

Pricing Supplement



OUE TREASURY PTE. LTD.

(Incorporated with limited liability in Singapore)

S\$3,000,000,000

Multicurrency Debt Issuance Programme

Unconditionally and irrevocably guaranteed by

OUE LIMITED

(Incorporated with limited liability in Singapore)

SERIES NO: 003

TRANCHE NO: 001

S\$200,000,000 3.50 per cent. Notes due 2026

Issue Price: 100 per cent.

Dealers

CIMB Bank Berhad, Singapore Branch
The Hongkong and Shanghai Banking Corporation
Limited, Singapore Branch

Issuing and Paying Agent, CDP Transfer Agent and CDP Registrar

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
10 Marina Boulevard
#45-01 Marina Bay Financial Centre Tower 2
Singapore 018983

The date of this Pricing Supplement is 17 September 2021.

This Pricing Supplement relates to the Tranche of Notes referred to above.

Reference is made to the pricing supplement (the “**Original Pricing Supplement**”) dated 14 September 2021 in relation to the S\$150,000,000 3.50 per cent. notes due 2026 signed by OUE Treasury Pte. Ltd. (the “**Issuer**”) and OUE Limited (the “**Guarantor**”). This Pricing Supplement amends, restates and supersedes the Original Pricing Supplement.

This Pricing Supplement, under which the Notes described herein (the “**Notes**”) are issued, is supplemental to, and should be read in conjunction with, the Information Memorandum dated 6 May 2021 (as revised, supplemented, amended, updated or replaced from time to time, the “**Information Memorandum**”) issued in relation to the S\$3,000,000,000 Multicurrency Debt Issuance Programme of the Issuer unconditionally and irrevocably guaranteed by the Guarantor. Terms defined in the Information Memorandum have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Information Memorandum. The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement which, when read together with the Information Memorandum, contains all information that is material in the context of the issue of the Notes.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

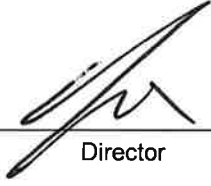
Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore: The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Save as disclosed in the Information Memorandum, there has been no material adverse change in the financial condition or operations of the Issuer, the Guarantor or the Group taken as a whole since 31 December 2020.

OUE Treasury Pte. Ltd.

Signed: _____

A stylized handwritten signature in black ink, consisting of a large, sweeping initial letter followed by a few more strokes.

Director

OUE Limited

Signed: _____

A handwritten signature in black ink, appearing to be the initials 'B.R.' with a period at the end.

Director

The terms of the Notes and additional provisions relating to their issue are as follows:

1.	Series No.:	003
2.	Tranche No.:	001
3.	Currency:	Singapore dollars
4.	Principal Amount of Series:	S\$200,000,000
5.	Principal Amount of Tranche:	S\$200,000,000
6.	Denomination Amount:	S\$250,000
7.	Calculation Amount (if different from Denomination Amount):	Not Applicable
8.	Issue Date:	21 September 2021
9.	Redemption Amount (including early redemption):	Denomination Amount
10.	Interest Basis:	Fixed Rate
11.	Interest Commencement Date:	21 September 2021
12.	Fixed Rate Note	
	(a) Maturity Date:	21 September 2026
	(b) Day Count Fraction:	Actual/365 (Fixed)
	(c) Interest Payment Date(s):	Interest will be payable semi-annually in arrear on 21 March and 21 September in each year
	(d) Initial Broken Amount:	Not Applicable
	(e) Final Broken Amount:	Not Applicable
	(f) Interest Rate:	3.50 per cent. per annum
13.	Floating Rate Note	Not Applicable
14.	Variable Rate Note	Not Applicable
15.	Hybrid Note	Not Applicable
16.	Zero Coupon Note	Not Applicable
17.	Issuer's Redemption Option	No

	Issuer's Redemption Option Period (Condition 6(d)):	Not Applicable
18.	Noteholders' Redemption Option	No
	Noteholders' Redemption Option Period (Condition 6(e)):	Not Applicable
19.	Issuer's Purchase Option	No
	Issuer's Purchase Option Period (Condition 6(b)):	Not Applicable
20.	Noteholders' VRN Purchase Option	No
	Noteholders' VRN Purchase Option Period (Condition 6(c)(i)):	Not Applicable
21.	Noteholders' Purchase Option	No
	Noteholders' Purchase Option Period (Condition 6(c)(ii)):	Not Applicable
22.	Redemption for Taxation Reasons (Condition 6(f)):	Yes
23.	Form of Notes:	Registered Global Certificate
24.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	No
25.	Applicable TEFRA exemption:	Not Applicable
26.	Listing:	Singapore Exchange Securities Trading Limited
27.	ISIN Code:	SGXF31928306
28.	Common Code:	238969883
29.	Clearing System(s):	The Central Depository (Pte) Limited
30.	Depository:	The Central Depository (Pte) Limited
31.	Delivery:	Delivery free of payment
32.	Method of issue of Notes:	Syndicated Issue

33.	(i) The following Dealer(s) are subscribing the Notes:	CIMB Bank Berhad, Singapore Branch The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
	(ii) Stabilising Manager:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
34.	The aggregate principal amount of Notes issued has been translated in Singapore dollars at the rate of [•] producing a sum of (for Notes not denominated in Singapore dollars):	Not Applicable
35.	Paying Agent:	Issuing and Paying Agent
36.	Calculation Agent:	Not Applicable
37.	Date of Calculation Agency Agreement:	Not Applicable
38.	Use of proceeds:	The net proceeds arising from the issue of the Notes (after deducting issue expenses) will be used for the purpose of on-lending to OUE Limited and its subsidiaries (the “ Group ”) (i) to fund general working capital purposes of the Group, (ii) for general corporate funding (including investments and capital expenditures) purposes of the Group and/or (iii) for refinancing the existing borrowings of the Group.
39.	Registrar:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
40.	Transfer Agent:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
41.	Private Bank Commission:	Private bank selling commission of 0.25 per cent. of the principal amount of the Notes allocated to private bank investors
42.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
43.	Prohibition of Sales to UK Retail Investors:	Not Applicable
44.	Other terms:	Please refer to the Annex of this Pricing Supplement

Details of any additions or variations to the terms and conditions of the Notes as set out in the Information Memorandum:

Not Applicable

Any additions or variations to the selling restrictions:

Not Applicable

ANNEX

The Information Memorandum is hereby supplemented with the following information, which shall be deemed to be incorporated into, and to form part of, the Information Memorandum. Save as otherwise defined herein, terms defined in the Information Memorandum shall have the same meaning when used in this Annex.

1. Please see Appendix I for the unaudited consolidated financial statements of the Guarantor and its subsidiaries for the half year ended 30 June 2021.
2. The Information Memorandum shall be amended by inserting on page 86 a sub-section “Recent Developments” before the sub-section “Global outbreak of COVID-19”:

“Recent Developments

As described in the section “*The Guarantor and the Group – Business Operations – Consumer*”, the Guarantor announced on 5 May 2021 that Auric Digital Retail Pte. Ltd. (“**ADRPL**”), a joint venture company established between the Guarantor and its joint venture partner Auric Bespoke I Pte. Ltd., was in the process of acquiring a controlling stake in PT Matahari Department Store Tbk (“**Matahari**”), by way of a voluntary tender offer and purchases from existing shareholders of Matahari (the “**Proposed Acquisitions**”). The Guarantor announced on 15 July 2021 that the Proposed Acquisitions have completed, following which ADRPL held approximately 32.0% of the total issued and paid-up capital of Matahari and has emerged as the single largest and the controlling shareholder of Matahari.”

APPENDIX I

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GUARANTOR AND ITS SUBSIDIARIES FOR THE HALF YEAR ENDED 30 JUNE 2021

The information in this Appendix I has not been specifically prepared for inclusion in this Pricing Supplement. Investors should read the financial statements in conjunction with the related notes.



