a safe and welcoming environment for our tenants, guests and visitors. As a result, 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 conducted, we ensure that systems consistently perform at optimal levels. The implementation of various policies and procedures, including the EHS Policy, the Fire Emergency Plan and the Company Emergency Response Team (CERT) are overseen by individual property managers. The CERT acts as the first line of defence to rectify any health and safety risks assessed, identified, and reported by occupants within the buildings. This is done so 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 by the property managers to prevent any accidents or injuries. In the event that any incidents do occur, property managers will have to submit detailed incident reports and maintenance records on a monthly basis. 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.

Besides our commercial properties, the health and safety of our customers that come to our hotels and restaurants is paramount to OUE. Food safety is stressed throughout all our hospitality properties and restaurants to prevent any incidents which will reflect badly on the Group. Moreover, it is also our moral and regulatory duty to strictly follow all health and safety protocols to create a healthy, clean and enjoyable gastronomic experience for our customers. Therefore, all our restaurant employees, particularly the kitchen crew, have to go through mandatory food hygiene courses before being allowed to prepare food so that a high standard of food preparation environment is achieved.

FY2023 performance against Targets and Aspirations

Product Quality		
2023 Targets & Aspirations	**FY2023 Performance**	**2024 Targets & Aspirations**
Achieve at least 80% customer satisfaction rate	Achieved an average 84.2% customer satisfaction rate in FY2023	Achieve at least 80% tenant satisfaction rate in relation to commercial properties

SUSTAINABILITY REPORT

BUILDING TRUST

Ethical Business Practices (GRI 3-3, 205)

Our corporate policies and ESG commitments serve as our underlying foundation for corporate governance. OUE strongly believes that ethical business practices and integrity are fundamental principles. A comprehensive ethics and compliance framework has been developed, which allows us to navigate through increasingly complex regulatory requirements. Trust and loyalty among 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. Upon employment, employees are given a copy of the Code, 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.

OUE communicates to our employees on anti-corruption knowledge through the annual acknowledgement exercise where all employees are required to acknowledge that they have reviewed, understood and will comply with the Code and other company policies. In FY2023, all employees had acknowledged their compliance with the Code, except for the employees from OUE Restaurants who did not have access to a corporate email address due to the nature of their job scope e.g. kitchen and service crews. Moving forward, OUE Restaurants will be exploring more effective ways to enable all employees to sign the Code. Through the newly rolled out Compliance Training Programme by our HR, our employees go through self-paced training on essential topics such as Business Ethics, Anti-Bribery and Anti-Corruption, Code of Conduct and Regulatory Compliance so that they are kept abreast of the latest regulations and become familiar with the Code.

We believe that fraud, bribery, and corruption are serious offences which could tarnish OUE's reputation and diminish the trust of our stakeholders. In FY2023, we rolled out new policies including a Crisis Management Policy, the OUE Policy on Interested Person Transactions, the OUE Group Anti-Money Laundering and Countering the Financing of Terrorism Manual for Developers, and the OUE Group Treasury Policy. Please refer to the table below for details of the respective policies.

FY2023 performance against Targets and Aspirations

Policies	Details
Crisis Management Policy	This is a group policy implemented for the handling, escalation, and reporting of serious incidents. The policy sets out an escalation process from the operations level to the various business units, and then to the Group. It also provides guidance on classifying the severity of the incident (including for escalation if needed), as well as steps to take and issues to be considered in handling incidents. A Crisis Management Team will be formed to manage the most severe incidents reported.
OUE Policy on Interested Person Transactions	This policy seeks to ensure that all interested person transactions (IPTs) will be undertaken on normal commercial terms, and guard against the risk that interested persons could influence OUE, its subsidiaries or associated companies, to enter into transactions with interested persons that may adversely affect the interests of OUE and its shareholders. The policy contains practical guidance on assessing whether a counterparty is an interested person. All business units and departments must comply with the processes set out in the policy to assess whether a counterparty is an interested person before entering into any new contract or transaction.
OUE Group Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Manual for Developers	This Manual aims to assist developers of residential and non-residential properties regulated under the Housing Developers (Control and Licensing) Act 1965 and/or the Sale of Commercial Properties Act 1979 (Developers), and subsidiaries and branch companies of Developers, in understanding and ensuring compliance with the AML and CFT legal and regulatory obligations under Singapore law when conducting their business. All employees and directors of Developers are expected to be familiar with and comply with the AML and CFT requirements set out in the Manual. As at the date of this report, the Group does not have any entities which are licensed as Developers. The Manual will apply as and when an OUE Group company becomes a Developer.
OUE Group Treasury Policy	This policy is to govern cash management, investments, risk management, debt management and reporting requirements for treasury matters of the Group.

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.

FY2023 performance against Targets and Aspirations

Ethical Business Practices		
2023 Targets & Aspirations	**FY2023 Performance**	**2024 Targets & Aspirations**
Achieve 100% employee annual acknowledgement of all company policies, including Code of Business Conduct and Ethics	All company policies, including the Code of Business Conduct and Ethics, were acknowledged by all employees in FY2023, except for OUE Restaurants, which will be rolling out this exercise in FY2024.	Achieve 100% employee annual acknowledgement of all company policies, including Code of Business Conduct and Ethics
Zero confirmed incidents of corruption	Zero confirmed incidents	Maintain zero confirmed incidents of corruption

SUSTAINABILITY REPORT

Compliance (GRI 2-16, 2-17, 2-25, 2-26, 2-27)

With increasing regulatory requirements and as publicly listed entities, compliance with local and international laws and regulations is an absolute priority for OUE. 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.

Our legal team is responsible for the overall compliance of the Group with support from the internal audit team as we keep track of the changing regulatory landscape. 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. 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, where necessary. Under the listing rules of SGX-ST, all our directors have undergone the prescribed mandatory training on sustainability matters. This also includes all the directors of OUE REIT where they have also undergone the prescribed mandatory training on sustainability matters, and information security awareness training under the MAS Technology Risk Management Guidelines.

To ensure that all employees are familiar with compliance-related matters, OUE launched the Compliance Training Programme in FY2023. AML refresher training is also conducted at least once every two years and as soon as possible for new joiners. In FY2023, AML training was conducted by Allen and Gledhill LLP, one of the largest and leading law firms in Singapore, for representatives from the REIT managers, and property management and leasing teams. Our directors and senior management of OUE Group also attended the yearly learning session organised by OUE to keep abreast of the latest legal developments, in particular regulatory updates and trends for the REIT sector, as well as a market update on geopolitical and macroeconomic developments. OUE continues to abide by the Data Retention Policy which 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 is to mitigate the potential risks of data leakage.

To ensure compliance with building standards and regulations, our property managers are tasked to keep abreast of building regulation requirements, conduct regular checks and submit relevant environmental data. Moreover, properties are subjected 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.

Under our whistle-blowing policy and procedure, our employees and any other person may 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 Code 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 without fear of reprisals in any form. The whistle-blowing procedure is publicly disclosed on OUE's website and clearly communicated to OUE employees to encourage the reporting of any behaviour or action that might constitute impropriety in financial reporting or other matters.

OUE also has a grievance mechanism in place through which employees can raise concerns about any grievances including 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. In FY2023, OUE had no grievance and whistle-blowing cases.

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 AC and relevant follow-up action will be taken.

In FY2023, 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, save for one incident where OUBC was fined $260,000 for failure to ensure adequate safety measures resulting in a fatality. Please see details in the Health & Safety section.

FY2023 performance against Targets and Aspirations

Compliance		
2023 Targets & Aspirations	**FY2023 Performance**	**2024 Targets & Aspirations**
Maintain zero incidents of non-compliance with laws and/or regulations, including competition laws, resulting in significant fines* and non-monetary sanctions	One (1) incident of non-compliance	Maintain zero incidents of non-compliance with laws and/or regulations
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 (GRI 3-3, 418)

As the building sector rapidly digitalises, OUE needs to ensure that potential cyber attacks are detected at the earliest through a robust cyber defence system. The elevated threat of cyber attacks could result in a data breach which would erode stakeholder trust.

Managing Cyber Security Risk

OUE adopts industry best practices and invests in technology defence to minimise the risk of cyber attacks. 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 Board, and senior management team hold the main responsibility for managing security risks by overseeing the establishment of the necessary Information Technology (IT) policies, procedures and control environment.

On the ground level, OUE's IT team acts as the first line of defence against cyber attack threats. 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. Operations to maintain adequate internal controls serve as the basis of key principles such as segregation of duties, the never alone principle and access control principle. 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 better protect sensitive and confidential information from ransomware, our IT team currently uses Veeam for better encryption and immutable backup.

As our employees continue to work remotely, both user experience and information security are equally important. OUE adopts Microsoft Intune, a cloud-based management tool for mobile devices. Microsoft Intune enables OUE to streamline app usage across all devices while protecting corporate data. This allows greater efficiency to be achieved in the cloud, enhancing employee productivity in the process. In addition, with increased capacity of data involved, we have upgraded the Network-Attached Storage capacity to future-proof data and information backup.

SUSTAINABILITY REPORT

Information Security Awareness Training

At OUE, we prioritise information security through an extensive annual training programme. This programme is not only extended to our employees but is also a crucial part of our commitment to the Board. The comprehensive training covers a spectrum of essential topics, including IT security policies, standards, and procedures. Employees and directors alike gain insights into their individual responsibilities for maintaining IT security. The training delves into the specific measures needed to safeguard sensitive information and ensures a thorough understanding of the relevant laws, regulations, and guidelines pertaining to IT security. This holistic approach aims to build and enhance the knowledge of our workforce and leadership in the dynamic landscape of information security.

Cyber security awareness newsletters are disseminated regularly to our employees coupled with the implementation of a mandatory annual cyber security awareness employee training quiz. These serve to educate our employees on sound cyber security practices. OUE also conducts a phishing simulation exercise at the Group level. At the property level, CPCA Information Security conducts at least one training a year as part of its information security awareness programme.

Personal Data Protection

Protection of personal data is increasingly important in the digital age. OUE adheres to the Personal Data Protection Act 2012 and implements various measures to comply with it, 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/security, retention and transfer out.

In FY2023, 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.

FY2023 performance against Targets and Aspirations

Cyber Security		
2023 Targets & Aspirations	**FY2023 Performance**	**2024 Targets & Aspirations**
Maintain zero cyber incidents and data breaches	Zero cyber incidents and data breaches	Maintain 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 2023 to 31 December 2023.
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 86			
	2-2 Entities included in the organization's sustainability reporting	About this Report, Page 87			
	2-3 Reporting period, frequency and contact point	About this Report, Page 87			
	2-4 Restatements of information	No restatements			
	2-5 External assurance	About this Report, Page 87			
	2-6 Activities, value chain and other business relationships	About OUE > Who We Are, Page 86 Stewarding the Environment > Responsible Supply Chain (Environmental), Page 107			
	2-7 Employees	At a glance (Social), Pages 109-110 Empowering Communities > Fair Employment Practices, Pages 115-117			

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	Empowering Communities > Fair Employment Practices, Pages 115-117			
	2-9 Governance structure and composition	Sustainability at OUE > Sustainability Governance, Page 88 Corporate Governance Report, Pages 60-64			
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report, Pages 66-69			
	2-11 Chair of the highest governance body	Corporate Governance Report, Pages 65-66			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability at OUE > Sustainability Governance, Page 88			
	2-13 Delegation of responsibility for managing impacts	Sustainability at OUE > Sustainability Governance, Page 88			
	2-14 Role of the highest governance body in sustainability reporting	The Board has reviewed and approved of this report in SR2023.			
	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, Pages 124-125			
	2-17 Collective knowledge of the highest governance body	Building Trust, Compliance, Pages 124-125			
	2-18 Evaluation of the performance of the highest governance body	Sustainability at OUE > Sustainability Governance, Page 88			
	2-19 Remuneration policies	Corporate Governance Report, Pages 70-73 OUE Limited's remuneration policy is presently not linked to sustainability.			
	2-20 Process to determine remuneration	Corporate Governance Report, Pages 70-73 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 73 of Annual Report 2023.

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 86			
	2-23 Policy commitments	Disclosed throughout Sustainability Report FY2023			
	2-24 Embedding policy commitments	Disclosed throughout Sustainability Report FY2023			
	2-25 Processes to remediate negative impacts	Building Trust > Compliance, Pages 124-125			
	2-26 Mechanisms for seeking advice and raising concerns	Building Trust, Compliance, Pages 124-125 Corporate Governance Report, Pages 76			
	2-27 Compliance with laws and regulations	Building Trust > Compliance, Pages 124-125			
	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; Pages 89-90			
	2-30 Collective bargaining agreements	21% of our employees are under the 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 91			
	3-2 List of material topics	Sustainability at OUE > Sustainability Framework, Page 91			
ECONOMIC PERFORMANCE					
GRI 3: Material Topics 2021	3-3 Management of material topics	OUE Annual Report 2023, Page 141			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	OUE Annual Report 2023, Page 141			
ETHICAL BUSINESS PRACTICES					
GRI 3: Material Topics 2021	3-3 Management of material topics	Building Trust > Ethical Business Practices, Page 122-123 Sustainability at OUE > Sustainability Governance, Page 88			
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Building Trust > Ethical Business Practices, Page 122-123			
CLIMATE RESILIENCE					
GRI 3: Material Topics 2021	3-3 Management of material topics	Stewarding the Environment > Climate Resilience, Pages 99-101 Sustainability at OUE > Sustainability Governance, Page 88			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
CLIMATE RESILIENCE					
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Stewarding the Environment > Climate-related Financial Disclosures, Pages 101-103			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Stewarding the Environment > Climate Resilience, Pages 99-101			
	302-3 Energy intensity	Stewarding the Environment > Climate Resilience, Pages 99-101			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Stewarding the Environment > Climate Resilience, Pages 99-101			
	305-2 Energy indirect (Scope 2) GHG emissions	Stewarding the Environment > Climate Resilience, Pages 99-101			
	305-4 GHG emissions intensity	Stewarding the Environment > Climate Resilience, Pages 99-101			
WATER EFFICIENCY					
GRI 3: Material Topics 2021	3-3 Management of material topics	Stewarding the Environment > Water Efficiency, Pages 103-104 Sustainability at OUE > Sustainability Governance, Page 88			

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, Pages 103-104			
	303-2 Management of water discharge-related impacts	Stewarding the Environment > Water Efficiency, Pages 103-104			
	303-3 Water withdrawal	Stewarding the Environment > Water Efficiency, Pages 103-104 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 a water-stressed areas.			
WASTE MINIMISATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	Stewarding the Environment > Waste Minimisation, Pages 105-106 Sustainability at OUE > Sustainability Governance, Page 88			

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, Pages 105-106			
	306-2 Management of significant waste-related impacts	Stewarding the Environment > Waste Minimisation, Pages 105-106			
	306-3 Waste generated	Stewarding the Environment > Waste Minimisation, Pages 105-106			
	306-4 Waste diverted from disposal	Stewarding the Environment > Waste Minimisation, Pages 105-106			
	306-5 Waste directed to disposal	Stewarding the Environment > Waste Minimisation, Pages 105-106			
RESPONSIBLE SUPPLY CHAIN (ENVIRONMENTAL)					
GRI 3: Material Topics 2021	3-3 Management of material topics	Stewarding the Environment > Responsible Supply Chain (Environmental), Page 107 Sustainability at OUE > Sustainability Governance, Page 88			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Stewarding the Environment > Responsible Supply Chain (Environmental), Page 107			

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	Empowering Communities > Fair Employment Practices, Pages 115-117 Sustainability at OUE > Sustainability Governance, Page 88			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	At a glance (Social), Page 110 Empowering Communities > Fair Employment Practices, Pages 115-117			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Empowering Communities > Fair Employment Practices > Recruitment and Employee Benefits, Pages 115-116			
	401-3 Parental leave	Empowering Communities > Fair Employment Practices > Recruitment and Employee Benefits, Pages 115-116			

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 112 Empowering Communities > Fair Employment Practices > Learning and Development, Pages 116-117			
	404-2 Programs for upgrading employee skills and transition assistance programs	Empowering Communities > Fair Employment Practices > Learning and Development, Pages 116-117			
	404-3 Percentage of employees receiving regular performance and career development reviews	Empowering Communities > Fair Employment Practices > Learning and Development, Pages 116-117			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	At a glance (Social), Pages 111-112			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Empowering Communities > Fair Employment Practices > Non-discrimination, Page 116			

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	Empowering Communities > Health & Safety, Pages 113-114 Sustainability at OUE > Sustainability Governance, Page 88			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Empowering Communities > Health & Safety, Pages 113-114			
	403-2 Hazard identification, risk assessment, and incident investigation	Empowering Communities > Health & Safety, Pages 113-114			
	403-3 Occupational health services	Empowering Communities > Health & Safety, Pages 113-114			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Empowering Communities > Health & Safety, Pages 113-114			
	403-5 Worker training on occupational health and safety	Empowering Communities > Health & Safety, Pages 113-114			
	403-6 Promotion of worker health	Empowering Communities > Health & Safety, Pages 113-114			

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	Empowering Communities > Health & Safety, Pages 113-114			
	403-8 Workers covered by an occupational health and safety management system	Empowering Communities > Health & Safety, Pages 113-114			
	403-9 Work-related injuries	At a glance (Social), Page 108			
	403-10 Work-related ill health	At a glance (Social), Page 108			
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Empowering Communities > Health & Safety, Pages 113-114			
CREATING SOCIAL ECOSYSTEMS					
GRI 3: Material Topics 2021	3-3 Management of material topics	Empowering Communities > Creating Social Ecosystems, Pages 118-119 Sustainability at OUE > Sustainability Governance, Page 88			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Empowering Communities > Creating Social Ecosystems, Pages 118-119			

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	Empowering Communities > Product Quality, Page 121 Sustainability at OUE > Sustainability Governance, Page 88			
CYBER SECURITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	Building Trust > Cyber Security, Pages 125-126 Sustainability at OUE > Sustainability Governance, Page 88			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Building Trust > Cyber Security, Pages 125-126			
INNOVATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	Empowering Communities > Innovation, Page 120 Sustainability at OUE > Sustainability Governance, Page 88			
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	Empowering Communities > Innovation, Page 120			

FINANCIAL STATEMENTS

OTHER INFORMATION

DIRECTORS' STATEMENT

Year ended 31 December 2023

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 2023.

