



OUE LIMITED

(Company Registration No. 196400050E)

INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023 (UNAUDITED)

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OUÉ LIMITED & ITS SUBSIDIARIES
For the six months and full year ended 31 December 2023

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

	Notes	The Group					
		Six months ended	Six months ended	Change	Full year ended	Full year ended	Change
		31/12/2023	31/12/2022		31/12/2023	31/12/2022	
\$'000	\$'000	%	\$'000	\$'000	%		
Revenue	3	318,601	292,446	8.9	623,099	491,120	26.9
Cost of sales		(137,088)	(120,815)	13.5	(262,677)	(204,822)	28.2
Gross profit		181,513	171,631	5.8	360,422	286,298	25.9
Marketing expenses		(5,703)	(3,567)	59.9	(11,303)	(6,508)	73.7
Administrative expenses		(42,005)	(43,459)	(3.3)	(87,293)	(77,552)	12.6
Other operating expenses		(8,451)	(6,739)	25.4	(15,624)	(13,961)	11.9
Share of results of equity-accounted investees, net of tax		17,449	79,342	(78.0)	43,199	156,957	(72.5)
		142,803	197,208	(27.6)	289,401	345,234	(16.2)
Finance expenses	4	(84,290)	(72,745)	15.9	(160,284)	(126,305)	26.9
Finance income	5	3,847	27,389	(86.0)	11,958	32,718	(63.5)
Other gains - net	6	11,942	109,375	(89.1)	11,653	149,500	(92.2)
Profit before tax	7	74,302	261,227	(71.6)	152,728	401,147	(61.9)
Tax credit / (expense)	8	22,657	(41,581)	n.m.	12,411	(53,878)	n.m.
Profit after tax		96,959	219,646	(55.9)	165,139	347,269	(52.4)
Other comprehensive income							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Foreign operations:							
- currency translation differences		(44,488)	(107,901)	(58.8)	(37,308)	(147,239)	(74.7)
Share of other comprehensive income of equity-accounted investees:							
- currency translation differences		5,890	(100,875)	n.m.	(32,439)	(141,340)	(77.0)
- other reserves		(1,494)	1,865	n.m.	(1,837)	3,820	n.m.
Cash flow hedges:							
- effective portion of changes in fair value of cash flow hedges		6,736	(17,088)	n.m.	9,235	7,811	18.2
- hedging reserve reclassified to profit or loss		(10,133)	(1,568)	>100.0	(12,479)	2,025	n.m.
		(43,489)	(225,567)	(80.7)	(74,828)	(274,923)	(72.8)
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Share of other reserves of an equity-accounted investee							
Net change in fair value of investments at fair value through other comprehensive income, net of tax	6(vi)(b)	(23,717)	(38,227)	(38.0)	(38,198)	(102,408)	(62.7)
		(20,159)	(36,096)	(44.2)	(37,120)	(101,757)	(63.5)
Other comprehensive income, net of tax		(63,648)	(261,663)	(75.7)	(111,948)	(376,680)	(70.3)
Total comprehensive income for the period		33,311	(42,017)	n.m.	53,191	(29,411)	n.m.
Profit attributable to:							
Owners of the Company		40,854	101,158	(59.6)	81,079	189,857	(57.3)
Perpetual securities holders		834	1,094	(23.8)	1,656	2,093	(20.9)
Non-controlling interests		55,271	117,394	(52.9)	82,404	155,319	(46.9)
		96,959	219,646	(55.9)	165,139	347,269	(52.4)
Total comprehensive income attributable to:							
Owners of the Company		3,804	(93,920)	n.m.	(7,560)	(115,144)	(93.4)
Perpetual securities holders		834	1,094	(23.8)	1,656	2,093	(20.9)
Non-controlling interests		28,673	50,809	(43.6)	59,095	83,640	(29.3)
		33,311	(42,017)	n.m.	53,191	(29,411)	n.m.
Earnings per share for profit for the period attributable to the owners of the Company							
Weighted average number of ordinary shares in issue		841,758,483	857,342,842		846,801,566	863,728,801	
Basic and diluted earnings per share (cents)		4.85	11.80		9.57	21.98	

n.m. - Not meaningful

OUÉ LIMITED & ITS SUBSIDIARIES
As at 31 December 2023

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		31/12/2023 \$'000	31/12/2022 \$'000	31/12/2023 \$'000	31/12/2022 \$'000
ASSETS					
Cash and cash equivalents		182,602	327,846	37,511	121,614
Trade and other receivables		67,681	64,249	1,174,726	978,445
Inventories		2,428	1,659	155	179
Other investments		3,933	52,664	-	-
Development properties		29,041	37,967	-	-
Other assets		104,364	101,235	17,754	47,162
Loans to subsidiaries		-	-	522,872	912,430
Derivative assets		3,912	6,390	78	-
Current assets		393,961	592,010	1,753,096	2,059,830
Intangible assets and goodwill	10	58,331	58,394	-	-
Interests in equity-accounted investees	11	1,580,142	1,521,522	-	-
Investments in subsidiaries		-	-	938,424	967,494
Loans to subsidiaries		-	-	-	13,348
Other investments		113,973	119,032	-	-
Other assets		6,087	5,593	931	907
Investment properties	12	5,321,509	5,404,659	-	-
Property, plant and equipment	13	1,790,928	1,760,752	571,266	602,545
Deferred tax assets		1,971	2,047	3,905	3,255
Derivative assets		-	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		188,749	179,139	56,849	124,280
Borrowings	14	31,346	578,643	-	-
Provision		20,199	24,656	-	-
Loans from a subsidiary		-	-	-	301,412
Current tax liabilities		68,592	87,363	13,342	5,162
Deferred income		4,330	3,439	-	-
Lease liabilities		6,921	6,456	27,357	26,473
Derivative liabilities		27	494	-	-
Current liabilities		320,164	880,190	97,548	457,327
Borrowings	14	2,842,190	2,388,483	71,168	18,955
Deferred income		16,822	309	-	-
Deferred tax liabilities		122,318	145,009	-	-
Other payables		51,740	60,726	410	1,304
Lease liabilities		31,254	38,302	626,365	653,723
Derivative liabilities		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	15	470,546	470,546	470,546	470,546
Other reserves		(364,949)	(252,625)	(20,115)	(16,179)
Accumulated profits		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		2,208,078	2,252,297	-	-
Total equity		5,881,696	5,974,049	2,471,916	2,516,292

QUE LIMITED & ITS SUBSIDIARIES
For the year ended 31 December 2023

C. Condensed interim statements of changes in equity

THE GROUP	Notes	Attributable to Owners of the Company				Perpetual securities \$'000	Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'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 period								
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 period		-	(88,639)	81,079	(7,560)	1,656	59,095	53,191
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Own shares acquired	15	-	(3,936)	-	(3,936)	-	-	(3,936)
Dividends paid	16	-	-	(21,181)	(21,181)	-	(97,775)	(118,956)
Distributions 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		-	-	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		-	(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

