OUE REIT

Delivering long term and sustainable value creation through high quality assets

Annual Report 2024

Glossary

AEI	Asset Enhancement Initiative
AGM	Annual General Meeting
COVID-19	Coronavirus Disease
CAGR	Compound Annual Growth Rate
CBD	Central Business District
DPU	Distribution per Unit
ESG	Environmental, Social and Governance
F&B	Food and Beverage
FY 2024	Financial period from 1 January 2024 to 31 December 2024
GDP	Gross Domestic Product
GFA	Gross Floor Area
GHG	Greenhouse Gas
IPO	Initial Public Offering
NAV	Net Asset Value
NLA	Net Lettable Area
NPI	Net Property Income
MICE	Meetings, Incentives, Conferences and Exhibitions
REIT	Real Estate Investment Trust
RevPAR	Revenue per Available Room
sq ft	Square feet
sqm	Square metre
psf	Per square foot
Unitholders	Holders of units of OUE REIT
QoQ	Quarter-on-quarter refers to the comparison with the preceding quarter
YoY	Year-on-year refers to the comparison with the same period in the previous year

Built on Strong Foundations

OUE REIT has remained steadfast amidst rising market uncertainties. Leveraging a balanced portfolio of prime-located assets, we maximised performance to deliver resilient returns. At the same time, we strengthened our balance sheet with an investment grade credit rating and green building credentials. Anchored by our Singapore-centric portfolio, an experienced management team, and the strong support of our Sponsor, OUE REIT is well-positioned to embrace future opportunities, optimise returns, and drive sustainable long-term growth for our Unitholders and stakeholders.

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Corporate Profile

OUE Real Estate Investment Trust ("OUE REIT"), formerly known as OUE Commercial Real Estate Investment Trust, is one of the largest diversified Singapore REITs with total assets under management of S$5.8 billion[1] as of 31 December 2024.

OUE REIT aims to deliver stable distributions and provide sustainable long-term growth in return to Unitholders by investing in income-producing real estate used primarily for hospitality, retail and/or office purposes in financial and business hubs, as well as real estate-related assets.

OUE REIT's portfolio comprises six high-quality office, hospitality and retail assets located in Singapore. Its three office assets – OUE Bayfront, One Raffles Place and OUE Downtown Office – are situated within the Central Business District, with a total NLA of approximately 1.6 million sq ft.

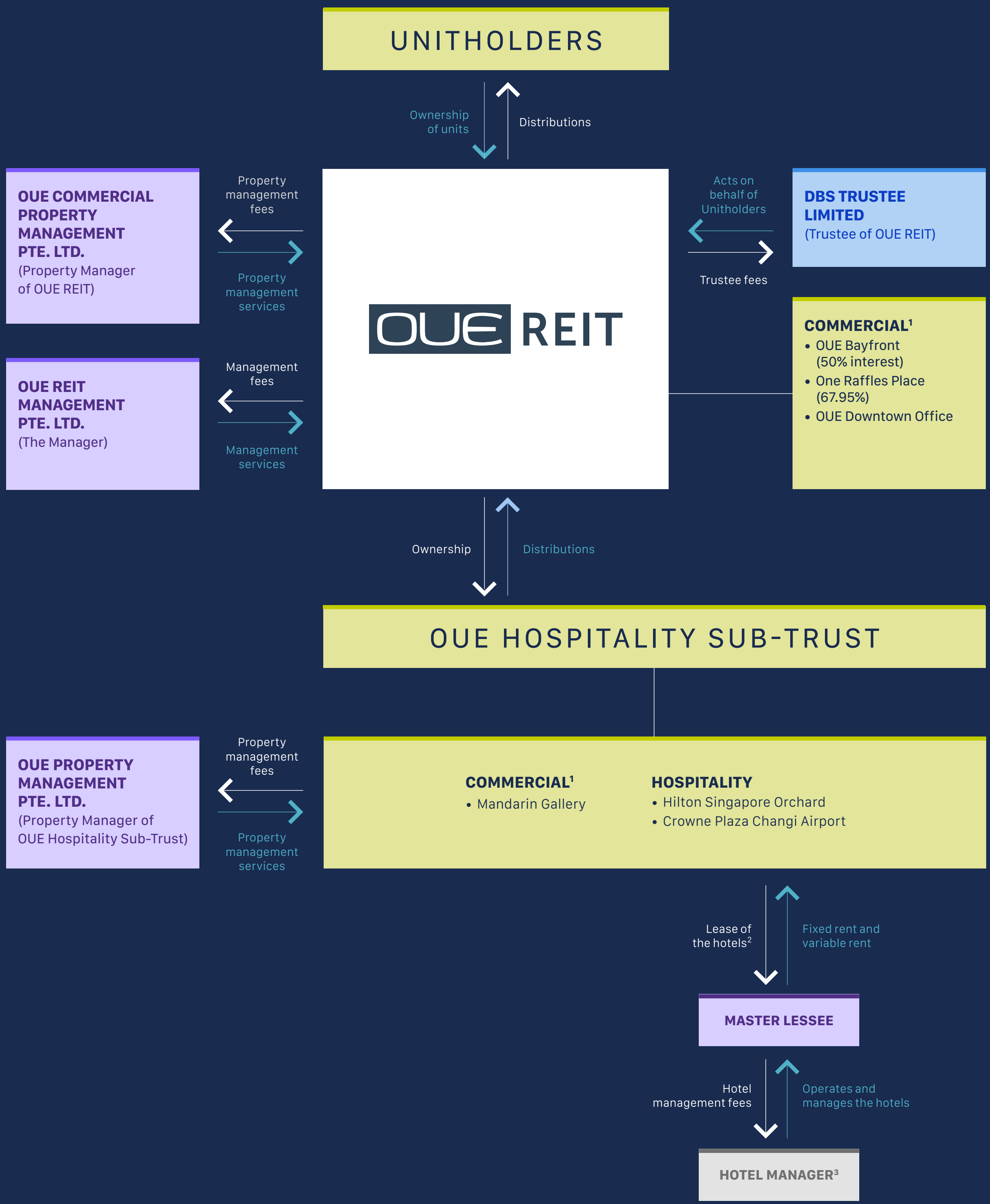
OUE REIT's two hotels, Hilton Singapore Orchard and Crowne Plaza Changi Airport, are strategically located along the prime Orchard Road belt and within the Changi Airport vicinity, offering a total of 1,655 upper upscale hotel rooms. Complementing Hilton Singapore Orchard is Mandarin Gallery, a 126,294 sq ft high-end retail mall that has been a preferred destination for international brands in the heart of Orchard Road.

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 27 January 2014, OUE REIT is managed by OUE REIT Management Pte. Ltd. (the "Manager"), a wholly-owned subsidiary of OUE Limited (the "Sponsor"). The Sponsor is a leading real estate and healthcare group, growing strategically to capitalise on growth trends across Asia. Its real estate activities include the development, investment and management of real estate assets across the commercial, hospitality, retail, residential and healthcare sectors.

Note:

[1] Portfolio property value as of 31 December 2024. Includes OUE REIT's attributable interest in OUE Bayfront (50%). Excludes Lippo Plaza which was divested on 27 December 2024

REIT Structure



Notes:

1. Includes office and/or retail
2. The OUE Hospitality Sub-Trust will lease the hotel to the Master Lessee and in return the Master Lessee will pay rent in accordance with the master lease agreement to the OUE Hospitality Sub-Trust
3. The Master Lessee will appoint the Hotel Manager to manage the day-to-day operations and marketing of the hotel leased from OUE Hospitality Sub-Trust. The Hotel Manager will typically be entitled to a payment computed as a percentage of the revenue and a percentage of the gross operating profit of the hotel comprising gross operating revenue less operating expenses under management

Guiding Future Growth

Core Enablers (Input)

The Six Capitals

EXTERNAL DRIVER

1 Assets Capital

2 Financial Capital

3 Intellectual Capital

4 Human Capital

INTERNAL DRIVER

5 Environmental & Natural Capital

6 Social Capital & Stakeholders Relationships

Value Creation (Engine)

Unique Business Model

Leading diversified REIT with portfolio of high quality and strategically located office, hospitality and retail assets predominantly in Singapore

Stakeholders Engagement

- Employees
- Tenants
- Unitholders & Prospective Investors
- Analysts & Media
- Government & Regulators
- Community

Output and Outcome

Positive Impact

Value Drivers	Competitive Strength
Prime, Balanced Portfolio Strategically located landmark hospitality, office and retail assets	**Income resiliency and attractive returns** with diversified portfolio of quality assets
Proactive Capital Management Disciplined capital structure and proactively exploring innovative ways to bolster balance sheet position	**Risk protection** Committed Sponsor provides downside protection with hotel master leases agreement ("MLA")
Experienced Manager A professional team with extensive and proven track record	**Active asset management** to maximise portfolio performance and unlock portfolio value
Strong Sponsor Support A leading real estate and healthcare group in Asia, the Sponsor's 48.6% stake in OUE REIT demonstrates alignment of interest with Unitholders	**Healthy balance sheet** with a strong bench of supporting banking partners and institutional investors
Sustainable Resilience Future proof assets via green building certifications, stakeholder engagement and employee empowerment, supported with strong corporate governance oversight by diversified Board	**ESG Credential** Reduce environmental impact and drive positive changes in the communities we are operating in

2024 Performance

c.50:50
Balanced mix of office, hospitality and retail assets offers growth and stability

90%
of revenue comes from long commercial leases and minimum rent under MLA

BBB-
Investment grade credit rating by S&P Global Ratings maintained

★ ★ ★ ★
GRESB 2024 Assessment

Key Growth Drivers

40%
Hospitality revenue contribution target to maximise dynamic pricing advantages

90%
Green Financing target to be achieved by FY 2030

40%
Absolute Scope 1 and 2 GHG emissions reduction for commercial properties by FY 2030

Positive Impact

Economic Value
Delivering growth and sustainable returns to Unitholders

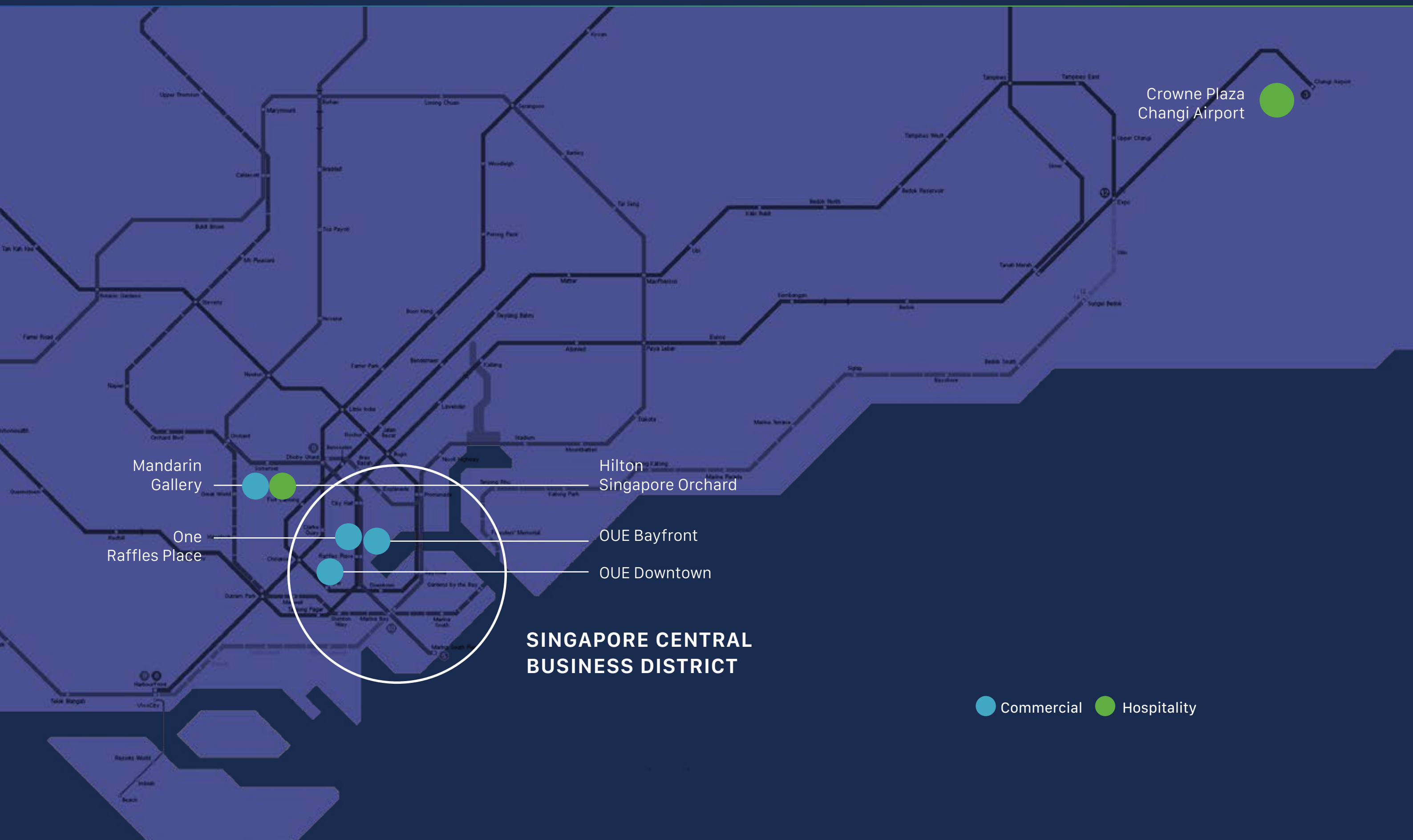
ESG Value
Contributing to UN SDGs:

Key Highlights

High Quality Portfolio

Resilient Performance

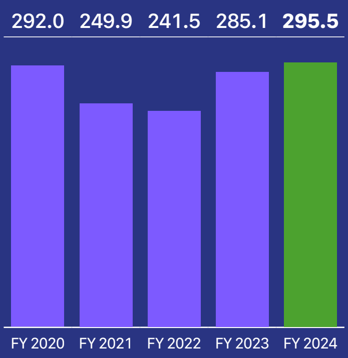
OUE REIT's office, hospitality, and retail assets are strategically located in prime locations supported by key infrastructure and amenities. Through enhanced operational excellence, our Singapore commercial segment continues to achieve high occupancy and positive rental reversions. Successful asset enhancements have enabled our two hotels to capitalise on the ongoing tourism recovery. Our portfolio resilience is further strengthened by the strategic divestment of Lippo Plaza in Shanghai, positioning us well to drive long-term growth.



Revenue
(S$ million)

14.4%

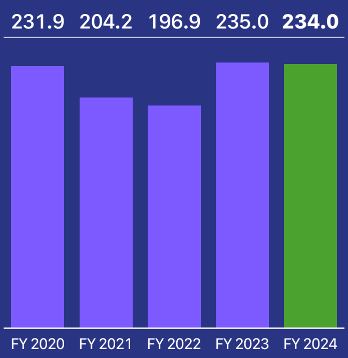
CAGR since IPO



Net Property Income
(S$ million)

15.0%

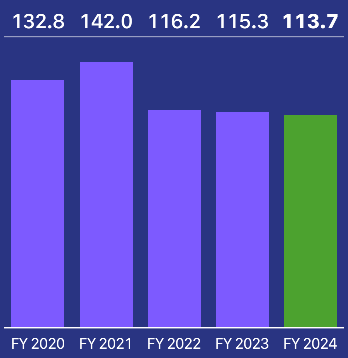
CAGR since IPO



Amount to be Distributed
(S$ million)

8.7%

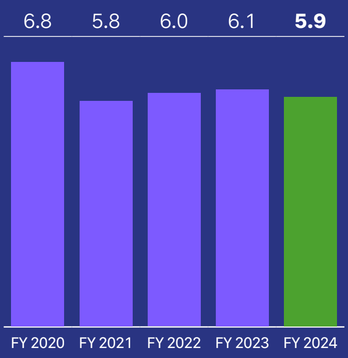
CAGR since IPO



Total Assets
(S$ billion)

13.5%

CAGR since IPO



Asset Value By Property[1]

(By proportionate interest)

	(%)
One Raffles Place	**29.1**
Hilton Singapore Orchard	**23.9**
OUE Downtown Office	**16.9**
OUE Bayfront	**12.6**
Crowne Plaza Changi Airport	**9.4**
Mandarin Gallery	**8.1**

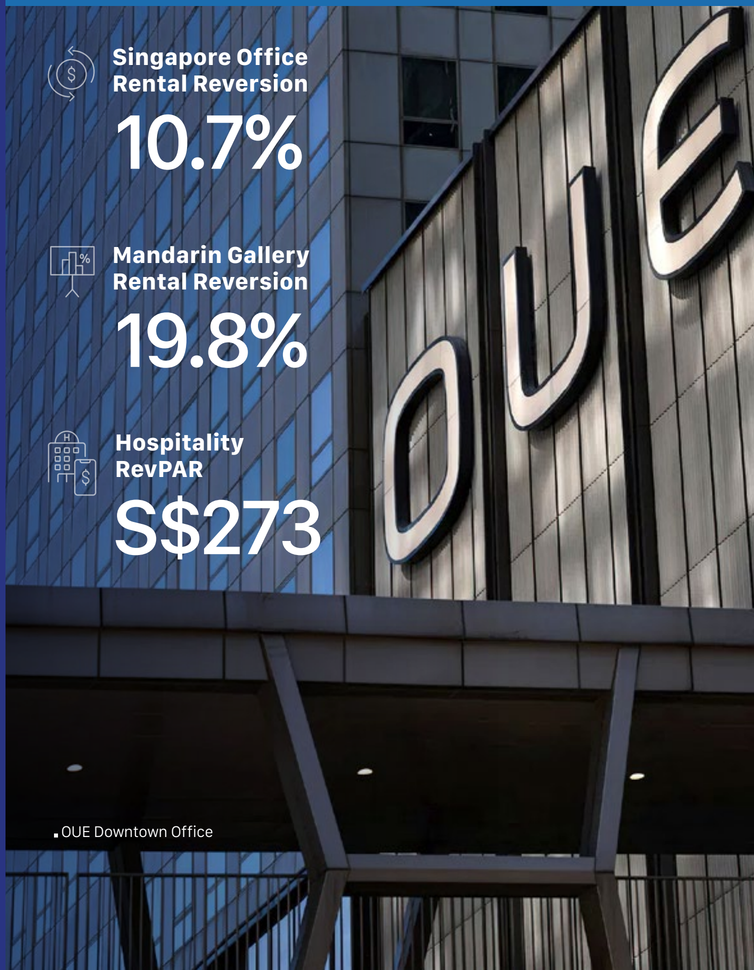
[1] Based on independent valuations as of 31 December 2024

FY 2024 Revenue Contribution by Segment[2]

(By proportionate interest)

	(%)
Office	**49.1**
Hospitality	**33.7**
Retail	**17.2**

[2] Includes revenue contribution from Lippo Plaza which was divested on 27 December 2024



Singapore Office Rental Reversion

10.7%

Mandarin Gallery Rental Reversion

19.8%

Hospitality RevPAR

S$273

OUE Downtown Office

Healthy Balance Sheet

Growth Opportunities

Proactive management has been instrumental in delivering stable DPU performance in FY 2024 despite a high-for-longer interest rate environment. With the successful completion of a S$600 million unsecured sustainability-linked loan and the inaugural issuance of 3-year and 7-year investment grade Green Notes, we have strengthened our capital structure and are well-positioned to seize future opportunities as they arise.