In our opinion:

(a) the financial statements set out on pages 151 to 260 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 2023 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
Sin Boon Ann
Lim Boh Soon
Kin Chan
Goh Min Yen
Brian Riady

The directors in office during the financial year ended 31 December 2023 were as follows:

Stephen Riady
Christopher James Williams (Resigned on 1 April 2024)
Lim Boh Soon
Kelvin Lo Kee Wai (Resigned on 1 April 2024)
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:

DIRECTORS' STATEMENT

Year ended 31 December 2023

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
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 Healthcare Limited				
- ordinary shares	3,126,316,752	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 2024.

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 2023

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

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

Lim Boh Soon	(Chairman) (Redesignated as Chairman with effect from 1 April 2024)
Kin Chan	
Goh Min Yen	(Appointed as member with effect from 1 April 2024)

During the year, the Audit Committee comprised three non-executive Directors, two of whom were independent. The members of the Audit Committee during the year were:

Kelvin Lo Kee Wai	(Chairman) (Resigned on 1 April 2024)
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 2023

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.

The Company has complied with Rules 712 and 715 read with Rule 716 of the SGX Listing Manual in relation to the appointment of its auditing firms.

AUDITORS

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

On behalf of the Board of Directors

Sin Boon Ann
Deputy Chairman and
Non-Executive Non-Independent Director

Brian Riady
Deputy Chief Executive Officer and
Executive Director

2 April 2024

INDEPENDENT AUDITORS' REPORT

Year ended 31 December 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 consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, 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 material accounting policy information as set out on pages 151 to 260.

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 2023 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 20 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 $5.3 billion as at 31 December 2023. Investment properties represent the most significant asset item on the consolidated 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 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.

INDEPENDENT AUDITORS' REPORT

Year ended 31 December 2023

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, price per square foot/metre, plot ratio, construction cost per square metre and developer's profit, against historical trends and available industry data, taking into consideration comparability and market factors.

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 21 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 2023 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.

INDEPENDENT AUDITORS' REPORT
Year ended 31 December 2023

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 method used 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 and terminal yield rates, against historical trends and available industry data, taking into consideration comparability and market factors.

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.

Valuation of interest in an equity-accounted investee
(Refer to note 18 to the financial statements)

Risks

The Group has investment in equity-accounted investees of S$1.6 billion as at 31 December 2023 which accounted for approximately 17% 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 in the People's Republic of China (the "PRC") was adversely impacted by the prevailing slow-down of the property market and the current economic environment in the PRC. GPI's share price was also affected as with other listed property counters in Hong Kong. In addition, several developers in the PRC have defaulted on their debt obligations amidst liquidity pressures in the challenging environment. 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 net assets of GPI. Significant judgements are involved in determining the appropriateness of using the Group's share of GPI's net assets as an appropriate estimate of its recoverable amount, especially in view of the challenges and liquidity pressures faced by property developers in the PRC.

Our response

We evaluated management's assessment for indication of possible impairment for GPI and assessed the reasonableness of critical judgements used in determining the recoverable amount, including consideration of publicly available market information.

INDEPENDENT AUDITORS' REPORT
Year ended 31 December 2023

Our findings

We found the identification of impairment indicators to be appropriate. We found the critical judgements used by management in ascertaining the recoverable amount of the Group's investment in GPI to be consistent with other corroborative evidence.

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations 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.

INDEPENDENT AUDITORS' REPORT

Year ended 31 December 2023

- 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.

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
2 April 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Revenue	4	623,099	491,120
Cost of sales		(262,677)	(204,822)
Gross profit		360,422	286,298
Marketing expenses		(11,303)	(6,508)
Administrative expenses		(87,293)	(77,552)
Other operating expenses		(15,624)	(13,961)
Share of results of equity-accounted investees, net of tax		43,199	156,957
		289,401	345,234
Finance expenses	7	(160,284)	(126,305)
Finance income	8	11,958	32,718
Other gains – net	9	11,653	149,500
Profit before tax		152,728	401,147
Tax credit / (expense)	10	12,411	(53,878)
Profit after tax		165,139	347,269
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign operations:		(37,308)	(147,239)
- currency translation differences			
Share of other comprehensive income of equity-accounted investees:			
- currency translation differences		(32,439)	(141,340)
- other reserves		(1,837)	3,820
Cash flow hedges:			
- effective portion of changes in fair value of cash flow hedges		9,235	7,811
- hedging reserve reclassified to profit or loss		(12,479)	2,025
		(74,828)	(274,923)
Items that will not be reclassified subsequently to profit or loss:			
Share of other reserves of an equity-accounted investee		1,078	651
Net change in fair value of investments at fair value through other comprehensive income, net of tax		(38,198)	(102,408)
		(37,120)	(101,757)
Other comprehensive income, net of tax		(111,948)	(376,680)
Total comprehensive income for the year		53,191	(29,411)
Profit attributable to:			
Owners of the Company		81,079	189,857
Perpetual securities holders		1,656	2,093
Non-controlling interests		82,404	155,319
		165,139	347,269
Total comprehensive income attributable to:			
Owners of the Company		(7,560)	(115,144)
Perpetual securities holders		1,656	2,093
Non-controlling interests		59,095	83,640
		53,191	(29,411)
Earnings per share for profit attributable to the owners of the Company			
Basic and diluted earnings per share (cents)	11	9.57	21.98

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Assets					
Cash and cash equivalents	12	182,602	327,846	37,511	121,614
Trade and other receivables	13	67,681	64,249	1,174,726	978,445
Inventories		2,428	1,659	155	179
Other investments	14	3,933	52,664	–	–
Development properties	15	29,041	37,967	–	–
Other assets	16	104,364	101,235	17,754	47,162
Loans to subsidiaries	19	–	–	522,872	912,430
Derivative assets	27	3,912	6,390	78	–
Current assets		393,961	592,010	1,753,096	2,059,830
Intangible assets and goodwill	17	58,331	58,394	–	–
Interests in equity-accounted investees	18	1,580,142	1,521,522	–	–
Investments in subsidiaries	19	–	–	938,424	967,494
Loan to a subsidiary	19	–	–	–	13,348
Other investments	14	113,973	119,032	–	–
Other assets	16	6,087	5,593	931	907
Investment properties	20	5,321,509	5,404,659	–	–
Property, plant and equipment	21	1,790,928	1,760,752	571,266	602,545
Deferred tax assets	22	1,971	2,047	3,905	3,255
Derivative assets	27	–	23,059	–	222
Non-current assets		8,872,941	8,895,058	1,514,526	1,587,771
Total assets		9,266,902	9,487,068	3,267,622	3,647,601
Liabilities					
Trade and other payables	23	188,749	179,139	56,849	124,280
Borrowings	24	31,346	578,643	–	–
Provision	25	20,199	24,656	–	–
Loan from a subsidiary	19	–	–	–	301,412
Current tax liabilities		68,592	87,363	13,342	5,162
Deferred income	26	4,330	3,439	–	–
Lease liabilities	28	6,921	6,456	27,357	26,473
Derivative liabilities	27	27	494	–	–
Current liabilities		320,164	880,190	97,548	457,327
Borrowings	24	2,842,190	2,388,483	71,168	18,955
Deferred income	26	16,822	309	–	–
Deferred tax liabilities	22	122,318	145,009	–	–
Other payables	29	51,740	60,726	410	1,304
Lease liabilities	28	31,254	38,302	626,365	653,723
Derivative liabilities	27	718	–	215	–
Non-current liabilities		3,065,042	2,632,829	698,158	673,982
Total liabilities		3,385,206	3,513,019	795,706	1,131,309
Net assets		5,881,696	5,974,049	2,471,916	2,516,292
Equity					
Share capital	30	470,546	470,546	470,546	470,546
Other reserves	31	(364,949)	(252,625)	(20,115)	(16,179)
Accumulated profits	32	3,534,739	3,470,549	2,021,485	2,061,925
Equity attributable to owners of the Company		3,640,336	3,688,470	2,471,916	2,516,292
Perpetual securities		33,282	33,282	–	–
Non-controlling interests	33	2,208,078	2,252,297	–	–
Total equity		5,881,696	5,974,049	2,471,916	2,516,292

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	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 2023	470,546	(252,625)	3,470,549	3,688,470	33,282	2,252,297	5,974,049
Total comprehensive income for the year							
Profit for the year	–	–	81,079	81,079	1,656	82,404	165,139
Other comprehensive income							
Foreign operations:							
- currency translation differences	–	(16,724)	–	(16,724)	–	(20,584)	(37,308)
Share of other comprehensive income of equity-accounted investees:							
- currency translation differences	–	(32,439)	–	(32,439)	–	–	(32,439)
- other reserves	–	186	–	186	–	(945)	(759)
Net change in fair value of investments at fair value through other comprehensive income, net of tax	–	(38,148)	–	(38,148)	–	(50)	(38,198)
Cash flow hedges:							
- effective portion of changes in fair value of cash flow hedges	–	4,485	–	4,485	–	4,750	9,235
- hedging reserve reclassified to profit or loss	–	(5,999)	–	(5,999)	–	(6,480)	(12,479)
Total other comprehensive income, net of tax	–	(88,639)	–	(88,639)	–	(23,309)	(111,948)
Total comprehensive income for the year	–	(88,639)	81,079	(7,560)	1,656	59,095	53,191

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Note	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
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Own shares acquired	30	–	(3,936)	–	(3,936)	–	–	(3,936)
Dividends paid	34	–	–	(21,181)	(21,181)	–	(97,775)	(118,956)
Distribution to perpetual securities holders		–	–	–	–	(1,656)	–	(1,656)
Total contributions by and distributions to owners		–	(3,936)	(21,181)	(25,117)	(1,656)	(97,775)	(124,548)
Changes in ownership interests in subsidiaries								
Disposal of interests in a subsidiary		–	–	–	–	–	42	42
Changes in ownership interests in subsidiaries without a change in control	41	–	–	5,581	5,581	–	(5,581)	–
Total changes in ownership interests in subsidiaries		–	–	5,581	5,581	–	(5,539)	42
Total transactions with owners		–	(3,936)	(15,600)	(19,536)	(1,656)	(103,314)	(124,506)
Share of reserves of an equity-accounted investee		–	(14,232)	(6,806)	(21,038)	–	–	(21,038)
Transfer from fair value reserve to accumulated profits	31	–	(5,517)	5,517	–	–	–	–
At 31 December 2023		470,546	(364,949)	3,534,739	3,640,336	33,282	2,208,078	5,881,696

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	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 2023

		Attributable to owners of the Company						
	Note	Share capital $'000	Other reserves $'000	Accumulated profits $'000	Total $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Own shares acquired	30	–	(32,469)	–	(32,469)	–	–	(32,469)
Cancellation of treasury shares	31	(164,306)	164,306	–	–	–	–	–
Dividends paid	34	–	–	(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	41	–	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	31	–	(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 CASH FLOWS

Year ended 31 December 2023

	2023 $'000	2022 $'000
Cash flows from operating activities		
Profit after tax	165,139	347,269
Adjustments for:		
Depreciation for property, plant and equipment	60,393	52,313
Write back of provision for site restoration	–	(910)
(Write back of impairment loss) / Impairment loss on development properties	(24)	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)
Adjustments on rental straight lining	(14,616)	(21,939)
Net change in fair value of investment properties	47,105	(32,964)
Net change in fair value of investments designated at fair value through profit or loss	(7,196)	(3,196)
Net loss arising from change in accounting treatment of an equity-accounted investee	–	224
Write back of impairment loss on property, plant and equipment	(51,787)	(76,639)
Impairment loss on trade and other receivables	1,075	180
Bad debts written off	613	160
(Gain) / Loss on disposal of a subsidiary	(62)	511
Loss / (Gain) on disposal of property, plant and equipment	171	(99)
Loss on disposal of investment properties	51	–
Finance expenses	160,284	126,305
Finance income	(11,958)	(32,718)
Share of results of equity-accounted investees, net of tax	(43,199)	(156,957)
Tax (credit) / expense	(12,411)	53,878
	293,578	218,892
Changes in:		
- trade and other receivables and other assets	(8,339)	23,070
- inventories	(834)	(767)
- development properties	8,802	883
- trade and other payables and provision	(2,523)	(5,333)
- deferred income	17,404	400
Cash generated from operations	308,088	237,145
Tax paid	(24,217)	(40,458)
Net cash from operating activities	283,871	196,687

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Cash flows from investing activities			
Acquisition of interests in equity-accounted investees		(71,024)	(67,373)
Acquisition of other investments		(37,514)	(4,542)
Additions to property, plant and equipment		(49,815)	(54,846)
Additions to investment properties		(5,345)	(36,852)
Dividends from:			
- equity-accounted investees, net of tax		15,018	75,213
- other investments		3,762	496
Interest received		9,068	6,471
Loans to equity-accounted investees		(24,000)	–
Proceeds from repayment of loans from equity-accounted investees		19,348	13,064
Proceeds from sale of other investments		61,056	93,480
Proceeds from sale of investment properties		1,523	–
Acquisition of subsidiaries, net of cash acquired		–	39,845
Proceeds from disposal of interests in subsidiaries, net of cash disposed		(31)	37,954
Proceeds from disposal of property, plant and equipment		74	104
Net cash (used in) / from investing activities		(77,880)	103,014
Cash flows from financing activities			
Dividends paid		(118,956)	(115,169)
Finance expense paid	24	(127,847)	(120,322)
Proceeds from borrowings	24	715,000	1,754,816
Repayment of borrowings	24	(804,344)	(1,939,030)
Principal repayment of leases	24	(6,689)	(6,771)
Redemption of perpetual securities		–	(19,122)
Distribution to perpetual securities holders		(1,656)	(1,482)
Repurchase of own shares	30	(3,936)	(32,469)
Changes in pledged deposits		(1,890)	29,503
Net cash used in financing activities		(350,318)	(450,046)
Net decrease in cash and cash equivalents		(144,327)	(150,345)
Cash and cash equivalents at 1 January		326,392	487,901
Effect of exchange rate fluctuations on cash held		(2,807)	(11,164)
Cash and cash equivalents at 31 December	12	179,258	326,392

Significant non-cash transactions

In 2022, the Group redeemed exchangeable bonds of IDR138,800,000,000 (approximately $13,186,000) via the acquisition of a land parcel from the issuer of the exchangeable bonds for a consideration of IDR157,214,000,000 (approximately $14,936,000), with IDR18,414,000,000 (approximately $1,750,000) settled in cash.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 2 April 2024.

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 42 to the financial statements.

The consolidated financial statements as at and for the year ended 31 December 2023 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"). The changes to material accounting policies are described in note 2.5.

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 about the future, including climate-related risks and opportunities, 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 and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 20 Classification of investment properties under development
- Note 42 Assessment of ability to control over partly owned investment

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 17 Impairment testing of intangible assets: key assumptions underlying recoverable amounts
- Note 18 Determination of recoverable amount of interests in equity-accounted investees
- Note 20 Determination of fair value of investment properties
- Note 21 Determination of recoverable amount of property, plant and equipment
- Note 35 Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 20 Investment properties
- Note 37 Financial instruments

2.5. Changes in material accounting policies

New accounting standards and amendments

The Group has applied the following SFRS(I)s and amendments to SFRS(I)s for the first time for the annual period beginning on 1 January 2023:

- SFRS(I) 17: Insurance Contracts
- Amendments to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards does not have a material effect on the financial statements.

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities.

For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to accumulated profits or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statements of financial position because the balances qualify for offset under paragraph 74 of SFRS(I) 1-12. There was also no impact on the opening accumulated profits as at 1 January 2022 as a result of the change. The key impact for the Group relates to the disclosure of the deferred tax assets and labilities recognised (see Note 22).

Global minimum top-up tax

The Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules* provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ('OECD') and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. Based on the Group's preliminary assessment, the Group is not in scope of OECD Pillar Two model rules, therefore do not anticipate any material impact on the taxes.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2 BASIS OF PREPARATION (CONT'D)

2.5. Changes in material accounting policies (cont'd)

New accounting standards and amendments (cont'd)

Material accounting policy information

The Company adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

3. MATERIAL 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 material 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 consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note 3.9). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (see note 3.8).

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (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.

Non-controlling interest ("NCI") are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

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 2023

3 MATERIAL 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

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.