OUÉ LIMITED & ITS SUBSIDIARIES
For the year ended 31 December 2023

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

THE GROUP	Notes	Attributable to Owners of the Company						Non-controlling interests	Total equity
		Share capital	Other reserves	Accumulated profits	Total	Perpetual securities			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
At 1 January 2022		634,852	(69,233)	3,284,337	3,849,956	-	1,869,442	5,719,398	
Total comprehensive income for the period									
Profit for the 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 period		-	(305,001)	189,857	(115,144)	2,093	83,640	(29,411)	
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Own shares acquired	15	-	(32,469)	-	(32,469)	-	-	(32,469)	
Cancellation of treasury shares		(164,306)	164,306	-	-	-	-	-	
Dividends paid	16	-	-	(17,303)	(17,303)	-	(97,866)	(115,169)	
Proceeds from issuance of shares by a subsidiary, net of issuance costs		-	-	2,618	2,618	(26,980)	5,240	(19,122)	
Proceeds from issuance of units by a subsidiary, net of issuance costs		-	-	-	-	(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 ownership		-	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 reserves to accumulated profits		-	(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	

OUÉ LIMITED & ITS SUBSIDIARIES
For the year ended 31 December 2023

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

THE COMPANY

	Notes	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total equity \$'000
At 1 January 2023		470,546	(16,179)	2,061,925	2,516,292
Total comprehensive income for the period					
Loss for the year		-	-	(19,259)	(19,259)
Total comprehensive income for the period		-	-	(19,259)	(19,259)
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Own shares acquired	15	-	(3,936)	-	(3,936)
Dividends paid	16	-	-	(21,181)	(21,181)
Total transactions with owners of the Company		-	(3,936)	(21,181)	(25,117)
At 31 December 2023		470,546	(20,115)	2,021,485	2,471,916
At 1 January 2022		634,852	(148,016)	2,085,474	2,572,310
Total comprehensive income for the period					
Loss for the year		-	-	(6,246)	(6,246)
Total comprehensive income for the period		-	-	(6,246)	(6,246)
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Own shares acquired	15	-	(32,469)	-	(32,469)
Cancellation of treasury shares		(164,306)	164,306	-	-
Dividends paid	16	-	-	(17,303)	(17,303)
Total transactions with owners of the Company		(164,306)	131,837	(17,303)	(49,772)
At 31 December 2022		470,546	(16,179)	2,061,925	2,516,292

OUE LIMITED & ITS SUBSIDIARIES
For the year ended 31 December 2023

D. Condensed interim consolidated statement of cash flows

	The Group	
	Full year ended 31/12/2023 \$'000	Full year ended 31/12/2022 \$'000
Cash flows from operating activities		
Profit after tax	165,139	347,269
Adjustments for:		
Depreciation of 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 on investment 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 equipment	(51,787)	(76,639)
Impairment loss on trade and other receivables	1,075	180
Bad debts written off	-	160
(Gain) / loss on disposal of a subsidiary	(62)	511
Loss on disposal of an investment property	51	-
Loss / (gain) on disposal of property, plant and equipment	171	(99)
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
	<u>292,965</u>	<u>218,892</u>
Changes in:		
- trade and other receivables and other assets	(7,726)	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	<u>308,088</u>	<u>237,145</u>
Tax paid	<u>(24,217)</u>	<u>(40,458)</u>
Net cash from operating activities	<u>283,871</u>	<u>196,687</u>

OUE LIMITED & ITS SUBSIDIARIES
For the year ended 31 December 2023

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

	The Group	
	Full year ended 31/12/2023 \$'000	Full year ended 31/12/2022 \$'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
Loan to an equity-accounted investee	(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 an investment property	1,523	-
Acquisition of subsidiaries, net of cash acquired	-	39,845
Proceeds from disposal of interests in a subsidiary, 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	(127,847)	(120,322)
Proceeds from borrowings	715,000	1,754,816
Repayment of borrowings	(804,344)	(1,939,030)
Principal repayment of leases	(6,689)	(6,771)
Redemption of perpetual securities	-	(19,122)
Distribution to perpetual securities holders	(1,656)	(1,482)
Repurchase of own shares	(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 the beginning of the financial year	326,392	487,901
Effect of exchange rate fluctuations on cash held	(2,807)	(11,164)
Cash and cash equivalents at the end of the financial year¹	179,258	326,392

¹ Cash and cash equivalents as at 31 December 2023 excludes the Group's pledged deposits of \$3,344,000 (31/12/22: \$1,454,000).

OUE LIMITED & ITS SUBSIDIARIES

For the six months and full year ended 31 December 2023

E. Notes to the condensed interim consolidated financial statements

1. Domicile and activities

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

The principal activities of the Company are those of hospitality services, property investment and investment holding.

The principal activities of the Group are those of:

- Real estate, comprising:
 - 1) Investment Properties;
 - 2) Hospitality; and
 - 3) Development Properties
- Healthcare

The condensed interim consolidated financial statements as at and for six months period and full year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in equity-accounted investees.

The Company’s immediate holding company is OUE Realty Pte. Ltd., a company incorporated in Singapore. The ultimate holding company is Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands.

2. Basis of preparation

The condensed interim financial statements have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2023. The adoption of these new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

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

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

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the Group's consolidated financial statements as at and for the year ended 31 December 2022.

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

Note 10	Impairment testing of intangible assets and goodwill: key assumptions underlying recoverable amounts
Note 11	Determination of recoverable amount of interests in equity-accounted investees
Note 12	Determination of fair value of investment properties
Note 13	Determination of recoverable amount of property, plant and equipment
Note 17	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Measurement of fair values

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

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

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

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For the six months and full year ended 31 December 2023

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

3. Revenue

	Six months ended 31/12/2023 \$'000	Six months ended 31/12/2022 \$'000	Change %	Full year ended 31/12/2023 \$'000	Full year ended 31/12/2022 \$'000	Change %
Real estate:						
- Investment properties income	103,409	99,503	3.9	204,719	189,383	8.1
- Hospitality income	109,639	92,293	18.8	205,393	142,623	44.0
- Development properties income	1,830	2,528	(27.6)	9,791	2,704	>100.0
Healthcare income	82,296	77,821	5.8	162,063	122,359	32.4
Others	21,427	20,301	5.5	41,133	34,051	20.8
	<u>318,601</u>	<u>292,446</u>	8.9	<u>623,099</u>	<u>491,120</u>	26.9

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

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

	Six months ended 31/12/2023		Six months ended 31/12/2022		Full year ended 31/12/2023		Full year ended 31/12/2022	
	At a point in time \$'000	Over time \$'000						
	Investment properties income	-	3,570	-	3,441	-	7,239	-
Hospitality income	109,020	-	91,159	-	204,156	-	141,489	-
Development properties income	1,830	-	2,528	-	9,791	-	2,704	-
Healthcare income	27,716	-	20,313	22	53,490	4	22,797	1,497
Others	21,426	-	20,301	-	41,132	-	34,051	-
	<u>159,992</u>	<u>3,570</u>	<u>134,301</u>	<u>3,463</u>	<u>308,569</u>	<u>7,243</u>	<u>201,041</u>	<u>8,506</u>

4. Finance expenses

	Notes	Six months ended 31/12/2023 \$'000	Six months ended 31/12/2022 \$'000	Change %	Full year ended 31/12/2023 \$'000	Full year ended 31/12/2022 \$'000	Change %
Borrowing costs	(i)	67,487	69,069	(2.3)	131,807	119,367	10.4
Net foreign exchange loss		4,516	2,322	94.5	4,516	4,834	(6.6)
Unwinding of discount of non-current rental deposits		83	81	2.5	166	166	-
Finance expenses on lease liabilities		893	681	31.1	1,692	1,346	25.7
Net change in fair value of derivatives	(ii)	11,311	592	>100.0	22,103	592	>100.0
		<u>84,290</u>	<u>72,745</u>	15.9	<u>160,284</u>	<u>126,305</u>	26.9

(i) Included gain on cashflow hedge of \$11.0 million in 2H 2023 (2H 2022 : gain on cashflow hedge of \$2.7 million) and gain on cashflow hedge of \$12.5 million in FY2023 (2022: loss on cashflow hedge of \$2.0 million) transferred from hedging reserve. Borrowings costs decreased in 2H 2023 mainly due to lower interest costs arising from redemption of fixed rates notes in May 2023. Borrowing costs increased in FY2023 mainly due to higher benchmark interest rates.