Aggregate Leverage
(as of 31 Dec 2024)
39.9%

Weighted Average All-in Cost of Debt
(as of 31 Dec 2024)
4.7% per annum

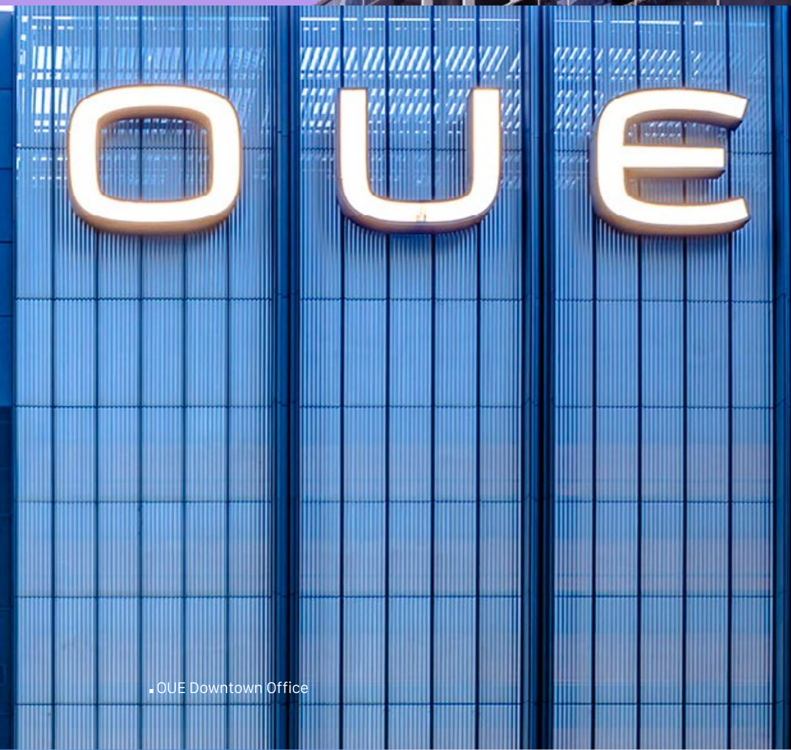
BBB-
Stable Outlook by S&P Global Ratings

Proportion of Fixed Rate Debt
(as of 31 Dec 2024)
76.0%

Proportion of Unsecured Debt
(as of 31 Dec 2024)
86.9%

Proportion of Unencumbered Assets
(as of 31 Dec 2024)
87.4%

OUE Bayfront



OUE Downtown Office

Balance Sheet Highlights

	As of 31 December 2024
Total Assets (S$'000)	5,939,901
Total Borrowings[1] (S$'000)	2,369,567
Unitholders' Funds (S$'000)	3,187,301
Market Capitalisation (S$'000)	1,565,491
Total Operating Expenses[2] to NAV (%)	2.8

1 Includes OUE REIT's share of OUB Centre Limited's loan and OUE Allianz Bayfront LLP's loan. OUE REIT's interest in One Raffles Place and OUE Bayfront are held via its indirect interest in OUB Centre Limited and direct interest in OUE Allianz Bayfront LLP, respectively

2 The total operating expenses incurred by OUE REIT Group and OUE REIT's proportionate share of operating expenses incurred by its joint venture amount to approximately S$89.3 million. The amount included all fees and charges paid/payable to the Manager and interested parties

One Raffles Place

Key Highlights

Sustainability Resilience

Positive Impact

ESG is not only a societal imperative but also one of the greatest commercial opportunities for OUE REIT. We remain committed to aligning our business and operational strategies with global sustainability goals through responsible resource stewardship, community engagement, and robust corporate governance. In celebration of our 10th Anniversary in 2024, OUE REIT has recalibrated its ESG targets with the support of our Sponsor, OUE Limited. By enhancing the sustainability performance across our operations, we ensure our efforts deliver benefits to both the environment and our stakeholders.

95.4%
of the Portfolio are Green Certified

69.4%
of Total Debt are Green Financing

35.9
Training Hours per Employee Achieved

64.2%
Green Leases

4-Star
GRESB Real Estate Assessment Achieved

73.7%
Female Employees

Crowne Plaza Changi Airport

Mandarin Gallery

Commercial Segment Environmental Performance

Scope 1 & Scope 2 Absolute Emissions Increased by

1.7%*

Scope 1 Emissions Reduced by

11.8%*

Water Intensity Reduced by

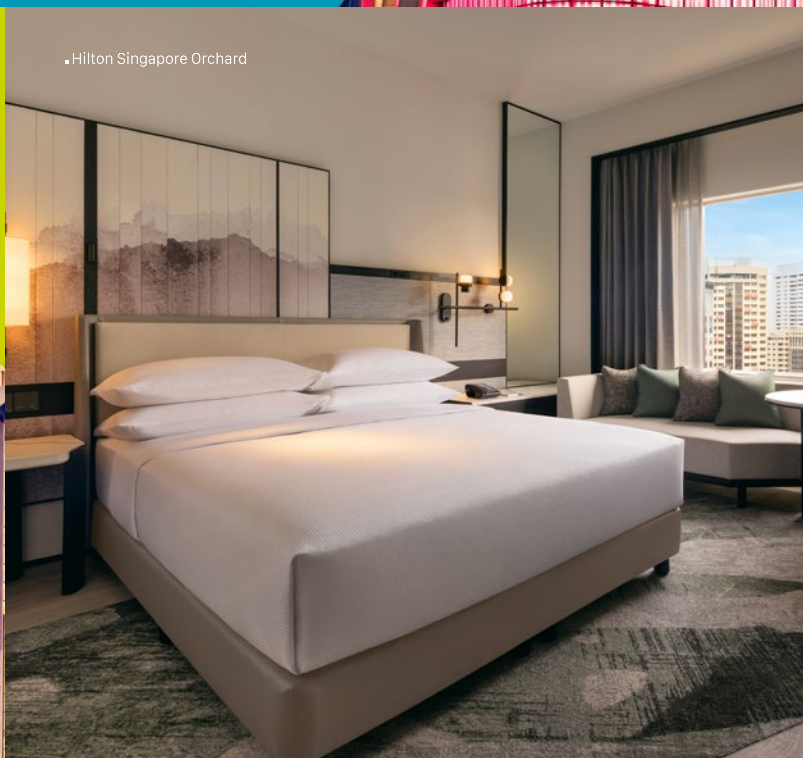
24.4%#

Recycling Rate Increased to

5%

* Compared to baseline year FY 2023

\# Compared to baseline year FY 2017



Hilton Singapore Orchard

Properties at a Glance

COMMERCIAL[1]

	OUE BAYFRONT	ONE RAFFLES PLACE	OUE DOWNTOWN OFFICE
Property Description	Located at Collyer Quay in Singapore's CBD, OUE Bayfront is a premium Grade A office building which occupies a vantage position between the Marina Bay downtown and established financial hub of Raffles Place.	One of the tallest buildings in the Singapore CBD, One Raffles Place is an iconic commercial development comprising two Grade A office towers and a retail mall, strategically located in the heart of main financial district Raffles Place.	OUE Downtown Office is part of the OUE Downtown mixed-use development, a refurbished landmark property comprising Grade A offices, a retail podium as well as serviced residences, strategically located in Shenton Way.
Ownership Interest	50%	83.33% interest in OUB Centre Limited, which owns 81.54% beneficial interest in One Raffles Place	100% of the office components of OUE Downtown
Leasehold Tenure	**OUE Bayfront and OUE Tower:** 99-year lease from 12 Nov 2007 **OUE Link:** 15-year lease from 19 Nov 2024 **Underpass:** 99-year lease from7 Jan 2002	**One Raffles Place Tower 1:** 841-year lease from 1 Nov 1985 **One Raffles Place Tower 2:** 99-year lease from 26 May 1983 **One Raffles Place Shopping Mall:** • approximately 75% of the NLA of the retail podium is on a 99-year lease from 1 Nov 1985 • the balance 25% of the NLA is on a 841-year lease from 1 Nov 1985	99-year lease from 19 Jul 1967
Property Valuation	S$1,388.0 million[2]	S$1,926.3 million[3]	S$930.0 million
FY 2024 Revenue	S$66.2 million[2]	S$87.1 million[3]	S$49.0 million
Committed Occupancy/ RevPAR	Overall: 98.2% Office: 98.5% Retail: 93.4%	Overall: 95.3% Office: 94.5% Retail: 99.3%	91.9%
NLA	37,133.1 sq m	65,373.0 sq m	49,133 .9 sq m

6
Properties

1.8m sq ft
Prime Office and Retail Spaces
(Total Net Lettable Area)

1,655
Upper Upscale Hotel Rooms

S$5.8b
Assets Under Managerment

	HOSPITALITY	
MANDARIN GALLERY	**HILTON SINGAPORE ORCHARD**	**CROWNE PLAZA CHANGI AIRPORT**
Mandarin Gallery is a high-end retail mall situated along Orchard Road, in the heart of Singapore's shopping precinct. The mall boasts a wide 152-metre frontage, according it a high degree of prominence, and serves as a preferred flagship location for international brands.	Hilton Singapore Orchard (formerly known as Mandarin Orchard Singapore) is Hilton's flagship hotel and its largest in Asia Pacific. With 1,080 rooms, the hotel is also the largest in the heart of Orchard Road, Singapore's shopping and entertainment district, providing top accommodation choices for both leisure and business travellers globally.	Crowne Plaza Changi Airport, managed by InterContinental Hotels Group, is a 575-room hotel situated within the vicinity of the passenger terminals of Changi Airport. The hotel is connected directly to Changi Airport Terminal 3 and enjoys seamless connectivity to Jewel Changi Airport via a pedestrian bridge from Terminal 3.
100%	100%	100%
99-year lease from 1 Jul 1957	99-year lease from 1 Jul 1957	66-year lease from 9 Jun 2017
S$451.0 million	S$1,318.5 million	S$520.0 million
S$31.3 million	S$77.9 million	S$28.0 million
98.2%	FY 2024 RevPAR: S$290	FY2024 RevPAR: S$242
11,733.1 sq m	Gross Floor Area: 91,999.8 sq m	Gross Floor Area: 40,913.5 sq m

Notes:
[1] Commercial segment comprises OUE Bayfront (50% interest), One Raffles Place (67.95% effective interest), OUE Downtown Office and Mandarin Gallery
[2] Based on OUE Allianz Bayfront LLP's 100% interest in OUE Bayfront
[3] Based on OUB Centre Limited's 81.54% interest in One Raffles Place

Chairman's Letter to Unitholders

Thriving into Tomorrow

Dear Unitholders,

2024 has been a transformative year for OUE REIT.

We began the year with a refreshed identity, celebrated our 10th anniversary and reaffirmed our commitment to deliver resilient, sustainable returns through a diversified portfolio covering office, retail and hospitality sectors.

As the year unfolded, global macroeconomic challenges continued to rise with geopolitical tensions, persistent inflation, and prolonged high interest rates.

Resilient Performance Anchored by Diversified Singapore Prime Assets

Despite these headwinds, OUE REIT stood strong, delivering another year of resilient results backed by our diversified, prime-located assets. For FY 2024, revenue rose by 3.7% YoY to S$295.5 million, driven by higher contribution from the hospitality segment as well as stable performance in Singapore's commercial sector. NPI decreased marginally by 0.4% YoY to S$234.0 million in FY 2024, primarily due to the upward revision of prior years' property tax for Hilton Singapore Orchard and Crowne Plaza Changi Airport. Adjusting for the tax revision, NPI would have increased by 2.3% YoY.

The share of joint venture results from OUE Bayfront jumped to S$30.5 million mainly due to fair value gains. Including the release of the remaining S$5.0 million capital distribution from the 50% divestment of OUE Bayfront, the amount to be distributed was S$113.7 million, translating to a DPU of 2.06 Singapore cents.

OUE REIT delivered another year of resilient results in FY 2024. Looking ahead, our strategic focus will centre on optimising asset performance and remain vigilant in exploring portfolio reconstitution opportunities to unlock value as capital market sentiment improves.

Based on the Unit closing price of S$0.285 on the last trading day in 2024, the FY 2024 distribution yield was 7.2%. As of 31 December 2024, OUE REIT's portfolio of investment properties was valued at approximately S$5.8 billion, representing a net asset value per Unit of S$0.58.

Improved Balance Sheet with Effective Capital Management Actions

In an uncertain interest rate environment, we proactively fortified our financial position by monitoring capital markets and seizing favourable opportunities to bolster our balance sheet.

OUE REIT addressed the debt maturity wall head-on, successfully completing the early refinancing of over S$950 million of debt due in 2025 and 2026. This was achieved first through the completion of an unsecured sustainability-linked loan ("SLL") of S$600 million in May 2024. This is OUE REIT's first SLL, tied to its recalibrated target of achieving a 40% absolute reduction in greenhouse gas emissions by 2030.

With a BBB- investment grade credit rating with a stable outlook assigned by S&P Global Ratings and a green financing framework in place, OUE REIT further diversified our debt maturity profile with the issuances of our first 3-year and 7-year investment grade Green Notes totalling S$550 million. In November, we completed a bond re-tap issuance of S$120 million at a record-low tap reoffer yield of 3.78%. Almost all allocation went towards institutional investors. With the re-tap, the total issuance size of the 7-year investment grade Green Notes increased to S$300 million, enabling it to be included in the Markit iBoxx SGD Overall Bond Index thus further enhancing investment appetite.

OUE REIT's balance sheet remains healthy, supported by a well-distributed debt maturity profile. As of 31 December 2024, the average debt term extended to 3.0 years, up from 2.4 years a year earlier. Aggregate leverage stood at 39.9%, while the weighted average cost of debt remained stable at 4.7% per annum. Approximately 76.0% of total debt has been hedged into fixed rates, enhancing stability amid market fluctuations.

Enhance Portfolio Resilience with Timely Portfolio Reconstitution

In December 2024, we strategically divested Lippo Plaza in Shanghai for a sale consideration of RMB1,917.0 million[1] (approximately S$357.4 million[2]) and at an agreed property value of RMB1,680.0 million (approximately S$313.2 million[2]). This portfolio realignment reflects our continued focus on delivering long-term value and positioning ourselves for sustained growth in the years to come.

We are proud to have been Lippo Plaza's stewards for the past decade since our IPO and now entrust the asset to a committed long-term investor who appreciates its prime location.

Future-proof with Sustainability

Sustainability remains a key focus for OUE REIT. In February 2024, we launched our ESG Vision 2030, setting a bold target to cut absolute greenhouse gas emissions by 40% by 2030, using FY 2023 as a baseline.

Our commitment to sustainability is further reflected in our enhanced performance in international assessments. This year, OUE REIT earned a four-star rating with an improved overall score of 82 points

Notes:

1 Subject to post-completion adjustments

2 Based on the SGD:CNY exchange rate of 1:5.3638 as of 20 December 2024

Chairman's Letter to Unitholders

in the 2024 Global Real Estate Sustainability Benchmark assessment. This achievement underscores our ongoing efforts to elevate our ESG standards and practices. Additionally, our FTSE Russell ESG score increased to 3.4, up from 2.9 in FY 2023, further highlighting our progress.

To strengthen our climate resilience, we conducted our second climate scenario analysis in 2024, evaluating the impact of both physical and transition risks on our assets and formulating mitigation measures. Furthermore, we have integrated climate-related risks into our Enterprise Risk Management Framework in accordance with the Environmental Risk Management Guidelines issued by the Monetary Authority of Singapore. These measures allow OUE REIT to effectively monitor and mitigate operational risks brought by the climate change and deliver sustainable value to our Unitholders.

Looking Ahead

The road ahead remains challenging, with potential escalations in geopolitical and trade tensions and a subdued recovery in China's economy posing risks to global growth. Reflecting these headwinds, the Ministry of Trade and Industry projects Singapore's GDP to grow between 1% and 3% in 2025, a slowdown from the 4.0% growth recorded in 2024.

While the US Federal Reserve implemented a total rate cut of 100 basis points in 2024, the trajectory of monetary policy is expected to moderate. Inflationary pressures, coupled with the potential impact of higher tariffs and tax reductions, remain key risks to the global economy.

Despite these macroeconomic challenges, Singapore's robust economic fundamentals and its status as a premier global business hub continue to enhance the resilience and attractiveness of a Singapore-focused portfolio. These strengths enable OUE REIT to deliver stable long-term performance while maintaining growth potential.