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 2023

3 MATERIAL 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.

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.

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

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

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	20

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

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) 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.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

3.5 Investment properties

Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

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 accumulated profits.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL 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 under 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 statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL 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.

(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.

3.8 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments(cont'd)

(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.

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 under 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

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

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL.

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.

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.

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

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. The Group had no financial assets held outside trading business models that failed the SPPI assessment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 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

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

Other financial liabilities (i.e. borrowings and trade and other payables) are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost under 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.

Transfers assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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 changed as a result of interest rate benchmark reform, the Group updated 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 was recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:
- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

Interest rate benchmark reform (cont'd)

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated 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 applied the policies on accounting for modifications to the additional changes.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements 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 consolidated statement of cash flows.

(vi) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk and currency 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.

Hedges directly affected by interest rate benchmark reform

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 changed 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 amended 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.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

For this purpose, the hedge designation was 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 amended the description of the hedging instrument only if the following conditions were 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 amended 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 were made in addition to those changes required by interest rate benchmark reform described above, then the Group first considered whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes did not result in discontinuation of the hedge accounting relationship, then the Group amended 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 was 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 deemed 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

(vii) 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.

(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.

3.9 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023
3 MATERIAL ACCOUNTING POLICIES (CONT'D)
3.9 Impairment (cont'd)
(i) Non-derivative financial assets (cont'd)

Presentation of allowance for ECLs in the statements of financial position

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

For debt investments at FVOCI, loss allowances are recognised in OCI.

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 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.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.9 Impairment (cont'd)

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

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.

3.10 Employee benefits

(i) Defined contribution plans

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.

3.11 Provisions

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.12 Revenue recognition

(i) Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and / or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the 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 over the period in which the accommodation and related services are provided to the customer. Revenue from the sale of food and beverage is recognised at the point when the goods are delivered.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.12 Revenue recognition (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.12 Revenue recognition (cont'd)

(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.

3.13 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.

3.14 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;
- net gain or loss on derivatives; 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 under 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.15 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.

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.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

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.

3.16 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.

3.17 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.

3.18 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.18 Segment reporting(cont'd)

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.

3.19 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 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 Company's statement of financial position.

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-Current*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

4 REVENUE

	Group	
	2023 $'000	2022 $'000
Investment properties and fund management income	204,719	189,383
Hospitality income	205,393	142,623
Development properties income	9,791	2,704
Healthcare income	162,063	122,359
Others	41,133	34,051
	623,099	491,120

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

Timing of revenue recognition for products and services transferred*:

	2023		2022	
	At a point in time $'000	Over time $'000	At a point in time $'000	Over time $'000
Investment properties and fund management income	–	7,239	–	7,009
Hospitality income	43,239	160,916	35,216	106,273
Development properties income	9,791	–	2,704	–
Healthcare income	53,490	4	22,797	1,497
Others	41,133	–	34,051	–
	147,653	168,159	94,768	114,779

* Excluding rental income

Included in the Group's rental income is variable rent recognised of $4,033,000 (2022: $2,590,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5 EXPENSES BY NATURE

	Note	Group 2023 $'000	Group 2022 $'000
Audit fees paid / payable to:			
- auditors of the Company and other firms affiliated with KPMG International Limited		2,092	2,209
- other auditors		357	401
Non-audit fees paid / payable to:			
- auditors of the Company and other firms affiliated with KPMG International Limited*		354	296
- other auditors		141	169
Advertising and promotion expense		7,056	4,061
Bad debts written off		613	160
Impairment loss on trade and other receivables	37	1,075	180
Depreciation of property, plant and equipment	21	60,393	52,313
Development costs included in cost of sales		8,892	2,141
Employee benefits	6	107,816	89,794
Loss / (Gain) on disposal of property, plant and equipment		171	(99)
Hospitality supplies and services		45,901	33,734
Healthcare supplies and services		29,512	12,671
Operating lease expense		3,763	2,935
Professional and legal services		6,432	10,316
Property tax		19,373	20,544
Repair and maintenance expense		29,576	22,952
Utility charges		15,047	11,868
Others		38,333	36,198
Total cost of sales, marketing, administrative and other operating expenses		376,897	302,843

* Non-audit fees paid to auditors of the Company and other firm affiliated with KPMG International Limited include audit-related services of $36,000 (2022: $36,000).

6 EMPLOYEE BENEFITS

	Group 2023 $'000	Group 2022 $'000
Salaries, bonuses and other costs	98,228	82,260
Contributions to defined contribution plans	9,588	7,534
	107,816	89,794

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

7 FINANCE EXPENSES

	Note	Group 2023 $'000	Group 2022 $'000
Interest expense	(i)	120,592	97,154
Amortisation of transaction costs		11,216	22,213
Borrowing costs		131,808	119,367
Net foreign exchange loss		4,515	4,834
Unwinding of discount of non-current rental deposits		166	166
Finance expenses on lease liabilities		1,692	1,346
Net change in fair value of financial derivatives		22,103	592
		160,284	126,305

The above finance expenses include interest expense in respect of financial liabilities not measured at fair value through profit or loss of $149,938,000 (2022: $117,237,000).

(i) Included gain on cash flow hedge of $12,479,000 (2022: loss on cash flow hedge of $2,025,000) transferred from hedging reserve.

8 FINANCE INCOME

	Group 2023 $'000	Group 2022 $'000
Interest income:		
- bank deposits	4,241	3,676
- investments in debt securities	178	912
- loan to a related company	–	571
- loan to a third party	1,737	1,050
	6,156	6,209
Ineffective portion of changes in fair value of cash flow hedges	2,040	2,177
Net change in fair value of financial derivatives	–	1,778
Hedging reserve transferred from equity due to discontinuation of hedge accounting	–	22,058
Dividend income	3,762	496
	11,958	32,718

The above finance income includes interest income in respect of assets not at fair value through profit or loss of $6,156,000 (2022: $6,209,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

9 OTHER GAINS – NET

	Note	Group 2023 $'000	Group 2022 $'000
Net change in fair value of investments designated at FVTPL		7,196	3,196
Write back of impairment loss / (Impairment loss) on development properties	15	24	(2,282)
Impairment loss on interests in an equity-accounted investee	18	–	(5,000)
Negative goodwill arising from the acquisition of additional interests in an equity-accounted investee	18	–	43,808
Net change in fair value of investment properties	20, (i)	(47,105)	32,964
Write back of impairment loss on property, plant and equipment	21	51,787	76,639
Write back of provision for site restoration	25	–	910
Net loss arising from the acquisition of a subsidiary previously held as an equity-accounted investee	40	–	(224)
Others		(249)	(511)
		11,653	149,500

(i) Net change in fair value of investment properties of the Group included an amount of $2,946,000 (note 20 and 25) derived from reversal of unutilised income support related to the sale of OUE Bayfront in 2021.

10 TAX (CREDIT) / EXPENSE

	Group 2023 $'000	Group 2022 $'000
Tax recognised in profit or loss		
Current tax expense / (credit)		
Current year	28,203	24,660
(Over) / Under provision in respect of prior years	(29,548)	24,277
	(1,345)	48,937
Withholding tax	6,154	5,778
Deferred tax (credit) / expense		
Origination and reversal of temporary differences	(7,684)	505
Over provision in respect of prior years	(9,536)	(1,342)
	(17,220)	(837)
	(12,411)	53,878

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

10 TAX (CREDIT) / EXPENSE (CONT'D)

	Group 2023 $'000	Group 2022 $'000
Reconciliation of effective tax rate		
Profit before tax	152,728	401,147
Less:		
Share of results of equity-accounted investees, net of tax	(43,199)	(156,957)
	109,529	244,190
Tax using the Singapore tax rate of 17% (2022: 17%)	18,620	41,512
Effect of tax rates in foreign jurisdictions	(11,752)	1,072
Non-deductible expenses	27,795	18,352
Income not subject to tax	(23,892)	(47,980)
Effect of taxable distribution from subsidiaries	7,959	6,958
Singapore statutory stepped income exemption	(184)	(189)
Utilisation of prior year tax losses	(1)	–
Current tax losses for which no deferred tax assets are recognised	–	1,942
Change in unrecognised deductible temporary differences	375	(3)
Effect of tax losses not available for carry forward	1,599	3,501
(Over) / under provision in respect of prior years	(39,084)	22,935
Withholding tax	6,154	5,778
Tax (credit) / expense	(12,411)	53,878

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 2023 $'000	Group 2022 $'000
Profit attributable to owners of the Company	81,079	189,857

Weighted average number of ordinary shares

	Group 2023 '000	Group 2022 '000
Issued ordinary shares at 1 January	847,257	872,031
Effect of own shares held	(455)	(8,302)
Weighted average number of ordinary shares during the year	846,802	863,729
Basic earnings per share (cents per share)	9.57	21.98

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

12 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at bank and on hand	131,800	210,688	23,353	37,083
Time deposits with financial institutions	50,802	117,158	14,158	84,531
Cash and cash equivalents in the statements of financial position	182,602	327,846	37,511	121,614
Deposits pledged	(3,344)	(1,454)		
Cash and cash equivalents in the consolidated statement of cash flows	179,258	326,392		

Deposits pledged mainly relate to bank balances of a subsidiary pledged as security to obtain credit facilities (note 24).

Bank balances of $16,216,000 (2022: $20,475,000) are included as part of the floating charge for borrowings of the Group (note 24). This amount is included as part of cash and cash equivalents as the utilisation of these bank balances is not restricted.

13 TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Trade receivables:					
- Joint venture		2,667	1,560	–	–
- Subsidiaries		–	–	39,951	49,114
- Third parties		34,121	31,877	4,583	4,780
Trade receivables		36,788	33,437	44,534	53,894
Less: Impairment loss					
- Subsidiaries		–	–	(1,717)	–
- Third parties		(301)	(753)	–	–
Trade receivables - net		36,487	32,684	42,817	53,894
Promissory notes	(i)	31,194	31,565	–	–
Non-trade receivables from subsidiaries	(ii)	–	–	1,369,795	1,158,359
Non-trade receivables		31,194	31,565	1,369,795	1,158,359
Less: Impairment loss					
- Non-trade receivables from subsidiaries		–	–	(237,886)	(233,808)
Non-trade receivables - net		31,194	31,565	1,131,909	924,551
		67,681	64,249	1,174,726	978,445

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

13 TRADE AND OTHER RECEIVABLES(CONT'D)

The exposure of the Group and Company to credit risk, market risk and impairment loss for trade and other receivables, are disclosed in note 37.

(i) Promissory notes

The promissory notes of IDR361,004,000,000 (approximately $31,194,000) (2022: IDR361,004,000,000 (approximately $31,565,000)) is expected to be utilised by way of acquisition of lands or properties.

(ii) Non-trade receivables from subsidiaries

The non-trade receivables due from subsidiaries are unsecured, interest-free and repayable on demand.

The Company has non-trade receivables from its subsidiaries of $1,369,795,000 (2022: $1,158,359,000). 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 lifetime ECLs. The impairment loss amounted to $237,886,000 (2022: $233,808,000) as at 31 December 2023.

14 OTHER INVESTMENTS

	Note	Group	
		2023	2022
		$'000	$'000
Current			
Financial assets designated at amortised cost:			
- Debt investments	(i)	–	2,495
Financial assets designated at FVOCI:			
- Interests in limited partnerships		678	2,138
Financial assets designated at FVTPL:			
- Equity investments - quoted		3,255	3,122
- Mutual funds		–	44,909
		3,933	52,664
Non-current			
Financial assets designated at amortised cost:			
- Debt investments	(i)	2,240	–
Financial assets designated at FVOCI:	(ii)		
- Equity investments:			
- Quoted		49,524	40,342
- Unquoted		13,540	13,835
- Interests in limited partnerships		48,669	64,855
		113,973	119,032

(i) The debt investments at amortised cost are denominated in Singapore Dollar (2022: Singapore Dollar) and will mature in 2026 (2022: 2023). The debt investments denominated in Singapore Dollar bear interests ranging from 6.62% to 7.40% (2022: 2.25% to 6.96%) 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 37.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

15 DEVELOPMENT PROPERTIES

	Group 2023 $'000	Group 2022 $'000
Completed development property		
Completed property	17,896	27,709
Less: Impairment loss	(1,710)	(2,468)
	16,186	25,241
Land held for development		
Land cost		
Less: Impairment loss	14,893	14,860
	(2,038)	(2,134)
	12,855	12,726
	29,041	37,967

The movement in allowance for impairment in respect of the development properties is as follows:

	Note	Group 2023 $'000	Group 2022 $'000
At 1 January		4,602	2,908
(Write back of impairment loss) / Impairment loss	9	(24)	2,282
Utilised		(807)	(440)
Effects of movements in exchange rates		(23)	(148)
At 31 December		3,748	4,602

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 to be incurred. Market conditions may however change which may affect the future selling prices of the remaining unsold units of the development properties and accordingly, the carrying amount of development properties may be impaired in future periods.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

16 OTHER ASSETS

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Sundry receivables	21,972	20,052	1,481	41,518
Less: Impairment loss	(2,482)	(1,152)	–	–
	19,490	18,900	1,481	41,518
Rental deposits from joint venture	837	839	833	835
Loan to a related company	10,500	10,500	–	–
Loan to a third party	21,000	21,000	–	–
Other deposits	53,092	48,192	101	76
	104,919	99,431	2,415	42,429
Prepayments	5,532	7,397	16,270	5,640
	110,451	106,828	18,685	48,069
Current	104,364	101,235	17,754	47,162
Non-current	6,087	5,593	931	907
	110,451	106,828	18,685	48,069

The loan to a related company is unsecured, bears interest rate at 5.44% (2022: 5.44%) per annum with date of repayment at December 2024 (2022: June 2023).

The loan to a third party (the "Borrower") is secured by a property owned by the Borrower (the "Property"), bears interest rate at 8% (2022: 8%) per annum and matures at the earlier of November 2024 (2022: May 2023) 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 37.

17 INTANGIBLE ASSETS AND GOODWILL

	Note	Goodwill $'000	Medical distribution licences $'000	Management rights acquired $'000	Total $'000
Group					
Cost					
At 1 January 2023		51,747	608	36,808	89,163
Effect of movements in exchange rates		(63)	(86)	–	(149)
At 31 December 2023		51,684	522	36,808	89,014
Accumulated amortisation and impairment losses					
At 1 January 2023		20,963	608	9,198	30,769
Effect of movements in exchange rates		–	(86)	–	(86)
At 31 December 2023		20,963	522	9,198	30,683
Cost					
At 1 January 2022		24,029	675	36,808	61,512
Addition	40(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
Carrying amounts					
At 31 December 2022		30,784	–	27,610	58,394
At 31 December 2023		30,721	–	27,610	58,331

Impairment test for goodwill

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

	Group 2023 $'000	Group 2022 $'000
Echo Healthcare Management Pte. Ltd. ("ECHM") and its subsidiaries	27,754	27,754
CGU without significant goodwill	2,967	3,030
	30,721	30,784

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

17 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 $22,434,000 (2022: $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 represents management's assessment of future trends and has been based on historical data derived from both external and internal sources.

	2023 %	2022 %
Key assumptions used for value-in-use calculations:		
Revenue growth rate	1st year: 2.0 2nd to 5th year: 4.0	1st year: 30.0[1] 2nd to 5th year: 5.2
EBITDA margin[2]	24.0	24.0
Discount rate[3]	11.3	11.0
Terminal value growth rate[4]	1.8	2.2

1 Forecasted 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 4.7% (2022: 4.8%).
4 Terminal growth rate to determine terminal value from the 5th year's cash flow projection.

No sensitivity analysis is disclosed for the value-in-use calculations as the Group believes that any reasonable change in the key assumptions is unlikely to result in any material impairment to the CGU.

Impairment test for management rights acquired

The recoverable amount of the management rights acquired 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 represents management's assessment of future trends and has been based on historical data derived from both external and internal sources.

	2023 %	2022 %
Key assumptions used for value-in-use calculations:		
Discount rate	14.3	15.9
Budgeted earnings before interest and tax growth rate (average of next five years)	6.7	(3.1)

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 39.7% (2022: 36.9%) at a market interest rate ranging from 4.3% to 6.9% (2022: 5.3%). The cash flow projection included specific estimates for five years and a terminal growth rate thereafter.

In 2023 and 2022, no impairment loss was recognised.

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Year ended 31 December 2023

18 INTERESTS IN EQUITY-ACCOUNTED INVESTEES

	Group	
	2023 $'000	2022 $'000
Interests in associates	1,148,081	1,097,742
Interests in joint ventures	402,513	398,884
Less: Impairment loss	(9,135)	(9,135)
	1,541,459	1,487,491
Loans to associates and joint ventures	38,683	34,031
	1,580,142	1,521,522

Details of the significant equity-accounted investees are included in note 42.

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.

Associates

As at 31 December 2023, the Group has one (2022: 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	
- 2023	25.2%
- 2022	25.2%
Fair value of ownership interest	
- 2023	$198.7 million[1]
- 2022	$463.9 million[1]

[1] Based on quoted market price at 31 December (Level 1 in the fair value hierarchy).

60 YEARS of TRANSFORMATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

18 INTERESTS IN EQUITY-ACCOUNTED INVESTEES (CONT'D)

In 2022, included in the share of results of equity-accounted investees, net of tax in the consolidated statement of comprehensive income is the negative goodwill arising from the acquisition of additional equity interest in GPI of approximately $43,808,000, which is based on the fair value of the identifiable assets and liabilities of GPI.