(ii) Net change in fair value of derivatives relate to non-cash mark-to-market movements of interest rate swaps, interest rate caps and currency hedging contracts.

5. Finance income

	Six months ended 31/12/2023 \$'000	Six months ended 31/12/2022 \$'000	Change %	Full year ended 31/12/2023 \$'000	Full year ended 31/12/2022 \$'000	Change %
Interest income	2,269	3,698	(38.6)	6,156	6,209	(0.9)
Dividend income from other investments	-	214	(100.0)	3,762	496	>100.0
Net foreign exchange gain	(107)	-	n.m.	-	-	-
Ineffective portion of changes in fair value of cash flow hedges	1,685	315	>100.0	2,040	2,177	(6.3)
Change in fair value of financial derivatives	-	1,104	(100.0)	-	1,778	(100.0)
Hedging reserve reclassified from equity due to discontinuation of hedge accounting	-	22,058	(100.0)	-	22,058	(100.0)
	<u>3,847</u>	<u>27,389</u>	(86.0)	<u>11,958</u>	<u>32,718</u>	(63.5)

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

6. Other gains – net

	Notes	Six months ended 31/12/2023 \$'000	Six months ended 31/12/2022 \$'000	Change %	Full year ended 31/12/2023 \$'000	Full year ended 31/12/2022 \$'000	Change %
Write back of provision for site restoration	(i)	-	910	(100.0)	-	910	(100.0)
Write back of impairment loss/(Impairment loss) on development properties	(ii)	24	(2,282)	n.m.	24	(2,282)	n.m.
Impairment loss on interests in an equity-accounted investee	(iii)	-	(5,000)	(100.0)	-	(5,000)	(100.0)
Negative goodwill on investment in an equity-accounted investee	(iv)	-	43,808	(100.0)	-	43,808	(100.0)
Net change in fair value of investment properties	(v)	(39,575)	28,751	n.m.	(47,105)	32,964	n.m.
Net change in fair value of investments designated at fair value through profit or loss	(vi)(a)	17	(32,938)	n.m.	7,196	3,196	>100.0
Net loss arising from change in accounting treatment of an equity-accounted investee to a subsidiary	(vii)	-	-	-	-	(224)	(100.0)
Write back of impairment loss on property, plant equipment	(viii)	51,787	76,639	(32.4)	51,787	76,639	(32.4)
Others		(311)	(513)	(39.4)	(249)	(511)	(51.3)
		<u>11,942</u>	<u>109,375</u>	<u>(89.1)</u>	<u>11,653</u>	<u>149,500</u>	<u>(92.2)</u>

- (i) This relates to the write back of provision of site restoration of a land parcel located in Dujiangyan, Chengdu, following the completion of the restoration works in the prior period/year.
- (ii) This relates to the write back of impairment loss previously recognised on a development property in Indonesia, offset by an impairment loss recognised on one unit at OUE Twin Peaks. In 2022, the impairment loss was recognised on a development property in Indonesia.
- (iii) This relates to the impairment loss on the Myanmar joint venture under the healthcare segment in prior period/year. The impairment loss represented the excess of the carrying value over the estimated recoverable amount, which was based on the value-in-use, taking into consideration the potential impact from the prevailing economic conditions and market outlook on the projected cash flows and discount rates.
- (iv) This relates to negative goodwill recognised arising from the acquisition of additional equity interests in Gemdale Properties and Investment Corporation Limited (“Gemdale”) below its net asset value in the prior period/year.
- (v) This relates to the net change in fair value of investment properties of the Group which include the investment properties held by OUE REIT and First Real Estate Investment Trust (“First REIT”). 2H 2023 and FY2023 included an amount of \$2.9 million derived from reversal of unutilised income support related to the sale of OUE Bayfront in 2021.
- (vi) This relates to net change in marked-to-market fair value of:
- investments designated at fair value through profit or loss, which include investments in equity securities and interests in mutual funds; and
 - investments designated at fair value through other comprehensive income net of tax, which include investments in equity securities that are not held for trading and interests in limited partnerships.
- (vii) This relates to loss arising from the deemed disposal of First REIT as an associate of the Group of \$35,601,000, partially offset by the negative goodwill recognised from accounting of First REIT as a subsidiary of \$35,377,000 on 1 March 2022. The negative goodwill reflects the excess of fair value of assets and liabilities acquired over the consideration paid.
- (viii) The write-back of impairment loss on property, plant and equipment mainly relate to increase in fair value of the hospitality assets held by the Group which are namely Hilton Singapore Orchard and Crowne Plaza Changi Airport.

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

7. Profit before tax

	Six months ended 31/12/2023 \$'000	Six months ended 31/12/2022 \$'000	Change %	Full year ended 31/12/2023 \$'000	Full year ended 31/12/2022 \$'000	Change %
Profit before tax is stated after charging:						
- Depreciation of property, plant and equipment	30,605	26,073	17.4	60,393	52,313	15.4

8. Tax (credit) / expense

The Group calculates the period income tax (credit)/expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Six months ended 31/12/2023 \$'000	Six months ended 31/12/2022 \$'000	Change %	Full year ended 31/12/2023 \$'000	Full year ended 31/12/2022 \$'000	Change %
The charge for income tax expense includes the following:						
Current tax expense:						
- Current year	16,323	18,033	(9.5)	34,357	30,438	12.9
- (Over)/Underprovision of current tax in respect of prior years	(19,783)	27,194	n.m.	(29,548)	24,277	n.m.
Deferred tax expense:						
- Origination and reversal of temporary difference	(9,661)	(2,304)	>100.0	(7,684)	505	n.m.
- Overprovision in respect of prior years	(9,536)	(1,342)	>100.0	(9,536)	(1,342)	>100.0
	<u>(22,657)</u>	<u>41,581</u>	n.m.	<u>(12,411)</u>	<u>53,878</u>	n.m.

Tax credit in current period / year mainly relate to write back of tax provision no longer required following finalisation of tax assessment and write back on deferred tax liabilities due to decrease in valuation of an investment property in China.