OUE LIMITED

(Company Registration No. 196400050E)

INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2021 (UNAUDITED)

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

	Notes	The Group		
		Half year ended 30/06/21 \$'000	Half year ended 30/06/20 \$'000	Change %
Revenue	3	152,043	301,147	(49.5)
Cost of sales		(69,310)	(181,408)	(61.8)
Gross profit		82,733	119,739	(30.9)
Marketing expenses		(2,319)	(5,657)	(59.0)
Administrative expenses		(30,470)	(46,904)	(35.0)
Other operating expenses		(5,164)	(5,928)	(12.9)
Share of results of equity-accounted investees, net of tax		59,654	63,806	(6.5)
		104,434	125,056	(16.5)
Finance expenses	4	(51,170)	(69,516)	(26.4)
Finance income	5	3,854	16,390	(76.5)
Other gains/(losses) - net	6	8,050	(305,709)	n.m.
Profit/(Loss) before tax	7	65,168	(233,779)	n.m.
Tax (expense)/credit	8	(13,499)	47,427	n.m.
Profit/(Loss) after tax		51,669	(186,352)	n.m.
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign operations:				
- currency translation differences		7,071	32,342	(78.1)
Share of other comprehensive income of equity-accounted investees:				
- currency translation differences		15,590	(1,420)	n.m.
- other reserves		-	(99)	(100.0)
Cash flow hedges:				
- effective portion of changes in fair value of cash flow hedges		6,925	(33,314)	n.m.
- hedging reserve reclassified to profit or loss		11,841	48	>100.0
		41,427	(2,443)	n.m.
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net change in fair value of investments at fair value through other comprehensive income, net of tax				
	6(ii)(b)	(2,198)	(4,789)	(54.1)
		(2,198)	(4,789)	(54.1)
Other comprehensive income, net of tax		39,229	(7,232)	n.m.
Total comprehensive income for the period		90,898	(193,584)	n.m.
Profit/(Loss) attributable to:				
Owners of the Company		30,054	(207,163)	n.m.
Non-controlling interests		21,615	20,811	3.9
		51,669	(186,352)	n.m.
Total comprehensive income attributable to:				
Owners of the Company		55,626	(202,693)	n.m.
Non-controlling interests		35,272	9,109	>100.0
		90,898	(193,584)	n.m.
Earnings per share for profit/(loss) for the period attributable to the owners of the Company				
Weighted average number of ordinary shares in issue				
- basic		879,990,396	901,020,208	
- diluted *		881,203,334	901,020,208	
Basic earnings per share (cents)		3.42	(22.99)	
Diluted earnings per share (cents)*		3.41	(22.99)	

* In 1H 2020, the financial impact of the convertible bonds was excluded from the calculation of the loss attributable to owners of the Company (diluted) as their effect would have been anti-dilutive.

n.m. - Not meaningful

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30/06/21 \$'000	31/12/20 \$'000	30/06/21 \$'000	31/12/20 \$'000
ASSETS					
Cash and cash equivalents		330,691	559,527	49,818	302,592
Trade and other receivables		150,366	149,308	1,205,451	1,020,071
Inventories		938	676	99	164
Other investments		90,634	60,972	-	-
Development properties		29,024	29,024	-	-
Other assets		90,013	81,923	5,458	5,912
Loans to subsidiaries		-	-	1,168,376	1,270,473
Assets held for sale	10	-	1,258,512	-	-
Current assets		691,666	2,139,942	2,429,202	2,599,212
Intangible assets and goodwill	11	30,648	30,614	-	-
Interests in equity-accounted investees	10	1,537,717	1,064,334	-	-
Investments in subsidiaries		-	-	835,503	810,503
Loans to subsidiaries		-	-	2,692	2,659
Other investments		207,622	148,746	-	-
Other assets		4,764	4,023	769	1,019
Investment properties	12	4,536,122	4,534,728	-	-
Property, plant and equipment	13	1,711,733	1,700,486	645,496	660,666
Deferred tax assets		38	493	706	896
Derivative assets		554	-	-	-
Non-current assets		8,029,198	7,483,424	1,485,166	1,475,743
Total assets		8,720,864	9,623,366	3,914,368	4,074,955
LIABILITIES					
Trade and other payables		144,832	137,844	98,249	122,095
Borrowings	14	461,227	420,416	-	-
Provision		32,347	33,220	-	-
Loans from subsidiaries		-	-	331,620	281,285
Current tax liabilities		36,838	43,898	5,137	6,922
Deferred income		3,660	6,374	2,522	3,955
Lease liabilities		4,996	464	25,460	25,117
Derivative liabilities		6,086	9,085	-	-
Liabilities directly associated with the assets held for sale	10	-	14,674	-	-
Current liabilities		689,986	665,975	462,988	439,374
Borrowings	14	2,128,639	3,055,709	51,915	194,933
Deferred income		2,190	545	-	-
Deferred tax liabilities		149,175	148,230	-	-
Other payables		40,080	38,293	44	16
Lease liabilities		34,350	25,905	683,976	697,013
Derivative liabilities		15,900	31,895	-	-
Non-current liabilities		2,370,334	3,300,577	735,935	891,962
Total liabilities		3,060,320	3,966,552	1,198,923	1,331,336
Net Assets		5,660,544	5,656,814	2,715,445	2,743,619
EQUITY					
Share capital	15	634,852	693,315	634,852	693,315
Other reserves		(116,528)	(192,877)	(134,122)	(187,974)
Accumulated profits		3,247,483	3,239,566	2,214,715	2,238,278
Equity attributable to owners of the Company		3,765,807	3,740,004	2,715,445	2,743,619
Non-controlling interests		1,894,737	1,916,810	-	-
Total equity		5,660,544	5,656,814	2,715,445	2,743,619

OUE LIMITED
Half Year Ended 30 June 2021

C. Condensed interim statements of changes in equity

THE GROUP	Attributable to Owners of the Company			Non-controlling Interests	Total Equity	
	Share Capital	Other Reserves	Accumulated Profits			
	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2021	693,315	(192,877)	3,239,566	3,740,004	1,916,810	5,656,814
Total comprehensive income for the period						
Profit for the period	-	-	30,054	30,054	21,615	51,669
Other comprehensive income						
Foreign operations:						
- currency translation differences	-	3,412	-	3,412	3,659	7,071
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	-	15,590	-	15,590	-	15,590
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	(2,198)	-	(2,198)	-	(2,198)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	-	3,286	-	3,286	3,639	6,925
- hedging reserve reclassified to profit or loss	-	5,482	-	5,482	6,359	11,841
Total other comprehensive income, net of tax	-	25,572	-	25,572	13,657	39,229
Total comprehensive income for the period	-	25,572	30,054	55,626	35,272	90,898
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Own shares acquired	-	(4,611)	-	(4,611)	-	(4,611)
Cancellation of treasury shares	(58,463)	58,463	-	-	-	-
Dividends paid	-	-	(8,788)	(8,788)	(45,948)	(54,736)
Total contributions by and distributions to owners	(58,463)	53,852	(8,788)	(13,399)	(45,948)	(59,347)
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests	-	-	-	-	(27,699)	(27,699)
Changes in ownership interests in subsidiaries without a change in control	-	-	(16,302)	(16,302)	16,302	-
Total changes in ownership interests in subsidiaries	-	-	(16,302)	(16,302)	(11,397)	(27,699)
Total transactions with owners	(58,463)	53,852	(25,090)	(29,701)	(57,345)	(87,046)
Share of reserves of an equity-accounted investee	-	(3,075)	2,953	(122)	-	(122)
At 30 June 2021	634,852	(116,528)	3,247,483	3,765,807	1,894,737	5,660,544

OUE LIMITED
Half Year Ended 30 June 2021

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

	Attributable to Owners of the Company			Non-controlling Interests	Total Equity	
	Share Capital	Other Reserves	Accumulated Profits			
THE GROUP	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2020	693,315	(250,270)	3,630,251	4,073,296	2,043,849	6,117,145
Total comprehensive income for the period						
Loss for the period	-	-	(207,163)	(207,163)	20,811	(186,352)
Other comprehensive income						
Foreign operations:						
- currency translation differences	-	26,164	-	26,164	6,178	32,342
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	-	(1,420)	-	(1,420)	-	(1,420)
- other reserves	-	(99)	-	(99)	-	(99)
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	(4,789)	-	(4,789)	-	(4,789)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	-	(15,409)	-	(15,409)	(17,905)	(33,314)
- hedging reserve reclassified to profit or loss	-	23	-	23	25	48
Total other comprehensive income, net of tax	-	4,470	-	4,470	(11,702)	(7,232)
Total comprehensive income for the period	-	4,470	(207,163)	(202,693)	9,109	(193,584)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Own shares acquired	-	(1,021)	-	(1,021)	-	(1,021)
Dividends paid	-	-	(45,031)	(45,031)	(37,837)	(82,868)
Total contributions by and distributions to owners	-	(1,021)	(45,031)	(46,052)	(37,837)	(83,889)
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests	-	-	-	-	(30)	(30)
Contribution from non-controlling interests	-	-	-	-	160	160
Changes in ownership interests in subsidiaries without a change in control	-	-	610	610	(610)	-
Total changes in ownership interests in subsidiaries	-	-	610	610	(480)	130
Total transactions with owners	-	(1,021)	(44,421)	(45,442)	(38,317)	(83,759)
Share of reserves of an equity-accounted investee	-	2,510	(2,510)	-	-	-
Transfer from fair value reserves to accumulated profits	-	(9,028)	9,028	-	-	-
At 30 June 2020	693,315	(253,339)	3,385,185	3,825,161	2,014,641	5,839,802