The following table summarises the consideration paid and the proportionate share of 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)
Negative goodwill on investment in an equity-accounted investees	43,808

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 consolidated statement of comprehensive income

	GPI	
	2023 $'000	2022 $'000
Revenue	3,302,505	2,083,349
Profit after tax	151,224	486,484
Other comprehensive income	59,513	(94,941)
Total comprehensive income	210,737	391,543
Dividends received	5,569	52,115

Summarised consolidated statement of financial position

	GPI	
	2023 $'000	2022 $'000
Non-current assets	8,389,502	8,862,781
Current assets[1]	8,606,821	8,318,578
Non-current liabilities	(4,542,396)	(4,670,626)
Current liabilities	(7,507,075)	(7,297,301)
Net assets	4,946,852	5,213,432
Attributable to investee's shareholders	4,222,831	4,319,857
Attributable to NCI	724,021	893,575

[1] Includes cash and cash equivalents of $956,383,000 (2022: $1,322,250,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

18 INTERESTS IN EQUITY-ACCOUNTED INVESTEES (CONT'D)

Summarised consolidated statement of financial position (cont'd)

	2023 $'000	2022 $'000
Group's interest in net assets of investee at beginning of the year	1,089,658	1,062,018
Group's share of:		
- profit after tax	16,003	117,616
- OCI	(29,652)	(134,514)
- total comprehensive income	(13,649)	(16,898)
Group's contribution during the year	–	61,511
Changes in other reserves	(5,513)	(8,666)
Dividends received during the year	(5,569)	(52,115)
Goodwill	–	43,808
Carrying amount of interest in investee at end of the year	1,064,927	1,089,658

Immaterial associates

As at 31 December 2023, 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:

	2023 $'000	2022 $'000
Carrying amount of interests in immaterial associates	83,154	8,084
Group's share of:		
- Loss after tax	(1,906)	(1)
- Other comprehensive income	(98)	(1,518)
- Total comprehensive income	(2,004)	(1,519)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

18 INTERESTS IN EQUITY-ACCOUNTED INVESTEES (CONT'D)

HMC

On 26 October 2023, the Group had completed the share acquisition of 26.24% interest in Healthway Medical Corporation Limited ("HMC"), for the total consideration of $57,120,000.

The Group has engaged an external expert to perform a purchase price allocation ("PPA") exercise for the acquisition. The Group's share of net assets of HMC was based on the fair values of the identifiable assets and liabilities of HMC as at 26 October 2023.

The following table summarises the considerations transferred and the proportionate share of the fair value of net assets of HMC as at the date of acquisition:

	2023 $'000
Total consideration paid	57,120
Less: Proportionate share of provisional fair value of net assets	(17,720)
Provisional goodwill	39,400

Included in the carrying amount of interests in equity-accounted investees in the consolidated statement of financial position as at 31 December 2023 is provisional goodwill arising from acquisition of equity interest in HMC of $39,400,000.

Joint ventures

As at 31 December 2023, the Group has seven (2022: 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:

	2023 $'000	2022 $'000
Carrying amount of interests in immaterial joint ventures	393,378	389,749
Group's share of:		
- Profit after tax	29,102	39,342
- Other comprehensive income	(3,448)	(837)
- Total comprehensive income	25,654	38,505

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:

	2023 $'000	2022 $'000
Within one year	10,000	4,600
Between two to five years	–	10,000
	10,000	14,600

NOTES TO THE FINANCIAL STATEMENTS

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18 INTERESTS IN EQUITY-ACCOUNTED INVESTEES (CONT'D)

Impairment test for investments in equity-accounted investees

As at 31 December 2023, 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.

GPI

GPI's, a material associate of the Group, business in the People's Republic of China (the "PRC") was adversely impacted by the property market slow down and current economic environment in the PRC. GPI's share price was also affected as with other listed property counters in Hong Kong. In addition, several property developers in the PRC have defaulted on their debt obligations amidst liquidity pressures in the challenging environment. The aforementioned were identified as impairment indicators and impairment assessment was performed on the Group's investment in GPI.

Critical judgements made by the Group in the impairment assessment of its investment in GPI are as follows:

(i) The Group's investment in GPI is held for long-term strategic purposes. Significant underlying assets of GPI include investment properties measured at fair value and development properties measured at lower of cost and net realisable value. In addition, significant underlying liabilities of GPI include variable rate interest-bearing liabilities for which the carrying amounts approximate fair value. Accordingly, management is of the view that the Group's share of GPI's net assets is an appropriate estimate of its recoverable amount on this investment.

(ii) Given the challenges faced by property developers in the PRC, management assessed GPI's liquidity risk and consequential impact on the recoverable amount of this investment. As at 31 December 2023, GPI has net current assets of $1,100 million. It recorded profit after tax of $151 million (2022: $486 million) for the year ended 31 December 2023. Subsequent to the reporting date, GPI also successfully extended the repayment of approximately $33.5 million of bank loans. Taking into consideration the support from banks and various other measures undertaken by GPI to maintain adequate working capital, management is of the view that GPI will ride through the current property market slow-down in the PRC, and would be able to realise the carrying amounts of its underlying assets and liabilities in an orderly manner.

In view of the challenging environment faced by GPI, management will actively monitor the situation to assess the need for impairment charges for the Group's investment in GPI.

Other immaterial equity-accounted investee

In 2022, an impairment loss of $5,000,000 (note 9) was recognised on an immaterial joint venture as its estimated recoverable amount was lower than the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

19 INVESTMENTS IN SUBSIDIARIES, LOANS TO SUBSIDIARIES AND LOAN FROM A SUBSIDIARY

	Company	
	2023	**2022**
	$'000	**$'000**
Investments in subsidiaries		
Equity investment at cost	996,712	1,025,762
Less: Impairment loss	(58,288)	(58,268)
	938,424	967,494
Loans to subsidiaries		
Loans to subsidiaries	831,565	1,210,033
Less: Impairment loss	(308,693)	(284,255)
	522,872	925,778
Current	522,872	912,430
Non-current	–	13,348
	522,872	925,778

Details of the significant subsidiaries are included in note 42.

The current portion of loans to subsidiaries are unsecured and repayable on demand. These balances are interest-free except for an amount of $500,126,000 (2022: $839,370,000) for which interest is charged at interest rates ranging from 1.00% to 4.85% (2022: 1.00% to 3.75%) per annum.

The non-current portion of loans to subsidiaries of $13,348,000 as at 31 December 2022 was 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 deterioration in the financial performance of these subsidiaries. The recoverable amounts were estimated by taking into consideration the underlying assets held by these subsidiaries and the liabilities to be settled. Based on this assessment, additional impairment loss of $20,000 (2022: $Nil) on its investments in subsidiaries and $24,486,000 (2022: write back of impairment loss of $40,856,000) on the loans to its subsidiaries were recognised in the profit and loss of the Company as estimated recoverable amount is lower than the carrying amount.

The exposure of the Group and the Company to credit and market risks, and impairment loss for loans to subsidiaries, are disclosed in note 37.

	Company	
	2023	**2022**
	$'000	**$'000**
Loans from subsidiary	–	301,412

Loan from a subsidiary was unsecured, repayable on demand and bore interests of 4.00% per annum. Loan from a subsidiary was fully repaid during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

20 INVESTMENT PROPERTIES

	Note	Completed investment properties $'000	Investment properties under development $'000	Total $'000
Group				
At 1 January 2023		5,231,462	173,197	5,404,659
Additions		10,142	24	10,166
Disposal		(1,574)	–	(1,574)
Net change in fair value[(a)]		(49,542)	(509)	(50,051)
Effect of movements in exchange rates		(52,061)	(4,245)	(56,306)
Lease incentives		14,615	–	14,615
At 31 December 2023		5,153,042	168,467	5,321,509
At 1 January 2022		4,374,655	193,807	4,568,462
Acquisition of a subsidiary	40	955,235	–	955,235
Additions[(b)]		41,495	1	41,496
Disposal of a subsidiary	40	(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

(a) Excluded the fair value gain of $2,946,000 arising from reversal of unutilised income support related to the sale of OUE Bayfront in 2021, with total net change in fair value of investment properties recognised in profit or loss amounting to $47,105,000 (note 9).

(b) In 2022, 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 2023 $'000	2022 $'000
Rental income	307,287	281,573
Direct operating expenses (including repairs and maintenance expense) arising from investment properties that generate rental income	64,821	59,081

(ii) Security

As at 31 December 2023, investment properties with a total carrying amount of $2,006,360,000 (2022: $1,996,643,000) were pledged as security for banking facilities (note 24).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

20 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 2023 $'000	2022 $'000
Real Estate			
Lippo Plaza	31 December	449,040	509,785
Mandarin Gallery	31 December	453,500	453,900
One Raffles Place	31 December	1,909,000	1,909,000
OUE Downtown	31 December	1,137,000	1,146,000
OUE Twin Peaks (comprising 23 units held as investment properties)	31 December	62,080	63,060
Healthcare			
Elysion Gakuenmae	31 December	15,272	16,932
Elysion Mamigaoka & Elysion Mamigaoka Annex	31 December	20,884	24,480
Hikari Heights Varus Fujino	31 December	15,456	17,238
Hikari Heights Varus Ishiyama	31 December	7,195	8,639
Hikari Heights Varus Kotoni	31 December	60,996	67,728
Hikari Heights Varus Makomanai-Koen	31 December	44,344	48,858
Hikari Heights Varus Tsukisamu-Koen	31 December	6,311	6,753
Imperial Aryaduta Hotel & Country Club	31 December	28,567	27,550
Loyal Residence Ayase	31 December	10,580	11,628
Medical Rehabilitation Home Bon Séjour Komaki	31 December	14,720	15,606
Mochtar Riady Comprehensive Cancer Centre	31 December	128,576	124,445
Orchard Amanohashidate	31 December	8,206	9,180
Orchard Kaichi North	31 December	12,420	13,668
Orchard Kaichi West	31 December	4,333	4,325

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

20 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 2023 $'000	2022 $'000
Pacific Healthcare Nursing Home @ Bukit Merah	31 December	8,100	8,500
Pacific Healthcare Nursing Home II @ Bukit Panjang	31 December	8,600	8,900
Siloam Hospitals Bali	31 December	64,280	61,710
Siloam Hospitals Buton & Lippo Plaza Buton	31 December	23,542	22,480
Siloam Hospitals Kebon Jeruk	31 December	70,863	70,843
Siloam Hospitals Kupang & Lippo Plaza Kupang	31 December	49,742	48,528
Siloam Hospitals Labuan Bajo	31 December	9,966	9,952
Siloam Hospitals Lippo Cikarang	31 December	53,100	50,440
Siloam Hospitals Lippo Village	31 December	167,889	162,185
Siloam Hospitals Makassar	31 December	68,340	65,407
Siloam Hospitals Manado & Hotel Aryaduta Manado	31 December	78,237	77,703
Siloam Hospitals Purwakarta	31 December	22,210	21,550
Siloam Hospitals TB Simatupang	31 December	42,720	41,119
Siloam Hospitals Yogyakarta	31 December	19,562	18,863
Siloam Sriwijaya	31 December	21,561	22,805
The Lentor Residence	31 December	15,000	15,100
Varus Cuore Sapporo-Kita / Varus Cuore Sapporo-Kita Annex	31 December	27,508	30,702
Varus Cuore Yamanote	31 December	10,488	11,526

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

20 INVESTMENT PROPERTIES (CONT'D)

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 2023, the valuation reports obtained from certain external valuers have included market uncertainty clauses, highlighting that real estate markets may be impacted by the ongoing geo-political headwinds and macro-economic uncertainty. 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.

The investment properties are mainly leased to third parties. The majority of the leases contain an initial non-cancellable period of 1 to 15 (2022: 1 to 15) years. Subsequent renewals are negotiated with the lessees.

(iv) The Group's investment properties under development as at 31 December 2023 are:

Description	Unexpired term of leasehold land
Land – South Jakarta, Indonesia	15 years
Land – Wuxi, the PRC ("Wuxi land")	32 years
Land – Kuala Lumpur, Malaysia	84 years

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

20 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	6.5% – 8.75% (2022: 6.8% – 8.75%)	7.5% (2022: 7.0%)	9.0% – 13.8% (2022: 9.8% to 13.5%)	4.0% – 4.7% (2022: 4.0% – 5.0%)	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	3.8% – 5.8% (2022: 3.5% – 5.8%)	4.8% (2022: 4.3%)	8.5% – 10.6% (2022: 8.6% to 10.4)%	4.3% – 5.0% (2022: 4.3% – 5.3%)	
Capitalisation method: The capitalisation method capitalises an income stream into a present value using single-year capitalisation rates	Capitalisation rate	3.5% – 5.0% (2022: 3.4% – 7.0%)	4.5% (2022: 4.0%)	Not applicable	Not applicable	
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 – $3,591 (2022: $1,755 – $3,594	Not applicable	$49 (2022: $47)	Not applicable	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

20 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% (2022: 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% (2022: 13.0%)	
	Plot ratio	Not applicable	Not applicable	2.0 (2022: 2.0)	
	Construction costs per square metre	Not applicable	Not applicable	$1,472 (2022: $1,501)	
	Net operating profit margin	Not applicable	Not applicable	23.0% to 28.0% (2022: 20.0% to 32.0%)	
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	$15,416 (2022: $15,595)	$7,755 (2022: $8,251)	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	$14,543 (2022: $14,877)	Not applicable	Not applicable	
	Developer's profit	10.0% (2022: 13.0%)	Not applicable	Not applicable	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

20 INVESTMENT PROPERTIES (CONT'D)

(vi) Level 3 fair values (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

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 2023 and 31 December 2022 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.

(b) The PRC

Critical assumptions made by the OUE Healthcare Limited ("OUEH") and its subsidiaries ("OUEH Group") (formerly known as OUE Lippo Healthcare Limited) management included the following:

(i) *Development plan*

The valuation of the Wuxi land is dependent on OUEH management's proposed development plan, which took into consideration the current market conditions and demand for healthcare services. As at 31 December 2023 and 2022, OUEH 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 Wuxi land for 2023 and 2022, OUEH's management has relied on construction cost furnished by Savills Real Estate Valuation (Guangzhou) Ltd ("Savills Guangzhou"), an independent global property consultant.

	2023		2022	
	RMB	$	RMB	$
Wuxi land				
Estimated construction cost per square metre	7,900	1,472	7,800	1,501

Any changes to the proposed development plan will result in a change in construction costs, and consequently, a change in the valuation of Wuxi land.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

21 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 2023	1,726,779	165,815	944	26,269	13,688	3,978	35,941	85,295	2,058,709
Additions	–	32,556	–	2,427	1,323	122	3,031	2,323	41,782
Disposals / Written off	–	(384)	–	(180)	(289)	(460)	–	(2,378)	(3,691)
Disposal of a subsidiary	–	–	–	(110)	(42)	–	–	(148)	(300)
Reclassification	–	1,217	–	1,768	189	–	(3,174)	–	–
Exchange differences	(85)	(1)	–	(146)	(58)	(13)	(1,491)	(231)	(2,025)
At 31 December 2023	1,726,694	199,203	944	30,028	14,811	3,627	34,307	84,861	2,094,475
Accumulated depreciation / impairment losses									
At 1 January 2023	191,542	9,507	326	15,152	8,112	3,678	32,662	36,978	297,957
Depreciation (note 5)	39,742	8,606	19	2,457	1,391	212	–	7,966	60,393
(Write back of) / Provision for impairment loss (note 9)	(51,928)	–	–	–	–	–	–	141	(51,787)
Disposals / Written off	–	(165)	–	(151)	(287)	(460)	–	–	(1,063)
Disposal of a subsidiary	–	–	–	(36)	(12)	–	–	(110)	(158)
Exchange differences	(61)	–	–	(142)	(44)	(13)	(1,491)	(44)	(1,795)
At 31 December 2023	179,295	17,948	345	17,280	9,160	3,417	31,171	44,931	303,547
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
(Write back 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
Carrying amounts									
At 1 January 2022	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
At 31 December 2023	1,547,399	181,255	599	12,748	5,651	210	3,136	39,930	1,790,928

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

21 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold premises $'000	Plant, machinery and office equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Right-of-use assets $'000	Total $'000
Company						
Cost						
At 1 January 2023	944	9,793	5,818	3,786	722,742	743,083
Additions	–	1,043	22	122	–	1,187
Disposals	–	(67)	–	(460)	–	(527)
At 31 December 2023	944	10,769	5,840	3,448	722,742	743,743
Accumulated depreciation						
At 1 January 2023	326	8,313	4,856	3,526	123,517	140,538
Depreciation	19	359	150	190	31,747	32,465
Disposals	–	(66)	–	(460)	–	(526)
At 31 December 2023	345	8,606	5,006	3,256	155,264	172,477
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
Carrying amounts						
At 1 January 2022	637	2,541	1,467	494	621,684	626,823
At 31 December 2022	618	1,480	962	260	599,225	602,545
At 31 December 2023	599	2,163	834	192	567,478	571,266

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

21 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				
2023				
At 1 January	29,241	7,728	11,348	48,317
Additions	–	–	2,323	2,323
Derecognition of right-of-use assets	(2,378)	–	–	(2,378)
Disposal of a subsidiary	–	(38)	–	(38)
Depreciation	(458)	(3,037)	(4,471)	(7,966)
Impairment loss	(141)	–	–	(141)
Exchange differences	(160)	–	(27)	(187)
At 31 December	26,104	4,653	9,173	39,930
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

	Hotel property[(2)] $'000	Office space[(4)] $'000	Total $'000
Company			
2023			
At 1 January	590,078	9,147	599,225
Depreciation	(28,698)	(3,049)	(31,747)
At 31 December	561,380	6,098	567,478
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

(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 15 years, with an option to renew after the lease expiry date.
(3) Retail space lease runs for 2 to 5 years (2022: 2 to 5 years).
(4) Office space leases typically run for a period of 1 to 5 years (2022: 1 to 5 years).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

21 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(ii) As of 31 December 2023, the open market value of the hotel properties of the Group (including plant, equipment, furniture and fittings) was $1,865,000,000 and net book value was $1,672,294,000. The surplus on valuation of these hotel properties amounting to $192,706,000 has not been incorporated in the financial statements.