9. Net asset value

	<u>The Group</u>		<u>The Company</u>	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Number of issued shares (excluding treasury shares)	843,680,060	847,257,260	843,680,060	847,257,260
Net asset value per ordinary share (\$)	<u>4.31</u>	<u>4.35</u>	<u>2.93</u>	<u>2.97</u>

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

10. Intangible assets and goodwill

	Goodwill \$'000	Medical distribution licenses \$'000	Intangible asset \$'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	<u>51,684</u>	<u>522</u>	<u>36,808</u>	<u>89,014</u>
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	<u>20,963</u>	<u>522</u>	<u>9,198</u>	<u>30,683</u>
Cost				
At 1 January 2022	24,029	675	36,808	61,512
Addition	27,754	-	-	27,754
Effect of movements in exchange rates	(36)	(67)	-	(103)
At 31 December 2022	<u>51,747</u>	<u>608</u>	<u>36,808</u>	<u>89,163</u>
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	<u>20,963</u>	<u>608</u>	<u>9,198</u>	<u>30,769</u>
Carrying amounts				
At 31 December 2022	<u>30,784</u>	-	<u>27,610</u>	<u>58,394</u>
At 31 December 2023	<u><u>30,721</u></u>	-	<u><u>27,610</u></u>	<u><u>58,331</u></u>

Impairment test for intangible assets

The Group's intangible assets comprise mainly of management rights acquired. The recoverable amount of the management rights is determined based on value-in-use calculation using a cash flow projection from the provision of asset management services. The key assumptions used in the estimation of the recoverable amount include the discount rate and the budgeted earnings before interest and tax growth rate.

Impairment test for goodwill

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

	31/12/2023 \$'000	31/12/2022 \$'000
Echo Healthcare Management Pte. Ltd. and its subsidiaries	27,754	27,754
CGU without significant goodwill	2,967	3,030
	<u>30,721</u>	<u>30,784</u>

The recoverable amount of the CGU was estimated based on its value-in-use using a discounted cash flow projection based on financial budgets and forecasts approved by the management. The key assumptions used in the estimation of the recoverable amount include the revenue growth rate, discount rate, budgeted earnings before interest and tax margin and terminal value growth rate.

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

11. Interests in equity-accounted investees

	Group	
	31/12/2023 \$'000	31/12/2022 \$'000
Interests in associates	1,140,787	1,097,742
Interests in joint ventures	409,807	398,884
Less: impairment loss	(9,135)	(9,135)
	1,541,459	1,487,491
Loans to associate and joint ventures	38,683	34,031
	1,580,142	1,521,522

The loans to 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 foreseeable future and hence the loans are classified as non-current.

Associate

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 transferred	57,120
Less: Proportionate share of fair value of net assets	(17,720)
Provisional goodwill	39,400

Included in the carrying amount of associate and joint ventures in the statement of financial position as at 31 December 2023 is provisional goodwill arising from acquisition of equity interest in HMC of \$39,400,000.

Recoverable amount of interests 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.

The recoverable amount of the Group's material associate, Gemdale Properties and Investment Corporation Limited ("GPI"), approximates its share of the net assets of GPI as at 31 December 2023.

Significant underlying assets of GPI include investment properties measured at fair value and development properties measured at lower of cost and net realisable value ("NRV"). Fair value of investment properties determined are sensitive to the key assumptions applied and a change in key assumptions could have a significant impact to the fair value of investment properties. NRV of development properties is determined based on the expected selling prices and estimated costs of completion for development properties under development. Accordingly, NRV is subject to market uncertainty and may be impacted by the future selling prices and the actual cost of completion.

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

12. Investment properties

Notes	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
Disposals	(1,574)	-	(1,574)
Net change in fair value ^(a)	(49,542)	(510)	(50,052)
Effect of movements in exchange rates	(52,059)	(4,247)	(56,306)
Lease incentives	14,616	-	14,616
At 31 December 2023	<u>5,153,045</u>	<u>168,464</u>	<u>5,321,509</u>
At 1 January 2022	4,374,655	193,807	4,568,462
Acquisition of a subsidiary	955,235	-	955,235
Additions ^(b)	41,495	1	41,496
Disposal of a subsidiary	(40,438)	-	(40,438)
Disposal	(32)	-	(32)
Net change in fair value	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	<u>5,231,462</u>	<u>173,197</u>	<u>5,404,659</u>

^(a) Excluded the fair value gain of \$2.9 million arising from reversal of unutilised income support related to the sale of OUE Bayfront in 2021, with total fair value losses recognised in the income statement amounting to \$47.1 million.

^(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 million (approximately \$27,606,000), with a total acquisition cost capitalised amounting to \$3,455,000.

As at 31 December 2023, investment properties with a total carrying amount of \$2,006.4 million (31 December 2022: \$1,996.6 million) were pledged as security for banking facilities.

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Fair value measurement

The fair values of investment properties as at 31 December 2023 were determined by independent professional valuers based on assumptions and estimates that reflect their market value, which approximate their carrying amounts.

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

Completed investment properties

The fair values were derived based on the discounted cashflow method, capitalisation method and direct comparison method. The valuation methods involve certain estimates including those relating to discount rate, terminal yield rate, capitalisation rate and price per square foot. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations.

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

12. Investment properties (cont'd)

Classification of investment properties under development

The Group's investment properties under development pertain to lands in Indonesia, the People's Republic of China ("the PRC") and Malaysia.

The fair values were derived based on the discounted cashflow method, direct comparison method and residual value method. The valuation methods involve certain estimates including those relating to discount rate, terminal yield rate, plot ratio, developer's profit and risk and construction costs per square metre.

In relying on the valuation reports, management has exercised judgement and is satisfied that the valuation methods and estimates used are reflective of the current market conditions.

13. Property, plant and equipment

For the full year ended 31 December 2023, the Group acquired assets amounting to \$39.5 million (31 December 2022: \$74.9 million).

There was no property, plant and equipment which was pledged as security for banking facilities.

Impairment test for property, plant and equipment

The recoverable amount of the Group's significant property, plant and equipment is determined based on the higher of fair value less costs to sell and value-in-use calculation. As at 31 December 2023, the Group had engaged independent professional valuers to perform valuations for significant property, plant and equipment to estimate the recoverable amounts of the respective properties based on their market values.

The market values were derived based on the discounted cashflow method. The valuation method involves certain estimates including those relating to discount rate and terminal yield rate. The fair value measurement was categorised under Level 3 of the fair value hierarchy based on the valuation techniques used.

Based on the valuations performed, net write-back of impairment losses amounting to \$51.8 million (2022: net write-back of impairment losses amounting to \$76.6 million) was recognised for the current financial year.

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

14. Borrowings

	Group		Company	
	31/12/2023 \$'000	31/12/2022 \$'000	31/12/2023 \$'000	31/12/2022 \$'000
Amount repayable within one year or less, or on demand				
Secured	1,346	20,944	-	-
Unsecured	30,000	557,699	-	-
	31,346	578,643	-	-
Amount repayable after one year				
Secured	986,409	865,492	71,168	18,955
Unsecured	1,855,781	1,522,991	-	-
	2,842,190	2,388,483	71,168	18,955
	2,873,536	2,967,126	71,168	18,955

Details of any collateral

Secured borrowings are generally collateralised by:

- Pledging of properties/assets; and/or
- Assignment of all rights and benefits to sale, lease and/or insurance proceeds with respect to the properties

15. Share capital

Issued share capital

	The Group and Company	
	Number of shares '000	Amount \$'000
As at 1 January 2023 and 31 December 2023	859,838	470,546

As at 31 December 2023, the Company's total number of issued shares excluding treasury shares is 843,680,060 (31/12/22: 847,257,260).

