COMMITTED TO CARE DEDICATED TO HEALTH

ANNUAL REPORT 2023

COMMITTED TO CARE DEDICATED TO HEALTH

In 2023, OUE Healthcare Limited underwent a corporate rebranding, unveiled its inaugural joint venture hospital in Changshu, Jiangsu, China, and acquired a significant stake in Healthway Medical Corporation Limited, a reputable medical group in Singapore. These developments paved the way for OUE Healthcare to advance in its mission to provide exemplary care in the communities it serves.

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

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ABOUT
OUE HEALTHCARE LIMITED

Listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), OUE Healthcare Limited ("**OUEH**" or the "**Company**", and together with its subsidiaries, the "**Group**") is a regional healthcare group with an extensive network of healthcare businesses across fast-growing markets in Asia. Headquartered in Singapore, OUEH currently owns, operates and invests in healthcare businesses in Singapore, China, Myanmar, Indonesia and Japan. OUEH is a subsidiary company of OUE Limited ("**OUE**").

In Singapore, OUEH has, through its joint venture company with OUE ("**OUE JV**"), partnered with three medical specialist groups to own O2 Healthcare Group, a group of lung specialists in respiratory care and cardiothoracic surgeries. This medical partnership enables OUEH to build on and expand its regional healthcare business ecosystem anchored on high medical standards in Singapore. OUEH holds a 60% stake in OUE JV, which in turn holds 60% of O2 Healthcare Group.

OUEH also owns approximately 26% of Healthway Medical Corporation Limited, a respected medical group in Singapore with over 130 clinics.

In China, OUEH operates a general hospital, Wuxi Lippo Xi Nan Hospital ("**Xi Nan Hospital**"), in Wuxi, Jiangsu, as well as a pharmaceutical trading business. The Company's 50:50 joint venture company, China Merchants Lippo Hospital Management Limited ("**CM Lippo**"), operates Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital ("**Changshu Hospital**"), in Changshu, Jiangsu after it was commissioned in May 2023. CM Lippo will be commissioning its second and flagship hospital, Shenzhen China Merchants – Lippo Prince Bay Hospital ("**Prince Bay Hospital**") in Shekou, Shenzhen in 2024.

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

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

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

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

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

OUR JOURNEY

2018

- Welcomed **ITOCHU Corporation as a strategic shareholder** of OUEH
- Established **strategic partnership with China Merchants Group** and formed joint venture company – China Merchants Lippo Hospital Management (Shenzhen) Limited ("**CM Lippo**")
- Acquired stakes in **First REIT and its manager**
- CM Lippo announced its intent to **develop, operate and manage Shenzhen China Merchants - Lippo Prince Bay Hospital** ("**Prince Bay Hospital**") with China Merchants Group in Shenzhen, Guangdong, China

2019

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

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

2020

- CM Lippo announced another hospital project - **to operate Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital** ("**Changshu Hospital**") in Changshu, Jiangsu, China

2021

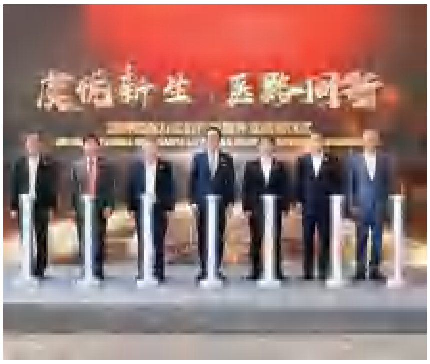
- Launched a **strategic recapitalisation plan** to convert shareholders' loans to perpetual securities
- Proposed the **divestment of 12 nursing homes in Japan to First REIT**

2022

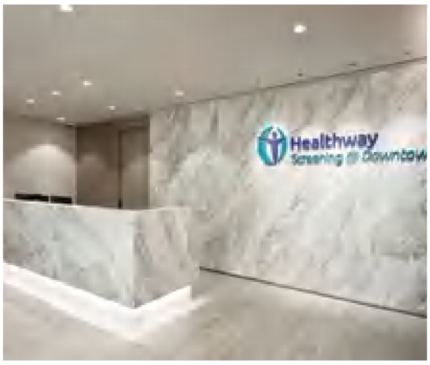
- Completed the divestment of 12 nursing homes in Japan to First REIT and **increased direct holdings in First REIT to approximately 33%**
- Forged a **medical partnership with two leading respiratory specialist practices and one leading cardiothoracic surgery practice in Singapore**, to form O2 Healthcare Group

2023

- **Partnered Chinese University of Hong Kong for International Medical Centre** in Prince Bay Hospital in Shenzhen



- **Commissioned the opening of Changshu Hospital** in Changshu, Jiangsu, China



- Launched the **delisting and acquisition of Healthway Medical Corporation** in Singapore

OUR APPROACH

With the vision to be the trusted provider of choice in the communities we serve, the Group strives to provide exemplary patient care through dedication to clinical excellence and by fostering a healing environment where patients feel valued, respected and supported throughout their healthcare journey, making a positive impact in their lives.

The Group has developed a three-pronged strategy of establishing strategic partnerships, focusing on asset-light businesses and expanding across Asia. The three-pronged strategy is an overarching guide for the Group to strengthen its healthcare business ecosystem as it continues to expand its healthcare network, solidify its healthcare presence and capitalise on healthcare opportunities.

The Group believes in undertaking a systematic approach in its pursuit to achieve business synergies and scalability, which includes competencies building, robust business planning and rigorous business execution.

VISION

To be the trusted provider of choice in the communities we serve

MISSION

To provide exemplary patient care through dedication to clinical excellence and by fostering a healing environment where patients feel valued, respected and supported throughout their healthcare journey, making a positive impact in their lives.

GUIDED BY OUR THREE-PRONGED STRATEGY

- Strategic Partnerships
- Asset-Light Businesses
- Expansion across Asia

BUILDING OUR ECOSYSTEM SYSTEMATICALLY

BUILDING COMPETENCIES › BUSINESS PLANNING & EXECUTION › BUSINESS SYNERGIES & SCALABILITY

BUILDING COMPETENCIES

- Corporate Management
- Financial Management
- Business Management
- Operations Management

BUSINESS PLANNING & EXECUTION

Business Model

Hospital Operations

Clinical Service Plan

Market Position

BUSINESS SYNERGIES & SCALABILITY

OUEH's Healthcare Business Ecosystem

OUEH'S HEALTHCARE BUSINESS ECOSYSTEM

Capital Recycling Platform

FIRST REIT

S$1.1 billion
Total AUM

32
Properties

448,744 sqm
Total GFA

11.5 Years
WALE

** As at 31 December 2023*

Medical Partnerships

O2 HEALTHCARE GROUP

Respiratory Medical Associates

Thoracic & Cardiovascular Surgery Specialist *

KANGNING Cardiothoracic Surgery *

12
Clinics

13
Specialist Doctors

* Thoracic & Cardiocascular Surgery Specialist and Kang Ning Cardiothoracic Surgery are two sub-brands under one medical group

Healthway Medical

>130 Clinics

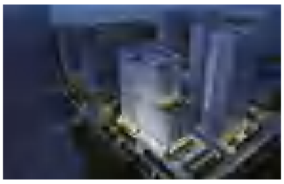
** As at 31 December 2023*

Hospital Operations

OWN & OPERATE MODEL

LEASE & OPERATE MODEL

Wuxi Lippo Xi Nan Hospital



Shenzhen China Merchants
-Lippo Prince Bay Hospital

Changshu China Merchants
-Lippo O&G Hospital

Pun Hlaing Hospitals
Hlaing Tharyar, Yangon

CHAIRMAN'S STATEMENT

> **The region's rapid population growth, increasing health awareness and rising demand for quality healthcare services have spurred significant developments in the healthcare space. Coupled with the growing need for the private healthcare system to complement the public healthcare sector, we remain confident that the healthcare landscape in the region will continue to thrive and demonstrate resilience.**

Dear Valued Shareholders,

Against a mixed picture of recovery and volatility, OUE Healthcare Limited ("**OUEH**" or the "**Company**", and together with its subsidiaries, the "**Group**") continued to pursue growth and capability-building during the financial year ended 31 December 2023 ("**FY2023**"). We remain sanguine over the medium to long term growth prospect of the healthcare industry in the markets we serve.

STRENGTHENING OUR REGIONAL HEALTHCARE ECOSYSTEM

In order to build an integrated healthcare ecosystem centred on Singapore's medical excellence, the Group completed an exit offer and voluntary delisting of Healthway Medical Corporation Limited ("**HMC**") in October 2023. This pivotal move significantly strengthened the Group's foothold in the Singapore healthcare market with a network of over 130 clinics, offering potential synergies between Singapore clinics and overseas hospitals.

With the addition of HMC to our regional healthcare ecosystem, the Group now serves as a regional platform for vertical integration. For instance, our O2 Healthcare Group, a respiratory and cardiothoracic specialist group, comprising 11 respiratory physicians and two cardiothoracic surgeons, could also provide a comprehensive spectrum of healthcare services both locally and regionally.

During the year, the Group also made significant progress in our operations in China. We officially commissioned the Changshu China Merchants – Lippo Obstetrics & Gynaecology Hospital ("**Changshu Hospital**") in May 2023. This high-end 100-bed hospital is Changshu's first private obstetrics and gynaecology hospital. It offers premium medical services and houses a confinement centre with postpartum rehabilitative suites.

In addition, we entered into a service agreement with the Chinese University of Hong Kong to provide management consultancy services for an international medical centre in Lippo Prince Bay Hospital ("**Prince Bay Hospital**") operated by our joint venture company, China Merchants Lippo Hospital Management (Shenzhen) Limited ("**CM Lippo**"). On track to be commissioned in 2024, the 200-bed, high-end hospital will deliver premium specialist services and is positioned strategically in the Greater Bay Area to cater to the growing affluent population.

EMBRACING THE FUTURE OF HEALTHCARE

The region's rapid population growth, increasing health awareness and rising demand for quality healthcare services have spurred significant developments in the healthcare space. Coupled with the growing need for the private healthcare system to complement the public healthcare sector, we remain confident that the healthcare landscape in the region will continue to thrive and demonstrate resilience.

The Group remains committed to building a sustainable and integrated healthcare business ecosystem, anchored on international best practices, as we strive to be the trusted healthcare provider in the communities that we serve. We will do so by forming collaborative partnerships, embracing innovation, and conscientiously building up new operating capabilities.

GRATITUDE AND APPRECIATION

On behalf of the Board, I extend my heartfelt gratitude to all our shareholders for their support and confidence in the Group. I would also like to thank the Board of Directors for their indispensable counsel and contributions. In particular, I would like to thank Mr. Brian Riady, who stepped down as Non-Independent and Non-Executive Director of the Company, effective 2 January 2024, to assume other responsibilities within the OUE Group, for his invaluable contributions during his tenure.

On behalf of the Board, I would also like to warmly welcome Mr. Abram Melkyzedeck Suhardiman as Non-Independent and Non-Executive Director of the Company.

Lastly, I would like to express my deepest appreciation to our dedicated staff, strategic partners, and business associates for their unwavering support.

LEE YI SHYAN
Chairman
Non-Independent and Non-Executive Director

“The Group remains committed to building a sustainable and integrated healthcare business ecosystem, anchored on international best practices, as we strive to be the trusted healthcare provider in the communities that we serve.

主席致辞

尊敬的股东们，

在复苏与波动并存的局势下，华联医疗集团在2023财年继续追求增长和能力建设。我们对集团致力服务的医疗保健行业的中长期增长前景保持乐观。

加强区域内医疗保健生态系统

为构建以新加坡医疗卓越为核心的综合医疗保健生态系统，集团于2023年10月完成了对康威医疗集团有限公司（HMC）的退出要约及自愿退市。这一关键性举措显著增强了集团在新加坡医疗保健市场的立足点，医疗网络覆盖130多家诊所，为新加坡诊所和海外医院之间的潜在协同效应提供了可能。

随着康威医疗加入我们的区域医疗保健生态系统，集团现在成为了一个区域性垂直综合平台。例如，我们的O2医疗集团是一个呼吸内科和心胸外科专家团队，拥有11名呼吸专科医生和2名心胸外科医生。O2医疗集团能够为新加坡本地和本区域提供全面的医疗保健服务。

在过去的一年中，集团在中国的运营也取得了显著进展。我们的常熟招商力宝妇产医院（“**常熟医院**”）于2023年5月正式开业运营。这家拥有100张床位的高端医院是常熟市第一家私立妇产医院，设有产后康复套房并提供优质的医疗服务。

此外，我们还与香港中文大学签订了服务协议，为由我们的合资公司招商力宝医院管理（深圳）有限公司（“**招商力宝**”）运营的太子湾医院（“**太子湾医院**”）提供管理咨询服务。太子湾医院是一家位于大湾区的200张床位的高端医院，提供优质的综合专科服务，旨在满足不断增长的高端人口需求，并预计于2024年投入使用。

拥抱医疗保健的未来

本区域内快速增长的人口、日益增加的健康意识和对优质医疗保健服务的需求推动了医疗保健领域的重大发展。加之私立医疗保健系统与公共医疗保健部门互补需求的增长，我们相信该地区的医疗保健环境将继续繁荣，并充分展现出其韧劲。

> “集团致力于构建一个可持续的、以国际最佳执业为基础的综合医疗保健业务生态系统，力争成为我们服务社区的信赖医疗保健提供者。我们将通过建立合作伙伴关系、拥抱创新、拓展运营能力等方式实现这一目标。

集团致力于构建一个可持续的、以国际最佳执业为基础的综合医疗保健业务生态系统，力争成为我们服务社区的信赖医疗保健提供者。我们将通过建立合作伙伴关系、拥抱创新、拓展运营能力等方式实现这一目标。

鸣谢与感恩

我谨代表董事会，向所有股东对集团的支持表示衷心感谢。我还要感谢董事会全体董事为我们提供的重要指导和贡献。特别感谢Brian Riady先生，他在2024年1月2日卸任公司非独立非执行董事，担任华联集团其他职责，我们感谢他在任期内所做出的宝贵贡献。

我谨代表董事会，热烈欢迎Abram Melkyzedeck Suhardiman先生加入董事会并担任非独立非执行董事。最后，我要衷心感谢我们的员工、战略伙伴和业务伙伴们对我们的坚定支持。

李奕贤
主席
非独立非执行董事

CEO'S STATEMENT

> With the addition of HMC, the Group is well-positioned to provide a comprehensive spectrum of healthcare services to the region, anchored on Singapore's high standards of medical excellence.

Dear Valued Shareholders,

The global economy continues to grapple with geopolitical tensions, high interest rates, and persistent inflationary pressures, which have weighed on economic growth. Despite expectations of a soft landing supported by moderating inflation and a gradual normalisation of global economic conditions, heightened uncertainties from ongoing geopolitical tensions and potential political risks associated with major elections in 2024, could lead to further downside risks. Against this backdrop, OUE Healthcare Limited ("**OUEH**" or the "**Company**", and together with its subsidiaries, the "**Group**") managed to deliver resilient results for the financial year ended 31 December 2023 ("**FY2023**") and made significant headway in growing our regional healthcare ecosystem.

ENTRENCHING OUR PRESENCE IN SINGAPORE

To establish a regional healthcare platform anchored on Singapore's renowned medical standards and quality, the Group recognises that it needs to have a more profound presence in Singapore, on top of its team of leading lung specialists with expertise in cardiothoracic surgery, pulmonary medicine and intensive care ("**O2 Healthcare Group**"). Consequently, the Group made the decision to acquire a strategic stake in Healthway Medical Corporation Limited ("**HMC**"), a reputable medical group with over 30 years of experience in Singapore's healthcare sector. Following the successful Exit Offer and Voluntary Delisting of HMC, which was completed in October 2023, the Group currently holds approximately 26% of HMC.

This has allowed the Group to significantly expand our healthcare network to approximately 130 healthcare facilities in Singapore, encompassing a comprehensive array of healthcare services covering primary, secondary, and ancillary care, of which the HMC general practitioner clinics are actively supporting the 'Healthier SG' Initiative. The 'Healthier SG' programme, which promotes patient-centred preventive care, is expected to create new business opportunities within the private healthcare sector and the Group is strategically positioned to seize these emerging business opportunities.

With the addition of HMC, the Group is well-positioned to provide a comprehensive spectrum of healthcare services to the region, anchored on Singapore's high standards of medical excellence. The Group could also achieve synergies through the expanded scale of its healthcare network, and progress is underway.

CEO'S STATEMENT

FINANCIAL HIGHLIGHTS

The Group achieved a revenue of S$159.3 million in FY2023, a 33% increase compared to FY2022, due mainly to the consolidation of a full year's results of First REIT and the O2 Healthcare Group, which were acquired in March 2022 and July 2022 respectively. The Group's China operations, Wuxi Lippo Xi Nan hospital ("**Xi Nan Hospital**") and the China pharmaceutical distribution business, also reported higher revenue as compared to FY2022.

Net profit after tax increased by 77% to S$57.5 million for FY2023 due to the full year consolidation of the results of First REIT and the O2 Healthcare Group, and net fair value gains on investment properties. Net profit attributable to the owners of the Company stood at S$8.0 million for FY2023 compared to S$4.4 million for FY2022.

The Group's financial and cash flow positions continued to remain healthy with consolidated net assets of S$756.0 million and cash balance of S$59.6 million as at 31 December 2023.

BUSINESS REVIEW

First REIT

First REIT's Assets-Under-Management of S$1.14 billion comprised 14 nursing homes in Japan, 15 healthcare and integrated properties in Indonesia and 3 nursing homes in Singapore.

In FY2023, rental and other income amounted to S$108.6 million. Compared with FY2022, rental and other income declined by 2.4% due to a weaker Indonesian Rupiah and Japanese Yen vis-à-vis the Singapore dollar. The impact of the weaker foreign currencies was partly offset by a full year contribution from the two Japan properties, which were acquired in March and September 2022. The underlying rental performance of the properties in Indonesia and Singapore remained healthy due to the in-built annual rental escalation.

Net profit after tax of S$63.3 million was higher than FY2022 due mainly to the net fair value gains on investment properties, partly offset by higher finance costs. DPU for FY2023 was 2.48 cents and the net asset per unit as at 31 December 2023 was 30.18 cents.

As part of its 2.0 Growth Strategy, First REIT continues to seek diversification into developed markets, focusing on the increasing demand for quality healthcare services in these markets.

Singapore

O2 Healthcare Group

The Group established its entry into Singapore in 2022 with the formation of O2 Healthcare Group, a partnership with a group of 10 leading respiratory physicians and a cardiothoracic surgeon. Since then, O2 Healthcare Group had grown to comprise 11 respiratory physicians and 2 cardiothoracic surgeons.

The O2 Healthcare Group recorded robust revenue and net profit growth in FY2023 and will continue to strengthen its presence in Singapore and the region as well as leveraging on synergies with the wider Group.

Healthway Medical Group

The Group acquired a strategic stake of approximately 26% in HMC in October 2023. The acquisition solidified the Group's presence in Singapore and provided a wider platform for collaboration with the O2 Healthcare Group.

HMC has one of the largest network of primary and specialist clinics in Singapore and plans to open a state-of-the-art day surgery centre at Camden Medical Centre in the first quarter of 2024. The day surgery centre, with a gross floor area of more than 10,000 sqft on a single floor, will have 5 operating rooms and 12 premium patient suites. The day surgery centre is expected to offer patients cost effective treatment options and will also help to alleviate capacity issues in hospitals.

China

In China, the Group operates Xi Nan Hospital, a 40-bed, Grade 1 hospital in Wuxi's Economic Development Zone, and also a pharmaceutical distribution business. Despite the loss of COVID-19 related revenue in FY2023 following the opening up of China, Xi Nan Hospital's revenue for FY2023 surpassed that for FY2022.

While the operating environment remains challenging, the healthcare sector in the region continues to be driven by favourable mega trends, including demographic trends, fast-growing middle class, increased urbanisation and technological innovations.

The Group's 50:50 joint venture ("**CM Lippo**") with the China Merchants Group ("**CMG**") enables the Group to capitalise on growing healthcare opportunities in China. In May 2023, CM Lippo commissioned Changshu China Merchants – Lippo Obstetrics & Gynaecology Hospital ("**Changshu Hospital**"). Changshu Hospital is CM Lippo's first hospital commissioned in China, and also Changshu's first and only private Obstetrics and Gynaecology hospital, offering premium medical services in obstetrics, gynaecology, paediatrics, and other ancillary medical services such as medical aesthetics. Changshu Hospital also houses a confinement centre with premium postpartum rehabilitative suites.

CM Lippo is also in the final stage to commission the Shenzhen China Merchants – Lippo Prince Bay Hospital ("**Prince Bay Hospital**"), which is expected to commence operations in the second half of 2024. It is positioned to serve the growing local affluent population in the Greater Bay Area to meet their discerning healthcare needs. During the year under review, CM Lippo has entered into an agreement with the Chinese University of Hong Kong ("**CUHK**") to provide consultancy services for the operation of an International Medical Centre ("**IMC**") within the Prince Bay Hospital. CUHK will also facilitate the credentialing and training of healthcare professionals working in IMC, as well as setting up a green channel for cross border referrals to top hospitals in Hong Kong within the network of CUHK and its affiliated hospitals.

Myanmar

The Group operates and manages three hospitals, two medical towers and four primary care clinics in Myanmar, through its joint venture ("**Pun Hlaing Hospitals**" or "**PHH**") with First Myanmar Investments. Myanmar's socio-political situation continues to be volatile and has caused disruptions to the operations of PHH. Despite these challenges, the business of PHH continues to perform well due to growing recognition and acceptance by the public of the branding and service quality of PHH, which was hard earned during the COVID-19 pandemic when PHH remained operational throughout the pandemic as the first private hospital approved by the authorities to provide COVID-19 treatments and vaccination services.

GOING FORWARD

While the operating environment remains challenging, the healthcare sector in the region continues to be driven by favourable mega trends, including demographic trends, fast-growing middle class, increased urbanisation and technological innovations. Private healthcare players that can identify patients' personalised needs and deliver patient-centric services would be valued by increasingly discerning consumers. With the vision to be the trusted healthcare provider in the communities that we serve, the Group continues to be focused on building a sustainable and integrated healthcare ecosystem, anchored on international best practices, so as to deliver comprehensive quality healthcare to our customers.

On behalf of the Company, I would like to extend my appreciation to our colleagues for their dedicated efforts and invaluable contributions, and to our business partners who have provided strong support and trust throughout the years. I would also like to thank our shareholders for their unwavering support and understanding. As we continue to build a regional healthcare ecosystem, we remain committed to delivering value for all stakeholders.

YET KUM MENG
Chief Executive Officer
Executive Director

首席执行总裁致辞

尊敬的股东们，

全球经济继续面临地缘政治紧张、高利率和持续的通胀压力的挑战，使得经济增长承受了一定压力。尽管经济预计在通胀放缓和全球经济形势逐步正常化之下实现软着陆，但持续的地缘政治紧张和2024年重大选举相关的政治风险很可能导致进一步的经济下行。在此背景下，华联医疗有限公司（"**华联医疗**"或"**公司**"，与其子公司一起称为"**集团**"）仍成功呈上了截至2023年12月31日的财年（"**2023财年**"）充满韧劲的成绩单，并在发展搭建区域医疗生态体系方面取得了重大进展。

强化在新加坡的根基

以新加坡的知名医疗标准和医疗质量为基础，集团深刻认识到，要搭建稳定的区域性医疗平台，除了其旗下汇集一系列心胸外科、呼吸内科和重症监护专家的O2医疗保健集团之外，还需要强化在新加坡的根基。因此，集团决定战略性地收购康威医疗集团（"**康威医疗**"）的股份。康威医疗是一家在新加坡医疗保健行业拥有30多年经验的知名医疗集团。继康威医疗的股东同意并购方案及自愿退市，该交易于2023年10月完成，目前集团持有康威医疗26%的股份。

以上努力为集团赋能，使其进一步扩大在新加坡的医疗网络。目前，我们的网络已扩张到130家医疗设施，涵盖从初级、二级到辅助护理的全面医疗服务。其中，康威医疗集团的全科诊所积极支持"健康SG"计划，该计划旨在推广以患者为中心的预防护理，预计将在私立医疗体系内创造新的商机，集团也将借力这一机遇战略性地布局定位。

通过收购康威医疗集团，华联医疗集团将基于新加坡的高质量医疗标准，在本区域内提供一系列全面的医疗服务。集团还将通过扩大医疗网络的规模而充分实现协同效应，这方面的努力也正在进展当中。

财务亮点

集团在2023财年的收入达到1.593亿新币，与2022财年相比增长了33%，这是先锋房地产信托和O2医疗保健集团全年财务报表合并后的结果（集团对两者分别从2022年3月和2022年7月进行财务报表合并）。集团的中国业务方面，无锡力宝锡南医院（"**锡南医院**"）和中国药品分销业务与2022财年相比也取得了更高的收入。

由于先锋房地产信托和O2医疗保健集团的全年业绩报表合并，以及投资物业的净公允价值收益，2023财年的税后净利润增长77%，达到5,750万新币。与2022财年的440万新币相比，归属于公司所有者的净利润在2023财年为800万新币。

集团的财务和现金流状况继续保持稳定，截至2023年12月31日，集团的综合净资产为7.56亿新币，现金余额为5,960万新币。

业务回顾

先锋房地产信托

先锋房地产信托的资产管理规模为11.4亿新币，包括日本的14家养老院、印尼的15家医疗实体以及新加坡的3家养老院。

在2023财年，租金和其他收入达到了1.086亿新币。先锋房地产信托于2022年3月和9月收购了日本物业，而其全年营收被印尼盾和日元对新币汇率贬值带来的损失所抵消，2023财年的租金和其他收入与2022财年相比下降了2.4%。得益于内置的年度租金上涨机制，印尼和新加坡物业的基本租金保持了持续健康状态。

由于投资物业的净公允价值收益增加，抵消了更高的融资成本，2023财年的税后净利润为6330万新币，高于2022财年。2023财年的每单位分配收益（DPU）为2.48分，截至2023年12月31日的每单位净资产为30.18分。

先锋房地产信托制定了2.0增长战略，将继续探索以多元化方式进入发达市场，专注于这些市场对高质量医疗服务日益增长的需求。

新加坡

O2医疗保健集团

集团于2022年与10名杰出的呼吸内科专家和1名心胸外科专家建立了合作伙伴关系，共同合并成立了O2医疗保健集团。自此O2医疗保健集团进入增长阶段，目前已拥有11名呼吸内科专家和2名心胸外科专家。

O2医疗保健集团在2023财年取得了强劲的收入和净利润增长，在与母集团的协同效应之下，将继续稳健其在新加坡及区域内的根基。

“

虽然整体环境依然充满挑战，但本区域的医疗保健行业仍有人口结构趋势变化、中产阶级快速增长、城市化程度提高和技术创新等重大利好，辨别意识更强的消费者们越发认可能够满足个性化需求、并提供以患者为中心的服务的私立医疗机构。

康威医疗集团

集团于2023年10月战略性地收购了康威医疗集团26%的股份。此次收购巩固了集团在新加坡的地位，并为其与O2医疗保健集团及更广泛的集团合作提供了广阔平台。

康威医疗集团是新加坡最大的初级和专科诊所网络之一，并计划在2024年第一季度在Camden医疗中心开设一家日间手术中心。该日间手术中心的单层建筑面积超过10,000平方英尺，包括5个手术室和12个独家病人套房。日间手术中心将为患者提供较佳的治疗选择，同时有助于缓解综合医院的容量问题。

中国

在中国，集团运营着无锡力宝锡南医院和一家药品分销公司。锡南医院位于无锡经济开发区，是一家40张床位的一级医院。尽管在2023财年中国国境开放后，锡南医院失去了与新冠疫情相关的收入，但由于疫情后医疗服务需求增加，锡南医院和药品分销业务的收入取得了健康的增长，医院在2023财年的收入也超过了2022财年。

集团与招商局集团以50:50的股权架构建立了招商力宝合资公司，旨在借力中国的医疗机遇实现增长。2023年5月，常熟招商力宝妇产医院（“**常熟医院**”）开业。作为招商力宝在中国开业的第一家医院，常熟医院是常熟市首家、也是唯一一家私立妇产医院，提供妇产科、儿科及医疗美容等其他辅助医疗服务的高级医疗服务。此外，它还设有配备高级产后康复套房的月子中心。

招商力宝尚处于筹建深圳招商力宝太子湾医院（“**太子湾医院**”）的最后阶段，预计将在2024年下半年开始运营。它定位于服务大湾区日益增长的本地高端人群，满足其高质量的医疗需求。在2023财年，招商力宝已与香港中文大学签订协议，为太子湾医院内的国际医疗中心提供顾问服务。香港中文大学还将协助该国际医疗中心医疗专业人员的资格认证和培训，以及在香港中文大学及其附属医院网络内建立绿色通道，协助跨境转诊患者到香港顶级医院接受治疗。

缅甸

集团在缅甸与合作方First Myanmar Investments的合资公司Pun Hlaing Hospitals（“**Pun Hlaing Hospitals**”或“**PHH**”）运营和管理着三家医院、两座医疗塔楼和四个初级保健中心。缅甸的社会政治形势持续动荡，对PHH的运营造成了干扰。尽管面临这些挑战，公众对PHH品牌和服务质量的认可度仍在不断增长。其主要原因在于新冠疫情期间，PHH作为第一家被当局批准提供新冠治疗和疫苗服务的私立医院，在整个疫情期间持续运营。

展望未来

虽然整体环境依然充满挑战，但本区域的医疗保健行业仍有人口结构趋势变化、中产阶级快速增长、城市化程度提高和技术创新等重大利好，辨别意识更强的消费者们越发认可能够满足个性化需求、并提供以患者为中心的服务的私立医疗机构。我们将以服务社区为愿景，继续专注于建立可持续的综合医疗生态系统，基于国际最佳医疗执业标准，向我们的客户提供全面的高质量医疗保健服务。

我谨代表公司，感谢我的同事们的辛勤工作和宝贵贡献，以及诸多业务伙伴多年来一直的大力支持和深切信任。此外，我也要一并感谢股东们的坚定支持和理解。随着构建区域性医疗保健生态体系这一举措的进展，我们将致力于为各利益相关方打造可持续价值。

易锦明
首席执行官
执行董事

BOARD OF DIRECTORS

MR LEE YI SHYAN
Chairman and Non-Independent and Non-Executive Director

MR TETSUYA FUJIMOTO
Non-Independent and Non-Executive Director

MR YET KUM MENG
Chief Executive Officer and Executive Director

MR ABRAM MELKYZEDECK SUHARDIMAN
Non-Independent and Non-Executive Director

MR ROGER TAN CHADE PHANG
Lead Independent and Non-Executive Director

MR ERIC SHO KIAN HIN
Independent and Non-Executive Director

MR JACKSON TAY ENG KIAT
Independent and Non-Executive Director

MS USHA RANEE CHANDRADAS
Independent and Non-Executive Director

MR BRIAN RIADY
Non-Independent and Non-Executive Director
(Resigned with effect from 2 January 2024)

1

MR LEE YI SHYAN

Chairman and Non-Independent and Non-Executive Director

Date of first appointment as a Director:
17 July 2017

Length of service as a Director (as at 31 December 2023):
6 years 5 months

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

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

Present Directorships (as at 1 January 2024):
Listed companies
- OUE Healthcare Limited
- OUE REIT Management Pte. Ltd. (the Manager of OUE Real Estate Investment Trust, formerly known as OUE Commercial Real Estate Investment Trust)

Other Principal Directorships
- Business China (Chairman)
- ICE Futures Singapore Pte. Ltd. (Chairman)
- Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd.
- SPH Media Holdings Pte. Ltd.

Major Appointments (other than directorships):
- OUE Limited (Executive Advisor to the Chairman)
- Keppel Corporation Limited (Advisor)
- Chinese Development Assistance Council (CDAC) (Member of the Board of Trustees)

Past Principal Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
- OUE Hospitality REIT Management Pte. Ltd. (dissolved through a member's voluntary winding up)

Others:
- Member of Parliament of Singapore, East Coast GRC (2006 – 2020)
- Senior Minister of State and Minister of State of several Government Ministries (from 2006 to 2015)

2

MR TETSUYA FUJIMOTO

Non-Independent and Non-Executive Director

Date of first appointment as a Director:
1 April 2022

Length of service as a Director (as at 31 December 2023):
1 year 9 months

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

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

Present Directorships (as at 1 January 2024):
Listed companies
- OUE Healthcare Limited

Other Principal Directorships
Nil

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

Past Principal Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Nil

Others:
Nil

BOARD OF DIRECTORS

3

MR YET KUM MENG

Chief Executive Officer and Executive Director

Date of first appointment as a Director:
28 February 2019

Length of service as a Director (as at 31 December 2023):
4 years 10 months

Board Committee(s) served on:
Nil

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

Present Directorships (as at 1 January 2024):
Listed companies
- OUE Healthcare Limited

Other Principal Directorships
Nil

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

Past Principal Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Nil

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

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MR ABRAM MELKYZEDECK SUHARDIMAN

Non-Independent and Non-Executive Director

Date of first appointment as a Director:
2 January 2024

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Bachelor of Science in Business Administration, University of Southern California
- Master's Degree in Finance, Hult International Business School

Present Directorships (as at 2 January 2024):
Listed companies
- OUE Healthcare Limited
- TIH Limited

Other Principal Directorships
- Healthway Medical Corporation Limited
- MoolahGo Pte. Ltd.
- IPP Financial Services Holdings Limited
- City Ocean Group Limited

Major Appointments (other than directorships):
- Member of Young Presidents' Organization – Singapore Lion City Chapter
- Member of NUS Medicine International Council

Past Principal Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
- Director of Amazing Early Intervention Pte Ltd (from Sep 2022 to June 2023)
- Non-Executive & Non-Independent Director of Nuvest Real Return Fund (from July 2017 to January 2019)

Others:
Nil

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MR ROGER TAN CHADE PHANG

Lead Independent and Non-Executive Director

Date of first appointment as a Director:
23 January 2017

Length of service as a Director (as at 31 December 2023):
6 years 11 months

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

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

Present Directorships (as at 1 January 2024):
Listed companies
- OUE Healthcare Limited
- Luminor Financial Holdings Ltd
- Y Ventures Group
- SIM Vantage Limited
- Tritech Group Limited

Other Principal Directorships
Nil

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

Past Principal Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):

- TBK & Sons Holdings Limited (Independent Director)
- TIH Limited (Independent Director)
- Camsing Healthcare Limited (Independent Director)
- Dapai International Holdings Co., Ltd (Independent Director)
- Transcorp Holdings Limited (Independent Director)
- Bodhi Tree Network Pte Ltd
- Revez Corporation Ltd
- Voyage Research Pte Ltd

Others:
Nil

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MR ERIC SHO KIAN HIN

Independent and Non-Executive Director

Date of first appointment as a Director:
23 January 2017

Length of service as a Director (as at 31 December 2023):
6 years 11 months

Board Committee(s) served on:

- Audit and Risk Committee
- Nominating and Remuneration Committee

Academic & Professional Qualification(s):

- Fellow member of the Association of Certified Chartered Accountants (FCCA)

Present Directorships (as at 1 January 2024):

Listed companies

- OUE Healthcare Limited
- Choo Chiang Holdings Ltd.
- Quantum Healthcare Limited

Other Principal Directorships

- China Farm Equipment Pte. Ltd.
- Hartanah Kencana Sdn. Bhd.

Major Appointments (other than directorships):
Nil

Past Principal Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):

- Sim Leisure Group Ltd
- Versalink Holdings Limited
- QT Vascular Ltd

Others:

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

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MR JACKSON TAY ENG KIAT

Independent and Non-Executive Director

Date of first appointment as a Director:
23 January 2017

Length of service as a Director (as at 31 December 2023):
6 years 11 months

Board Committee(s) served on:

- Audit and Risk Committee
- Nominating and Remuneration Committee

Academic & Professional Qualification(s):

- Bachelor of Accountancy (Minor in Marketing), Nanyang Technological University of Singapore
- Member of the Institute of Singapore Chartered Accountant

Present Directorships (as at 1 January 2024):

Listed companies

- OUE Healthcare Limited
- Sapphire Corporation Limited

Other Principal Directorships

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

Major Appointments (other than directorships):

- Chief Operating Officer and Company Secretary of Hafary Holdings Limited Group

Past Principal Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):

- Sim Leisure Group Ltd.

Others:
Nil

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MS USHA RANEE CHANDRADAS

Independent and Non-Executive Director

Date of first appointment as a Director:
15 November 2021

Length of service as a Director (as at 31 December 2023):
2 year and 1 month

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

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

Present Directorships (as at 1 January 2024):
Listed companies
- OUE Healthcare Limited
- OUE REIT Management Pte. Ltd. (the Manager of OUE Real Estate Investment Trust, formerly known as OUE Commercial Real Estate Investment Trust)

Other Principal Directorships
- NUR Investment and Trading Pte Ltd

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

Past Principal Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Nil

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

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MR BRIAN RIADY

Non-Independent and Non-Executive Director (ceased with effect from 2 January 2024)

Date of first appointment as a Director:
28 March 2022

Length of service as a Director (as at 31 December 2023):
1 year 9 months

Board Committee(s) served on:
Nil

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

Present Directorships (as at 1 January 2024):
Listed companies
- OUE Limited
- OUE Healthcare Limited
- OUE REIT Management Pte. Ltd. (the Manager of OUE Real Estate Investment Trust, formerly known as OUE Commercial Real Estate Investment Trust)
- Hongkong Chinese Limited (listed on The Stock Exchange of Hong Kong Limited)
- Lippo China Resources Limited (listed on The Stock Exchange of Hong Kong Limited)
- Lippo Limited (listed on The Stock Exchange of Hong Kong Limited)

Other Principal Directorships
Nil

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

Past Principal Directorships held over the preceding 5 years (from 1 January 2019 to 31 December 2023):
Nil

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

KEY EXECUTIVE

MR YET KUM MENG

Chief Executive Officer and Executive Director

Please refer to the section entitled "Board of Directors" on page 16 of this Annual Report for Mr. Yet Kum Meng's biography.

STRONG ASIAN PRESENCE

Over the years, our strategic approach has enabled us to cement our position in Asia. Today, we enjoy a significant presence in Singapore, China and Myanmar, in addition to Japan and Indonesia via our stake in First REIT. As we enhance our competencies and strengthen capital efficiency, we work towards delivering a full spectrum of healthcare services across Asia.

OUR PRESENCE

CHINA

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

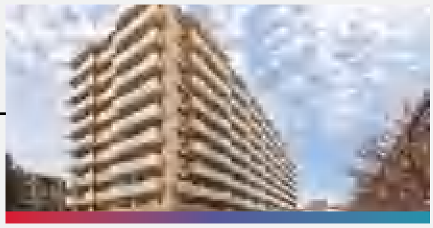
MYANMAR

- Jointly managing and operating three hospitals in Yangon, Mandalay and Taunggyi
- Jointly managing and operating two medical towers and four primary care clinics in Myanmar

SINGAPORE

- Managing and operating O2 Healthcare Group (formerly known as Echo Healthcare Services Pte. Ltd.), comprising 11 respiratory physicians and two cardiothoracic surgeons in Singapore
- Owns approximately 26% of Healthway Medical Corporation which has **>130** clinics in Singapore

- **3** properties in Singapore



JAPAN

FIRST REIT

- **14** properties in Japan

INDONESIA

FIRST REIT

- **15** properties in Indonesia

OTHER ASSETS

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

AT A GLANCE

CHINA

Presence in

3 CITIES

1. CHANGSHU
2. WUXI
3. SHENZHEN

50:50 Joint venture

CM LIPPO

with China Merchants Shekou Industrial Zone Holdings Co., Ltd

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

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

Additionally, OUEH has acquired a 70% stake in the operating company that operates Wuxi Lippo Xi Nan Hospital ("**Xi Nan Hospital**") in Wuxi, Jiangsu in 2019.

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

SHENZHEN, GREATER BAY AREA

Shenzhen China Merchants - Lippo Prince Bay Hospital

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

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

CM Lippo has entered into an agreement with the Chinese University of Hong Kong ("**CUHK**") to provide consultancy services for the operation of an International Medical Centre ("**IMC**") within the Prince Bay Hospital. CUHK will also facilitate the credentialing and training of healthcare professionals working in IMC, as well as setting up a green channel for cross border referrals to top hospitals in Hong Kong within the network of CUHK and its affiliated hospitals.

Prince Bay Hospital, Shenzhen, China

Signing ceremony of partnership agreement with the Chinese University of Hong Kong

Exterior facade of Prince Bay Hospital in Shenzhen, China

CHINA

Changshu Hospital, Changshu, China

CHANGSHU, JIANGSU

Changshu China Merchants - Lippo Obstetrics & Gynaecology Hospital

Tapping on the local market opportunities, Changshu Hospital is a specialist hospital offering premium medical services in obstetrics, gynaecology, paediatrics and other ancillary medical services such as medical aesthetics. Changshu Hospital also houses a confinement centre with premium rehabilitative suites and provides postpartum care services.

Lobby of Changshu Hospital

Garden within Changshu Hospital

Master bedroom of a postpartum rehabilitative suite in Changshu Hospital

Living area of a postpartum rehabilitative suite in Changshu Hospital

Medical Aesthetics department of Changshu Hospital

VIP ward in Changshu Hospital

View from Changshu Hospital

AT A GLANCE

CHINA

WUXI, JIANGSU

无锡力宝锡南医院
WUXI LIPPO XI NAN HOSPITAL

Wuxi Lippo Xi Nan Hospital

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

OUEH owns a 70% stake in the operating company that operates Xi Nan Hospital.

Xi Nan Hospital, Wuxi, China

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

Doctor of Xi Nan Hospital attending to patient

Staff inspecting water quality in Xi Nan Hospital

Nurse operating dialysis machine

Doctor at the Haemodialysis Centre in Xi Nan Hospital

Treatment area of Haemodialysis Centre in Xi Nan Hospital

AT A GLANCE

MYANMAR

1 MANDALAY
2 TAUNGGYI
3 YANGON

1ST
Hospital in Myanmar
With **JCI Accreditation**

9
Myanmar
Medical facilities

370
Total bed capacity

** As at 31 December 2023*

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

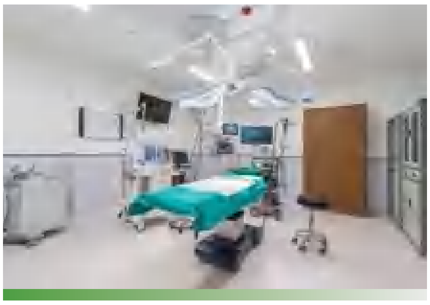
PUN HLAING HOSPITALS

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

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

Pun Hlaing Hospitals Hlaing Tharyar, Yangon, Myanmar

Reception area of Pun Hlaing Hospitals Hlaing Tharyar, Yangon, Myanmar



Operating theatre in Pun Hlaing Hospitals Mandalay, Mandalay, Myanmar

Pun Hlaing Hospitals Taunggyi, Taunggyi, Myanmar

YANGON

As the largest city in Myanmar with a population of over five million people, Yangon is the country's former capital and continues to be the commercial capital of Myanmar today. The 170-bed flagship hospital in Yangon, Pun Hlaing Hospitals Hlaing Tharyar, is the first hospital in Myanmar to receive the prestigious JCI accreditation in 2017, and was subsequently re-accredited in 2021.