(iii) Security

As at 31 December 2023 and 31 December 2022, no property, plant and equipment were mortgaged to financial institutions to secure credit facilities.

(iv) 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.

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.

(a) *Leasehold land and building, and right-of-use asset*

As at 31 December 2023, the Group's major leasehold land and buildings, and right-of-use asset are:

			Open Market Value	
	Description and Location	**Tenure of Land**	**2023 $'000**	**2022 $'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	1,346,000	1,250,000
CPCA	a 575-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	519,000	460,200

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

21 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(iv) 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: Not applicable (2022: $0.8 million – $1.2 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: 7.0% - 7.25% (2022: 6.8%) Terminal yield rate: 5.0% - 6.0% (2022: 5.0% - 5.8%)	

During the year, arising from the continued recovery of the hospitality sector, a reversal of impairment loss of $51,928,000 (2022: $78,406,000) was recognised for Hilton Singapore Orchard, CPCA and the land-use rights to their carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised (2022: the recoverable amount).

22 DEFERRED TAXES

Recognised tax assets and liabilities

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.

Deferred tax assets and liabilities attributable to the followings:

	Assets		Liabilities	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Group				
Property, plant and equipment	–	–	13,126	12,044
Investment properties	–	–	72,270	94,096
Subsidiaries	–	–	30,993	32,881
Right-of-use assets	–	–	6,190	7,557
Lease liabilities	(6,190)	(7,557)	–	–
Others	(1,971)	(2,047)	5,929	5,988
Deferred tax (assets) / liabilities	(8,161)	(9,604)	128,508	152,566
Set off of tax	6,190	7,557	(6,190)	(7,557)
Net deferred tax (assets) / liabilities	(1,971)	(2,047)	122,318	145,009
Company				
Property, plant and equipment	(2,039)	(2,039)	–	–
Distribution from a subsidiary	(1,866)	(1,216)	–	–
Right-of-use assets	–	–	96,471	101,868
Lease liabilities	(96,471)	(101,868)	–	–
Deferred tax (assets) / liabilities	(100,376)	(105,123)	96,471	101,868
Set off of tax	96,471	101,868	(96,471)	(101,868)
Net deferred tax (assets) / liabilities	(3,905)	(3,255)	–	–

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

22 DEFERRED TAXES (CONT'D)

Recognised tax assets and liabilities (cont'd)

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	Right-of-use assets	Lease liabilities $'000	Others $'000	Total $'000
Group							
Deferred tax liabilities / (assets)							
At 1 January 2023	12,044	94,096	32,881	7,557	(7,557)	3,941	142,962
Recognised in:							
- Profit or loss	1,469	(20,211)	1,505	(1,367)	1,367	17	(17,220)
Effects of movements in exchange rates	(387)	(1,615)	(3,393)	–	–	–	(5,395)
At 31 December 2023	13,126	72,270	30,993	6,190	(6,190)	3,958	120,347
At 1 January 2022	12,234	84,760	33,021	6,958	(6,958)	12,587	142,602
Recognised in:							
- Profit or loss	1,080	(4,117)	5,346	599	(599)	(3,148)	(839)
- 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	7,557	(7,557)	3,941	142,962

Tax credited to other comprehensive income is recognised in the fair value reserve for equity investments at FVOCI.

	Property, plant and equipment $'000	Distribution from a subsidiary $'000	Right-of-use assets $'000	Lease liabilities $'000	Total $'000
Company					
Deferred tax (assets) / liabilities					
At 1 January 2023	(2,039)	(1,216)	101,868	(101,868)	(3,255)
Recognised in profit or loss	–	(650)	(5,397)	5,397	(650)
At 31 December 2023	(2,039)	(1,866)	96,471	(96,471)	(3,905)
At 1 January 2022	(1,214)	(1,191)	105,686	(105,686)	(2,405)
Recognised in profit or loss	(825)	(25)	(3,818)	3,818	(850)
At 31 December 2022	(2,039)	(1,216)	101,868	(101,868)	(3,255)

22 DEFERRED TAXES (CONT'D)

Unrecognised deferred tax assets and liabilities

Group

Unrecognised deferred tax assets

As at 31 December 2023, deferred tax assets have not been recognised in respect of tax losses and other deductible temporary differences of $110,225,000 (2022: $110,229,000) and $10,631,000 (2022: $8,424,000), 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 2023, deferred tax liabilities of $19,710,000 (2022: $17,190,000) for temporary differences of $115,940,000 (2022: $101,116,000) 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.

As at 31 December 2023, deferred tax liabilities of $5,445,000 (2022: $5,894,000) for temporary differences of $21,779,000 (2022: $23,577,000) 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.

Company

Unrecognised deferred tax assets

As at 31 December 2023, deferred tax assets have not been recognised in respect of tax losses and other deductible temporary differences of $20,534,000 (2022: $36,235,000) and $86,244,000 (2022: $80,971,000) respectively because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

Unrecognised deferred tax liabilities

As at 31 December 2023, deferred tax liabilities of $1,483,000 (2022: $1,300,000) for temporary differences of $8,721,000 (2022: $7,649,000) related to the Company's investment in a subsidiary were not recognised by the Company because the Company controls whether the liability will be incurred and it is probable that such temporary differences will not be reversed in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

23 TRADE AND OTHER PAYABLES

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Trade payables:				
- Subsidiaries	–	–	6,385	7,327
- Joint venture	2	41	2	41
- Third parties	27,591	32,242	2,845	19,304
	27,593	32,283	9,232	26,672
Non-trade payables:				
- Subsidiaries	–	–	23,660	58,252
- Joint venture	454	498	–	–
- Third parties	32,090	20,446	2,723	1,815
Interest payable	9,721	10,764	285	86
Accruals	102,615	95,522	18,687	32,717
Retention sums payable	3,294	5,035	2,246	4,722
Rental deposits	12,982	14,591	16	16
	188,749	179,139	56,849	124,280

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 37.

24. BORROWINGS

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Current					
Loans from third parties		–	189	–	–
Secured bank loans		426	19,491	–	–
Secured Tokutei Mokutei Kaisha ("TMK") bonds	(i)	920	1,453	–	–
Unsecured notes	(ii)	–	199,892	–	–
Unsecured bank loans		30,000	357,618	–	–
		31,346	578,643	–	–
Non-current					
Secured bank loans		782,701	663,249	71,168	18,955
Secured TMK bonds and term loan	(i)	106,929	106,672	–	–
Unsecured notes	(ii)	595,459	593,618	–	–
Guaranteed bonds	(iii)	96,778	95,571	–	–
Unsecured bank loans		1,260,323	929,373	–	–
		2,842,190	2,388,483	71,168	18,955
Total		**2,873,536**	**2,967,126**	**71,168**	**18,955**

The exposure of the Group and the Company to market and liquidity risks are disclosed in note 37.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

24 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, which are generally issued to qualified institutional investors. The TMK grants to holders of TMK bonds the right to receive all payments due in relation to such TMK bonds out of the assets of the TMK prior to any payments to other unsecured creditors. This statutory right is generally referred to as a general security interest. Unless otherwise provided in the Asset Liquidation Plan, such general security is automatically created by operation of law.

The TMK Bonds pertain to bond issued by a subsidiary of the Group, due in May 2025 was fully repaid in June 2023 by issuance of a new secured TMK bonds and a secured term loan. The new facilities will be due in June 2030.

(ii) *Unsecured notes*

The unsecured notes of the Group comprise the following:
- $198,597,000 (2022: $397,966,000) comprising 1 series (2022: 2 series) of notes issued by a wholly-owned subsidiary of the Group at a fixed interest rate as part of an unsecured $3 billion Multicurrency Debt Issuance programme. The unsecured notes are redeemable at the principal amounts on maturity date in 2026 (2022: in 2023 and 2026). The Company has provided a guarantee in respect of the notes issued.
- $396,862,000 (2022: $395,544,000) comprising 3 series (2022: 3 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 Real Estate Investment Trust ("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 20) and cash and cash equivalents (note 12); and
(ii) a corporate guarantee from First REIT

The secured borrowings and guaranteed bonds of the Group are generally secured on the following:
- bank deposits of $3,344,000 (2022: $1,454,000) (note 12);
- floating charge over bank deposits of $16,216,000 (2022: $20,475,000) (note 12);
- investment properties with carrying amount of $2,006,360,000 (2022: $1,996,643,000) (note 20); and
- assignment of all rights, titles, benefits and interests in connection with the sale, lease and insurance proceeds of certain investment properties.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

24 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 OUEH. The periods in which the financial guarantees will expire are as follows:

	2023 $'000	2022 $'000
Within one year	37,951	240,353
Between two to five years	212,044	219,044
	249,995	459,397

At the reporting date, the Company has not recognised an ECL provision as the ECL amount was lower than that amortised liability for intra-group financial guarantee contracts. The Company does not consider it probable that a claim will be made against the Company under the guarantee. As at 31 December 2023, management has assessed that the fair value of intra-group financial guarantees is insignificant at initial recognition.

Terms and debts repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate	Year of maturity	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Unsecured bank loans						
- SGD	5.09% – 5.46% (2022: 3.64% – 4.88%)	2023 – 2028 (2022: 2023 – 2027)	1,290,323	1,286,991	–	–
Secured bank loans						
- MYR	Not applicable (2022: 5.60%)	Not applicable (2022: 2023)	–	4,047	–	–
- SGD	4.14% – 6.02% (2022: 4.14% – 6.00%)	2025 – 2027 (2022: 2023 – 2027)	767,630	661,620	71,168	18,955
- RMB	4.36% (2022: 4.80%)	2024 (2022:2023)	426	444	–	–
- JPY	1.00% – 1.31% (2022: 1.00%)	2026 (2022:2026)	15,071	16,629	–	–
Unsecured notes						
- SGD	3.50% – 4.00% (2022: 3.50% – 4.20%)	2025 – 2027 (2022: 2023 – 2027)	595,459	793,510	–	–
Secured TMK bonds and term loans						
- JPY	1.50% (2022: 1.00%)	2030 (2022: 2025)	107,849	108,125	–	–
Guaranteed bonds						
- SGD	3.25% (2022: 3.25%)	2027 (2022: 2027)	96,778	95,571	–	–
Loans from third parties						
- SGD	Not applicable (2022: Not applicable)	Not applicable (2022: 2023)	–	189	–	–
			2,873,536	2,967,126	71,168	18,955

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

24 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	Forward exchange contract - asset $'000	Interest rate cap-assets $'000	Interest rate swap-liabilities $'000	Forward exchange contract - liability $'000	Total $'000
Group									
Balance at 1 January 2023	2,967,126	10,764	44,758	(27,445)	–	(2,004)	–	–	2,993,199
Changes from financing cash flows									
Proceeds from borrowings	715,000	–	–	–	–	–	–	–	715,000
Repayment of borrowings	(804,344)	–	–	–	–	–	–	–	(804,344)
Principal repayment of leases	–	–	(6,689)	–	–	–	–	–	(6,689)
Transaction costs / finance costs paid	(5,849)	(120,306)	(1,692)	–	–	–	–	–	(127,847)
Total changes from financing cash flows	(95,193)	(120,306)	(8,381)	–	–	–	–	–	(223,880)
Disposal of a subsidiary	–	–	(40)	–	–	–	–	–	(40)
Effect of changes in foreign exchange rates	(9,613)	(1,329)	(32)	–	–	–	–	–	(10,974)
Change in fair value	–	–	–	24,171	(149)	1,515	731	14	26,282
Other changes									
Liability related									
Amortisation of transaction costs	11,216	–	–	–	–	–	–	–	11,216
Interest expense	–	120,592	1,692	–	–	–	–	–	122,284
Additions to lease liabilities	–	–	2,323	–	–	–	–	–	2,323
Additions to sublease	–	–	233	–	–	–	–	–	233
Derecognition of lease liabilities	–	–	(2,378)	–	–	–	–	–	(2,378)
Total liability-related other changes	11,216	120,592	1,870	–	–	–	–	–	133,678
Balance at 31 December 2023	2,873,536	9,721	38,175	(3,274)	(149)	(489)	731	14	2,918,265

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

24 BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

25 PROVISION

	Legal and related expenses $'000	Site restoration $'000	Income guarantee $'000	Total $'000
Group				
2023				
At 1 January	20,724	–	3,932	24,656
Reversal during the year (note 9)	–	–	(2,946)	(2,946)
Utilisation during the year	(525)	–	(986)	(1,511)
At 31 December	20,199	–	–	20,199
2022				
At 1 January	20,957	1,550	5,472	27,979
Reversal during the year (note 9)	–	(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

Provision for legal and related expenses

As at 31 December 2023, the provision of $20,199,000 (2022: $20,724,000) relates to legal and related expenses made by OUEH Group (note 35).

26 DEFERRED INCOME

	Group 2023 $'000	Group 2022 $'000
Non-refundable deposits	21,152	3,748
Current	4,330	3,439
Non-current	16,822	309
	21,152	3,748

This relates mainly to advances received from hotel operations and non-refundable deposits received for units in the completed development property (note 15) sold under deferred payment schemes.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

27 DERIVATIVES

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Current				
Derivative assets				
Interest rate caps	489	710	78	–
Interest rate swaps	3,274	5,680	–	–
Forward exchange contracts	149	–	–	–
	3,912	6,390	78	–
Derivative liabilities				
Forward exchange contracts	(14)	(494)	–	–
Interest rate swaps	(13)	–	–	–
	(27)	(494)	–	–
Non-current				
Derivative assets				
Interest rate caps	–	1,294	–	222
Interest rate swaps	–	21,765	–	–
	–	23,059	–	222
Derivative liabilities				
Interest rate swaps	(718)	–	(215)	–

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 and forward exchange contracts to manage the foreign currency exposures arising from future IDR-denominated and JPY-denominated cash flow and subsequently repatriated to the Group in SGD. Further details are set out in note 37.

28 LEASE LIABILITIES

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Lease liabilities:				
Current	6,921	6,456	27,357	26,473
Non-current	31,254	38,302	626,365	653,723
	38,175	44,758	653,722	680,196

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% (2022: 0.89% to 5.25% and 3.19% to 4.22%) per annum, respectively.

Lease liabilities of the Company pertain to a hotel property lease with a subsidiary and office space lease with a joint venture under non-cancellable operating lease agreements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

28 LEASE LIABILITIES (CONT'D)

Amounts recognised in profit or loss

	Group 2023 $'000	Group 2022 $'000
Finance expenses on lease liabilities	1,692	1,346

Amounts recognised in consolidated statement of cash flows

	Group 2023 $'000	Group 2022 $'000
Total cash outflow for leases	8,381	8,117

Leases as lessors

Operating lease

The Group leases out its investment properties (note 20) 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 2023 $'000	Group 2022 $'000
Operating leases		
Less than one year	273,864	261,954
One to two years	236,734	219,632
Two to three years	178,433	178,862
Three to four years	118,543	135,668
Four to five years	99,188	102,984
More than five years	777,511	897,757
Total	1,684,273	1,796,857

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

29 OTHER PAYABLES

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Rental deposits	48,690	47,414	410	408
Retention sums payable	–	896	–	896
Others	3,050	12,416	–	–
	51,740	60,726	410	1,304

The exposure of the Group and the Company to liquidity risk is disclosed in note 37.

30 SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2023 '000	2022 '000	2023 $'000	2022 $'000
At 1 January	859,838	951,602	470,546	634,852
Cancellation of treasury shares	–	(91,764)	–	(164,306)
At 31 December	859,838	859,838	470,546	470,546

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 3,577,200 (2022: 24,773,500) of its own shares for a total consideration of $3,936,000 (2022: $32,469,000).

At 31 December 2023, the Group held 16,157,400 (2022: 12,580,200) of the Company's shares as treasury shares (note 31).