In 2025, our strategic focus will centre on optimising asset performance to maximise value for our stakeholders. At the same time, we will remain vigilant in exploring portfolio reconstitution opportunities to unlock value, particularly as capital market sentiment improves. Strengthening our financial position remains a key priority, with a focus on extending our debt maturity profile, optimising financing costs, and maintaining a disciplined approach to capital management.

Looking ahead, we are well-positioned to capitalise on DPU-accretive opportunities in our target gateway cities, including Singapore, Sydney, Tokyo, Hong Kong and London. Guided by our disciplined investment management strategy, we will carefully evaluate potential investments to ensure prudent capital allocation that aligns with our objective of delivering sustainable, long-term returns for our Unitholders.

Acknowledgements

On behalf of the Board, I would like to extend our sincere gratitude to our tenants, guests, lenders, business partners, and, most importantly, our Unitholders for their unwavering trust and confidence in OUE REIT.

I would also like to convey our appreciation to the management team and staff for their steadfast commitment and hard work, as well as to the Board of Directors for their invaluable guidance and perspectives.

As we conclude our 10th anniversary with a strengthened portfolio and capital structure, OUE REIT stands stronger than ever. Building on our solid foundation, we are well-positioned to embrace new opportunities, navigate uncertainties, and continue delivering greater success in the years ahead.

Lee Yi Shyan
Chairman and Non-Independent Non-Executive Director

致信托单位持有人之信函

尊敬的信托单位持有人：

2024年是华联房地产投资信托（"华联房托"）精益变革重要的一年。

我们以焕然一新的身份开启2024年，并庆祝企业迈向10周年。同时，我们重申承诺，通过酒店、办公楼和零售业的多元化资产组合为信托单位持有人提供有韧性且可持续的回报。

随着时间推移，2024年全球宏观经济在地缘政治紧张加剧、高利率与通胀持续高企的阴霾下，仍然充满挑战。

发挥新加坡优质多元化资产组合的优势，增强业绩的稳定性和韧性

尽管面临诸多挑战，华联房托仍保持稳健发展，并凭借多元化且地理位置优越的资产组合，再次交出展现韧性的业绩。得益于酒店业以及新加坡办公零售业的稳定表现，华联房托于2024财务年度总收入同比增长3.7%，达2.955亿新元。净物业收入为2.34亿新元，同比微降0.4%，主要原因是新加坡乌节希尔顿酒店（Hilton Singapore Orchard）和樟宜机场皇冠假日酒店（Crowne Plaza Changi Airport）需缴纳往年物业税差额。若不计该项税费调整，净物业收入同比增长2.3%。

华联海湾大厦（OUE Bayfront）合资企业的业绩份额大幅增长至3,050万新元，主要受公允价值收益的推动。包括华联海湾大厦投资脱售收益分派的500万新元，2024财务年度最终可派息金额为1.137亿新元，相当于每单位派息额为2.06分新元。

以2024年最后交易日的单位收盘价0.285新元计算，2024财务年度的派息率为7.2%。截至2024年12月31日，华联房托的物业资产组合估值约为58亿新元，对应每单位净资产值为0.58新元。

高效资本管理，赋能资产负债表改善

在利率环境充满不确定性的情况下，我们积极强化资本管理、密切关注市场动态，并把握有利时机进一步优化资产负债表。

华联房托积极应对2025年债务到期高峰，成功提前完成超过9.50亿新元的2025/26年到期债务的财务再融资。华联房托首先于2024年5月完成6亿新元的无抵押可持续发展相关贷款，该贷款与我们更进取的40%绝对温室气体减排目标挂钩。

凭借标准普尔全球评级机构（S&P Global Ratings）授予的BBB-（前景展望稳定）的投资级信用评级和绿色融资框架，华联房托于2024年首次发行总额达5.5亿新元的3年期和7年期投资级别票据，成功优化财务周期。其中，我们于11月完成了1.2亿新元的已上市债券的票据增发（re-tap），定价相等於票据收益率3.78%、创下华联房托票据收益率历史新低。通过本次票据增发后，7年期投资级绿色票据的总发行规模增至3亿新元，从而纳入Markit iBoxx SGD Overall Bond Index，进一步提升市场对该债券的投资兴趣。

截至2024年12月31日，华联房托的资产负债表保持稳健，债务加权平均融资成本降至每年4.7%。这一成就凸显了我们在资本管理和财务审慎方面所采取的严谨做法。华联房托的总杠杆率维持在39.9%的稳定水平。约76.0%的债务总额已对冲。

及时重塑资产组合，提升资产组合韧性

2024年12月，我们战略性出售位于上海的力宝广场，交易总价为人民币19.17亿元[1]（约3.574亿新元[2]），协议物业估值为人民币16.80亿元（约3.132亿新元[2]）。此次资产组合重塑彰显了我们对创造长远价值的坚定承诺，并助力未来可持续增长的战略布局。

力宝广场是华联房托上市时两大资产之一。我们很荣幸在过去十年里管理这一优质资产，并持续交出亮眼的成绩。如今，我们欣然将其交予一位认可其核心地段并致力于长期持有的投资者，确保其未来价值的持续发挥。

前瞻布局，构建可持续发展

可持续发展是华联房托重点关注之一。我们在2024年2月发布了新的2030可持续发展愿景，提出了以2023财政年为基线，实现在2030年前将温室气体绝对排放量减少40%这一宏伟目标。

我们对可持续发展的承诺也充分体现在国际评估中的优异表现中。今年，华联房托在2024年全球房地产可持续发展基准（GRESB）评估中荣获四星评级，整体评分提至82分，彰显我们在提升ESG标准和实践方面的持续努力。同时，我们于富时罗素（FTSE RUSSELL）ESG评分也从2023财年的2.9提升到2024年的3.4，进一步印证了我们可持续发展的进展。

为加强华联房托的气候适应能力，我们于2024年开展了第二次气候情境分析，评估气候变化带来的物理与转型风险，考量气候变化对我们资产组合的影响，并制定相应的缓解措施。此外，我们根据新加坡金融管理局发布的《环境风险管理指南》，将气候相关风险纳入我们的企业风险管理框架。这些措施使华联房托能够有效地监测和应对气候变化带来的运营风险，并为我们的单位持有人创造可持续的价值。

展望未来

放眼2025年经济前景，荆棘仍存，挑战犹在。地缘政治和贸易紧张局势可能加剧，加上中国经济复苏乏力，对全球经济增长构成风险。受到这些不利因素的影响，新加坡贸易与工业部预计2025年新加坡国内生产总值增长将在1%至3%之间，相比2024年的4.0%有所放缓。

尽管美国联邦储备局在2024年累计降息100个基点，但市场普遍预计货币降息行动将趋于温和。通胀压力叠加关税提高和减税政策的计划，仍然是全球经济面临的主要风险。

面对宏观经济不确定性带来的挑战，新加坡稳健的经济基础及其全球主要商业枢纽的地位，将助力华联房托巩固其以新加坡为核心的资产组合韧性与吸引力。这些优势使华联房托能够在保持增长潜力的同时，保持长期稳定的业绩。

2025年，我们的战略重点是优化资产绩效，实现利益相关者的价值最大化。同时，我们将保持锐市场洞察力、并在资本市场情绪改善的情况下审慎地探索优化资产组合的机会，以释放潜在价值。我们也会继续强化华联房托资本结构，重点延长债务到期期限、优化融资成本、并贯彻严谨的资本管理策略。

展望未来，我们已经做好了充分的准备，把握新加坡、悉尼、香港、东京和伦敦等核心门户城市中投资机会以增加每单位派息。在严谨的投资管理策略指引下，我们将审慎评估潜在投资机会，确保资本高效配置，积极贯彻我们为基金持有人创造可持续、长期回报的目标。

致谢感言

我谨代表董事会衷心感谢我们的租户和客户、贷款人、商业伙伴，尤其是信托单位持有人，一直以来对我们的信任和信心。

我也借此机会诚挚感谢管理团队和全体员工的坚定承诺与辛勤付出，并向董事会致以深深敬意，感激他们的宝贵指导和独到见解。

随着我们以更为优化的资产组合和资本结构为华联房托成立上市10周年庆典画上完美的句号，华联房托也迎来了其最为强盛的历史时期。在努力夯实基础之际，我们将把握新机遇，应对市场不确定性，并在未来持续创造更大的价值与成功。

李奕贤
董事长兼非独立非执行董事

1 以最终交易调整为准
2 根据2024年12月20日的新元：人民币汇率1:5.3638计算

One-on-one with the CEO

Q **Looking back on FY 2024, how would you assess OUE REIT's performance, and what achievements are you most proud of?**

A The year 2024 presented a challenging operating environment – geopolitical tensions, prolonged inflationary pressures, sustained high-interest rates and a muted economic recovery in China. Despite these challenges, OUE REIT delivered another year of resilient performance, supported by our prime-located commercial and hospitality assets in Singapore.

A high-quality portfolio remains the cornerstone of OUE REIT's sustained growth. With no plans to further expand our footprint in China, I am particularly pleased that we successfully realigned our portfolio in December 2024 through the divestment of Lippo Plaza, a non-core asset in Shanghai that contributed 7.0% of OUE REIT's total portfolio revenue as of December 2024. The property's diminishing leasehold tenure and vintage building specifications had started to affect valuation and competitiveness, especially with the current oversupply in the Shanghai market. The proceeds from this divestment provide us with the opportunity to reinvest into more strategic initiatives, further strengthening OUE REIT's balance sheet and enhancing our financial flexibility to pursue growth opportunities.

Q **Singapore office market observed a slower rental growth in FY 2024 compared to the previous years – what are OUE REIT's strategies in sustaining its office portfolio performance?**

A Committed occupancy within OUE REIT's Singapore office portfolio remained healthy at 94.6% as of 31 December 2024. Average passing rent continued to rise to S$10.72 psf per month as of 31 December 2024, alongside a healthy positive rental reversion of 10.7% for the portfolio over FY 2024. As of December 2024, our office portfolio's average expiring rents for 2025 to 2026 sit below the market rent for CBD Grade A offices, which stood at S$11.95 psf per month in 4Q 2024. This positions us favourably to achieve continued positive rental reversion in the year ahead.

Certain factors including global economic uncertainties and elevated borrowing costs have influenced occupier sentiment, leading to more cautious expenditure on office relocations and expansions. Despite these headwinds, the outlook for the Singapore office market remains buoyant, with continued demand for high-quality office space amidst a tight new CBD office supply until 2028. Prime locations such as Marina Bay and Raffles Place remain highly sought after, with high-quality offices offering premium specifications a key driver of occupier decisions. With most of our office space ranging between 1,000-5,000 sq ft, we have seen constant demand from private wealth, family offices, asset managers, as well as professional services firms in 2024.

In the long term, the Singapore Government's proactive urban planning plays a pivotal role in maintaining office market stability, with policies like the CBD Incentive Scheme helping to limit new office supply in the CBD Core and Fringe areas and ensuring long-term equilibrium in the market. In addition, Singapore's robust economic fundamentals and its status as a global business hub amplify the resilience and growth potential of a Singapore-focused portfolio like ours.

By maintaining a high-quality portfolio and leveraging the structural advantages of the Singapore office market, OUE REIT is well-positioned to deliver stable, long-term performance while capturing growth opportunities in the coming year.

OUE REIT's high-quality portfolio positions us strongly to deliver stable, long-term performance while capturing growth opportunities in the year ahead. At the same time, we expect to benefit from the Fed rate cuts started in the second half of FY 2024, along with the attractive yield secured from the Green Notes issuance.

OUE REIT'S VALUE CREATION STRATEGIES

Gamma Strategy
Prime assets in high-demand, supply-constrained locations ensure resilient performance across market cycles

Barbell Strategy
Portfolio diversification provides both income resilience and attractive returns

Capital Stewardship
Strong track record of monitoring market trends and seize opportunities to optimise capital structure strategically

Driving Sustainability
Future-proof assets to mitigate the substantial financial impact of climate change, and deliver sustainable returns for stakeholders

One-on-one with the CEO

Q **Hospitality segment revenue and RevPAR have continued to grow, supported by strong demand in Singapore's tourism, business travel, and MICE sectors. Do you anticipate a market correction this year? If so, what measures are in place to address potential impacts?**

A For FY 2024, the hospitality segment revenue grew by a healthy 8.9% YoY to S$105.9 million. The robust concert and MICE pipeline in the first half of 2024, as well as continued improved visitor arrival throughout the year were key drivers.

Overall hospitality RevPAR increased by 9.2% YoY to S$273 for FY 2024. Crowne Plaza Changi Airport's RevPAR rose significantly by 18.0% YoY at S$242, following the successful asset enhancement initiative completed in December 2023. Hilton Singapore Orchard's RevPAR also improved by 5.8% YoY to S$290.

The Singapore Tourism Board projects total visitor arrivals in 2025 are expected to reach between 17.0 to 18.5 million. Despite the absence of mega concerts and large-scale MICE events compared to last year, we are witnessing the return of small- to mid-scale MICE events to Singapore in 2025. New tourist offerings such as Minion Land at Universal Studios Singapore, Rainforest Wild Asia, and the Disney Adventure Cruise are expected to deliver fresh experiences, ensuring Singapore remains an attractive destination. To drive hotel performance in 2025, OUE REIT is working closely with both Hilton Singapore Orchard and Crowne Plaza Changi Airport to maximise revenue potential, enhance guests experience and build strategic partnerships to capture demand across diverse market segments.

Additionally, we leverage the strong global distribution network of both hotels to enhance group conversions and bookings, a key driver of occupancy. At the same time, we are tapping into advanced technologies to identify market opportunities and refine our sales strategies for better performance.

Encouragingly, we see signs of recovery from key international markets, including the return of Japanese corporate travellers and incentive groups, along with increased bookings from China and India. Additionally, we are targeting the growing cruise segment to capture further demand.

By aligning these strategies with market trends and leveraging partnerships and technology, we are confident in our ability to drive sustained performance across our hospitality portfolio in 2025.

Q **How is evolving consumer behaviour influencing trends in retail and lifestyle choices, and how is OUE REIT adapting to meet these changes?**

A Consumer behaviour has evolved to prioritise personal fulfilment, versatility, and holistic well-being, with a growing shift from material possessions towards quiet luxury brands that embody subtle sophistication and quality. This trend is further reflected in the rise of athleisure, which blends function and style to cater to active lifestyles and the demand for versatile fashion.

To expand culinary choices and elevate the dining experience, Mandarin Gallery actively curates a balanced mix of F&B tenants, including international favourites and unique culinary concepts to cater to diverse customer demographics. In FY 2024, Mandarin Gallery welcomed two Korean restaurants – DRIM Korean Steak House which specialises in charcoal Korean BBQ and elevated classic Korean dishes, and Modu, Singapore's first samyetang speciality restaurant that showcases a variety of ginseng chicken soups with unique flavours. In view of the rising athleisure trend, the Manager brought in lifestyle fashion brand MLB KOREA to expand its footprint and made the outlet its flagship store in Singapore. Swedish activewear brand J.Lindeberg focusing on modern and aesthetic golf, ski and tennis clothing, also launched its first stand-alone store at Mandarin Gallery.

Q

To what extent have elevated interest rates affected OUE REIT's performance, and do you foresee any relief from this pressure in the coming year?

A

OUE REIT has been proactive in monitoring capital markets and has captured favourable windows to strengthen our balance sheet. Despite the delayed Fed rate cut in FY 2024, the increase in finance costs moderated to 13.9% YoY in FY 2024, down from a 14.3% YoY increase in FY 2023. Average cost of debt decreased to 4.7% per annum as of 31 December 2024 compared to 30 September 2024.

The strengthened balance sheet was achieved with our timely capital management actions. In June, we printed our first 3-year investment grade Green Notes. With an initial target size of S$150 million at initial price guidance of 4.35%, the Green Notes issue was 3.2 times oversubscribed. The offer was subsequently upsized to S$250 million, with pricing tightened to 4.10%.

In September 2024, OUE REIT successfully issued its maiden 7-year investment grade Green Notes of S$180 million at a 3.90% fixed rate due 2031. In a market where it is uncommon for non-government-linked companies to access tenors beyond five years, our first 7-year Green Notes were well-supported by institutional investors. With an initial price guidance of 4.15%, the offer secured a peak orderbook of S$320 million, representing 3.2 times oversubscription based on OUE REIT's initial target size of S$100 million. The final offer was subsequently upsized to S$180 million with pricing tightened to 3.90%.

Building on the successful issuance in September and strong institutional reverse enquiry, we completed a bond re-tap issuance of S$120 million in November. This was issued at a tighter yield of 3.78% – the lowest bond issuance yield achieved by OUE REIT to date. We believe this demonstrates healthy market confidence in OUE REIT and provides a strong foundation for future bond issuances.

Looking ahead, the potential "slower and shallower" Fed rate cuts may weigh on the REITs sector. However, we expect to realise the benefits of 2H FY24 Fed rate cuts and the attractive yield achieved in Green Notes this year. With only S$116 million debt due in 2025, we remain focused on prudently managing refinancing requirements, optimise debt costs and extend our debt maturity profile.

Q

OUE REIT holds several prominent office buildings and hotels in Singapore. With the divestment of Lippo Plaza, do you plan to expand your footprints in Singapore? If not, what are your plans for growth beyond Singapore?

A

While Singapore remains our core target market, we are actively exploring opportunities in key gateway cities within developed markets such as Australia (Sydney) and the Japan (Tokyo). These deep, liquid markets offer significant long-term potential for growth and scalability. With a clear and robust rule of law, high standards of governance, and transparent legal and investment frameworks, these markets also provide strong real estate fundamentals and stable growth potential, forming a solid basis for delivering attractive cash flows and capital growth to our Unitholders.

We acknowledge that the persistently elevated interest rate environment has made it challenging to execute accretive acquisitions in the near term due to higher borrowing costs. However, there have been meaningful downward adjustments in commercial office valuations within these target markets and we are strategically positioning OUE REIT to take advantage of opportunities. This proactive approach that ensures we remain agile and well-prepared to unlock value and drive sustainable growth for our portfolio as market conditions evolve.