MANDALAY

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

TAUNGGYI

Taunggyi is home to a diverse group of ethnicities as it is the capital of Shan State, Myanmar's largest state, bordering China, Laos and Thailand. Pun Hlaing Hospitals Taunggyi, the 100-bed hospital in Taunggyi is expected to serve the largest state's growing community.

SINGAPORE

12 CLINICS

13 SPECIALIST DOCTORS

** As at 31 December 2023*

MEDICAL PARTNERSHIPS WITH SINGAPORE'S LUNG SPECIALISTS

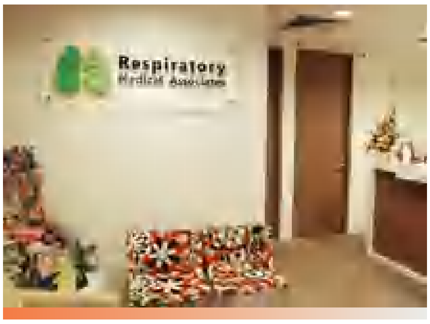
O2 HEALTHCARE GROUP

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

Under the partnership, OUE JV and the respective founders of the Medical Partners hold a 60:40 shareholding in O2 Healthcare Group Pte. Ltd., which in turn owns 60% of each of the Medical Partners (collectively, the "**O2 Healthcare Group**").

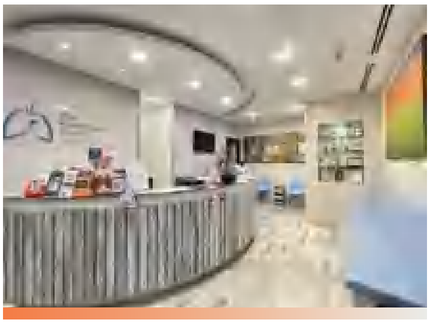
O2 Healthcare Group comprises two leading Respiratory Specialist Practices in Singapore - Respiratory Medical Associates ("**RMA**") and The Respiratory Practice ("**TRP**"), as well as a two leading Cardiothoracic Surgery Practices operating as Thoracic & Cardiovascular Surgery Specialist ("**TCSS**") and Kang Ning Cardiothoracic Surgery ("**KNCS**"). As at 31 December 2023, there are 13 specialist doctors operating in the 11 clinics.

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



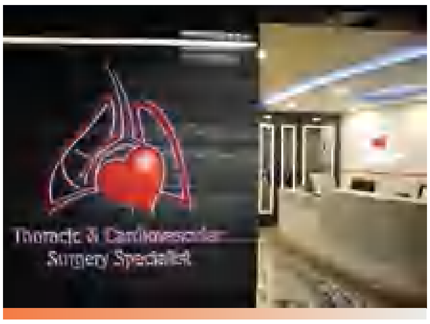
RESPIRATORY MEDICAL ASSOCIATES

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



THE RESPIRATORY PRACTICE

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



THORACIC & CARDIOVASCULAR SURGERY SPECIALIST
KANG NING CARDIOTHORACIC SURGERY

TCSS and KNCS are both medical practices with a sole medical practitioner, who are both cardiothoracic surgery specialists, and are both located in private medical centres in Singapore. Both surgery practices provide cardiac and minimally invasive cardiac surgery and thoracic and minimally invasive thoracic surgery and directly serve patients as its end customers.

AT A GLANCE

SINGAPORE

Healthway Medical

On 26 October 2023, the Group completed the acquisition of a 26% interest in Healthway Medical Corporation Limited ("**HMC**") by way of an exit offer for the voluntary delisting of HMC from the Catalist Board of the SGX-ST.

HMC is a private healthcare provider, with one of the largest networks of clinics and medical centres in Singapore. HMC began operations in 1990 with one mission - to provide accessible, affordable and quality medical services to our patients.

HMC currently owns, operates and manages over 130 clinics and medical centres. These facilities are located all over Singapore, including many major private hospitals. HMC offers comprehensive medical services including general practitioner and family medicine clinics, health screening, adult specialists, baby & child specialists, dental services and allied healthcare services.

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

Healthway Screening @ Downtown, Singapore

Healthway Screening @ Capitol, Singapore

1990
Incorporated in 1990

>130
Owns and operates over 130 clinics

>130
Employs over 130 medical professionals

General Practitioner & Family Medicine

Adult Specialists & Allied Healthcare

Baby, Child & Woman Specialists

Dental Care

Japanese Medical & Dental Clinic

Healthway Medical Group

- **PRIMARY CARE**
  - **GP & Health Screening**
    - Healthway Medical
    - Healthway Japanese Medical
    - Healthway Screening @ Downtown
    - Healthway Screening @ Centrepoint
    - Healthway Screening @ Capitol
    - Silver Cross Medical
    - The Clinic Group
  - **Dental**
    - Healthway Dental
    - Healthway Japanese Dental
    - ToothStories — Your Happy Ever After
- **SPECIALISTS & ALLIED HEALTH**
  - **Adults**
    - Nobel Eye & Vision Centre
    - Nobel Heart Centre
    - Nobel Psychological Wellness Centre
    - Nobel Gastroenterology Centre
    - Nobel ENT Centre
    - Nobel Diabetes, Thyroid & Endocrine Centre
    - Island Orthopaedics
    - PsycHealth
    - Straits Podiatry — Child and Adult Lower Limb Clinic — A Member Of Healthway Medical
    - TEN Surgery Group — A Member Of Healthway Medical
    - Uro Health Medical Clinic — A Member Of Healthway Medical
  - **Woman & Child**
    - Nobel Paediatric Surgery Centre
    - sbcc baby & child clinic — A member of Healthway Medical
    - sbcc women's clinic — A member of Healthway Medical
    - Amazing speech therapy — A Member Of Healthway Medical
    - HeadStart for Life — growing without barriers — A Member Of Healthway Medical
    - TeleHope Speech Therapy — A Member Of Healthway Medical

AT A GLANCE

FIRST REIT

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

32 Assets

15 in Indonesia

14 in Japan

3 in Singapore

448,744 sqm total GFA

** As at 31 December 2023*

Total assets
Under management

S$1,139.5 million

As at 31 December 2023

Siloam Hospitals Lippo Village, Indonesia

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

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

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

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

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

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

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

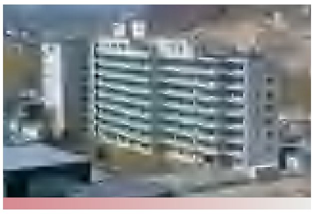
Hikari Heights Varus Kotoni, Hokkaido, Japan

Orchard Kaichi North, Nagano, Japan

FIRST REIT

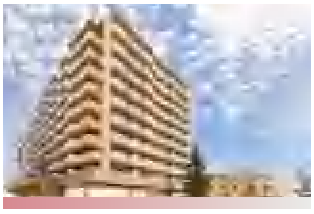
JAPAN

HIKARI HEIGHTS VARUS FUJINO



HIKARI HEIGHTS VARUS ISHIYAMA

HIKARI HEIGHTS VARUS KOTONI



HIKARI HEIGHTS VARUS MAKOMANAI-KOEN

HIKARI HEIGHTS VARUS TSUKISAMU-KOEN

VARUS CUORE SAPPORO-KITA & ANNEX

VARUS CUORE YAMANOTE

ORCHARD AMANOHASHIDATE

ORCHARD KAICHI NORTH

ORCHARD KAICHI WEST

ELYSION GAKUENMAE

ELYSION MAMIGAOKA & ANNEX

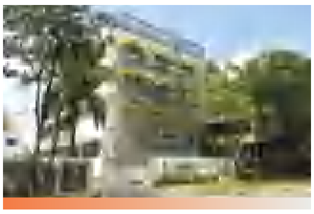
MEDICAL REHABILITATION HOME BON SÉJOUR KOMAKI

LOYAL RESIDENCE AYASE

SINGAPORE

PACIFIC HEALTHCARE NURSING HOME @ BUKIT MERAH

A 4-storey custom-built nursing home with basement carpark and roof terrace.



PACIFIC HEALTHCARE NURSING HOME II @ BUKIT PANJANG

A 5-storey custom-built nursing home.

THE LENTOR RESIDENCE

A 5-storey custom-built nursing home with comprehensive medical facilities.

INDONESIA

SILOAM HOSPITALS LIPPO VILLAGE

MOCHTAR RIADY COMPREHENSIVE CANCER CENTRE

SILOAM HOSPITALS MAKASSAR

SILOAM HOSPITALS KUPANG & LIPPO PLAZA KUPANG

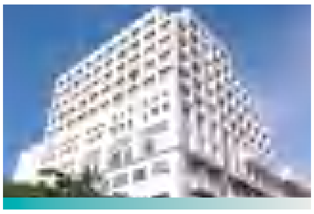
SILOAM SRIWIJAYA

SILOAM HOSPITALS PURWAKARTA

SILOAM HOSPITALS BAUBAU & LIPPO PLAZA BAUBAU

SILOAM HOSPITALS LABUAN BAJO

SILOAM HOSPITALS BALI



SILOAM HOSPITALS MANADO & HOTEL ARYADUTA MANADO

SILOAM HOSPITALS KEBON JERUK

SILOAM HOSPITALS LIPPO CIKARANG

SILOAM HOSPITALS TB SIMATUPANG

SILOAM HOSPITALS YOGYAKARTA

IMPERIAL ARYADUTA HOTEL & COUNTRY CLUB

OTHER ASSETS

KUALA LUMPUR, MALAYSIA

OUEH currently owns a piece of land of approximately

50,849 SQ FT

in Kuala Lumpur, Malaysia.

CHENGDU, CHINA

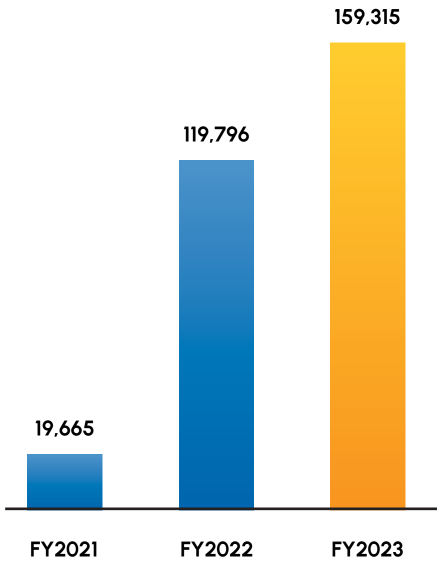
OUEH currently owns a piece of land of approximately

201,223 SQ FT

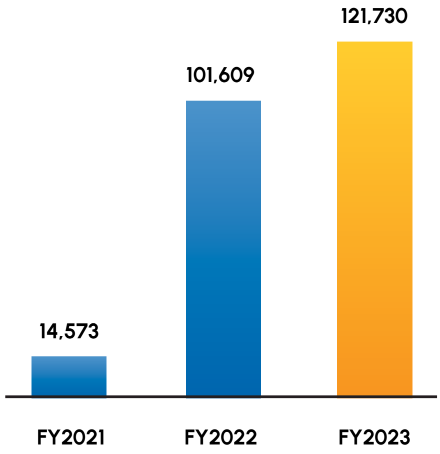
in Dujiangyan, Chengdu, China.

3-YEAR
FINANCIAL HIGHLIGHTS

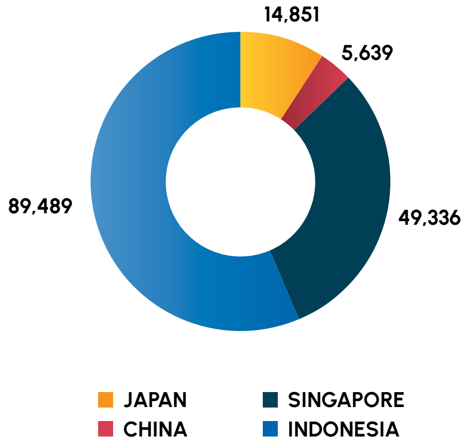
GROUP REVENUE (S$'000)



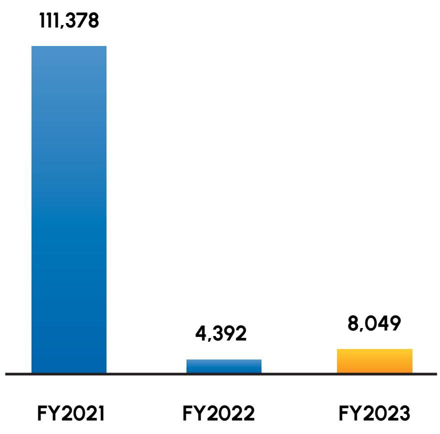
GROSS PROFIT (S$'000)



FY2023 REVENUE BY GEOGRAPHIES (S$'000)



PROFIT/(LOSS) ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (S$'000)



SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors (the "**Board**") of OUE Healthcare Limited ("**OUEH**" or the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to present our sustainability report for the financial year ended 31 December 2023 ("**FY2023**").

The Board oversees all sustainability-related matters of the Group, including the development of sustainability strategy and its integration into OUEH's overall corporate strategy. Apart from being supported by the Sustainability Steering Committee ("**SSC**"), which comprises of representatives from key functions of the Company, the Board continuously builds its competencies by equipping its directors with environmental, social and governance ("**ESG**") knowledge through relevant sustainability training courses. Such trainings and courses are in line with the regulatory requirements of the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Company began formalising and documenting its sustainability journey since 2017 and continues to integrate ESG considerations into its strategies and key business decisions.

In light of the recent regulatory shifts towards enhancing ESG initiatives, OUEH recognises the imperative of climate-conscious strategies and has taken its first step to align with the Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations in FY2023. By adhering to these guidelines, the Company emphasises its dedication to transparency, accurate risk disclosure, and to build resilience against climate-related challenges. This strategic alignment also reflects OUEH's proactive approach in addressing climate risks and contributing to the global discourse on sustainable healthcare practices.

In addition to aligning to the TCFD recommendations, the Company has also embarked on collecting and reporting on environmental metrics and disclosures in FY2023, and will start to consider and integrate climate related risks into OUEH's Enterprise Risk Management ("**ERM**") Framework in the financial year ended 31 December 2024 ("**FY2024**").

Moving forward, the Company and the Board will continue to strengthen its sustainability competencies and its sustainability commitments, so as to create sustained value for our stakeholders and contribute favourably to the United Nations ("**UN**") Sustainability Development Goals ("**SDGs**").

ABOUT OUE HEALTHCARE

Who We are

OUEH is a regional healthcare group with an extensive network of healthcare businesses across fast-growing markets in Asia. Headquartered in Singapore, the Group currently owns, operates and invests in healthcare businesses in Singapore, China, Myanmar, Indonesia and Japan, with business segments including healthcare operations, healthcare assets, properties under development and investments. OUEH is listed on the Catalist Board of SGX-ST, and is a subsidiary company of OUE Limited ("**OUE**").

In Singapore, OUEH has, through its joint venture company with OUE ("**OUE JV**"), partnered with three medical specialist practices to own O2 Healthcare Group ("**O2HG**"), a group of lung specialists in respiratory care and cardiothoracic surgeries. This medical partnership enables OUEH to build on and expand its regional healthcare business ecosystem anchored on high medical standards in Singapore. OUEH holds a 60% stake in OUE JV, which in turn holds a 60% of O2HG. OUEH also owns approximately 26% stake in Healthway Medical Corporation, a respected medical group in Singapore with over 130 clinics.

In China, OUEH currently operates a general hospital, Wuxi Lippo Xi Nan Hospital ("**Xi Nan Hospital**"), in Wuxi, Jiangsu, as well as a pharmaceutical trading business. The Company's 50:50 joint venture company, China Merchants Lippo Hospital Management Limited ("**CM Lippo**"), has commissioned its first hospital, Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital ("**Changshu Hospital**"), in Changshu, Jiangsu. Changshu Hospital started its operations in mid-2023, after it was commissioned in May 2023. CM Lippo will be commissioning its second and flagship hospital, Shenzhen China Merchants – Lippo Prince Bay Hospital ("**Prince Bay Hospital**") in Shekou, Shenzhen in 2024. OUEH also owns a piece of land and building located in Wuxi, Jiangsu ("**Wuxi land and building**"), which is currently undergoing feasibility studies to reopen in the future and was not operational in FY2023.

In Myanmar, OUEH holds a 40% stake in the joint venture companies that own and operate medical facilities, branded under "Pun Hlaing Hospitals".

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

Other assets of OUEH include two pieces of land in Dujiangyan, Chengdu, China and Kuala Lumpur Malaysia.

SUSTAINABILITY REPORT

Who we want to be
OUEH's vision is to be the trusted healthcare provider of choice in the communities we serve, which is in line with the philosophy of "Transformational Thinking" of the larger OUE Group of companies. Through its three-pronged strategy of establishing strategic partnerships, building an asset-light business model, and expanding across Asia, the Group has made significant inroads to build a sustainable and integrated healthcare business ecosystem anchored on international best practices, which will bring comprehensive quality healthcare to its patients.

With a strong governance structure, sound policies and numerous initiatives benchmarked to international standards, OUEH is committed to provide exemplary patient care through dedication to clinical excellence and by fostering a healing environment where patients feel valued, respected, and supported throughout their healthcare journey, making a positive impact in their lives.

We are guided by our Code of Business Conduct and Ethics and HR policies that outline clear frameworks and guidelines to ensure responsible business standards and respect for human rights, taking reference from the ILO Declaration on Fundamental Principles and Rights at Work. The human rights clauses aim to respect human rights throughout our business activities, as we strive to provide a healthy and inclusive working environment by eliminating any forms of forced labour and discrimination in our business. Our policies are reviewed by our functional departments, who report to senior management and C-suite management for approval.

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

ABOUT THIS REPORT

OUEH continues on its sustainability journey while deepening our commitments and disclosures in its seventh sustainability report. This sustainability report highlights the economic, environmental, social and governance impacts of our operations across Asia, covering the financial year from 1 January 2023 to 31 December 2023 and outlines our approach to integrating sustainability into our business. Through the disclosures, we are providing insights into our sustainability strategies and sharing our commitments with our stakeholders.

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

Reporting Scope
The reporting scope covers our healthcare operations, assets and activities in Singapore and China, where we have at least 51% of operational control and interest. This includes OUEH Singapore's corporate office, O2HG, Xi Nan Hospital, and China's pharmaceutical trading business, whereby economic, environmental, social and governance data are collected and recorded.

In FY2023, we have further improved our data collection by including environmental information and metrics such as energy, emissions and water usage as much as possible. While these metrics are currently not identified as material topics for OUEH, we are aware that there is increasing expectations on environmental and climate reporting. We aim to present a holistic picture of our sustainability performance to our stakeholders by FY2025, in line with SGX-ACRA mandatory climate reporting guidelines. We are also in the process of collecting environmental metrics, specifically energy, water and waste data from Changshu Hospital in FY2023, as we are aware of the potential environmental impacts that an operating hospital may have. However, we are not presently reporting on ESG data from Changshu Hospital in FY2023's sustainability report due to our aforementioned reporting parameters, and requiring 12-months of data for fair comparison against other assets.

We have existing short-term annual targets on our economic, social and governance pillars. As OUEH continually seeks to grow its healthcare businesses, we are venturing into being an asset owner and operator. We are currently focused on expanding our data collection to include environmental metrics, and strengthening our data collection processes for social and governance metrics to also include the new assets. Once we have a representative and accurate baseline, we will seek to set medium to long term ESG targets in FY2024. This report excludes First REIT, given that First REIT has its own standalone sustainability report. This report also does not include the data from our operations in Myanmar, as well as our joint venture operations under CM Lippo as OUEH does not hold at least 51% in these entities. For the complete list of OUEH's entities, please refer to pages 22 to 40 of our Annual Report.

This report has been prepared in accordance with the Global Reporting Initiative (GRI 2021) standards and reports on climate-related disclosures, in line with the TCFD recommendations, on a 'comply or explain' basis. The report also complies with the sustainability reporting requirements set out in the Rules 711A and 711B of the SGX-ST Listing Manual Section B: Rules of Catalist. Additionally, OUEH has taken reference from the Sustainability Accounting Standards Board ("**SASB**") Healthcare Delivery Industry Standards to align with recommended disclosure metrics on Energy Management. As we enhance our data collection infrastructure, we will seek to include more comprehensive SASB topic disclosures, including waste management in subsequent sustainability reports. To enhance global sustainability efforts and contribute to common goals, OUEH continues to align its sustainability activities with the UN SDGs.

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

SUSTAINABILITY AT OUE HEALTHCARE

We recognise the importance of the alignment of healthcare and sustainability principles. We also believe that it is important for us to focus on the areas where we can have the most impact, through the assessment, validation, and management of OUEH's ESG material issues.

The Board has validated the results of a materiality assessment that was first conducted in 2021 and updated annually, to identify areas to concentrate our sustainability efforts on which will support our business strategy.

Following the annual validation of the materiality assessment, we reported our sustainability performance for 2023, and set out targets for 2024. In 2023, our sustainability approach remained focused in areas most relevant to our businesses such as assessing how we manage our investments and operations, our human resource practices, and our corporate governance practices.

Sustainability Governance
OUEH believes that a robust sustainability governance structure is crucial in our pursuit to build a sustainable healthcare business ecosystem. This is also reflected in our Corporate Governance Report, where sustainability issues are being considered as part of our overall strategy (see The Board's Conduct of Affairs on page 76 to 80).

The Board has oversight on all sustainability-related matters and the integration of sustainability considerations into key business decisions and strategies. We have also established the SSC made up of C-suite management and representatives from the Company's key functions such as operational executives in our business units and corporate functions including the Finance, Legal, Human Resources and Communications Team. The SSC is led by the Chief Executive Officer and Executive Director, and is responsible to monitor, manage and implement sustainability-related policies and practices aimed at improving the economic, environmental, social and governance impacts from our business. Sustainability updates and issues are reported by the SSC to the Board, on a biannual basis at least or whenever applicable.

To keep abreast of the latest sustainability trends and regulations, the Board also attends sustainable development training programmes, such as relevant ESG trainings mandated by the SGX-ST (see The Board's Conduct of Affairs on page 77 to 78). Through these training programmes, the Board can enhance its understanding of relevant ESG issues for the Group to make strategic decisions and take sustainability into consideration, when they review and monitor policies and practices.

A written policy is in place which sets out proper procedures and principles to guide Directors in dealing with potential or actual conflicts of interest. The policy aims to emphasise the Company's commitment to comply with laws and upholding the highest standards of business ethics. The policy also highlights areas of ethical and corruption-related risks, including conflicts of interest (see The Board's Conduct of Affairs on page 76 to 77). The Audit and Risk Committee is established to monitor and review related party transactions (including interested person transactions and interested party transactions) on a quarterly basis (see Audit Committee on page 94 to 95).

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

BOARD OF DIRECTORS

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

SUSTAINABILITY STEERING COMMITTEE ('SSC")

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

Finance	Legal	Communications	Human Resources

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

Stakeholder Engagement

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

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

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

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

Materiality Assessment

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

In the financial year ended 31 December 2021 ("**FY2021**"), the Company had refreshed and revalidated our material issues and introduced new material issues to the original set of indicators, which were relevant to the global context of our business. Thereafter, the Company has continued to conduct an annual materiality review, considering stakeholders' feedback, global and local sustainability trends, and against industry peers, to ensure that the material issues identified remain relevant to our businesses.

For FY2023, we have confirmed that these ESG topics identified and reported in FY2021 and in the financial year ended 31 December 2022 ("**FY2022**") are still material to our operations. In addition, the Company understands the implications of climate and sustainability-related issues on the business and has taken steps to understand how climate-related risks and opportunities impact our business by reporting on a 'comply or explain' basis against TCFD's 11 disclosure recommendations to provide a more holistic view of the Group's overall ESG impact.

In total, we have eight material topics. We have categorised our material topics under four main categories namely – Our Economic Performance, Our Environment, Our People, and Our Governance.

Materiality Assessment Process

IDENTIFY	PRIORITISE	VALIDATE	APPROVAL
Identify initial list of material issues through existing list of issues and peer benchmarking	Prioritise initial list of material issues through stakeholder engagement and desktop review	Senior Management or SSC validates the material topics	The Board approves the final list of material topics

OUEH's Material Topics and Approach

MATERIAL ESG FACTOR	RISKS AND OPPORTUNITIES	APPROACH TO ADDRESS THE TOPIC	UN SDG & GRI REFERENCES
Economic Dimension			
Sustainability Impact driven by Economic Performance	Poor economic performance may reduce the confidence of shareholders and other relevant stakeholders in investing into our business. Through better economic performance and well-maintained healthcare assets, OUEH's net income can help to create jobs, improve healthcare delivery services for the local economy and generate income for local communities and suppliers.	OUEH channels our economic growth to maintaining a high-quality portfolio, leading to the maximisation of net asset value and distribution to stakeholders. Our business decisions and strategies take into consideration the growth and positive impact on our shareholders, employees, and community.	GRI 201: Economic Performance 2016 1 NO POVERTY 8 DECENT WORK AND ECONOMIC GROWTH
Active Management of Operations	The success and value of our asset portfolio has a direct impact on the success of our business and the value that we can bring to our shareholders. The value generated from a high quality portfolio is redistributed back to improving our infrastructures, healthcare services, and supporting the well-being of our community.	We work closely with our partners to invest in high-quality healthcare assets and continuously improve the types of healthcare delivery services to our stakeholders via active management of our activities. Through active management of our operations, we aim to support human well-being and bring quality healthcare services for all.	Non-GRI 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Social Dimension			
Employee Engagement Fair Employment Practices Training & Development	Our stakeholders have always been key drivers of our success and it is paramount that OUEH continues to adapt to their changing needs and concerns. A fair and inclusive working environment, that encourages growth and development, is crucial to offer security and foster continued trust from its stakeholders.	To attract and retain talented individuals, we manage the various aspects of the employee engagement to ensure that our employment practices are inclusive, fair, and conducive for employees to thrive. These include the following: competitive remuneration, fair HR policies, opportunities for growth and career progression, and fostering a positive, cohesive, and respectful work culture.	GRI 401: Employment 2016 GRI 404: Training & Education 2016 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

MATERIAL ESG FACTOR	RISKS AND OPPORTUNITIES	APPROACH TO ADDRESS THE TOPIC	UN SDG & GRI REFERENCES
Health & Safety	Being in the healthcare industry, OUEH plays a key role in enhancing the health and well-being of the communities that we operate in. There is also rising expectations on health & safety practices and service quality of healthcare delivery operations.	We have an Occupational Health & Safety system and guidelines in place to identify and manage health and safety related risks through risk assessments. We also promote employee health and wellness through recreational and team bonding activities, insurance coverage, and other medical benefits.	GRI 403: Occupational Health & Safety 2018 GRI 416: Customer Health & Safety 2016 3 GOOD HEALTH AND WELL-BEING
Local Communities	OUEH can help to build social and community cohesion, and contributing to the overall quality of life and healthcare services at the locations of operation.	We continuously contribute to our local communities by providing affordable and accessible health services and education to those in need.	GRI 413: Local Communities 2016 3 GOOD HEALTH AND WELL-BEING
Diversity & Non-Discrimination	It is imperative to the success of our business and retention of talents that we promote inclusivity, diversity, and a working environment free of discrimination and harassment.	Our recruitment practices are based on merits and competencies, such that we can create equal opportunities for all and employ qualified and talented individuals without discrimination.	GRI 405: Diversity & Equal Opportunity 2016 GRI 406: Non-Discrimination 2016 10 REDUCED INEQUALITIES 5 GENDER EQUALITY

MATERIAL ESG FACTOR	RISKS AND OPPORTUNITIES	APPROACH TO ADDRESS THE TOPIC	UN SDG & GRI REFERENCES
Governance Dimension			
Corporate Governance and Compliance	Non-compliance can have significant adverse reputational, operational, and financial impact, posing a threat to business continuity. We aim to conduct our business responsibly, complying with applicable laws and regulations, and the highest ethical standards to continue creating value for stakeholders.	Our Code of Business Conduct and Ethics sets out the expectations and procedures on governance, compliance, and corruption related topics. We adopt a zero-tolerance approach to regulatory breaches. Whistle blowing & grievance mechanisms are set in place to ensure that non-compliance risks are reduced and provides a safe avenue to report any concerns without fear.	GRI 2-27 GRI 205: Anti-Corruption 2016 16 PEACE AND JUSTICE STRONG INSTITUTIONS
Customer Privacy	Data breaches and leaks will significantly harm the reputation of our business and the trust in our relationships with our customers. We take the privacy and confidentiality of our customers' health data and personal information very seriously.	All employees are obligated to protect personal data in accordance with the Personal Data Protection Policies of the Company.	GRI 418: Customer Privacy 2016 16 PEACE AND JUSTICE STRONG INSTITUTIONS

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

OUEH recognises that climate change and environmental considerations have a bearing on all aspects of our business, particularly in terms of our assets, operations, and the present and future value of investments.

In December 2021, the Singapore Exchange Regulation ("**SGX RegCo**") announced that all issuers must provide climate reporting on a 'comply or explain' basis in their sustainability reports from FY2022 onwards. OUEH has started to introduce climate-related disclosures in our Sustainability Report 2023, and report on a 'comply or explain' basis against the Taskforce on Climate-related Financial Disclosures ("**TCFD**") recommendations, with the aim of reporting on climate-related financial information that may be of interest to our stakeholders and strengthen our approach to managing any climate-related risks.

This is further elaborated in the table below.

GOVERNANCE	
a) The Board's oversight of climate-related risks and opportunities. b) Management's role in assessing and managing climate-related risks and opportunities.	The Board has oversight on all sustainability- and climate-related matters, and the integration of sustainability considerations into key business decisions and strategies. The Company has established the Sustainability Steering Committee (SSC) comprising C-suite management and representatives from the Company's key functions such as operational executives in our business units and corporate functions including the Finance, Legal, Human Resources and Communications Team. The SSC is led by the Chief Executive Office and Executive Director, and is responsible to monitor, manage and implement sustainability-related policies and practices aimed at improving the economic, environmental and social impacts from our business. Sustainability and climate-related updates and issues are reported to the Board on a biannual basis at the least. Please refer to Sustainability Governance on page 45 and 46 for more information.
STRATEGY	
a) The climate-related risks and opportunities OUEH has identified over the short, medium, and long term. b) The impact of climate-related risks and opportunities on OUEH's businesses, strategy, and financial planning. c) The resilience of OUEH's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Company is in the process of collecting environmental data relevant to its businesses, including OUEH Singapore's corporate office, O2HG, Xi Nan Hospital, China's pharmaceutical trading business. These metrics include energy consumption, GHG emissions, water consumption and waste generation. The Company's plan is to set an appropriate energy, water, and waste baseline in FY2024, and gain a better understanding of its impact on the environment. Collecting baseline environmental data is vital to provide key insights as to where OUEH produces the greatest environmental impact and helps to identify which areas OUEH is able to influence over the short, medium, and long term. These insights will help with climate scenario analysis, including the potential impacts of climate-related risks and opportunities on the Company's business, strategy, and financial planning. While the Company collects environmental data relevant to its businesses, we will continue to focus on strengthening our governance and risk management processes and practices. In this regard, we will keep assessing our exposure to climate change by performing a climate scenario analysis in FY2024. The scenario analysis will help us to qualitatively assess short, medium, and long-term climate related risks and opportunities.
RISK MANAGEMENT	
a) OUEH's processes for identifying and assessing climate-related risks. b) OUEH's processes for managing climate-related risks. c) How OUEH's processes for identifying, assessing, and managing climate-related risks are integrated into risk management.	The Company has put in place an Enterprise Risk Management (ERM) Framework for OUEH's Singapore corporate office, which has been approved by the Board. The current Framework contains risks that have been identified to be relevant to the Company, in terms of impact level, likelihood, and mitigation effectiveness. These risks are also prioritised based on the likelihood and significance of impact on the business as Tier 1 or Tier 2 risks. The Company has adopted a pragmatic approach to identify and prioritise risks faced. Following the development of the risk inventory and metrics, the risks are then shortlisted and validated through a stakeholder engagement process. This process involved meetings with OUEH's key internal stakeholders to understand the extent, scope, boundaries, time horizon, and measurability of the risks.

RISK MANAGEMENT

OUEH has identified several business risks, including regulatory compliance and reputational risks. Environmental and sustainability risk were not identified to have a significant impact on OUEH's business at the moment. As such, potential climate-related risks such as flood risk have yet to be included in the current Risk Register & Risk Parameters.

The Company is taking steps to identify climate-related risks in FY2024's Risk Register and Risk Parameters once the climate scenario analysis has been conducted.

After the completion of the climate scenario analysis, and as part of the ERM framework, the relevant climate-related risks have been identified, these climate-related risks will be regularly monitored and managed by the Company. Furthermore, OUEH is also targeting to implement a separate and formal monitoring process to manage climate-related risks and ensure compliance with ESG requirements in FY2024.

The Group will continue to work closely with the Audit and Risk Committee (ARC) in FY2024 to develop appropriate internal controls to manage identified climate-related risks if they arise.

METRICS AND TARGETS

a) The metrics used by OUEH to assess climate-related risks and opportunities in line with its strategy and risk management process.

b) OUEH's Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.

c) The targets used by OUEH to manage climate-related risks and opportunities and the performance against targets.

The key metrics OUEH uses to assess and monitor climate-related risks are energy consumption, Scope 2 GHG emissions and water consumption, where applicable.

Under our Scope 1 inventory for FY2023, no fuel was consumed in stationary combustion and no refrigerants were topped up during the reporting period. Whilst our Pharmaceutical Business Office operates vehicles that use fuel for delivery purposes, we are in the process of laying the data collection pipeline to collect mobile combustion data. As we enhance our climate-data collection processes, we will look to include more comprehensive Scope 1 disclosures in our subsequent Sustainability Report.

In FY2023, OUEH reports an absolute Scope 2 GHG emissions of 244,059.4 $kgCO_2$ from its total electricity consumption. The accounting methodology used for Scope 2 GHG emissions is based on the GHG Protocol Corporate Accounting and Reporting Standard, an internationally recognised framework, to ensure that the emission figures reported were consistent and accurate.

For FY2023, the Company was focused on collecting relevant data from our Singapore Corporate Office, Clinics under O2HG, Xi Nan Hospital, and Pharmaceutical business office in China to set its base year data. With the operation of new hospitals in FY2023, the Company is moving from being an asset owner, to an asset owner and operator. As the business is evolving, it is crucial to first obtain accurate and representative baseline data in FY2024, to inform the development of short-, medium- and long-term climate-related targets and strategies going forward. Based on our environmental performance in FY2023, OUEH will set climate-related targets in the areas of energy, water, and Scope 2 intensity in FY2024, as part of our commitment to properly manage climate-related risks and impacts. In FY2023, OUEH began aligning climate-related topics and metrics with the SASB Healthcare Delivery Industry Standards, in line with the International Financial Reporting Standards Foundations (IFRS) S2 guidelines.

Please refer to the Our Environment section on page 55 to 57 for more information.

Moving forward in FY2024, our environmental data will be reviewed and reported annually to enable the Company to assess the performance against OUEH's targets.

OUR ECONOMY

Sustainability Impact Driven by Economic Performance

OUEH has a role to play as a healthcare service provider, in improving the environmental, social and economic fabric of the communities where we operate in, including healthcare accessibility, and improving healthcare services delivery. Our three-pronged corporate growth strategy has helped to strengthen our financial performance, which is a prerequisite to drive sustainability impacts. More information on our three-pronged corporate strategy can be found on page 4 and 5 of our Annual Report.

In FY2023, the Group reported an annual gross revenue of S$ 159.3 million and annual gross profit of S$ 121.7 million. Our full financial performance can be found on page 41 of our Annual Report.

Active Management of Operations

As we continue to set the pipelines to build an integrated regional healthcare business ecosystem, we prioritise active management of our operations to ensure that our practices are sustainable, compliant, and anchored on the highest standards.

For O2HG, the Company has put in place a bi-monthly management meeting to review operational performance of each clinic. The bi-monthly management meeting comprises representatives from OUEH as well as key representatives from each medical specialist group to discuss matters including financial, corporate, legal, compliance, administrative, branding, business development, marketing, human resource and other operational issues. The minutes of each bi-monthly management meeting are also recorded.

For Xi Nan Hospital, the Company has put in place a monthly review session between OUEH and the hospital management to review all operational and clinical issues including but not limited to clinical governance, clinical services planning, financial, corporate, legal, compliance, administrative, branding, sales, business development, marketing, and other operational issues. Additionally, operational and clinical representatives from OUEH make regular and periodic trips per year to visit Xi Nan Hospital to validate operational and clinical processes and issues.

FY2023 performance against Targets

ACTIVE MANAGEMENT OF OPERATIONS		
FY2023 Targets	**FY2023 Performance**	**FY2024 Targets**
Review and assess 100% of our operations and develop a maintenance and CAPEX plan for each business.	Reviewed and assessed 100% of operations of O2HG, and Xi Nan Hospital.	Review and assess 100% of our operations and develop a maintenance and CAPEX plan for each business.

OUR ENVIRONMENT

Energy & Emissions

We recognise that the healthcare industry is responsible for approximately 4% of global greenhouse gas emissions[1]. As a company involved in healthcare operations and the responsible management of healthcare assets, we believe that tracking and controlling energy and emissions are crucial in fostering environmental sustainability and mitigating climate change. Healthcare delivery plays a major role in contributing to climate change, as it is a highly energy intensive industry, due to the substantial electricity used to power operations, incinerating hazardous waste generated, and consumption of large amounts of resources, like medical equipment and fuel used in healthcare service delivery and transportation.

OUEH is committed to play an active role in reducing our impact on energy consumption and carbon footprint. Therefore, we have started to monitor and manage these metrics.

The total energy and electricity consumption across OUEH's businesses for FY2023 was 1,614.6 gigajoules ("**GJ**") and 448.5 megawatt hours ("**MWh**") respectively. This translates to an electricity intensity of 84.8 kilowatt hour per square metre ("**kWh/m²**").

[1] https://www.weforum.org/agenda/2022/10/cop27-how-healthcare-can-reduce-carbon-footprint/

The breakdown of the energy consumption for OUEH's businesses are as follows:

COUNTRY	SINGAPORE		CHINA	
Business	**OUEH Singapore Corporate Office**	**12 Clinics under O2HG**	**Xi Nan Hospital**	**Pharmaceutical Business Office**
Surface Area (sqm)	255.0	592.1	4,000.0	440.0
12-month electricity consumption (MWh)	7.8	68.6	358.6	13.6
12-month electricity intensity (kWh/m²)	30.5	115.8	89.6	30.9

In FY2023, OUEH reports an absolute Scope 2 GHG emissions of 244,059.4 $kgCO_2$ from its total electricity consumption. Under our Scope 1 inventory, no fuel was consumed in backup generator sets and no refrigerants were topped up during the reporting period. Whilst our Pharmaceutical Business Office operates vehicles that use fuel for delivery purposes, we are in the process of laying the data collection pipeline to collect mobile combustion data.

The breakdown of Scope 2 GHG emissions and intensity for OUEH's businesses are as follows:

COUNTRY	SINGAPORE		CHINA	
Business	**OUEH Singapore Corporate Office**	**12 Clinics under O2HG**	**Xi Nan Hospital**	**Pharmaceutical Business Office**
Surface Area (sqm)	255.0	592.1	4,000.0	440.0
Absolute Scope 2 GHG Emissions ($kgCO_2$)	3,238.1	28,584.7	204,483.9	7,752.7
12-month Scope 2 intensity ($kgCO_2/m^2$)	12.7	48.3	51.1	17.6

Water

Water scarcity is a worldwide concern, and water is OUEH's second most consumed natural resource (with energy being first). As OUEH's operations are water intensive and dependent on a reliable and clean water supply, especially for our hospital operations, it is vital that OUEH manages water efficiently and effectively. Water drawn in Singapore and China for our operations are freshwater and from municipal sources.

The Company has placed heavy emphasis on prudent water management to reduce the risks of our operations being affected by water scarcity. As our water consumption is largely attributed to the daily usage by our patients and employees, OUEH ensures that there is close collaboration with our stakeholders to advocate water efficiency and encourage responsible water usage on our hospital premises. We communicate regularly with our stakeholders on water efficiency plans and improvements.

For FY2023, there were no incidents of non-compliance with water quality, permits, standards and applicable regulations. Wastewater is directly discharged into the public sewerage system. OUEH continues to comply with regulations and align with good practices as a result of having the right policies instituted right from the top.

In FY2023, OUEH's businesses reported a total water withdrawal of 11,866.2 cubic metres ("**m^3**"), which translates to a water intensity of 2.2 m^3 per square metre ("**m^3/m^2**").

The breakdown of water consumption for OUEH's businesses are as follows:

COUNTRY	**SINGAPORE**		**CHINA**	
Business	**OUEH Singapore Corporate Office**	**12 Clinics under O2HG**	**Xi Nan Hospital**	**Pharmaceutical Business Office**
Surface Area (sqm)	255.0	592.1	4,000.0	440.0
12-month water consumption (m^3)	OUEH Singapore Corporate Office is situated in a commercial building, and hence does not incur water bills to track consumption.	45.2	11,756.0	65.0
12-month water intensity (m^3/m^2)		0.08	2.94	0.15

Waste

Effective waste management is vital for OUEH to ensure the safe disposal of medical waste, preventing environmental contamination and protecting public health. Apart from safe disposal of hazardous waste, it is also crucial for OUEH to manage other types of non-hazardous waste well to avoid any negative impacts that may arise, such as pollution due to incineration or landfill. Implementing proper waste disposal and recycling procedures also supports regulatory compliance, fosters a positive corporate image, and contributes to overall operational efficiency within the healthcare sector.

Due to the nature of how our offices are situated as tenants in commercial buildings, we have started to lay the pipelines for collecting both non-hazardous and hazardous waste data in FY2023, by putting in place relevant waste collection infrastructure and processes. OUEH will continue to work towards setting these pipelines to collect accurate waste data, and these metrics will be reported in subsequent sustainability reports.