31 OTHER RESERVES

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Currency translation reserve	(192,218)	(143,003)	–	–
Hedging reserve	12	2,418	–	–
Fair value reserve	(139,146)	(96,559)	–	–
Reserve for own shares	(20,115)	(16,179)	(20,115)	(16,179)
Capital reserve	(13,482)	698	–	–
	(364,949)	(252,625)	(20,115)	(16,179)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

31 OTHER RESERVES (CONT'D)

The movement of other reserves of the Group is as follows:

	Currency translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Reserve for own shares $'000	Capital reserve $'000	Total $'000
Group						
At 1 January 2023	(143,003)	2,418	(96,559)	(16,179)	698	(252,625)
Other comprehensive income						
Foreign operations:						
- currency translation differences	(16,776)	–	–	–	52	(16,724)
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	(32,439)	–	–	–	–	(32,439)
- other reserves	–	(892)	1,078	–	–	186
Net change in fair value of investments at fair value through other comprehensive income, net of tax	–	–	(38,148)	–	–	(38,148)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	–	4,485	–	–	–	4,485
- hedging reserve reclassified to profit or loss	–	(5,999)	–	–	–	(5,999)
Total other comprehensive income, net of tax	(49,215)	(2,406)	(37,070)	–	52	(88,639)
Total other comprehensive income for the year	(49,215)	(2,406)	(37,070)	–	52	(88,639)
Transactions with owners, recognised directly in equity						
Contributions by owners						
Own shares acquired	–	–	–	(3,936)	–	(3,936)
Total contributions by owners	–	–	–	(3,936)	–	(3,936)
Total transactions with owners	–	–	–	(3,936)	–	(3,936)
Share of reserves of an equity-accounted investee	–	–	–	–	(14,232)	(14,232)
Transfer from fair value reserve to accumulated profits	–	–	(5,517)	–	–	(5,517)
At 31 December 2023	(192,218)	12	(139,146)	(20,115)	(13,482)	(364,949)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

31 OTHER RESERVES (CONT'D)

	Currency translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Reserve for own shares $'000	Capital reserve $'000	Total $'000
Group						
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						
Own shares acquired	–	–	–	(32,469)	–	(32,469)
Cancellation of treasury shares	–	–	–	164,306	–	164,306
Total contributions by and distribution to owners	–	–	–	131,837	–	131,837
Changes in ownership interests in subsidiaries						
Changes in ownership interests in subsidiaries without a change in control	2,577	–	–	–	–	2,577
Total changes in ownership interests in subsidiaries	2,577	–	–	–	–	2,577
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)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

31 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.

In 2022, the Company cancelled 91,764,000 of the treasury shares amounting to $164,306,000. At 31 December 2023, the Group held 16,157,400 (2022: 12,580,200) of the Company's shares as treasury shares (note 30).

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.

32 ACCUMULATED PROFITS

Movements in the accumulated profits of the Company are as follows:

	Company 2023 $'000	Company 2022 $'000
At 1 January	2,061,925	2,085,474
Net loss for the year	(19,259)	(6,246)
Dividends paid (note 34)	(21,181)	(17,303)
At 31 December	2,021,485	2,061,925

Movements in the accumulated profits of the Group are shown in the consolidated statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 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 2023	Ownership interests held by NCI 2022
OUE Real Estate Investment Trust ("OUE REIT") (formerly known as OUE Commercial Real Estate Investment Trust)	Singapore	51.4%	51.6%
OUEH	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 REIT $'000	OUEH $'000	Immaterial subsidiaries $'000	Total $'000
31 December 2023				
Revenue	285,335	159,315		
Profit after tax	71,947	54,742		
Other comprehensive income	(18,663)	(23,952)		
Total comprehensive income	53,284	30,790		
Attributable to NCI:				
- Profit for the year	39,758	44,405	(1,759)	82,404
- Other comprehensive income	(9,660)	(13,644)	(5)	(23,309)
- **Total comprehensive income**	30,098	30,761	(1,764)	59,095
Non-current assets	5,748,121	1,368,153		
Current assets	79,637	83,867		
Non-current liabilities	(2,184,090)	(585,318)		
Current liabilities	(108,921)	(103,279)		
Net assets	3,534,747	763,423		
Net assets attributable to NCI	1,827,979	381,267	(1,168)	2,208,078
Net assets attributable to perpetual securities holders	–	33,282	–	33,282
Cash flows from operating activities	213,387	65,523		
Cash flows from / (used in) investing activities	1,458	(62,845)		
Cash flows used in financing activities (Dividends to NCI of OUE REIT: $64,972,000 and NCI of OUEH: $32,803,000)	(208,944)	(8,093)		
Net increase / (decrease) in cash and cash equivalents	5,901	(5,415)		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 NON-CONTROLLING INTERESTS (CONT'D)

	OUE 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 REIT: $75,129,000 and NCI of OUEH: $22,737,000)	(159,120)	(67,929)		
Net (decrease) / increase in cash and cash equivalents	(6,434)	26,884		

Significant restrictions

Other than the restrictions resulting from the regulatory framework within which OUE 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 REIT and First REIT.

OUE 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 REIT and First REIT are either subject to review by OUE REIT's and First REIT's trustee or must be approved by a majority of votes by the minority unitholders of OUE REIT and First REIT at a meeting of unitholders. The consolidated assets of OUE REIT and First REIT are held in trust by their trustees for the unitholders.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

34 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 2023 $'000	2022 $'000
Paid by the Company to owners of the Company			
Interim dividend of 1 cent (2022: 1 cent) per ordinary share in respect of current year		8,472	8,608
Final dividend of 1.5 cent (2022: 1 cent) per ordinary share in respect of prior year		12,709	8,695
	32	21,181	17,303

	Group 2023 $'000	2022 $'000
Paid by subsidiaries to NCI		
Distribution of 0.66 cents per qualifying First REIT unit in respect of prior year	7,579	–
Distribution of 1.86 cents (2022: 1.98 cents) per qualifying First REIT unit in respect of current year	21,360	22,737
Distribution of 1.05 cents (2022: 1.08 cents) per qualifying OUE REIT unit in respect of current year	29,627	30,474
Distribution of 1.04 cents (2022: 1.37 cents) per qualifying OUE REIT unit in respect of prior year	29,345	38,655
Final dividend of 15.0 cents (2022: 15.0 cents) per ordinary share in respect of prior year	6,000	6,000
Interim dividend in respect of current year	3,864	–
	97,775	97,866

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 2023 $'000	2022 $'000
Final dividend of 1.0 cents (2022: 1.5 cent) per ordinary share	8,437*	12,709*
Special dividend of 2.0 cents (2022: Nil) per ordinary share	16,874*	–
	25,311	12,709

* The dividend is based on the number of issued ordinary shares (excluding treasury shares) of 843,680,060 (2022: 847,257,260) as at 31 December 2023.

35 LITIGATION CASES

The status of the litigation cases of the Group's subsidiary, OUEH Group, as at 31 December 2023, is as summarised below.

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

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

Arbitration proceedings against David Lin

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

Recognition and enforcement proceedings

In 2019, OUEH commenced recognition and enforcement proceedings in Hong Kong, Taiwan and Shanghai against David Lin to enforce the said award. As at 31 December 2023, OUEH has obtained permission from the respective authorities concerned to enforce the award in Hong Kong, Taiwan and Shanghai.

As at 31 December 2023:

- Hong Kong: OUEH 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. OUEH 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 OUEH in March 2021; and

- Taiwan: In March 2021, OUEH also received the sum of $711,000, being the deposit and trust assets held by David Lin in his bank accounts in Taiwan. Separately, David Lin's ¼ share in a real estate property in New Taipei City was sold on 18 January 2021 during a public auction for the sum of NTD5,880,000, of which OUEH received a sum net of costs and expenses.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

35 LITIGATION CASES (CONT'D)

(b) *Other claim(s) against OUEH*

OUEH 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 OUEH dated 1 February 2016.

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

36 COMMITMENTS

Capital commitments

Other than as disclosed elsewhere in the financial statements, the Group has the following capital commitments:

	Group	
	2023 $'000	**2022 $'000**
Property, plant and equipment	3,394	433
Investment properties	1,718	1,142

37 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FINANCIAL INSTRUMENTS (CONT'D)

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.

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	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
By geographical areas				
Singapore	72,710	70,953	1,318,210	1,549,220
Indonesia	63,495	57,068	–	–
The PRC	2,147	2,491	–	–
Others	3,054	1,603	381,803	397,432
	141,406	132,115	1,700,013	1,946,652

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 2023

37 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 2023 and 31 December 2022 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	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Not past due	114,161	115,292	2,188,610	2,395,811
Past due 1 – 30 days	12,403	8,379	17,950	8,005
Past due 31 – 60 days	2,287	2,964	1,151	3,552
Past due over 60 days	15,338	7,385	40,598	57,347
	144,189	134,020	2,248,309	2,464,715
Less: Impairment loss	(2,783)	(1,905)	(548,296)	(518,063)
	141,406	132,115	1,700,013	1,946,652

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	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	753	993	–	7
Impairment loss recognised / (reversed)	(274)	171	1,717	–
Utilised during the year	(57)	(304)	–	(7)
Effects of movements in exchange rates	(121)	(107)	–	–
At 31 December	301	753	1,717	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 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 16) (excluding promissory notes and prepayments) was as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
At 1 January	1,152	10,621	233,808	165,090
Impairment loss recognised	1,349	9	4,078	68,718
Utilised during the year	–	(9,465)	–	–
Effects of movements in exchange rates	(19)	(13)	–	–
At 31 December	2,482	1,152	237,886	233,808

The movement in the impairment loss in respect of loans to subsidiaries (note 19) was as follows:

	Company	
	2023 $'000	2022 $'000
At 1 January	284,255	325,146
Impairment loss recognised / (reversed)	24,486	(40,856)
Exchange difference	(48)	(35)
At 31 December	308,693	284,255

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	
	2023 $'000	2022 $'000
Singapore	2,240	2,495

There is no significant impairment recognised on the debt investments as at 31 December 2023 and 31 December 2022 and the ECLs is not material.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 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 18.

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 24.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 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 2023					
Non-derivative financial liabilities					
Trade and other payables	240,489	(240,489)	(188,749)	(51,045)	(695)
Lease liabilities	38,175	(72,538)	(8,344)	(9,459)	(54,735)
Borrowings	2,873,536	(3,319,763)	(569,201)	(2,570,280)	(180,282)
	3,152,200	(3,632,790)	(766,294)	(2,630,784)	(235,712)
Derivative financial instruments					
Derivative assets					
Interest rate swaps (net-settled)	(3,274)	6,788	6,301	487	–
Interest rate caps (net-settled)	(489)	192	192	–	–
Forward exchange contracts (net-settled)	(149)	149	149	–	–
Derivative liabilities					
Forward exchange contracts (net-settled)	14	(14)	(14)	–	–
Interest rate swaps (net-settled)	731	209	441	(232)	–
Recognised financial liabilities	3,149,033	(3,625,466)	(759,225)	(2,630,529)	(235,712)
Capital commitments for financial assets designated at FVOCI	–	(17,353)	(17,353)	–	–
Financial guarantee	–	(10,000)	(10,000)	–	–
	3,149,033	(3,652,819)	(786,578)	(2,630,529)	(235,712)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 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 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)	–	–
Recognised financial liabilities	3,222,794	(3,588,523)	(863,056)	(2,669,070)	(56,397)
Capital commitments for financial assets designated at FVOCI	–	(18,402)	(18,402)	–	–
Financial guarantee	–	(14,600)	(4,600)	(10,000)	–
	3,222,794	(3,621,525)	(886,058)	(2,679,070)	(56,397)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 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
Company					
31 December 2023					
Non-derivative financial liabilities					
Trade and other payables	57,259	(57,259)	(56,849)	(410)	–
Lease liabilities	653,722	(886,942)	(48,334)	(183,334)	(655,274)
Borrowings	71,168	(85,420)	(3,445)	(6,890)	(75,085)
	782,149	(1,029,621)	(108,628)	(190,634)	(730,359)
Derivative financial instruments					
Derivative assets	(78)	17	17	–	–
Interest rate caps (net-settled)					
Derivative liabilities	215	(405)	–	(405)	–
Interest rate swaps (net-settled)	782,286	(1,030,009)	(108,611)	(191,039)	(730,359)
Recognised financial liabilities	–	(249,995)	(37,951)	(212,044)	–
Intra-group financial guarantees	782,286	(1,280,004)	(146,562)	(403,083)	(730,359)
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)	–
Loan from a subsidiary	301,412	(313,468)	(313,468)	–	–
	1,126,147	(1,398,308)	(486,839)	(211,195)	(700,274)
Derivative financial instruments					
Derivative assets					
Interest rate caps (net-settled)	(222)	155	139	16	–
Recognised financial liabilities	1,125,925	(1,398,153)	(486,700)	(211,179)	(700,274)
Intra-group financial guarantees	–	(459,397)	(240,353)	(219,044)	–
	1,125,925	(1,857,550)	(727,053)	(430,223)	(700,274)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FINANCIAL INSTRUMENTS (CONT'D)

Market risk(cont'd)

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 2023		
Cash and cash equivalents	6,438	8
Trade and other receivables	3,498	–
Other investments	52,608	49,524
Other assets	175	12,900
	62,719	62,432
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

The Company's exposure to currency risk (expressed in SGD equivalent) is as follows:

	Company	
	2023 USD $'000	2022 USD $'000
Cash and cash equivalents	4,300	700
Loans to subsidiaries	–	31,314
Other assets	175	180
	4,475	32,194

37 FINANCIAL INSTRUMENTS (CONT'D)

Market risk(cont'd)

Exposure to currency risk (cont'd)

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
2023				
USD (4% strengthening)	404	2,104	179	–
IDR (6% strengthening)	775	2,971	–	–
2022				
USD (6% strengthening)	3,274	4,226	1,932	–
IDR (8% strengthening)	1,044	3,227	–	–

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 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.

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 2023, the Group completed the process of amending its financial instruments with contractual terms indexed to SOR such that they incorporated the new benchmark rate (i.e. SORA).

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 and interest rate caps have floating legs that are indexed to SORA. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association ("ISDA")'s master agreements.

37 FINANCIAL INSTRUMENTS (CONT'D)

Market risk(cont'd)

Managing interest rate benchmark reform and associated risks (cont'd)

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 2023. The Group's hedged items and hedging instruments as at 31 December 2023 are indexed to SORA. The benchmark rates are quoted each day and the cash flows are exchanged with its counterparties as usual.

The Group replaced its SOR interest rate derivatives used in cash flow hedging relationships with economically equivalent interest rates derivatives referencing SORA in 2023 and 2022 respectively. Therefore, there is no longer uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedged instrument. As a result, the Group no longer apply the amendments to SFRS (I) 9 issued in December 2020 (Phase 1) to those hedging relationships directly affected by IBOR reform.

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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Fixed rate instruments				
Cash and cash equivalents*	50,802	117,158	14,158	84,531
Loans to subsidiaries	–	–	445,435	852,718
Loan to a related company	10,500	10,500	–	–
Loan to a third party	21,000	21,000	–	–
Borrowings	(825,640)	(900,444)	–	–
Loans from a subsidiary	–	–	–	(301,412)
Interest rate swaps	(1,195,000)	(1,197,500)	(45,000)	–
Interest rate caps	(110,000)	(210,000)	(20,000)	(20,000)
	(2,048,338)	(2,159,286)	394,593	615,837
Variable rate instruments				
Loans to subsidiaries	–	–	54,691	–
Other investments	2,500	2,500	–	–
Borrowings	(2,072,830)	(2,096,246)	(72,000)	(20,000)
Interest rate swaps	1,195,000	1,197,500	45,000	–
Interest rate caps	110,000	210,000	20,000	20,000
	(765,330)	(686,246)	47,691	–

* 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FINANCIAL INSTRUMENTS (CONT'D)

Market risk(cont'd)

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.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 (2022: 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
2023				
Group				
Variable rate instruments	(10,352)	10,352	–	–
Interest rate swaps	5,975	(5,975)	2,517	(4,421)
Interest rate caps	550	(550)	–	–
	(3,827)	3,827	2,517	(4,421)
Company				
Variable rate instruments	(87)	87	–	–
Interest rate swaps	225	(225)	–	–
Interest rate caps	100	(100)	–	–
	238	(238)	–	–
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)	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FINANCIAL INSTRUMENTS (CONT'D)

Market risk(cont'd)

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% (2022: 10%), the Group's other comprehensive income (net of tax) and fair value reserve will increase / decrease by approximately $11,241,000 (2022: $10,521,000).

(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% (2022: 10%) at the reporting date, profit before tax would increase / decrease by approximately $326,000 (2022: $4,803,000).

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		
2023		
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	655,000	85,000
Average fixed interest rate	1.80% - 3.19%	2.98% - 3.08%
2022		
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	315,000	50,000
Average fixed interest rate	1.89% - 2.13%	1.78% - 1.97%

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FINANCIAL INSTRUMENTS (CONT'D)

Hedge accounting (cont'd)

Cash flow and interest rate hedges (cont'd)

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 2023		
Interest rate risk		
Variable-rate instruments	3,948	2,571
31 December 2022		
Interest rate risk		
Variable-rate instruments	(8,790)	7,527

There are no balances remaining in cash flow hedging reserve from hedging relationships for which hedge accounting no longer applied.

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**
2023									
Interest rate risk									
Interest rate swaps	740,000	2,455	(244)	Derivative assets / liabilities	9,235	2,040	Finance income	(12,479)	Finance expense
2022									
Interest rate risk									
Interest rate swaps	365,000	3,502	–	Derivative assets / liabilities	7,811	2,177	Finance income	2,025	Finance expense

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FINANCIAL INSTRUMENTS (CONT'D)

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.