Han Khim Siew
Chief Executive Officer and Executive Director

Trends and Opportunities in Our Operating Environment

In a rapidly changing business environment, adaptability and foresight are paramount to delivering stable performance. By closely monitoring market trends and adopting a proactive approach to asset and capital management, OUE REIT is well-positioned to address challenges, seize emerging opportunities, and deliver sustainable returns to our Unitholders.

TRENDS IMPACTING OUR BUSINESS

Macroeconomic Environment

Monetary Policy and Inflation

- US monetary policy began to ease following the first interest rate reduction in September 2024 after 2.5 years, resulting in stabilised borrowing costs. However, economic uncertainties, the uneven recovery of China's economy and elevated inflation might temper the pace of rate cuts.

Geopolitical Tension

- The potential tightening of national security policies, coupled with the rise of protectionism and tariffs, are likely to reshape global trade and investment flows. Singapore, with its robust rule of law and well-established reputation as a neutral hub, is a safe haven for businesses.

OUR RESPONSE

- The Manager's prudent capital management strategy to strengthen the balance sheet and mitigate the impacts of an elevated interest rate environment was evident in FY 2024.
- By proactively monitoring the market, we successfully issued our inaugural 3-year and 7-year investment grade Green Notes at an opportune time. These timely issuances allowed us to optimise our cost of funding and enhance our debt maturity profile. With the establishment of the Euro Medium Term Note Programme, OUE REIT is well-positioned to further diversify its sources of funding.
- Singapore's strong economic fundamentals and status as a global business hub further amplify the benefits of a 100% Singapore-focused portfolio, allowing OUE REIT to deliver long-term stable performance while maintaining growth potential.

Sustainability and Climate Change

Increased Commitments on ESG

- Key stakeholders including government, investors and tenants are increasingly committed to advancing their low-carbon transition targets. These include leasing spaces and hosting events at buildings and hotels with sustainability credentials.
- Meanwhile, sustainability investment continued to gain popularity as investors adhere to their ESG mandates while diversifying their portfolios.

OUR RESPONSE

- To meet the increasing demand from different stakeholders, as well as to mitigate the physical and transition risks posed by climate change, the Manager adopts a strategic approach to maintaining and enhancing the green certifications of OUE REIT's properties. This includes a thorough assessment and quantification of the necessary investments and capital expenditures
- For the commercial properties, we work closely with the property management teams to improve environmental performance through the implementation of green leases and by capitalising on tenant engagement activities to raise ESG awareness.
- Our two hotels, managed by globally renowned brands, Hilton Hotels & Resorts and IHG Hotels & Resorts, align with this strategy through their strong focus on sustainability and responsible business policies and practices.
- To capture the rising demand for sustainability investment, OUE REIT has a Green Financing Framework in place, enabling us to diversify our funding sources and extend our debt maturity profile.
- More details can be found in OUE REIT's Sustainability Report.

Operating Environment

Evolving Office Needs

- Global economic uncertainties and hybrid work trends continue to weigh on occupier sentiment, with cautious spending on office relocations and expansions.
- Meanwhile, ongoing trends such as flight-to-quality and flight-to-green highlight the growing preference for high-quality, sustainable office spaces that align with both operational goals and environmental considerations.

Changing Consumer Preferences and Behaviours

- Consumer behaviour has evolved with a stronger emphasis on personal fulfilment, versatility and holistic well-being.
- Travellers are increasingly prioritising authentic and immersive experiences over traditional expenditures like flights and accommodation. This trend highlights a broader movement where tourists economise on accommodation in favour of investing in memorable experiences.
- Consumers are also gradually shifting from outward displays of material possessions to quiet luxury brands that emphasise subtle sophistication and quality. The rise of athleisure reflects a preference for versatile fashion blending function and style, aligning with active lifestyles.

- OUE REIT's balanced portfolio comprising commercial and hospitality assets allows us to diversify sector concentration risk and weather through different market cycles.
- OUE REIT's green-certified Grade A office assets are all located in the vibrant CBD, offering exceptional connectivity and accessibility. This prime, centralised location appeals to multinational corporations, high-quality tenants, supporting their corporate profiling and talent retention programmes.
- Our active portfolio management and leasing strategies enable us to effectively respond to tenants' evolving needs. With occupiers prioritising cost efficiency, pre-fitted office units that minimise capital expenditure on renovations and reduce extensive downtime are gaining traction in Singapore's office market. To capture this growing demand, OUE REIT has strategically transformed some units into high-quality, pre-fitted spaces to enhance marketability.

- To cater to the growing trend of experiential travel, the Manager has enhanced its offerings across its hotels and retail malls to deliver unique experiences for hotel guests and consumers. For example, Hilton Singapore Orchard's "*Where Dreams Begin*" programme offers a curated collection of family-focused experiences.
- Mandarin Gallery continues to evolve its tenant mix in response to the changing retail landscape, bringing in refreshed concepts and iconic brands to capitalise on the athleisure trends. As an example, MLB, a popular athleisure brand, has expanded its footprint at Mandarin Gallery, making it Singapore's flagship store. Looking ahead, OUE REIT will continue to provide engaging and tailored hotel and retail experiences.

Board of Directors

Mr Lee Yi Shyan
Chairman and Non-Independent Non-Executive Director

Mr Liu Chee Ming
Lead Independent Director

Mr Tan Huay Lim
Independent Director

Mr Ong Kian Min
Independent Director

Ms Usha Ranee Chandradas
Independent Director

Mr Brian Riady
Non-Independent Non-Executive Director

Mr Han Khim Siew
Chief Executive Officer and Executive Director

MR LEE YI SHYAN

CHAIRMAN AND NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of first appointment as a Director:

17 September 2019

Length of service as a Director
(as at 31 December 2024):

5 years 3 months

Board Committee(s) served on:

- Nil

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 2025):

Listed companies

- OUE Healthcare Limited

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 (Member of the Board of Trustees)

Past Principal Directorships held over the preceding 5 years
(from 1 January 2020 to 31 December 2024):

- Nil

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)

MR LIU CHEE MING

LEAD INDEPENDENT DIRECTOR

Date of first appointment as a Director:

17 September 2019

Length of service as a Director
(as at 31 December 2024):

5 years 3 months

Board Committee(s) served on:

- Audit and Risk Committee (Member)

Academic & Professional Qualification(s):

- Bachelor of Business Administration, the former University of Singapore

Present directorships
(as at 1 January 2025):

Listed companies

- GDS Holdings Limited (listed on The Stock Exchange of Hong Kong Limited and the Nasdaq Global Market in the United States)
- MGM China Holdings Limited (listed on The Stock Exchange of Hong Kong Limited)

Other principal directorships

- Singapore Technologies Telemedia Pte Limited
- Constellar Holdings Pte. Ltd.
- STT Communication Limited
- DBS Bank (Hong Kong) Limited

Major Appointments
(other than directorships):

- Managing Director of Platinum Holdings Company Limited
- Singapore International School (Hong Kong) (Chairman of the Board of Governors)

Past Principal Directorships held over the preceding 5 years
(from 1 January 2020 to 31 December 2024):

- Nil

Others:

- Member of the Takeovers Appeal Committee under the Hong Kong Securities and Futures Commission (from May 1995 to March 2020)
- Deputy Chairman of the Takeovers and Mergers Panel (from April 2008 to March 2020)

MR TAN HUAY LIM

INDEPENDENT DIRECTOR

Date of first appointment as a Director:

1 January 2023

Length of service as a Director
(as at 31 December 2024)

2 years

Board Committee(s) served on:

- Audit and Risk Committee (Chairman)

Academic & Professional Qualification(s):

- Bachelor of Commerce (Accountancy), Nanyang University Singapore
- Fellow Chartered Accountant of Singapore, the Institute of Singapore Chartered Accountants
- Fellow Chartered Certified Accountant (FCCA), the Association of Chartered Certified Accountants (United Kingdom)
- Fellow Certified Practising Accountant (FCPA), the Certified Practising Accountants (Australia)

Present directorships
(as at 1 January 2025)

Listed companies

- Dasin Retail Trust Management Pte. Ltd. (the Trustee-Manager of Dasin Retail Trust)
- Linklogis Inc. (listed on The Stock Exchange of Hong Kong Limited)
- Sheng Siong Group Ltd.

Other principal directorships

- Nil

Major Appointments
(other than directorships):

- Nil

Past Principal Directorships held over the preceding 5 years
(from 1 January 2020 to 31 December 2024):

- ASL Marine Holdings Ltd.
- Elite UK REIT Management Pte. Ltd. (formerly known as Elite Commercial REIT Management Pte. Ltd.) (the Manager of Elite Commercial REIT)
- Green Link Digital Bank Pte. Ltd.
- Koufu Group Pte. Ltd.
- Ren Ci Hospital

Board of Directors

- SF REIT Asset Management Limited (the Manager of SF Real Estate Investment Trust) (listed on The Stock Exchange of Hong Kong Limited)
- Xihe Capital (Pte.) Ltd. (in liquidation pursuant to a members' voluntary winding up since 22 October 2020 and in liquidation pursuant to a creditors' voluntary winding up since 19 November 2021)
- Xihe Holdings (Pte) Ltd (under judicial management since 13 November 2020 and in liquidation pursuant to a compulsory winding up since 24 March 2022)
- Zheneng Jinjiang Environment Holding Company Limited

Others:

- Partner, KPMG LLP (from September 1994 to September 2015)

MR ONG KIAN MIN

INDEPENDENT DIRECTOR

Date of first appointment as a Director:

17 September 2019

Length of service as a Director
(as at 31 December 2024)

5 years 3 months

Board Committee(s) served on:

- Nominating and Remuneration Committee (Chairman)
- Audit and Risk Committee (Member)

Academic & Professional Qualification(s):

- Bachelor of Laws (Honours), University of London, England
- Bachelor of Science (Honours), Imperial College of Science & Technology, England
- Advocate and Solicitor, Singapore

Present directorships
(as at 1 January 2025):

Listed companies

- Food Empire Holdings Limited
- Silverlake Axis Ltd (delisted from the Singapore Exchange Securities Trading Limited on 3 January 2025)
- YHI International Limited

Other principal directorships

- JEKKA-MOLLE Pte. Ltd.
- Kanesaka Sushi Private Limited
- QEnergy Pte Ltd
- Artista Associates Pte. Ltd.
- Artista Technologies Pte. Ltd.

Major Appointments
(other than directorships):

- Board Member, Alpha Singapore

Past Principal Directorships held over the preceding 5 years
(from 1 January 2020 to 31 December 2024):

- BreadTalk Group Limited
- Penguin International Limited
- GPTW Institute (Singapore) Pte Ltd
- One Eternity Foundation Company Limited

Others:

- Former Member of Parliament of Singapore (1997 – 2011)
- President's Scholarship and the Singapore Police Force Scholarship (1979)

MS USHA RANEE CHANDRADAS

INDEPENDENT DIRECTOR

Date of first appointment as a Director:

8 November 2017

Length of service as a Director
(as at 31 December 2024)

7 years 2 months

Board Committee(s) served on:

- Audit and Risk Committee (Member)
- Nominating and Remuneration Committee (Member)

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 2025)

Listed companies

- OUE Healthcare Limited

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)
- Adjunct Associate Professor 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 2020 to 31 December 2024):

- Nil

Others:

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

MR BRIAN RIADY

NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

Date of first appointment as a Director:

1 September 2020

Length of service as a Director
(as at 31 December 2024)

4 years 4 months

Board Committee(s) served on:

- Nominating and Remuneration Committee (Member)

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 2025)

Listed companies

- OUE Limited
- Hongkong Chinese Limited (listed on The Stock Exchange of Hong Kong Limited)
- Lippo China Resources Limited (listed on The Stock Exchange of Hong Kong Limited)
- Lippo Limited (listed on The Stock Exchange of Hong Kong Limited)

Other principal directorships

- Nil

Major Appointments
(other than directorships):

- OUE Limited (Deputy Chief Executive Officer)
- Member of the Board of the Singapore Hotel Association
- Honorary Treasurer of the Executive Committee of the Board of the Singapore Hotel Association
- Member of the Executive Committee of the Orchard Road Business Association
- Council Member of Singapore National Employers Federation

Past Principal Directorships held over the preceding 5 years
(from 1 January 2020 to 31 December 2024):

- OUE Healthcare Limited

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)

MR HAN KHIM SIEW

CHIEF EXECUTIVE OFFICER AND
EXECUTIVE DIRECTOR

Date of first appointment as a Director:

7 February 2022

Length of service as a Director
(as at 31 December 2024)

2 year 11 months

Board Committee(s) served on:

- Nil

Academic & Professional Qualification(s):

- Bachelor of Science in Economics, Major in Accounting and Finance, London School of Economics and Political Science, United Kingdom

Present directorships
(as at 1 January 2025)

Listed companies

- Nil

Other principal directorships

- Nil

Major Appointments
(other than directorships):

- Nil

Past Principal Directorships held over the preceding 5 years
(from 1 January 2020 to 31 December 2024):

- BNP Paribas Real Estate (Singapore) Pte. Ltd.

Others:

- Managing Director, Co-Head Asia Pacific, BNP Paribas Real Estate (from April 2019 to January 2022)

The REIT Manager

Mr Han Khim Siew
Chief Executive Officer and
Executive Director

Mr Lionel Chua
Chief Financial Officer

Mr Wong Cho Wai
Senior Vice President,
Asset Management

Ms Sarah Lei
Vice President,
Capital Markets and Investment

Ms Tang Sal Lee
Vice President,
Finance

Ms Mary Ng
Vice President,
Investor Relations & Sustainability

MR HAN KHIM SIEW
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Please refer to his profile under the Board of Directors section on page 27.

MR LIONEL CHUA
CHIEF FINANCIAL OFFICER

Mr Chua is the Chief Financial Officer of the Manager and is responsible for OUE REIT's financial management functions. He oversees all matters relating to financial reporting and controls, treasury and tax. He is also responsible for evaluating investment opportunities, fund raising activities, risk management and compliance matters.

He has more than 26 years of working experience and has previously held positions in various listed companies in Singapore. Prior to joining the Manager, Mr Chua was the Chief Financial Officer of OUE Hospitality REIT Management Pte. Ltd. ("OUEHRM"). He also has extensive finance and treasury experience at the Keppel Group and the CapitaLand Group handling financial reporting, financing, cash management, tax and other finance-related matters.

Mr Chua holds a Bachelor of Accountancy (Merit) degree from Nanyang Technological University, Singapore. He is a Chartered Accountant (Singapore) with the Institute of Singapore Chartered Accountants.

MR WONG CHO WAI
SENIOR VICE PRESIDENT, ASSET MANAGEMENT

Mr Wong is responsible for the asset management functions of the Manager. Working together with the various property managers, he is responsible for maximising the operational performance of OUE REIT's property portfolio.

He has more than 25 years of real estate experience in Asia Pacific including Singapore, Australia, Japan, and South Korea, and has held asset management and investment roles in various real estate companies. Prior to joining the Manager, Mr Wong was with Wing Tai Holdings as Head of Investments. He was also previously the Head of Investments at Keppel REIT from 2015 to 2018, and formerly Vice President at Credit Suisse Asset Management from 2011 to 2015.

Mr Wong holds a Bachelor of Engineering (Civil Engineering) from the National University of Singapore, and a Masters in Applied Finance from Macquarie University.

MS SARAH LEI
VICE PRESIDENT, CAPITAL MARKETS AND INVESTMENT

Ms Lei assists the Chief Executive Officer and Chief Financial Officer in the treasury, corporate finance, capital markets and investment function of OUE REIT, and is responsible for matters relating to capital management, hedging, structuring and corporate finance.

She has more than 13 years of experience in corporate finance, as well as mergers and acquisitions in the real estate industry. Prior to joining the Manager, Ms Lei was with Sasseur Asset Management where she focused on investments, mergers and acquisitions, financing and treasury activities. She also spent seven years in DBS corporate and investment banking, specialising in the real estate sector.

Ms Lei holds a Bachelor of Science degree from the National University of Singapore with a major in Applied Mathematics and a minor in Business Management.

MS TANG SAL LEE
VICE PRESIDENT, FINANCE

Ms Tang assists the Chief Financial Officer in the financial, accounting, tax and compliance matters of OUE REIT. She has more than 13 years of experience encompassing financial and management reporting, consolidation, budgeting, taxation, compliance and risk management functions.

Prior to joining the Manager, she was with OUEHRM and Keppel Infrastructure Fund Management Pte Ltd. Before that, she was an external auditor with Ernst & Young LLP.

Ms Tang holds a Bachelor of Accountancy (Merit) degree from Nanyang Technological University, Singapore. She is a Chartered Accountant (Singapore) with the Institute of Singapore Chartered Accountants.

MS MARY NG
VICE PRESIDENT, INVESTOR RELATIONS & SUSTAINABILITY

Ms Ng leads the development and implementation of the investor relations and corporation communications programmes, as well as engagement with multiple stakeholders.

She has over 13 years of experience advising Singapore and Hong Kong listed companies and private clients on financial and corporate communications, strategy media relations, reputation management and stakeholder communications. Prior to joining the Manager, she was a Director at an international PR firm where she developed and implemented communications programmes for clients from the REIT, finance and technology sectors.

Ms Ng holds a BSocSc (Hons) in Communications from Hong Kong Baptist University and a M.A. in International and Public Affairs from the University of Hong Kong.

Financial Review

For FY 2024, revenue increased by 3.7% YoY to S$295.5 million. The better performance was attributed to higher contributions from the hospitality segment, while Singapore's commercial properties continued to deliver stable performance. NPI marginally declined by 0.4% YoY in FY 2024 due to the upward revision of prior years' property tax for Hilton Singapore Orchard and Crowne Plaza Changi Airport. Adjusting for the upward revision of prior years' property tax for Hilton Singapore Orchard and Crowne Plaza Changi Airport, NPI would have increased by 2.3% YoY.

The share of joint venture results from OUE Bayfront increased by 80.5% YoY to S$30.5 million in FY 2024 due to fair value gains.

For the first three quarters of FY 2024, 100% base management fees were paid in cash, while 50% of base management fees were paid in cash with the balance in Units from the fourth quarter of FY 2024.