OUR PEOPLE

Employee Engagement

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

Fair Employment Practices (GRI 2-7, 2-8, 401)

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

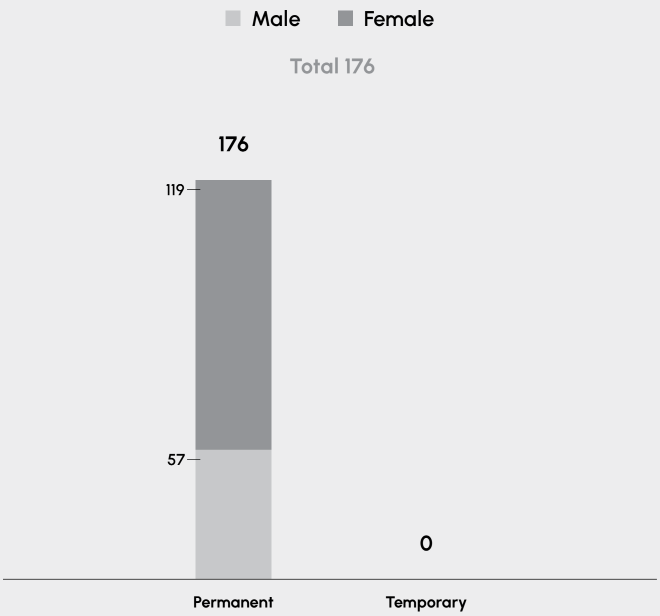
OUEH also strictly adheres to the Tripartite Alliance for Fair and Progressive Employment Practices ("**TAFEP**") guidelines and government employment legislation. As an equal opportunity employer, we adopt robust recruitment and talent development and retention practices. Our recruitment practices ensure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

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

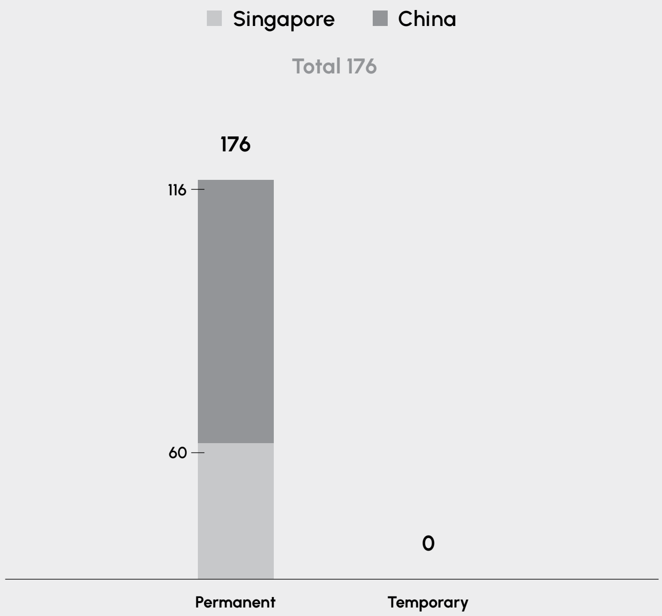
As of 31 December 2023, our total headcount stands at 176 employees, and we employ 14 workers who are not considered our employees to deliver services for our operations. While none of our employees are part of any workers' union, our HR policy ensures that they are not put at a disadvantage where working conditions and terms of employment are fair.

Staff mix and diversity:

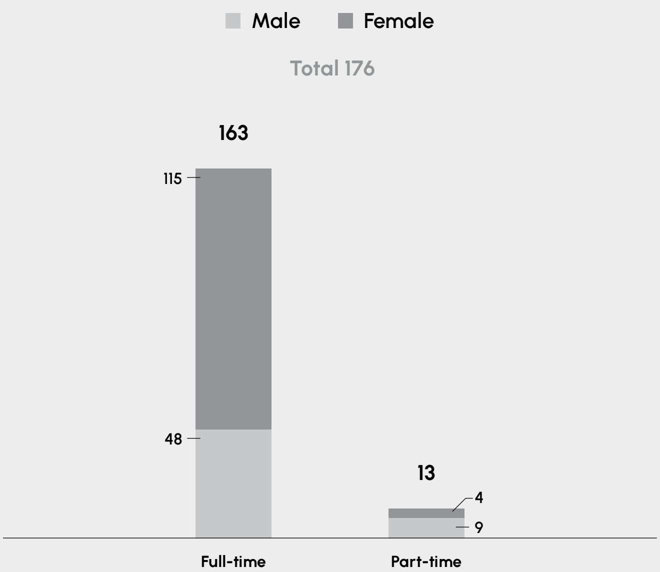
Total number of employees by employee contract (permanent and temporary) and gender



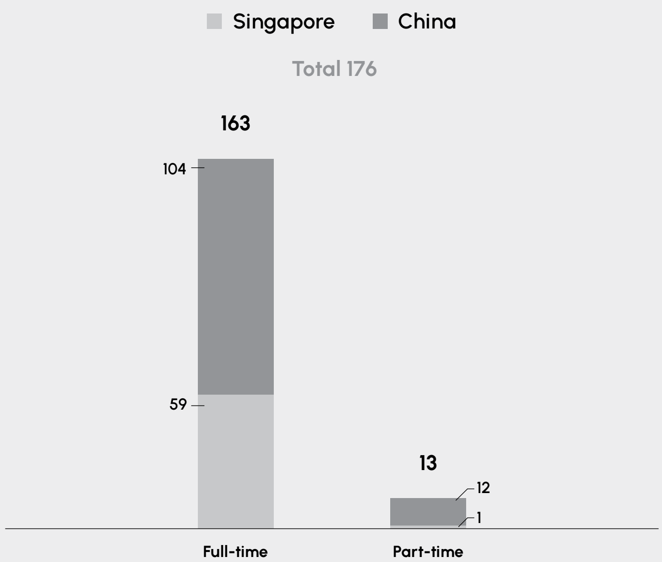
Total number of employees by employee contract (permanent and temporary) and region



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

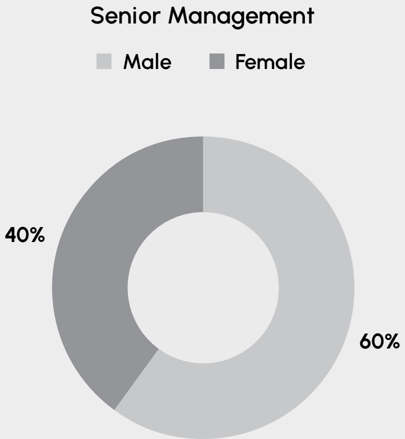


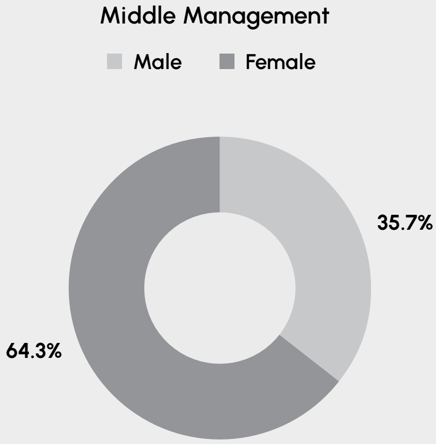
Total number of employees by employee type (full-time, part-time, and non-guaranteed hours[3]) and region

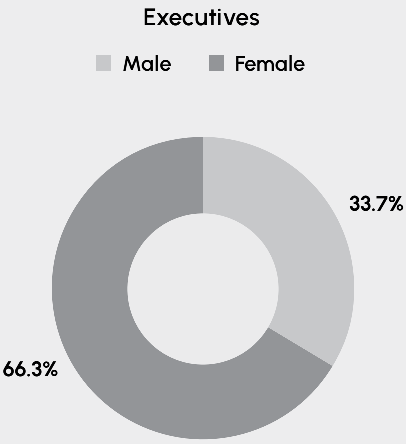


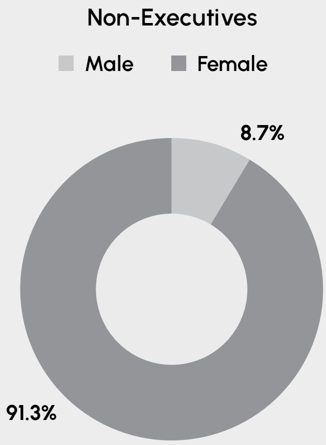
[2] Non-guaranteed hours employees refer to casual employees, employees with zero-hour contracts, on-call employees. We do not have non-guaranteed hours employees.
[3] Non-guaranteed hours employees refer to casual employees, employees with zero-hour contracts, on-call employees. We do not have non-guaranteed hours employees.

Number and percentage of individuals by employee category and gender

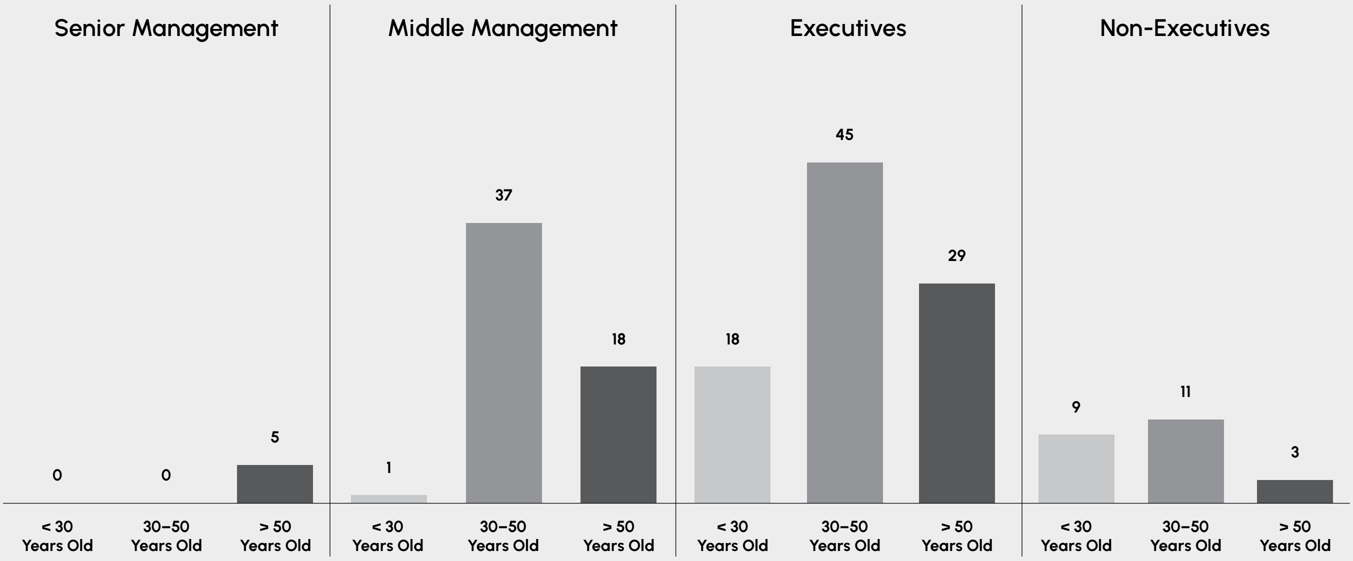


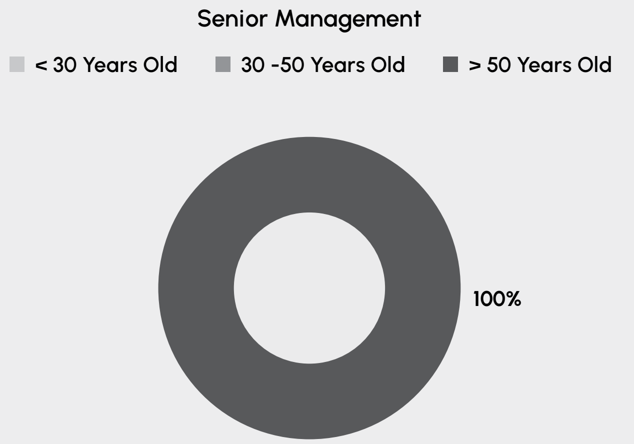


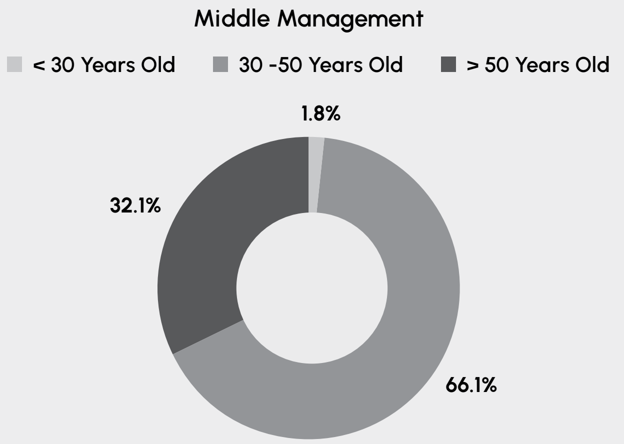


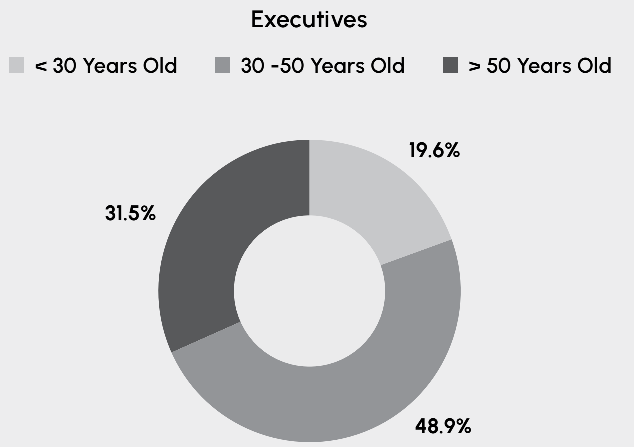


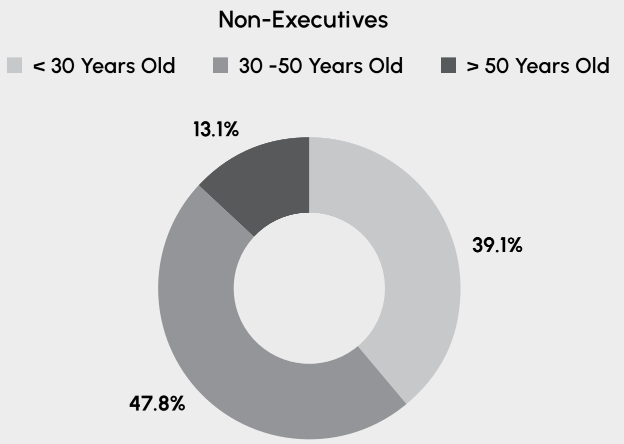
Number and percentage of individuals by employee category and age group









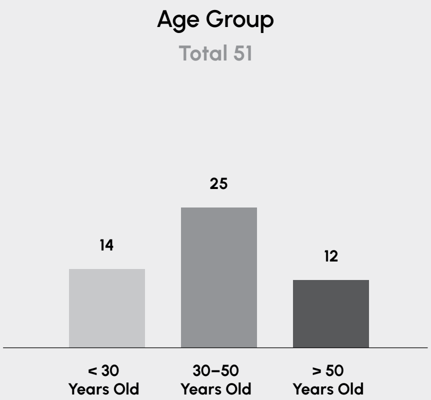


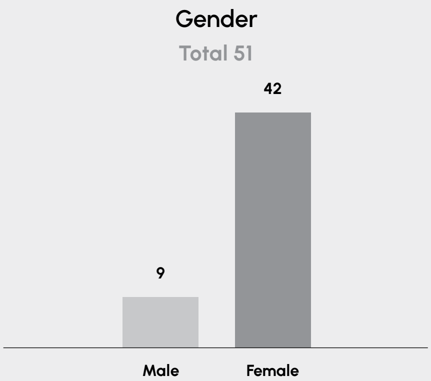
Parental Leave

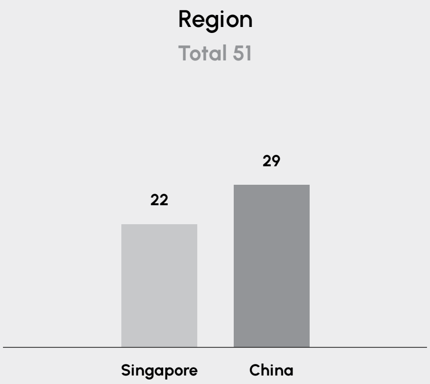
Parental Leave, by Gender

	MALE	FEMALE	TOTAL
Total No. of employees entitled to Parental Leave (only for employees with married status)	0	3	**3**
Total No. of employees that took Parental Leave	0	3	**3**
Total No. of employees that returned to work in the reporting period after parental leave ended	0	3	**3** *(100% return rate)*
Total No. of employees that returned to work in the reporting period after parental leave ended that were still employed 12 months after their return to work	0	3	**3** *(100% retention rate)*

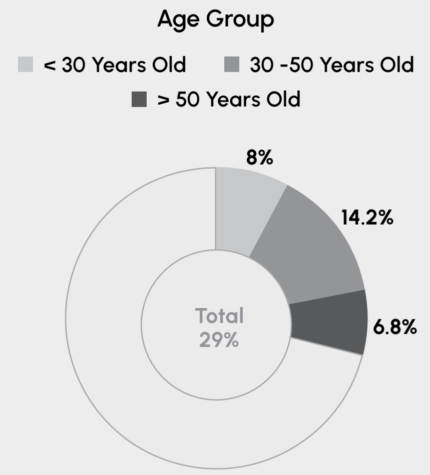
Total number of new employee hires during FY2023, by age group, gender and region

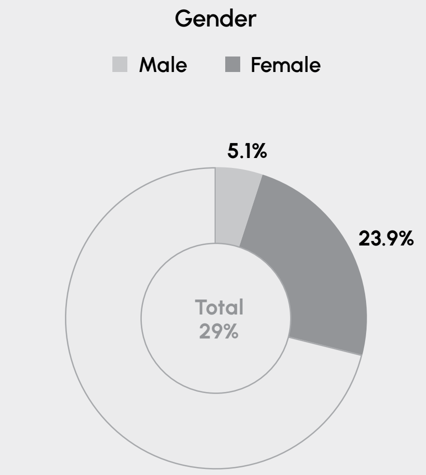


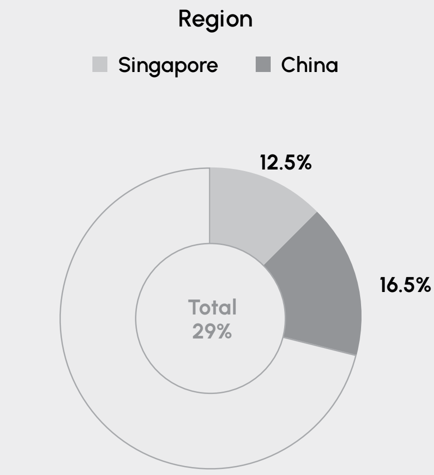




Rate of new employee hires during FY2023, by age group, gender and region

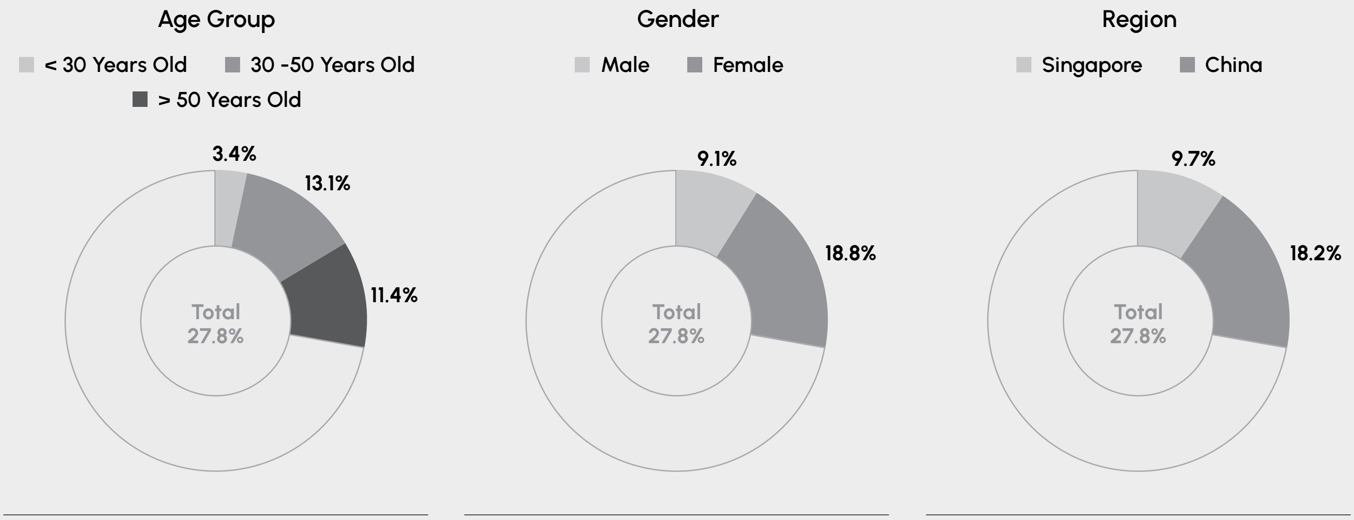






Total number of employee turnover during FY2023, by age group, gender and region

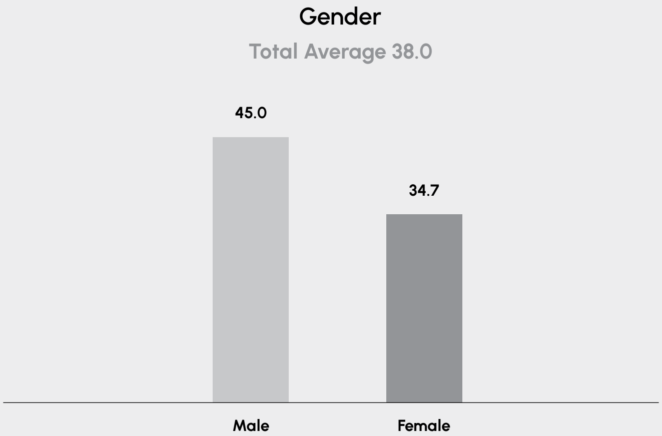
Rate of employee turnover during FY2023, by age group, gender and region



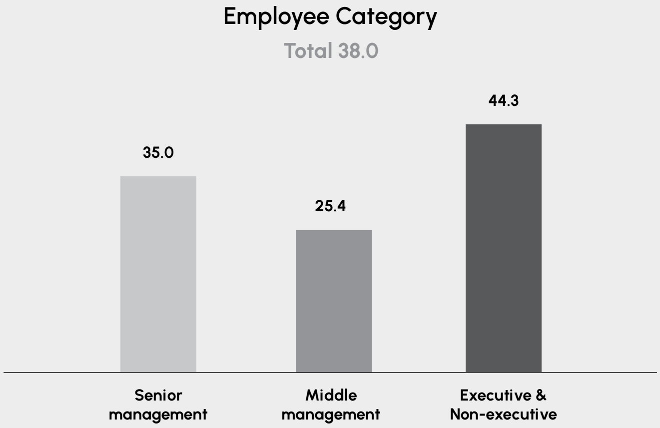
<u>Training and Development</u> (GRI 3-3, 404)
It is crucial that our employees continuously uphold their expertise and knowledge so that they can provide the highest quality healthcare services to meet the ever-changing needs of local communities. We recognise that robust career development and enhancing of our employees' skillsets are key factors to our success and delivering sustainable, long-term value to our stakeholders.

Employment development is facilitated through learning and training opportunities, conducting regular performance appraisals, and promoting an inclusive, engaged and learning culture. All our permanent staff will undergo bi-annual performance appraisals with their reporting officers, whereby they are given feedback on their performance for improvement. Their training interests are identified in the process, and employees are then provided with relevant opportunities and training plans to upskill themselves. The types of training conducted includes informal learning on the job, coaching and mentoring, cross-functional projects, as well as internal and external training programmes. In FY2023, our employees attended various trainings to enhance soft/technical skills and knowledge in areas such as IT security, new joiner orientation, corporate governance, workplace health and safety, clinical/hospital management and data analytics, that suit their needs.

Average hours of training employees have undertaken during FY2023 by gender



Average hours of training employees have undertaken during FY2023 by employee category



At OUEH, we support and encourage our employees to learn skills relevant to the ESG pillars. While we organise internal trainings and courses by external training partners in-house, employees who wish to attend external trainings or courses can do so by submitting a Training Nomination Form for approval.

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

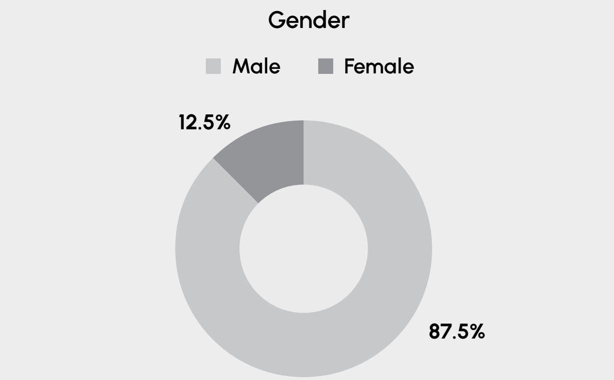
FY2023 performance against Targets

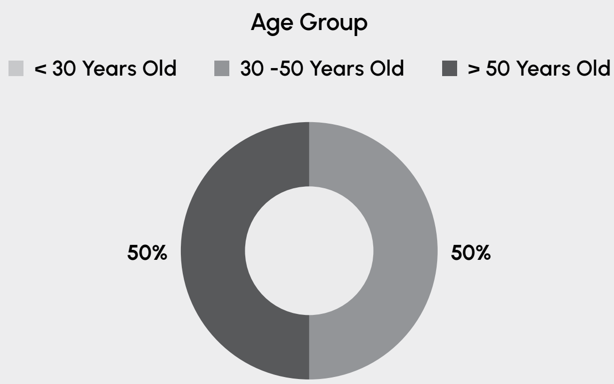
TRAINING & DEVELOPMENT		
FY2023 Targets	**FY2023 Performance**	**FY2024 Targets**
Conduct 100% performance appraisals for all staff.	We conducted 100% performance appraisals for all eligible staff.	Conduct 100% performance appraisals for all staff.

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

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

Percentage of individuals within the governance bodies by gender and age group





As of 31 December 2023, women make up about 67% of our workforce, with 14% of our governance body and 40% of our senior management being females. OUEH has a diversified workforce across all age groups, nationalities, and gender, supporting our alignment to the UN SDG Goal 5 of "Gender Equality".

FY2023 performance against Targets

DIVERSITY, INCLUSION AND NON-DISCRIMINATION		
FY2023 Targets	**FY2023 Performance**	**FY2024 Targets**
Zero incidents of discrimination.	We report zero incidents of discrimination.	Zero incidents of discrimination.

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

Our corporate office in Singapore adopts the same Occupational Health and Safety ("**OHS**") Management System and Workplace Safety and Health ("**WSH**") Policy implemented by OUE Limited. The OHS Management System and WSH Policy are governed and spearheaded by the newly established WSH Committee, which comprises of representations from the various business units of OUE. The WSH Committee has worked with a third-party consultant in FY2023 to roll out OUE's OHS Framework, that is in alignment with the Ministry of Manpower's WSH Act and the ISO 45001 Standards. This OHS Framework, which includes WSH manuals and documentation, has been developed and curated for the OUE Group after consultation with the business units and departments of OUE. Quarterly safety updates across the Group are also tabled to the Board of OUE Limited. This Framework, alongside the manuals and documentation, will be rolled out to all employees in FY2024. All employees also undergo staff orientation and training programmes throughout the different stages of their careers, to build and refresh knowledge of OUE's WSH and OHS procedures.

In China, Xi Nan Hospital has a set of internal policies that incorporate the local OHS regulations and international best practice standards, committed to provide a safe and healthy work environment. The set of policies covers areas including hazard identification, risk assessment, hazardous material handling and the use of personal protective equipment (PPE), incident reporting, quality improvement, emergency procedures, infection control. All staff members are trained and educated to be familiar with the risk management system and the process of risk identification, risk assessment, and risk mitigation. The staff members are to report identified risks and incidents to the hospital management via electronic systems in place and are protected against reprisals. The management ensures the information related to the risk management system and processes are easily accessible in different formats, in both physical copies and virtual access. In addition, the hospital management conduct regular safety walkabouts to proactively identify and mitigate risks within the hospital.

There are dedicated OHS personnel within the hospital who are responsible for a range of functions aimed at identifying hazards, minimizing risks, and ensuring compliance with OHS regulations. These personnel will provide training and education, conduct audit and compliance check, policy enhancement, and actively participate in risk management processes. There is also a robust incident management system in place, which includes root cause analysis and formulation of corrective action by a committee that consists of senior management and all the relevant OHS personnel involve in relevant areas and processes.

OUEH also provides our employees with comprehensive insurance coverage and dental care. This allows our employees to take charge of their health and shows our commitment to promoting a healthy workforce. We also organize regular recreational activities outside of work to push for greater mental health wellness and team-bonding. In FY2023, we reported zero high-consequence work-related injuries or fatalities, and there were also zero incidents of work-related ill-health. There were zero incidents of non-compliance with health & safety regulations resulting in a fine, penalty or warning. OUEH is committed to ensure a safe and secure environment for our employees, customers, and stakeholders.

Number and Rate of Work-related Incidents

	EMPLOYEES	OTHER WORKERS
Number of injuries[4]	0	0
Number of high-consequence injuries	0	0
Injury rate *(per million man-hours worked)*	0	0
High-consequence injury rate *(per million man-hours worked)*	0	0
Man-hours worked	361,454	0

Number and Rate of Work-related Incidents

	EMPLOYEES	OTHER WORKERS
Number of illnesses[5]	0	0
Illness rate *(per million man-hours worked)*	0	0
Man-hours worked	361,454	0

FY2023 performance against Targets

HEALTH & SAFETY		
FY2023 Targets	**FY2023 Performance**	**FY2024 Targets**
Zero work-related injury and ill health recorded.	There were zero cases of work-related injuries and ill-health.	Zero work-related injury and ill health recorded.
Zero incidents of non-compliance with regulations concerning health and safety.	There were zero cases of non-compliance.	Zero incidents of non-compliance with regulations concerning health and safety.

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

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

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

In FY2023, Xi Nan Hospital has recorded a total of 24 community service events and activities, including providing community medical services, health education, health lectures on senile diseases, carrying out health needs of the elderly and the disabled in the community and providing regular door-to-door services. 100% of our community service events and activities relate to local community development programs based on local communities' needs.

FY2023 performance against Targets

LOCAL COMMUNITIES		
FY2023 Targets	**FY2023 Performance**	**FY2024 Targets**
Maintain more than 20 events of community service work.	24 community service events and activities	Maintain more than 20 events of community service work.

OUR GOVERNANCE

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

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

Our Code of Business Conduct and Ethics outlines the expectations, principles, and practices of employees and members of the Board on issues such as anti-corruption, fraud, bribery, segregation of duties and anti-competitive conduct among others. This is made available to employees upon the commencement of employment, and they are required to sign a Certificate of Compliance as an acknowledgement of their understanding and commitment to comply with the Code. Once signed, employees are expected to uphold the principles of integrity in their business dealings and to refrain from any fraudulent or dishonest conduct throughout their tenure. Throughout their employment, they can access the Code of Business Conduct and Ethics through secured internal portals. In 2023, we communicated our anti-corruption practices to 100% of our employees.

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

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

OUEH also has a grievance mechanism in place, whereby employees can raise concerns and seek remediation if they have been negatively impacted. This includes harassment, inappropriate behaviour, or if their rights have been compromised in any way. The procedure of the grievance mechanism is communicated through our HR policy document "OUELH-HR-Policy-0010", which is also acknowledged by all employees. We hope to promote a safe and inclusive working space, whereby open discussions are supported without fear of retaliation.

In FY2023, we received zero grievance cases and whistle-blowing cases. We also report zero confirmed incidents of corruption and non-compliance.

FY2023 performance against Targets

CORPORATE GOVERNANCE AND COMPLIANCE		
FY2023 Targets	**FY2023 Performance**	**FY2024 Targets**
Zero confirmed cases of corruption.	There were zero cases of corruption.	Zero confirmed cases of corruption.
Zero confirmed incidents of non- compliance in both environmental and socioeconomic regulations, that would result in fines or non-monetary sanctions.	There were zero cases of non-compliance.	Zero confirmed incidents of non-compliance in both environmental and socioeconomic regulations, that would result in fines or non-monetary sanctions.

Customer Privacy

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

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

Additionally, IT has switched to Veeam for better encryption and immutable backup to further protect sensitive and confidential information from ransomware. The comprehensive information security awareness training programme is provided annually to our employees and is extended to our vendors and contractors, if appropriate. The training programme covers topics on IT security policies, standards and procedures, individual responsibilities for IT security, measures needed to safeguard information, and relevant laws, regulations and guidelines on IT security. To educate our employees on sound cyber security practices, OUE has implemented a mandatory cyber security awareness employee training quiz, and disseminates regular cyber security awareness newsletters. OUE has also conducted a phishing simulation exercise at the OUE Group level.

At the property level, CPCA Information Security conducts at least one training a year as part of an information security awareness programme. We understand the importance of protection of personal data in the digital age.

OUEH also adheres to the Personal Data Protection Act 2012 (the "**PDPA**") and implements various measures to comply with the PDPA, as documented in the Personal Data Protection Compliance Manual ("**Manual**") of the wider OUE Group. All our employees are contractually required to comply with the Manual and report any suspected data breach to the OUE Group Data Protection Officer.

In FY2023, we had zero incidents of data breaches with our comprehensive data protection measures in place.

FY2023 performance against Targets

CUSTOMER PRIVACY		
FY2023 Targets	**FY2023 Performance**	**FY2024 Targets**
Zero incidents of substantiated complaints.	There were zero cases of data breaches and complaints.	Zero incidents of substantiated complaints.

GRI CONTENT INDEX

STATEMENT OF USE	OUE Healthcare has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	Not Applicable

Gri Standard/ Other Source	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	Board Statement, page 43 About OUE Healthcare Limited > Who We Are, page 43			
	2-2 Entities included in the organization's sustainability reporting	About This Report, page 44 – 45			
	2-3 Reporting period, frequency and contact point	About This Report, page 44 – 45			
	2-4 Restatements of information	There has been no restatement of figures or information disclosed in our previous report.			
	2-5 External assurance	About This Report, page 45			
	2-6 Activities, value chain and other business relationships	About OUE Healthcare Limited > Who We Are and Who We Want To Be, page 43 – 44			
	2-7 Employees	Our People > Employee Engagement > Fair Employment Practices, page 58 – 63			
	2-8 Workers who are not employees	Our People > Employee Engagement > Fair Employment Practices, page 58			
	2-9 Governance structure and composition	Sustainability at OUE Healthcare > Sustainability Governance, page 45 – 46 Annual Report > Board Of Directors, page 14 – 18 Corporate Governance Report > Board Composition and Guidance, page 80 – 84			
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report > Board Membership, page 85 – 88			

Gri Standard/ Other Source	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	2-11 Chair of the highest governance body	Corporate Governance Report > Chairman and Chief Executive Officer, page 85			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability at OUE Healthcare > Sustainability Governance, page 45 – 46			
	2-13 Delegation of responsibility for managing impacts	Sustainability at OUE Healthcare > Sustainability Governance, page 45 – 46			
	2-14 Role of the highest governance body in sustainability reporting	The Board has reviewed and approved of this report, including the material topics, in FY2023.			
	2-15 Conflicts of interest	Sustainability at OUE Healthcare > Sustainability Governance, page 46 Corporate Governance Report > The Board's Conduct of Affairs, page 76 – 77			
	2-16 Communication of critical concerns	Our Governance > Compliance, page 67			
	2-17 Collective knowledge of the highest governance body	Sustainability at OUE Healthcare > Sustainability Governance, page 46 Corporate Governance Report > The Board's Conduct of Affairs, page 77 – 78			
	2-18 Evaluation of the performance of the highest governance body	The Nominating and Remuneration Committee is responsible for conducting a formal appraisal process of the Board and enhance the overall effectiveness of the Directors. As the Board retains oversight of the organization's impacts on the economy, governance, and people, the evaluation implicitly includes review of performance in these areas. Corporate Governance Report > Board Performance, page 89			
	2-19 Remuneration policies	Corporate Governance Report, Remuneration Matters, page 90 – 93			
	2-20 Process to determine remuneration	Corporate Governance Report, Remuneration Matters, page 90 – 93 While there is no voting of stakeholders on remuneration policies and proposals, our Directors' fees are subjected to the approval by our shareholders at the forthcoming AGM.			

Gri Standard/ Other Source	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	2-21 Annual total compensation ratio		Sub-requirement (a): Report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual); (b): report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual); (c): report contextual information necessary to understand the data and how the data has been compiled.	Confidentiality Constraints	Not disclosed due to confidentiality constraints. Given that OUE Healthcare operates in a highly competitive business environment and considering the commercial sensitivity of remuneration information, we will not be reporting this information to ensure stability and continuity of our operations.
	2-22 Statement on sustainable development strategy	Board Statement, page 43			
	2-23 Policy commitments	Disclosed throughout Sustainability Report 2023			
	2-24 Embedding policy commitments	Disclosed throughout Sustainability Report 2023			
	2-25 Processes to remediate negative impacts	Our Governance > Compliance, page 67			
	2-26 Mechanisms for seeking advice and raising concerns	Our Governance > Compliance, page 67			
	2-27 Compliance with laws and regulations	Our Governance > Compliance, page 67 – 68			
	2-28 Membership associations	OUE Healthcare does not hold a significant role in any industry associations or advocacy organisation.			
	2-29 Approach to stakeholder engagement	Sustainability at OUE Healthcare > Stakeholder Engagement, page 47 – 48			
	2-30 Collective bargaining agreements	Our People > Employee Engagement > Fair Employment Practices, page 58			

Gri Standard/ Other Source	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability at OUE Healthcare > Materiality Assessment, page 49			
	3-2 List of material topics	Sustainability at OUE Healthcare > Materiality Assessment, page 50 – 52			
Sustainability Impact Driven by Economic Performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Economy > Sustainability Impact Driven by Economic Performance, page 55			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Our Economy > Sustainability Impact Driven by Economic Performance, page 55 Annual Report > 3-year Financial Highlights, page 41			
Active Management of Operations					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Economy > Active Management of Operations, page 55			
Corporate Governance and Compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Governance > Business Conduct, page 67			
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Our Governance > Compliance, page 67			
Employee Engagement					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People, Employee Engagement > Fair Employment Practices, page 58			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our People, Employee Engagement > Fair Employment Practices, page 62 – 63			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People, Employee Engagement > Fair Employment Practices, page 58			
	401-3 Parental leave	Our People, Employee Engagement > Fair Employment Practices, page 62			
Health and Safety – Occupational, customer & public					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Health & Safety – Occupational, customer & public, page 65 – 66			

Gri Standard/ Other Source	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Our People > Health & Safety – Occupational, customer & public, page 65			
	403-2 Hazard identification, risk assessment, and incident investigation	Our People > Health & Safety – Occupational, customer & public, page 66			
	403-3 Occupational health services	Our People > Health & Safety – Occupational, customer & public, page 65 – 66			
	403-5 Worker training on occupational health and safety	Our People > Health & Safety – Occupational, customer & public, page 65 – 66			
	403-6 Promotion of worker health	Our People > Health & Safety – Occupational, customer & public, page 66			
	403-9 Work-related injuries	Our People > Health & Safety – Occupational, customer & public, page 66			
	403-10 Work-related ill health	Our People > Health & Safety – Occupational, customer & public, page 66			
Employees Engagement					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Employee Engagement > Training and Development, page 64			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our People > Employee Engagement > Training and Development, page 64			
	404-2 Programs for upgrading employee skills and transition assistance programs	Our People > Employee Engagement > Training and Development, page 64			
	404-3 Percentage of employees receiving regular performance and career development reviews	Our People > Employee Engagement > Training and Development, page 64			
Diversity, Inclusion and Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Diversity, Inclusion and Non-discrimination, page 65			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our People > Diversity, Inclusion and Non-discrimination, page 65 Our People > Fair Employment Practices, page 60 – 61			

Gri Standard/ Other Source	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Diversity, Inclusion and Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Diversity, Inclusion and Non-discrimination, page 65			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Our People > Diversity, Inclusion and Non-discrimination, page 65			
Local Communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Local Communities, page 67			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Our People > Local Communities, page 67			
Health and Safety – Occupational, customer & public					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People > Health & Safety – Occupational, customer & public, page 65 – 66			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Our People > Health & Safety – Occupational, customer & public, page 66			
Customer Privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Governance > Customer Privacy, page 68			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Governance > Customer Privacy, page 68			

SASB CONTENT INDEX

Healthcare Delivery Industry Standards

TOPIC	SASB CODE	METRICS	CATEGORY	UNIT OF MEASURE	2023
Energy Management	HC-DY-130a.1	(1) Total energy consumed	Quantitative	Gigajoules (GJ)	1,614.6
	HC-DY-130a.1	(2) Percentage grid electricity	Quantitative	Percentage (%)	100%
		(3) Percentage renewable	Quantitative	Percentage (%)	0%

GOVERNANCE, FINANCIAL STATEMENTS
& OTHER INFORMATION

CORPORATE GOVERNANCE REPORT

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

This corporate governance report ("**Report**") describes the Company's corporate governance practices during the financial year ended 31 December 2023 ("**FY2023**"), with specific reference to the principles of the Singapore Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in January 2015.

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

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

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Primary Functions of the Board

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

The principal roles and responsibilities of the Board include:

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

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

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

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

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

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

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

Board Orientation and Training (Provision 1.2 of the Code)

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

Newly appointed Directors will undergo an orientation session conducted by the Management to familiarise themselves with the business, operations and financial performance of the Group, and they will also be briefed on the Company's governance practices, including directors' duties, board processes, policies on disclosure of interest in securities, prohibition on dealings in the Company's securities and restrictions on disclosure of price-sensitive and trade-sensitive information. The new Director will also have access to a secured online resource centre containing information and documents relating to the Company including its constitutional documents, the terms of reference of the Board Committees, its relevant policies and procedures, as well as a Board and Board Committee meeting calendar for the year and minutes and meeting packs of all Board and Board Committee meetings in the past three (3) years. For a better understanding of the Group's business, the Directors are also given the opportunity to visit the operational facilities of the Group. Mr. Abram Melkyzedeck Suhardiman was appointed to the Board on 2 January 2024, and he had completed the orientation session as at the date of this Report.