For the full year ended 31 December 2023, the Company acquired 3,577,200 (31/12/2022: 24,773,500) of its own shares for a total consideration of \$3,936,000 (31/12/2022: \$32,469,000).

As at 31 December 2023, the Company held 16,157,400 (31/12/2022: 12,580,200) treasury shares which represented 1.9% (31/12/2022: 1.5%) of the total number of issued shares (excluding treasury shares).

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

16. Dividends

	Group and Company	
	31/12/2023	31/12/2022
	\$'000	\$'000
Paid by the Company to owners of the Company		
Final dividend of 1.5 cents (2022: 1 cent) per ordinary share in respect of prior year	12,709	8,695
Interim dividend of 1 cent (2022: 1 cent) per ordinary share in respect of current year	8,472	8,608
	21,181	17,303
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 1.04 cents (2022: 1.37 cents) per qualifying OUE REIT unit in respect of prior year	29,345	38,655
Distribution of 1.05 cents (2022: 1.08 cents) per qualifying OUE REIT unit in respect of current year	29,627	30,474
Final dividend of 15 cents (2022: 15 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

17. Litigation cases

The status of the litigation cases of the Group's subsidiary, OUE Healthcare Limited ("OUEH") and its subsidiaries ("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 ("HKIL") and its subsidiaries, Health Kind International (Shanghai) Co., Ltd. ("Health Kind Shanghai") and Wuxi New District Phoenix Hospital Co., Ltd. ("Wuxi Co").

In 2017, Weixin Hospital Investment Management (Shanghai) Co. Ltd ("Weixin"), a company controlled by David Lin, sought a court order for the shares in Wuxi Co to be transferred to Weixin. The Shanghai Courts have rendered a judgement and appeal judgement in favour of Weixin. Consequently, 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;

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

17. Litigation cases (cont'd)

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

- 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 S\$711,000, being the deposit and trust assets held by David Lin in his bank accounts in Taiwan. Separately, David Lin's ¼ share in a real estate in New Taipei City was sold on 18 January 2021 during a public auction for the sum of NTD 5,880,000, of which OUEH received a sum net of costs and expenses.

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 S\$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 responded to Fan's private trustees to seek further particulars and supporting documents in support of their claims.

No litigation has developed from these claims and no provisions is made given that there is lack of details to support the claims.

18. Commitments

Capital commitments

The Group has the following capital commitments:

	Group	
	31/12/2023	31/12/2022
	\$'000	\$'000
Financial assets designated at FVOCI	17,353	18,402
Property, plant and equipment	3,394	433
Investment properties	1,718	1,142

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

19. Financial assets and liabilities

The carrying amounts and fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy are set out below. 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. The fair value of borrowings approximates their carrying amounts as the interest rates are adjusted for changes in relevant market interest rate, except for unsecured notes which are classified within Level 2 of the fair value hierarchy.

	Carrying amount				Fair value			
	Mandatorily at FVTPL \$'000	Designated at FVOCI \$'000	Fair value - hedging instruments \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group								
31/12/2023								
Financial assets measured at fair value								
Other investments - FVTPL	3,255	-	-	3,255	3,255	-	-	3,255
Equity investments - FVOCI	-	63,064	-	63,064	49,524	-	13,540	63,064
Interests in limited partnerships - FVOCI	-	49,347	-	49,347	-	-	49,347	49,347
Derivative assets	-	-	3,912	3,912	-	3,912	-	3,912
	<u>3,255</u>	<u>112,411</u>	<u>3,912</u>	<u>119,578</u>				
Financial liabilities measured at fair value								
Derivative liabilities	-	-	(745)	(745)	-	(745)	-	(745)
	<u>-</u>	<u>-</u>	<u>(745)</u>	<u>(745)</u>				
31/12/2022								
Financial assets measured at fair value								
Other investments - FVTPL	48,031	-	-	48,031	3,122	44,909	-	48,031
Equity investments - FVOCI	-	54,177	-	54,177	40,342	-	13,835	54,177
Interests in limited partnerships - FVOCI	-	66,993	-	66,993	-	-	66,993	66,993
Derivative assets	-	-	29,449	29,449	-	29,449	-	29,449
	<u>48,031</u>	<u>121,170</u>	<u>29,449</u>	<u>198,650</u>				
Financial liabilities measured at fair value								
Derivative liabilities	-	-	(494)	(494)	-	(494)	-	(494)
	<u>-</u>	<u>-</u>	<u>(494)</u>	<u>(494)</u>				

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

20. Related party transactions

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

	Group			
	Transaction value			
	Six months ended 31/12/2023 \$'000	Six months ended 31/12/2022 \$'000	Full year ended 31/12/2023 \$'000	Full year ended 31/12/2022 \$'000
Associates and joint ventures				
Loan to an equity-accounted investee	-	8,000	24,000	8,000
Repayment of loans from equity-accounted investees	(1,200)	7,005	19,277	21,064
Management fees earned	4,507	3,182	6,546	7,765
Lease payments	2,051	1,160	4,074	3,078
Rental and rental related income	1,179	-	1,179	-
Other related parties				
Rental and rental related income	34,895	55,941	68,254	76,671
Rental related expense	-	267	-	267
Hotel services income	28	575	585	1,016
Management fees earned	180	180	360	360
Support services paid	-	195	-	195
Royalty fee income	213	96	320	174
Interest income	462	288	745	571
Recovery of expenses paid on behalf	341	120	545	216

21. Operating segments

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

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

- (i) Real Estate
 - a) Investment Properties (Singapore, the PRC and Indonesia) – rental of investment properties owned by the Group, management of commercial investment trusts and investment properties under development.
 - b) Hospitality – operation of hotels and hotel management.
 - c) Development Properties (Singapore, the PRC and etc) – sale of residential properties and other properties under development.
- (ii) Healthcare – operation of investment holding, development of medical real estate, healthcare-related assets and integrated mixed-use developments and provision of healthcare services and management of healthcare investments trusts.
- (iii) Others – mainly related to operation of food and beverage outlets and consumer-related investments.

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.

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.

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

21. Operating segments (cont'd)

	Real Estate							Reportable Segments Total	Elimination and unallocated items	Total
	Investment Properties		Hospitality	Development Properties	Segment Subtotal	Healthcare	Others			
	Singapore	Others								
For the half year ended 31 December 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue										
- External revenue	92,192	11,217	109,639	1,830	214,878	82,296	21,324	318,498	103	318,601
- Intersegment revenue	1,016	-	1,521	-	2,537	-	131	2,668	(2,668)	-
Segment revenue	93,208	11,217	111,160	1,830	217,415	82,296	21,455	321,166	(2,565)	318,601
Segment profit/(loss)¹	62,870	7,131	37,625	(3,091)	104,535	47,925	4,332	156,792	(13,989)	142,803
Depreciation	(612)	-	(24,592)	(4)	(25,208)	(1,394)	(3,896)	(30,498)	(107)	(30,605)
Finance expense	(57,782)	(148)	-	-	(57,930)	(18,586)	(795)	(77,311)	(6,979)	(84,290)
Finance income	1,730	764	30	10	2,534	1,088	5	3,627	220	3,847
Share of results of equity-accounted investees, net of tax	12,635	-	-	(3,139)	9,496	(967)	8,920	17,449	-	17,449
Other material items										
Net change in fair value of investment properties	(13,041)	(43,950)	-	-	(56,991)	17,416	-	(39,575)	-	(39,575)
Net change in fair value of investments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	17	17
Writeback of impairment / (Impairment loss) on property, plant and equipment	-	-	51,928	-	51,928	(141)	-	51,787	-	51,787
For the full year ended 31 December 2023										
Revenue										
- External revenue	181,454	23,265	205,393	9,791	419,903	162,063	41,021	622,987	112	623,099
- Intersegment revenue	1,858	-	3,106	-	4,964	-	475	5,439	(5,439)	-
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	(1,200)	(6)	(48,881)	(4)	(50,091)	(2,752)	(7,196)	(60,039)	(354)	(60,393)
Finance expense	(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	4,125,031	170,618	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