Taking into account the increased finance costs as interest rates continue to remain elevated, partially offset by reduced working capital retention, the amount available for distribution for FY 2024 was S$108.7 million.

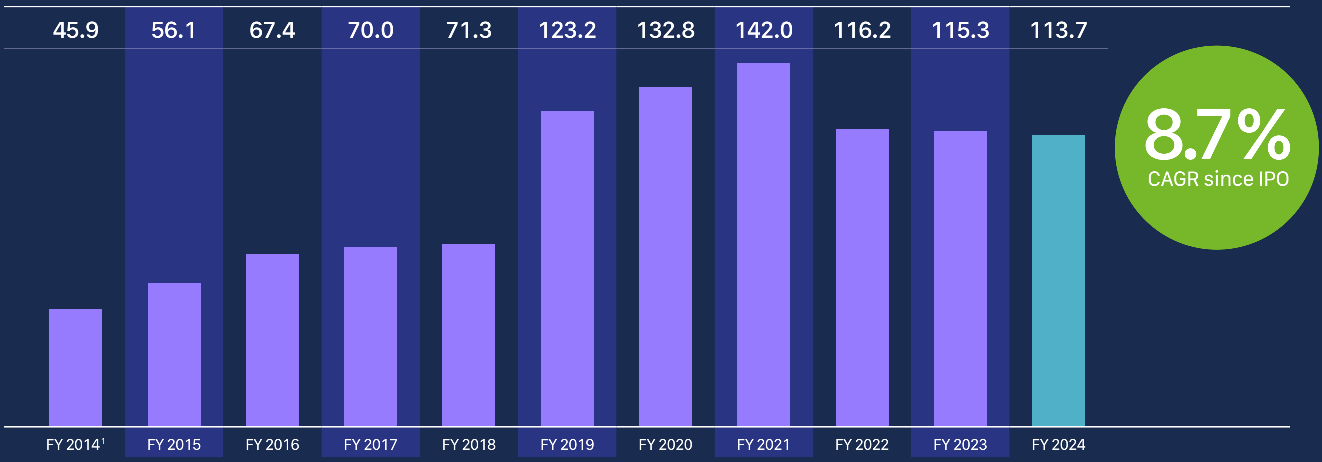
With the release of the remaining S$5.0 million capital distribution from the 50% divestment of OUE Bayfront, FY 2024 distributable income was S$113.7 million, translating to a DPU of 2.06 Singapore cents.

OUE REIT's distribution policy is to distribute at least 90% of its taxable income to its Unitholders on a semi-annual basis, with the actual level of distribution to be determined at the Manager's discretion. Based on OUE REIT's Unit closing price of S$0.285 as at the last trading day of 2024, the FY 2024 distribution yield was 7.2%. For the period from FY 2014[1] to FY 2024, OUE REIT has delivered a CAGR of 8.7%[2] in its distributions to Unitholders.

Financial Results

	FY 2024 (S$'000)	**FY 2023** (S$'000)	**Change** (%)
Revenue	**295,521**	285,055	3.7
Net Property Income	**234,035**	234,967	(0.4)
Share of Joint Venture Results	**30,484**	16,886	80.5
Retention for working capital	**5,000**	8,000	(37.5)
Amount to be Distributed	**113,660** [3]	115,307	(1.4)
DPU (cents)	**2.06**	2.09	(1.4)

Growth in Distributions from FY 2014 to FY 2024
(S$ million)



Notes:

[1] Period from OUE REIT's listing date of 27 January 2014 to 31 December 2014

[2] Calculated on the basis of annualised amount available for distribution for the period from OUE REIT's listing date of 27 January 2014 to 31 December 2014

[3] Includes the release of S$5.0 million of capital distribution from the 50% divestment of OUE Bayfront

Portfolio Review

Portfolio and Net Asset Value

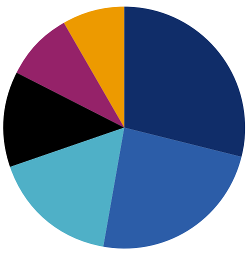
The value of OUE REIT's investment properties stood at S$5,839.8 million[1,2] as of 31 December 2024. The overall higher valuation is mainly attributed to the stable operating performance and positive rental reversions achieved by the Singapore office properties throughout the year. In particular, the valuation of OUE Bayfront grew by 3.6% YoY. Benefitting from the continued operating performance, the valuation for Crowne Plaza Changi Airport increased by 0.2% YoY, while the valuation of Hilton Singapore Orchard edged lower amidst normalisation of tourist spending on accommodation.

Consequently, net assets attributable to Unitholders as of 31 December 2024 remained stable at S$3,187.3 million, translating to a net asset value per Unit of S$0.58.

Following the divestment of Lippo Plaza completed on 27 December 2024, all of OUE REIT's commercial and hospitality assets are now located in the CBD and prime areas of Singapore. This delivers both revenue resilience and sustainable growth for Unitholders.

Portfolio Contribution by Asset Value[2]

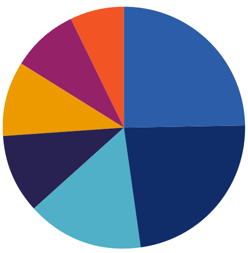
(By proportionate interest)



	(%)
One Raffles Place	29.1
Hilton Singapore Orchard	23.9
OUE Downtown Office	16.9
OUE Bayfront	12.6
Crowne Plaza Changi Airport	9.4
Mandarin Gallery	8.1

Revenue Contribution by Property[3]

(By proportionate interest)

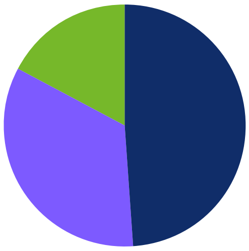


	(%)
Hilton Singapore Orchard	24.8
One Raffles Place	23.1
OUE Downtown Office	15.6
OUE Bayfront	10.6
Mandarin Gallery	10.0
Crowne Plaza Changi Airport	8.9
Lippo Plaza	7.0

OUE REIT has a barbell strategy and maintains a balanced portfolio, with approximately 49.1% of revenue derived from office assets, providing income resilience, while the hospitality and retail segments contribute 50.9%, offering attractive potential returns as the tourism sector continues to recover.

Revenue Contribution by Segment[3]

(By proportionate interest)



	(%)
Office	49.1
Hospitality	33.7
Retail	17.2

Tenant Diversification

OUE REIT has a well-diversified tenant base, effectively mitigating concentration risk and safeguarding portfolio performance against sector-specific business cycles, ensuring a stable and resilient income stream.

Excluding the hospitality segment which contributed 35.9% of portfolio gross rental income ("GRI"), the Banking, Insurance & Financial Services sector continued to be the largest contributor, accounting for 15.7% of portfolio GRI as of 31 December 2024. The Accounting & Consultancy Service and Retail sectors followed, contributing 9.6% and 8.7% of the portfolio GRI, respectively. The contribution from IT, Media & Telecommunications only accounted for 4.3% of the portfolio GRI.

The top ten tenants (including the two hotel master lessees) accounted for 53.8% of OUE REIT's monthly portfolio GRI as of December 2024[2]. They are established tenants from Banking, Insurance & Financial Services, Accounting & Consultancy Services as well as the Retail sector.

Notes:

[1] Based on independent valuation carried out as of 31 December 2024

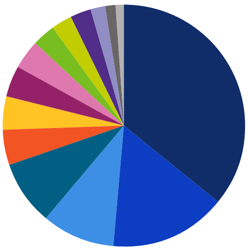
[2] Excludes Lippo Plaza which was divested on 27 December 2024 to an unrelated third-party purchaser. As of 18 December 2024, the independent valuation of Lippo Plaza conducted by Savills Real Estate Valuation (Guangzhou) Ltd ("Independent Valuer") was RMB1,769.0 million (approximately S$329.8 million). The methods used by the Independent Valuer were the direct comparison approach and discounted cash flow analysis method

[3] Includes the revenue contribution from Lippo Plaza which was divested on 27 December 2024

Portfolio Review

Tenant Trade Sectors by Gross Rental Income[4]

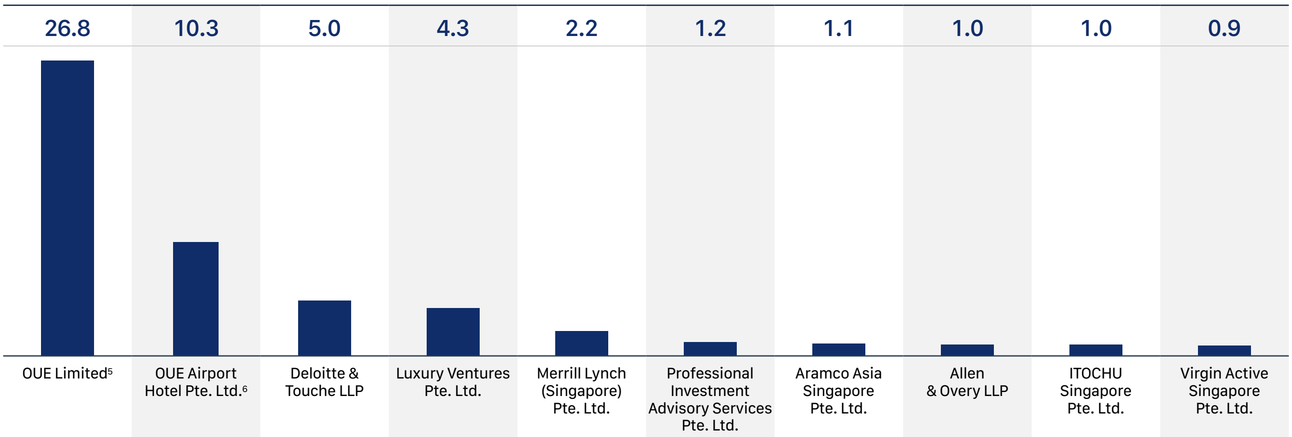
(For December 2024 and excluding retail turnover rent)



Sector	(%)	Sector	(%)
Hospitality	35.9	Energy & Commodities	3.7
Banking, Insurance & Financial Services	15.7	Services	3.1
Accounting & Consultancy Services	9.6	Legal	2.8
Retail	8.7	Maritime & Logistics	2.7
Food & Beverage	4.7	Real Estate & Property Services	1.9
Manufacturing & Distribution	4.4	Others	1.6
IT, Media & Telecommunications	4.3	Pharmaceuticals & Healthcare	0.9

Top 10 Tenants by Monthly Portfolio Gross Rental Income[4]

(%)

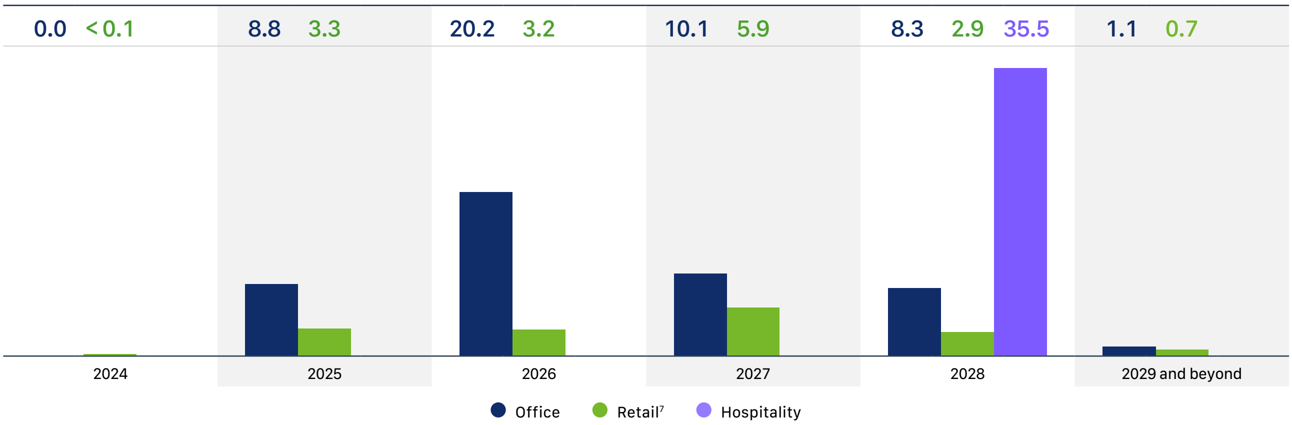


Well-staggered Lease Expiry Profile

As of 31 December 2024, OUE REIT maintained a well-staggered portfolio lease expiry profile. The majority of the leases due in 2025 have been renewed, with only 8.8% of office leases and 3.3% of retail leases by GRI (excluding provision of rental rebates and turnover rent) due for renewal in 2025. The weighted average lease expiry by GRI is 2.6 years as of 31 December 2024.

Portfolio Lease Expiry Profile by Gross Rental Income

(%)



Notes:

[4] As of 31 December 2024. Excludes the tenants in Lippo Plaza which was divested on 27 December 2024

[5] As master lessee of Hilton Singapore Orchard and office tenants

[6] As master lessee of Crowne Plaza Changi Airport

[7] Refers to contributions from Mandarin Gallery and all other retail components within OUE REIT's portfolio. Excludes Lippo Plaza which was divested on 27 December 2024

Commercial Segment[8]

OUE REIT's portfolio of high-quality Grade A office and retail assets are strategically located in prime business and retail districts, enabling it to attract and retain a diverse group of high-quality tenants. For FY 2024, revenue from the commercial segment increased by 1.0% YoY to S$189.6 million, underpinned by stable occupancies and higher average passing rents achieved by the Singapore offices. NPI decreased slightly by 1.2% YoY to S$141.6 million mainly due to higher operating expenses.

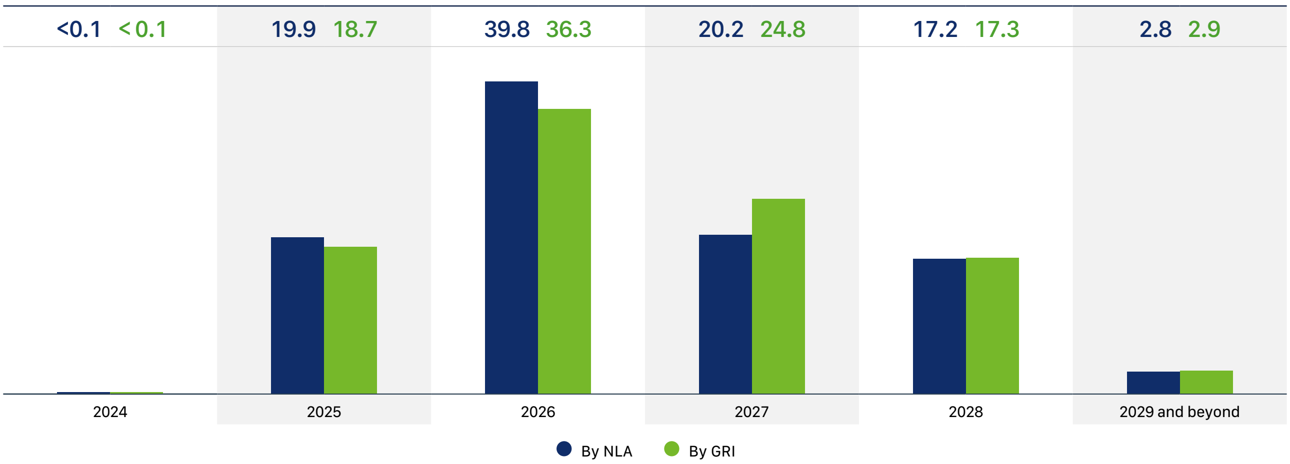
Approximately 170,832 sq ft of new leases and renewals were committed in 2024. New leases comprised about 32.3% of the space committed, with demand supported by small- to medium-sized tenants from diverse trade sectors. The WALE of new leases entered into during the year was 2.6 years based on the date of commencement of the leases, and these leases contributed to 4.6% of commercial segment's GRI as of 31 December 2024.

To ensure stable and sustainable gross rental revenue, the Manager actively manages the lease expiry profile of each of OUE REIT's commercial properties to mitigate the concentration risk of expiring leases in any given year. For OUE REIT's commercial portfolio comprising office and retail leases, the weighted average lease term to expiry as of 31 December 2024 is 2.1 years. Only 18.7% of OUE REIT's commercial segment GRI is due for renewal in 2025.

Amid cautious leasing sentiment, OUE REIT's prime-located office portfolio in Singapore remained highly sought after in FY 2024. As of 31 December 2024, the portfolio achieved a healthy occupancy of 94.6% and recorded a positive rental reversion of 10.7% for FY 2024. Underpinned by higher signing rents and positive rental reversions achieved in previous quarters, the average passing rent reached S$10.72 psf per month as of 31 December 2024.