In addition to the induction described above, as required under the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), a Director who has no prior experience as a director of a company listed on the SGX-ST must, undergo training as prescribed by the SGX-ST within one (1) year from the date of his appointment to the Board, which includes attending certain specific core and elective modules of the Listed Entity Director ("**LED**") Programme conducted by the Singapore Institute of Directors ("**SID**"), or the mandatory classes and modules of the Board Of Directors (BOD) Masterclass Programme conducted by the Institute of Singapore Chartered Accountants and SAC Capital in order to acquire relevant knowledge of what is expected of a director of a listed company. Completion of the LED Programme or the Board Of Directors (BOD) Masterclass Programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, seeks to provide first-time Directors with a broad understanding of the roles and responsibilities of a director of a listed company and the requirements under the Companies Act 1967 of Singapore ("**Companies Act**"), the Catalist Rules and the Code. Mr. Abram Melkyzedeck Suhardiman is not required to complete the LED Programme or the Board Of Directors (BOD) Masterclass Programme as he has prior experience as a director of a company listed on the Catalist of the SGX-ST.

The Company arranges for the Board to be updated regularly on risk management, corporate governance, insider trading, and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable the Directors to keep pace with the new laws, regulations and changing commercial risks and to discharge their duties effectively as members of the Board and where applicable, Board Committees. The Board is also provided with regular updates on the Group's action plans in respect of the countries that the Group operates in (including the People's Republic of China and Myanmar) whenever there may be material developments, such as political instability.

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

The Company encourages its Directors to attend training courses organised by the SID, the Institute of Singapore Chartered Accountants and SAC Capital or other training institutions in connection with their duties. The Directors are also given unrestricted access to professionals for consultation whenever they deem necessary.

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

In 2023, the Directors attended an in-house training session conducted by external speakers, which included the following topics:

1. recent issues affecting real estate investment trusts; and
2. geopolitical and macroeconomic update.

Board Approval (Provision 1.3 of the Code)

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

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

Delegation by the Board (Provision 1.4 of the Code)

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

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

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

The Board conducts scheduled meetings on a quarterly basis and ad-hoc meetings are convened whenever the need arises. The Board met seven (7) times in 2023, which were held either by way of teleconference or video conference, or in the form of a hybrid meeting with physical attendance and teleconference or video conference.

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

The report on Directors' attendance for Board and Board Committee meetings as well as general meetings (including the Annual General Meeting) held in 2023 is set out below:

	Number of meetings attended in 2023			
Name of Director	**Board**	**ARC**	**NRC**	**General Meetings**
Mr. Lee Yi Shyan	7	-	1	1
Mr. Brian Riady (1)	7	-	-	1
Mr. Tetsuya Fujimoto	7	-	-	1
Mr. Yet Kum Meng	7	-	-	1
Mr. Roger Tan Chade Phang	7	4	1	1
Mr. Eric Sho Kian Hin	7	4	1	1
Mr. Jackson Tay Eng Kiat	7	4	1	1
Ms. Usha Ranee Chandradas	7	4	-	1
Mr. Abram Melkyzedeck Suhardiman (2)	-	-	-	-
Number of meetings held in 2023	7	4	1	1

Notes:

(1) Mr. Brian Riady resigned from the Board with effect on and from 2 January 2024.

(2) Mr. Abram Melkyzedeck Suhardiman was appointed to the Board with effect on and from 2 January 2024. Between 1 January 2023 and 31 December 2023, seven (7) Board meetings were held. Mr. Abram Melkyzedeck Suhardiman did not attend the seven (7) Board meetings as they were held before the effective date of his appointment.

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

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

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

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

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

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

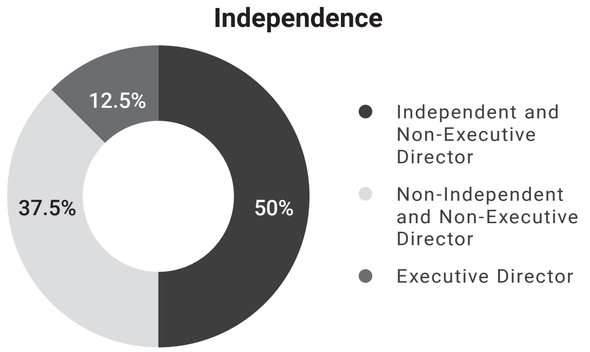
Principle 2: Board Composition and Guidance

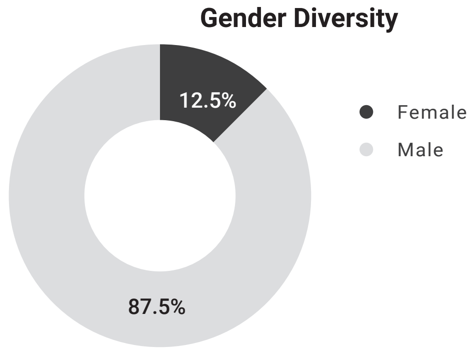
Board Independence (Provisions 2.1, 2.2 and 2.3 of the Code)

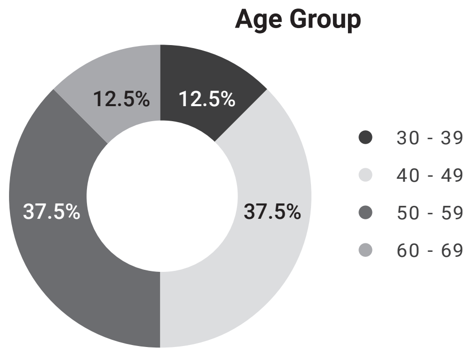
The Board currently has eight (8) Directors, comprising seven (7) Non-Executive Directors. As the majority of the Board currently comprises Non-Executive Directors, Provision 2.3 of the Code which requires that Non-Executive Directors shall make up a majority of the Board is thus satisfied.

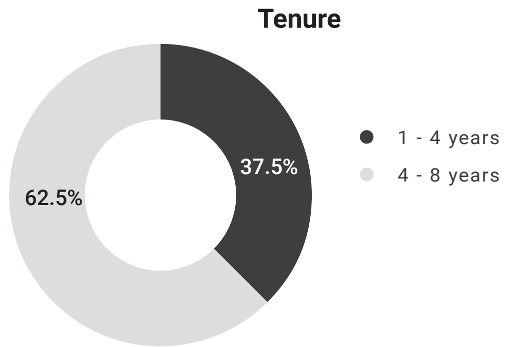
The Company is satisfied that it has a strong and independent element on the Board. The independence of each of the Directors has been assessed by the Board (after taking into account the NRC's views) in accordance with the requirements under Rule 406(3)(d) of the Catalist Rules, the Code and the accompanying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

Board Composition, Diversity and Balance Matrix
(as at 31 December 2023)









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

There is no Independent Director who has served more than nine (9) years since the date of his or her first appointment.

Board Composition, Size and Diversity (Provision 2.4 of the Code and Catalist Rule 710A)

As at 31 December 2023, the Board comprised the following Directors:

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

As required under Rule 710A(1) of the Catalist Rules, the Code and based on the recommendation of the NRC, the Board has approved the adoption of a board diversity policy (the "**Board Diversity Policy**") which takes into account relevant measurable objectives such as skills, management experience, gender, age, ethnicity and other relevant factors in the composition of the Board. The Board Diversity Policy sets out various factors, including but not limited to skills, experience, cultural and educational background, gender, age, knowledge, length of service and other qualities of the members of the Board, which will be considered in determining the optimum composition of the Board. All Board appointments will be based on merit and contribution, having regard to the benefits of diversity on the Board and the needs of the Board without focusing on a single diversity aspect and with the objective of avoiding groupthink and fostering constructive debate.

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

The Board comprises Directors of ages ranging from early 30s to 60s and who have served on the Board for different tenures. Please see below for further details on the board composition and diversity. The "Board Composition, Diversity and Balance Matrix" set out below provides a detailed breakdown of the experience, background and diversity of the Board.

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

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

Board Skills Matrix Highlights of the Directors
Financial *Legal* *Governance* *Audit Experience* *Business / Commercial* *Business Growth* *Executive Management* *International Experience* *Listed Company Environment* *Mergers & Acquisitions* *Project Management* *Healthcare / Hospital Management* *Risk and Compliance* *Stakeholder Communication* *Strategy and Planning* *Fund Management*

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

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

Key information on the Directors' particulars and background can be found on pages 14 to 18 of the Annual Report.

The Company's diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are set out below.

Diversity Targets, Plans and Timelines	**Progress towards achieving targets**
<u>Gender</u> At the recommendation of the NRC and in recognition of the merits of gender diversity, the Board has committed to (a) a target of at least 25% female Directors on the Board, which would allow for significant female representation on the Board; and (b) ensuring that female candidates are included for consideration when identifying suitable candidates for new appointments to the Board.	**In Progress** - Ms. Usha Ranee Chandradas was appointed to the Board in 2021. As at the end of FY2023, 1 out of 8 Directors is female. This represents 12.5% of the Board. The Board will strive to achieve the stated gender diversity target by the end of 2030 progressively through its Board renewal process.
<u>Skills and Experience</u> To ensure that the Directors collectively possess core skills, expertise and experience in areas spanning healthcare, finance, fund management, business management, law and corporate governance and international business management and networking, which have been identified by the Board as critical for the Board to carry out its oversight of the business affairs, and to exercise effective stewardship and corporate governance of the Group. The Company believes that having a diverse Board would support the needs of the Company, especially in the key operational sectors in which the Group operates in. The different insights and perspectives and the breadth of experience of the Directors would enhance the deliberations of the Board and facilitate the effective oversight of the Management.	**Achieved** - The current Board comprises Directors who are corporate and business leaders and professionals with varied backgrounds, expertise and experiences and possess the core skills and experiences identified by the Board. Collectively, they possess core competencies spanning the relevant areas of the Group's businesses and operations across the healthcare sector. To ensure that the Directors are kept abreast of recent developments, such as emerging trends, industry advancements and any significant events that may impact the Company and the Group, the NRC will consistently identify areas for improvement and training opportunities for the Board.

Non-Eecutive Directors' Participation (Provision 2.5 of the Code)

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

Principle 3: Chairman and Chief Executive Officer

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

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

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

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

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

Lead Independent Director (Provision 3.3 of the Code)

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

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

Principle 4: Board membership

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

The NRC currently comprises Mr. Roger Tan Chade Phang (who is the Lead Independent Director), Mr. Lee Yi Shyan, Mr. Tetsuya Fujimoto, Mr. Eric Sho Kian Hin and Mr. Jackson Tay Eng Kiat. More than half of the members of the NRC, including the chairman of NRC, Mr. Roger Tan Chade Phang, are independent. The NRC has written terms of reference that describe the responsibilities of its members. The NRC met once in 2023.

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

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

For the FY2023 under review, the NRC reviewed all cessation (including retirement) and appointment of Directors and KMP by the Board during the year and nomination of Directors seeking re-appointment at the last Annual General Meeting ("**AGM**") of the Company. As part of its annual assessment, the NRC also reviewed the composition of the Board, the performance of the Board, Board Committees and individual Directors, multiple board representations and independence of each Director.

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

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

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

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

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

All Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Under Regulation 115 of the Constitution, any person appointed to the Board by the Directors shall hold office only until the next AGM of the Company, and shall then be eligible for re-appointment, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Under Regulation 111 of the Constitution, at least one third of the Board shall retire by rotation and subject themselves to re-appointment by shareholders at every AGM. Accordingly, the NRC has determined that Mr. Lee Yi Shyan, Mr. Eric Sho Kian Hin and Ms. Usha Ranee Chandradas will retire at the forthcoming AGM. They will subject themselves to re-appointment by shareholders at the forthcoming AGM.

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

The Board does not appoint alternate directors.

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

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

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

Key information of the current Directors, including their dates of appointment, re-appointment and directorships in other listed companies and their principal commitments can be found on pages 14 to 18 of this Annual Report.

				Directorship in other Listed Companies	
Name of Directors	**Position**	**Date of Appointment**	**Date of Re-appointment**	**Present**	**For the Past 3 Years (since 1 January 2021)**
Mr. Lee Yi Shyan	Non-Independent and Non-Executive Chairman	17/07/2017	27/04/2022	OUE REIT Management Pte. Ltd. (the Manager of OUE Real Estate Investment Trust, formerly known as OUE Commercial Real Estate Investment Trust)	OUE Hospitality REIT Management Pte. Ltd. (dissolved through a members' voluntary winding up)
Mr. Tetsuya Fujimoto	Non-Independent and Non- Executive Director	01/04/2022	27/04/2022	-	-
Mr. Yet Kum Meng	Chief Executive Officer and Executive Director	28/02/2019	24/04/2023	-	-
Mr. Abram Melkyzedeck Suhardiman	Non-Independent and Non- Executive Director	02/01/2024	-	TIH Limited (Alternate Director)	Healthway Medical Corporation Limited (delisted from Catalist Board on 8 November 2023)
Mr. Roger Tan Chade Phang	Lead Independent and Non-Executive Director	23/01/2017	24/04/2023	Luminor Financial Holdings Ltd; Y Ventures Group; SIM Vantage Limited; Tritech Group Limited	Dapai International Limited; Transcorp Holdings Limited; TBK & Sons Holdings Limited; Camsing Healthcare Limited; TIH Limited; Revez Corporation Ltd

				Directorship in other Listed Companies	
Name of Directors	**Position**	**Date of Appointment**	**Date of Re-appointment**	**Present (as at 31 March 2024)**	**For the Past 3 Years (since 1 January 2021)**
Mr. Eric Sho Kian Hin	Independent and Non-Executive Director	23/01/2017	27/04/2022	Choo Chiang Holding Ltd; Quantum Healthcare Limited	QT Vascular Ltd; Sim Leisure Group Ltd; Versalink Holdings Limited
Mr. Jackson Tay Eng Kiat	Independent and Non-Executive Director	23/01/2017	24/04/2023	Sapphire Corporation Limited	Sim Leisure Group Ltd
Ms. Usha Ranee Chandradas	Independent and Non-Executive Director	15/11/2021	27/04/2022	OUE REIT Management Pte. Ltd. (the Manager of OUE Real Estate Investment Trust, formerly known as OUE Commercial Real Estate Investment Trust)	-

Excluding their directorships in the Company, the number of listed company board representations currently held by each Non-Executive Director does not exceed four (4).

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

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

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

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

Principle 5: Board performance

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

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

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

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

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

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

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

Based on the NRC's and Board's assessment and review, the performance of the Board as a whole is satisfactory, the Board Committees operate effectively and the Chairman and each Director is contributing to the overall effectiveness of the Board. Accordingly, the Board has met its performance objectives. No external facilitator was used in the evaluation process for the FY2023 under review.

REMUNERATION MATTERS

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

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

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

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

The composition of the NRC can be found on page 84 of the Annual Report. As recommended in the accompanying Practice Guidance of the Code, the NRC comprises all Non-Executive Directors with the majority (including the Chairman) being Independent Directors. The NRC considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, options, benefits-in-kind, short-term incentives like bonuses and termination terms, to ensure they are fair. The recommendations are submitted to the Board for endorsement. The remuneration policies of the Company are structured to attract and retain highly qualified persons, and also take into consideration the Company's overall goal to ensure value creation and the long-term sustainability and success of the Company. No Director is involved in deciding his own remuneration.

For FY2023, the NRC had reviewed the annual compensation framework and the total remuneration packages for the Directors and KMP, the disclosure of remuneration of the KMP for the purposes of the annual report and payment of the Directors' fees for shareholders' approval.

The NRC is entitled to obtain any external professional advice on matters relating to remuneration whenever such need arises at the expense of the Company. For the FY2023 under review, the Company has engaged an independent consultant, Management Resources Consultants (S) Pte. Ltd., to review the remuneration of KMP.

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

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

The NRC has reviewed the total remuneration package of the KMP including the variable component for the FY2023 under review and is satisfied that it is appropriate taking into account the KMP's performance, the Group's performance, business units' performance and industry practices.

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

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

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

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

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

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

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

Disclosure on the Remuneration of Directors, CEO and KMP for FY2023 (Provisions 8.1, 8.2 and 8.3 of the Code)

(a) A breakdown (in percentage terms) showing the level and mix of the remuneration of each Non-Executive Director and the CEO (who is also an Executive Director) payable for FY2023 (including payment made by its subsidiaries, if any):

Name of Director	Salary (%)	Bonuses (%)	Directors' Fees (%)	Others (%)	Total/ Remuneration (%)
S$250,000 or below					
Mr. Lee Yi Shyan	-	-	100	-	100
Mr. Brian Riady (1)	-	-	100	-	100
Mr. Tetsuya Fujimoto	-	-	100	-	100
Mr. Roger Tan Chade Phang	-	-	100	-	100
Mr. Eric Sho Kian Hin	-	-	100	-	100
Mr. Jackson Tay Eng Kiat	-	-	100	-	100
Ms. Usha Ranee Chandradas	-	-	100	-	100
Mr. Abram Melkyzedeck Suhardiman (2)	-	-	-	-	-
S$750,001 – S$1,000,000					
Mr. Yet Kum Meng	52	43	- (3)	5	100

Note:

(1) Mr. Brian Riady resigned from the Board with effect on and from 2 January 2024.

(2) Mr. Abram Melkyzedeck Suhardiman was appointed to the Board with effect on and from 2 January 2024.

(3) Director's fee of Mr. Yet Kum Meng for FY2023 was waived.

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

	Directors' Fees (S$) [(1)]
Mr. Lee Yi Shyan	112,500 [(2)]
Mr. Brian Riady	50,000 [(3)]
Mr. Tetsuya Fujimoto	62,500 [(4)]
Mr. Yet Kum Meng	Nil [(5)]
Mr. Roger Tan Chade Phang	126,250 [(6)]
Mr. Eric Sho Kian Hin	118,750 [(7)]
Mr. Jackson Tay Eng Kiat	81,250 [(8)]
Ms. Usha Ranee Chandradas	68,750 [(9)]

Note:

(1) The framework for determining the Directors' Fees in FY2023 is as follows: (i) S$50,000 for acting as the Chairman of the Board; (ii) S$50,000 for acting as a member of the Board; (iii) S$20,000 for acting as the Lead Independent Director; (iv) S$37,500 for acting as the Chairman of the ARC; (v) S$18,750 for acting as a member of the ARC; (vi) S$25,000 for acting as the Chairman of the NRC; and (vii) S$12,500 for acting as a member of the NRC.

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

(3) The fees payable to Mr. Brian Riady comprise S$50,000 for being a member of the Board.

(4) The fees payable to Mr. Tetsuya Fujimoto comprise S$50,000 for being a member of the Board and S$12,500 for being a member of the NRC.

(5) Director's fee of Mr. Yet Kum Meng for FY2023 was waived.

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

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

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

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

The total proposed payment of Directors' fees for FY2023 will be subject to the approval of shareholders of the Company at its forthcoming AGM.

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

Remuneration for FY2023	Number of Directors (as at 31 December 2023)	Number of KMP [(1)] (who are not also Directors or the CEO) (as at 31 December 2023)
S$250,000 or below	7	-
S$750,001 – S$1,000,000	1	-
Total	8	0

Note:

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

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

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

The Code also recommends companies to provide full disclosure of the name and remuneration (with breakdown) of the top five (5) KMP (who are not Directors or the CEO) within bands of S$250,000 and in aggregate the total remuneration paid to such KMP. The Company takes the view that save for the CEO (who is also an Executive Director), there were no other KMP in the Group during FY2023, as only the CEO (who is also an Executive Director) has the authority and responsibility for planning, directing and controlling the activities of the Company. Accordingly, there is no disclosure of the aggregate total remuneration paid to the top five (5) KMP (who are not Directors or the CEO).

There are no employees who are substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during FY2023.

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

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

Oversight of Risk Management (Provision 9.1 of the Code)

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

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

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

Management's Assurance (Provision 9.2 of the Code)

The Board has received assurance from the CEO and the Group Finance Director (the position of Chief Financial Officer ("**CFO**") is currently vacant) that (a) the financial records have been properly maintained and the financial statements for FY2023 gave a true and fair view of the Group's operations and finances, and (b) the Group's risk management and internal control systems are adequate and effective in identifying and addressing the material risks faced by the Group in its current business environment including financial, operational, compliance and information technology risks. This assurance covers the Company and subsidiaries which are under the Company's management control.

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

Based on the respective work done by the internal audit function and the external auditors as well as the Company's enterprise risk management framework, the assurance given by the CEO and the Group Finance Director (the position of CFO is currently vacant), as well as the ARC's review of the effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems which the Group considers relevant and material to its operations, the Board, with the concurrence of the ARC, is of the opinion that the Group's systems of internal controls and risk management are adequate and effective as at 31 December 2023.

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

Principle 10: Audit Committee

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

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

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

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

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

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

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

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

The ARC conducts scheduled meetings on a quarterly basis and ad-hoc meetings are convened as and when the need arises. The ARC met four (4) times in 2023. The quarterly and full year financial statements of the Group and the Company were reviewed by the ARC during the quarterly meetings, prior to their submission to the Board for approval and adoption. In their review of the financial statements for FY2023, the ARC has discussed with both the Management and the external auditors the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements.

For the FY2023 under review, the ARC met with the external auditors and internal audit staff to review the annual audit plans and the results of the audits performed by them. The ARC also examined the adequacy and effectiveness of the Company's internal controls with the assistance of the internal audit team and the statutory audit conducted by the external auditors. The ARC further assessed the independence and objectivity of the external auditors and the non-audit services rendered by the external auditors.

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

The scope of the internal audit is:

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

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

The Board, with the assistance of the ARC, annually reviews the adequacy and effectiveness of the internal audit function. The Board, with the concurrence of the ARC, is of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 31 December 2023, having considered, amongst others, the size, expertise and process of the internal audit function as set out above. The ARC is satisfied that the internal audit team is independent, effective and adequately resourced and has appropriate standing within the Company.

Meeting with Auditors (Provision 10.5 of the Code)

The ARC has met with the external auditors i.e. Messrs KPMG LLP and the internal audit team without the presence of the Management for the FY2023 under review. The external auditors have also presented to the ARC relevant updates relating to any change of accounting standards which have a direct impact on financial statements before an audit commences.

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

The amount of fees paid to the external auditors i.e. Messrs KPMG LLP in FY2023 was $61,000 for non-audit services (including audit-related services) and $1,000,000 for audit services. The details of the remuneration of all the auditors of the Company during FY2023 are as follows:

	S$000
Audit services	
– Auditors of the Company	1,000
– Member firms of the auditors of the Company	61
– Other auditors	248
Non-audit services	
– Auditors of the Company	61
– Other auditors	61

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

Save for Healthway Medical Corporation Limited and the Singapore-incorporated, non-principal subsidiaries of O2 Healthcare Group Pte. Ltd. which are audited by Ernst & Young LLP and Foo Kon Tan LLP respectively, all the Company's subsidiaries are audited by Messrs KPMG LLP. Messrs KPMG LLP is an auditing firm approved under the Accountants Act 2004 and Ms. Ong Li Qin, being the audit partner-in-charge assigned to the audit, is a public accountant under the same Act. The Board and ARC are satisfied that the appointment of different external auditors would not compromise the standard and effectiveness of the audit of the Company. The Company is in compliance with Rule 712 and Rule 715 (read together with Rule 716) of the Catalist Rules in relation to its external auditors.

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

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

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

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

SHAREHOLDERS RIGHTS AND ENGAGEMENT, MANAGING STAKEHOLDERS RELATIONSHIPS

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

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

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

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

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

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

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

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

Shareholders' Meetings held in 2023

The Company's last AGM held on 24 April 2023 ("**2023 AGM**") was conducted by way of electronic means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and guidelines or directives issued by government agencies or regulatory authorities relating to the conduct of meetings. Shareholders participated in the 2023 AGM via live audio-visual webcast or live audio-only stream and appointed the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2023 AGM. Shareholders were invited to submit questions related to the resolutions tabled for approval at the 2023 AGM to the Chairman of the meeting, in advance of the 2023 AGM. Shareholders were also allowed to deposit their proxy forms and submit their questions in advance by post and electronic mail. All Directors, including the Chairman of the ARC, the Chairman of the NRC, as well as the external auditors also attended the 2023 AGM by way of a live audio-visual webcast. The minutes of 2023 AGM was published on the Company's corporate website and SGXNET within one (1) month after the date of the 2023 AGM.

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

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

Taking into account the Company's financial performance in FY2023 and the need for the Company to deploy resources for the development and growth of the Group's business, no dividend was recommended or declared for FY2023. The Company's decision not to declare a dividend and its reasons for not doing so were announced when the Company released its financial statements for FY2023 on 26 February 2024.

Communication with shareholders (Provision 12.1 of the Code)

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

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

In addition, the Company has sponsored Securities Investors Association Singapore ("**SIAS**") Associate membership to our shareholders in 2023. As a SIAS Associate member, the Company's shareholders will be notified of all the activities of SIAS as well as attend most of SIAS' investor educational programmes for free. In addition, the shareholders would be able to access "members only" events, which will aid them in understanding the investing landscape in Singapore.

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

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

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

The Company understands the importance of maintaining regular engagement with its stakeholders (including creditors) and its stakeholders engagement approach is set out in its Sustainability Report, which can be found in pages 47 to 48 in this Annual Report. Stakeholders who have any questions regarding the Group may submit questions via an enquiry form on the Company's corporate website or contact info@ouehealthcare.com.

DEALING IN SECURITIES (Catalist Rule 1204(19))

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

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

Pre- and Post-Dealing Procedures

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

Handling, Protection and Disclosure of Confidential Information

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

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

MATERIAL CONTRACTS AND LOANS (Catalist Rule 1204(8))

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirmed that except as disclosed in the paragraph on interested person transactions below, and the sections entitled “Directors’ Statement” and “Notes to the Financial Statements” of this Annual Report, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of any Director or controlling shareholder of the Company, either still subsisting at the end of FY2023 or if not then subsisting, which were entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS (Catalist Rule 1204(17))

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

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

The interested person transactions entered into by the Group during FY2023 are set out below:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during FY2023 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Browny Healthcare Pte. Ltd. ("**Browny**"), ITOCHU Singapore Pte Ltd ("**ITOCHU SG**") and ITOCHU Corporation ("**ITOCHU Corp**")	Browny is a controlling shareholder of the Company and is a subsidiary of ITOCHU SG. ITOCHU SG is in turn wholly-owned by ITOCHU Corp.	S$697,000 (1)	-
First REIT Management Limited ("**FRML**")	FRML is an associate of OUE Limited, which is a controlling shareholder of the Company.	S$260,000 (2)	-
O2 Healthcare Group Pte. Ltd. ("**O2HG**")	O2HG is an associate of OUE Limited, which is a controlling shareholder of the Company	S$1,500,000 (3)	-

Notes:

(1) Pursuant to a secondment agreement entered into by the Company with Browny, ITOCHU SG and ITOCHU Corp dated 15 February 2018 (as supplemented by way of a supplemental letter dated 21 March 2021), Browny, ITOCHU SG and/or ITOCHU Corp have the right to second up to two (2) employees to the Company. Pursuant to the secondment agreement and related documentation, the Company is obliged to make remuneration-related payments either directly to the seconded employees and/or in the form of secondment fees payable to ITOCHU SG. In total, the sum of the payments made by the Company pursuant to these secondment arrangements in FY2023 is S$697,000.

(2) On 31 March 2023, the Company's indirect wholly-owned subsidiary, OLH (FTZ) Pte. Ltd., completed the disposal of 100% of the issued and paid-up share capital of FRM Japan Management Co., Ltd. ("**FRJM**") to FRML in its personal capacity, for a total consideration of S$260,000, paid wholly in cash (the "**FRJM Transaction**"). The consideration was arrived at on a willing-buyer, willing-seller basis following arm's length negotiations between the parties and took into account the net asset value of FRJM of S$260,000 as of 31 March 2023. Following completion of the FRJM Transaction, FRJM has become a wholly-owned subsidiary of FRML. FRML is in turn 60% owned by OUE Limited and 40% owned by the Company. Accordingly, FRJM has ceased to be a subsidiary of the Company and has become an associated company of the Company.

(3) On 28 June 2023, O2HG accepted a letter of offer for a S$1,500,000 uncommitted revolving credit facility ("**RCF**") with RHB Bank Berhad, Singapore Branch ("**RHB**"). In respect of the RCF, the Company provided a corporate guarantee of S$1,500,000 in favour of RHB.

NON-SPONSOR FEES (Catalist Rule 1204(21))

In FY2023, no non-sponsor fee was paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

(a) the financial statements set out on pages 109 to 227 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

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

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

Directors

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

Lee Yi Shyan	
Tetsuya Fujimoto	
Yet Kum Meng	
Abram Melkyzedeck Suhardiman	(Appointed on 2 January 2024)
Roger Tan Chade Phang	
Eric Sho Kian Hin	
Jackson Tay Eng Kiat	
Usha Ranee Chandradas	
Brian Riady	(Resigned on 2 January 2024)

Directors' interests

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

There were no changes in the interests in the Company between the end of the financial year and 21 January 2024.

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

Share options

During the financial year, there were:

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

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

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

Audit and Risk Committee

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

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

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

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

The Audit and Risk Committee also reviewed the following:

- annual audit plans and scope of work of the internal and external auditors;

- results of the internal and external audit procedures;

- evaluation of the Group's internal accounting control system;

- assistance provided by the Company's officers to the internal auditors and external auditors;

- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

- interested person transactions, as defined in Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalist).

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

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

In appointing our auditors for the Company, subsidiaries, and significant associated companies, we have complied with Rules 712 and 715 (to be read together with Rule 716) of the SGX-ST Listing Manual (Section B: Rules of Catalist).

Auditors

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

On behalf of the Board of Directors

Lee Yi Shyan
Director

Yet Kum Meng
Director

28 March 2024

INDEPENDENT AUDITORS' REPORT

Members of the Company
OUE Healthcare Limited
(formerly known as OUE Lippo Healthcare Limited)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of OUE Healthcare Limited (formerly known as OUE Lippo Healthcare Limited) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 109 to 227.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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

Risk

As at 31 December 2023, the Group has a portfolio of investment properties in Singapore, Indonesia and Japan, and investment properties under development in the People's Republic of China ("PRC") and Malaysia, with a total carrying value of $1,188.0 million.

These investment properties and investment properties under development are stated at fair value based on independent external valuations.

The valuation process involves significant judgement in determining the valuation method to be used and estimating the underlying assumptions to be applied. The valuations are sensitive to the key assumptions applied and a change in assumptions can have a significant impact to the valuation.

Our response

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

We considered the valuation methodologies used, which included the discounted cash flow method, income capitalisation method and comparison method, against those applied for similar property types.

We involved our internal valuation specialists in the assessment of valuation method used and certain key assumptions of investment properties in Indonesia and Japan and investment property under development in the PRC.

For the investment property under development in the PRC, we evaluated management's determination of the estimated total construction costs against available market data and held discussions with management to understand the rationale and key assumptions made in the current proposed development plans.

Our findings

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

The valuation methods used by the valuers were comparable to methods used for similar property types and key assumptions were generally within range of comparable market data.

Impairment assessment of non-financial assets
(Refer to note 6 and 10 to the financial statements)

Risk

The Group has significant amount of non-financial assets including:

(1) Goodwill of $30.7 million (2022: $30.8 million)
(2) Investments in associates and joint ventures $130.9 million (2022: $70.6 million)

Goodwill requires at least an annual mandatory impairment testing. Equity accounted investments are tested for impairment when there are indicators of impairment that the carrying amount may not be recoverable.

For the purpose of impairment testing, the recoverable amount of the cash generating unit ("CGU") is determined based on the value-in-use calculations, using cash flow projections.

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

Our response

We evaluated the identification of CGUs within the Group against the requirements of the accounting standards.

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

We reviewed the basis and methodology adopted to arrive at the recoverable amounts of the CGUs.

We assessed the key assumptions used in the cash flow projections, namely sales growth rates, profit margins, discount rates and terminal growth rates by comparing the Group's assumptions against historical trends, recent performances and corroborated certain information with externally derived data where available.

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

Our findings

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

On Riviera Quad and CMJV, we found management's assessment using annuity growth formula to compute the terminal value to be more appropriate than using the exit multiple approach as the CGU has a finite operating period and the current EBITDA multiples may not reflect the market conditions in the 8th year.

We found the key assumptions and estimates except for the terminal growth rate, used in determining the recoverable amount for Myanmar Group, Riviera Quad and CMJV to be within a supportable range. Based on our stress test on terminal growth rates, no impairment was noted for Myanmar Group and Riviera Quad and CMJV.

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

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
OUE Healthcare Limited
(formerly known as OUE Lippo Healthcare Limited)

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

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

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

Report on other legal and regulatory requirements

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

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 March 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

		Group		Company	
		2023	**2022**	**2023**	**2022**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
ASSETS					
Property, plant and equipment	5	8,794	8,201	747	248
Intangible assets and goodwill	6	30,722	30,785	–	–
Investment properties	7	1,139,468	1,145,343	–	–
Investment properties under development	8	48,493	52,283	–	–
Subsidiaries	9	–	–	*	*
Associate and joint ventures	10	130,885	70,550	23,607	23,607
Other investment	11	2,648	2,817	–	–
Trade and other receivables	12	3,223	3,358	305,816	58,872
Derivative financial instruments	13	–	1,248	–	–
Non-current assets		1,364,233	1,314,585	330,170	82,727
Inventories	14	855	774	–	–
Trade and other receivables	12	22,834	20,350	14,737	259,295
Derivative financial instruments	13	560	–	–	–
Cash and cash equivalents	15	59,618	66,877	2,863	9,648
Current assets		83,867	88,001	17,600	268,943
Total assets		1,448,100	1,402,586	347,770	351,670
EQUITY					
Share capital	16	418,913	418,913	418,913	418,913
Convertible perpetual securities	17	79,635	79,635	79,635	79,635
Capital reserve	18	4,285	4,203	–	–
Asset revaluation reserve	18	3,630	3,630	–	–
Foreign currency translation reserve	18	(50,445)	(39,517)	–	–
Fair value reserve	18	(25,703)	(25,920)	–	–
Accumulated losses		(136,119)	(142,210)	(218,532)	(206,811)
Equity attributable to owners of the Company		294,196	298,734	280,016	291,737
Non-controlling interests	19	461,816	459,289	–	–
Total equity		756,012	758,023	280,016	291,737

* Less than $1,000

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

		Group		Company	
		2023	**2022**	**2023**	**2022**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
LIABILITIES					
Loans and borrowings	20	517,306	449,614	11,875	–
Trade and other payables	21	18,557	29,023	–	–
Lease liabilities	22	2,210	1,252	292	–
Deferred tax liabilities	23	50,477	51,772	–	–
Derivative financial instruments	13	259	–	–	–
Non-current liabilities		588,809	531,661	12,167	–
Loans and borrowings	20	31,346	52,933	30,000	30,189
Trade and other payables	21	46,455	35,895	5,098	9,020
Provisions	24	20,199	20,724	20,199	20,724
Lease liabilities	22	1,683	1,024	284	–
Current tax liabilities		3,569	1,832	6	–
Derivative financial instruments	13	27	494	–	–
Current liabilities		103,279	112,902	55,587	59,933
Total liabilities		692,088	644,563	67,754	59,933
Total equity and liabilities		1,448,100	1,402,586	347,770	351,670

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Revenue	25	159,315	119,796
Cost of sales		(37,585)	(18,187)
Gross profit		121,730	101,609
Administrative expenses		(30,881)	(24,344)
Other income/(expenses), net	26	11,563	(6,140)
Results from operating activities		102,412	71,125
Finance income		701	456
Finance costs		(30,287)	(20,373)
Net finance costs	27	(29,586)	(19,917)
Share of results of equity-accounted investees (net of tax)		1,692	(1,473)
Profit before tax	28	74,518	49,735
Tax expense	29	(17,008)	(17,239)
Profit after tax for the year		57,510	32,496
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences relating to foreign operations		(22,183)	(82,476)
Share of foreign currency translation differences of equity-accounted investees		(1,769)	(5,886)
Items that will not be reclassified to profit or loss			
Share of fair value reserve of equity-accounted investees		387	(3,123)
Net change in fair value - equity investment at FVOCI		(170)	–
Other comprehensive income, net of tax		(23,735)	(91,485)
Total comprehensive income for the year		33,775	(58,989)
Profit attributable to:			
Owners of the Company		8,049	4,392
Non-controlling interests		49,461	28,104
		57,510	32,496
Total comprehensive income attributable to:			
Owners of the Company		(2,580)	(36,087)
Non-controlling interests		36,355	(22,902)
		33,775	(58,989)
Earnings per share			
Basic earnings per share (cents)	30	0.18	0.10
Diluted earnings per share (cents)	30	0.11	0.06

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

		Attributable to owners of the Company									
	Note	Share capital $'000	Convertible perpetual securities $'000	Capital reserve $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2023											
At 1 January 2023		418,913	79,635	4,203	3,630	(39,517)	(25,920)	(142,210)	298,734	459,289	758,023
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	8,049	8,049	49,461	57,510
Other comprehensive income											
Foreign currency translation differences relating to foreign operations		–	–	82	–	(9,159)	–	–	(9,077)	(13,106)	(22,183)
Share of foreign currency translation differences of equity-accounted investees		–	–	–	–	(1,769)	–	–	(1,769)	–	(1,769)
Share of fair value reserve of equity-accounted investees		–	–	–	–	–	387	–	387	–	387
Net change in fair value – equity investment at FVOCI		–	–	–	–	–	(170)	–	(170)	–	(170)
Total other comprehensive income, net of tax		–	–	82	–	(10,928)	217	–	(10,629)	(13,106)	(23,735)
Total comprehensive income for the year		–	–	82	–	(10,928)	217	8,049	(2,580)	36,355	33,775
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Distribution to perpetual securities holders by a subsidiary	19	–	–	–	–	–	–	–	–	(1,656)	(1,656)
Distribution to unitholders and dividends paid to shareholders by subsidiaries	19	–	–	–	–	–	–	–	–	(34,130)	(34,130)
Total contributions by and distributions to owners		–	–	–	–	–	–	–	–	(35,786)	(35,786)
Changes in ownership interest in subsidiaries											
Changes in ownership interests in subsidiaries without a change in control	37(b)	–	–	–	–	–	–	(1,958)	(1,958)	1,958	–
Total changes in ownership interests in subsidiaries		–	–	–	–	–	–	(1,958)	(1,958)	1,958	–
Total transactions with owners		–	–	–	–	–	–	(1,958)	(1,958)	(33,828)	(35,786)
At 31 December 2023		418,913	79,635	4,285	3,630	(50,445)	(25,703)	(136,119)	294,196	461,816	756,012

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Note	Attributable to owners of the Company									
		Share capital	Convertible perpetual securities	Capital reserve	Asset revaluation reserve	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2022											
At 1 January 2022		418,913	79,635	–	3,630	(6,791)	(22,797)	(147,967)	324,623	(429)	324,194
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	4,392	4,392	28,104	32,496
Other comprehensive income											
Foreign currency translation differences relating to foreign operations		–	–	–	–	(31,470)	–	–	(31,470)	(51,006)	(82,476)
Share of foreign currency translation differences of equity-accounted investees		–	–	–	–	(5,886)	–	–	(5,886)	–	(5,886)
Share of fair value reserve of equity-accounted investees		–	–	–	–	–	(3,123)	–	(3,123)	–	(3,123)
Total other comprehensive income, net of tax		–	–	–	–	(37,356)	(3,123)	–	(40,479)	(51,006)	(91,485)
Total comprehensive income for the year		–	–	–	–	(37,356)	(3,123)	4,392	(36,087)	(22,902)	(58,989)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Perpetual securities redemption, distribution and gain on redemption, net transaction costs by a subsidiary	19	–	–	–	–	–	–	2,593	2,593	(21,715)	(19,122)
Distribution to perpetual securities holders by a subsidiary	19	–	–	–	–	–	–	–	–	(1,481)	(1,481)
Distribution to unitholders by a subsidiary	19	–	–	–	–	–	–	–	–	(24,059)	(24,059)
Total contributions by and distributions to owners		–	–	–	–	–	–	2,593	2,593	(47,255)	(44,662)
Changes in ownership interest in subsidiaries											
Changes in ownership interests in subsidiaries without a change in control	37(b)	–	–	–	–	–	–	(1,228)	(1,228)	1,228	–
Disposal of subsidiaries to non-controlling interests without a change in control	37(a)	–	–	4,203	–	4,630	–	–	8,833	92,190	101,023
Capital contribution from a fellow subsidiary		–	–	–	–	–	–	–	–	400	400
Acquisition of a subsidiary with perpetual securities holders	31(a)	–	–	–	–	–	–	–	–	59,651	59,651
Acquisition of subsidiaries with non-controlling interest	31	–	–	–	–	–	–	–	–	376,406	376,406
Total changes in ownership interests in subsidiaries		–	–	4,203	–	4,630	–	(1,228)	7,605	529,875	537,480
Total transactions with owners		–	–	4,203	–	4,630	–	1,365	10,198	482,620	492,818
At 31 December 2022		418,913	79,635	4,203	3,630	(39,517)	(25,920)	(142,210)	298,734	459,289	758,023

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Profit after tax		57,510	32,496
Adjustments for:			
Depreciation of property, plant and equipment	5	2,155	1,496
Net fair value (gains)/losses on investment properties	7	(10,834)	8,692
Fair value losses on investment properties under development	8	948	1,429
Net fair value losses of derivative financial instruments		477	420
Property, plant and equipment written-off		2	5
Adjustment on rental straight-lining	7	(15,189)	(16,358)
Impairment losses on property, plant and equipment	5	589	–
Interest income	27	(701)	(456)
Interest expense	27	26,546	19,271
Net gain from the First REIT transaction	31(a)	–	(3,144)
Losses on disposal of quoted shares		7	30
Loss on disposal of a subsidiary	32	–	713
Reversal of provision for site restoration	24	–	(910)
Share of results of equity-accounted investees, net of tax		(1,692)	1,473
Manager's management fees settled in units		4,468	3,980
Trade and other receivables written off	28	455	127
Trade and other payable written back		(1,705)	–
Tax expense	29	17,008	17,239
		80,044	66,503
Changes in:			
- Inventories		(81)	(478)
- Trade and other receivables		(2,718)	24,406
- Trade and other payables		1,186	(26,333)
Cash generated from operations		78,431	64,098
Tax paid		(12,908)	(12,479)
Net cash from operating activities		65,523	51,619

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Cash flows from investing activities			
Acquisition of equity-accounted investees	10	(57,120)	–
Acquisition of investment properties	7	–	(31,061)
Acquisition of other investment	11	–	(2,817)
Acquisition of subsidiaries, net of cash acquired	31(b)	–	(18,639)
Capital contribution in equity-accounted investees	10	(2,904)	(4,901)
Capital contribution from a fellow subsidiary		–	400
Capital expenditures to investment properties	7	(4,923)	(4,278)
Dividends from an equity-accounted investee		–	2,830
Investment in quoted shares		(117)	(383)
Disposals of quoted shares		110	492
Net cash inflow from the First REIT transaction	31(a)	–	58,484
Net cash inflow from disposal of a subsidiary	32	246	37,954
Repayment of loan from joint venture		–	3,000
Repayment of advance to joint venture partner		1,800	2,310
Interest received		540	413
Purchase of property, plant and equipment		(477)	(610)
Net cash (used in)/from investing activities		(62,845)	43,194
Cash flows from financing activities			
Proceeds from borrowings	20	191,118	379,271
Repayment of borrowings	20	(136,262)	(387,968)
Payment of lease liabilities	20, 22	(1,866)	(1,066)
Proceeds from settlement of derivative financial instruments		4	–
Loan from a fellow subsidiary	35	–	8,000
Perpetual securities redemption, distribution and gain on redemption, net transaction cost by a subsidiary	19	–	(19,122)
Distribution to perpetual securities holders by a subsidiary	19	(1,656)	(1,481)
Distribution to unitholders and dividends paid to shareholders by subsidiaries	19	(34,130)	(24,059)
Payment of transaction costs related to loans and borrowings	20	(3,778)	(7,176)
Interest paid	20	(21,523)	(14,328)
Net cash used in financing activities		(8,093)	(67,929)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Net (decrease)/increase in cash and cash equivalents		(5,415)	26,884
Cash and cash equivalents at beginning of financial year		66,877	43,823
Effect of exchange rate fluctuations on cash and cash equivalents		(1,844)	(3,830)
Cash and cash equivalents at end of financial year	15	59,618	66,877

Significant non-cash transactions

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

For the period from 1 January 2023 to 31 December 2023, 7,439,255 units in First Real Estate Investment Trust ("First REIT"), amounting to approximately $1,835,000 were issued to the Manager, First REIT Management Limited ("FRML") as satisfaction of the base management fee paid to the Manager. The performance management fees for the period from 1 January 2023 to 31 December 2023, 10,096,541 units, amounting to approximately $2,633,000 will be issued to the Manager in financial year 2024 based on 10 days volume weighted average price as at 31 December 2023.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 March 2024.