QUE LIMITED & ITS SUBSIDIARIES
For the six months and full year ended 31 December 2023

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

21. Operating segments (cont'd)

	Real Estate									
	Investment Properties		Hospitality	Development Properties	Segment Subtotal	Healthcare	Others	Reportable Segments Total	Elimination and unallocated items	Total
	Singapore	Others								
For the half year ended 31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
- External revenue	82,614	16,889	92,293	2,528	194,324	77,821	19,884	292,029	417	292,446
- Intersegment revenue	523	-	1,884	-	2,407	-	192	2,599	(2,599)	-
Segment revenue	83,137	16,889	94,177	2,528	196,731	77,821	20,076	294,628	(2,182)	292,446
Segment profit/(loss)¹	80,013	16,962	16,462	62,808	176,245	50,666	(15,302)	211,609	(14,401)	197,208
Depreciation	(622)	11	(19,151)	-	(19,762)	(1,359)	(4,924)	(26,045)	(28)	(26,073)
Finance expense	(49,845)	610	26	-	(49,209)	(13,147)	(810)	(63,166)	(9,579)	(72,745)
Finance income	25,598	(419)	61	6	25,246	(429)	6	24,823	2,566	27,389
Share of results of equity-accounted investees, net of tax	28,811	-	-	62,847	91,658	(636)	(11,680)	79,342	-	79,342
Other material items										
Impairment loss on interests in an equity-accounted investee	-	-	-	-	-	(5,000)	-	(5,000)	-	(5,000)
Negative goodwill on investment 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	(14,058)	-	28,751	-	28,751
Net change in fair value of investments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	(32,938)	(32,938)
Writeback of impairment / (Impairment loss) on property, plant and equipment	-	-	81,653	-	81,653	(3,247)	(1,767)	76,639	-	76,639
For the full year ended 31 December 2022										
Revenue										
- External revenue	162,215	27,168	142,623	2,704	334,710	122,359	33,611	490,680	440	491,120
- Intersegment revenue	818	-	2,028	-	2,846	-	270	3,116	(3,116)	-
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	(1,184)	(33)	(38,687)	-	(39,904)	(2,118)	(7,457)	(49,479)	(2,834)	(52,313)
Finance expense	(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 on investment in an equity-accounted investee	-	-	-	43,808	43,808	-	-	43,808	-	43,808
Net change in fair value of investment properties	58,072	(15,263)	-	-	42,809	(9,845)	-	32,964	-	32,964
Net change in fair value of investments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	3,196	3,196
Writeback of impairment / (Impairment loss) on property, plant and equipment	-	-	81,653	-	81,653	(3,247)	(1,767)	76,639	-	76,639
31 December 2022										
Reportable segment assets ²	3,681,594	734,994	1,730,584	41,109	6,188,281	1,359,120	53,357	7,600,758	364,788	7,965,546
Interests in equity-accounted investees	347,332	-	-	1,089,658	1,436,990	41,934	42,598	1,521,522	-	1,521,522
Reportable segment liabilities	2,164,669	27,952	44,094	3,860	2,240,575	570,582	17,958	2,829,115	683,904	3,513,019
Capital expenditure	5,907	821	69,461	5	76,194	35,760	4,165	116,119	243	116,362

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

² Excluding interests in equity-accounted investees

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

21. Operating segments (cont'd)

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

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

	Full year ended 31/12/2023 \$'000	Full year ended 31/12/2022 \$'000
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	<u>623,099</u>	<u>491,120</u>

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	<u>152,728</u>	<u>401,147</u>

Reconciliation of reportable assets and liabilities

	31/12/2023 \$'000	31/12/2022 \$'000
Assets		
Total assets for reportable segments	7,482,357	7,600,758
Interests in equity-accounted investees	1,580,142	1,521,522
	<u>9,062,499</u>	<u>9,122,280</u>
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	<u>9,266,902</u>	<u>9,487,068</u>

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	<u>3,385,206</u>	<u>3,513,019</u>

Geographical information

	Full year ended 31/12/2023	Full year ended 31/12/2022
Revenue		
Singapore	489,856	364,670
The PRC	28,809	31,831
Japan	14,850	15,357
Indonesia	89,584	79,262
	<u>623,099</u>	<u>491,120</u>

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As at 31 December 2023

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

22. Subsequent event

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

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed interim consolidated statement of financial position of OUE Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Consolidated statement of profit or loss

FINANCIAL HIGHLIGHTS	2H 2023 \$'000	2H 2022 \$'000	Change %	FY 2023 \$'000	FY 2022 \$'000	Change %
Revenue:						
(1) Real Estate						
(a) Investment properties	103,409	99,503	3.9	204,719	189,383	8.1
(b) Hospitality	109,639	92,293	18.8	205,393	142,623	44.0
(c) Development properties	1,830	2,528	(27.6)	9,791	2,704	>100.0
(2) Healthcare	82,296	77,821	5.8	162,063	122,359	32.4
(3) Others	21,427	20,301	5.5	41,133	34,051	20.8
Revenue	318,601	292,446	8.9	623,099	491,120	26.9
Adjusted EBIT¹	142,803	197,208	(27.6)	289,401	345,234	(16.2)
Profit attributable to Owners of the Company	40,854	101,158	(59.6)	81,079	189,857	(57.3)

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

2H 2023 VS 2H 2022

Revenue

The Group recorded revenue of \$318.6 million in 2H 2023 (2H 2022: \$292.4 million). The increase was due to higher contribution from Investment Properties and Hospitality divisions within the Real Estate segment, and Healthcare segment.

(1) Real Estate Segment

(a) Investment Properties Division

Revenue from the investment properties division increased by \$3.9 million to \$103.4 million in 2H 2023 (2H 2022: \$99.5 million). The increase was mainly due to stable occupancies and rental growth.

(b) Hospitality Division

Revenue from the hospitality division increased by \$17.3 million to \$109.6 million in 2H 2023 (2H 2022: \$92.3 million). The increase was mainly due to higher contribution from Hilton Singapore Orchard ("HSO") and Crowne Plaza Changi Airport. The increase was also due to the full re-opening of HSO since January 2023.

(c) Development Properties Division

Revenue from the development properties division decreased by \$0.7 million to \$1.8 million in 2H 2023 (2H 2022: \$2.5 million). The decrease was mainly due to lower sale contributed by OUE Twin Peaks.