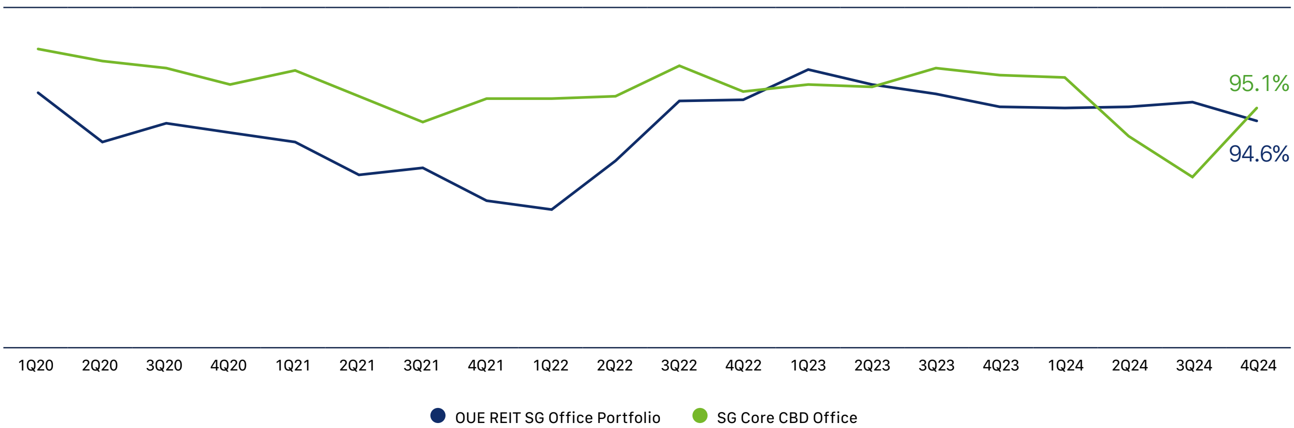
Commercial Segment Lease Expiry Profile

(%)



Resilient Committed Occupancy

(%)

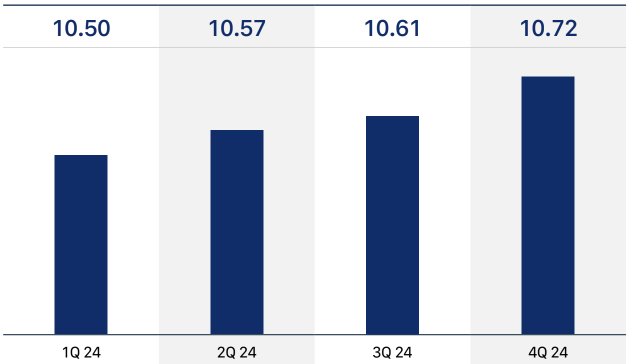


Note:

[8] Commercial segment comprises the office and/or retail contribution from OUE Bayfront (50% interest), One Raffles Place (67.95% effective interest), OUE Downtown office and Mandarin Gallery

Portfolio Review

Singapore Office Portfolio Average Passing Rent
(S$ psf per month)



Singapore's retail leasing activity remained healthy in 2024, underpinned by strong occupier demand and the continued tourism recovery. Mandarin Gallery's committed occupancy increased by 1.6 ppt YoY to 98.2% as of 31 December 2024. Supported by the Manager's proactive asset management, rental reversions remained strong at 19.8% in FY2024, while the average passing rent grew by 3.0% YoY to S$21.68 psf per month.

Hospitality Segment

Total visitor arrivals in 2024 increased by 21.5% YoY to reach 16.5 million, achieving approximately 86% of the pre-pandemic levels of 2019 and reaching the upper bound of Singapore Tourism Board's full-year forecast of 15 to 16.5 million arrivals[9]. The sustained recovery of tourism, coupled with high-profile concerts and MICE events, supported the stable performance of OUE REIT's hotel properties.

Located along the vibrant Orchard Road shopping district and within close proximity to medical facilities and public transport, Hilton Singapore Orchard continued to be the preferred hotel for business, medical and leisure travellers.

Meanwhile, Crowne Plaza Changi Airport successfully completed its asset enhancement initiative and fully reopened in January 2024. With the addition of 12 guest rooms, a revamped all-day dining area and revitalised MICE spaces, Crowne Plaza Changi Airport is well-positioned to capitalise on the increased flight connectivity and tourism growth.

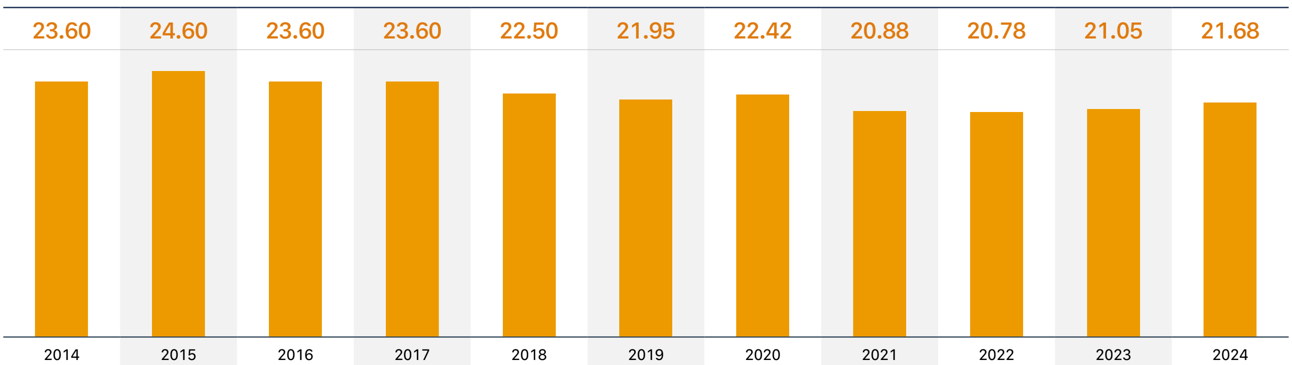
Hospitality segment revenue for the full year was 8.9% higher YoY at S$105.9 million following the full reopening of Crowne Plaza Changi Airport. Impacted by the upward revision of property taxes for FY 2022 and FY 2023 for Hilton Singapore Orchard and Crowne Plaza Changi Airport, NPI increased by 0.9% to S$92.4 million. Adjusting for the upward revision of the property tax, NPI would have increased by 8.1% YoY in FY 2024.

In FY 2024, overall hospitality RevPAR increased by 9.2% YoY to S$273. Crowne Plaza Changi Airport's RevPAR in FY 2024 was 18.0% higher YoY at S$242, attributed to the hotel's successful AEI which strengthened its MICE offerings and expanded its room inventory with new rooms catering to the higher-yielding segment. Despite the normalisation of tourist spending on accommodation compared to the same period in FY 2023, Hilton Singapore Orchard's FY 2024 RevPAR increased by 5.8% YoY to S$290.

Southeast Asia, North Asia and North America remain the three largest contributors to the hospitality portfolio's geographical source guest profile, accounting for 74% of the total number of room nights occupied in FY 2024. Benefiting from the 30-day visa-free arrangement between Singapore and China effective from 9 February 2024, as well as strong partnerships with online travel platforms, the hospitality sector experienced an uptick in Chinese guests. As a result, the proportion of guests from North Asia increased by 8 ppt to 27% in FY 2024 compared to FY 2023.

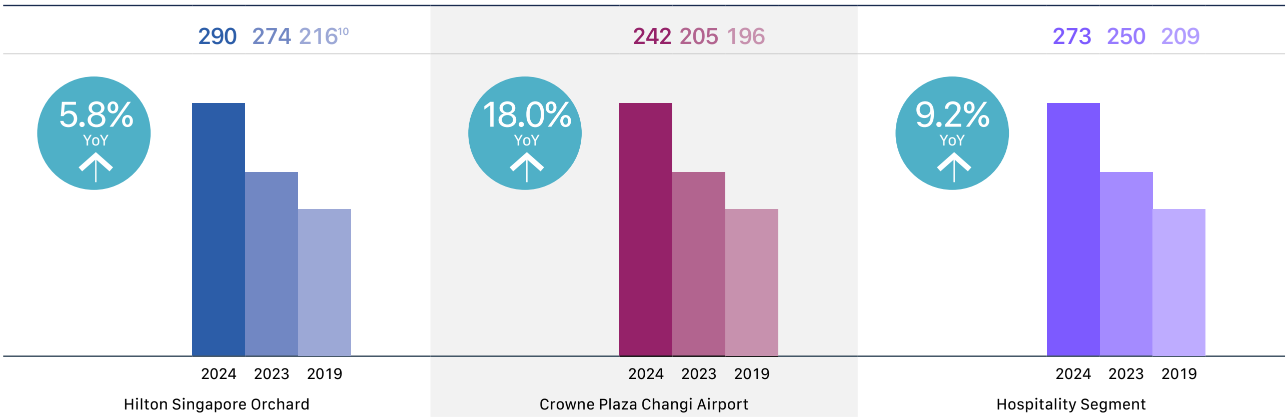
The transient segment continued to be the main driver of room revenue, accounting for 63% in FY 2024, while the contribution of the lower yielding corporate segment decreased to 20% accordingly.

Mandarin Gallery's Average Passing Rent
(S$ psf per month)



Note:
9 Singapore Tourism Board, Speech by Ms Melissa Ow, Chief Executive, at the Tourism Industry Conference 2024, 10 May 2024

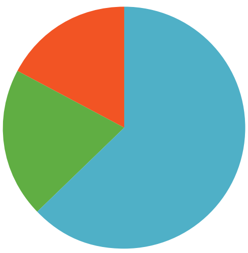
FY 2024 Hospitality Portfolio RevPAR Performance
(S$)



Hospitality Portfolio Customer Profile by Geography
(Based on room nights occupied in FY 2024)

	(%)
Southeast Asia	31
North Asia	27
North America	16
Oceania	10
Europe	9
South Asia	4
Others	3

Hospitality Portfolio Customer Profile by Type
(Based on room revenue in FY 2024)



	(%)
Transient	63
Corporate	20
Wholesale	17

Enhanced leasing strategies and tenant engagement activities increase marketability

The Manager recognises the importance of strengthening portfolio fundamentals and driving organic growth. To ensure the assets remain competitive in the market, OUE REIT closely monitors market trends and actively responds to occupiers' evolving preferences. With the rising demand for fit-out office spaces, the Manager has strategically introduced pre-fitted solutions in selected units. These reimagined workspaces not only allow tenants to save time and costs, but also incorporate green features and sustainable materials, enabling tenants to achieve their sustainability goals.

Embedding ESG elements into tenant engagement has also been a focus, with initiatives including the promotion of a healthy diet at OUE Bayfront and OUE Downtown Office, along with virtual microgreen workshops at One Raffles Place. In addition, tenant activities promoting health and wellness have been organised, including weekly Pilates classes at OUE Bayfront and a diabetes awareness workshop at One Raffles Place.

Integrating Sustainability into Asset Management Strategy

Apart from portfolio enhancements to improve the quality and marketability of OUE REIT's property portfolio, the Manager has also worked together with the property management teams to enhance our sustainability efforts.

Green lease agreements, first introduced at OUE Bayfront in 2021, have been progressively extended to other properties in Singapore to align the interests of tenants and OUE REIT in improving energy efficiency and advancing environmental agenda. As of 31 December 2024, green leases accounted for approximately 64.2% of OUE REIT's commercial segment NLA.

Note:
[10] RevPAR for Mandarin Orchard Singapore in FY 2019 before the re-branding to Hilton Singapore Orchard

Capital Management

OUE REIT has adopted proactive fiscal management strategies to further strengthen its capital structure and mitigate impacts from rising macro environment uncertainty and elevated interest rate environment, positioning it well to capitalise on DPU-accretive opportunities to drive growth.

Inaugural Issuance of 3-year and 7- year Investment Grade Green Notes

As part of OUE REIT's strategy to actively leverage its "BBB-" investment grade credit rating by S&P Global Ratings and its green financing framework to lower funding costs, in June 2024, OUE REIT's wholly-owned subsidiary, OUE REIT Treasury Pte. Ltd. successfully completed the issuance of its inaugural S$250 million investment grade Green Notes at a 4.10% fixed rate due 2027. At initial price guidance of 4.35%, the offer achieved a peak orderbook in excess of S$475 million, 3.2 times oversubscribed based on OUE REIT's initial target size of S$150 million. Subsequently, the final offer was upsized to S$250 million and pricing was tightened to 4.10%. The issuance garnered a final orderbook of S$425 million (good at reoffer), representing an oversubscription of 1.7 times over the final upsized offer.

To further diversify its debt maturity profile and minimise refinancing risks, in September 2024, OUE REIT successfully printed its first 7-year investment grade Green Notes. The final offer was upsized to S$180 million with pricing tightened to 3.90%. The issuance attracted a final orderbook of S$300 million (good at reoffer), equating to 1.7 times oversubscription of the final upsized offer.

Leveraging strong institutional demand, OUE REIT undertook a bond re-tap issuance of S$120 million in November in addition to its existing 7-year investment grade Green Notes at 100.714% of the tap re-offer price, representing a tighter tap re-offer yield of 3.78% – the lowest ever bond issuance yield achieved by OUE REIT. With the re-tap, the total issuance size of the 7-year investment grade Green Notes increased to S$300 million, enabling it to be included in the Markit iBoxx SGD Overall Bond Index and further enhanced the investment appetite.

Aligning Financial Requirements with Sustainability Commitments

OUE REIT continued with its ambitious journey to weave sustainability principles into its capital management strategies. In April 2024, OUE REIT successfully obtained a S$600 million unsecured sustainability-linked loan ("SLL") for both the early refinancing of S$540 million in existing secured borrowings due in 2025 and for general corporate purpose use. This facility is the REIT's first SLL which references its recalibrated sustainability performance targets announced on 29 February 2024, allowing OUE REIT to enjoy savings in interest costs when the reduction target of absolute Greenhouse Gas emissions of commercial properties is achieved.

The Manager also works closely with its banking partners and investors to explore innovative ways to align its financing requirements with sustainability efforts. For example, in March 2024, OUE REIT successfully completed a transaction with Oversea-Chinese Banking Corporation Limited ("OCBC") that comprise an interest rate swap with a set of voluntary carbon credits, the first of its kind for the REIT. The S$75 million structured derivative transaction enables OUE REIT to hedge against interest rate risk. As part of the transaction, OUE REIT also received a fixed amount of high-integrity voluntary carbon credits ("VCCs") sourced by OCBC's Emissions Trading Desk. These VCCs will contribute towards investing in a certified carbon reduction nature-based project in the Southeast Asia region.

Diversifying Source of Funding

In October 2024, OUE REIT established a S$2 billion Euro Medium Term Note Programme ("EMTN"), allowing it to tap into a broader base of international investors in various currencies and maturities. This EMTN Programme further enhances its abilities to diversify funding sources and optimise capital structure profile.

Prudent Capital Structure

OUE REIT has a well-spread debt maturity profile with only 4.9% of total debt due in 2025. As of 31 December 2024, OUE REIT's total debt (including proportionate share of loans at OUB Centre Limited and OUE Allianz Bayfront LLP), was S$2,370 million. Approximately 76.0% of total debt has been hedged into fixed rates which partially mitigates the exposure to interest rate movements. The Manager estimates that DPU would increase 0.03 Singapore cent per Unit for every 25 basis points decrease in interest rates.

The aggregate leverage remains healthy at 39.9% as of 31 December 2024 (compared to 38.2% as of December 2023) and was well below the 50% regulatory limits set by the Monetary Authority of Singapore in November 2024.

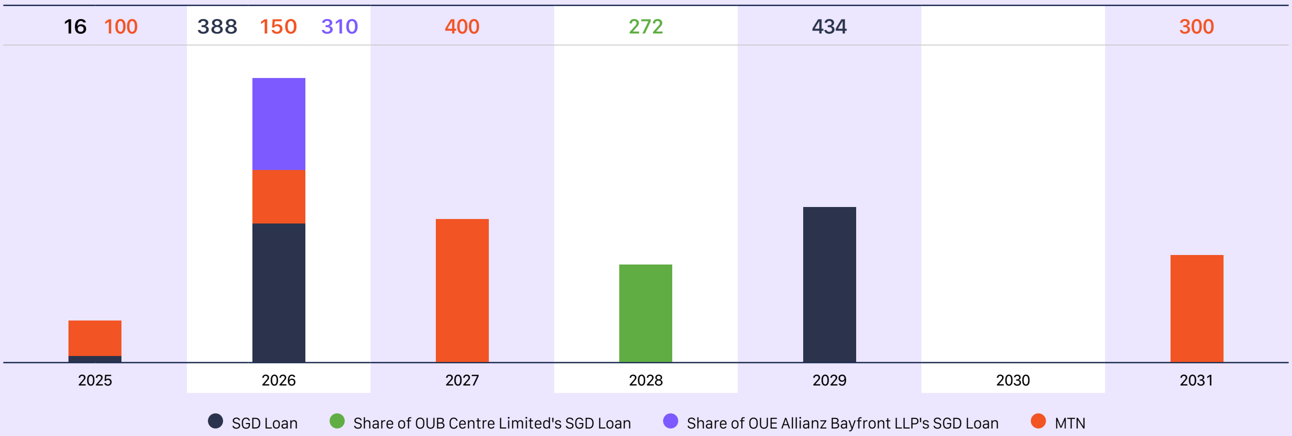
Capital Management Indicators

As of 31 December 2024

Aggregate Leverage (%)	39.9
Total Debt[1] (S$ million)	2,370
Weighted Average Cost of Debt (% p.a.)	4.7
Weighted Average Term of Debt (years)	3.0
Proportion of Fixed Rate Debt (%)	76.0
Proportion of Unsecured Debt (%)	86.9
Proportion of Unencumbered Assets (%)	87.4
Proportion of Green Financing (%)	69.4
Interest Coverage Ratio ("ICR")[2] (times)	2.2[3]
OUE REIT's Issuer Rating	'BBB-' with Stable Outlook by S&P Global Rating

Debt Maturity Profile as at 31 December 2024

(S$ million)



Notes:

1 Includes OUE REIT's share of OUB Centre Limited's loan and OUE Allianz Bayfront LLP's loan

2 As prescribed under Appendix 6 of the Monetary Authority of Singapore's Code on Collective Investment Schemes (last revised on 28 November 2024)

3 Including the write-off of upfront fees from early refinancing, ICR stands at 2.1x as of 31 December 2024

OUE Bayfront

50, 60 & 62 Collyer Quay, Singapore 049321/049322/049325

OUE Bayfront is a landmark commercial development completed in 2011. An 18-storey premium Grade A office building commanding panoramic views of Marina Bay, it is strategically located at Collyer Quay in Singapore's CBD, between the established financial hub of Raffles Place and Marina Bay downtown.

OUE Bayfront enjoys superb connectivity and accessibility to major transport networks. Other than easy access to Raffles Place and Telok Ayer Mass Rapid Transit ("MRT") Stations, the Downtown MRT Station is also within walking distance via an underground pedestrian linkway.

On 31 March 2021, OUE REIT divested OUE Bayfront to OUE Allianz Bayfront LLP (formerly known as BPH PropCo LLP), a joint venture between OUE REIT and ACRE Angsana Pte. Ltd., a special purpose vehicle managed by PIMCO Prime Real Estate Asia Pacific Pte. Ltd. (formerly known as Allianz Real Estate Asia Pacific Pte. Ltd.). OUE REIT has a 50% interest in OUE Allianz Bayfront LLP.