1. DOMICILE AND ACTIVITIES

OUE Healthcare Limited (formerly known as OUE Lippo Healthcare Limited) (the “Company”) is a company incorporated in Singapore. The address of the Company’s registered office is at 6 Shenton Way, #10-10, OUE Downtown, Singapore 068809.

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

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interests in equity-accounted investees.

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

2. GOING CONCERN

The Group reported a net profit of $57,510,000 (2022: $32,496,000) for the year ended 31 December 2023.

As at 31 December 2023, the Group’s net current liabilities amounted to $19,412,000 (2022: $24,901,000).

Notwithstanding the Group’s net current liability position as at 31 December 2023, the financial statements have been prepared on a going concern basis because management, having assessed the sources of liquidity and funding available to the Group, believes that the Group can continue as a going concern for the foreseeable future. These include unutilised loan facilities of $15 million, the projected net operating cash inflows for the next 12 months and available cash reserves as at 31 December 2023 to finance the Group’s working capital and day-to-day operation requirements.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

3.2 Basis of measurement

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

3. BASIS OF PREPARATION (CONT'D)

3.3 Functional and presentation currency

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

3.4 Use of estimates and judgements

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

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

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

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

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

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

3. BASIS OF PREPARATION (CONT'D)

3.4 Use of estimates and judgements (cont'd)

Measurement of fair values

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

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

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

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

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

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

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

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

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

3. BASIS OF PREPARATION (CONT'D)

3.5 Changes in material accounting policies

New accounting standards and amendments

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

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

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

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

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

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

The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of SFRS(I) 1-12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Group relates to the disclosure of the deferred tax assets and labilities recognised (note 23).

Global minimum top-up tax

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

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

3. BASIS OF PREPARATION (CONT'D)

3.5 Changes in material accounting policies (cont'd)

New accounting standards and amendments (cont'd)

Material accounting policy information

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

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

Management reviewed the accounting policies and made updates to the information disclosed in note 4 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

4. MATERIAL ACCOUNTING POLICIES

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

In addition, the Group adopted the Amendments to SFRS(I)1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in note 4 in certain instances (note 3.5 for further information).

4.1 Basis of consolidation

(i) Business combinations

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

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

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

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

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

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

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

(ii) Subsidiaries

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

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

(iii) Acquisitions from entities under common control

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(iv) Loss of control

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

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

Associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of the entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

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

(vi) Transactions eliminated on consolidation

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

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

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

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

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

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

(ii) Foreign operations

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

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

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

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

Financial assets at amortised cost

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

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

Equity investments at FVOCI

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

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

Non-derivative financial assets (cont'd)

Financial assets at FVTPL

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

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

Financial assets: Business model assessment

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

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

The business models of the Group are as follows:

Held for trading

The Group holds a portfolio of listed equity securities, interest rate swaps, interest rate caps, and forward exchange contracts for the purposes of trading.

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

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

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

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

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

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

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

Equity investments at FVOCI

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

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

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

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

(iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

Interest rate benchmark reform

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

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

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

(iv) Offsetting

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

(v) Cash and cash equivalents

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

(vi) Derivative financial instruments

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

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

(vii) Share capital

Ordinary shares

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

(viii) Convertible perpetual securities

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

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

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.3 Financial instruments (cont'd)

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

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

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

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

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

4.4 Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

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

(ii) Subsequent costs

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.4 Property, plant and equipment (cont'd)

(iii) Depreciation

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

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

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

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

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

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

4.5 Intangible assets and goodwill

Goodwill

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

Subsequent measurement

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.6 Investment properties and investment properties under development

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

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

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

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

4.7 Leases

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

As a lessee

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

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

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.7 Leases (cont'd)

As a lessee (cont'd)

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

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

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

As a lessor

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

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.7 Leases (cont'd)

As a lessor (cont'd)

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

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

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

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

4.8 Impairment

(i) Non-derivative financial assets

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

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

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

Simplified approach

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

General approach

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

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.8 Impairment (cont'd)

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

General approach (cont'd)

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

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

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

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 12 months past due.

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.8 Impairment (cont'd)

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

Presentation of allowance for ECLs in the statement of financial position

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

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

Write-off

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

(ii) Non-financial assets

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

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

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

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

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.8 Impairment (cont'd)

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

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

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in associate or joint ventures is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

4.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.10 Revenue recognition

(i) Goods and services sold

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

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual stand-alone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

(ii) Rental income from operating leases

Rental income received under operating leases is recognised as "revenue" on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of the benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received.

(iii) Rendering of services

Revenue from hospital and other healthcare services is recognised in the period in which the services are rendered.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.11 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities; and
- amortisation of transaction cost.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.12 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.12 Tax (cont'd)

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associate and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

4.13 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effect of all dilutive potential ordinary shares, which comprise redeemable convertible perpetual bonds.

4.14 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (the "Group CEO") (the chief operating decision maker) of the Company to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment properties, investment properties under development and intangible assets other than goodwill.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

4.15 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The Group and the Company are currently still assessing the potential impact of adopting these new standards and interpretations on the financial statements of the Group and the Company.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Right-of-use assets $'000	Buildings $'000	Office renovation, furniture, fixtures and equipment $'000	Medical equipment $'000	Motor vehicles $'000	Leasehold property under development $'000	Total $'000
Group								
Cost								
At 1 January 2022		9,187	2,296	1,894	3,940	337	36,714	54,368
Additions		578	–	581	15	14	–	1,188
Acquisition of subsidiaries	31	1,664	–	195	137	–	–	1,996
Derecognition of right-of-use assets		(1,864)	–	–	–	–	–	(1,864)
Write off		–	–	(351)	–	–	–	(351)
Effect of movements in exchange rates		(749)	(234)	(133)	(374)	(33)	(4,052)	(5,575)
At 31 December 2022		8,816	2,062	2,186	3,718	318	32,662	49,762
At 1 January 2023		8,816	2,062	2,186	3,718	318	32,662	49,762
Additions		3,162	–	440	37	–	–	3,639
Disposal of a subsidiary	32(a)	(120)	–	(28)	–	–	–	(148)
Write off		–	–	(112)	–	–	–	(112)
Effect of movements in exchange rates		(274)	(86)	(58)	(138)	(13)	(1,491)	(2,060)
At 31 December 2023		11,584	1,976	2,428	3,617	305	31,171	51,081

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Note	Right-of-use assets $'000	Buildings $'000	Office renovation, furniture, fixtures and equipment $'000	Medical equipment $'000	Motor vehicles $'000	Leasehold property under development $'000	Total $'000
Group								
Accumulated depreciation and impairment losses								
At 1 January 2022		3,092	1,307	1,598	3,860	337	36,714	46,908
Depreciation charge for the year		1,023	263	172	36	2	–	1,496
Derecognition of right-of-use assets		(1,603)	–	–	–	–	–	(1,603)
Write off		–	–	(346)	–	–	–	(346)
Effect of movements in exchange rates		(196)	(137)	(107)	(368)	(34)	(4,052)	(4,894)
At 31 December 2022		2,316	1,433	1,317	3,528	305	32,662	41,561
At 1 January 2023		2,316	1,433	1,317	3,528	305	32,662	41,561
Depreciation charge for the year		1,697	62	329	58	9	–	2,155
Impairment losses		589	–	–	–	–	–	589
Disposal of a subsidiary	32(a)	(65)	–	(8)	–	–	–	(73)
Write off		–	–	(110)	–	–	–	(110)
Effect of movements in exchange rates		(90)	(61)	(44)	(136)	(13)	(1,491)	(1,835)
At 31 December 2023		4,447	1,434	1,484	3,450	301	31,171	42,287
Carrying amounts								
At 1 January 2022		6,095	989	296	80	–	–	7,460
At 31 December 2022		6,500	629	869	190	13	–	8,201
At 31 December 2023		7,137	542	944	167	4	–	8,794

As at 31 December 2023, property, plant and equipment of the Group with carrying amounts of $542,000 (2022: $629,000) are mortgaged to banks to secure the related borrowings (note 20(e)(i)).

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Right-of-use assets $'000	Office renovation, furniture, fixtures and equipment $'000	Total $'000
Company			
Cost			
At 1 January 2022	1,409	459	1,868
Additions	–	249	249
Derecognition of right-of-use assets	(1,409)	–	(1,409)
Write off	–	(347)	(347)
At 31 December 2022	–	361	361
At 1 January 2023	–	361	361
Additions	839	30	869
Write off	–	(83)	(83)
At 31 December 2023	839	308	1,147
Accumulated depreciation			
At 1 January 2022	1,016	399	1,415
Depreciation	262	55	317
Derecognition of right-of-use assets	(1,278)	–	(1,278)
Write off	–	(341)	(341)
At 31 December 2022	–	113	113
At 1 January 2023	–	113	113
Depreciation	280	88	368
Write off	–	(81)	(81)
At 31 December 2023	280	120	400
Carrying amounts			
At 1 January 2022	393	60	453
At 31 December 2022	–	248	248
At 31 December 2023	559	188	747

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

		Group		Company	
		2023	**2022**	**2023**	**2022**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Ownership interests in leasehold land held for own use, carried at depreciated cost	(i)	3,521	4,311	–	–
Other properties leased for own use, carried at depreciated cost	(ii)	3,616	2,189	559	–
		7,137	6,500	559	–

(i) Ownership interests in leasehold land held for own use

The Group holds a piece of leasehold land in the Republic of China ("PRC"), where its hospital is located. The leases expire in 2055. The Group is the registered owner of the property interests. Lump sum payments were made upfront to acquire these property interests from the PRC government authorities, and there is no ongoing payments to be made under the terms of the land lease.

(ii) Other properties leased for own use

The Group and the Company have obtained the right to use other properties as their offices through tenancy agreements.

Impairment test for property, plant and equipment

The Group reviews the carrying amounts of the assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. When considering impairment indicators, the Group considers both internal (e.g. adverse changes in operating and financial performance of the assets) and external sources (e.g. adverse changes in the business environment). If an indicator of impairment is noted, further management estimate is required to determine the amount of impairment, if any. The recoverable amount of the Group's property, plant and equipment was determined based on the higher of fair value less costs to sell and value-in-use calculation.

Determining the value-in-use of property, plant and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment losses could have a material adverse impact on the Group's financial condition and results of operations.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment test for property, plant and equipment (cont'd)

Ownership interests in leasehold land held for own use

The Group has engaged an independent valuer to estimate the value-in-use of the ownership interests in leasehold land based on the discounted cash flow method. During the year, an impairment loss of $589,000 (2022: $nil) was recognised to write down the carrying amount of the ownership interests in leasehold land held for own use to the estimated recoverable amount, as a result of higher budgeted renovation costs.

Leasehold property under development (Chengdu land)

Since prior years, the Chengdu land was fully impaired based on management's assessment of the status of the land, discussions with the relevant authority and the legal advice obtained in relation to the Group's contractual obligations.

As at 31 December 2023, the Group continues to carry the Chengdu land at $nil. There were no further development and no changes to management's assessment in 2023.

6. INTANGIBLE ASSETS AND GOODWILL

	Note	Goodwill $'000	Medical distribution licences $'000	Total $'000
Group				
Cost				
At 1 January 2022		5,354	1,108	6,462
Acquisition of subsidiaries	31(b)	27,754	–	27,754
Effect of movements in exchange rates		(159)	–	(159)
At 31 December 2022		32,949	1,108	34,057
At 1 January 2023		32,949	1,108	34,057
Effect of movements in exchange rates		(78)	–	(78)
At 31 December 2023		32,871	1,108	33,979
Accumulated amortisation and impairment losses				
At 1 January 2022		2,288	1,108	3,396
Effect of movements in exchange rates		(124)	–	(124)
At 31 December 2022		2,164	1,108	3,272
At 1 January 2023		2,164	1,108	3,272
Effect of movements in exchange rates		(15)	–	(15)
At 31 December 2023		2,149	1,108	3,257
Carrying amounts				
At 1 January 2022		3,066	–	3,066
At 31 December 2022		30,785	–	30,785
At 31 December 2023		30,722	–	30,722

6. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment test for goodwill

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

	Group 2023 $'000	Group 2022 $'000
Brainy World Holdings Limited ("BWH") and its joint ventures	2,968	3,031
Echo Healthcare Management Pte Ltd ("ECHM") and its subsidiaries	27,754	27,754
	30,722	30,785

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

BWH

In 2018, the Group acquired 100% equity interests in BWH, a limited company incorporated in the British Virgin Islands. BWH is an investment holding company which owns 50% equity interest in a joint venture company, China Merchants Lippo Hospital Management (Shenzhen) Limited ("CMJV") (note 10). The acquisition provides the Group with the opportunity to establish a strategic partnership with China Merchants Shekou Industrial Zone Holdings Co., Ltd, a member of China Merchants Group ("CMG") for expanding its healthcare business across PRC.

The recoverable amount is determined based on value-in-use calculation using a discounted cash flow projection covering a 8-year period (2022: 9-year period), including construction period of nil year (2022: 1 year). Management considers the 8-year operating period (2022: 8-year operating period) used in discounted cash flow is appropriate considering the investment cycle of the healthcare industry. In determining the terminal value, management considered the following approaches:

(i) exit EBITDA multiple based on the CGU's earnings before interest, taxes, depreciation and amortisation ("EBITDA") in the eighth financial year; and

(ii) annuity growth formula based on the CGU's fifteenth year net cash flows forecast

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately $24,318,000 (2022: $23,691,000). The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

6. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

BWH (CONT'D)

	2023 %	2022 %
Key assumptions used for value-in-use calculations:		
Revenue growth rate[1]	1st to 3rd year: 59.2 4th to 8th year: 24.4	2nd to 4th year: 59.2 5th to 9th year: 24.4
EBITDA margin[2]	1st year: (24) 2nd to 8th year: 8 to 29	2nd year: (16) 3rd to 9th year: 1 to 29
Discount rate[3]	11.2	11.0
Enterprise value[4]	16.4 times	18.0 times
Terminal growth rates[5]	2.7	–

1 Weighted average growth rate used to forecast cash flows
2 Earnings before interest, tax, depreciation and amortisation expenses ("EBITDA") as a percentage of the revenue
3 Pre-tax discount rate applied to the pre-tax cash flow projections, based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 0% (2022: 82%) at a market interest rate of 4.2% (2022: 4.35%)
4 Enterprise value determined based on multiples of EBITDA from the 8th year's (2022: 9th year's) cash flow projection
5 Terminal growth rate to determine terminal value from the 8th year's cash flow projection

The following table shows the amount by which the assumption would need to change for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount	
	2023	2022
Group		
Revenue growth rate	(6.0%)	(10.1%)
EBITDA margin	(6.8%)	(6.6%)
Discount rate	4.7%	3.7%
Enterprise value	(5.3) times	(5.4) times
Terminal growth rate	(2.3%)	–

6. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

ECHM

On 30 June 2022, the Group, via its 60% owned subsidiary, Echo Healthcare Management Pte. Ltd. ("ECHM"), acquired 60% interest in O2 Healthcare Group Ltd. (formerly known as Echo Healthcare Services Pte. Ltd. ("O2HG"). Upon completion of the transaction, O2HG owns 60% of equity interest in 2 respiratory specialist practices and a thoracic and cardiovascular surgical practice (note 31(b)) ("O2 Group Acquisition").

Goodwill of $27,754,000 arising from the O2 Group Acquisition was determined on a Purchase Price Allocation ("PPA") exercise.

The recoverable amount is determined based on value-in-use calculation using a discounted cash flow projection based on financial budgets and forecasts approved by the management. The cash flow projections of 5 years are based on management's assessment of future trends and actual operating results. The estimated recoverable amount of the CGU exceeded its carrying amount by approximately $22,434,000 (2022:$12,649,000). The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

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

1 Forecasted revenue annual growth for 2023 is higher due to a lower starting base revenue, which took into account the actual revenue for 2022 and the revenue from new doctors who joined in late 2022 and early 2023.

2 Earnings before interest, tax, depreciation and amortisation expenses ("EBITDA") as a percentage of the revenue.

3 Pre-tax discount rate applied to the pre-tax cash flow projections, based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 7% at a market interest rate of 4.7% (2022: 4.8%)

4 Terminal growth rate to determine terminal value from the 5th year's cash flow projection.

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

7. INVESTMENT PROPERTIES

		Group	
		2023	2022
	Note	$'000	$'000
At 1 January		1,145,343	290,556
Capital expenditures		4,923	4,278
Acquisition of investment properties[(a)]		–	31,061
Acquisition of a subsidiary	31(a)	–	955,235
Net fair value gains/(losses) recognised in profit or loss	26	10,834	(8,692)
Adjustment on rental straight-lining		15,189	16,358
Disposal of a subsidiary	32 (b)	–	(40,438)
Effect of movements in exchange rates		(36,821)	(103,015)
At 31 December		1,139,468	1,145,343

(a) In 2022, the Group has acquired two Japan nursing homes, Medical Rehabilitation Home Bon Sejour Komaki and Loyal Residence Ayase, for a total consideration of JPY 2,580,000,000 (approximately $27,606,000), with a total acquisition cost capitalised amounting to $3,455,000.

Rental income recognised by the Group during 2023 was $108,568,000 (2022: $98,065,000) and was included in "revenue" (note 25). Property operating expense during 2023 was $3,234,000 (2022: $2,513,000) and was included in "cost of sales".

As at 31 December 2023, investment properties of the Group with carrying amounts of $832,726,000 (2022: $811,667,000) were pledged as security for related borrowings (notes 20 (f) and (g)).

7. INVESTMENT PROPERTIES (CONT'D)

As at 31 December 2023, the details of investment properties held by the Group are set out below:

Investment Property	Tenure	Principal activity	Location
Japan			
Hikari Heights Varus Fujino	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Ishiyama	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Kotoni	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Makomanai-Koen	Freehold	Skilled nursing facility	Hokkaido, Japan
Hikari Heights Varus Tsukisamu-Koen	Freehold	Skilled nursing facility	Hokkaido, Japan
Varus Cuore Yamanote	Freehold	Skilled nursing facility	Hokkaido, Japan
Varus Cuore Sapporo-Kita & Varus Cuore Sapporo-Kita Annex	Freehold	Skilled nursing facility	Hokkaido, Japan
Elysion Gakuenmae	Freehold	Skilled nursing facility	Nara, Japan
Elysion Mamigaoka & Elysion Mamigaoka Annex	Freehold	Skilled nursing facility	Nara, Japan
Orchard Amanohashidate	Freehold	Skilled nursing facility	Kyoto, Japan
Orchard Kaichi North	Freehold	Skilled nursing facility	Nagano, Japan
Orchard Kaichi West	Freehold	Skilled nursing facility	Nagano, Japan
Medical Rehabilitation Home Bon Sejour Komaki	Freehold	Skilled nursing facility	Aichi, Japan
Loyal Residence Ayase	Freehold	Skilled nursing facility	Kanagawa, Japan
Singapore			
Pacific Healthcare Nursing Home	Leasehold	Skilled nursing facility	Bukit Merah, Singapore
Pacific Healthcare Nursing Home II	Leasehold	Skilled nursing facility	Bukit Panjang, Singapore
The Lentor Residence	Leasehold	Skilled nursing facility	Lentor Avenue, Singapore
Indonesia			
Siloam Hospitals Lippo Village	Leasehold	Hospital	Banten, Indonesia
Siloam Hospitals Kebon Jeruk	Leasehold	Hospital	West Jakarta, Indonesia
Imperial Aryaduta Hotel & Country Club	Leasehold	Hotel & Country Club	Banten, Indonesia
Mochtar Riady Comprehensive Cancer Centre	Leasehold	Hospital	Central Jakarta, Indonesia
Siloam Hospitals Lippo Cikarang	Leasehold	Hospital	Bekasi, Indonesia
Siloam Hospitals Manado	Leasehold	Hospital	North Sulawesi, Indonesia
Hotel Aryaduta Manado	Leasehold	Hotel	North Sulawesi, Indonesia
Siloam Hospitals Makassar	Leasehold	Hospital	South Sulawesi, Indonesia
Siloam Hospitals Bali	Leasehold	Hospital	Bali, Indonesia
Siloam Hospitals TB Simatupang	Leasehold	Hospital	South Jakarta, Indonesia
Siloam Hospitals Purwakarta	Leasehold	Hospital	West Java, Indonesia
Siloam Sriwijaya	Leasehold	Hospital	South Sumatra, Indonesia
Siloam Hospitals Kupang	Leasehold	Hospital	East Nusa Tenggara, Indonesia
Lippo Plaza Kupang	Leasehold	Mall	East Nusa Tenggara, Indonesia
Siloam Hospitals Labuan Bajo	Leasehold	Hospital	East Nusa Tenggara, Indonesia
Siloam Hospitals Baubau[1]	Leasehold	Hospital	Sulawesi Tenggara, Indonesia
Lippo Plaza Baubau[1]	Leasehold	Mall	Sulawesi Tenggara, Indonesia
Siloam Hospitals Yogyakarta	Leasehold	Hospital	Yogyakarta, Indonesia

(1) Formerly known as Siloam Hospitals Buton & Lippo Plaza Buton

7. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value

Fair value hierarchy

The fair value of investment properties were determined by external valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. External valuers appraise the fair value of the Group's investment property portfolio every year.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value as at the reporting date, the external valuers have adopted a combination of valuation methods, including discounted cash flow and direct comparison method (2022: discounted cash flow, income capitalisation and direct comparison method). The valuation methods involve certain estimates including those relating to discount rate, terminal capitalisation rate, and price per square metre (2022: discount rate, terminal capitalisation rate, capitalisation rate, and price per square metre). The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations.

The fair value measurement of all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

7. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table shows the valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs			Inter-relationship between key unobservable inputs and fair value measurement
	Singapore	**Indonesia**	**Japan**	
Discounted cash flow method: The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return consistent with current market requirements to arrive at the market value.	Discount rate: 8.8% (2022: 8.8%)	Discount rate: Restructured properties[2]: 12.3% to 13.8% (2022: 12.3% to 13.5%) Non-restructured properties[3]: 9.0% to 9.3% (2022: 9.8% to 10.5%)	Discount rate: 4.0% to 4.7% (2022: 4.0% to 5.0%)	The higher the discount rate, the lower the fair value.
	Terminal capitalisation rate[1]: Not applicable (2022: Not applicable)	Terminal capitalisation rate[4]: Restructured properties[2]: 8.5% to 10.6% (2022: 8.6% to 10.4%) Non-restructured properties[3]: 9.2% (2022:9.7% to 10.1%)	Terminal capitalisation rate: 4.3% to 5.0% (2022: 4.3% to 5.3%)	The higher the terminal capitalisation rate, the lower the fair value.
Income capitalisation method: The income capitalisation method capitalises an income stream into a present value using single-year capitalisation rates.	Capitalisation rates: Not applicable (2022: 6.8% to 7.0%)	Not applicable (2022: Not applicable)	Not applicable (2022: Not applicable)	The higher the capitalisation rate, the lower the fair value.
Direct comparison method: The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sales price to those reflective of the investment properties under development.	Not applicable (2022: Not applicable)	Price per square metre ("psm"): $525 (2022: $506)	Not applicable (2022: Not applicable)	The estimated fair value would increase (decrease) if price psm was higher (lower).

7. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value(cont'd)

Valuation techniques and inputs used in Level 3 fair value measurements (cont'd)

1 The direct discounting analysis is applied in 2023 and 2022 with the cashflow period projected until the end of the leasehold term of respective properties. No terminal capitalisation rate was applied for all properties located in Singapore as the land together with buildings are expected to be returned to the government upon the expiration of the term of the leasehold land.

2 The restructured Indonesia properties comprise Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Mochtar Riady Comprehensive Cancer Centre, Siloam Hospitals Manado (excluding Hotel Aryaduta Manado), Siloam Hospitals Makassar, Siloam Hospitals Bali, Siloam Hospitals TB Simatupang, Siloam Hospitals Purwakarta, Siloam Sriwijaya, Siloam Hospitals Kupang (excluding Lippo Plaza Kupang), Siloam Hospitals Labuan Bajo, Siloam Hospitals Baubau (formerly known as Siloam Hospitals Buton) (excluding Lippo Plaza Baubau, formerly known as Lippo Plaza Buton) and Siloam Hospitals Yogyakarta.

3 The non-restructured Indonesia properties comprise Imperial Aryaduta Hotel & Country Club, Siloam Hospitals Lippo Cikarang, Hotel Aryaduta Manado (excluding Siloam Hospitals Manado), Lippo Plaza Kupang (excluding Siloam Hospitals Kupang) and Lippo Plaza Baubau (formerly known as Lippo Plaza Buton)(excluding Siloam Hospitals Baubau, formerly known as Siloam Hospital Buton).

4 No terminal capitalisation rate was used for the valuation of Siloam Sriwijaya, Siloam Hospitals Kupang & Lippo Plaza Kupang and Siloam Hospitals Baubau & Lippo Plaza Baubau (formerly known as Siloam Hospital Buton & Lippo Plaza Buton) whose respective agreements with the provincial governments only allow for a fixed lease period each. Therefore, direct discounting analysis is applied.

8. INVESTMENT PROPERTIES UNDER DEVELOPMENT

		Group	
		2023	2022
	Note	$'000	$'000
At 1 January		52,283	57,691
Fair value losses recognised in profit or loss	26	(948)	(1,429)
Effect of movements in exchange rates		(2,842)	(3,979)
At 31 December		48,493	52,283

The details of investment properties under development held by the Group are set out below:

Description	Unexpired term of leasehold land As at 31 December 2023
Land – Wuxi land, PRC	32 years
Land – Kuala Lumpur, Malaysia	84 years

An investment property under development with carrying amount of $36,634,000 (2022: $38,976,000) is mortgaged to secure bank borrowings (note 20(e)(ii)).

Changes in fair values are recognised as gains or losses in profit or loss and included within "other income/(expenses), net" in the consolidated statement of comprehensive income. All gains or losses are unrealised.

Classification of investment properties under development

The classification of the land as owner-occupied property or investment property is a matter of judgement, involving consideration of the purpose and usage of the land, and future development plans. Portion of land to be redeveloped for future rental or capital appreciations are held as investment properties under development while portion of land to be redeveloped for own use are held as property, plant and equipment. The relevant portion of the land continue to be classified as investment properties under development based on management's assessment of the above factors.

8. INVESTMENT PROPERTIES UNDER DEVELOPMENT (CONT'D)

Fair value hierarchy

The fair value of investment properties under development were determined annually by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement of all of the investment properties under development of $48,493,000 (2022: $52,283,000) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

For the land in Kuala Lumpur, the fair value was determined by an independent valuer using the comparison method, taking into consideration the economic conditions, market expectations and property market outlook in Malaysia. Management assessed that there was no change to the fair value as at 31 December 2023.

For the land in Wuxi, the PRC, the fair value was determined by an independent valuer using the discounted cash flow method, and assumptions made by management in relation to the plot ratio, hospital license, gross development value, entrepreneur profit and risk. As at 31 December 2023, management assessment that there were fair value losses of $948,000 for the valuation of the land.

8. INVESTMENT PROPERTIES UNDER DEVELOPMENT (CONT'D)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table shows the valuation techniques used in measuring the fair value of investment properties under development as well as the significant unobservable inputs used:

Valuation techniques	Key inputs		Inter-relationship between key inputs and fair value measurement
	Malaysia	**PRC**	
Comparison method: The comparison method involves the analysis of comparable sales of similar properties and adjusting the sales price to those reflective of the investment properties under development.	Price per square metre ("psm"): $7,755 (2022: $8,251)	Not applicable	The estimated fair value would increase (decrease) if price psm was higher (lower).
Discounted cash flow method: The discounted cash flow method involves the estimation of construction costs and other relevant costs to complete the proposed development as of valuation date assuming satisfactory completion and projection of an income stream over a period after completion. Development costs and the income stream were discounted with an internal rate of return to arrive at the market value.	Not applicable	Discount rate: 15.0% (2022: 15.0%) Terminal capitalisation rate: 13.0% (2022: 13.0%) Plot ratio: 2.0 (2022: 2.0) Net operating profit margin: 23.0% to 28.0% (2022: 20.0% to 32.0%) Construction costs psm: $1,472 (2022: $1,501)	The estimated fair value would increase (decrease) if: ● Discount rate was lower (higher); ● Termination capitalisation rate was lower (higher); ● Projected income stream was higher (lower); ● Estimated total construction cost was lower (higher).

8. INVESTMENT PROPERTIES UNDER DEVELOPMENT (CONT'D)

The valuation of the PRC property included critical assumptions made by management as follows:

(1) Development plan

The valuation of the Wuxi land is dependent on management's proposed development plan, which took into consideration the current market conditions and demand for healthcare services. As at 31 December 2023 and 2022, management's intention is to build specialist centre and hospital based on the existing approved plot ratio of 2, which require class 2 hospital license. Any changes to the current proposed development plan will significantly affect the valuation of the Wuxi land.

(2) Construction costs

In arriving at the average construction cost for Wuxi land for 2023 and 2022, management has relied on construction cost furnished by Savills Real Estate Valuation (Guangzhou) Ltd ("Savills Guangzhou"), an independent global property consultant.

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

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

9. SUBSIDIARIES

	Company 2023 $'000	Company 2022 $'000
Equity investments at cost	14,808	98,423
Less: Allowance for impairment loss	(14,808)	(14,808)
Less: Divestment of Japan subsidiaries	–	(83,615)
	*	*
Loan to a subsidiary	14,883	14,883
Corporate guarantees issued for subsidiaries' borrowings	3,843	4,320
Less: Allowance for doubtful receivables	(18,726)	(18,726)
Less: Divestment of Japan subsidiaries	–	(477)
	–	–
Total subsidiaries	*	*

* Less than $1,000

Loan to a subsidiary is unsecured, interest-free and have no fixed term of repayment. The settlement of the loan is neither planned nor likely to occur in the foreseeable future and hence the loan is classified as non-current.

Allowance for impairment loss on investments in subsidiaries

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. This assessment takes into account the assumptions about future business outlook, operational and financial cash flows of the investee companies. The recoverable amount is determined based on the higher of fair value less costs to sell and value-in-use calculations by management, on cash generating unit ("CGU") basis.

The recoverable amounts of the subsidiaries were based on the fair value less cost to sell estimated taking into consideration the fair value of the underlying assets of the companies and the liabilities to be settled. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

As at 31 December 2023, there were no indications of impairment or reversal of previously recognised impairment loss for its subsidiaries.

Movement in allowance for impairment losses were as follows:

	Company 2023 $'000	Company 2022 $'000
At 1 January	14,808	33,322
Utilisation of impairment losses	–	(18,514)
At 31 December	14,808	14,808

9. SUBSIDIARIES (CONT'D)

The Group's significant subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Group 2023 %	2022 %
Held by the Company				
OUELH Japan Medical Facilities Pte. Ltd. [(a)] *	Investment holding	Singapore	**	**
OUELH Japan Medical Assets Pte. Ltd.[(a)]	Investment holding	Singapore	**	**
Held by subsidiaries				
OLH Healthcare Investments Pte. Ltd. [(a)]	Investment holding	Singapore	100	100
OUELH Seasons Residences Sdn. Bhd. [(b)]	Property investment	Malaysia	100	100
OUELH Japan First TMK [(c)]	Property investment	Japan	**	**
Healthkind Medical Holding Co., Ltd. [(d)]	Property investment	PRC	100	100
First Real Estate Investment Trust ("First REIT") [(a) (f) (h)]	Property investment	Singapore	32.6	32.9
Echo Healthcare Management Pte. Ltd. ("ECHM") [(a)]	Investment holding	Singapore	60.0	60.0
Held by First REIT				
OUELH Japan Medical Facilities Pte. Ltd. [(a)] *	Investment holding	Singapore	32.6	32.9
OUELH Japan Medical Assets Pte. Ltd.[(a)]	Investment holding	Singapore	32.6	32.9
OUELH Japan First TMK [(c)]	Property investment	Japan	51.0*	51.0*
Held by ECHM				
O2 Healthcare Group Pte. Ltd. (formerly known as Echo Healthcare Services Pte. Ltd.) ("O2HG") [(a)(g)]	Investment holding	Singapore	36.0	36.0
Held by O2HG				
Breathing Heart Pte. Ltd. ("BH") [(e)(g)]	Specialised medical services	Singapore	21.6	21.6
RMA Global Pte. Ltd. ("RMA") [(e)(g)]	Investment holding	Singapore	21.6	21.6
The Respiratory Practice (Farrer) Pte. Ltd. ("TRPF") [(e)(g)]	Clinic and other general medical services	Singapore	21.6	21.6

9. SUBSIDIARIES (CONT'D)

(a) audited by KPMG LLP, Singapore

(b) audited by Roger Yue, Tan & Associates, Malaysia

(c) audited by KPMG AZSA LLC, Tokyo

(d) not required to be audited under the laws of the country of incorporation

(e) audited by Foo Kon Tan LLP, Singapore

(f) On completion of the acquisition of First REIT on 1 March 2022 (note 31(a)), the Group directly holds 33.1% equity interest in First REIT. In accordance with SFRS(I) 3 *Consolidated Financial Statements*, management has performed control assessment in respect of its interest in First REIT. Based on the assessment, management has determined that the Group has control over First REIT from 1 March 2022, on the basis that the Group has de-facto power over First REIT. The Group's effective interests in First REIT, including the First REIT units held by the Group's joint venture, First REIT Management Limited ("FRML"), increased from 19.4% on 31 December 2021 to 36.4% on 1 March 2022. The Group's overall exposure to variable returns, both from FRML's remuneration and the interests in First REIT, is significant.

(g) The acquisition of subsidiaries held by O2HG (i.e. RMA, TRPF and RMA) was completed on 30 June 2022 (note 31(b)).

(h) A number of First REIT's share units are secured against bank borrowings (note 20(e)(iv) and (j)).

* OUELH Japan Medical Facilities Pte. Ltd. owns directly and indirectly 100% of the preferred shares in OUELH Japan First TMK. OUELH Japan Medical Facilities Pte. Ltd. and OUELH Japan One ISH as common shareholders of OUELH Japan First TMK have waived their rights to receive the economic benefits of OUELH Japan First TMK. Under Japanese laws, as the common shareholders have waived their rights to receive economic benefits of OUELH Japan First TMK, OUELH Japan Medical Facilities Pte. Ltd. is entitled to the full economic benefits of OUELH Japan First TMK via its direct and indirect ownership of 100% of the preferred shares in OUELH Japan First TMK, notwithstanding that OUELH Japan Medical Facilities Pte. Ltd. does not have full beneficial ownership of OUELH Japan First TMK.

** In 2022, the Company's 100% direct shareholding in OUELH Japan Medical Facilities Pte. Ltd. and OUELH Japan Medical Assets Pte. Ltd. was transferred to its subsidiary, First REIT, on completion of the acquisition of First REIT (note 31(a)).

KPMG LLP are the auditors of all significant Singapore-incorporated subsidiaries except RMA, TRPF and BH which are audited by Foo Kon Tan LLP. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

10. ASSOCIATE AND JOINT VENTURES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Interest in an associate	57,072	–	–	–
Interests in joint ventures	82,948	79,685	40,553	40,553
Less: Allowance for impairment loss	(9,135)	(9,135)	(16,946)	(16,946)
	130,885	70,550	23,607	23,607

An associated company or joint venture is considered significant as defined under the Singapore Exchange Limited Listing Manual if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits. The Group's associate and a joint venture met the definition of significant associate and joint venture.

Associate

The Group has one (2022: one) associate that was equity accounted, as follows:

	Healthway Medical Corporation Limited ("HMC")*
Nature of relationship with the Group	Medical services which included family medicine clinic, dentistry, healthcare benefit management and investment in strategic medical related business and specialist healthcare in Singapore.
Principal place of business/ Country of incorporation	Singapore
Ownership interest	Acquired on 26 October 2023. Effective interest as at 31 December 2023 is 26.2%
Fair value of ownership interest	Not applicable

* Ernst & Young LLP is the auditor of the Singapore-incorporated associate.

On 26 October 2023, the Group completed the share acquisition of 26.2% interest in Healthway Medical Corporation Limited, for a total consideration of $57,120,000.

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

The following summarises the financial information of HMC and First REIT Group based on its (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	HMC 26 October to 31 December 2023 $'000	First REIT 1 January to 28 February 2022* $'000
Revenue	29,503	15,882
Profit from continuing operations	22	3,534
OCI	–	(7,767)
Total comprehensive income	22	(4,233)
Attributable to investee's shareholders / Unitholders of Trust	203	(4,716)
Attributable to NCI / Perpetual securities holders	(181)	483
Non-current assets	245,013	955,261
Current assets	54,920	91,580
Non-current liabilities	(34,586)	(20,427)
Current liabilities	(44,073)	(390,038)
Net assets	221,274	636,376
Attributable to investee's shareholders / Unitholders of Trust	217,500	576,725
Attributable to NCI / Perpetual securities holders	3,774	59,651
Group's share of net assets attributable to First REIT Unitholders of Trust (2022:15.3%)	–	88,411
Goodwill and transaction costs	–	8,100
Carrying amount of interest in investee at end of the period	–	96,511
Group's interest in net assets of investee at beginning of the year	–	98,391
Group's share of:		
- profit from continuing operations	(48)	544
- OCI	–	(794)
- total comprehensive income	(48)	(250)
Dividends received during the year	–	(1,630)
Group's contribution during the year	57,120	–
Carrying amount of interest in investee at end of the period	57,072	96,511

* On 1 March 2022, the Group's equity interest in First REIT increased from 15.3% to 33.1% and the associate became a subsidiary from that date (note 31(a)). Accordingly, the information presented in the above table includes the results of the associate for the two months period from 1 January 2022 to 28 February 2022.

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

HMC

The Group has engaged an external expert to perform a purchase price allocation ("PPA") exercise for the acquisition. The Group's share of the 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 consideration transferred and the proportionate share of the fair value of net assets of HMC as at the date of acquisition:

	HMC 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 a provisional goodwill arising from acquisition of equity interest in HMC of $39,400,000.

Joint ventures

Details of the joint ventures as at 31 December are as follows:

Name of joint ventures	Country of incorporation	Effective ownership interest 2023 %	2022 %
First REIT Management Limited ("FRML")	Singapore	40	40
Yoma OUE Pun Hlaing Limited ("YOPH") #	Myanmar	40	40
Pun Hlaing International Hospital Limited ("PHIH") #	Myanmar	35	35
China Merchants Lippo Hospital Management (Shenzhen) Limited ("CMJV")	PRC	50	50
Riviera Quad International Limited ("Riviera Quad")	PRC	50	50
Subsidiaries held by CMJV			
Changshu China Merchants Lippo O&G Hospital Limited	PRC	50	50
Shenzhen China Merchants Lippo Prince Bay Hospital	PRC	50	50
Changshu Aibaoyuan Maternal and Child Health Management Co., Ltd.	PRC	50	–
Subsidiary held by Riviera Quad			
Le Kang Assets (Shenzhen) Co. Ltd.	PRC	50	50

The Group owns 40% economic interests in YOPH and PHIH (collectively known as the "Myanmar Group"), in which 5% economic interests in PHIH is held via Deed of Assignment. The Myanmar Group is held by an indirect wholly-owned subsidiary, OUELH Investments (MM) Pte. Ltd., of the Company.

The Company has provided corporate guarantees totaling RMB222,500,000 (approximately $41,229,000) (2022: RMB222,500,000 (approximately $42,965,000)) representing 50% of the loan facilities taken up by its joint ventures in PRC.