OUE LIMITED
Half Year Ended 30 June 2021

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

THE COMPANY	Share Capital \$'000	Other Reserves \$'000	Accumulated Profits \$'000	Total Equity \$'000
At 1 January 2021	693,315	(187,974)	2,238,278	2,743,619
Total comprehensive income for the period				
Loss for the period	-	-	(14,775)	(14,775)
Total comprehensive income for the period	-	-	(14,775)	(14,775)
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Own shares acquired	-	(4,611)	-	(4,611)
Cancellation of treasury shares	(58,463)	58,463	-	-
Dividends paid	-	-	(8,788)	(8,788)
Total transactions with owners of the Company	(58,463)	53,852	(8,788)	(13,399)
At 30 June 2021	634,852	(134,122)	2,214,715	2,715,445
At 1 January 2020	693,315	(166,023)	2,525,105	3,052,397
Total comprehensive income for the period				
Profit for the period	-	-	19,846	19,846
Total comprehensive income for the period	-	-	19,846	19,846
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Own shares acquired	-	(1,021)	-	(1,021)
Dividends paid	-	-	(45,031)	(45,031)
Total transactions with owners of the Company	-	(1,021)	(45,031)	(46,052)
At 30 June 2020	693,315	(167,044)	2,499,920	3,026,191

D. Condensed interim consolidated statement of cash flows

	The Group	
	Half year ended 30/06/21 \$'000	Half year ended 30/06/20 \$'000
Cash flows from operating activities		
Profit/(Loss) after tax	51,669	(186,352)
Adjustments for:		
Depreciation of property, plant and equipment	24,528	24,213
Net change in fair value of investment properties	-	309,974
Net change in fair value of investments designated at fair value through profit or loss	(8,050)	11,942
Reversal of impairment loss on trade and other receivables	(138)	-
Reversal of impairment loss on interest in an equity-accounted investee	-	(16,207)
Loss on disposal of property, plant and equipment	189	38
Property, plant and equipment written off	1	-
Finance expenses	51,170	69,516
Finance income	(3,854)	(16,390)
Share of results of equity-accounted investees, net of tax	(59,654)	(63,806)
Tax expense/(credit)	13,499	(47,427)
	<u>69,360</u>	<u>85,501</u>
Changes in:		
- trade and other receivables and other assets	(6,027)	(42,908)
- inventories	(262)	194
- development properties	-	87,339
- trade and other payables and provision	(27,270)	(26,152)
- deferred income	(1,069)	(19,627)
Cash generated from operations	<u>34,732</u>	<u>84,347</u>
Tax paid	(18,803)	(6,231)
Net cash from operating activities	<u>15,929</u>	<u>78,116</u>
Cash flows from investing activities		
Acquisition of interests in equity-accounted investees	(58,533)	(25,387)
Acquisition of other investments	(87,186)	(29,116)
Additions to property, plant and equipment	(10,312)	(14,838)
Additions to investment properties	(4,311)	(10,888)
Dividends from:		
- equity-accounted investees, net of tax	4,316	59,351
- other investments, net of tax	163	159
Interest received	1,059	3,051
Loans to equity-accounted investees	(24,000)	(4,616)
Proceeds from repayment of loan from an equity-accounted investee	-	16,207
Proceeds from sale of other investments	2,966	32,412
Proceeds from sale of an investment property	950,634	-
Proceeds from disposal of interest in an equity-accounted investee	-	100,001
Proceeds from disposal of property, plant and equipment	35	62
Net cash from investing activities	<u>774,831</u>	<u>126,398</u>

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

	The Group	
	Half year ended 30/06/21 \$'000	Half year ended 30/06/20 \$'000
Cash flows from financing activities		
Acquisition of non-controlling interests	(27,659)	(30)
Contribution from non-controlling interests	-	160
Dividends paid	(54,736)	(82,868)
Finance expense paid	(49,502)	(64,566)
Proceeds from borrowings	521,500	701,585
Repayment of borrowings	(1,403,686)	(899,393)
Principal repayment of leases	(902)	(219)
Repurchase of own shares	(4,611)	(1,021)
Changes in pledged deposits	7,970	(204)
Net cash used in financing activities	(1,011,626)	(346,556)
Net decrease in cash and cash equivalents	(220,866)	(142,042)
Cash and cash equivalents at the beginning of the financial period	520,615	439,437
Cash and cash equivalents at the end of the financial period¹	299,749	297,395

¹ Cash and cash equivalents as at 30 June 2021 excludes the Group's pledged deposits of \$30,942,000 (31/12/20: \$38,912,000).

E. Notes to the condensed interim consolidated financial statements

1. Domicile and activities

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

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

The principal activities of the Group are those of:

- Properties investments
- Hospitality
- Property development
- Healthcare
- Consumer
- Investment holding

The condensed interim consolidated financial statements as at and for half year ended 30 June 2021 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 for the half year ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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 2021. The adoption of the 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.

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2

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

3. Revenue

	Half year ended 30/06/21 \$'000	Half year ended 30/06/20 \$'000
Investment properties income	105,179	139,096
Hospitality income	25,824	43,817
Development properties income	201	98,532
Healthcare income	14,654	14,615
Consumer income	6,095	5,038
Others	90	49
	<u>152,043</u>	<u>301,147</u>

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

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

	Half year ended 30/06/21		Half year ended 30/06/20	
	At a point in time	Over time	At a point in time	Over time
	\$'000	\$'000	\$'000	\$'000
Investment properties income	-	1,974	-	254
Hospitality income	25,824	-	43,817	-
Development properties income	201	-	98,532	-
Healthcare income	2,290	3,934	1,107	4,677
Consumer income	6,095	-	5,038	-
Others	90	-	49	-
	<u>34,500</u>	<u>5,908</u>	<u>148,543</u>	<u>4,931</u>

4. Finance expenses

	Notes	Half year ended 30/06/21 \$'000	Half year ended 30/06/20 \$'000
Borrowing costs	(i)	50,314	66,761
Finance expenses on lease liabilities		546	441
Unwinding of discount of non-current rental deposits		83	83
Hedging reserve reclassified from equity	(ii)	-	48
Change in fair value of financial derivatives		227	2,183
		<u>51,170</u>	<u>69,516</u>

(i) Borrowings costs decreased mainly due to lower borrowings.

(ii) Hedging reserve reclassified from equity pertains to the cumulative net fair value movements of certain interest rate swaps and was reclassified to profit or loss due to the discontinuation of hedge accounting.

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

5. Finance income

	Half year ended 30/06/21 \$'000	Half year ended 30/06/20 \$'000
Interest income	1,522	3,103
Net foreign exchange gain	1,160	10,606
Ineffective portion of changes in fair value of cash flow hedges	1,009	2,522
Others	163	159
	<u>3,854</u>	<u>16,390</u>

6. Other gains/(losses) – net

	Notes	Half year ended 30/06/21 \$'000	Half year ended 30/06/20 \$'000
Net change in fair value of investment properties	(i)	-	(309,974)
Net change in fair value of investments designated at fair value through profit or loss	(ii)(a)	8,050	(11,942)
Reversal of impairment loss on interest in an equity-accounted investee	(iii)	-	16,207
		<u>8,050</u>	<u>(305,709)</u>

(i) For the half year ended 30 June 2020, the amount pertained to fair value loss recognised in relation to U.S. Bank Tower. The fair value loss of U.S. Bank Tower was derived based on the difference between the sales consideration of US\$430.0 million and the last reported fair value of US\$650.0 million as at 31 December 2019.

(ii) This relates to net change in marked-to-market fair value of:

- (a) investments designated at fair value through profit or loss, which include investments in equity securities and interests in mutual funds.
- (b) investments designated at fair value through other comprehensive income, which include investments in equity securities that are not held for trading and interests in limited partnerships.

(iii) This was related to the reversal of impairment loss on a loan to an equity-accounted investee upon partial repayment. The loan was fully impaired in the prior years.

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

7. Profit/(Loss) before tax

	Half year ended 30/06/21 \$'000	Half year ended 30/06/20 \$'000
Profit/(Loss) before tax is stated after charging/(crediting):		
- Depreciation of property, plant and equipment	24,528	24,213
- Government grants	(i) (5,923)	(10,269)

(i) The government grants relate to wage subsidies (Jobs Support Scheme) and net grant income arising from property tax rebates received from the Singapore Government in relation to the COVID-19 pandemic. The grants received were recognised against the related expenses in the statement of profit or loss.