OUE Bayfront is certified with the Green Mark Gold Award by the Building and Construction Authority ("BCA") in Singapore.

Property Description

OUE Bayfront comprises:

- OUE Bayfront, an 18-storey Grade A office building;
- OUE Tower, a conserved tower building with panoramic views of the Marina Bay landscape currently occupied by a fine dining restaurant; and
- OUE Link, an overhead pedestrian link bridge with retail units

Title

OUE Bayfront & OUE Tower:
99-year leasehold title from 12 November 2007

OUE Link:
15-year leasehold title from 19 November 2024

Underpass:
99-year leasehold title from 7 January 2002

FY 2024 Revenue[1]
S$66.2m

Valuation[2]
S$1,388.0m

Purchase Consideration in 2014
S$1,005.0m

Weighted Average Lease Expiry[3]
2.1 years

Divestment Consideration in 2021
S$1,267.5m

Gross Floor Area[4]
46,902.3 sq m (504,851 sq ft)

Net Lettable Area[4]
Overall
37,133 sq m (399,697 sq ft)

Office
35,157 sq m (378,425 sq ft)

Retail
1,976 sq m (21,272 sq ft)

Committed Occupancy[4]

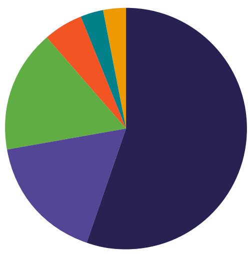
Overall	Office	Retail
98.2%	98.5%	93.4%

Number of Tenants[4]
41

Number of Carpark Lots
245

Major Tenants
- Bank of America
- Aramco Asia Singapore Pte. Ltd.
- Allen & Overy LLP
- Point72 Asia (Singapore)
- Hogan Lovells Lee & Lee

Trade Sector by Gross Rental Income
(For December 2024 and excluding retail turnover rent)



	(%)
Banking, Insurance & Financial Services	55.4
Legal	17.0
Energy & Commodities	16.3
Real Estate & Property Services	5.3
Manufacturing & Distribution	3.2
Food & Beverage	2.8

Notes:
1 Based on OUE Allianz Bayfront LLP's 100% interest
2 Based on OUE Allianz Bayfront LLP's 100% interest in OUE Bayfront and valuation carried out by Cushman & Wakefield VHS Pte Ltd as of 31 December 2024. Valuation was determined by Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method
3 By monthly gross rental income for December 2024
4 As of 31 December 2024

One Raffles Place

1 Raffles Place, Singapore 048616

One Raffles Place, comprising One Raffles Place Tower 1, One Raffles Place Tower 2, and One Raffles Place Shopping Mall, is an iconic integrated commercial development with Grade A building specifications, strategically located in the heart of Singapore's CBD at Raffles Place. One Raffles Place Shopping Mall is the largest purpose-built shopping mall in Raffles Place.

Situated above and with a direct underground link to the Raffles Place MRT interchange station through the basement of its retail podium, One Raffles Place enjoys excellent connectivity along the North-South and East-West MRT lines, as well as easy accessibility via an extensive underground network of pedestrian walkways within the Raffles Place and Marina Bay areas.

One Raffles Place Tower 1 and 2 are both certified Green Mark Gold by the BCA in Singapore.

Property Description

One Raffles Place comprises:

- One Raffles Place Tower 1, a 62-storey Grade A office building with observation deck;
- One Raffles Place Tower 2, a 38-storey Grade A office building completed in 2012; and
- One Raffles Place Shopping Mall, a six-storey retail podium with direct underground link to the Raffles Place MRT Station

Title

One Raffles Place Tower 1:
841-year leasehold title from 1 November 1985

One Raffles Place Tower 2:
99-year leasehold title from 26 May 1983

One Raffles Place Shopping Mall:

- approximately 75% of the retail podium NLA is on a 99-year leasehold title from 1 November 1985
- the balance 25% is on a 841-year leasehold title from 1 November 1985

FY 2024 Revenue[1]
S$87.1m

Valuation[2]
S$1,926.3m

Purchase Consideration in 2015[3]
S$1,148.3m

Weighted Average Lease Expiry[4]
2.1 years

Gross Floor Area[5]

119,654 sq m (1,287,966 sq ft)

Net Lettable Area[5]

Overall:
65,373 sq m (703,669 sq ft)

Office:
56,161 sq m (604,512 sq ft)

Retail:
9,212 sq m (99,157 sq ft)

Committed Occupancy[5]

Overall	Office	Retail
95.3%	94.5%	99.3%

Number of Tenants[5]
213

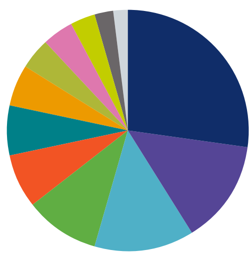
Number of Carpark Lots
324

Major Tenants[5]

- Virgin Active Singapore Pte. Ltd.
- StoneX APAC Pte. Ltd.
- Spaces
- China Merchants Bank
- China Life Insurance (Singapore) Pte. Ltd.

Trade Sector by Gross Rental Income

(For December 2024 and excluding retail turnover rent)



	(%)
Banking, Insurance & Financial Services	27.3
IT, Media & Telecommunications	14.0
Accounting & Consultancy Services	13.2
Food & Beverage	9.9
Services	7.3
Energy & Commodities	6.7
Real Estate & Property Services	5.5
Maritime & Logistics	4.3
Manufacturing & Distribution	4.2
Legal	3.2
Retail	2.5
Others	2.0

Notes:

1 Based on OUB Centre Limited's 81.54% interest in One Raffles Place

2 Based on OUB Centre Limited's 81.54% interest in One Raffles Place and valuation carried out by Savills Valuation and Professional Services (S) Pte Ltd as of 31 December 2024 Valuation was determined by Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method

3 The purchase consideration comprises the purchase consideration of shares in Beacon Property Holdings Pte. Ltd. ("BPHPL") and the repayment of shareholder's loan extended by the vendor to BPHPL

4 By monthly gross rental income for December 2024

5 As of 31 December 2024

OUE Downtown Office

6 Shenton Way, Singapore 068809

OUE Downtown Office comprises Grade A office space within a refurbished mixed-use development in Singapore's business district in Shenton Way, providing a superior "work-play-live" environment supported by a full suite of integrated amenities.

Home to an established blue-chip tenant base, tenants at OUE Downtown Office include reputable insurance, financial, information & technology and multinational corporations. The Shenton Way, Tanjong Pagar and Downtown MRT Stations are within a short walking distance, providing easy accessibility and connectivity.

With the planned relocation of container port facilities at the southern part of Singapore by 2030 and long-term master planning by the Urban Redevelopment Authority to redevelop the waterfront area as an extension of the Singapore CBD, OUE Downtown Office is primed to benefit from the transformation of Tanjong Pagar into a business and lifestyle hub.

OUE Downtown Office is certified Green Mark Gold by the BCA in Singapore.

Property Description

OUE Downtown Office comprises the Grade A office space at the OUE Downtown mixed-use development, being the:

- 35th to 46th storeys of OUE Downtown 1, a 50-storey high-rise tower; and
- 7th to 34th storeys of OUE Downtown 2, a 37-storey high-rise tower

Title

99-year leasehold title from 19 July 1967

FY 2024 Revenue

S$49.0m

Valuation[1]

S$930.0m

Purchase Consideration in 2018

S$908.0m

Weighted Average Lease Expiry[2]

1.9 years

Gross Floor Area[3]

69,922.0 sq m (752,633 sq ft)

Net Lettable Area[3]

49,133 sq m (528,863 sq ft)

Committed Occupancy[3]

91.9%

Number of Tenants[3]

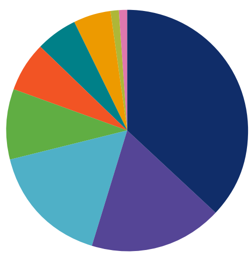
86

Major Tenants[3]

- Deloitte & Touche LLP
- Professional Investment Advisory Services Pte. Ltd.
- ITOCHU Singapore Pte. Ltd.
- Moody's Analytics Singapore Pte. Ltd.
- Toyota Tsusho Asia Pacific Pte. Ltd.

Trade Sector by Gross Rental Income

(For December 2024 and excluding retail turnover rent)



	(%)
Accounting & Consultancy Services	37.1
Manufacturing & Distribution	17.7
Banking, Insurance & Financial Services	16.5
Maritime & Logistics	9.4
Others	6.8
Pharmaceuticals & Healthcare	5.4
IT, Media & Telecommunications	5.2
Energy & Commodities	1.0
Legal	0.9

Notes:

1 Based on valuation carried out by Savills Valuation and Professional Services (S) Pte Ltd as of 31 December 2024. Valuation was determined by Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method

2 By monthly gross rental income for December 2024

3 As of 31 December 2024

Mandarin Gallery

333A Orchard Road, Singapore 238897

Situated along Orchard Road, Mandarin Gallery has a wide 152-metre prime Orchard Road frontage featuring four duplexes and six street-front retail units which provide a high degree of visibility, and is a choice location for flagship stores of international brands.

Mandarin Gallery officially opened in January 2010 after a S$200 million transformation into a high-end shopping and lifestyle destination. Situated within four levels of Hilton Singapore Orchard (formerly known as Mandarin Orchard Singapore), the mall features upscale international fashion, lifestyle, services and food & beverage tenants, and has established itself with its differentiated mall offering in the heart of Singapore's shopping and entertainment district.

Mandarin Gallery is certified Green Mark Gold by the BCA in Singapore.

Property Description

Located in the heart of Singapore's premier shopping and entertainment district Orchard Road, comprising four levels of retail space

Title

99-year leasehold title from 1 July 1957

FY 2024 Revenue
S$31.3m

Purchase Consideration in 2019[2]
S$494.0m

Valuation[1]
S$451.0m

Weighted Average Lease Expiry[3]
2.3 years

Gross Floor Area[4]

18,240 sq m (196,336 sq ft)

Net Lettable Area[4]

11,733 sq m (126,294 sq ft)

Committed Occupancy[4]

98.2%

Number of Tenants[4]

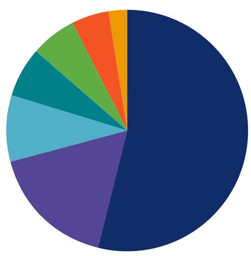
76

Major Tenants[4]

- Victoria's Secret
- Michael Kors
- Max Mara
- Rimowa Singapore
- MLB KOREA

Trade Sector by Gross Rental Income

(For December 2024 and excluding retail turnover rent)



	(%)
Fashion & Accessories	**54.1**
Food & Beverage	**17.0**
Hair & Beauty	**8.8**
Living & Lifestyle	**6.5**
Travel	**6.1**
Watches & Jewellery	**5.0**
Services	**2.5**

Notes:

1 Based on valuation carried out by Cushman & Wakefield VHS Pte Ltd as of 31 December 2024. Valuation was determined by Discounted Cash Flow Analysis, Capitalisation Method and Comparison Method

2 Based on valuation as of the merger with OUE Hospitality Trust effective from 4 September 2019

3 By monthly gross rental income for December 2024

4 As of 31 December 2024

Hilton Singapore Orchard

333 Orchard Road, Singapore 238867

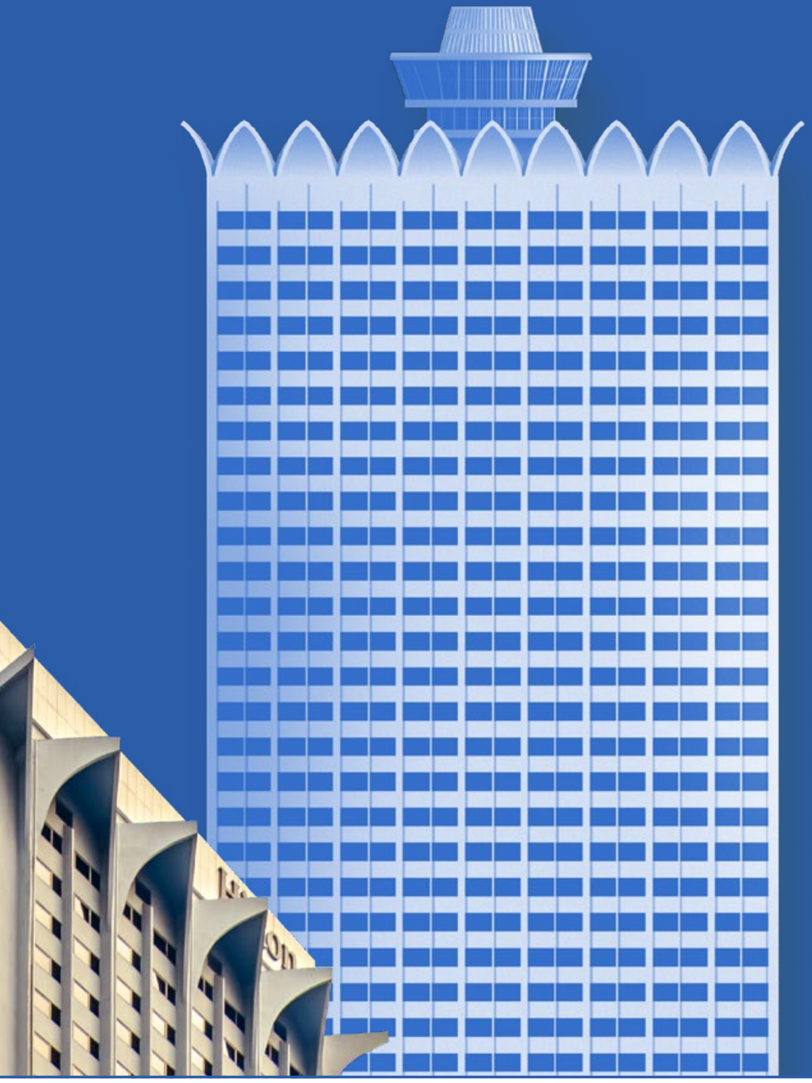
The new Hilton Singapore Orchard (formerly known as Mandarin Orchard Singapore) is Hilton's flagship hotel and its largest in Asia Pacific. Following an extensive refurbishment, the re-branded property features 1,080 guestrooms and suites offering views of the city skyline, complemented by versatile meeting facilities and exciting dining concepts comprising both new and renowned favourites.

Hilton Singapore Orchard further elevates the city's culinary scene with five curated dining concepts including the award-winning Chatterbox, the one Michelin-starred Shisen Hanten by Chen Kentaro, and a fresh Italian dining experience at Osteria Mozza by famed American chef Nancy Silverton.

Offering one of the largest event spaces in the city, Hilton Singapore Orchard's 16 award-winning and highly versatile event spaces cater up to 900 guests and provide dedicated pre-function areas, on-site catering, state-of-the-art LED walls, lighting and sound technologies.

Situated in the heart of Orchard Road and just under a half hour drive from Singapore Changi Airport, the hotel enjoys a strong flow of international tourists, business travellers and locals in its long history of operations in Singapore since 1971. The hotel offers easy accessibility, being within walking distance of both the Somerset and Orchard MRT Stations, in addition to being well-served by a network of major roads. Guests travelling for medical purposes also appreciate the close proximity to a major medical cluster and specialist medical centres.

Hilton Singapore Orchard is certified Green Mark Gold by the BCA in Singapore.



FY 2024 Revenue
S$77.9m

Valuation[1]
S$1,318.5m

Purchase Consideration in 2019[2]
S$1,227.0m

FY 2024 RevPAR
S$290

Property Description

Located in the heart of Singapore's premier shopping and entertainment district Orchard Road, comprising 1,080 guest rooms distributed across two towers, five dining outlets and 2,400 sq m of event space

Title

99-year leasehold title from 1 July 1957

Gross Floor Area

91,999.8 sq m (990,278 sq ft)

Master Lease Details

Master Lessee:
OUE Limited

Term:
Initial term of 15 years to expire in July 2028 with an option for the Master Lessee to extend for another 15 years upon expiry

Lease rental:
Variable rent comprising sum of:

i. 33.0% of gross operating revenue; and
ii. 27.5% of gross operating profit; subject to minimum rent of S$45.0 million per annum[3]

Awards & Accolades in 2024

Top 10 Meeting Hotels in Asia Pacific
Cvent

Outstanding Hotel Experience
Singapore Tourism Awards 2024

Certification of Sustainability
Global Sustainable Tourism Council (GSTC)

Notes:

1 Based on valuation carried out by Cushman & Wakefield VHS Pte Ltd as of 31 December 2024 Valuation was determined by Discounted Cash Flow Analysis
2 Based on valuation as of the merger with OUE Hospitality Trust effective from 4 September 2019
3 The rental under the master lease will be the minimum rent if the amount of variable rent for that operating year is less than the amount of minimum rent

Crowne Plaza Changi Airport

75 Airport Boulevard, Singapore 819664

Crowne Plaza Changi Airport is an award-winning hotel that has been conferred the title of World's Best Airport Hotel by Skytrax for nine consecutive years since 2015. Managed by the InterContinental Hotels Group, the 575-room hotel is situated in the vicinity of the passenger terminals of Changi Airport.

Crowne Plaza Changi Airport has an all-day dining restaurant and bar, as well as seven meeting rooms including a ballroom. Other facilities and services include an outdoor landscaped swimming pool, a club lounge, a fitness centre, 24-hour in-room dining service and business centre services.

The hotel is connected directly to Changi Airport Terminal 3 and enjoys seamless connectivity to Jewel Changi Airport via a pedestrian bridge from Terminal 3. The hotel is also located within a short drive from Changi Business Park and the Singapore EXPO Convention & Exhibition Centre, and connected to the city by expressway and MRT.

Crowne Plaza Changi Airport is certified Green Mark Gold by the BCA in Singapore.