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

The following table summarises the financial information of joint ventures of the Group based on their financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	FRML		Myanmar Group		CMJV Group		Riviera Quad Group	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	14,527	14,543	46,747	38,237	2,275	2,149	18	–
Profit/(Loss) from continuing operations	7,696	9,259	3,685	705	(5,342)	(2,173)	(78)	(69)
OCI	968	(7,807)	–	–	–	–	–	–
Total comprehensive income	8,664	1,452	3,685	705	(5,342)	(2,173)	(78)	(69)
Attributable to NCI	–	–	308	137	–	–	–	–
Attributable to investees' shareholders	8,664	1,452	3,377	568	(5,342)	(2,173)	(78)	(69)
Non-current assets	85,723	79,456	46,965	44,555	17,519	12,572	98,792	86,013
Current assets	10,374	10,307	18,569	14,630	11,227	8,759	3,662	2,900
Non-current liabilities	(447)	58	(1,024)	(8,156)	(15,800)	(9,736)	(32,418)	(19,202)
Current liabilities	(8,737)	(11,538)	(32,585)	(23,618)	(5,608)	(4,219)	(23,272)	(20,372)
Net assets	86,913	78,283	31,925	27,411	7,338	7,376	46,764	49,339
Attributable to NCI	–	–	1,933	1,542	–	–	–	–
Attributable to investees' shareholders	86,913	78,283	29,992	25,869	7,338	7,376	46,764	49,339
Group's interest in net assets of investee at beginning of the year	31,313	31,932	10,760	18,330	4,077	(57)	24,400	27,115
Group's share of								
- profit/(loss) from continuing operations	3,078	3,704	1,351	383	(2,650)	(1,072)	(39)	(32)
- OCI	388	(3,123)	–	–	–	–	–	–
- total comprehensive income	3,466	581	1,351	383	(2,650)	(1,072)	(39)	(32)
Dividends received during the year	–	(1,200)	–	–	–	–	–	–
Impairment loss	–	–	–	(5,000)	–	–	–	–
Group's contribution during the year	–	–	–	–	2,904	4,901	–	–
Translation adjustments	(14)	–	(114)	(2,953)	(662)	305	(979)	(2,683)
Carrying amount of interest in investee at end of the year	34,765	31,313	11,997	10,760	3,669	4,077	23,382	24,400

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

Recoverable amount of interests in associate and joint ventures

At each reporting date, the Group assesses whether the investments are impaired. This assessment takes into account the assumptions about future business outlook, operational and financial cash flows of the investee companies. The Group determined the recoverable amount of its cash generating units based on the higher of fair value less costs to sell and value-in-use.

Based on the Group's assessment, there are indications of possible impairment for its joint ventures, CMJV Group, Riviera Quad Group and the Myanmar Group at the reporting date.

CMJV and Riviera Quad are joint ventures with members of China Merchants Group. For the purpose of impairment testing, these joint ventures and its subsidiaries are identified as one CGU together with the BWH goodwill (note 6).

As at 31 December 2023, the value-in-use calculation use discounted cash flow projections based on financial projections prepared by management covering a 5-year period (2022: 5-year) for the Myanmar Group and 8-year period for CMJV and Riviera Quad Group.

The key assumptions used in the estimation of the recoverable amount are set out below, except for CMJV and Riviera Quad Group (note 6). The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

	Myanmar Group	
	2023	**2022**
	%	**%**
Key assumptions used for value-in-use calculations:		
Revenue growth rate[1]	12.6	17.0
EBITDA margin[2]	22.0	19.0
Discount rate[3]	33.7	31.1
Terminal growth rate[4]	6.5	6.5

1 Weighted average growth rate used to forecast revenue.

2 Earnings before interest, tax, depreciation and amortisation expenses ("EBITDA") as a percentage of the revenue

3 Pre-tax discount rate was applied to the pre-tax cash flow projections of Myanmar Group, based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 20.0% (2022: 20.0%) at a market interest rate of 14.7% (2022: 14.7%) for Myanmar Group.

4 Terminal growth rate to determine terminal value from the 5th year's cash flow projection.

10. ASSOCIATE AND JOINT VENTURES (CONT'D)

Allowance for impairment loss on interests in associate and joint ventures

There was no impairment loss for Myanmar Group as at 31 December 2023. As actual results tracked expectations, management is of view that there will be no change to the impairment charge made in the prior years.

As at 31 December 2022, based on the assessment of recoverable amounts of the associate and joint ventures described above, an impairment loss of $5,000,000 on the Myanmar Group was recognised in profit or loss, in "share of results of equity-accounted investees, net of tax". Following the impairment loss recognised in the Myanmar Group, the recoverable amounts approximate the carrying amounts, and any adverse movement in a key assumption may lead to further impairment loss.

Movement in allowance for impairment loss was as follows:

		Group		Company	
	Note	**2023**	**2022**	**2023**	**2022**
		$'000	**$'000**	**$'000**	**$'000**
At 1 January		9,135	16,389	16,946	16,946
Impairment loss		–	5,000	–	–
Disposal of an associate	31(a)	–	(12,254)	–	–
At 31 December		9,135	9,135	16,946	16,946

Following the impairment loss recognised on the Myanmar Group in prior years, the recoverable amount is approximately equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to a further impairment on Myanmar Group.

11. OTHER INVESTMENT

	Group	
	2023	**2022**
	$'000	**$'000**
Non-current investments		
Equity investments – at FVOCI	2,648	2,817

Equity investment designated as at FVOCI

The Group designated the investments shown below as equity investments as at FVOCI because theses equity investment represent investment that the Group intends to hold for the long-term for strategic purposes.

11. OTHER INVESTMENT (CONT'D)

	Fair value at 31 December 2023 $'000	Dividend income recognised during 2023 $'000	Fair value at 31 December 2022 $'000	Dividend income recognised during 2022 $'000
Group				
Investment in Centaur Health Holdings, Inc	2,648	–	2,817	–

No strategic investment was disposed of during 2023 and 2022, and there was no transfer of any cumulative gain or loss within equity relating to these investments.

Market risks, and fair value measurement

Information about the Group's exposures to market risks, and fair value measurement, is included in note 34.

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade receivables	15,677	10,196	–	–
Other receivables:				
- due from a non-controlling shareholder of certain subsidiaries	7,665	8,874	5,237	5,332
- lease receivable	157	–	–	–
- others	2,508	2,219	727	763
Amount due from a third party	487	674	487	674
Amounts due from subsidiaries	–	–	505,061	495,478
Advance to a joint venture partner	–	1,800	–	–
Loans to joint ventures	5,405	5,592	–	–
	31,899	29,355	511,512	502,247
Less: Impairment losses	(7,665)	(7,785)	(191,861)	(184,395)
	24,234	21,570	319,651	317,852
Deposits	564	767	78	146
	24,798	22,337	319,729	317,998
Prepayments	1,259	1,371	824	169
Total trade and other receivables	26,057	23,708	320,553	318,167
Non-current	3,223	3,358	305,816	58,872
Current	22,834	20,350	14,737	259,295
	26,057	23,708	320,553	318,167

12. TRADE AND OTHER RECEIVABLES (CONT'D)

Amounts due from a non-controlling shareholder of certain subsidiaries, subsidiaries and loans to joint ventures are unsecured, interest-free and repayable on demand. Impairment losses recognised on amount due from a non-controlling shareholder of certain subsidiaries was $7,665,000 (2022: $7,785,000).

Amount due from a third party is unsecured, interest-bearing at 5% per annum and repayable in 2023 to 2025. The non-current and current portion of the amount due from a third party was $408,000 and $79,000 respectively (2022: $461,000 and $213,000 respectively).

Advance to a joint venture partner is unsecured, interest-bearing at 6% (2022: 6%) per annum and the loan was fully repaid on 10 April 2023.

The non-current portion of the loans to joint ventures of $2,779,000 (2022: $2,897,000) is unsecured, interest-free and repayment is not expected within the next twelve months.

The lease receivable is unsecured, interest-bearing at 5.2% per annum and repayable in 2025. The non-current and current portion of the lease receivable was $36,000 and $121,000 respectively.

The non-current amounts due from subsidiaries relate to balances for which settlement is neither planned nor likely to occur in the foreseeable future.

Movement in allowance for impairment losses in respect of other receivables during the year were as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance at 1 January	7,785	7,889	184,395	159,286
Reversal of impairment losses	–	–	–	(168)
Impairment losses recognised	–	–	7,562	25,400
Effect of movements in exchange rates	(120)	(104)	(96)	(123)
Balance at 31 December	7,665	7,785	191,861	184,395

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	Notional amounts 2023 $'000	Fair value 2023 $'000	Notional amounts 2022 $'000	Fair value 2022 $'000
Non-current				
Derivative assets				
Interest rate swaps	–	–	85,000	176
Interest rate caps	–	–	90,000	1,072
	–	–	175,000	1,248
Derivative liabilities				
Interest rate swaps	42,500	259	–	–
Current				
Derivative assets				
Interest rate caps	90,000	411	–	–
Forward exchange contracts	17,000	149	–	–
	107,000	560	–	–
Derivative liabilities				
Interest rate swaps	42,500	13	–	–
Forward exchange contracts	4,000	14	15,000	494
	46,500	27	15,000	494

Interest rate swaps and interest rate caps

The Group uses interest rate swaps and interest rate caps to manage the interest rate risk exposures arising from the bank loans with floating rates. The fair values of the derivatives are measured based on the quote from financial institutions (Level 2). Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Forward exchange contracts

The Group entered into forward exchange contracts to manage the foreign currency exposures arising from future IDR and JPY cash flows.

14. INVENTORIES

	Group	
	2023	2022
	$'000	$'000
Pharmacy supplies	113	92
Medical and surgical supplies	742	682
	855	774

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $9,044,000 (2022: $5,302,000).

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash on hand and at banks	45,798	54,736	2,863	9,648
Time deposits with financial institutions	13,820	12,141	–	–
	59,618	66,877	2,863	9,648

Bank balances of $10,750,000 (2022: $18,978,000) are included as part of the floating charge to third parties for borrowings of the Group (notes 20(c), (d), (e)(ii) and (h)). This amount is included as part of cash and cash equivalents as the utilisation of these bank balances is not restricted.

Bank balances of $12,820,000 (2022: $12,141,000) and interest reserve account of $1,421,000 (2022: $nil) are included as part of deposits with banks to meet the requirement of the borrowings of the Group and the Company (notes 20(f), (g) and (j)). This amount is included as part of cash and cash equivalents as the utilisation of these bank balances is not restricted.

Significant restrictions

Cash and bank balances of $384,000 (2022: $456,000) in the Group are held in the PRC and are subject to local exchange control regulations. The conversion of these RMB-denominated balances into foreign currencies is subject to the foreign exchange rules and regulations promulgated by the PRC government.

16. SHARE CAPITAL

	2023 No. of ordinary shares '000	2023 Share capital $'000	2022 No. of ordinary shares '000	2022 Share capital $'000
Company				
At beginning and end of the year	4,443,129	418,913	4,443,129	418,913

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued ordinary shares are fully paid, with no par value. All shares rank equally with regard to the Company's residual assets.

17. CONVERTIBLE PERPETUAL SECURITIES

On 23 February 2021, the Company entered into a conversion agreement with Treasure International Holdings Pte. Ltd. ("TIHPL"). TIHPL is a wholly-owned subsidiary of OUE Limited ("OUE"). OUE is a controlling shareholder of the Company.

The convertible perpetual securities do not have a maturity date and distribution is at the discretion of the Company. The convertible perpetual securities can be converted into ordinary shares of the Company at a conversion price of $0.07 per ordinary shares, assuming no adjustments (for anti-dilution) to the conversion price are made, at the option of TIHPL on or after 31 August 2026.

As the Company does not have a contractual obligation to repay the principal nor make any distributions, the convertible perpetual securities are classified as equity. Any distributions made are directly debited from equity.

Significant judgements and assumptions are used in management's assessment of the accounting for the extinguishment of the shareholder loan and the fair value of the convertible perpetual securities.

17. CONVERTIBLE PERPETUAL SECURITIES (CONT'D)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table shows the valuation techniques used in measuring the fair value of the convertible perpetual securities, as well as the significant unobservable inputs and key assumptions used, at issuance date of 16 March 2021:

Valuation techniques	Key unobservable inputs and assumptions	Inter-relationship between key unobservable inputs and fair value measurement
Present value of coupon payments prior to conversion and conversion value: The valuation method involves the analysis of the Company's projected dividend and coupon payments, conversion date, and conversion value based on the Company's traded share price on value date, adjusted to reflect contractual restrictions of the Convertible Perpetual Securities.	Discount for lack of marketability: 30% Coupon and dividend*: Nil Discount rate on coupon: 9.8%	The estimated fair value would increase (decrease) if: • Discount rate was lower (higher); • Coupon increase (decrease); • Dividend decrease (increase)

* The value assigned to the key assumptions represent management's assessment of future trends and have been based on historical data derived from both external and internal sources.

The fair value of the convertible perpetual securities is sensitive to changes to the discount for lack of marketability and projected coupon/dividend payments used in the calculations. The following changes in assumptions would have resulted in a significant increase in the fair value of convertible perpetual securities at issue date, holding other assumptions constant:

	2021 $'000
Change in key assumptions used for convertible perpetual securities calculations:	
A 4% coupon payment from year 6 to year 10 (dividend: nil)	12,800
A 4% coupon payment from year 6 to year 10 (dividend: 4%)	8,700
A decrease in discount for lack of marketability by 5%	5,688

18. RESERVES

Capital reserve

The capital reserve recorded on the change of ownership interest in Japan subsidiaries without a change in control:

	Note	2023 $'000	2022 $'000
At 1 January		4,203	–
Increase in equity attributable to owners of the Company	37	–	8,833
NCI's share of foreign currency translation reserve		–	(4,630)
Foreign currency translation differences relating to foreign operations		82	–
At 31 December		4,285	4,203

Asset revaluation reserve

Asset revaluation reserve represents the revaluation surplus recognised in property, plant and equipment.

Foreign currency translation reserve

The foreign currency translation reserve comprises:

(a) exchange differences arising from the translation of financial statements of foreign operations;

(b) share of currency translation reserve of foreign equity-accounted investees; and

(c) exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

Fair value reserve

The fair value reserve represents the share of fair value reserve of an equity-accounted investee arising from the cumulative net change in the fair value of the quoted equity investments until the investments are derecognised or impaired.

19. NON-CONTROLLING INTERESTS

The following subsidiaries have NCI that are material to the Group:

Name of subsidiaries	Country of incorporation	Ownership interest held by the NCI 2023 %	2022 %
First Real Estate Investment Trust ("First REIT")	Singapore	67.4	67.1
O2 Group			
Echo Healthcare Management Pte. Ltd.	Singapore	40.0	40.0
O2 Healthcare Group Pte. Ltd. (formerly known as Echo Healthcare Services Pte. Ltd.)	Singapore	64.0	64.0
Breathing Heart Pte. Ltd.	Singapore	78.4	78.4
RMA Global Pte. Ltd.	Singapore	78.4	78.4
The Respiratory Practice (Farrer) Pte. Ltd.	Singapore	78.4	78.4

The following summarised financial information of the Group's subsidiaries with material NCI, based on consolidated financial statement prepared in accordance with SFRS(1), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	First REIT $'000	O2 Group $'000	Immaterial subsidiaries $'000	Total $'000
31 December 2023				
Revenue	108,568	45,108		
Profit after tax	63,339	8,156		
Other comprehensive income	(19,531)	–		
Total comprehensive income	43,808	8,156		
Attributable to NCI:				
- Profit/(Loss) for the year	43,155	6,640	(334)	49,461
- Other comprehensive income	(13,141)	–	35	(13,106)
- **Total comprehensive income**	30,014	6,640	(299)	36,355
Non-current assets	1,139,469	30,551		
Current assets	47,862	22,952		
Non-current liabilities	(509,474)	(9,480)		
Current liabilities	(17,691)	(35,830)		
Net assets	660,166	8,193		
Net assets attributable to NCI**	456,914	5,841	(939)	461,816
Cash flows from operating activities	69,955	12,110		
Cash flows used in investing activities	(4,623)	(71)		
Cash flows used in financing activities	(69,260)	(5,284)		
Net (decrease)/increase in cash and cash equivalents	(3,928)	6,755		

19. NON-CONTROLLING INTERESTS (CONT'D)

	First REIT* $'000	O2 Group* $'000	Immaterial subsidiaries $'000	Total $'000
31 December 2022				
Revenue	95,393	16,972		
Profit after tax	37,907	2,542		
Other comprehensive income	(84,186)	–		
Total comprehensive income	(46,279)	2,542		
Attributable to NCI:				
- Profit/(Loss) for the year	26,068	2,307	(271)	28,104
- Other comprehensive income	(51,064)	–	58	(51,006)
- **Total comprehensive income**	(24,996)	2,307	(213)	(22,902)
Non-current assets	1,146,606	29,480		
Current assets	52,020	12,322		
Non-current liabilities	(512,072)	(17,985)		
Current liabilities	(21,191)	(19,913)		
Net assets	665,363	3,904		
Net assets attributable to NCI**	456,861	3,069	(641)	459,289
Cash flows from operating activities	59,400	3,166		
Cash flows from/(used in) investing activities	10,463	(18,656)		
Cash flows (used in)/from financing activities	(81,041)	20,438		
Net (decrease)/increase in cash and cash equivalents	(11,178)	4,948		

* Acquisition of First REIT and O2 Group was completed on 1 March 2022 and 30 June 2022, respectively (note 31(a) and 31(b)). Accordingly, the information relating to First REIT and O2 Group is only for the period from 1 March 2022 to 31 December 2022 and 1 July 2022 to 31 December 2022 respectively.

** Includes perpetual securities issued by First REIT, with movements as follows:

Perpetual securities issued by a subsidiary, First REIT

	Note	2023 $'000	2022 $'000
At 1 January		33,283	–
Acquisition of a subsidiary	31(a)	–	59,651
Amount reserved for distribution to perpetual securities holders		1,656	2,093
Distribution to perpetual securities holders by a subsidiary		(1,656)	(1,481)
Face value of perpetual securities redemption and distribution on redemption, net of transaction costs		–	(26,980)
At 31 December		33,283	33,283

19. NON-CONTROLLING INTERESTS (CONT'D)

In 2016, First REIT issued $60 million of subordinated perpetual securities at a fixed rate of 5.68% per annum, with the first distribution rate reset on 8 July 2021 and subsequent resets occurring every five years thereafter. The perpetual securities have no fixed redemption date and redemption is at the option of First REIT in accordance with the terms and conditions of the securities. The distribution will be payable semi-annually at the discretion of First REIT and will be non-cumulative. The distribution rate applicable to the perpetual securities in respect of the period from the first reset date (being 8 July 2021) to the immediately following reset date (being 8 July 2026) shall be 4.9817%, being the prevailing five-year swap offer rate of 1.0567% per annum with respect to the relevant reset date plus the initial spread of 3.925%, in accordance with the terms and conditions of the perpetual securities.

In terms of distribution payments or in the event of winding-up of First REIT:

- These perpetual securities rank *pari passu* with holders of preferred units (if any) and rank ahead of the unitholders of First REIT but junior to the claims of all present and future creditors of the First REIT; and

- First REIT shall not declare or pay any distributions to the unitholders, or make redemption, unless First REIT declares or pays any distributions to the perpetual securities holders.

These perpetual securities are classified as equity. The Manager has taken the view that as there is no contractual obligation to repay the principal or to pay any distributions, the perpetual securities do not meet the definition for classification as a financial liability under FRS 32 *Financial Instruments: Disclosure and Presentation*. The perpetual securities are presented within equity, and the distributions are treated as dividends.

An amount of $1,656,000 and $2,093,000 were reserved for distribution to perpetual securities holders for the reporting years ended 31 December 2023 and 10 months period ended 31 December 2022 respectively.

On 22 August 2022, there was a partial redemption of perpetual securities at purchase price of 70% of the principal amount of the securities, amounting to $26,750,000. The principal amount together with the distribution to perpetual securities holders and arising from the partial redemption, totalled $26,980,000. The gain from the partial redemption was $7,858,000, net of transaction cost of $167,000. The total net cash outflows from the partial redemption, distribution and gain on redemption of perpetual securities, net of transaction costs was $19,122,000.

As at 31 December 2023, the $33,283,000 (2022: $33,283,000) presented in the statement of financial position represents the carrying value of the remaining perpetual securities and the total return attributable to the perpetual securities holders from the last distribution date.

	Group 2022 $'000
Gain on partial redemption of perpetual securities, net of transaction costs attributable to:	
Owners of the Company	2,593
Non-controlling interests	5,265
	7,858

19. NON-CONTROLLING INTERESTS (CONT'D)

Dividend and distribution to unitholders by a subsidiary, First REIT

	Group	
	2023 **$'000**	**2022** **$'000**
Distribution of 0.66 cents per unit for the period from 1 October 2022 to 31 December 2022	13,620	–
Distribution of 0.62 cents per unit for the period from 1 January to 31 March 2023 (0.66 cents per unit for the period from 1 January 2022 to 31 March 2022)	12,820	11,682
Distribution of 0.62 cents per unit for the period from 1 April to 30 June 2023 (0.66 cents per unit for the period from 1 April 2022 to 30 June 2022)	12,848	13,558
Distribution of 0.62 cents per unit for the period from 1 July to 30 September 2023 (0.66 cents per unit for the period from 1 July 2022 to 30 September 2022)	12,848	13,581
	52,136	38,821
Less: elimination intra-group dividends received by the Group	(17,086)	(11,569)
	35,050	27,252
Manager's management fees settled in units[1]	(4,788)	(3,193)
	30,262	24,059

1 Included transaction costs on manager's divestment fees relates to disposal of PT TPI amounting to $202,000 for the year ended 31 December 2022.

On 20 February 2024, the Manager declared a distribution of 0.62 cents per unit, amounting to $12,906,000 (included intra-group transactions of $4,204,000), in respect of the period from 1 October 2023 to 31 December 2023.

Current distribution policy:

Current distribution policy of First REIT is to distribute at least 90% of its taxable income, whereas the tax-exempt income and capitalised receipts with the actual level distribution to be determined at the Manager's discretion. The capital receipts comprise amounts received by First REIT from redemption of redeemable preference shares and shareholder loans repayment in the Singapore subsidiaries.

19. NON-CONTROLLING INTERESTS (CONT'D)

Dividend paid to shareholders by subsidiaries of O2HG

	2023 $'000
Dividend 90% of profit after tax for the period from 1 July 2022 to 30 September 2022	1,530
Dividend 90% of profit after tax for the period from 1 October 2022 to 31 December 2022	1,360
Dividend 90% of profit after tax for the period from 1 January 2023 to 31 March 2023	2,044
Dividend 90% of profit after tax for the period from 1 April 2023 to 30 June 2023	2,479
Dividend 90% of profit after tax for the period from 1 July 2023 to 30 September 2023	2,257
	9,670
Less: elimination intra-group dividends received by the Group	(5,802)
	3,868

Current distribution policy:

Current distribution policy of the subsidiaries of O2HG is to distribute 90% of its profit after tax. This distribution is based on shareholder agreement.

20. LOANS AND BORROWINGS

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Current					
Loans from third parties	(a)	–	189	–	189
Loan from a fellow subsidiary	(b)	–	1,800	–	–
Secured Tokutei Mokuteki Kaisha ("TMK") Bonds A	(c), (l)	–	1,453	–	–
Secured TMK Bonds B and term loan C	(d), (l)	920	–	–	–
Bank borrowings	(e)	30,426	49,491	30,000	30,000
		31,346	52,933	30,000	30,189
Non-current					
Secured TMK Bonds A	(c), (l)	–	106,672	–	–
Secured TMK Bonds B and term loan C	(d), (l)	106,929	–	–	–
Guaranteed bonds	(f),(i)	96,778	95,571	–	–
Social term loan A	(g),(i)	230,148	230,742	–	–
Social term loan B	(h), (k)	15,071	16,629	–	–
Secured term loan A	(j)	56,505	–	–	–
Secured revolving credit facility ("RCF") B	(j)	11,875	–	11,875	–
		517,306	449,614	11,875	–
Total loans and borrowings		548,652	502,547	41,875	30,189

Total borrowings include secured liabilities of $548,652,000 (2022: $500,558,000) and $41,875,000 (2022: $30,000,000) of the Group and the Company respectively.

(a) Loans from third parties

The loan from a third party is unsecured. The loans were written back on 31 December 2023.

(b) Loan from a fellow subsidiary

The loan from a fellow subsidiary, OUE Treasury Pte Ltd, is unsecured and interest-bearing at 4% per annum. The loan was fully paid on 11 April 2023.

(c) Secured TMK Bonds A

TMK is an investment vehicle incorporated under the Asset Liquidation Law of Japan to acquire real estate and obtain debt financing in real estate finance transactions in Japan. A TMK may issue TMK bonds, which are generally issued to qualified institutional investors. The TMK grants to holders of TMK bonds the right to receive all payments due in relation to such TMK bonds out of the assets of the TMK prior to any payments to other unsecured creditors. This statutory right is generally referred to as a general security interest. Unless otherwise provided in the Asset Liquidation plan, such general security is automatically created by operation of law.

The secured TMK Bonds A pertain to a 5-year bonds issued by First REIT's indirect subsidiary, OUELH Japan First TMK, for JPY10.6 billion (approximately $97.5 million) due in May 2025 to Shinsei Bank Limited. The secured TMK Bonds A were fully repaid on 23 June 2023 by way of financing from a new secured TMK bonds of JPY2 billion and a secured term loan of JPY10 billion (note 20(d)).

20. LOANS AND BORROWINGS (CONT'D)

(d) Secured TMK Bonds B and term loan C

On 23 June 2023, OUELH Japan First TMK, a subsidiary of the First REIT Group, issued a 7-year bonds amounting to JPY2 billion (approximately $18.4 million) to Kiraboshi Bank Ltd and obtained a term loan of JPY10 billion (approximately $92.0 million) ("term loan C") from Kiraboshi Bank Ltd. The outstanding balance for the secured TMK Bonds B and term loan C as at 31 December 2023 amounts to JPY2 billion and JPY9.95 billion (approximately $18.4 million and $91.5 million) respectively. Both facilities will be due in June 2030.

(e) Bank borrowings

(i) $426,000 (2022: $444,000) is secured against a charge over the building and rights of the subsidiary pertaining of the working capital of the subsidiary (note 5);

(ii) $nil (2022: $4,047,000) is secured against:

- a charge created over an investment property under development of the Group (note 8);
- a debenture over the assets and rights of the subsidiary pertaining to a development project of the Group (note 8 and note 15);
- joint and several guarantees by certain shareholders;
- a corporate guarantee from the Company.

The loan was fully repaid on 29 December 2023.

(iii) $30 million (2022: $30 million) is secured by a corporate guarantee from the intermediate holding company; and

(iv) $nil (2022: $15 million) is secured by a corporate guarantee from the Company and memorandum of charge over units in a subsidiary held by one of the subsidiaries of the Company.

The loan was fully repaid on 3 October 2023.

(f) Guaranteed bonds

On 7 April 2022, $100 million guaranteed bonds at a coupon rate of 3.25% due in April 2027 were issued by First REIT. The guaranteed bonds amounting to $100 million are unconditionally and irrevocably guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank. The interest of the bonds is payable half-yearly in arrears. The bonds are listed on the Singapore Exchange Securities Trading Limited.

(g) Social term loan A

On 25 November 2022, First REIT entered into a facility agreement with two of the existing lenders, Oversea-Chinese Banking Corporation Limited ("OCBC") and CIMB Bank Berhad ("CIMB") in respect of a $300 million social term loan and revolving credit facilities agreement (the "Facilities") to refinance the $260 million syndicated secured loan which matured on 1 March 2023. As at 31 December 2023, First REIT drew down social term loan A amounting to $234 million (2022: $236 million) under this facility which is repayable in May 2026.

20. LOANS AND BORROWINGS (CONT'D)

(h) Social term loan B

On 29 September 2022, First REIT's indirect subsidiary, First REIT Japan Two GK, secured a JPY1.66 billion (approximately $15.3 million) non-recourse social loan from Shinsei Trust Bank Limited which is due on 27 September 2026. The proceeds from social term loan B were utilised to partially fund the acquisition of two nursing homes, Loyal Residence Ayase and Medical Rehabilitation Home Bon Sejour Komaki, located in Japan in 2022.

(i) The social term loan A and guaranteed bonds agreements provide among other matters for the following:

(1) Legal mortgage over the properties in Singapore and Indonesia of the First REIT Group except for Imperial Aryaduta Hotel and Country Club and Siloam Hospitals Yogyakarta.

(2) Assignment to the banks of all of the First REIT Group's rights, titles, interests and benefits under any leases, tenancies, sales proceeds and cash flows in respect of the Indonesia properties and the Singapore properties except for Imperial Aryaduta Hotel and Country Club and Siloam Hospitals Yogyakarta.

(3) Assignment to the banks of all of the First REIT Group's rights, titles and interests under the insurance policies in respect of the Indonesia properties and the Singapore properties, with the bank named as a "loss payee" except for Imperial Aryaduta Hotel and Country Club and Siloam Hospitals Yogyakarta.

4) A debenture containing first fixed and floating charges over all assets and undertakings of the First REIT's Singapore subsidiaries and subsidiaries of First REIT's Singapore subsidiaries except for Lovage International Pte. Ltd., IAHCC Investment Pte. Ltd., Surabaya Hospitals Investment Pte. Ltd., Kalmore Investments Pte. Ltd., Icon1 Holdings Pte. Ltd., OUELH Japan Medical Facilities Pte. Ltd., OUELH Japan Medical Assets Pte. Ltd., First REIT Japan Holdings One Pte. Ltd., and First REIT Japan Holdings Two Pte. Ltd. (2022: Lovage International Pte. Ltd., IAHCC Investment Pte. Ltd., Surabaya Hospitals Investment Pte. Ltd., Kalmore Investments Pte. Ltd., Icon1 Holdings Pte. Ltd., OUELH Japan Medical Facilities Pte. Ltd., and OUELH Japan Medical Assets Pte. Ltd.).

5) Charge of all of the First REIT's shares in the Singapore subsidiaries and subsidiaries of First REIT's Singapore subsidiaries except for Lovage International Pte. Ltd., IAHCC Investment Pte. Ltd., Surabaya Hospitals Investment Pte. Ltd., Kalmore Investments Pte. Ltd., Icon1 Holdings Pte. Ltd., OUELH Japan Medical Facilities Pte. Ltd., OUELH Japan Medical Assets Pte. Ltd., First REIT Japan Holdings One Pte. Ltd., and First REIT Japan Holdings Two Pte. Ltd. (2022: Lovage International Pte. Ltd., IAHCC Investment Pte. Ltd., Surabaya Hospitals Investment Pte. Ltd., Kalmore Investments Pte. Ltd., Icon1 Holdings Pte. Ltd., OUELH Japan Medical Facilities Pte. Ltd., and OUELH Japan Medical Assets Pte. Ltd.).

(6) Charge of all of the First REIT's Singapore subsidiaries' shares in the Indonesia subsidiaries except for the Joint-operation company, PT Yogya Central Terpadu.

(7) A debenture by the First REIT Group covering first fixed and floating charges over all assets and undertakings in respect of the Singapore properties.

(8) OUE Limited's interest held in the First REIT directly and indirectly is at least at 20%.

(9) The Company's interest held in the First REIT directly and indirectly is at least at 20%.

(10) OUE Limited's interest held in First REIT Management Limited directly and indirectly is at least at 51%.

(11) Compliance with all financial covenants.

20. LOANS AND BORROWINGS (CONT'D)

(j) Secured term loan A and secured RCF B

On 30 June 2023, the Company and its wholly-owned subsidiary, OUEH Investments Pte. Ltd. ("OIPL") entered into an $85 million facility agreement with three lenders, CIMB, The Hongkong and Shanghai Banking Corporation Limited ("HSBC") and OCBC (the "Loan Facility"). The Loan Facility consisted of a secured term loan A of $70 million and secured RCF B of $15 million.

As at 31 December 2023, amounts of $57.1 million and $12 million have been drawn down from the secured term loan A and secured RCF B respectively. Total unutilised loan facilities amount to $3 million.

The Loan Facility is secured by a corporate guarantee from the intermediate holding company, charge over units in a subsidiary held by one of the subsidiaries of the Company and the shares in an associate company.

(k) The secured social term loan B agreement provides amongst other matters for the followings:

1) Negative pledge against the total assets of the First REIT's indirect subsidiary, First REIT Japan Two GK, which mainly comprises investment properties in Japan and cash and cash equivalents.

2) A corporate guarantee from First REIT.

(l) The secured TMK bonds A, secured TMK bonds B and Term loan C agreement provides amongst others matters for the following:

1) Negative pledge against the total assets of the First REIT's indirect subsidiary, OUELH Japan First TMK, which mainly comprises investment properties in Japan and cash and cash equivalents.

2) A corporate guarantee from the First REIT.

(m) Intra-group financial guarantees

Intra-group financial guarantees comprise corporate guarantees given by the Company:

(i) RMB222.5 million (approximately $41.2 million) (2022: RMB222.5 million (approximately $42.9 million)) in respect of the Group's 50% share of the bank loan facilities taken up by its joint ventures in the PRC; and

(ii) $nil (2022: $19.1 million) to its subsidiaries in Malaysia and Singapore (2022: Malaysia and Singapore).

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

First REIT has entered into interest rate swaps and interest rate caps arrangements to manage the interest rate risk exposure arising from the bank loans with floating rates (note 13).

The carrying amount of the current and non-current borrowings except borrowing (a), (b), (d), (e)(i), (f) and (h), which are at variable interest rates, approximate their fair values at reporting date.

20. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

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

	Currency	Nominal interest rate	Year of maturity	Face value $'000	Carrying amount $'000
Group					
2023					
Secured bank loan	RMB	4.36%	2024	426	426
Secured bank loan	SGD	Sora + 1.75%	On demand	30,000	30,000
Guaranteed bonds	SGD	3.25%	2027	100,000	96,778
Social term loan A	SGD	5.12% to 6.02%	2026	233,713	230,148
Social term loan B	JPY	1.00% to 1.31%	2026	15,272	15,071
Secured TMK Bonds B and term loan C	JPY	1.50%	2030	109,940	107,849
Secured term loan A	SGD	Sora + 1.50%	2025	57,118	56,505
Secured RCF B	SGD	Sora + 1.50%	2025	12,000	11,875
				558,469	548,652
2022					
Unsecured loans from third parties	SGD	0%	On demand	189	189
Unsecured loan from a fellow subsidiary	SGD	4%	On demand	1,800	1,800
Secured TMK Bonds A	JPY	1%	2022-2025	108,553	108,125
Secured bank loan	MYR	Cost of funds + 2%	2022-2023	4,047	4,047
Secured bank loan	RMB	4.8%	2023	444	444
Secured bank loan	SGD	Sora + 1.75%	On demand	30,000	30,000
Secured bank loan	SGD	Sora + 5.5%	2023	15,000	15,000
Guaranteed bonds	SGD	3.25%	2027	100,000	95,571
Social term loan A	SGD	5.12% - 5.56%	2026	235,713	230,742
Social term loan B	JPY	1%	2026	16,932	16,629
				512,678	502,547
Company					
2023					
Secured bank loan	SGD	Sora + 1.75%	On demand	30,000	30,000
Secured RCF B	SGD	Sora + 1.50%	2025	12,000	11,875
				42,000	41,875
2022					
Unsecured loans from third parties	SGD	0%	On demand	189	189
Secured bank loan	SGD	Sora + 1.75%	On demand	30,000	30,000
				30,189	30,189

20. LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			
	Loans and borrowings $'000	Lease liabilities $'000	Interest payable $'000	Total $'000
Balance at 1 January 2023	502,547	2,276	2,003	506,826
Changes from financing cash flows				
Proceeds from borrowings	191,118	–	–	191,118
Repayment of borrowings	(136,262)	–	–	(136,262)
Payment of transaction costs related to loans and borrowings	(3,778)	–	–	(3,778)
Payment of lease liabilities	–	(1,866)	–	(1,866)
Interest paid	–	–	(21,523)	(21,523)
Total changes from financing cash flows	51,078	(1,866)	(21,523)	27,689
The effect of changes in foreign exchange rates	(9,459)	(28)	110	(9,377)
Other changes				
Liability-related				
Disposal of a subsidiary	–	(55)	–	(55)
New lease	–	3,162	–	3,162
Sub-lease	–	232	–	232
Written back loans from third parties	(189)	–	–	(189)
Amortisation of transaction costs	4,675	–	–	4,675
Interest expense	–	172	21,699	21,871
Total liability-related other changes	4,486	3,511	21,699	29,696
Balance at 31 December 2023	548,652	3,893	2,289	554,834
Balance at 1 January 2022	187,119	1,318	119	188,556
Changes from financing cash flows				
Proceeds from borrowings	379,271	–	–	379,271
Repayment of borrowings	(387,968)	–	–	(387,968)
Payment of transaction costs related to loans and borrowings	(7,176)	–	–	(7,176)
Payment of lease liabilities	–	(1,066)	–	(1,066)
Interest paid	–	–	(14,328)	(14,328)
Total changes from financing cash flows	(15,873)	(1,066)	(14,328)	(31,267)
The effect of changes in foreign exchange rates	(23,268)	(91)	(192)	(23,551)
Other changes				
Liability-related				
Acquisition of subsidiary	349,875	1,701	1,907	353,483
New lease	–	595	–	595
Derecognition of lease liabilities	–	(261)	–	(261)
Amortisation of transaction costs	4,694	–	–	4,694
Interest expense	–	80	14,497	14,577
Total liability-related other changes	354,569	2,115	16,404	373,088
Balance at 31 December 2022	502,547	2,276	2,003	506,826

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Trade payables	11,807	11,534	–	–
Other payables	10,528	7,618	582	1,007
Amount due to NCI	9,319	–	–	–
Amounts due to subsidiaries	–	–	2,492	5,326
Amount due to a former shareholder	–	644	–	644
Interest payable	2,289	2,003	66	69
Accrued expenses	9,398	10,909	1,958	1,974
Deferred revenue	3,114	3,187	–	–
	46,455	35,895	5,098	9,020
Non-current				
Loan from a fellow subsidiary	8,000	8,000	–	–
Amount due to NCI	–	9,319	–	–
Rental deposits received	10,557	11,704	–	–
	18,557	29,023	–	–
Total trade and other payables	65,012	64,918	5,098	9,020

The amount due to a former shareholder is unsecured, interest-free and repayable on demand.

The non-current loan from a fellow subsidiary is unsecured, interest-free and have no fixed term of repayment (note 35). The settlement of the loan is neither planned nor likely to occur in the foreseeable future.

The non-current amount due to NCI relate to the contingent consideration arising from the O2 Group Acquisition (note 31(b)).

The Group's and the Company's exposure to currency risk and liquidity risk related to trade and other payables is disclosed in note 34.

22. LEASES

Leases as lessee

The Group and the Company lease three (2022: two) office spaces and eleven clinics (2022: ten clinics) under non-cancellable operating lease agreements. The leases typically run for a period of between one and five years (2022: two and five years) with escalation clauses and renewal rights.

Information about leases for which the Group and the Company as lessees are presented below.

Right-of-use assets

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance at 1 January	6,500	6,095	–	393
Additions	3,162	578	839	–
Acquisition of a subsidiary	–	1,664	–	–
Disposal of a subsidiary	(55)	–	–	–
Depreciation charge for the year	(1,697)	(1,023)	(280)	(262)
Derecognition right-of-use assets	–	(261)	–	(131)
Impairment losses	(589)	–	–	–
Effect of movement in exchange rates	(184)	(553)	–	–
Balance at 31 December	7,137	6,500	559	–

22. LEASES (CONT'D)

Lease liabilities

Terms and conditions of lease liabilities are as follows:

	Currency	Incremental borrowing rate %	Year of maturity	Face value $'000	Carrying amount $'000
Group					
31 December 2023					
Lease liabilities	RMB	5%	2027	613	554
Lease liabilities	SGD	3%	2025	593	576
Lease liabilities	SGD	2%	2025	152	150
Lease liabilities	SGD	4.25%	2025	429	417
Lease liabilities	SGD	5.25%	2024-2028	2,387	2,196
				4,174	3,893
31 December 2022					
Lease liabilities	RMB	5%	2027	797	702
Lease liabilities	SGD	2%	2023-2025	425	419
Lease liabilities	SGD	5.25%	2023-2025	1,141	1,085
Lease liabilities	JPY	0.89%	2024	71	70
				2,434	2,276
Company					
31 December 2023					
Lease liabilities	SGD	3%	2025	593	576

Amounts recognised in profit or loss

	Group 2023 $'000	Group 2022 $'000
Leases under SFRS(I) 16		
Interest on lease liabilities	172	80

Amounts recognised in statement of cash flows

	Group 2023 $'000	Group 2022 $'000
Total cash outflow for leases	(1,866)	(1,066)

22. LEASES (CONT'D)

Leases as lessor

The Group leases out healthcare-related facilities to non-related parties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 7 sets out the information about the operating leases of investment properties.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2023 $'000	2022 $'000
Operating leases		
Within one year	90,503	89,436
One to two years	91,315	90,382
Two to three years	89,720	93,027
Three to four years	88,714	91,667
Four to five years	86,745	90,633
More than five years	776,731	892,129
	1,223,728	1,347,274

23. DEFERRED TAX

(a) Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group	
	2023 $'000	2022 $'000
Unremitted income from Japan subsidiaries	30,877	32,417
Investment properties	18,855	18,338
Investment properties under development	745	1,017
Right-of-use assets	706	454
	51,183	52,226

(b) Deferred tax assets

Deferred tax assets are attributable to the following:

	Group	
	2023 $'000	2022 $'000
Lease liabilities	(706)	(454)

23. DEFERRED TAX (CONT'D)

The movement in the deferred tax balances during the year is as follows:

	Unremitted income from Japan subsidiaries $'000	Investment properties $'000	Investment properties under development $'000	Right-of-use assets $'000	Lease liabilities $'000	Total $'000
Group						
Deferred tax (assets)/ liabilities						
At 1 January 2022	33,115	–	1,482	294*	(294)*	34,597
Recognised in profit or loss	4,621	(765)	(325)	(129)	129	3,531
Acquisition of a subsidiary	–	20,427	–	289	(289)	20,427
Effect of movements in exchange rates	(5,319)	(1,324)	(140)	–	–	(6,783)
At 31 December 2022	32,417	18,338	1,017	454*	(454)*	51,772
At 1 January 2023	32,417	18,338	1,017	454	(454)	51,772
Recognised in profit or loss	1,798	773	(237)	252	(252)	2,334
Effect of movements in exchange rates	(3,338)	(256)	(35)	–	–	(3,629)
At 31 December 2023	30,877	18,855	745	706	(706)	50,477

* Restated balances from application of Amendments to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*

Unrecognised deferred tax assets

As at 31 December 2023, deferred tax assets have not been recognised in respect of tax losses of $35,087,000 (2022: $30,530,000). Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Tax losses and other deductible temporary differences do not expire under current tax legislation.