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As at 31 December 2023

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

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

(2) Healthcare Segment

Revenue from the healthcare segment increased by \$4.5 million to \$82.3 million in 2H 2023 (2H 2022: \$77.8 million). The increase was mainly due to higher contribution from O2 Healthcare Group Pte. Ltd. (formerly known as Echo Healthcare Services Pte. Ltd) which comprises the medical partnership with three Singapore medical specialist group; partially offset by lower contribution from First REIT due to the weakening of Indonesia Rupiah and Japanese Yen against Singapore Dollar.

(3) Others Segment

This includes revenue contribution from the food and beverages operations of the Group. Revenue increased by \$1.1 million to \$21.4 million in 2H 2023 (2H 2022: \$20.3 million) mainly due to contribution from dining concept which were launched during 2H 2023.

Marketing expenses

Marketing expenses increased by \$2.1 million to \$5.7 million in 2H 2023 (2H 2022: \$3.6 million) mainly due to higher marketing expenses incurred arising from increased business activities in the hospitality division.

Administrative expenses

Administrative expenses decreased by \$1.5 million to \$42.0 million in 2H 2023 (2H 2022: \$43.5 million). The decrease was mainly due to lower corporate costs, partially offset by higher hotel management fees arising from improved performance in the hospitality division.

Share of results of equity-accounted investees

Share of results of equity-accounted investees decreased by \$61.9 million to \$17.4 million in 2H 2023 (2H 2022: \$79.3 million). The decrease was mainly due to lower contribution from Gemdale Properties and Investment Corporation Limited ("Gemdale") as well as lower share of results in joint venture company, OUE Allianz Bayfront LLP due to higher financing cost.

Adjusted EBIT

Adjusted EBIT decreased by \$54.4 million to \$142.8 million in 2H 2023 (2H 2022: \$197.2 million) mainly due to the lower share of profit in equity-accounted investees, partially mitigated by higher contribution from hospitality division in the real estate segment.

Profit attributable to owners of the Company

Profit attributable to shareholders decreased \$60.3 million to \$40.9 million in 2H 2023 (2H 2022: \$101.2 million). This was mainly due to lower share of results of equity-accounted investees, higher fair value losses recognised for investment properties, higher finance expenses, lower net write-back of impairment losses recognised on property, plant and equipment; 2H 2022 also included one-off gains namely, negative goodwill on investment in an equity-accounted investee and reclassification of hedging reserve from equity to profit or loss due to discontinuation of hedge accounting.

The decrease was partially offset by higher net change in fair value of investments designated at fair value through profit or loss.

FY 2023 VS FY 2022

Revenue

The Group recorded revenue of \$623.1 million in FY 2023 (FY 2022: \$491.1 million). The increase was due to higher contribution from all segments.

OUÉ LIMITED & ITS SUBSIDIARIES

As at 31 December 2023

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

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

(1) Real Estate Segment

(a) Investment Properties Division

Revenue from the investment properties division increased by \$15.3 million, or 8% to \$204.7 million in FY2023 (FY2022: \$189.4 million). The increase was mainly due to stable occupancies and rental growth.

(b) Hospitality Division

Revenue from the hospitality division increased by \$62.8 million, or 44% to \$205.4 million in FY2023 (FY2022: \$142.6 million). The increase was mainly due to higher contribution from Hilton Singapore Orchard ("HSO") and Crowne Plaza Changi Airport following the continued recovery of tourism and meetings, incentives, conventions and exhibitions ("MICE") sectors in Singapore. The increase was also due to the full re-opening of HSO since January 2023.

(c) Development Properties Division

Revenue from the development properties division increased by \$7.1 million to \$9.8 million in FY2023 (FY2022: \$2.7 million). The increase was mainly due to sales completion of 3 units (FY2022: 1 unit) at OUE Twin Peaks.

(2) Healthcare Segment

Revenue from the healthcare segment increased by \$39.7 million, or 32% to \$162.1 million in FY2023 (FY2022: \$122.4 million). The increase was mainly due to full period contribution from First REIT which was accounted for as a subsidiary from 1 March 2022; as well as full period contribution from O2 Healthcare Group Pte. Ltd. (formerly known as Echo Healthcare Services Pte. Ltd) which comprises the medical partnership with three Singapore medical specialist group beginning 30 June 2022.

(3) Others Segment

This includes revenue contribution from the food and beverages operations of the Group. Revenue increased by \$7.1 million, or 21% to \$41.1 million in FY2023 (FY2022: \$34.1 million) mainly due to contributions from dining concepts that were launched in 2022.

Marketing expenses

Marketing expenses increased by \$4.8 million to \$11.3 million in FY2023 (FY2022: \$6.5 million) mainly due to higher marketing expenses incurred arising from increased business activities in the hospitality division.

Administrative expenses

Administrative expenses increased by \$9.7 million to \$87.3 million in FY2023 (FY2022: \$77.6 million). The increase was mainly due higher corporate costs and higher hotel management fees arising from improved performance of the hospitality division.

Share of results of equity-accounted investees

Share of results of equity-accounted investees decreased by \$113.8 million to \$43.2 million in FY2023 (FY2022: \$157.0 million). The decrease was mainly due to lower contribution from Gemdale as well as lower share of results in joint venture company, OUE Allianz Bayfront LLP due to higher financing cost.

The decrease was partially offset by higher contribution from joint venture company, Auric Digital Retail Pte. Ltd., which holds PT Matahari Department Store Tbk.

Adjusted EBIT

Adjusted EBIT decreased by \$55.8 million to \$289.4 million in FY2023 (FY2022: \$345.2 million) mainly due to the lower share of profit in equity-accounted investees, partially mitigated by higher contribution across all segments.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)**2. Review of performance of the Group (cont'd)*****Profit attributable to owners of the Company***

Profit attributable to shareholders decreased \$108.8 million to \$81.1 million in FY2023 (FY2022: \$189.9 million). This was mainly lower share of results of equity-accounted investees, higher fair value losses recognised for investment properties, higher net finance expenses, lower net write-back of impairment losses recognised on property, plant and equipment. 2H 2022 also included one-off gains namely, negative goodwill on investment in an equity-accounted investee and reclassification of hedging reserve from equity to profit or loss due to discontinuation of hedge accounting.

The decrease was partially offset by higher net change in fair value of investments designated at fair value through profit or loss.