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Borrowings	2,873,536	2,967,126	71,168	18,955
Less: Cash and cash equivalents	(182,602)	(327,846)	(37,511)	(121,614)
	2,690,934	2,639,280	33,657	(102,659)
Net tangible assets	5,823,365	5,915,655	2,471,916	2,516,292
Net gearing ratio	46.2%	44.6%	1.4%	(4.1%)*

* The Company is in negative net gearing ratio as at 31 December 2022 as cash and cash equivalents is in excess of borrowings for the Company.

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 REIT and its subsidiaries ("OUE 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 REIT Group and First REIT Group as at 31 December 2023 was 38.2% (2022: 38.8%) and 38.7% (2022: 38.5%) of its Deposited Property respectively. The ICR was 2.4 times (2022: 2.4 times) and 4.1 times (2022: 5.0 times) for OUE 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 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 2023											
Financial assets measured at fair value											
Other investments - FVTPL	14	–	3,255	–	–	–	3,255	3,255	–	–	3,255
Equity investments - FVOCI	14	–	–	63,064	–	–	63,064	49,524	–	13,540	63,064
Interests in limited partnerships - FVOCI	14	–	–	49,347	–	–	49,347	–	–	49,347	49,347
Derivative assets	27	–	–	–	3,912	–	3,912	–	3,912	–	3,912
		–	3,255	112,411	3,912	–	119,578				
Financial assets not measured at fair value											
Cash and cash equivalents	12	182,602	–	–	–	–	182,602				
Trade and other receivables[1]	13	36,487	–	–	–	–	36,487				
Debt investments – at amortised costs	14	2,240	–	–	–	–	2,240				
Other assets[2]	16	104,919	–	–	–	–	104,919				
		326,248	–	–	–	–	326,248				
Financial liabilities measured at fair value											
Derivative liabilities	27	–	–	–	(745)	–	(745)	–	(745)	–	(745)
Financial liabilities not measured at fair value											
Trade and other payables	23	–	–	–	–	(188,749)	(188,749)				
Borrowings:											
- Loans and other borrowings	24	–	–	–	–	(2,181,299)	(2,181,299)				
- Unsecured notes	24	–	–	–	–	(595,459)	(595,459)	–	(589,635)	–	(589,635)
- Guaranteed bonds	24	–	–	–	–	(96,778)	(96,778)	–	(97,789)	–	(97,789)
Other payables:											
- Rental deposits	29	–	–	–	–	(48,690)	(48,690)	–	–	(43,517)	(43,517)
- Others	29	–	–	–	–	(3,050)	(3,050)				
		–	–	–	–	(3,114,025)	(3,114,025)				

[1] Excluding promissory notes
[2] Excluding prepayments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

		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	14	–	48,031	–	–	–	48,031	3,122	44,909	–	48,031
Equity investments - FVOCI	14	–	–	54,177	–	–	54,177	40,342	–	13,835	54,177
Interests in limited partnerships - FVOCI	14	–	–	66,993	–	–	66,993	–	–	66,993	66,993
Derivative assets	27	–	–	–	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	14	2,495	–	–	–	–	2,495				
Other assets[2]	16	99,431	–	–	–	–	99,431				
		462,456	–	–	–	–	462,456				
Financial liabilities measured at fair value											
Derivative liabilities	27	–	–	–	(494)	–	(494)	–	(494)	–	(494)
Financial liabilities not measured at fair value											
Trade and other payables	23	–	–	–	–	(179,139)	(179,139)				
Borrowings:											
- Loans and other borrowings	24	–	–	–	–	(2,078,045)	(2,078,045)				
- Unsecured notes	24	–	–	–	–	(793,510)	(793,510)	–	(771,032)	–	(771,032)
- Guaranteed bonds	24	–	–	–	–	(95,571)	(95,571)	–	(95,356)	–	(95,356)
Other payables:											
- Rental deposits	29	–	–	–	–	(47,414)	(47,414)	–	–	(42,709)	(42,709)
- Retention sums payable	29	–	–	–	–	(896)	(896)				
- Others	29	–	–	–	–	(12,416)	(12,416)				
		–	–	–	–	(3,206,991)	(3,206,991)				

[1] Excluding promissory notes
[2] Excluding prepayments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

		Carrying amount				Fair value			
	Note	Amortised cost $'000	Other financial liabilities $'000	Fair value – hedging instruments $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company									
31 December 2023									
Financial assets measured at fair value									
Derivative assets	27	–	–	78	78	–	78	–	78
Financial assets not measured at fair value									
Cash and cash equivalents	12	37,511	–	–	37,511				
Trade and other receivables	13	1,174,726	–	–	1,174,726				
Other assets[1]	16	2,415	–	–	2,415				
Loans to subsidiaries	19	522,872	–	–	522,872				
		1,737,524	–	–	1,737,524				
Financial liabilities measured at fair value									
Derivative liabilities	27	–	–	(215)	(215)	–	(215)	–	(215)
Financial liabilities not measured at fair value									
Trade and other payables	23	–	(56,849)	–	(56,849)				
Borrowings:									
- Loans and other borrowings	24	–	(71,168)	–	(71,168)				
Other payables	29	–	(410)	–	(410)				
		–	(128,427)	–	(128,427)				
31 December 2022									
Financial assets measured at fair value									
Derivative assets	27	–	–	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]	16	42,429	–	–	42,429				
Loans to subsidiaries	19	925,778	–	–	925,778				
		2,068,266	–	–	2,068,266				
Financial liabilities not measured at fair value									
Loans from subsidiaries	19	–	(301,412)	–	(301,412)				
Trade and other payables	23	–	(124,280)	–	(124,280)				
Borrowings:									
- Loans and other borrowings	24	–	(18,955)	–	(18,955)				
Other payables	29	–	(1,304)	–	(1,304)				
		–	(445,951)	–	(445,951)				

[1] Excluding prepayments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

37 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 2023 $'000	Group 2022 $'000
Equity investments and interests in limited partnerships – FVOCI		
At 1 January	80,828	114,356
Purchases	2,981	5,173
Disposals	(9,083)	(9,657)
Net change in fair value recognised in other comprehensive income	(11,716)	(28,122)
Effect of movements in exchange rates	(123)	(922)
At 31 December	62,887	80,828

38 RELATED PARTIES

Key management personnel remuneration

Key management personnel remuneration comprised:

	Group 2023 $'000	Group 2022 $'000
Short-term employee benefits	3,792	1,855
Post-employment benefits (including contributions to defined contribution plans)	29	22
	3,821	1,877

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

38 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 2023 $'000	Group Transaction value for the year 2022 $'000
Associates and joint ventures		
Management fees earned	6,546	7,765
Lease payments	4,074	3,078
Rental and rental related income	1,179	–
Other related parties		
Rental and rental related income	68,254	76,671
Rental and rental related expense	–	267
Hotel services income	585	1,016
Management fees earned	360	360
Support services fees	–	195
Royalty fee income	320	174
Interest income	745	571
Reimbursement of expenses paid on behalf	545	216

The Group and the Company made loans and advances to subsidiaries, associates, joint ventures and a related party as disclosed in notes 13, 16, 18 and 19 of the financial statements. None of the outstanding balances with the related parties is secured.

39 OPERATING SEGMENTS

The Group has three (2022: 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 and fund management (Singapore, Indonesia and the PRC) – rental of investment properties owned by the Group and management of real estate funds and investment properties under development.

b) Hospitality – operation of hotels and hotel management.

c) Development properties (Singapore, the PRC and etc) – sale of residential properties and other properties under development.

39 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) Others – 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 2023 and 2022.

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 and Fund Management									
2023	Singapore $'000	Others $'000	Hospitality $'000	Development Properties $'000	Segment Subtotal $'000	Healthcare $'000	Others $'000	Reportable Segments $'000	Elimination and unallocated items $'000	Total $'000
Revenue										
External revenue	181,454	23,265	205,393	9,791	419,903	162,063	41,021	622,987	112	623,099
Inter-segment revenue	1,858	–	3,106	–	4,964	–	475	5,439	(5,439)	–
Segment revenue (including inter-segment revenue)	183,312	23,265	208,499	9,791	424,867	162,063	41,496	628,426	(5,327)	623,099
Segment profit / (loss)[1]	140,153	16,811	46,439	15,731	219,134	95,902	5,618	320,654	(31,253)	289,401
Depreciation of property, plant and equipment	(1,200)	(6)	(48,881)	(4)	(50,091)	(2,752)	(7,196)	(60,039)	(354)	(60,393)
Finance expenses	(114,698)	(148)	–	–	(114,846)	(30,938)	(1,569)	(147,353)	(12,931)	(160,284)
Finance income	2,398	741	52	20	3,211	701	3,770	7,682	4,276	11,958
Share of results of equity-accounted investees, net of tax	16,886	–	–	16,003	32,889	(1,386)	11,696	43,199	–	43,199
Other material items										
Net change in fair value of investment properties	(13,041)	(43,950)	–	–	(56,991)	9,886	–	(47,105)	–	(47,105)
Net change in fair value of investments designated at fair value through profit or loss	–	–	–	–	–	–	–	–	7,196	7,196
Writeback of impairment / (Impairment loss) on property, plant and equipment	–	–	51,928	–	51,928	(141)	–	51,787	–	51,787
31 December 2023										
Reportable segment assets[2]	3,629,697	665,952	1,763,704	33,280	6,092,633	1,344,942	44,782	7,482,357	204,403	7,686,760
Interests in equity-accounted investees	353,719	–	–	1,064,926	1,418,645	98,746	62,751	1,580,142	–	1,580,142
Reportable segment liabilities	2,195,033	314	60,370	3,459	2,259,176	620,432	17,571	2,897,179	488,027	3,385,206
Capital expenditure	5,499	26	25,787	23	31,335	5,631	11,478	48,444	1,181	49,625

[1] Segment profit / (loss) is defined as profit / (loss) before interest, tax and other gains - net
[2] Excluding interests in equity-accounted investees

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

39 OPERATING SEGMENTS (CONT'D)

	Real Estate									
	Investment Properties and Fund Management									
2022	Singapore $'000	Others $'000	Hospitality $'000	Development Properties $'000	Segment Subtotal $'000	Healthcare $'000	Others $'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
Write back 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 - net
[2] Excluding interests in equity-accounted investees

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

39 OPERATING SEGMENTS (CONT'D)

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

	2023 $'000	2022 $'000
Revenue		
Total revenue for reportable segments	628,426	493,796
Unallocated amounts	112	440
Elimination of inter-segment revenue	(5,439)	(3,116)
Consolidated total revenue	623,099	491,120
Profit or loss		
Total profit or loss before interest, tax and other gains for reportable segments	320,654	375,554
Elimination of inter-segment profits	(475)	2,188
Finance expenses	(160,284)	(126,305)
Finance income	11,958	32,718
Other gains – net	11,653	149,500
Unallocated corporate expenses	(30,778)	(32,508)
Consolidated profit before tax	152,728	401,147

Reconciliations of reportable segment assets and liabilities

	2023 $'000	2022 $'000
Assets		
Total assets for reportable segments	7,482,357	7,600,758
Interests in equity-accounted investees	1,580,142	1,521,522
	9,062,499	9,122,280
Elimination of inter-segment balances	(229)	(354)
Other unallocated amounts:		
- Property, plant and equipment	9,885	12,467
- Cash and cash equivalents	23,365	136,454
- Trade and other receivables	775	1,245
- Other investments	90,807	134,281
- Derivative assets	78	222
- Other assets	77,751	78,426
- Deferred tax assets	1,971	2,047
Consolidated total assets	9,266,902	9,487,068
Liabilities		
Total liabilities for reportable segments	2,897,179	2,829,115
Other unallocated amounts:		
- Borrowings	269,765	416,920
- Trade and other payables	20,869	25,465
- Lease liabilities	68,592	9,147
- Derivative liabilities	215	–
- Current tax liabilities	6,268	87,363
- Deferred tax liabilities	122,318	145,009
Consolidated total liabilities	3,385,206	3,513,019

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

39 OPERATING SEGMENTS (CONT'D)

Geographical information

	Revenue 2023 $'000	Revenue 2022 $'000	Non-current assets* 2023 $'000	Non-current assets* 2022 $'000
Singapore	489,856	364,670	5,878,459	5,780,661
The PRC	28,809	31,831	1,561,133	1,650,391
Japan	14,850	15,357	258,713	287,355
Indonesia	89,584	79,262	1,003,974	977,184
Others	–	–	48,631	49,736
	623,099	491,120	8,750,910	8,745,327

* 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 2023, a related party contributed more than 10% of the Group's revenue in aggregate.

40 ACQUISITION / DISPOSAL OF SUBSIDIARIES

(i) First REIT

On 1 March 2022, OUEH 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, OUEH 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% as of 31 December 2022 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

40 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)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

40 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 OUEH 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 O2 Healthcare Group Pte. Ltd. (formerly known as 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 OUEH. 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	17	27,754

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

40 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	20	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*

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

41 CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES WITHOUT A CHANGE IN CONTROL

2023

In 2023, the Group received units in OUE REIT in return for management services provided to OUE REIT. Arising therefrom, the Group's effective interest in OUE REIT increased from 48.4% to 48.6% as at 31 December 2023.

In 2023, 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 33.4% to 33.9% as at 31 December 2023.

2022

In 2022, the Group received units in OUE REIT in return for management services provided to OUE REIT. Arising therefrom, the Group's effective interest in OUE 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 OUEH 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.

The following summarises the effect of changes in the Group's ownership interest in OUE REIT, subsidiaries of OUEH and First REIT:

	OUE REIT $'000	Subsidiaries of OUEH[1] $'000	First REIT $'000	Total $'000
2023				
Decrease in equity attributable to non-controlling interests	2,505	47	3,029	5,581
Increase in equity attributable to owners of the Company	2,505	47	3,029	5,581
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

[1] In 2023, OUEH disposed of a wholly-owned subsidiary, FRM Japan Management Co., Ltd to First REIT Management Limited. In 2022, OUEH disposed of 2 wholly-owned subsidiaries, OUELH Japan Medical Facilities Pte. Ltd and OUELH Japan Medical Assets Pte. Ltd. to First REIT (note 40). There is no change in the Group's interest in OUEH in 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

42 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 2023 %	The Company 2022 %	Subsidiaries 2023 %	Subsidiaries 2022 %
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	–	–	44.7[b]	44.2[b]
OUE Real Estate Investment Trust (f.k.a. OUE Commercial Real Estate Investment Trust)	Real estate investment trust	Singapore	21.8	21.5	26.8	26.9
OUE Healthcare Limited (f.k.a. 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	25.2

All significant subsidiaries and equity-accounted investees are audited by KPMG LLP, Singapore except for PT OUE Pengembangan Properti, PT Deer Pine Indonesia and Gemdale Properties and Investments Corporation.

[a] As at the reporting date, the Group consolidated the company via OUE REIT and owns an effective equity interest of 40.4% (2022: 40.3%) in the company.

[b] First REIT was deemed disposed as an associate and became a subsidiary of the Group on 1 March 2022 (note 40). As at the reporting date, the Group consolidated First REIT via OUEH and owns an effective interest of 33.9% (2022: 33.4%).

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.

SHAREHOLDING STATISTICS

As at 15 March 2024

Total number of issued ordinary shares	: 859,837,460
Total number of issued ordinary shares excluding treasury shares	: 841,771,960
Class of shares	: Ordinary Shares
Total number of treasury shares held	: 18,065,500
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	: 2.15%
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	38	0.39	883	0.00
100 - 1,000	760	7.87	666,508	0.08
1,001 - 10,000	6,332	65.54	32,845,562	3.90
10,001 - 1,000,000	2,515	26.03	95,594,921	11.35
1,000,001 and above	16	0.17	712,793,086	84.67
TOTAL	**9,661**	**100.00**	**841,900,960**[1]	**100.00**

Explanatory Note:

[1] The total number of shares as provided by CDP has not taken into account an aggregate of 129,000 treasury shares that were bought back by the Company on 14 March 2024 and 15 March 2024 due to SGX securities settlement cycle of two days (T+2).