8. Tax expense/(credit)

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

	Half year ended 30/06/21 \$'000	Half year ended 30/06/20 \$'000
The charge for income tax expense includes the following:		
Current tax expense:		
- Current year	8,898	10,438
- Under/(Over) provision of current tax in respect of prior years	2,684	(82)
Deferred tax expense:		
- Origination and reversal of temporary difference	1,917	(57,783)
	<u>13,499</u>	<u>(47,427)</u>

9. Net asset value

	The Group		The Company	
	30/06/21	31/12/20	30/06/21	31/12/20
Number of issued shares (excluding treasury shares)	878,799,660	882,762,660	878,799,660	882,762,660
Net asset value per ordinary share (\$)	<u>4.29</u>	<u>4.24</u>	<u>3.09</u>	<u>3.11</u>

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

10. Assets held for sale / Interests in equity-accounted investees / Liabilities directly associated with the assets held for sale

On 18 January 2021, OUE Commercial Real Estate Investment Trust ("OUE C-REIT") entered into a sale and contribution agreement to divest 50.0% of OUE Bayfront, OUE Tower, and OUE Link (the "OUE Bayfront Property") to ACRE Angsana Pte. Ltd. ("Allianz Investor"), a special purpose vehicle managed by Allianz Real Estate Asia Pacific Pte. Ltd. (which is unrelated to the Group). The divestment was effected through the establishment of a limited liability partnership ("LLP") which will acquire the OUE Bayfront Property, with OUE C-REIT and Allianz Investor each holding a 50.0% interest in the LLP. Accordingly, the OUE Bayfront Property was classified from investment property to asset held for sale as at 31 December 2020.

Immediately before the classification as held for sale, the OUE Bayfront Property was remeasured based on the expected selling price after adjusting for the cost of lease extension and income support to be provided. The fair value measurement was categorised under Level 2 of the fair value hierarchy based on the inputs in the valuation technique used. The liabilities directly associated with the asset held for sale are measured at their carrying amount as they are assumed to approximate fair value because of their short period to maturity.

The divestment was completed on 31 March 2021. Accordingly, the Group's 50.0% interest in the LLP of \$320.9 million was included within interests in equity-accounted investees as at 30 June 2021.

11. Intangible assets and goodwill

	Goodwill	Medical distribution licenses	Intangible asset	Total
	\$'000	\$'000	\$'000	\$'000
Group				
Cost				
At 1 January 2021	23,967	639	36,808	61,414
Effect of movements in exchange rates	34	46	-	80
At 30 June 2021	<u>24,001</u>	<u>685</u>	<u>36,808</u>	<u>61,494</u>
Accumulated amortisation and impairment losses				
At 1 January 2021	20,963	639	9,198	30,800
Effect of movements in exchange rates	-	46	-	46
At 30 June 2021	<u>20,963</u>	<u>685</u>	<u>9,198</u>	<u>30,846</u>
Cost				
At 1 January 2020	24,009	607	36,808	61,424
Effect of movements in exchange rates	(42)	32	-	(10)
At 31 December 2020	<u>23,967</u>	<u>639</u>	<u>36,808</u>	<u>61,414</u>
Accumulated amortisation and impairment losses				
At 1 January 2020	19,159	607	-	19,766
Impairment loss	1,804	-	9,198	11,002
Effect of movements in exchange rates	-	32	-	32
At 31 December 2020	<u>20,963</u>	<u>639</u>	<u>9,198</u>	<u>30,800</u>
Carrying amounts				
At 31 December 2020	<u>3,004</u>	<u>-</u>	<u>27,610</u>	<u>30,614</u>
At 30 June 2021	<u><u>3,038</u></u>	<u><u>-</u></u>	<u><u>27,610</u></u>	<u><u>30,648</u></u>

The Group's intangible asset comprise 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.

The recoverable amounts of intangible assets and goodwill are estimated annually unless impairment indicators exist. As at 30 June 2021, as there was no indication of significant change to these key assumptions, the recoverable amounts approximate their carrying values.

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

12. Investment properties

Group	Completed investment properties \$'000	Investment properties under development \$'000	Total \$'000
At 1 January 2021	4,326,756	207,972	4,534,728
Additions	4,699	202	4,901
Effect of movements in exchange rates	(2,448)	(1,090)	(3,538)
Lease incentives	31	-	31
At 30 June 2021	4,329,038	207,084	4,536,122
At 1 January 2020	6,537,190	91,237	6,628,427
Additions	19,318	131,745	151,063
Disposal	(591,250)	-	(591,250)
Net change in fair value	(420,099)	(15,331)	(435,430)
Effect of movements in exchange rates	50,575	321	50,896
Lease incentives	(10,466)	-	(10,466)
Reclassified to assets held for sale	(1,258,512)	-	(1,258,512)
At 31 December 2020	4,326,756	207,972	4,534,728

As at 30 June 2021, investment properties with a total carrying amount of \$2.5 billion (31 December 2020: \$2.6 billion) 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 significant investment properties as at 30 June 2021 were determined by independent professional valuers based on assumptions and estimates that reflect their market value, which approximate their carrying amounts. The last full valuation of each investment property was conducted as at 31 December 2020.

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.

Investment properties under development

The Group's investment properties under development pertain to lands in Indonesia, the People's Republic of China ("the PRC") and Malaysia. The classification of the land as owner-occupied property or investment property is a matter of judgement, involving consideration of the purpose and usage of the land, and future development plans. Portion of land to be redeveloped for future rental or capital appreciations are held as investment properties under development while portion of land to be redeveloped for own use are held as property, plant and equipment. The relevant portion of the land continues to be classified as investment properties under development based on management's assessment of the above factors which is in line with the Group's existing plans. The classification is primarily based on all prevailing information available to date which imminently may vary depending on the Group's future intentions and developments.

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

12. Investment properties (cont'd)

Investment properties under development (cont'd)

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

In relying on the valuation reports, management has exercised judgement and is satisfied that the valuation methods and estimates used are reflective of the current market conditions. The valuers of certain properties of the Group have highlighted in their valuation reports that given unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case.

13. Property, plant and equipment

For the half year ended 30 June 2021, the Group acquired assets amounting to \$21.9 million (30 June 2020: \$4.8 million).

As at 30 June 2021, property, plant and equipment with a total carrying value of \$1.2 billion (31 December 2020: \$1.2 billion) were pledged as security for banking facilities.

Impairment test for property, plant and equipment

The recoverable amount of the Group's significant property, plant and equipment is determined based on the higher of fair value less costs to sell and value-in-use calculation. As at 30 June 2021, 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. Based on the valuations performed, there was no indicator of impairment as at 30 June 2021. The last full valuation of each significant property, plant and equipment was conducted as at 31 December 2020.

The recoverable amounts were derived based on the discounted cashflow method and direct comparison method. The valuation methods involve certain estimates including those relating to discount rate, terminal yield rate and price per hotel room. The fair value measurement was categorised under Level 3 of the fair value hierarchy based on the valuation techniques used.

14. Borrowings

	<u>Group</u>		<u>Company</u>	
	<u>30/6/2021</u>	<u>31/12/2020</u>	<u>30/6/2021</u>	<u>31/12/2020</u>
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year or less, or on demand				
Secured	246,382	50,973	-	-
Unsecured	214,845	369,443	-	-
	<u>461,227</u>	<u>420,416</u>	<u>-</u>	<u>-</u>
Amount repayable after one year				
Secured	1,228,563	1,712,352	-	-
Unsecured	900,076	1,343,357	51,915	194,933
	<u>2,128,639</u>	<u>3,055,709</u>	<u>51,915</u>	<u>194,933</u>
	<u><u>2,589,866</u></u>	<u><u>3,476,125</u></u>	<u><u>51,915</u></u>	<u><u>194,933</u></u>

Details of any collateral

Secured borrowings are collateralised by:

- pledging of the borrowing companies' properties/assets and/or
- assignment of all rights and benefits to sale, lease and/or insurance proceeds with respect to the properties

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

15. Share capital

Issued share capital

	The Group and Company	
	Number of shares	Amount
	'000	\$'000
Balance at 1 January 2021	981,602	693,315
Cancellation of treasury shares	(30,000)	(58,463)
Balance at 30 June 2021	951,602	634,852

As at 30 June 2021, the Company's total number of issued shares excluding treasury shares is 878,799,660 (30/06/20: 900,611,660).

For the half year ended 30 June 2021, the Company acquired 3,963,000 of its own shares for a total consideration of \$4,611,000.

As at 30 June 2021, the Company held 72,802,200 (30/06/20: 80,990,200) treasury shares.

Convertible bonds

Principal Amount	Year of	Conversion Price	No. of ordinary shares
\$'000	Maturity	\$	convertible into
2,250	2023	1.855	1,212,938

There has been no conversion of the convertible bonds since the date of issue.

The number of ordinary shares that may be issued, assuming the convertible bonds are fully converted based on the above conversion price, would be 1,212,938 (30/06/20: 83,423,181).