Unrecognised deferred tax liabilities

Deferred tax liabilities have not been recognised for withholding taxes that would be payable on the unremitted earnings of $21,779,000 (2022: $23,577,000) of the subsidiaries for the year ended 31 December 2023 as the timing of the reversal of the temporary differences arising from such amounts can be controlled and it is probable that such temporary differences will not be reversed in the foreseeable future.

24. PROVISIONS

	Note	Legal $'000	Site restoration $'000	Total $'000
Group				
At 1 January 2022		20,957	1,550	22,507
Reversal of provision	26	–	(910)	(910)
Utilisation during the year		(233)	(566)	(799)
Effect of movements in exchange rates		–	(74)	(74)
At 31 December 2022		20,724	–	20,724
At 1 January 2023		20,724	–	20,724
Utilisation during the year		(525)	–	(525)
At 31 December 2023		20,199	–	20,199

	Legal	
	2023 $'000	2022 $'000
Company		
At 1 January	20,724	20,957
Utilisation during the year	(525)	(233)
At 31 December	20,199	20,724

Legal

Provisions are related to legal and related expenses (note 33), which include provision relating to obligations arising from contract and commercial arrangement, based on the best estimate of the possible outflow considering both contractual and commercial factors. In accordance to paragraph 92 of SFRS(I) 1-37 *Provisions, Contingent liabilities and Contingent assets*, details of the provision made for each claims were not disclosed in order not prejudice the Group's legal position.

The provisions were utilised for legal costs incurred.

Site restoration

Provision was made for site restoration costs to be incurred to restore the Group's leasehold property under development, Chengdu land (note 5).

As of 31 December 2022, restoration works were completed and remaining unutilised provision was reversed.

25. REVENUE

	Group	
	2023 $'000	2022 $'000
Medical services	36,010	15,841
Rental income	108,568	98,065
Sale of medicine and medical equipment	14,737	5,890
	159,315	119,796

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms and the related revenue recognition policies:

Healthcare operations segment

Nature of goods or services	The Group principally generates revenue from providing medical services, selling medicine and medical equipment. The contracts with its customers for selling medicine and medical equipment are received on an ad-hoc basis. Goods may be sold separately or in bundled packages. For the bundled contracts, the Group accounts for individual goods separately if they are distinct i.e, if a good is separately identifiable from other items in the bundled package and if a customer can benefit from it.
When revenue is recognised	Revenue is recognised at point in time when customer receives the services or when customer obtains control, based on the relative stand-alone selling prices of each of the goods.
Significant payment terms	Payment is due when the goods or services are delivered to the customers.

25. REVENUE (CONT'D)

Healthcare assets segment

Rental income received under operating leases is recognised as "revenue" on a straight-line basis over the term of the lease.

In the following table, revenue is disaggregated by primary geographical markets, major product and services lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with Group's reportable segments (note 36).

	Healthcare operations	
	2023	**2022**
	$'000	**$'000**
Primary geographical markets		
PRC	5,639	4,760
Singapore	45,108	16,971
	50,747	21,731
Major products and services lines		
Medical services	36,010	15,841
Sale of medicine and medical equipment	14,737	5,890
	50,747	21,731
Timing of revenue recognition		
Products transferred at a point in time	50,747	21,731

	Healthcare assets	
	2023	**2022**
	$'000	**$'000**
Primary geographical markets		
Japan	14,851	15,357
Indonesia	89,489	79,165
Singapore	4,228	3,543
	108,568	98,065
Major products and services lines		
Rental income	108,568	98,065
Timing of revenue recognition		
Products transferred over time	108,568	98,065

26. OTHER INCOME/(EXPENSES) NET

	Note	Group 2023 $'000	Group 2022 $'000
Fair value losses on investment properties	7	–	(8,692)
Fair value losses on investment properties under development	8	(948)	(1,429)
Loss on disposal of a subsidiary	32	–	(713)
Net fair value losses of derivative financial instruments		(477)	(420)
Impairment losses on property, plant and equipment	5	(589)	–
Property, plant and equipment written-off		(2)	(5)
Other expenses		(2,016)	(11,259)
Fair value gains on investment properties	7	10,834	–
Proceeds from liquidation of a subsidiary		956	–
Trade and other payable written back		1,705	–
Net gain from the First REIT transaction	31(a)	–	3,144
Reversal of provision for site restoration	24	–	910
Recovery from David Lin's enforcement proceedings	33	–	520
Recovery of litigation costs and settlement sum		–	500
Government grants		34	42
Others		50	3
Other income		13,579	5,119
Other income/(expenses), net		11,563	(6,140)

27. NET FINANCE COSTS

	Group 2023 $'000	Group 2022 $'000
Interest income	701	456
Finance income	701	456
Amortisation of transaction costs	(4,675)	(4,694)
Interest expense	(21,871)	(14,577)
Foreign exchange loss, net	(3,741)	(1,102)
Finance costs	(30,287)	(20,373)
Net finance costs	(29,586)	(19,917)

28. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

		Group	
		2023	2022
	Note	$'000	$'000
Audit fees paid/payable to:			
- auditors of the Company		1,000	1,033
- member firms of the auditors of the Company		61	153
- other auditors		248	261
Non-audit fees paid/payable to:			
- auditors of the Company		61	92
- other auditors		61	225
Depreciation of property, plant and equipment	5	2,155	1,496
Employee benefits expense (see below)		9,970	8,054
Trade and other receivable written off		455	127
Manager's management fees		9,817	8,028
Operating expenses arising from rental of investment properties		3,234	2,749
Employee benefits expense			
Salaries, wages and related cost		8,804	7,048
Employer's contribution to defined contribution plan		791	668
Others		375	338
		9,970	8,054

29. TAX EXPENSE

	Group	
	2023	2022
	$'000	$'000
Current tax expense		
Current year	9,971	9,076
Changes in estimates related to prior years	70	–
Withholding tax	4,633	4,632
	14,674	13,708
Deferred tax expense		
Origination and reversal of temporary differences	2,334	3,531
Total tax expense	17,008	17,239

29. TAX EXPENSE (CONT'D)

Reconciliation of effective tax rate

	Group	
	2023	**2022**
	$'000	**$'000**
Profit before tax	74,518	49,735
Tax using Singapore tax rate of 17% (2022: 17%)	12,668	8,455
Effect of tax rates in foreign jurisdictions	(9,667)	47
Effects of results of equity-accounted investees presented net of tax	(288)	250
Tax-exempt income	(2,308)	(999)
Non-deductible expenses	10,060	1,504
Foreign withholding tax	4,633	4,632
Tax transparency[1]	(401)	(529)
Changes in estimates related to prior years	76	–
Current tax losses for which no deferred tax assets are recognised	775	544
Tax losses not allowed to be carried forward	1,460	3,335
	17,008	17,239

Tax losses not allowed to be carried forward

The Group has tax losses not allowed to be carried forward of $8,588,000 (2022: $19,618,000). The unutilised losses arise from investment holding companies which cannot be carried forward to offset the income of future years of assessment.

1 Pursuant to the Tax Transparency Ruling issued by the IRAS, tax transparency treatment has been granted to First REIT in respect of certain taxable income ("Specified Taxable Income"). Subject to meeting the terms and conditions of the Tax Transparency Ruling, which includes a distribution of at least 90% of the Specified Taxable Income of First REIT, First REIT is not subject to tax on the Specified Taxable Income distributed to the Unitholders in the same year in which the Specified Taxable Income was derived.

30. EARNINGS PER SHARE

(i) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding.

Net profit attributable to ordinary shareholders of the Company

	Group	
	2023	**2022**
	$'000	**$'000**
Net profit attributable to owners of the Company	8,049	4,392

Weighted average number of ordinary shares

	Group	
	2023	**2022**
	'000	**'000**
Weighted average number of ordinary shares during the year	4,443,129	4,443,129

(ii) Diluted earnings per share

The calculation of diluted earnings per share is based on the following profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the financial year, after adjustment for the effect of conversion of the convertible perpetual securities, issued on 16 March 2021, to ordinary shares at the conversion price of $0.07 per ordinary share. Under the terms of the conversion agreement, the convertible perpetual securities (note 17) can only be converted into ordinary shares on or after 31 August 2026.

Net profit attributable to owners of the Company

	Group	
	2023	**2022**
	$'000	**$'000**
Net profit attributable to owners of the Company	8,049	4,392

Weighted average number of ordinary shares

		Group	
		2023	**2022**
	Note	**'000**	**'000**
Ordinary share issued at the reporting date		4,443,129	4,443,129
Effect of conversion of convertible perpetual securities into ordinary shares	17	2,708,681	2,708,681
Weighted average number of ordinary shares during the year		7,151,810	7,151,810

31. ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF AN ASSOCIATE

(a) Acquisition of First REIT as subsidiary

As part of the Group's assets light strategy, on 1 March 2022, the Group divested its wholly-owned subsidiaries, (i) OUELH Japan Medical Facilities Pte. Ltd., which owns a 100% interest in 12 nursing homes located in Japan; and (ii) OUELH Japan Medical Assets Pte. Ltd. to First REIT. The consideration received included 431,147,541 new units in First REIT ("Consideration Units") at the issue price of $0.305 per unit, amounting to approximately $131,500,000. The Group's direct stake in First REIT increased from 15.3% to 33.1% and the Group became a controlling shareholder of First REIT. As such, the Group's investment in First REIT was deemed disposed by the Group as an associate and became a subsidiary of the Group ("First REIT transaction").

For the ten months ended 31 December 2022, First REIT contributed revenue of $95,393,000 and profit of $37,907,000 to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have been $135,678,000, and consolidated profit for the year would have been $35,485,000. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	Note	$'000
Fair value of the existing shares in associate		74,055
Fair value of the Japan subsidiaries transferred to 66.89% NCI	37(a)	86,514
Total consideration transferred		160,569

Fair value of associate

The fair value of the existing 15.3% shareholding (246,850,287 units) in the associate, First REIT, was based on the fair value of First REIT units.

Fair value of Japan subsidiaries transferred to non-controlling interests (NCI) in First REIT

The fair value of Japan subsidiaries transferred to NCI was based on the 66.9% of the fair value of the Consideration Units on 28 February 2022. The fair value of the Consideration Units was based on the fair value of First REIT units, which is used as proxy to determine the fair value of the Japan subsidiaries.

Fair value of First REIT units – Level 1 quoted price

The fair value of the First REIT units was based on the listed closing share price of First REIT at 28 February 2022 of $0.30 per share.

31. ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF AN ASSOCIATE (CONT'D)

(a) Acquisition of First REIT as subsidiary (cont'd)

Acquisition-related costs

The Group incurred acquisition-related costs of $211,000 on legal fees and due diligence costs. These costs have been included in 'administrative expenses'.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of completion of the First REIT transaction.

	Note	$'000
Plant and equipment		26
Investment properties	7	955,235
Trade and other receivables		32,955
Cash and cash equivalents		58,484
Investment in quoted shares		141
Trade and other payables		(38,757)
Current tax liabilities		(733)
Deferred tax liabilities	23	(20,427)
Loans and borrowings	20	(349,875)
Derivative financial instruments		(673)
Perpetual securities holders' fund		(59,651)
Net book value		576,725
Cash consideration received		(14,512)
Net identifiable assets and liabilities acquired		562,213

Measurement of fair values

The valuation techniques use for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Investment properties	*Discounted cash flow, capitalisation and/or direct comparison methods*: The valuation methods involve certain key inputs and estimates including those relating to cash flows, interest rates, discount rates, terminal capitalisation rates, capitalisation rates and price per square metre.

31. ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF AN ASSOCIATE (CONT'D)

(a) Acquisition of First REIT as subsidiary (cont'd)

Negative goodwill and net gain from First REIT transaction

Negative goodwill arising from First REIT transaction has been recognised as follows:

	Note	$'000
Total consideration transferred		160,569
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree		376,044
Fair value of identifiable net assets and liabilities		(562,213)
Negative goodwill		(25,600)
Disposal of First REIT as an associate		
Fair value of associate on disposal date		74,055
Less: interests in an associate on disposal date	10	(96,511)
Loss on disposal of First REIT as an associate		(22,456)
Net gain from the First REIT transaction recognised in profit or loss		3,144
Cash flows relating to the acquisition of First REIT as a subsidiary		
Cash and bank balances of subsidiary acquired		43,972
Add: Cash consideration received from divestment of Japan subsidiaries	37(a)	14,512
Net cash inflow from the First REIT transaction		58,484

The remeasurement to fair value of the Group existing 15.3% interest in First REIT resulted in a gain of $3,144,000. This amount has been recognised in "other income" in the statement of profit or loss.

31. ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF AN ASSOCIATE (CONT'D)

(b) Acquisition of respiratory and cardiothoracic medical practices in Singapore – O2 Group

In 2022, the Group incorporated a new subsidiary, Echo Healthcare Management Pte. Ltd. ("ECHM"), which is 60% owned by the Group and 40% held by a subsidiary of OUE Limited, to acquire respiratory specialists and cardiothoracic surgical practice in Singapore (RMA, TRPF and BH, collectively known as the "Medical Partners"). The acquisition was completed on 30 June 2022.

Upon completion, ECHM owns 60% of O2 Healthcare Group Pte. Ltd. (formerly known as Echo Healthcare Services Pte. Ltd.) ("O2HG"), and O2HG owns 60% of equity interests in the Medical Partners ("O2 Group Acquisition"). The remaining 40% direct shares of O2HG and 40% direct shares of the Medical Partners are held by the founding shareholders of the Medical Partners.

The performance of the ECHM and its subsidiaries ("O2 Group") has been consolidated under the Group with effect from 1 July 2022.

For the six months ended 31 December 2022, O2 Group contributed revenue of $16,972,000 and profit of $2,542,000 to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have been $135,619,000, and consolidated profit for the year would have been $37,015,000. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	$'000
Cash	18,639
Contingent consideration	9,319
Total consideration transferred	27,958

Contingent consideration

The Group has assessed that it is highly probable that the O2 Group will achieve the performance target for the outstanding consideration in 2024 based on its forecasted results. The outstanding consideration is payable when the O2 Group's EBITDA exceeds 50% growth during the relevant period (June 2022 – May 2030). The Group has included $9,319,000 as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition.

Acquisition-related costs

The Group incurred acquisition-related costs of $620,000 on legal fees and due diligence costs. These costs have been included in 'administrative expenses'.

31. ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF AN ASSOCIATE (CONT'D)

(b) Acquisition of respiratory and cardiothoracic medical practices in Singapore – O2 Group (cont'd)

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of O2 Group Acquisition.

	$'000
Plant and equipment	1,970
Deposit	207
Prepayment	90
Lease liabilities	(1,701)
Net identifiable assets and liabilities acquired	566

Cash flow relating to the O2 Group

	$'000
Purchase consideration	(27,958)
Add: Outstanding consideration unpaid as at year end	9,319
Net cash outflow	(18,639)

Measurement of fair values

The valuation techniques use for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Plant and equipment	*Market comparison technique and Cost technique*: Plant and equipment mainly relate to right-of-use ("ROU") assets. The valuation for ROU assets is by discounting the remaining lease payments as at date of valuation, and direct comparison methods involve certain parameters such as market rents and discount rate.

Goodwill

Goodwill arising from the O2 Group Acquisition has been recognised as follows:

	$'000
Total consideration transferred	27,958
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	362
Fair value of identifiable net assets and liabilities	(566)
Goodwill	27,754

The goodwill is attributable mainly to the field of cardiovascular and lung related specialisation, which medical services are interlinked and can provide synergy to the Group's healthcare business. None of the goodwill recognised is expected to be deductible for tax purposes.

32. DISPOSAL OF SUBSIDIARIES

(a) Disposal of FRM Japan Management Co., Ltd. ("FRJM")

On 31 March 2023, the Company's indirect wholly-owned subsidiary, OLH (FTZ) Pte. Ltd., completed the disposal of 100% of the issued and paid-up share capital of FRM Japan Management Co., Ltd. ("FRJM") to First REIT Management Limited ("FRML"), in its personal capacity, for a total consideration of $260,000, paid wholly in cash (the "FRJM Transaction"). The consideration was arrived at on a willing-buyer, willing-seller basis following arm's length negotiations between the parties taking into account the net asset value of FRJM of $260,000 as of 31 March 2023.

Following completion of the FRJM Transaction, FRJM has become a wholly-owned subsidiary of FRML. FRML is in turn 60% owned by OUE Limited and 40% owned by the Company. Accordingly, FRJM has ceased to be a subsidiary of the Company and has become an associated company of the Company.

For more information, please refer to the announcement issued by First Real Estate Investment Trust dated 31 March 2023 on the FRJM Transaction.

Effect of the disposal

The cash flow and net asset of FRJM were as follows:

	$'000
Plant and equipment	75
Other receivables	366
Cash and cash equivalents	14
Other payables	(131)
Current tax liabilities	(9)
Lease liabilities	(55)
	260
Less: Cash and cash equivalents disposed	(14)
Net cash inflow on disposal of a subsidiary	246

32. DISPOSAL OF SUBSIDIARIES

(b) Disposal of PT Tata Prima Indah ("PT TPI")

On 27 September 2022, the Group has through its indirect wholly-owned subsidiaries, Primerich Investments Pte. Ltd. and Surabaya Hospitals Investment Pte. Ltd., completed the disposal of 100% of issued and paid-up share capital of PT Tata Prima Indah ("PT TPI") for a total sales consideration of IDR430,000,000,000 (approximately $40,345,000).

PT TPI previously contributed net profit after tax of $2,106,000 from 1 March 2022 to the date of disposal.

Effect of the disposal

The cash flow and net asset of PT TPI were as follows:

	$'000
Investment properties	40,438
Other payables	*
Cash and cash equivalents	*
Net assets disposed	40,438
Realisation of foreign exchange reserves	44
Tax expense relating to the disposal	(2,017)
	38,465
Loss on disposal of a subsidiary (including transaction costs[1])	(713)
	37,752
Less: Cash and cash equivalents disposed	*
Add: Transaction costs – Manager's divestment fees paid in units	202
Net cash inflow on disposal of a subsidiary	37,954

* Less than $1,000

1 Included in the transaction costs are the audit fees paid to the auditors amounting to $37,000.

33. LITIGATION AND CLAIM CASES

The Group is exposed to several litigation and claim cases as at 31 December 2023.

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

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

In 2017, Weixin Hospital Investment Management (Shanghai) Co. Ltd ("Weixin"), a company controlled by David Lin, sought a court order for the shares in Wuxi Co to be transferred to Weixin. The Shanghai Courts have rendered a judgement and appeal judgement in favour of Weixin. Consequently, the Group deconsolidated Wuxi Co in 2018.

Arbitration Proceedings against David Lin

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

Recognition and enforcement proceedings

In 2019, the Company commenced recognition and enforcement proceedings in Hong Kong, Taiwan and Shanghai against David Lin to enforce the said award. As at 31 December 2023, the Company 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: the Company continues to hold a charging order absolute over David Lin's shares in Healthcare Solution Investment Limited ("HSIL") and Hong Kong Life Sciences and Technologies Group Limited. The Company has also obtained an order to appoint Receivers over David Lin's interest in the HSIL shares. HSIL is the sole shareholder of Weixin;

- Shanghai: the Shanghai No. 1 Court received approximately RMB3.25 million in November 2020. The funds have been transferred to a subsidiary of the Company in March 2021; and

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

33. LITIGATION AND CLAIM CASES (CONT'D)

(b) Other claim(s) against the Company

The Company received a letter of demand from Fan Kow Hin's ("Fan") private trustees dated 25 June 2021, demanding payment of the sum of $850,000 allegedly owing to Fan pursuant to shareholder advances, expense claims and a Management Advisory Service Agreement between Fan and a wholly owned subsidiary of the Company dated 1 February 2016.

This letter demanded payment of the same sums previously claimed by Fan in his letter of demand to the Company dated 27 January 2017. In 2017, the Company responded to Fan to seek further particulars and supporting documents in support of his claims, though no response was forthcoming. The Company has responded to Fan's private trustees to seek further particulars and supporting documents in support of their claims.

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

34. FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The Board of Directors continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables, and cash and cash equivalents.

The carrying amounts of financial assets in the statements of financial position represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

34. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Trade and other receivables

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets.

The Group limits its exposure to credit risk from trade receivables by collecting deposits as collateral, where possible.

In monitoring customer credit risk, the Group considers the trade history of the customers with the Group, aging profile, maturity and existence of previous financial difficulties.

The First REIT Manager has established credit limits for tenants, obtained security deposits and/or bank guarantees (where applicable) and monitors their balances on an on-going basis. Credit evaluations are performed by the First REIT Manager before lease agreements are entered into with tenants.

One of the tenants in Singapore has provided a bank guarantee in lieu of security deposits of $1,545,000 (2022:$1,515,000). The lessees, PT Lippo Karawaci Tbk and its subsidiaries, have provided bank guarantees of $44,157,000 (2022:$42,840,000) in lieu of security deposits for rental income from the properties. These guarantees which expired in 2023 have been renewed up to June, September and December 2024 as appropriate.

Exposure to credit risk

The exposure to credit risk for trade receivables at the reporting date by geographic region was as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
PRC	410	753
Indonesia	5,432	4,214
Singapore	9,835	5,229
	15,677	10,196

The exposure to credit risk for trade receivables at the reporting date by type of counterparty was as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Drug distribution companies	187	277	–	–
Medical service providers	223	476	–	–
Hospital patients	9,617	4,960	–	–
Tenant rental income	5,650	4,483	–	–
	15,677	10,196	–	–

34. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Exposure to credit risk (cont'd)

Expected credit loss assessment for trade receivables

The Group uses an allowance matrix to measure the lifetime ECL of trade receivables.

Loss rates are calculated using a 'roll-rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset to be in default if the counterparty fails to make contractual payments within six-months when they fall due and writes off the financial asset only when the Group is satisfied that no recovery of the amount owing is possible. When receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, those are recognised in profit or loss.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2023:

	Group	
	Gross carrying amount $'000	**Impairment loss allowance $'000**
2023		
Not past due	4,569	–
Past due less than 30 days	1,728	–
Past due 31 to 60 days	1,159	–
Past due 61 to 90 days	1,346	–
Past due over 90 days	6,875	–
	15,677	–
2022		
Not past due	2,847	–
Past due less than 30 days	3,135	–
Past due 31 to 60 days	1,068	–
Past due 61 to 90 days	1,004	–
Past due over 90 days	2,142	–
	10,196	–

34. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Non-trade amounts due from subsidiaries

The Company holds non-trade receivables from its subsidiaries of $505,061,000 (2022: $495,478,000). These balances are loans to subsidiaries to satisfy their funding requirements.

Management considered qualitative and economic factors in the ECL assessment such as viability of business plans of subsidiaries. Impairment on these balances has been measured on the 12-month and lifetime expected credit loss basis. The amount of the allowance on non-trade receivables from its subsidiaries is $186,624,000 (2022: $179,063,000).

Other receivables

The Group and the Company held other receivables of $10,330,000 and $5,964,000 respectively at 31 December 2023 (2022: $11,093,000 and $6,095,000 respectively). Impairment on these balances have been measured on the 12-month and lifetime expected credit loss basis. The amounts of the allowance on other receivables for the Group and the Company are $7,665,000 and $5,237,000 respectively (2022: $7,785,000 and $5,332,000 respectively).

Amount due from a third party

The Group and Company held amount due from a third party of $487,000 (2022: $674,000) as at 31 December 2023. Impairment on these balances have been measured on the 12-month and lifetime expected credit loss basis. The amount of the allowance on amount due from a third party was negligible.

The Group believes that, apart from the above, no further impairment allowance is necessary in respect of the other receivables.

Advance to a joint venture partner and loans to joint ventures

The Group holds non-trade receivables from its joint venture partner of $nil (2022: $1,800,000) and loans to joint ventures of $5,405,000 (2022: $5,592,000). These balances are amounts lent to joint ventures to satisfy their funding requirements. Impairment on these balances have been measured on the 12-month and lifetime expected credit loss basis. The amount of the allowance on advance to the joint venture partner and the allowance on loans to joint ventures were negligible.

Derivatives financial instruments

Derivatives financial instruments are entered into with bank and financial institution counterparties with sound credit rating.

At reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the statement of financial position.

34. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $59,618,000 and $2,863,000 respectively at 31 December 2023 (2022: $66,877,000 and $9,648,000 respectively). The cash and cash equivalents are held with bank and financial institution counterparties that have a sound credit rating.

Impairment on cash and cash equivalents have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Guarantees

The Group provides financial guarantees to subsidiaries and joint ventures, where appropriate.

Intra-group financial guarantees comprise guarantees given by the Company to financial institutions in respect of credit facilities granted to subsidiaries. The maximum exposure of the Company is $41,541,000 (2022: $63,867,000). At the reporting date, the Company has not recognised an ECL provision as the ECL amount was lower than the amortised liability for intra-group financial guarantee contracts. The Company does not consider it probable that a claim will be made against the Company under the guarantees.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and borrowings. In addition, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations and mitigate the effect of fluctuations in cash flows.

In addition, the Group maintains the following lines of credit:

- $3 million revolving credit facilities that is secured with charge over units in a subsidiary held by one of the subsidiaries of the Company and the shares in an associate company. Interest would be payable at the rate of SORA plus 150 basis points (note 20 (j)).

- $12 million revolving credit facilities that is secured with charge over units in a subsidiary held by one of the subsidiaries of the Company. Interest would be payable at the rate of SORA plus 200 basis points.

34. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash outflows $'000	------------- Cash outflows ------------- Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group					
2023					
Non-derivative financial liabilities					
Loans and borrowings	548,652	(690,768)	(125,515)	(460,057)	(105,196)
Trade and other payables*	43,341	(43,341)	(43,341)	–	–
Lease liabilities	3,893	(4,174)	(1,833)	(2,341)	–
Rental deposits received	10,557	(10,557)	–	(2,664)	(7,893)
	606,443	(748,840)	(170,689)	(465,062)	(113,089)
Derivative financial instruments					
Interest rate swaps (net-settled)					
- liabilities	272	(353)	(90)	(263)	–
Interest rate caps (net-settled)					
- assets	(411)	175	175	–	–
Forward exchange contracts (net-settled)					
- assets	(149)	149	149	–	–
- liabilities	14	(14)	(14)	–	–
	(274)	(43)	220	(263)	–
	606,169	(748,883)	(170,469)	(465,325)	(113,089)
2022					
Non-derivative financial liabilities					
Loans and borrowings	502,547	(578,013)	(74,138)	(503,875)	–
Trade and other payables*	42,027	(42,027)	(32,708)	(9,319)	–
Lease liabilities	2,276	(2,434)	(1,102)	(1,332)	–
Rental deposits received	11,704	(11,704)	–	(2,705)	(8,999)
	558,554	(634,178)	(107,948)	(517,231)	(8,999)
Derivative financial instruments					
Interest rate swaps (net-settled)					
- assets	(176)	240	459	(219)	–
Interest rate caps (net-settled)					
- assets	(1,072)	934	787	147	–
Forward exchange contracts					
(net-settled)	494	(494)	(494)	–	–
- liabilities	(754)	680	752	(72)	–
	557,800	(633,498)	(107,196)	(517,303)	(8,999)

* *Excluding deferred revenue, loan from a fellow subsidiary and rental deposits received.*

34. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash outflows $'000	------------- Cash outflows ------------- Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Company					
2023					
Non-derivative financial liabilities					
Loans and borrowings	41,875	(56,381)	(43,960)	(12,421)	–
Trade and other payables	5,098	(5,098)	(5,098)	–	–
Lease liabilities	576	(593)	(296)	(297)	–
Recognised financial liabilities	47,549	(62,072)	(49,354)	(12,718)	–
Financial guarantees	–	(41,541)	(41,541)	–	–
	47,549	(103,613)	(90,895)	(12,718)	–
2022					
Non-derivative financial liabilities					
Loans and borrowings	30,189	(31,032)	(31,032)	–	–
Trade and other payables	9,020	(9,020)	(9,020)	–	–
Recognised financial liabilities	39,209	(40,052)	(40,052)	–	–
Financial guarantees	–	(63,867)	(63,867)	–	–
	39,209	(103,919)	(103,919)	–	–

34. FINANCIAL INSTRUMENTS (CONT'D)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group operates predominantly in the Asia-Pacific region with operations in countries such as Singapore, Malaysia, PRC, Japan and Indonesia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies"). Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Malaysian Ringgit ("MYR"), Japanese Yen ("JPY"), US Dollar ("USD"), Chinese Yuan Renminbi ("RMB") and Indonesian Rupiah ("IDR").

The Group's exposures to various foreign currencies are shown in Singapore dollars ("SGD"), translated using the spot rate as at 31 December as follows:

	SGD $'000	MYR $'000	JPY $'000	USD $'000	RMB $'000	IDR $'000
2023						
Financial assets						
Cash and cash equivalents	53	–	–	2	39	2,327
Other investment	–	–	–	2,648	–	–
Trade and other receivables	1,200	6	9,126	3,498	15,495	791
	1,253	6	9,126	6,148	15,534	3,118
Financial liabilities						
Trade and other payables*	(88,443)	(413)	(29,780)	(9,120)	(1,146)	–
Net exposure	(87,190)	(407)	(20,654)	(2,972)	14,388	3,118
2022						
Financial assets						
Cash and cash equivalents	22	–	–	2	40	1,336
Other investment	–	–	–	2,817	–	–
Trade and other receivables	1,200	6	10,684	3,370	16,147	–
	1,222	6	10,684	6,189	16,187	1,336
Financial liabilities						
Trade and other payables*	(78,744)	(439)	(5,984)	(8,358)	(1,194)	–
Net exposure	(77,522)	(433)	4,700	(2,169)	14,993	1,336

* *Excluding intra-group balances for which settlement is neither planned nor likely to occur in the foreseeable future*

34. FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

The Company's exposure to the following foreign currency is shown in SGD, translated using spot rate as at 31 December as follows:

	USD $'000
2023	
Financial assets	
Trade and other receivables	487
2022	
Financial assets	
Trade and other receivables	674

Sensitivity analysis

A 5% strengthening of the SGD against the following currencies at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rate, remain constant.

	Profit or loss	
	2023 **$'000**	**2022** **$'000**
Group		
SGD	(4,359)	(3,876)
MYR	20	22
JPY	1,033	(235)
USD	149	108
RMB	(719)	(750)
IDR	(156)	(67)
Company		
USD	(24)	(34)

34. FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk

The Group's exposure to interest rate risk arises primarily from its variable-rate borrowings. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group Nominal amount		Company Nominal amount	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Fixed rate instruments				
Financial assets	–	1,800	–	–
Financial liabilities	(225,638)	(102,244)	–	–
Interest rate swaps	(85,000)	(85,000)	–	–
Interest rate caps	(90,000)	(90,000)	–	–
	(400,638)	(275,444)	–	–
Variable rate instruments				
Financial liabilities	(332,831)	(410,246)	(42,000)	(30,000)
Interest rate swaps	85,000	85,000	–	–
Interest rate caps	90,000	90,000	–	–
	(157,831)	(235,246)	(42,000)	(30,000)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

34. FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bp increase $'000	100 bp decrease $'000
Group		
31 December 2023		
Variable rate instruments		
Effect of borrowings	(3,328)	3,328
Interest rate swaps	850	(850)
Interest rate caps	900	(900)
	(1,578)	1,578
31 December 2022		
Variable rate instruments		
Effect of borrowings	(4,102)	4,102
Interest rate swaps	850	(850)
Interest rate caps	900	(900)
	(2,352)	2,352
Company		
31 December 2023		
Variable rate instruments	(420)	420
31 December 2022		
Variable rate instruments	(300)	300

34. FINANCIAL INSTRUMENTS (CONT'D)

Other market price risk

Equity price risk arises from equity investment at FVOCI held for the long term for strategic purposes. The primary goal of the Group's investment strategy is to maximise investment return. A 10% increase in the underlying prices of the Group's investment at the reporting date would increase equity (before any tax effect) by the following amounts:

Sensitivity analysis - price risk

	2023 $'000	2022 $'000
Unquoted investments at FVOCI		
Equity	265	282

A 10% decrease in the underlying prices at the reporting date would have had the equal but opposite effect on the equity to the amounts shown above, on the basis that all other variables remain constant.

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern. The Group defines "capital" as including all components of equity, including non-controlling interests.

The Company is a subsidiary of OUE Limited through its wholly-owned subsidiary, Treasure International Holdings Pte. Ltd.. As the Group is part of a larger group, the Group's sources of additional capital may also be affected by OUE Limited's capital management objectives. The Group receives financial support from its intermediate holding company for its working capital purposes, when required.

The Group's capital structure is reviewed and managed with due regard to the capital management practices of the group to which it belongs. Adjustments may be made to the capital structure in light of changes in economic conditions affecting the Company or the Group to the extent that these do not conflict with the directors' fiduciary duties towards the Company or the requirements of the Singapore Companies Act.

Apart from that disclosed above, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

34. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount					Fair value			
	Financial assets at amortised cost	FVOCI-equity instrument	Fair value financial derivatives	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
2023									
Financial assets not measured at fair value									
Trade and other receivables*	24,798	–	–	–	24,798	–	–	3,148	3,148
Cash and cash equivalents	59,618	–	–	–	59,618	–	–	–	–
	84,416	–	–	–	84,416				
Financial assets measured at fair value									
Other investment	–	2,648	–	–	2,648	–	–	2,648	2,648
Derivative financial instruments									
- interest rate caps (net-settled)	–	–	411	–	411	–	411	–	411
- forward exchange contracts (net-settled)	–	–	149	–	149	–	149	–	149
	–	2,648	560	–	3,208				
Financial liabilities measured at fair value									
Derivative financial instruments									
- interest rate swaps (net-settled)	–	–	(272)	–	(272)	–	(272)	–	(272)
- forward exchange contracts (net-settled)	–	–	(14)	–	(14)	–	(14)	–	(14)
	–	–	(286)	–	(286)				
Financial liabilities not measured at fair value									
Loans and borrowings	–	–	–	(548,652)	(548,652)	–	(97,789)	(115,832)	(213,621)
Trade and other payables#	–	–	–	(51,341)	(51,341)	–	–	(9,319)	(9,319)
Rental deposits received	–	–	–	(10,557)	(10,557)	–	–	(8,347)	(8,347)
	–	–	–	(610,550)	(610,550)				

* *Excluding prepayments*

\# *Excluding deferred revenue and rental deposits received*

34. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amount					Fair value			
	Financial assets at amortised cost	FVOCI-equity instrument	Fair value financial derivatives	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
2022									
Financial assets not measured at fair value									
Trade and other receivables*	22,337	–	–	–	22,337	–	–	3,233	3,233
Cash and cash equivalents	66,877	–	–	–	66,877	–	–	–	–
	89,214	–	–	–	89,214				
Financial assets measured at fair value									
Other investment	–	2,817	–	–	2,817	–	–	2,817	2,817
Derivative financial instruments									
- interest rate swaps (net-settled)	–	–	176	–	176	–	176	–	176
- interest rate caps (net-settled)	–	–	1,072	–	1,072	–	1,072	–	1,072
	–	2,817	1,248	–	4,065				
Financial liabilities measured at fair value									
Derivative financial instruments									
- Forward exchange contracts (net-settled)	–	–	(494)	–	(494)	–	(494)	–	(494)
	–	–	(494)	–	(494)				
Financial liabilities not measured at fair value									
Loans and borrowings	–	–	–	(502,547)	(502,547)	–	(95,356)	–	(95,356)
Trade and other payables#	–	–	–	(50,027)	(50,027)	–	–	(17,319)	(17,319)
Rental deposits received	–	–	–	(11,704)	(11,704)	–	–	(9,001)	(9,001)
	–	–	–	(564,278)	(564,278)				

* *Excluding prepayments*

\# *Excluding deferred revenue and rental deposits received*

34. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Carrying amount			Fair value			
	Financial assets at amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company							
2023							
Financial assets not measured at fair value							
Trade and other receivables*	319,729	–	319,729	–	–	305,816	305,816
Cash and cash equivalents	2,863	–	2,863	–	–	–	–
	322,592	–	322,592				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(41,875)	(41,875)	–	–	–	–
Trade and other payables	–	(5,098)	(5,098)	–	–	–	–
	–	(46,973)	(46,973)				
2022							
Financial assets not measured at fair value							
Trade and other receivables*	317,998	–	317,998	–	–	58,872	58,872
Cash and cash equivalents	9,648	–	9,648	–	–	–	–
	327,646	–	327,646				
Financial liabilities not measured at fair value							
Loans and borrowings	–	(30,189)	(30,189)	–	–	–	–
Trade and other payables	–	(9,020)	(9,020)	–	–	–	–
	–	(39,209)	(39,209)				

* *Excluding prepayments*

34. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

The following tables show the valuation techniques used in measuring level 2 and level 3 fair values.

Type	Valuation technique	Key observable inputs
Group		
Financial instruments not measured at fair value		
Rental deposits received	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Discount rate: 1.1% to 3.6% (2022: 1.1% to 3.6%)
Loan to joint venture	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable
Other long-term financial liabilities	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable
Guaranteed bonds	Market quoted prices	Not applicable
Financial instruments measured at fair value		
Equity investments – at FVOCI	Market comparison technique: The valuation model is based on recent transacted prices, through fund-raising exercise.	Not applicable
Interest rate swaps, interest rate caps and forward exchange contracts	The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transaction in similar instruments.	Not applicable
Corporate guarantee	The fair values are calculated as the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee.	Not applicable
Contingent consideration	Discounted cash flows: The valuation model considers the present value of expected future payment, discounted using a risk-adjusted discount rate.	Not applicable

35. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties during the financial year:

	Group	
	2023 $'000	2022 $'000
Interest expense paid/payable to a fellow subsidiary	(20)	(95)
Recharge of employee expenses to a joint venture	–	71
Reversal of recharge of employee expenses to a joint venture	–	(335)
Management fees paid/payable to a joint venture, FRML, by a subsidiary, First REIT	9,757	8,007

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel compensation comprised:

	Group	
	2023 $'000	2022 $'000
Salaries and other short-term employee benefits	790	778
Directors' fees of the Company	620	608
Post-employment benefits (including contributions to defined contribution plan)	17	17
	1,427	1,403

Included in the above is total compensation to directors of the Company amounting to $620,000 (2022: $608,000).

Shareholder loan from OUE Treasury Pte. Ltd. ("OUE Treasury")

The repayment date of the outstanding loan of $1,800,000 from OUE Treasury to OUELH Medical Assets Pte. Ltd. ("OMA") was extended from 29 March 2022 to 11 April 2023. The loan was fully paid on 11 April 2023.

OUE Treasury is a wholly-owned subsidiary of OUE Limited, which is a controlling shareholder of the Company. OMA is a subsidiary of the Company. The interest on the loan is 4% per annum.

Loan from TI Echo Pte. Ltd. ("TI Echo")

A loan of $8,000,000 from TI Echo to Echo Healthcare Management Pte. Ltd. ("ECHM"). TI Echo is a wholly-owned subsidiary of Treasure International Holdings Pte. Ltd. ("TIHPL"), which is the Company's immediate holding company. TIHPL is a wholly-owned subsidiary of OUE Limited.

ECHM is a 60:40 joint venture between the Company and OUE Limited (via TI Echo). ECHM was setup for purpose of the O2 Group Acquisition.

The loan is TI Echo's share of loan to ECHM based on TI Echo's shareholding in ECHM and is interest free.

Please see note 31(b) for details of the O2 Group Acquisition.

35. RELATED PARTY TRANSACTIONS (CONT'D)

Secondment agreement with shareholder of the Company, Browny Healthcare Pte. Ltd. ("Browny"), a subsidiary of ITOCHU Corporation ("ITOCHU")

On 15 February 2018, the Company entered into a secondment agreement with the ITOCHU, pursuant to which the ITOCHU has the right to second up to three employees to the Company ("Secondment Agreement"). Pursuant to the Secondment Agreement and related documentation, the Company is obliged to make remuneration-related payments either directly to the seconded employees and/or in the form of secondment fees payable to ITOCHU.

On 23 March 2021, the Company entered into a letter supplemental to the Secondment Agreement with the ITOCHU ("Supplemental Letter"). Pursuant to the Supplemental Letter, the number of employees in relation to the secondment arrangement with the ITOCHU is reduced to two.

The total remuneration-related payments expected for 2023 is $697,000 (2022: $580,000).

36. OPERATING SEGMENTS

The Group's has the following four (2022: four) strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and marketing strategies. The Group's CEO reviews internal management reports of each division at least quarterly.

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

(i) Healthcare operations – Operation of hospitals, clinics and supply of medical equipment and pharmaceutical products. The Group currently has operations in the PRC, Myanmar and Singapore. Healthcare operation in Singapore was acquired through acquisition of subsidiaries in 2022 (note 31(b)).

(ii) Healthcare assets – Rental of investment properties and assets owned by the Group. The Group currently has assets in PRC, Indonesia, Singapore and Japan. Healthcare assets in Singapore and Indonesia were acquired through acquisition of a subsidiary in 2022 (note 31(a)).

(iii) Properties under development – Development of medical facilities, healthcare-related assets and integrated mixed-used projects. The Group currently has development properties in PRC and Malaysia.

(iv) Investments – Investment in First Real Estate Investment Trust ("First REIT") and First REIT Manager, FRML. Effective from 1 March 2022, the Group's investment in First REIT was accounted for as a subsidiary of the Group after the First REIT transaction (note 31(a)) and reported under the Healthcare assets segment.

Others mainly comprise head office and corporate functions, including investment holding related activities.