Twenty Largest Shareholders

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital*
1.	BANK OF CHINA NOMINEES (PTE) LTD	618,916,410	73.51
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	23,519,434	2.79
3.	DBS NOMINEES (PRIVATE) LIMITED	23,375,950	2.78
4.	OCBC SECURITIES PRIVATE LIMITED	18,449,205	2.19
5.	RAFFLES NOMINEES (PTE.) LIMITED	5,947,123	0.71
6.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,547,250	0.42
7.	PHILLIP SECURITIES PTE LTD	3,073,014	0.37
8.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,063,300	0.36
9.	MORPH INVESTMENTS LTD	2,310,000	0.27
10.	JACK INVESTMENT PTE LTD	1,762,500	0.21
11.	UOB KAY HIAN PRIVATE LIMITED	1,725,200	0.20
12.	NG POH CHENG	1,570,000	0.19
13.	HENG SIEW ENG	1,459,500	0.17
14.	HONG LEONG FINANCE NOMINEES PTE LTD	1,456,800	0.17
15.	MAYBANK SECURITIES PTE. LTD.	1,401,800	0.17
16.	ANG JWEE HERNG	1,215,600	0.14
17.	GOH YEW GEE	920,000	0.11
18.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	827,200	0.10
19.	ANG JUI KHOON	785,200	0.09
20.	HO PHENG THENG JEANNETTE	691,000	0.08
	TOTAL	**716,016,486**	**85.03**

* *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 15 March 2024

		Direct Interest		Deemed Interest	
		Number of Shares	%	Number of Shares	%
1.	OUE Realty Pte. Ltd. ("**OUER**")	502,513,060	59.70[19]	-	-
2.	Golden Concord Asia Limited ("**GCAL**")	116,403,350	13.83[19]	502,513,060[1]	59.70[19]
3.	Fortune Crane Limited ("**FCL**")	-	-	618,916,410[2]	73.53[19]
4.	Lippo ASM Asia Property Limited ("**LAAPL**")	-	-	618,916,410[3]	73.53[19]
5.	HKC Property Investment Holdings Limited ("**HKC Property**")	-	-	618,916,410[4]	73.53[19]
6.	Hongkong Chinese Limited ("**HCL**")	-	-	618,916,410[5]	73.53[19]
7.	Hennessy Holdings Limited ("**HHL**")	-	-	618,916,410[6]	73.53[19]
8.	Lippo Limited ("**LL**")	-	-	618,916,410[7]	73.53[19]
9.	Lippo Capital Limited ("**LCL**")	-	-	618,916,410[8]	73.53[19]
10.	Lippo Capital Holdings Company Limited ("**LCH**")	-	-	618,916,410[9]	73.53[19]
11.	Lippo Capital Group Limited ("**LCG**")	-	-	618,916,410[10]	73.53[19]
12.	Dr Stephen Riady	-	-	618,916,410[11]	73.53[19]
13.	PT Trijaya Utama Mandiri ("**PT Trijaya**")	-	-	618,916,410[12]	73.53[19]
14.	Mr James Tjahaja Riady	-	-	618,916,410[13]	73.53[19]
15.	Admiralty Station Management Limited ("**Admiralty**")	-	-	618,916,410[14]	73.53[19]
16.	Argyle Street Management Limited ("**ASML**")	-	-	618,916,410[15]	73.53[19]
17.	Argyle Street Management Holdings Limited ("**ASMHL**")	-	-	618,916,410[16]	73.53[19]
18.	Mr Kin Chan ("**KC**")	-	-	618,916,410[17]	73.53[19]
19.	Mr V-Nee Yeh ("**VY**")	-	-	618,916,410[18]	73.53[19]

SUBSTANTIAL SHAREHOLDERS

As shown in the Company's Register of Substantial Shareholders as at 15 March 2024

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) 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.

(8) 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.

(9) 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.

(10) 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.

(11) 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.

(12) 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.

(13) 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.

(14) 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.

(15) 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.

(16) 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.

(17) 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.

(18) 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.

(19) The shareholding percentage is calculated based on 841,771,960 issued Shares (excluding treasury shares) as at 15 March 2024.

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 15 March 2024, approximately 25.69% 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 Dr Stephen Riady and Mr Sin Boon Ann (in the form set out in Appendix 7.4.1 of the Listing Manual) is provided below. The following additional information on Dr Stephen Riady and Mr Sin Boon Ann, both of whom are seeking re-election as Directors at the Annual General Meeting, is to be read in conjunction with their respective profiles in the "Board of Directors" section on pages 20 and 21 of this Annual Report.

	DR STEPHEN RIADY *Executive Chairman and Group Chief Executive Officer*	**MR SIN BOON ANN** *Deputy Chairman and Non-Executive Non-Independent Director*
Date of appointment	30 November 2006	25 May 2009
Date of last re-appointment (if applicable)	28 April 2022	30 April 2021
Age	64	66
Country of principal residence	Singapore	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 Dr Stephen 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 Dr Stephen Riady abstaining) has endorsed the Nominating Committee's recommendation.	The Nominating Committee (with Mr Sin Boon Ann abstaining), having considered the principles for determination of board size, composition and diversity of skillsets, recommends the re-election of Mr Sin Boon Ann 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 Sin Boon Ann abstaining) has endorsed the Nominating Committee's recommendation.
Whether appointment is executive, and if so, the area of responsibility	Executive. Provides strategic direction and has overall responsibility for the management, organisation, operation and development of the Group and all matters arising therefrom.	Non-Executive.
Job title	Executive Chairman and Group Chief Executive Officer	• Deputy Chairman and Non-Executive Non-Independent Director • Nominating Committee (Member) • Remuneration Committee (Member)
Professional qualifications	1. Bachelor of Science, Business Administration, University of Southern California, United States of America 2. Master of Business Administration, Golden Gate University, United States of America 3. Honorary Degree of Doctor of Business Administration, Edinburgh Napier University, United Kingdom 4. Honorary University Fellow, Hong Kong Baptist University 5. Fellow of the Duke of Edinburgh's Award World Fellowship	1. Bachelor of Arts and Bachelor of Laws (Honours), National University of Singapore 2. Master of Laws, University of London, United Kingdom 3. Admitted to Singapore Bar

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	DR STEPHEN RIADY *Executive Chairman and Group Chief Executive Officer*	**MR SIN BOON ANN** *Deputy Chairman and Non-Executive Non-Independent Director*
Working experience and occupation(s) during the past 10 years	From 30 November 2006 to present: Executive Director, OUE Limited From 9 March 2010 to present: Executive Chairman, OUE Limited From 1 January 2020 to present: Group Chief Executive Officer, OUE Limited	From 2009 to March 2018: Deputy Managing Director of the Corporate & Finance Department and Co-head of the Capital Markets Practice, Drew & Napier LLC From March 2018 to present: Consultant, Drew & Napier LLC
Shareholding interest in the listed issuer and its subsidiaries	1. Please refer to page 143 of this Annual Report. 2. Deemed interest of 2,728,819,456 units in OUE Real Estate Investment Trust ("**OUE REIT**"), formerly known as OUE Commercial Real Estate Investment Trust. Note: OUE REIT is not regarded as a subsidiary of the Company under the Companies Act 1967. Notwithstanding the foregoing, since OUE REIT is treated as a subsidiary for accounting purposes, for completeness, the Company has elected to include information on Dr Stephen Riady's deemed interest in OUE REIT units. 3. Deemed interest of 934,837,121 units in First Real Estate Investment Trust ("**First REIT**"). Note: First REIT is not regarded as a subsidiary of the Company under the Companies Act 1967. Notwithstanding the foregoing, since First REIT is treated as a subsidiary for accounting purposes, for completeness, the Company has elected to include information on Dr Stephen Riady's deemed interest in First REIT units.	Deemed interest of 541,961 units in OUE REIT, formerly known as OUE Commercial Real Estate Investment Trust. Note: OUE REIT is not regarded as a subsidiary of the Company under the Companies Act 1967. Notwithstanding the foregoing, since OUE REIT is treated as a subsidiary for accounting purposes, for completeness, the Company has elected to include information on Mr Sin Boon Ann's deemed interest in OUE REIT units.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	DR STEPHEN RIADY *Executive Chairman and Group Chief Executive Officer*	**MR SIN BOON ANN** *Deputy Chairman and Non-Executive Non-Independent 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	Dr Stephen Riady is the father of Mr Brian Riady, the Deputy Chief Executive Officer and Executive Director of the Company. He is also the brother of Mr James Tjahaja Riady, a substantial shareholder of the Company. Dr Stephen Riady is deemed to be a substantial shareholder of the Company. Please refer to pages 262 and 263 of this Annual Report.	Nil
Conflict of interest (including any competing business)	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
Other Principal Commitments (as defined in the Code of Corporate Governance 2018) including Directorships		
Past (for the last 5 years)	<u>Listed Companies</u>: • Director, OUE Healthcare Limited (formerly known as OUE Lippo Healthcare Limited) <u>Others</u>: • Director, Healthway Medical Corporation Limited	<u>Listed Companies</u>: • Director, Datapulse Technology Limited • Director, HRnetGroup Limited <u>Others</u>: • Director, At-Sunrice GlobalChef Academy Pte. Ltd. • Director, SE Hub Ltd.
Present	<u>Listed Companies</u>: • Director, Hongkong Chinese Limited • Director, Lippo China Resources Limited • Director, Lippo Limited	<u>Listed Companies</u>: • Director, CSE Global Limited • Director, Rex International Holding Limited • Director, Sarine Technologies Ltd. • Director, The Trendlines Group Ltd. • Director, TIH Limited <u>Others</u>: • Consultant, Drew & Napier LLC • Chairman and Director, Healthway Medical Corporation Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	DR STEPHEN RIADY *Executive Chairman and Group Chief Executive Officer*	**MR SIN BOON ANN** *Deputy Chairman and Non-Executive Non-Independent 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
(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
(c) Whether there is any unsatisfied judgment against him?	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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	DR STEPHEN RIADY *Executive Chairman and Group Chief Executive Officer*	**MR SIN BOON ANN** *Deputy Chairman and Non-Executive Non-Independent Director*
(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
(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
(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
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	DR STEPHEN RIADY *Executive Chairman and Group Chief Executive Officer*	MR SIN BOON ANN *Deputy Chairman and Non-Executive Non-Independent 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
(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	Yes Dr Stephen Riady was a Non-Independent Non-Executive Director of Healthway Medical Corporation Limited ("**HMC**") from 16 August 2017 to 8 November 2023. HMC had received enquiries and communicated with the Singapore Exchange Regulation Pte. Ltd. in relation to its obligations under Catalist Listing Rule 703(4)(a) read with paragraph 27(a) of the Corporate Disclosure Policy. This arose from certain inaccurate disclosures in HMC's annual report for the financial year ended 31 December 2019 ("**AR 2019**") pertaining to the re-election of Mr Sin Boon Ann and the appointment of Ms Poh Mui Hoon. The AR 2019 had been announced by HMC on the SGXNet on 15 April 2020 and the aforesaid disclosures were subsequently revised and corrected by way of a corrigendum to the AR 2019 announced by HMC on the SGXNet on 22 June 2020.	Yes Mr Sin Boon Ann has been the Independent Chairman of HMC since 26 April 2019. HMC had received enquiries and communicated with the Singapore Exchange Regulation Pte. Ltd. in relation to its obligations under Catalist Listing Rule 703(4)(a) read with paragraph 27(a) of the Corporate Disclosure Policy. This arose from certain inaccurate disclosures in HMC's AR 2019 pertaining to the re-election of Mr Sin Boon Ann and the appointment of Ms Poh Mui Hoon. The AR 2019 had been announced by HMC on the SGXNet on 15 April 2020 and the aforesaid disclosures were subsequently revised and corrected by way of a corrigendum to the AR 2019 announced by HMC on the SGXNet on 22 June 2020.
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	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	DR STEPHEN RIADY *Executive Chairman and Group Chief Executive Officer*	MR SIN BOON ANN *Deputy Chairman and Non-Executive Non-Independent 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	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	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(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	No

INTERESTED PERSON TRANSACTIONS

Entered into during the financial year 2023

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		569	–
- Management fee income from Delifrance Singapore Pte. Ltd.		1,230	–
- Reimbursement of expenses paid on behalf of Delifrance Singapore Pte. Ltd.		346	–
PT Maxx Coffee Prima	Associate of a director and controlling shareholders of the Company		
- Loan interest income		859	–
Auric Digital Retail Pte. Ltd.	Associate of a director and controlling shareholders of the Company		
- Provision of shareholder loan		24,000	–
Lippo Capital Limited	Associate of a director and controlling shareholders of the Company		
- Reimbursement of expenses paid on behalf of Lippo Capital Limited		142	–

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-First Annual General Meeting ("**AGM**") of OUE Limited (the "**Company**") will be held at Hilton Singapore Orchard (333 Orchard Road, Singapore 238867), Grand Ballroom, Level 6, Orchard Wing on Friday, 26 April 2024 at 2.00 p.m. 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 2023 and the Auditors' Report thereon.

2. To declare a tax exempt (one-tier) final dividend of 1 cent per ordinary share and a tax exempt (one-tier) special dividend of 2 cents per ordinary share for the year ended 31 December 2023.

3. To approve Directors' Fees of S$588,750 for the year ended 31 December 2023 (2022: S$588,750).

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) Dr Stephen Riady

   (b) Mr Sin Boon Ann

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,

NOTICE OF ANNUAL GENERAL MEETING

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**");

(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:

(i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an off-market purchase of a Share, 120% 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

4 April 2024
Singapore

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

Resolution 4(a)
To re-elect Dr Stephen Riady, who is the Executive Chairman and Group Chief Executive Officer. Further information can be found in the "Additional Information on Directors Seeking Re-election" section of the Annual Report 2023.

Resolution 4(b)
To re-elect Mr Sin Boon Ann, who is the Deputy Chairman and a Non-Executive Non-Independent Director. Mr Sin will, upon re-election, continue to serve as a member of each of the Nominating Committee and the Remuneration Committee. Further information can be found in the "Additional Information on Directors Seeking Re-election" section of the Annual Report 2023.

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 15 March 2024 (the "**Latest Practicable Date**"), the Company had 18,065,500 treasury shares and no subsidiary holdings.

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 18,065,500 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 84,177,196 Shares. Assuming that the Company purchases or acquires 84,177,196 Shares:

(a) by way of market purchase at the Maximum Price of S$1.1235 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 84,177,196 Shares is approximately S$94,573,080; and

(b) by way of off-market purchase at the Maximum Price of S$1.2840 for one Share (being the price equivalent to 120% 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 84,177,196 Shares is approximately S$108,083,520.

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 2023, based on certain assumptions, are set out in paragraph 2.7 of the Letter to Shareholders dated 4 April 2024 (the "**Letter**").

Please refer to the Letter for more details.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

No Vouchers or Door Gifts

1. Only coffee, tea and water will be served at the AGM, and there will not be any vouchers or door gifts issued.

Format of Meeting

2. The AGM will be held, in a wholly physical format, at Hilton Singapore Orchard (333 Orchard Road, Singapore 238867), Grand Ballroom, Level 6, Orchard Wing on Friday, 26 April 2024 at 2.00 p.m.. Shareholders, including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person and they should bring along their original NRIC/passport for registration on the day of the AGM. **There will be no option for shareholders to participate virtually**.

   Printed copies of this Notice, the accompanying Proxy Form and the Request Form will be sent by post to members. This Notice and the accompanying Proxy Form will also be published 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.

Appointment of Proxy(ies)

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 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

4. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com,

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the AGM.

6. CPF and SRS investors:

   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 April 2024.

Submission of Questions

7. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM:

   (a) by post to the Company's registered address at 50 Collyer Quay, #18-01/02 OUE Bayfront, Singapore 049321; or

   (b) via email to the Company at investorrelations@oue.com.sg.

   When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's address; and (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.

   All questions submitted in advance of the AGM must be received by 5.00 p.m. on 12 April 2024.

8. The Company will address all substantial and relevant questions received from shareholders by the 12 April 2024 deadline by publishing its responses to such questions 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 at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions submitted after the 12 April 2024 deadline either within a reasonable timeframe before the AGM, or at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

9. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

Access to Documents

10. The Annual Report 2023 and the Letter to Shareholders dated 4 April 2024 (in relation to the proposed renewal of the share purchase mandate) have been published and 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 2023 may be accessed by clicking on the hyperlink for "2023 Annual Report"; and

    (b) the Letter to Shareholders dated 4 April 2024 may be accessed by clicking on the hyperlink for "(Letter to Shareholders)" under "2023 Annual Report".

    The above documents may also be accessed at the SGX website at the URL https://www.sgx.com/securities/company-announcements. Members may request for printed copies of these documents by completing and submitting the Request Form sent to them by post together with printed copies of this Notice and the accompanying Proxy Form by 5.00 p.m. on 19 April 2024.

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 proxies and representatives 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 (or its agents or service providers) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM
Annual General Meeting

OUE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 196400050E)

IMPORTANT:
1. The Annual General Meeting ("**AGM**") will be held, in a wholly physical format, at Hilton Singapore Orchard (333 Orchard Road, Singapore 238867), Grand Ballroom, Level 6, Orchard Wing on Friday, 26 April 2024 at 2.00 p.m.. **There will be no option for shareholders to participate virtually**.
2. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
3. 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 Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors.
4. CPF and SRS investors:
   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 April 2024.
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 AGM dated 4 April 2024.

I/We________________________(Name)________________(NRIC/Passport/Company Registration Number)

of____(Address)

being a member/members of OUE LIMITED (the "**Company**"), hereby appoint:

Name	Address	NRIC / Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	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 Sixty-First AGM of the Company to be held at Hilton Singapore Orchard (333 Orchard Road, Singapore 238867), Grand Ballroom, Level 6, Orchard Wing on Friday, 26 April 2024 at 2.00 p.m. and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against	Abstain
1.	Directors' Statement and Financial Statements			
2.	Final Dividend and Special Dividend			
3.	Directors' Fees			
4.	(a) Re-election of Dr Stephen Riady as Director			
	(b) Re-election of Mr Sin Boon Ann 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 AGM.)*

Dated this______________day of_______________2024

____
Signature(s) of Member(s) or Common Seal

____
Contact Number/Email Address of Member(s)

Total No. of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

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 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 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

Please glue and seal along this edge

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 09671

The Company Secretary
OUE Limited
c/o Share Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

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 personally or by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com,

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the AGM.

5. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

6. 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 personally or by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

7. 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) (including 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 AGM, as certified by The Central Depository (Pte) Limited to the Company.

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OUE LIMITED
COMPANY REG. NO. 196400050E

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