16. Dividends

	Group and Company	
	Half year	Half year
	ended	ended
	30/06/21	30/06/20
	\$'000	\$'000
Paid by the Company to owners of the Company		
Final dividend of 1 cent (2020: 1 cent) per ordinary share in respect of prior year	8,788	9,006
Special dividend of nil cent (2020: 4 cents) per ordinary share in respect of prior year	-	36,025
	8,788	45,031
Paid by subsidiaries to NCI		
Distribution of 1.43 cents (2020: 1.1 cents) per qualifying unit in respect of prior year	40,348	31,037
Final dividend of 14 cents (2020: 17 cents) per ordinary share in respect of prior year	5,600	6,800
	45,948	37,837

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

17. Litigation cases

OUE Lippo Healthcare Limited ("OUELH") and its subsidiaries ("OUELH Group"), a subsidiary of the Group, is exposed to several litigation cases as at 30 June 2021.

- (a) Litigation cases with The Enterprise Fund III Ltd, Value Monetization III Ltd and VMF3 Ltd (collectively, the "**Funds**")

Suit 441

On 15 April 2016, the Funds appointed receivers ("**Receivers**") over the entire issued share capital of IHC Medical RE Pte. Ltd. ("**IHC Medical**"), IHC Management Pte. Ltd. ("**IHC Management**") and IHC Management (Australia) Pty Ltd ("**IHC Australia**"), which are wholly-owned subsidiaries of OUELH Group, in connection with the notices of default issued by the Funds alleging that OUELH, together with IHC Medical, owe the Funds a certain sum of money (including outstanding interest).

OUELH commenced proceedings against Crest Capital Asia Pte. Ltd. ("**Crest Capital**"), Crest Catalyst Equity Pte. Ltd. ("**Crest Catalyst**"), and the Funds (collectively known as the "**Crest Entities**"), Fan Kow Hin ("**Fan**"), and Lim Beng Choo ("**Lim**"), amongst other parties, to challenge the sum claimed under the notices of default ("**Suit 441**").

On 9 July 2020, the High Court issued a favourable judgement ("**Suit 441 Judgement**") for OUELH and dismissed the Crest Entities' counterclaims in full. The High Court granted judgment as follows:

- against the Crest Entities, Fan and Lim, jointly and severally, for the sums paid by OUELH towards the standby facility of \$4,538,800;
- against the Crest Entities and Fan, jointly and severally, for interest representing the loss of use of the \$4,538,800, amounting to \$4,440,780;
- against the Crest Entities and Fan, jointly and severally, on the basis that OUELH would have paid off the outstanding Geelong Facility liability on its maturity date of 28 February 2016, for an amount of \$3,615,066 (post-maturity interest and default interest) and the loss of OUELH's Australian business, the quantification of which will be determined in separate proceedings ("**Bifurcated Tranche**"); and
- the Crest Entities are not entitled to charge the costs, expenses or fees relating to their receivership.

Following the Suit 441 Judgment, the Funds discharged their receivership over OUELH's wholly owned subsidiaries on 18 August 2020.

OUELH received a total of \$13,066,591.80 from the Crest Entities and a further A\$16,315,442.90 pursuant to a by-consent Order of Court dated 11 September 2020 for the discharge of banker's guarantee.

On 7 January 2021, OUELH received a further A\$4,699,678.93 of the surplus sale proceeds of the three properties in Australia (553 St Kilda Road, 541 St Kilda Road and 73-79 Little Ryrie Street, Geelong, collectively the "Australian Properties") from the Australian trustee. The Australian Trusts were previously set up by OUELH to hold the Australian Properties.

Appeals of Suit 441

The Crest Entities, Fan and Lim filed appeals (CA 113, CA 132 and CA 135) against the Suit 441 Judgment to the Court of Appeal.

On 3 December 2020, Lim's solicitors issued a letter of undertaking in favour of OUELH to make payment of the sum of S\$115,354.80 (being the costs and disbursements ordered against Lim in the Suit 441 Judgment), plus interest, after the disposal of her appeal.

The appeals were heard on 29 January 2021.

On 30 March 2021, the Court of Appeal issued a favourable judgment to OUELH in respect of CA 113, CA 132 and CA 135 ("**CA Judgment**"). Lim and Fan's appeals in CA 132 and CA 135 were dismissed in full. The Crest Entities' appeal in CA 113 was partially allowed in that the liability of two Funds, VMF3 Ltd. ("**VMF3**") and Value Monetization III Ltd. ("**VMIII**"), was reversed. The appeal by Crest Capital, Crest Catalyst, and The Enterprise Fund III Ltd. ("**EFIII**") in CA 113 was dismissed in full.

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

17. Litigation cases (cont'd)

- (a) Litigation cases with The Enterprise Fund III Ltd, Value Monetization III Ltd and VMF3 Ltd (collectively, the “**Funds**”) (cont'd)

Following the CA Judgment, OUELH received payment of S\$190,000 from Crest Capital, Crest Catalyst, EFIII, Lim’s solicitors, and Fan’s Private Trustees, being the full payment of the costs and disbursements ordered. OUELH also received S\$119,077.54 from Lim’s solicitors being payment of the costs and disbursements owed by Lim under the Suit 441 Judgment plus interest.

On 5 April 2021, OUELH received a letter of demand from VMIII demanding the return of S\$10,662,600.79 which it allegedly paid to OUELH pursuant to the Suit 441 Judgment and costs orders plus interest. VMIII also write to Court to seek a consequential order in this regard. On 24 May 2021, the Court of Appeal issued another favourable judgment for OUELH in respect of the consequential orders and costs sought by VMF3 and VMIII in CA 113. The Court of Appeal held that, even if VMFIII had indeed made the payment, OUELH was not liable to restore the payment to VMIII; they should look to Crest Capital, Crest Catalyst and EFIII for reimbursement. The Court also ordered OUELH to pay costs of S\$30,000 to VMF3 and VMIII, to reflect the limited ground on which VMF3 and VMIII had succeeded in their appeal. These costs have been paid by OUELH in June 2021.

There are no further issues or matters to be resolved in respect of CA 113, CA 132 and CA 135.

Bifurcated Tranche of Suit 441

The proceedings on the Bifurcated Tranche are ongoing.

OS 380

In 2017, OUELH commenced further proceedings for a declaration that it had validly avoided the standby facility extended to OUELH for contravention of Section 76 of the Companies Act (“**OS 380**”).

In July 2018, the High Court declared that OUELH had validly avoided the standby facility and its related contracts and transactions. The Funds’ appeal against the High Court’s decision on the avoidance of the standby facility was dismissed in September 2019.

OS 1104, OS 689 and Release Application

Following the High Court’s decision in OS 380, OUELH commenced further proceedings against the Funds in September 2018 for the return of sums paid to the Funds under the avoided standby facility (“**OS 1104**”). OUELH also took out court applications for the release of part of the net proceeds of the sale of the underlying assets of IHC Medical (“**Release Applications**”) which are held by the Funds pursuant to an Order of Court.

The Funds have also commenced proceedings against OUELH for statutory relief under the Companies Act arising from the avoidance of the standby facility (“**OS 689**”).

Following the CA Judgment, OUELH and the Crest Entities filed the by consent summons to discontinue OS 1104 and OS 689 respectively on 5 July 2021. The Court granted the parties’ applications to withdraw OS 1104 and OS 689 with no order as to costs on 6 July 2021.

OUELH also withdrew the Release Application on 5 July 2021 with no order as to costs.

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

In 2013, OUELH Group acquired a 74.97% effective interest and control over Health Kind International Limited (“**HKIL**”) and its subsidiaries, Health Kind International (Shanghai) Co., Ltd. (“**Health Kind Shanghai**”) and Wuxi New District Phoenix Hospital Co., Ltd. (“**Wuxi Co**”).

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

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

17. Litigation cases (cont'd)

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

Arbitration Proceedings against David Lin

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

Recognition and Enforcement Proceedings

In 2019, OUELH commenced recognition and enforcement proceedings in Hong Kong, Taiwan and Shanghai against David Lin to enforce the said award. As at 29 July 2021, OUELH has obtained permission to enforce the award in Hong Kong, Taiwan and Shanghai.

As at 29 July 2021, OUELH continues to hold a charging order absolute over David Lin's shares in Healthcare Solution Investment Limited ("**HSIL**") and Hong Kong Life Sciences and Technologies Group Limited. OUELH has also obtained an order to appoint Receivers over David Lin's interest in the HSIL shares. HSIL is the sole shareholder of Weixin.

As at 29 July 2021, OUELH was informed by its PRC and Taiwan counsels that:

- The Shanghai No. 1 Court has received approximately RMB3.25 million as part of the Shanghai enforcement proceedings in November 2020. The funds have been transferred to a subsidiary OUELH in March 2021.
- On 18 January 2021, David Lin's ¼ share in a real estate property in New Taipei City was sold during a public auction for the sum of NTD 5,880,000 as part of the enforcement proceedings in Taiwan. The purchaser is in the process of making payment to the Taiwan Court for David Lin's ¼ share of the property.
- On or around 12 March 2021, OUELH has received the sum of SGD710,913.50 (after conversion from the sum of NTD14,991,033), being the deposit and trust assets held by David Lin in his bank accounts in Taiwan.