Statements of financial position

1. "Other investments" decreased by \$53.8 million mainly due to mark-to-market fair value losses on investments designated at fair value through other comprehensive income. The decrease was also due to disposal of mutual funds in FY2023, partially offset by acquisition of equity investments designated at fair value through other comprehensive income.
 2. "Development properties" decreased by \$8.9 million mainly due to the sales completion of 3 units at OUE Twin Peaks.
 3. "Interests in equity-accounted investees" increased by \$58.6 million mainly due to investments in Healthway Medical Group Limited and Green Energy Investment Holdings Private Limited, the recognition of share of results in equity-accounted investees; offset by the share of currency translation losses which arose mainly from the weakening of Chinese Renminbi and dividends received from equity-accounted investees.
 4. "Investment properties" decreased by \$83.2 million mainly due to losses on net change in fair value of investment properties and currency translation losses which arose from the weakening of Indonesia Rupiah, Chinese Renminbi and Japanese Yen against the Singapore Dollar, partially offset by additions of investment properties.
 5. "Property, plant and equipment" increased by \$30.2 million mainly due to the write-back of impairment losses recognised on the hotel properties (Hilton Singapore Orchard and Crowne Plaza Changi Airport) and the additions during the year mainly for the renovation works incurred for Hilton Singapore Orchard and Crowne Plaza Changi Airport. This is partially offset by depreciation recognised during the year.
 6. "Derivative assets" and "Derivative liabilities" relate to the fair value of the interest rate swaps, interest rate caps and currency hedging contracts entered into to hedge the Group's exposure to floating interest rates on its borrowings and exposure to foreign denominated income.
 7. "Borrowings" decreased by \$93.6 million mainly due to the redemption of fixed rate notes of \$200.0 million by a wholly owned subsidiary, OUE Treasury Pte. Ltd, in May 2023 upon maturity, which was partially offset by loans drawn down during the period.
 8. "Current tax liabilities" decreased by \$18.8 million mainly due to write back of tax provision no longer required following the finalisation of tax assessment. "Deferred tax liabilities" decreased by \$22.7 million mainly due to the decrease in valuation of an investment property in China.
 9. "Deferred income" includes advance received from hotel operations and non-refundable deposits received from OUE Twin Peaks sold under deferred payment schemes. Revenue from units sold under deferred payment schemes is deferred and will be recognised on completion of the sale of each unit.
 10. As at 31 December 2023, the Group is in a net current asset position of \$73.8 million. The Group has sufficient liquidity to meet its debt obligations.
- 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast or prospect statement has been previously disclosed.

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

4. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Singapore

The Singapore's economy grew by 2.2% on a year-on-year (YoY) basis in the fourth quarter of 2023, accelerating from the 1.0% expansion in the previous quarter. On a quarter-on-quarter (QoQ) seasonally-adjusted basis, the economy expanded by 1.2%, slightly faster than the 1.0% growth in the third quarter. For the whole of 2023, the economy grew by 1.1%, moderating from the 3.8% growth in 2022. The Ministry of Trade and Industry has maintained the GDP growth forecast for 2024 at 1.0% to 3.0%¹.

According to CBRE, Core Central Business Districts (CBD) Grade A office rents increased marginally by 0.4% QoQ to \$11.90 per square feet per month (psf/month), while vacancy rate increased slightly by 0.3% QoQ to 3.5% in 4Q 2023. For the full year of 2023, Core CBD Grade A office rent grew by 1.7% YoY, moderating from the 8.3% growth in 2022². CBRE expects rents for Core CBD Grade A office to grow at a moderate pace of 2-3% in 2024.

Singapore's international visitor arrivals for the full year of 2023 reached 13.6 million³, within the Singapore Tourism Board's target of 12 to 14 million international visitor arrivals. The strong concert pipeline alongside major events are expected to provide a boost to the hospitality sector in 2024. The 30-day visa-free arrangement between China and Singapore, starting from 9 February 2024, is also set to further accelerate tourism recovery.

China

In 4Q 2023, China reported GDP growth of 5.2% YoY⁴. This represented a growth pace of 1.0% QoQ, which was slower than the 1.5% QoQ growth reported in 3Q 2023. As part of its policy support to stimulate the economy, the central bank has stepped up efforts to increase the official deficit. Starting from 5 February 2024, it will reduce the reserve requirement ratio by 50 basis points, the largest cut in two years. This move allows banks to hold smaller cash reserves and encourages lending to qualified property developers.

According to Colliers International, 1.11 million square meters⁵ (sqm) of new supply entered Shanghai's Grade A office market – the highest new supply in the last five years. Despite a slight recovery in demand in 4Q 2023, CBD Grade A office vacancies remained high at 13.5%, while rents declined by 1.5% QoQ to a historical low of RMB 8.62 per sqm per day. With a total of 910,000 sqm of new supply entering the CBD market between 2024 – 2028, Shanghai's CBD Grade A Office new supply is expected to peak in 2024 and rental growth to recover from 2025.

Indonesia

According to Statistics Indonesia, Indonesia reported 2023 full year GDP growth of 5.05%, close to the government forecast of 5.0% and slightly below the 5.3% recorded in 2022. The government expects the growth rate to pick up to 5.2% in 2024.

In Indonesia, a lack of access to healthcare had resulted in around 2 million Indonesians seeking health services abroad but structural demand could improve as the government ramps up public-private partnership initiatives⁶.

Overall

The global and domestic economic environment is expected to remain challenging and uncertain. The Group's prime portfolio of strategically located commercial properties with diversified tenant base, hospitality and retail assets, as well as the complementary healthcare segment, is expected to provide stable performance in 2024. The Group has sufficient liquidity to meet its debt obligations and will continue to exercise prudent capital management.

¹ Singapore Ministry of Trade and Industry Press Release, 15 February 2024

² CBRE, Singapore Figures Q4 2023

³ Singapore Tourism Board Arrivals Statistics

⁴ National Bureau of Statistics of China Press Release, 17 January 2024

⁵ Colliers International, Shanghai Grade A Office Market 2023 Q4, 28 December 2023

⁶ Nikkei Asia, 18 October 2023, ['Indonesia is facing up to its need for health care investment'](#)

OUE LIMITED & ITS SUBSIDIARIES
For the six months and full year ended 31 December 2023

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

5. Dividend information

(a) Current Financial Period Reported On

Any dividend declared/proposed for the current financial period reported on? Yes.

Name of dividend	Final	Special
Dividend type	Cash	Cash
Dividend per share	1 cent	2 cents
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of dividend	Final
Dividend type	Cash
Dividend per share	1.5 cents
Tax rate	Tax exempt (one-tier)

(c) Date payable

The proposed final and special cash dividend, if approved at the Annual General Meeting to be held on 26 April 2024, will be payable on 24 May 2024.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 10 May 2024, for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to the close of business at 5.00 p.m. on 9 May 2024 will be registered to determine shareholders' entitlements to the proposed final and special dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the proposed final and special dividend will be paid by the Company to CDP, which will in turn distribute the dividend entitlement to holders of shares in accordance with its practice.

6. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for any Interested Person Transactions.

7. Confirmation Pursuant to Rule 720(1) of the Listing Manual

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

OUE LIMITED & ITS SUBSIDIARIES

As at 31 December 2023

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

8. Report of person occupying managerial positions who are related to a director, chief executive officer or substantial shareholder

Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) as below:

Name	Age in year 2024	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Stephen Riady	64	Father of Mr Brian Riady, the Deputy Chief Executive Officer and Executive Director of OUE Limited ("OUE") and brother of Mr James Tjahaja Riady, a substantial shareholder of OUE	Executive Chairman (since 2010) and Group Chief Executive Officer of OUE (since 1 January 2020). Provides strategic direction and has overall responsibility for the management, organisation, operation and development of the Group and all matters arising therefrom.	Nil.
Brian Riady	34	Son of Dr Stephen Riady, the Executive Chairman and Group Chief Executive Officer of OUE and nephew of Mr James Tjahaja Riady, a substantial shareholder of OUE	Deputy Chief Executive Officer and Executive Director of OUE (since 1 January 2020). Assists the Executive Chairman and Group Chief Executive Officer in overseeing all business operations of the Group, setting the Group's strategic direction, and executing the Group's business strategies.	Nil.

BY ORDER OF THE BOARD

KELVIN CHUA
COMPANY SECRETARY
29 February 2024