The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of profit and loss.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the key management. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

36. **OPERATING SEGMENTS (CONT'D)**

Information about reportable segments

	Healthcare operations $'000	Healthcare assets $'000	Properties under development $'000	Investments $'000	Others $'000	Total $'000
Group						
31 December 2023						
Revenue						
External revenue	50,747	108,568	–	–	–	159,315
Inter-segment revenue	–	–	–	–	448	448
Segment revenue (including inter-segment revenue)	50,747	108,568	–	–	448	159,763
Segment profit/(loss) before tax	6,415	58,755	(4,603)	3,078	10,873	74,518
Depreciation	(1,701)	(59)	–	–	(395)	(2,155)
Interest expenses	(851)	(22,698)	(128)	–	(2,869)	(26,546)
Interest income	26	507	–	–	168	701
Share of results of equity-accounted investees, net of tax	(1,386)	–	–	3,078	–	1,692
Other material non-cash items						
Net fair value gains on investment properties	–	10,834	–	–	–	10,834
Fair value losses on investment properties under development	–	–	(948)	–	–	(948)
Impairment losses on property, plant and equipment	–	–	(589)	–	–	(589)
Net fair value losses of derivative financial instruments	–	(477)	–	–	–	(477)
Trade and other receivables written off	(434)	–	–	–	(21)	(455)
Trade and other payable written back	–	–	–	–	1,705	1,705
Reportable segment assets	160,774	1,191,142	48,943	34,765	12,476	1,448,100
Additions to:						
- Property, plant and equipment	2,755	–	–	–	884	3,639
- Investment properties	–	4,923	–	–	–	4,923
- Investment in equity-accounted investees	57,120	–	–	–	–	57,120
- Capital contribution in equity-accounted investees	2,904	–	–	–	–	2,904
Reportable segment liabilities	88,906	476,676	1,383	–	71,077	638,042
Current tax liabilities						3,569
Deferred tax liabilities						50,477
						692,088

36. OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Healthcare operations $'000	Healthcare assets $'000	Properties under development $'000	Investments $'000	Others $'000	Total $'000
Group						
31 December 2022						
Revenue						
External revenue	21,731	98,065	–	–	–	119,796
Inter-segment revenue	–	–	–	–	1,097	1,097
Segment revenue (including inter-segment revenue)	21,731	98,065	–	–	1,097	120,893
Segment (loss)/profit before tax	(4,322)	43,273	(3,504)	4,248	10,040	49,735
Depreciation	(1,060)	(55)	–	–	(381)	(1,496)
Interest expenses	(94)	(17,038)	(326)	–	(1,813)	(19,271)
Interest income	1	223	–	–	232	456
Net gain from First REIT transaction	–	3,144	–	–	–	3,144
Loss on disposal of a subsidiary	–	(713)	–	–	–	(713)
Share of results of equity-accounted investees, net of tax	(5,721)	–	–	4,248	–	(1,473)
Other material non-cash items						
Reversal of provision for site restoration	–	–	910	–	–	910
Net fair value losses on investment properties	–	(8,692)	–	–	–	(8,692)
Fair value losses on investment properties under development	–	–	(1,429)	–	–	(1,429)
Net fair value losses of derivative financial instruments	–	(420)	–	–	–	(420)
Impairment losses on joint venture investment	(5,000)	–	–	–	–	(5,000)
Trade and other receivables written off	–	–	–	–	(127)	(127)
Reportable segment assets	101,986	1,203,224	53,162	31,313	12,901	1,402,586
Additions to:						
- Property, plant and equipment	2,644	26	–	–	514	3,184
- Investment properties	–	35,339	–	–	–	35,339
- Capital contribution in equity-accounted investees	4,901	–	–	–	–	4,901
Reportable segment liabilities	42,734	481,310	5,429	–	61,486	590,959
Current tax liabilities						1,832
Deferred tax liabilities						51,772
						644,563

36. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenue and profit before tax

	2023 $'000	2022 $'000
Revenue		
Total revenue for reportable segments	159,315	119,796
Revenue for other segment	448	1,097
Elimination of inter-segment revenue	(448)	(1,097)
Consolidated total revenue	159,315	119,796
Profit or loss		
Total profit before tax for:		
- Reportable segments	63,645	39,695
- Other segment	10,873	10,040
Consolidated profit before tax	74,518	49,735

Reconciliations of reportable segment assets and liabilities

	2023 $'000	2022 $'000
Assets		
Total assets for reportable segments	1,435,624	1,389,685
Assets for other segments	12,476	12,901
Consolidated total assets	1,448,100	1,402,586
Liabilities		
Total liabilities for reportable segments	566,965	529,473
Liabilities for other segments	71,077	61,486
Other unallocated amounts		
- Current tax liabilities	3,569	1,832
- Deferred tax liabilities	50,477	51,772
Consolidated total liabilities	692,088	644,563

36. OPERATING SEGMENTS (CONT'D)

Geographical information

	Revenue	
	2023	**2022**
	$'000	**$'000**
Japan	14,851	15,357
PRC	5,639	4,760
Singapore	49,336	20,514
Indonesia	89,489	79,165
	159,315	119,796

	Non-current assets *	
	2023	**2022**
	$'000	**$'000**
Japan	258,713	287,355
Malaysia	36,634	38,976
PRC	47,139	53,814
Singapore	158,199	94,822
Myanmar	11,997	10,760
Indonesia	849,055	825,580
US	2,648	2,817
Sri Lanka	408	461
	1,364,793	1,314,585

* Non-current assets relate to the carrying amounts of property, plant and equipment, intangible assets and goodwill, investment properties, investment properties under development, associate and joint ventures, other investment, derivative financial instruments and trade and other receivables.

Major customer

Revenues from top two (2022: two) customers of the Group's healthcare assets segment represents approximately $123,001,000 (2022: $75,209,000) of the Group's total revenues.

37. CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES WITHOUT A CHANGE IN CONTROL

(a) Divestment of Japan subsidiaries

At completion of the First REIT transaction, the Group's effective shareholding interest in subsidiaries diluted from 100% to 33.1% without a change in control (note 31(a)).

Consideration received

The following table summarises the fair value of considerations received:

	Note	$'000
Cash		14,512
Fair value of 17.8% increase in shareholding in First REIT	31(a)	86,514
Total consideration received		101,026

Fair value of increase in shareholding in First REIT

The fair value of the First REIT units received was based on the fair value of 17.8% increase in the Group's direct interest in First REIT. At 28 February 2022, the fair value of First REIT was based on its units in issue of 1,616 million shares, and the listed closing share price of $0.30 per share.

	2022 $'000
Carrying amount of Japan subsidiaries at 28 February 2022	157,994
Net balances with Japan subsidiaries transferred to First REIT	(20,158)
Net carrying value of Japan subsidiaries on disposal	137,836
Fair value of consideration received	101,023
66.9% of net carrying value in Japan subsidiaries	(92,190)
Increase in equity attributable to owners of the Company	8,833

37. CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES WITHOUT A CHANGE IN CONTROL (CONT'D)

(b) Dilution of First REIT

On 17 February 2023, 28 April 2023, 7 August 2023 and 6 December 2023, First REIT issued new share units totalling 18,343,811. Arising therefrom, the Group's interest in First REIT decreased from 32.9% to 32.6% as at 31 December 2023.

On 1 March 2022, the Group acquired 431,147,541 First REIT share for an aggregate consideration of $131,500,000. The Group's direct stake in First REIT increased from 15.3% to 33.1%. On 6 May 2022, 5 August 2022, 8 November 2022 and 22 December 2022, First REIT issued new share units totalling 11,102,642. Arising therefrom, the Group's interest in First REIT decreased from 33.1% to 32.9% as at 31 December 2022.

The following summaries the effect of changes in the Group's ownership interest in First REIT:

	First REIT $'000
2023	
Increase in equity attributable to non-controlling interests	1,958
Decrease in equity attributable to owners of the Company	(1,958)
2022	
Increase in equity attributable to non-controlling interests	1,228
Decrease in equity attributable to owners of the Company	(1,228)

STATISTICS OF SHAREHOLDINGS

As shown in the Company's Register of Substantial Shareholders

As at 18 March 2024

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	673	15.05	30,029	0.00
100 - 1,000	1,007	22.51	490,411	0.01
1,001 - 10,000	1,616	36.13	7,057,719	0.16
10,001 - 1,000,000	1,116	24.95	128,235,335	2.89
1,000,001 AND ABOVE	61	1.36	4,307,315,712	96.94
TOTAL	**4,473**	**100.00**	**4,443,129,206**	**100.00**

As at 18 March 2024, the total number of issued Shares is 4,443,129,206. The Company does not hold any treasury shares and there are no subsidiary holdings.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	OCBC SECURITIES PRIVATE LIMITED	2,445,680,328	55.04
2	BROWNY HEALTHCARE PTE. LTD.	858,412,248	19.32
3	CITIBANK NOMINEES SINGAPORE PTE LTD	688,887,752	15.50
4	GOI SENG HUI	40,713,200	0.92
5	THE ENTERPRISE FUND III LTD	36,427,800	0.82
6	PHILLIP SECURITIES PTE LTD	30,541,558	0.69
7	DBS NOMINEES (PRIVATE) LIMITED	24,388,972	0.55
8	LIM CHAP HUAT	18,525,756	0.42
9	MORPH INVESTMENTS LTD	18,300,000	0.41
10	LIM WEE HAN	12,000,000	0.27
11	LEE CHIN HUAT	10,250,000	0.23
12	MAYBANK SECURITIES PTE. LTD.	9,847,336	0.22
13	YEO KAY BENG	7,700,000	0.17
14	TAN ENG CHUA EDWIN	6,638,900	0.15
15	ZENG LIREN	6,150,000	0.14
16	RAFFLES NOMINEES (PTE.) LIMITED	5,908,619	0.13
17	INDRAN S/O CHINNIAH	5,782,000	0.13
18	OH CHEE KEONG	4,112,700	0.09
19	TAN ENG HUAT	3,738,800	0.08
20	LAU HOI KOK	3,400,000	0.08
TOTAL		**4,237,405,969**	**95.36**

SUBSTANTIAL SHAREHOLDERS

As shown in the Company's Register of Substantial Shareholders as at 18 March 2024

	Number of Shares			
	Direct Interest	Deemed Interest[2]	Total Interest	%[1]
Treasure International Holdings Pte. Ltd. ("**TIHPL**")	3,126,316,752	–	3,126,316,752	70.36
OUE Limited ("**OUE**")[3]	–	3,126,316,752	3,126,316,752	70.36
OUE Realty Pte. Ltd. ("**OUER**")[4]	–	3,126,316,752	3,126,316,752	70.36
Golden Concord Asia Limited ("**GCAL**")[5]	–	3,126,316,752	3,126,316,752	70.36
Fortune Crane Limited ("**FCL**")[6]	–	3,126,316,752	3,126,316,752	70.36
Lippo ASM Asia Property Limited ("**LAAPL**")[7]	–	3,126,316,752	3,126,316,752	70.36
HKC Property Investment Holdings Limited ("**HKC Property**")[8]	–	3,126,316,752	3,126,316,752	70.36
Hongkong Chinese Limited ("**HCL**")[9]	–	3,126,316,752	3,126,316,752	70.36
Hennessy Holdings Limited ("**Hennessy**")[10]	–	3,126,316,752	3,126,316,752	70.36
Lippo Limited ("**LL**")[11]	–	3,126,316,752	3,126,316,752	70.36
Lippo Capital Limited ("**LCL**")[12]	–	3,126,316,752	3,126,316,752	70.36
Lippo Capital Holdings Company Limited ("**LCH**")[13]	–	3,126,316,752	3,126,316,752	70.36
Lippo Capital Group Limited ("**LCG**")[14]	–	3,126,316,752	3,126,316,752	70.36
PT Trijaya Utama Mandiri ("**PT Trijaya**")[15]	–	3,126,316,752	3,126,316,752	70.36
Admiralty Station Management Limited ("**Admiralty**")[16]	–	3,126,316,752	3,126,316,752	70.36
Argyle Street Management Limited ("**ASML**")[17]	–	3,126,316,752	3,126,316,752	70.36
Argyle Street Management Holdings Limited ("**ASMHL**")[18]	–	3,126,316,752	3,126,316,752	70.36
Mr. James Tjahaja Riady[19]	–	3,126,316,752	3,126,316,752	70.36
Dr. Stephen Riady[20]	–	3,126,316,752	3,126,316,752	70.36
Mr. Kin Chan[21]	–	3,126,316,752	3,126,316,752	70.36
Mr. V-Nee Yeh[22]	–	3,126,316,752	3,126,316,752	70.36
Browny Healthcare Pte Ltd ("**BHPL**")	858,412,248	–	858,412,248	19.32
ITOCHU Singapore Pte Ltd ("**ITOCHU SG**")[23]	–	858,412,248	858,412,248	19.32
ITOCHU Corporation ("**ITOCHU Corp**")[24]	–	858,412,248	858,412,248	19.32

SUBSTANTIAL SHAREHOLDERS

As shown in the Company's Register of Substantial Shareholders as at 18 March 2024

Notes:

(1) Based on the total number of 4,443,129,206 issued Shares as at 18 March 2024.

(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.

(3) OUE is deemed to have an interest in the Shares held by TIHPL. TIHPL is a wholly-owned subsidiary of OUE.

(4) OUER is deemed to have an interest in the Shares in which its subsidiary, OUE, has a deemed interest.

(5) GCAL is deemed to have an interest in the Shares in which its subsidiary, OUER, has a deemed interest.

(6) FCL is deemed to have an interest in the Shares in which its subsidiary, GCAL, has a deemed interest.

(7) LAAPL is deemed to have an interest in the Shares in which its subsidiary, FCL, has a deemed interest.

(8) LAAPL is jointly held by HKC Property and Admiralty. Accordingly, HKC Property is deemed to have an interest in the Shares in which LAAPL has a deemed interest.

(9) HCL is the immediate holding company of HKC Property. Accordingly, HCL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(10) Hennessy is an intermediate holding company of HKC Property. Accordingly, Hennessy is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(11) LL is an intermediate holding company of HKC Property. Accordingly, LL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(12) LCL is an intermediate holding company of HKC Property. Accordingly, LCL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(13) LCH is an intermediate holding company of HKC Property. Accordingly, LCH is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(14) LCG is the holding company of LCH, which in turn is an intermediate holding company of HKC Property. Accordingly, LCG is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(15) PT Trijaya holds more than 20% of the shares in LCL, which in turn is an intermediate holding company of HKC Property. Accordingly, PT Trijaya is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(16) LAAPL is jointly held by Admiralty and HKC Property. Accordingly, Admiralty is deemed to have an interest in the Shares in which LAAPL has a deemed interest.

(17) ASML owns 100% of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the Shares in which Admiralty has a deemed interest.

(18) ASMHL is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Shares in which ASML has a deemed interest.

(19) Mr. James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20% of the shares in LCL. LCL in turn is an intermediate holding company of HKC Property. Accordingly, Mr. James Tjahaja Riady is deemed to have an interest in the Shares in which HKC Property has a deemed interest.

(20) Dr. Stephen Riady holds the entire issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of HKC Property. Accordingly, Dr. Stephen Riady is deemed to have an interest in the Shares in which HKC Property has a deemed interest. Dr. Stephen Riady is the Executive Chairman of OUE. Dr. Stephen Riady is also the chairman of LL and HCL, both of which have a deemed interest in the Shares.

(21) Mr. Kin Chan is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, Mr. Kin Chan is deemed to have an interest in the Shares in which ASMHL has a deemed interest.

(22) Mr. V-Nee Yeh is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, Mr. V-Nee Yeh is deemed to have an interest in the Shares in which ASMHL has a deemed interest.

(23) ITOCHU SG is deemed to have an interest in the Shares held by BHPL. ITOCHU SG holds 60% of the issued share capital of BHPL.

(24) ITOCHU Corp is deemed to have an interest in the Shares in which its subsidiary, ITOCHU SG, has a deemed interest. ITOCHU Corp also holds 40% of the issued share capital of BHPL.

PUBLIC FLOAT

Rule 723 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") requires that at least 10.0% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed ("**Shares**") is at all times held by the public. The Company has complied with this requirement.

As at 18 March 2024, approximately 10.32% of its Shares are held in the hands of the public.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Please see below for information of Mr. Lee Yi Shyan who is seeking re-appointment as Director at the 2024 Annual General Meeting as set out in Appendix 7F of the Catalist Rules. Additional information can also be found under his profile within the section entitled “Board of Directors” of the Annual Report.

Name of the person	Mr. Lee Yi Shyan
Country of Principal Residence	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process), whether appointment is executive and if so, the area of responsibility	The re-election of Mr. Lee Yi Shyan as a Non-Independent and Non-Executive Director of the Company was recommended by the Nominating and Remuneration Committee (“**NRC**”) and the Board has accepted the recommendation, after taking into consideration all factors such as his independence, qualifications, expertise, past experiences, multiple directorships, principal commitments and overall contribution since he was appointed as a Director of the Company. Mr. Lee Yi Shyan will, upon re-election, continue to also serve as the Chairman of the Board of Directors and a member of the NRC of the Company.
Details on date of appointment and last re-appointment (if applicable), job title, professional qualification, working experience and occupation(s) during the past 10 years	Please refer to page 15 of the Annual Report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	Mr. Lee Yi Shyan currently holds the position of Executive Adviser, Chairman’s office, OUE Limited. OUE Limited is a substantial shareholder of the Company.
Conflict of interest (including any competing business)	Nil
Undertaking submitted to the Company in the form of Appendix 7H (Catalist Rule 720(1))	Yes
Shareholding interest in the Company and its subsidiaries?	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the person	Mr. Lee Yi Shyan
Present Directorship(s)/Principal Commitments	1. OUE Healthcare Limited 2. OUE REIT Management Pte. Ltd. (the Manager of OUE Real Estate Investment Trust) 3. OUE Hospitality Trust Management Pte. Ltd. 4. Business China 5. ICE Singapore Holdings Pte. Ltd. 6. ICE Futures Singapore Pte. Ltd. 7. ICE Clear Singapore Pte. Ltd. 8. Substantial Enterprises Limited 9. Vysion Star Pte. Ltd. 10. Keppel Group Eco-City Investments Pte. Ltd. 11. Sino-Singapore Tianjin Eco-city Investment and Development Co., Ltd. 12. Singapore Tianjin Eco-city Investment Holdings Pte. Ltd. 13. SPH Media Holdings Pte. Ltd. Advisor of: 14. OUE Limited 15. Keppel Corporation Limited
Past Directorship(s)/ Principal Commitment held over the preceding five years (1 January 2019 to 31 December 2023)	OUE Hospitality REIT Management Pte. Ltd. (dissolved through a member's voluntary winding up)
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the Person	Mr. Lee Yi Shyan
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the person	Mr. Lee Yi Shyan
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the SGX-ST? If yes, please provide details of prior experience. If no, please state if the director as attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the SGX-ST (if applicable)	Mr. Lee Yi Shyan was previously the Chairman and Non-Independent and Non-Executive Director of OUE Hospitality REIT Management Pte. Ltd. (the Manager of OUE Hospitality Real Estate Investment Trust ("**OUE H-REIT**")). He is currently the Chairman and Non-Independent Non-Executive Director of OUE Hospitality Trust Management Pte. Ltd. (the Trustee-Manager of OUE Hospitality Business Trust ("**OUE H-BT**")). OUE Hospitality Trust, which comprised OUE H-REIT and OUE H-BT, was delisted from the SGX-ST. Mr. Lee Yi Shyan is currently the Chairman and Non-Independent Non-Executive Director of OUE REIT Management Pte. Ltd. (the Manager of OUE Real Estate Investment Trust (formerly known as OUE Commercial Real Estate Investment Trust)) that is currently listed on the SGX-ST.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Please see below for information of Mr. Takeshi Seo who is seeking re-appointment as Director at the 2024 Annual General Meeting as set out in Appendix 7F of the Catalist Rules.

Name of the person	Mr. Takeshi Seo
Country of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process), whether appointment is executive and if so, the area of responsibility	The re-election of Mr. Takeshi Seo as a Non-Independent and Non-Executive Director of the Company was recommended by the Nominating and Remuneration Committee ("**NRC**") and the Board has accepted the recommendation, after taking into consideration all factors such as his independence, qualifications, expertise, past experiences and multiple directorships, principal commitments. Mr. Seo will, upon re-election, continue to also serve as a member of the NRC of the Company.
Details on date of appointment and last re-appointment (if applicable), job title, professional qualification, working experience and occupation(s) during the past 10 years	Mr. Seo will be appointed to the Board of Directors with effect from effective 9 April 2024. He holds a Bachelor of Naval Architecture from Osaka University, Japan. During the past 10 years, Mr. Takeshi Seo has held the following positions: April 2024 - Current Chief Strategic Officer of Asia and Oceania Bloc, ITOCHU Corporation Vice President of ITOCHU Singapore Pte. Ltd. April 2022 - April 2024 Group Chief Operating Officer of Machinery Group, Asia and Oceania Bloc, ITOCHU Corporation April 2021 - April 2022 Deputy General Manager, Marine Department, ITOCHU Corporation April 2019 - April 2021 Manager, Marine Section No. 1, Marine Department, ITOCHU Corporation May 2016 - April 2019 Director, ITOCHU Brasil S.A. Rio de Janeiro Branch, Brazil October 2009 - May 2016 Deputy Manager, Marine Section No. 3, Marine Department, ITOCHU Corporation

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the Person	Mr. Takeshi Seo
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking submitted to the Company in the form of Appendix 7H (Catalist Rule 720(1))	Yes
Shareholding interest in the Company and its subsidiaries?	Nil
Present Directorship(s)/Principal Commitments	1. OUE Healthcare Limited 2. I-Renewable Energy Asia (Thailand) Pte Ltd 3. I-Renewable Energy Asia (Vietnam) Pte Ltd
Past Directorship(s)/ Principal Commitment held over the preceding five years (1 January 2019 to 31 December 2023)	1. Lavender Maritime S.A. 2. Grand Falcon Maritime S.A. 3. Grand Future Maritime S.A. 4. Laurel World Maritime S.A. 5. Civic World Maritime S.A. 6. Indigo Lightning Maritime S.A. 7. Sunrise Nautical S.A. 8. Sunshine Nautical S.A. 9. AI Shipping Ltd 10. Bogazici Navigation S.A. 11. Handbell Shipping S.A. 12. Arist Maritime S.A. 13. Indigo Marine Shipping S.A. 14. Blue Navigation S.A. 15. Grand Eagle Maritime S.A. 16. Blue Orchid Maritime S.A. 17. Hermes World Maritime S.A. 18. Bluejay Maritime S.A. 19. Cleveland Shipmanagement S.A. 20. Peony Shipholding S.A. 21. Edelweiss Shipholding S.A. 22. Prelude Shipholding S.A. 23. Bonito Marine S.A. 24. A.N.G. Gas Transport Co., Ltd. 25. Mediterranean Sea Gas Transport Co., Ltd.
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the Person	Mr. Takeshi Seo
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the Person	Mr. Takeshi Seo
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the SGX-ST? If yes, please provide details of prior experience. If no, please state if the director as attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the SGX-ST (if applicable)	Mr. Takeshi Seo has been briefed on his role and responsibilities as a director of a listed company in Singapore and will undergo the training courses prescribed by the SGX-ST in connection with his duties as a Director and a member of the NRC within a year from his appointment to the Board.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Please see below for information of Mr. Abram Melkyzedeck Suhardiman who is seeking re-appointment as Director at the 2024 Annual General Meeting as set out in Appendix 7F of the Catalist Rules. Additional information can also be found under his profile within the section entitled "Board of Directors" of the Annual Report.

Name of the person	Mr. Abram Melkyzedeck Suhardiman
Country of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process), whether appointment is executive and if so, the area of responsibility	The re-election of Mr. Abram Melkyzedeck Suhardiman as a Non-Independent and Non-Executive Director of the Company was recommended by the Nominating and Remuneration Committee and the Board has accepted the recommendation, after taking into consideration all factors such as his independence, qualifications, expertise, past experiences, multiple directorships, principal commitments and overall contribution since he was appointed as a Director of the Company.
Details on date of appointment and last re-appointment (if applicable), job title, professional qualification, working experience and occupation(s) during the past 10 years	Please refer to page 16 of the Annual Report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	Son-in-law of Dr. Stephen Riady, who is deemed to hold a controlling interest in the Company.
Conflict of interest (including any competing business)	Mr. Abram holds 68,918,900 shares (representing 1.52% interest) in Healthway Medical Corporation Limited ("**HMC**") which is in the business of Singapore healthcare services. Mr. Abram is also a director of HMC. As at the date of this Annual Report, the Company, through a wholly-owned subsidiary, holds 1,189,993,563 shares (representing 26.24% interest) in HMC.
Undertaking submitted to the Company in the form of Appendix 7H (Catalist Rule 720(1))	Yes
Shareholding interest in the Company and its subsidiaries?	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the person	Mr. Abram Melkyzedeck Suhardiman
Present Directorship(s)/Principal Commitments	1. OUE Healthcare Limited 2. IPP Financial Advisers Pte Ltd 3. HSC Health Pte Ltd 4. Amazing Speech Therapy Director Pte Ltd 5. Acension Therapy Grp Pte Ltd 6. Headstart For Life Pte Ltd 7. Ten Surgery Group Pte Ltd 8. Telehope Speech Therapy Pte Ltd 9. IPP Financial Services Holdings Ltd 10. Straits Podiatry Pte Ltd 11. The Clinic @ HF Pte Ltd 12. The Clinic @ Marina One Pte Ltd 13. The Clinic @ Business City Pte Ltd 14. The Clinic @ Tai Seng Pte Ltd 15. The Clinic @ Aperia Pte Ltd 16. The Clinic @ Capitagreen Ltd 17. The Clinic @ One George Street Pte Ltd 18. The Clinic @ Campus Pte Ltd 19. The Clinic @ Fusionopolis Pte Ltd 20. EBH Capital Pte Ltd 21. Moolahgo Pte Ltd 22. TIH Limited 23. Healthway Medical Corporation Limited 24. City Ocean Group Limited
Past Directorship(s)/ Principal Commitment held over the preceding five years (1 January 2019 to 31 December 2023)	1. Amazing Early Intervention Pte Ltd 2. Nuvest Real Return Fund

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)		
Name of the Person		Mr. Abram Melkyzedeck Suhardiman
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the Person	Mr. Abram Melkyzedeck Suhardiman
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	Mr. Abram has been an Executive Director of Healthway Medical Corporation Limited ("**HMC**") since 26 April 2019. HMC had received enquiries and communicated with the Singapore Exchange Regulation Pte. Ltd. in relation to its obligations under Catalist Rule 703(4)(a) read with paragraph 27(a) of the Corporate Disclosure Policy. This arose from certain additional disclosures and information in HMC's annual report for the financial year ended 31 December 2019 ("**AR 2019**") pertaining to the re-election of Mr. Sin Boon Ann and the appointment of Ms. Poh Mui Hoon. The AR 2019 had been announced on the SGXNet on 15 April 2020 and the aforesaid additional disclosures were subsequently announced by way of a corrigendum to the AR 2019 announced on the SGXNet on 22 June 2020.
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the SGX-ST? If yes, please provide details of prior experience. If no, please state if the director as attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the SGX-ST (if applicable)	Mr. Abram was appointed as an Executive Director of HMC in 2019, a company listed on the Catalist Board of the SGX-ST until 8 November 2023, in 2019. He was re-designated as HMC's Deputy Chief Executive Officer in 2020 and re-designated as HMC's Executive Vice Chairman in 2023. He has also been an Alternate Director on the Board of TIH Limited since 2020, a company listed on the Main Board of SGX-ST.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Please see below for information of Mr. Eric Sho Kian Hin who is seeking re-appointment as Director at the 2024 Annual General Meeting as set out in Appendix 7F of the Catalist Rules. Additional information can also be found under his profile within the section entitled “Board of Directors” of the Annual Report.

Name of the person	Mr. Eric Sho Kian Hin
Country of Principal Residence	Malaysia
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process), whether appointment is executive and if so, the area of responsibility	The re-election of Mr. Eric Sho Kian Hin as an Independent and Non-Executive Director of the Company was recommended by the Nominating and Remuneration Committee (“**NRC**”) and the Board has accepted the recommendation, after taking into consideration all factors such as his independence, qualifications, expertise, past experiences, multiple directorships, principal commitments and overall contribution since he was appointed as a Director of the Company. Mr. Sho will, upon re-election, continue to also serve as the Chairman of the Audit and Risk Committee and a member of the NRC of the Company. Mr. Sho is considered independent for the purpose of Rule 704(7) of the Catalist Rules.
Details on date of appointment and last re-appointment (if applicable), job title, professional qualification, working experience and occupation(s) during the past 10 years	Please refer to page 17 of the Annual Report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking submitted to the Company in the form of Appendix 7H (Catalist Rule 720(1))	Yes
Shareholding interest in the Company and its subsidiaries?	Nil
Present Directorship(s)/Principal Commitments	1. OUE Healthcare Limited 2. Choo Chiang Holdings Ltd 3. Quantum Healthcare Limited 4. China Farm Equipment Pte. Ltd. 5. Hartanah Kencana Sdn. Bhd.
Past Directorship(s)/ Principal Commitment held over the preceding five years (1 January 2019 to 31 December 2023)	1. QT Vascular Ltd 2. Sim Leisure Group Ltd 3. Versalink Holdings Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the Person	Mr. Eric Sho Kian Hin
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the Person	Mr. Eric Sho Kian Hin
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the SGX-ST? If yes, please provide details of prior experience. If no, please state if the director as attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the SGX-ST (if applicable)	Mr. Sho is currently an Independent Director, the Chairman of the Audit Committee and a member of both the Nominating Committee and Remuneration Committee of Choo Chiang Holdings Ltd. (listed on the Catalist Board of the SGX-ST). In addition, Mr. Sho is currently the Chairman of the Audit Committee and a member of the Remuneration Committee of Quantum Healthcare Limited (listed on the Catalist Board of the SGX-ST).

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Please see below for information of Ms. Usha Ranee Chandradas who is seeking re-appointment as Director at the 2024 Annual General Meeting as set out in Appendix 7F of the Catalist Rules. Additional information can also be found under her profile within the section entitled "Board of Directors" of the Annual Report.

Name of the person	Ms. Usha Ranee Chandradas
Country of Principal Residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process), whether appointment is executive and if so, the area of responsibility	The re-election of Ms. Usha Ranee Chandradas as an Independent and Non-Executive Director of the Company was recommended by the Nominating and Remuneration Committee ("**NRC**") and the Board has accepted the recommendation, after taking into consideration all factors such as her independence, qualifications, expertise, past experiences, multiple directorships, principal commitments and overall contribution since she was appointed as a Director of the Company. Ms. Usha will, upon re-election, continue to also serve as the member of Audit and Risk Committee of the Company. Ms. Usha is considered independent for the purpose of Rule 704(7) of the Catalist Rules.
Details on date of appointment and last re-appointment (if applicable), job title, professional qualification, working experience and occupation(s) during the past 10 years	Please refer to page 18 of the Annual Report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking submitted to the Company in the form of Appendix 7H (Catalist Rule 720(1))	Yes
Shareholding interest in the Company and its subsidiaries?	Nil
Present Directorship(s)/Principal Commitments	1. OUE Healthcare Limited 2. OUE REIT Management Pte. Ltd. (the Manager of OUE Real Estate Investment Trust, formerly known as OUE Commercial Real Estate Investment Trust) 3. NUR Investment and Trading Pte. Ltd. 4. OUE Hospitality Trust Management Pte. Ltd. 5. Partner of (Plu)ral Art LLP
Past Directorship(s)/ Principal Commitment held over the preceding five years (1 January 2019 to 31 December 2023)	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the Person	Ms. Usha Ranee Chandradas
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against her or against a partnership of which she was a partner at the time when she was a partner or at any time within 2 years from the date she ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which she was a director or an equivalent person or a key executive, at the time when she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against her?	No
(d) Whether she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which she is aware) for such purpose?	No
(e) Whether she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which she is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on her part, or she has been the subject of any civil proceedings (including any pending civil proceedings of which she is aware) involving an allegation of fraud, misrepresentation or dishonesty on her part?	No
(g) Whether she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Information required pursuant to Catalist Rules 704(6) and/or 704(7)	
Name of the Person	Ms. Usha Ranee Chandradas
(i) Whether she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining her from engaging in any type of business practice or activity?	No
(j) Whether she has ever, to her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when she was so concerned with the entity or business trust?	No
(k) Whether she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the SGX-ST? If yes, please provide details of prior experience. If no, please state if the director as attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the SGX-ST (if applicable)	Ms. Usha is currently an Independent Director, and a member of each of the Audit and Risk Committee and Nominating and Remuneration Committee of OUE REIT Management Pte. Ltd. (the Manager of OUE Real Estate Investment Trust (formerly known as OUE Commercial Real Estate Investment Trust) that is currently listed on the Main Board of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

OUE HEALTHCARE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201304341E)
6, Shenton Way, #10-10 OUE Downtown,
Singapore 068809
T +65 6578 9188 F +65 6479 4647

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of OUE HEALTHCARE LIMITED (the "**Company**") will be held at Hilton Singapore Orchard (333 Orchard Road, Singapore 238867), Grand Ballroom, Level 6, Orchard Wing on Thursday, 25 April 2024 at 2.00 p.m., to transact the following business:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31 December 2023 and the Auditors' Report thereon.

2. To approve the payment of S$620,000 as Directors' Fees for the financial year ended 31 December 2023 (2022: S$608,390.41).

3. To re-elect the following Directors retiring pursuant to Regulations 111 and 115 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   a. Mr. Lee Yi Shyan;
   b. Mr. Takeshi Seo; (to be appointed with effect from 9 April 2024)
   c. Mr. Abram Melkyzedeck Suhardiman; (appointed with effect from 2 January 2024)
   d. Mr. Eric Sho Kian Hin; and
   e. Ms. Usha Ranee Chandradas.

4. To re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS:

ORDINARY RESOLUTION – AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 161 OF THE COMPANIES ACT 1967 OF SINGAPORE

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution, with or without modifications:

5. that pursuant to Section 161 of the Companies Act 1967 of Singapore and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company to:

   a. (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

      (ii) make or grant offers, agreements or options (collectively, "**instruments**") that may or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

      at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   b. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force, provided that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings shall be calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings at the time of the passing of this Resolution, after adjusting for:

(1) new shares arising from the conversion or exercise of any convertible securities;

(2) new shares arising from exercise of share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(3) any subsequent bonus issue, or consolidation or sub-division of shares,

adjustments in accordance with sub-paragraphs (1) and (2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

By Order of the Board
OUE Healthcare Limited

Victor Chong Tun Foo
Company Secretary
2 April 2024
Singapore

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(a) **Resolution 3(a)** – Re-election of Mr. Lee Yi Shyan as a Director retiring by rotation under Regulation 111 of the Company's Constitution.

Mr. Lee Yi Shyan will, upon re-election, continue as the Chairman of the Board and a member of the Nominating and Remuneration Committee of the Company. Further information can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election" of the Annual Report 2023.

(b) **Resolution 3(b)** – Re-election of Mr. Takeshi Seo as a Director retiring under Regulation 115 of the Company's Constitution.

Mr. Takeshi Seo will, upon re-election, continue as a Non-Independent and Non-Executive Director and a member of the Nominating and Remuneration Committee of the Company. Further information can be found under the section entitled "Additional Information on Directors Seeking Re-Election" of the Annual Report 2023.

(c) **Resolution 3(c)** – Re-election of Mr. Abram Melkyzedeck Suhardiman as a Director retiring under Regulation 115 of the Company's Constitution.

Mr. Abram Melkyzedeck Suhardiman will, upon re-election, continue as a Non-Independent and Non-Executive Director of the Company. Further information can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election" of the Annual Report 2023.

(d) **Resolution 3(d)** – Re-election of Mr. Eric Sho Kian Hin as a Director retiring by rotation under Regulation 111 of the Company's Constitution.

Mr. Eric Sho Kian Hin will, upon re-election, continue as an Independent and Non-Executive Director, the Chairman of the Audit and Risk Committee and a member of the Nominating and Remuneration Committee of the Company. Further information can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election" of the Annual Report 2023. The Board of Directors considers him independent for the purpose of Rule 704(7) of the Catalist Rules.

(e) **Resolution 3(e)** – Re-election of Ms. Usha Ranee Chandradas as a Director retiring by rotation under Regulation 111 of the Company's Constitution.

Ms. Usha Ranee Chandradas will, upon re-election, continue as an Independent and Non-Executive Director and a member of the Audit and Risk Committee of the Company. Further information can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election" of the Annual Report 2023. The Board of Directors considers her independent for the purpose of Rule 704(7) of the Catalist Rules.

(f) **Resolution 5** is to empower the Directors to issue shares in the capital of the Company and/or instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 5 (including shares to be issued in pursuance of instruments made or granted) shall not exceed one hundred per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings, with a sub-limit of fifty per cent (50%) for shares issued other than on a *pro-rata* basis (including shares to be issued in pursuance of instruments made or granted pursuant to Resolution 5) to shareholders of the Company.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings will be calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings at the time of the passing of Resolution 5, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares. The adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of Resolution 5.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

Refreshments

1. Coffee, tea and water will be served at the AGM.

Format of Meeting

2. The AGM will be held, in a wholly physical format, at Hilton Singapore Orchard (333 Orchard Road, Singapore 238867), Grand Ballroom, Level 6, Orchard Wing on Thursday, 25 April 2024 at 2.00 p.m.. Shareholders, including CPF and SRS Investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person and they should bring along their original NRIC/passport for registration on the day of the AGM. **There will be no option for shareholders to participate virtually**.

   Printed copies of this Notice, the accompanying Proxy Form and the Request Form will be sent by post to members. This Notice and the accompanying Proxy Form will also be published on the Company's website at the URL https://investor.ouehealthcare.com/agm_egm.html and the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements.

Appointment of Proxy(ies)

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

4. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com,

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the AGM.

6. CPF and SRS Investors:

   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 April 2024.

Submission of Questions

7. Shareholders, including CPF and SRS Investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM:

   (a) by post to the Company's registered address at 6 Shenton Way, #10-10, OUE Downtown 2, Singapore 068809; or

   (b) via email to the Company at info@ouehealthcare.com.

   When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's address; and (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.

   All questions submitted in advance must be received by 5.00 p.m. on 10 April 2024.

8. The Company will address all substantial and relevant questions received from shareholders by the 10 April 2024 deadline by publishing its responses to such questions on the Company's website at the URL https://investor.ouehealthcare.com/agm_egm.html and the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions, submitted after the 10 April 2024 deadline either within a reasonable timeframe before the AGM or at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

9. Shareholders, including CPF and SRS Investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

Access to Documents

10. The Annual Report 2023 have been published and may be accessed at the Company's website at the URL https://investor.ouehealthcare.com/agm_egm.html. To access the Annual Report 2023, select the year "2023" from the drop-down menu. The Annual Report 2023 may also be accessed at the SGX website at the URL https://www.sgx.com/securities/company-announcements. Members may request for printed copies of the Annual Report 2023 by completing and submitting the Request Form sent by post together with printed copies of this Notice and the accompanying Proxy Form by 5.00 p.m. on 17 April 2024.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, Catalist Rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

ANNUAL GENERAL MEETING

OUE HEALTHCARE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201304341E)

IMPORTANT:

1. The Annual General Meeting ("**AGM**") will be held, in a wholly physical format, at Hilton Singapore Orchard (333 Orchard Road, Singapore 238867), Grand Ballroom, Level 6, Orchard Wing on Thursday, 25 April 2024 at 2.00 p.m.. **There will be no option for shareholders to participate virtually**.
2. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
3. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors.
4. CPF and SRS Investors may:
   (a) vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 April 2024.
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 2 April 2024.

I/We*, ______________________________ , ______________________________
(Name) *(NRIC/Passport No./Company Registration No.*)*

of ____
(Address)

being a member/members* of OUE Healthcare Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholding %

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholding %

or failing him/her*, the **Chairman of the AGM**, as my/our* proxy/proxies* to attend, speak and vote for me/us* on my/our* behalf at the AGM of the Company to be held at Hilton Singapore Orchard (333 Orchard Road, Singapore 238867), Grand Ballroom, Level 6, Orchard Wing on Thursday, 25 April 2024 at 2.00 p.m. and at any adjournment thereof.

NO.	RESOLUTIONS	VOTING		ABSTAIN**
		FOR**	AGAINST**	
ORDINARY BUSINESS				
1.	Adoption of the Directors' Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31 December 2023 and the Auditors' Report thereon			
2.	Approval of Directors' fees			
3a.	Re-election of Mr. Lee Yi Shyan as Director			
3b.	Re-election of Mr. Takeshi Seo as Director			
3c.	Re-election of Mr. Abram Melkyzedeck Suhardiman as Director			
3d.	Re-election of Mr. Eric Sho Kian Hin as Director			
3e.	Re-election of Ms. Usha Ranee Chandradas as Director			
4.	Re-appointment of KPMG LLP as Auditors			
SPECIAL BUSINESS				
5.	Authority for Directors to issue Shares pursuant to Section 161 of the Companies Act 1967 of Singapore			

** Delete as appropriate*

*** Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "**For**" or "**Against**" a resolution, please indicate with an "X" in the "**For**" or "**Against**" box provided in respect of that resolution. Alternatively, please indicate the number of votes "**For**" or "**Against**" in the "**For**" or "**Against**" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an "X" in the "**Abstain**" box provided in respect of that resolution. Alternatively, please indicate the number of shares your proxy/proxies is directed to abstain from voting in the "**Abstain**" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.)*

Dated this __________ day of ______________ 2024

Total Number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

____
Signature(s) of member(s) or Common Seal

____
Contact Number/Email Address of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

Please fold here 1st

Affix

Postage

Stamp

PROXY FORM

The Share Registrar
OUE HEALTHCARE LIMITED
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Please fold here 2nd

4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at **srs.proxy@boardroomlimited.com**,

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the AGM.

5. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted personally or by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject an instrument appointing a proxy(ies) which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject a an instrument appointing a proxy(ies) (including any related attachment) if the member, being the appointor, is not shown to have shares entered against the member's name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lee Yi Shyan
(Non-Independent and Non-Executive Chairman)

Tetsuya Fujimoto
(Non-Independent and Non-Executive Director)

Yet Kum Meng
(Chief Executive Officer and Executive Director)

Abram Melkyzedeck Suhardiman
(Non-Independent and Non-Executive Director)

Roger Tan Chade Phang
(Lead Independent and Non-Executive Director)

Eric Sho Kian Hin
(Independent and Non-Executive Director)

Jackson Tay Eng Kiat
(Independent and Non-Executive Director)

Usha Ranee Chandradas
(Independent and Non-Executive Director)

AUDIT AND RISK COMMITTEE

Eric Sho Kian Hin
(Chairman)

Roger Tan Chade Phang
Jackson Tay Eng Kiat
Usha Ranee Chandradas

NOMINATING AND REMUNERATION COMMITTEE

Roger Tan Chade Phang
(Chairman)

Lee Yi Shyan
Tetsuya Fujimoto
Eric Sho Kian Hin
Jackson Tay Eng Kiat

COMPANY SECRETARY

Victor Chong Tun Foo

REGISTERED OFFICE

6 Shenton Way
#10-10 OUE Downtown
Singapore 068809
Tel: (65) 6578 9188
Fax: (65) 6479 4647
info@ouehealthcare.com
www.ouehealthcare.com
Co Reg No. 201304341E

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Tel: (65) 6536 5355

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

AUDITOR

KPMG LLP
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961
Partner-in-charge: Ong Li Qin
With effect from financial year ended 31 December 2022

OUE HEALTHCARE LIMITED
(Company Reg. No. 201304341E)