Land Litigation

In 2018, Weixin commenced proceedings against Wuxi Yilin Real Estate Development Co Ltd ("**Wuxi Yilin Real Estate**"), a subsidiary of OUELH Group, for a return of 20 Chang Jiang North Road (i.e. the land on which the Wuxi New District Phoenix Hospital is situated) (the "**Land Litigation**").

- In 2019, the Wuxi Xinwu District Court dismissed Weixin's application. Weixin appealed to the Wuxi Intermediate District Court.
- On 22 May 2020, Weixin (under control of the Receivers of HSIL) applied to withdraw the Land Litigation appeal.
- The Land Litigation appeal was stayed pending separate proceedings commenced by Weixin (which is now under control of the Receivers of HSIL), against David Lin and Chiang Hui-Hua (the "**Weixin Control Dispute**"). As elaborated below, OUELH was informed by the Receivers on 15 March 2021 that the Shanghai First Intermediate Court has dismissed David Lin's appeal in the Weixin Control Dispute.
- On 22 March 2021, OUELH was informed by the Receivers that the Wuxi Intermediate Court has issued a judgment on 18 March 2021 accepting Weixin's application to withdraw the Land Litigation appeal.
- The effect of the withdrawal of the Land Litigation appeal is that the decision of the Wuxi Xinwu District Court is final and binding on all parties. In that judgment, the Court found that the land transfer agreement between Wuxi Yilin Real Estate and Wuxi Co. dated 15 January 2015, in relation to the Wuxi land at 20 Chang Jiang North Road, is legitimate and binding on all parties. Thus, OUELH's subsidiary, Wuxi Yilin Real Estate, is the rightful and legal owner of the Wuxi land. There are currently no pending legal challenges in relation to the ownership of Wuxi land.

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

17. Litigation cases (cont'd)

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

Weixin Control Dispute

In 2020, Weixin (which is now controlled by the Receivers of HSIL), commenced proceedings against David Lin and Chiang Hui-Hua in the Weixin Control Dispute for a return of *inter alia* Weixin's business license and company stamp on the basis that Chiang Hui-Hua is no longer the legal representative of Weixin.

- The Shanghai Pudong Court issued a decision in favour of Weixin in August 2020.
- David Lin appealed against the Shanghai Pudong Court's decision.
- On 15 March 2021, OUELH was informed by the Receivers that the Shanghai First Intermediate Court has dismissed David Lin's appeal, with costs to be borne by David Lin. The Shanghai First Intermediate Court noted that the board of directors of HSIL (i.e. the sole shareholder of Weixin) had passed a valid board resolution to remove Chiang Hui-Hua as Weixin's legal representative, executive director and general manager. As such, Chiang Hui-Hua no longer had the legal right since 27 November 2019 to retain Weixin's business license and company stamp.
- OUELH was informed by the Receivers that, as David Lin and Chiang Hui Hua subsequently refused to comply with the Court's order, the Receivers had to apply to Court for an enforcement order. Their application to enforce the Court's order above was approved by the Shanghai Pudong Court and execution was completed on 23 April 2021. Further, on 21 April 2021, as a result of Chiang Hui Hua's failure to comply with the Court's order, the Shanghai Pudong Court issued an order restricting Chiang Hui Hua's expenditures and access to high-end amenities.
- On 24 May 2021, OUELH was informed by the Receivers that Weixin's company records have been updated to register Chan Pui Sze of Briscoe Wong Advisory Limited, one of the Receivers, as the legal representative, executive director and general manager of Weixin, wherein Chan Pui Sze is legally authorised to represent and act on behalf of Weixin.
- On 8 July 2021, OUELH was informed by the Receivers of HSIL that they have obtained Weixin's new business license, which reflects Chan Pui Sze as the legal representative of Weixin. On 20 July 2021, OUELH was also informed by the Receivers of HSIL that they have obtained Weixin's new company seal, invoice seal, legal representative seal and special financial seal. The issuance of Weixin's new business license and company seals gives Chan Pui Sze of Briscoe Wong Advisory Limited, one of the Receivers, effective control of Weixin as the legal representative, executive director and general manager of Weixin.

Breach of fiduciary duties claim

In 2018, Wuxi Yilin Health Management Co Ltd ("**Wuxi Yilin Health**"), a subsidiary of OUELH Group, commenced proceedings against David Lin for damages in relation to the breaches of his duties to Wuxi Yilin Health. In 2019, the Wuxi Intermediate Court dismissed Wuxi Yilin Health's claim against David Lin. Wuxi Yilin Health appealed against the Wuxi Intermediate Court's decision. On 12 April 2021, Wuxi Yilin Health applied to withdraw the appeal on the advice of its PRC counsel. On 7 May 2021, the Jiangsu Higher Court accepted Wuxi Yilin Health's application to withdraw the appeal.

In February 2021, Health Kind Shanghai, a subsidiary of OUELH, filed a claim before the People's Court of Pudong District against Weixin and Wuxi Co. for the sum of RMB 50 million. In these proceedings, Health Kind Shanghai contends that Weixin was unjustly enriched in the sum of RMB 50 million, being the increase in equity value of Wuxi New District Phoenix Hospital from 2010 to 2018 pursuant to manpower, resources and funds invested by Health Kind Shanghai. The proceedings are ongoing as at 29 July 2021.

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

17. Litigation cases (cont'd)

(c) Other claim(s) against OUELH

OUELH received a letter of demand from Fan's Private Trustees dated 25 June 2021, demanding payment of the sum of S\$850,182.40 allegedly owing to Fan pursuant to shareholder advances, expense claims and a Management Advisory Service Agreement between Fan and a wholly owned subsidiary of OUELH dated 1 February 2016.

This letter demanded payment of the same sums previously claimed by Fan in his letter of demand to OUELH dated 27 January 2017. In 2017, OUELH responded to Fan to seek further particulars and supporting documents in support of his claims, however, no response was forthcoming. Similarly, in June 2021, OUELH responded to Fan's Private trustees to seek further particulars and supporting documents in support of their claims, however, no response was forthcoming.

No litigation has developed from these claims.

18. Commitments

Capital commitments

The Group has the following capital commitments:

	Group	
	30/06/21	31/12/20
	\$'000	\$'000
Financial assets designated at FVOCI	8,476	6,446
Property, plant and equipment	52,014	7,366
Investment properties	7,846	8,906
	<u>7,846</u>	<u>8,906</u>

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, including their levels in the fair value hierarchy are set out below. The carrying value of cash and cash equivalents, debt investments, trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of borrowings approximates their carrying amounts as the interest rates are adjusted for changes in relevant market interest rate, except for convertible bonds and unsecured notes which are classified within Level 2 of the fair value hierarchy.

	Carrying amount				Fair value			
	Mandatorily at FVTPL \$'000	Designated at FVOCI \$'000	Fair value - hedging instruments \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group								
30/06/21								
Financial assets measured at fair value								
Other investments - FVTPL	90,634	-	-	90,634	43,927	46,707	-	90,634
Equity investments - FVOCI	-	44,742	-	44,742	33,023	-	11,719	44,742
Interests in limited partnerships - FVOCI	-	96,668	-	96,668	-	-	96,668	96,668
Derivative assets	-	-	554	554	-	554	-	554
	<u>90,634</u>	<u>141,410</u>	<u>554</u>	<u>232,598</u>				
Financial liabilities measured at fair value								
Derivative liabilities	-	-	(21,986)	(21,986)	-	(21,986)	-	(21,986)
	<u>-</u>	<u>-</u>	<u>(21,986)</u>	<u>(21,986)</u>				
31/12/20								
Financial assets measured at fair value								
Other investments - FVTPL	60,972	-	-	60,972	18,730	42,242	-	60,972
Equity investments - FVOCI	-	44,089	-	44,089	33,196	-	10,893	44,089
Interests in limited partnerships - FVOCI	-	86,639	-	86,639	-	-	86,639	86,639
	<u>60,972</u>	<u>130,728</u>	<u>-</u>	<u>191,700</u>				
Financial liabilities measured at fair value								
Derivative liabilities	-	-	(40,980)	(40,980)	-	(40,980)	-	(40,980)
	<u>-</u>	<u>-</u>	<u>(40,980)</u>	<u>(40,980)</u>				

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

20. Related party transactions

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

	Group	
	Transaction value	
	Half year ended 30/06/21 \$'000	Half year ended 30/06/20 \$'000
Associates and joint ventures		
Management fees earned	5,487	4,712
Rental and rental related expenses	726	-
<hr/>		
Other related parties		
Rental and rental related income	768	891
Management fees earned	167	51
Royalty fee income	78	58
Interest income	281	271
Reimbursement of expenses paid on behalf	58	515
<hr/>		

21. Operating segments

The Group has six strategic divisions, which are its reportable segments.

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

- (i) Property investments (Singapore, United States of America and the PRC) – rental of investment properties owned by the Group and management of commercial investment trusts.
- (ii) Hospitality (Singapore and Others) – operation of hotels and hotel management in the respective countries.
- (iii) Property development (Singapore and the PRC) – sale of residential properties and other properties under development.
- (iv) 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.
- (v) Consumer – operation of food and beverage outlets.
- (vi) Investment holding

The revenue from external parties reported to the executive committee (the chief operating decision makers) is measured in a manner consistent with that in the statement of comprehensive income. The executive committee comprises the Chief Executive Officer, the Chief Operating Officer, and the department heads of each business segment.

Information regarding the results of each reportable segment is included below. The executive committee assesses the performance of the operating segments based on a measure of profit before interest, tax and other gains/(losses), as included in the internal management reports that are reviewed by the executive committee.

OUE LIMITED
Half Year Ended 30 June 2021

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

21. Operating segments (cont'd)

	Property Investments		Hospitality		Property Development	Healthcare	Consumer	Investment Holding	Segment Total	Elimination and unallocated items	Group
	Singapore	The PRC	Singapore	Others							
Half year ended 30 June 2021											
Revenue											
External revenue	93,074	12,105	25,824	-	201	14,654	6,095	68	152,021	22	152,043
Inter-segment revenue	178	-	578	-	-	-	21	-	777	(777)	-
Segment revenue (including inter-segment revenue)	93,252	12,105	26,402	-	201	14,654	6,116	68	152,798	(755)	152,043
Segment profit/(loss)¹	63,622	10,176	(15,415)	(11)	49,723	10,322	(1,549)	(1,231)	115,637	(11,203)	104,434
Depreciation of property, plant and equipment	(596)	(20)	(20,290)	-	-	(946)	(1,078)	(9)	(22,939)	(1,589)	(24,528)
Finance expenses	(39,641)	(550)	-	-	-	(2,655)	(550)	(12,748)	(56,144)	4,974	(51,170)
Finance income	976	469	(2)	(1)	1	175	1	1,456	3,075	779	3,854
Share of results of equity-accounted investees, net of tax	4,066	-	-	-	49,896	4,900	(276)	1,068	59,654	-	59,654
Other material items											
Net change in fair value of investments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	8,050	8,050
30 June 2021											
Reportable segment assets ²	3,593,921	590,245	1,646,395	551	32,086	489,379	17,041	375,034	6,744,652	438,495	7,183,147
Interests in equity-accounted investees	320,944	-	-	-	948,881	218,331	12,410	37,151	1,537,717	-	1,537,717
Reportable segment liabilities	2,089,127	51,292	19,100	171	4,702	228,861	10,126	2,247	2,405,626	654,694	3,060,320
Capital expenditure	3,908	353	19,973	-	-	1,381	970	220	26,805	37	26,842

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

² Excluding interests in equity-accounted investees

OUE LIMITED
Half Year Ended 30 June 2021

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

21. Operating segments (cont'd)

	Property Investments			Hospitality		Property Development	Healthcare	Consumer	Investment Holding	Segment Total	Elimination and unallocated items	Group
	Singapore	United States	The PRC	Singapore	Others							
	\$'000	\$'000	\$'000	\$'000	\$'000							
Half year ended 30 June 2020												
Revenue												
External revenue	97,272	29,104	12,720	43,148	669	98,532	14,615	5,038	-	301,098	49	301,147
Inter-segment revenue	43	761	-	3,038	-	-	-	221	-	4,063	(4,063)	-
Segment revenue (including inter-segment revenue)	97,315	29,865	12,720	46,186	669	98,532	14,615	5,259	-	305,161	(4,014)	301,147
Segment profit/(loss)¹	61,669	(789)	10,529	(4,837)	500	75,139	4,883	(5,494)	(2,397)	139,203	(14,147)	125,056
Depreciation of property, plant and equipment	(437)	(5)	(18)	(20,661)	(3)	-	(863)	(1,554)	-	(23,541)	(672)	(24,213)
Finance expenses	(45,654)	(11,574)	(603)	(148)	1	(331)	(5,283)	(854)	(14,952)	(79,398)	9,882	(69,516)
Finance income	3,044	2	471	40	(7)	94	1,688	15	12,230	17,577	(1,187)	16,390
Share of results of equity-accounted investees, net of tax	-	-	-	-	-	64,556	994	(234)	(1,510)	63,806	-	63,806
Other material items												
Net change in fair value of investment properties	-	(309,974)	-	-	-	-	-	-	-	(309,974)	-	(309,974)
Net change in fair value of investments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	(11,942)	(11,942)
Reversal of impairment loss on a loan to an equity-accounted investee	-	-	-	-	-	-	-	-	-	-	16,207	16,207
31 December 2020												
Reportable segment assets ²	4,832,041	18,501	599,311	1,657,337	553	33,365	539,655	10,604	362,589	8,053,956	505,076	8,559,032
Interests in equity-accounted investees	-	-	-	-	-	879,999	159,743	12,673	11,919	1,064,334	-	1,064,334
Reportable segment liabilities	2,843,916	2,132	52,682	17,081	162	5,550	241,001	1,794	446	3,164,764	801,788	3,966,552
Capital expenditure	11,159	3,094	626	4,493	-	-	8,652	846	136,978	165,848	1,304	167,152

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

² Excluding interests in equity-accounted investees

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

	Half year ended 30/06/21	Half year ended 30/06/20
Reconciliation of reportable segment revenue and profit/(loss) before interest and tax		
Total revenue for reportable segments	152,798	305,161
Unallocated amounts	22	49
Elimination of inter-segment revenue	(777)	(4,063)
Consolidated total revenue	<u>152,043</u>	<u>301,147</u>

Profit or loss

Total profit or loss before interest, tax and other gains/(losses) for reportable segments	115,637	139,203
Elimination of inter-segment profits	102	16
Finance expenses	(51,170)	(69,516)
Finance income	3,854	16,390
Other gains/(losses) - net	8,050	(305,709)
Unallocated corporate expenses	(11,305)	(14,163)
Consolidated profit/(loss) before tax	<u>65,168</u>	<u>(233,779)</u>

Reconciliation of reportable assets and liabilities

	30/06/21 \$'000	31/12/20 \$'000
Assets		
Total assets for reportable segments	6,744,652	8,053,956
Interests in equity-accounted investees	1,537,717	1,064,334
	<u>8,282,369</u>	<u>9,118,290</u>
Elimination of inter-segment balances	(209)	(209)
Other unallocated amounts:		
- Property, plant and equipment	10,613	7,365
- Cash and cash equivalents	142,503	302,193
- Trade and other receivables	896	58
- Other investments	269,634	180,903
- Other assets	15,020	14,273
- Deferred tax assets	38	493
Consolidated total assets	<u>8,720,864</u>	<u>9,623,366</u>
Liabilities		
Total liabilities for reportable segments	2,405,626	3,164,764
Other unallocated amounts:		
- Borrowings	450,899	593,604
- Trade and other payables	11,516	15,007
- Current tax liabilities	36,838	43,898
- Lease liabilities	4,549	-
- Deferred tax liabilities	149,175	148,230
- Deferred income	1,717	1,049
Consolidated total liabilities	<u>3,060,320</u>	<u>3,966,552</u>

Geographical information

	Half year ended 30/06/21	Half year ended 30/06/20
Revenue		
Singapore	130,196	245,879
The PRC	13,353	13,788
United States of America	26	32,042
Japan	8,424	8,831
Others	44	607
	<u>152,043</u>	<u>301,147</u>

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

22. Subsequent event

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

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed interim consolidated statement of financial position of OUE Limited and its subsidiaries as at 30 June 2021 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 for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Consolidated statement of profit or loss

FINANCIAL HIGHLIGHTS	1H 2021 \$'000	1H 2020 \$'000	Change %
Revenue	152,043	301,147	(49.5)
Profit before interest, tax and other gains/(losses) (Adjusted EBIT)	104,434	125,056	(16.5)
Profit/(Loss) attributable to Owners of the Company	30,054	(207,163)	n.m.

Revenue

The Group recorded revenue of \$152.0 million in 1H 2021 (1H 2020: \$301.1 million). The decrease was due to lower contributions across most business divisions.

Investment Properties Division

Revenue from the investment properties division decreased by \$33.9 million to \$105.2 million in 1H 2021 (1H 2020: \$139.1 million). The decrease was mainly due to absence of revenue contribution from U.S. Bank Tower and lower contribution from OUE Bayfront subsequent to their divestments in September 2020 and March 2021 respectively.

On 31 March 2021, OUE C-REIT completed the divestment of a 50.0% stake in the OUE Bayfront Property. Henceforth, the revenue contribution from the OUE Bayfront Property ceased with effect from this date and the share of financial contribution from the OUE Bayfront Property via the retained stake is equity-accounted for and included in the "Share of results of equity-accounted investees, net of tax".

Hospitality Division

Revenue from the hospitality division decreased by \$18.0 million to \$25.8 million in 1H 2021 (1H 2020: \$43.8 million). The decrease was mainly due to the full half-year impact arising from the overall decline in room occupancy and banquet sales due to travel restrictions and various measures put in place by the Singapore Government since March 2020 in response to the COVID-19 pandemic.

Development Properties Division

Revenue from the development properties division was \$0.2 million (1H 2020: \$98.5 million). The decline was attributed to the absence of completion of OUE Twin Peaks units sold under deferred payment schemes in 1H 2021. Revenue recognised pertained to scheduled completion of certain OUE Twin Peaks units sold under deferred payment schemes and rental income derived from unsold units which continue to be marketed for sale.

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

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

Revenue (cont'd)

Healthcare Division

Revenue from the healthcare division pertains to revenue contribution from OUE Lippo Healthcare Limited and First REIT Management Limited ("FRML"), the manager of First Real Estate Investment Trust ("First REIT").

Consumer Division

Revenue from the consumer division comprises contribution from the food and beverages operations of the Group. Revenue increased by \$1.1 million to \$6.1 million (1H 2020: \$5.0 million) mainly due to improved performance of food and beverage sales arising from relaxation of dine-in restrictions in the current financial period.

Administrative expenses

Administrative expenses decreased by \$16.4 million to \$30.5 million in 1H 2021 (1H 2020: \$46.9 million). The decrease was mainly due to the absence of transaction costs recognised on the sale of U.S. Bank Tower; partially offset by transactions costs incurred for the divestment of the OUE Bayfront Property; as well as lower legal and professional fees.

Share of results of equity-accounted investees

Share of results of equity-accounted investees decreased by \$4.2 million mainly due to lower contribution from Gemdale Properties and Investment Corporation Limited ("Gemdale").

The decrease was partially mitigated by higher contribution from First REIT; as well as recognition of the contribution from the OUE Bayfront Property as an equity-accounted investee.

Adjusted EBIT

Adjusted EBIT decreased by \$20.6 million to \$104.4 million in 1H 2021 (1H 2020: \$125.1 million). The decrease was mainly attributed to lower contribution from equity-accounted investees and overall decrease in contributions across the business divisions.

Profit/(Loss) attributable to owners of the Company

In 1H 2021, the Group recorded a profit attributable to shareholders of \$30.1 million (1H 2020: loss attributable to shareholders of \$207.2 million). The increase of \$237.2 million was mainly due to the absence of fair value loss recognised on U.S. Bank Tower in 1H 2020.

Statements of financial position

1. "Other investments" increased by \$88.5 million mainly due to debt and equity investments acquired during the year.
2. As at 30 June 2021, the fair values of significant investment properties and recoverable amounts of significant property, plant and equipment were determined by independent professional valuers based on assumptions and estimates that reflect their market value, which approximate their carrying amounts. Full valuations of the investment properties and property, plant and equipment were conducted on 31 December 2020.
3. As at 31 December 2020, "Assets held for sale" represented the carrying value of the OUE Bayfront Property which was reclassified from "Investment properties" subsequent to the announcement of the proposed divestment of the property by OUE C-REIT on 18 January 2021. The security deposits for the OUE Bayfront Property were correspondingly reclassified to "Liabilities directly associated with the assets held for sale". The disposal was completed on 31 March 2021.

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

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

Statements of financial position (cont'd)

4. "Interests in equity-accounted investees" increased by \$473.4 million mainly due to the recognition of a 50% joint venture entered into by OUE C-REIT, the limited partnership which owns the OUE Bayfront Property. The increase was also due to the subscription of the rights issue by First REIT in February 2021 and subsequent purchase of First REIT units; and recognition of the share of results of equity-accounted investees in 1H 2021. As at 30 June 2021, the Group owns an effective interest of 22.8% in First REIT (31 December 2020: 14.7%).
5. "Borrowings" decreased by \$886.3 million mainly due to the repayment of borrowings following the completion of divestment of the OUE Bayfront Property by OUE C-REIT, as well as redemption of convertible bonds by the Company.
6. "Deferred income" includes the government grant (i.e. Jobs Support Scheme) extended by the Singapore Government in relation to the wages paid to eligible employees; and non-refundable deposits received from the OUE Twin Peaks units sold under deferred payment schemes. Revenue from units sold under deferred payment schemes are deferred and will be recognised on completion of the sale of each respective unit.
7. "Lease liabilities" mainly pertained to the land lease from Changi Airport Group in relation to the Crowne Plaza Changi Airport site.
8. "Derivative assets" and "Derivative liabilities" mainly relate to the fair value of the interest rate swaps entered into to hedge the Group's exposure to floating interest rates on its borrowings.
9. "Share capital" decreased by \$58.5 million due to cancellation of treasury shares in January 2021.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed.

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

Based on advance estimates, the Singapore economy grew by 14.3% on a year-on-year basis in the second quarter of 2021¹, extending the 1.3% growth in the previous quarter. The strong growth was largely due to the low base in the second quarter of 2020 when GDP fell by 13.3% due to the Circuit Breaker measures implemented from 7 April to 1 June 2020. In absolute terms, GDP in the second quarter of 2021 remained 0.9% below its pre-pandemic level in the second quarter of 2019. For 2021, the Ministry of Trade and Industry has maintained the GDP growth forecast at 4.0% to 6.0%².

International travel continues to be restricted due to the COVID-19 pandemic. In a ministerial statement delivered in the Singapore Parliament on 26 July 2021, it was announced that Singapore is looking at easing travel restrictions from September 2021 as vaccination coverage of its overall population increases, beginning with setting up travel corridors with countries and regions where infections are under control³. However, the hospitality sector continues to face significant challenges in the near term as global tourism is expected to recover to pre-pandemic levels only by 2024⁴. The designation of Crowne Plaza Changi Airport ("CPCA") as a Stay-Home Notice Dedicated Facility and Designated Crew Accommodation till February 2022 is expected to support hotel demand for CPCA. Enhancements works for the rebranding of Mandarin Orchard Singapore to Hilton Singapore Orchard is ongoing, and the hotel is on track to relaunch in January 2022.

In Singapore, while vacancy levels in Grade A CBD core office rose to 4.4% in 2Q 2021, rents increased 1.0% quarter-on-quarter in 2Q 2021 to S\$10.50 psf per month⁵. In the medium term, the outlook for Grade A office demand is expected to be positive given tapering office supply despite potential demand risks.

Vacancy levels for the overall Shanghai CBD Grade A offices was at 14.0% for 1H 2021, with rents increasing 0.7% quarter-on-quarter to RMB8.94 psm per day⁶. While office demand is expected to continue to track the economic recovery, rental growth is expected to be measured due to the ample supply pipeline.

Overall

Though the Singapore economy is expected to recover in 2021, the recovery is likely to remain disparate across sectors⁷. Resurgence of COVID-19 infections and emergence of more contagious strains continue to pose significant economic risks and uncertainties. The Group has sufficient liquidity to meet its near-term debt obligations and operational needs and will continue to exercise prudence in non-essential capital and operating expenditure.

¹ Singapore Ministry of Trade and Industry Press Release, 14 July 2021
² Singapore Ministry of Trade and Industry Press Release, 25 May 2021
³ Channel News Asia Article, 26 July 2021, Ministerial Statements by COVID-19 Task Force
⁴ The Straits Times Article, 4 June 2021, Global tourism could recover to pre-pandemic levels only by 2024
⁵ CBRE Marketview Singapore, Q2 2021
⁶ Colliers International, Shanghai Property Market 2021 Half Year Outlook, 16 July 2021
⁷ Monetary Authority of Singapore, Macroeconomic Review Volume XX Issue 1, April 2021

5. Dividend information

(a) Current Financial Period Reported On

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

23 September 2021

(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 September 2021, for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 up to the close of business at 5.00 p.m. on 9 September 2021 will be registered to determine shareholders' entitlements to the proposed interim dividend. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said interim dividend will be paid by the Company to CDP, which will in turn distribute the dividend entitlement to holders of shares in accordance with its practice.

F. Other information required by Listing Rule Appendix 7.2

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

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

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

Pursuant to SGX-ST Rule 705(5), the Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim consolidated financial results of the Company and the Group for the half year ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dr Stephen Riady
Executive Chairman and
Group Chief Executive Officer

Mr Brian Riady
Deputy Chief Executive Officer and
Executive Director

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

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

BY ORDER OF THE BOARD

KELVIN CHUA
COMPANY SECRETARY
3 August 2021