FY 2024 Revenue
S$28.0m

Purchase Consideration in 2019[2]
S$497.0m

Valuation[1]
S$520.0m

FY 2024 RevPAR
S$242

Property Description

Situated in the vicinity of the passenger terminals of Changi Airport, comprising 575 guest rooms, an all-day dining restaurant and bar, as well as seven meeting rooms

Title

66-year lease from 9 June 2017

Gross Floor Area

40,913.5 sq m (440,389 sq ft)

Master Lease Details

Master Lessee:
OUE Airport Hotel Pte. Ltd.

Term:
First term of master lease to expire in May 2028 with an option for the Master Lessee to extend for an additional two consecutive five-year terms

Lease rental:
Variable rent comprising sum of:

i. 4% of hotel's F&B revenues;
ii. 33% of hotel rooms and other revenues not related to F&B;
iii. 30% of hotel gross operating profit; and
iv. 80% of gross rental income from leased space;

subject to minimum rent of S$22.5 million per annum[3]

Awards & Accolades in 2024

World's Best Airport Hotel
Skytrax World Airport Awards 2024 (For the Ninth Consecutive Year)

Best Airport Hotel in Asia Pacific
Business Traveller

TOP 100 Sustainable Hotels & Resorts of the World
Luxury Lifestyle Awards 2024

Notes:
1. Based on valuation carried out by Cushman & Wakefield VHS Pte Ltd as of 31 December 2024. Valuation was determined by Discounted Cash Flow Analysis
2. Based on valuation as of the merger with OUE Hospitality Trust effective from 4 September 2019
3. The rental under the master lease will be the minimum rent if the amount of variable rent for that operating year is less than the amount of minimum rent

Independent Market Review

SINGAPORE
BY CBRE

1. Singapore Economic Overview

1.1 GDP Growth, Unemployment & Inflation

Singapore's economy exhibited robust growth, accelerating from a 1.8% increase in GDP in 2023 to 4.4% in 2024, according to advanced estimates released by the Ministry of Trade and Industry ("MTI") in February 2025. This growth is largely attributed to the easing of interest rates. However, global economic uncertainties persist, primarily due to heightened geopolitical tensions and ongoing pressures from high domestic costs. Nevertheless, sustained growth in the services producing industry and a resilient tourism sector are expected to continue to support Singapore's economic expansion.

For 2024, the services producing and goods producing industries reported growth rates of 4.4%[1] and 4.2%, respectively, a significant improvement from 2023, where these sectors recorded growth rates of 3.3% and a contraction of 2.7% respectively. The construction industry benefited from increased public sector construction output and expanded by 4.5%. Supported by the banking, fund management and activities auxiliary to financial activities segments, the finance and insurance sector expanded by 6.8%. Meanwhile, the growth in the information and communications sector grew by 5.0% on the back of robust demand for data hosting services and internet search engine activities.

Benefitting from the sustained economic growth, the labour market remained resilient in 2024, though at a moderated pace in 4Q 2024. In its latest report, the Ministry of Manpower ("MOM") indicated that the labour market continued to expand in 4Q 2024[2]. However, total employment growth for both residents and non-residents slowed to 8,700 in 4Q 2024 compared to 22,300 and compared to 3Q 2024, while overall unemployment rates remained low at 1.9% at the end of December 2024.

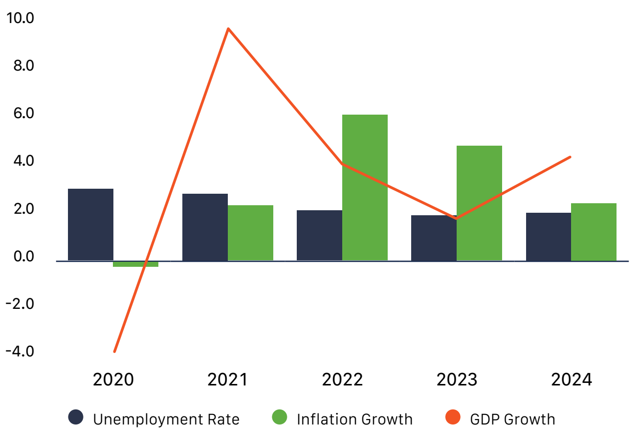
In 2024, inflation continued its downward trend, with the Consumer Price Index for all items decreasing to 2.4%[3], down from 4.8% in 2023. Similarly, the Monetary Authority of Singapore ("MAS") Core inflation fell to 2.7%, compared to 4.2% in the previous year. Notably, 2024 saw a contraction in prices across three expenditure divisions: Clothing & Footwear, Communication, and Household Durables & Services, which decreased by 1.5%, 1.2%, and 0.1%, respectively. Meanwhile, the expenditure categories that experienced the highest inflation were basic necessities such as Healthcare, Education, and Food, with increases of 2.7%, 2.6%, and 2.5%, respectively. Starting in 2024, the Goods and Service Tax was raised to 9.0% from 8.0% in 2023. To help Singaporeans cope with inflation, the Singapore government has issued CDC vouchers amounting to S$1,100 for every Singaporean household to assist with daily expenses since January 2024 to January 2025.

1.2 Economic Outlook

Looking ahead, geopolitical and trade tensions will be on the rise and could significantly hinder global and domestic investment and trade. Amidst the heightened global macroeconomic challenges and uncertainties, Singapore remains vulnerable to external risks. MTI expected Singapore's economy to grow by between 1.0% and 3.0% in 2025, a slight moderation from the 4.0% for 2024.

Meanwhile, inflation is anticipated to be lower in 2025 as cost pressures remain contained. Commodity prices and global inflation are expected to stay moderate, while the growth in unit labour costs for the services sector is likely to slow further. The MAS has projected that both core and headline inflation will average between 1.5% - 2.5% in 2025, compared to the 2024 forecast of 2.5% - 3.0% and 2.5% respectively. 1

1 GDP Growth, Unemployment Rate, Inflation Growth[4]
Percentage (%)



Source: Singstat, MTI, MOM, 4Q 2024

Notes:
1 MTI Maintains 2025 GDP Growth at "1.0 to 3.0 Per Cent", 14 February 2024, https://www.singstat.gov.sg/-/media/files/news/gdp4q2024.pdf
2 Labour Market Advance Release - 4Q 2024, Ministry of Manpower, 27 January 2025, https://www.mom.gov.sg/newsroom/press-releases/2025/0127-labour-market-advance-release---4q-2024
3 Singapore Department of Statistics ("Singstat"), Singapore Consumer Price Index, December 2024, https://www.singstat.gov.sg/-/media/files/news/cpidec24.ashx
4 Unemployment rate for 2024 are preliminary values of January 2025

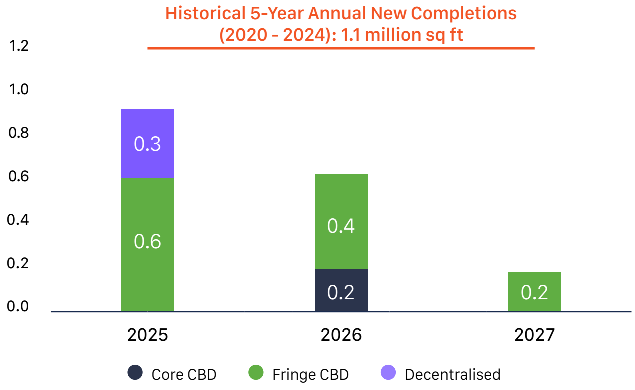
2. Office Market Overview

2.1 Existing Supply

As of 4Q 2024, island-wide office stock totalled 64.2 million sq ft. The Core CBD accounted for 33.2 million sq ft (51.6%) of the island-wide office stock, out of which 15.6 million sq ft is Grade A Core CBD office space. Fringe CBD and Decentralised area office stock stood at 15.7 million sq ft (24.5%) and 15.4 million sq ft (23.9%) respectively.

In 2024, an estimated 2.0 million sq ft of office space was completed. Notable completions included IOI Central Boulevard Towers (1.3 million sq ft) in the Core CBD, Odeon 333 (0.04 million sq ft) in the Fringe CBD and Labrador Tower (0.7 million sq ft) in the Decentralised area.

2 Island-wide Future Office Supply (2025 – 2027)
Net Lettable Area (million sq ft)



Source: CBRE Singapore, 4Q 2024

2.2 Future Supply

From 2025 to 2027, the projected island-wide office supply is 1.7 million sq ft. By submarket, the Fringe CBD accounts for 70.4% of the pipeline, while the Core CBD and Decentralised area accounts for 11.3% and 18.4% respectively. The average annual office supply from 2025 to 2027 is approximately 0.6 million sq ft, lower than the five-year historical average annual supply (2020 - 2024) of 1.1 million sq ft.

Approximately 0.9 million sq ft of supply is expected to complete in 1Q 2025. This includes the completion of Paya Lebar Green (0.3 million sq ft, initially slated to complete in 2024) in the Decentralised area and Keppel South Central (0.6 million sq ft) in the Fringe CBD. For 2026, an estimated 0.6 million sq ft of office space is expected to enter the market, mainly from the redevelopment of Shaw Tower (0.4 million sq ft) in the Fringe CBD along with Solitaire on Cecil (0.2 million sq ft) in the Core CBD. Meanwhile, Newport Tower (0.2 million sq ft) is expected to enter the Fringe CBD market in 2027. 2

The office supply in the CBD will be limited beyond 2027. The CBD Incentive ("CBDI") and Strategic Development Incentive schemes, which provide incentives for rejuvenation projects, has been extended for another five years and CBDI's scope has been widened to include Cecil and Anson areas. In addition to the white sites designated for mixed-used developments at Jurong Lake District and Woodlands Avenue 2 in the Decentralised area, there are no new Government Land Sales ("GLS") sites with a significant office component in the CBD under the 1H/2H 2024 and 1H 2025 GLS Programme.

Table 1: Major Future Office Supply (2025 – 2027)

	2025: (0.9 million sq ft)	**2026: (0.6 million sq ft)**	**2027: (0.2 million sq ft)**
Core CBD	Nil	Solitaire on Cecil (PIL Building redevelopment): 196,600 sq ft	Nil
Fringe CBD	Keppel South Central: 613,500 sq ft	Shaw Tower Redevelopment 435,000 sq ft	Newport Tower: 180,000 sq ft
Decentralised Area	Paya Lebar Green (Certis Paya Lebar Redevelopment): 320,900 sq ft	Nil	Nil

Source: CBRE Singapore, 4Q 2024

Independent Market Review

2.3 Demand and Vacancy

Despite a slowdown in the office market, flight-to-quality and back-to-office trend has helped sustain leasing momentum in 2024.

For the whole of 2024, total net absorption in the Core CBD submarket reached 1.4 million sq ft, mainly attributed to the recent completion of IOI Central Boulevard Towers. In spite of this, vacancy rates edged up by 0.1 ppt from 5.2% in 4Q 2023 to 5.3% in 4Q 2024. Demand for office space in 2024 was primarily driven by the banking & finance, technology, insurance, and legal sectors, with small to medium-sized firms accounting for the bulk of leasing transactions. In contrast, demand from flexible workspace operators and consumer products softened in 2024 compared to 2023.

CBRE noted that the amount of shadow spaces declined from a peak of 0.7 million sq ft in 1Q 2023 to 0.2 million sq ft in 1Q 2024 and has maintained at this level throughout 2024. Some shadow spaces were withdrawn from the market as certain technology occupiers decided to retain their office spaces, while other were absorbed by occupiers seeking high-quality, fitted office spaces.

Flight-to-quality trend continued to persist as workplace transformations have encouraged more relocations and adjustments to more efficient footprints. This was prevalent in the newly completed office developments with many of the committed and potential tenants at IOI Central Boulevard Towers seeking to upgrade specifications in their office spaces. As a result, the vacancy rate for Grade A Core CBD improved to 4.9% in 4Q 2024, down from a year's high of 7.8% in the previous quarter.

Meanwhile, relocation activities have also bolstered demand for office spaces as businesses prioritise prime city centre locations to attract and retain talent, focusing on quality over size. The office market demand was further boosted by the increasing back-to-office momentum, with many companies mandating their employees to return to the office for more days in the work week in 2024.

In the near term, with a lack of prime supply in the Core CBD submarket, vacancy may continue to temper and rental growth could accelerate in 2025.

With occupiers' flight-to-quality and flight-to-green demand remaining strong, new premium office buildings are well-positioned to meet the requirements of corporate occupiers seeking high-quality workplaces to attract and retain talent. 3

2.4 Rental Values

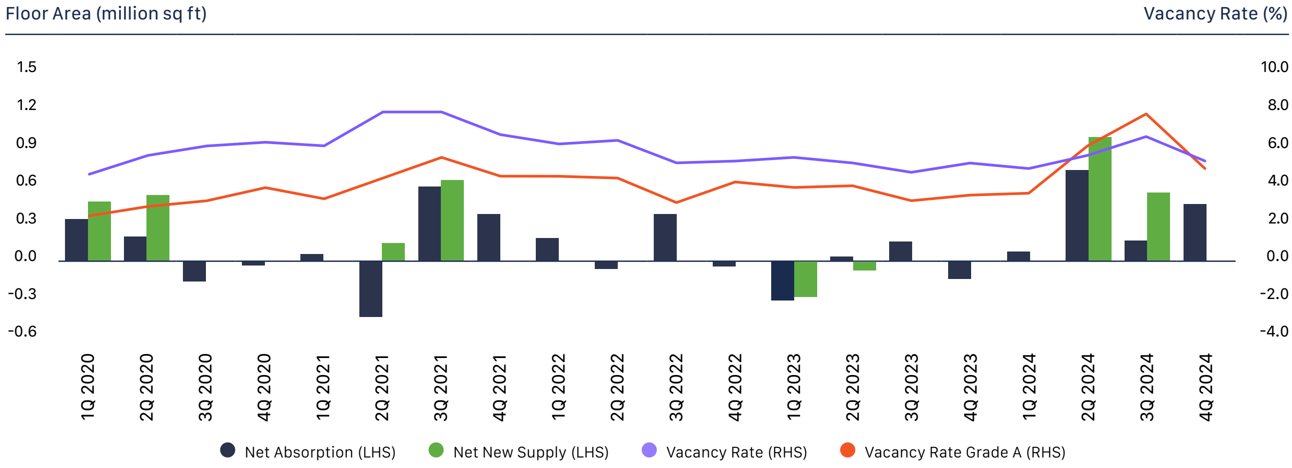
Overall, office rents experienced modest rental growth in 2024 alongside the back-to-office and flight-to-quality trend. On the other hand, leasing sentiment was dampened by high fit-out costs, potential "slower and shallower" interest rate cuts, workplace transformations and the hybrid work arrangement. In all, Grade A Core CBD office rental remained stable at S$11.95 per sq ft per month ("psf pm") throughout 2024, despite the addition of 1.3 million sq ft of prime office in 3Q 2024. For the full year, Grade A Core CBD rents grew by 0.4% YoY, moderated from the 1.7% rental growth in 2023. CBRE expects Grade A Core CBD rent to maintain their growth trajectory in 2025 supported by flight-to-quality trend. 4

2.5 Capital Values

Although the US Federal Reserve's long-awaited rate cuts in the second half of 2024 have boosted investor sentiment and appetite, caution persists due to ongoing economic and geopolitical uncertainties. Lending rates have come down but remain higher than historical average. Total office investment volumes rose by 14.1% YoY in 2024 to S$2.3 billion on the back of high-value transactions that occurred in 2024.

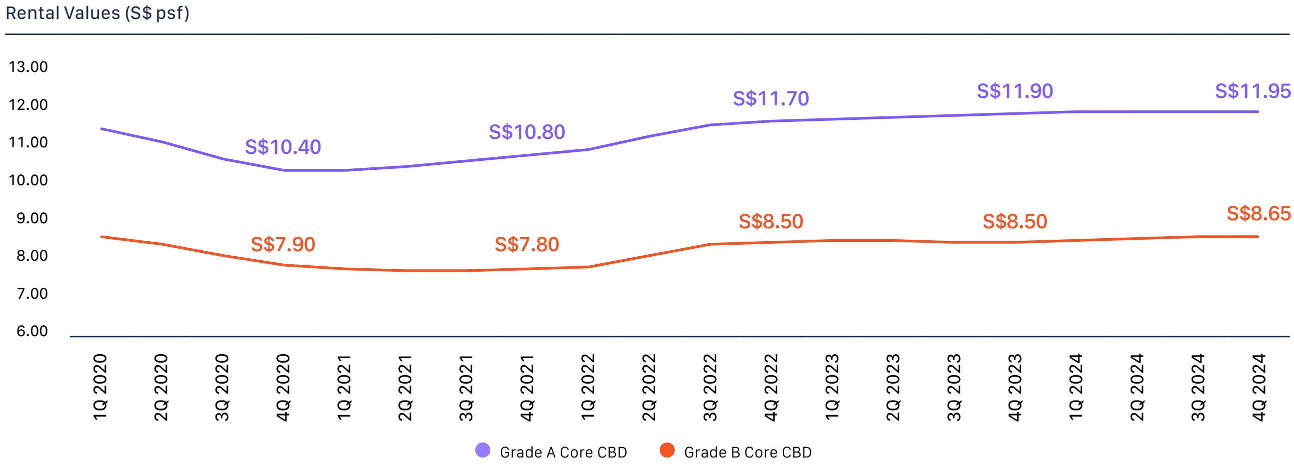
Grade A Core CBD capital values declined in 2Q 2024 and have since remained stable at S$2,900 psf for the rest of 2024, representing a 1.7% YoY decline. In the same period, Grade A Core CBD net yields expanded by 8 basis points ("bps") YoY to 3.87% as rental values continued to climb albeit at a slower rate. Moving forward, capital values are expected to remain resilient even as investors continue to adopt a "wait-and-see" approach amid global economic uncertainties. Among matured markets globally, CBRE's observation have shown that most investors have pivoted to paying a slight premium (less than 5%) for green commercial buildings. With sound market fundamentals and expected rate cuts in 2025, CBRE expects investors' interest in office assets to maintain or increase moderately in the short-to mid-term. 5

3 Core CBD Office Supply and Demand



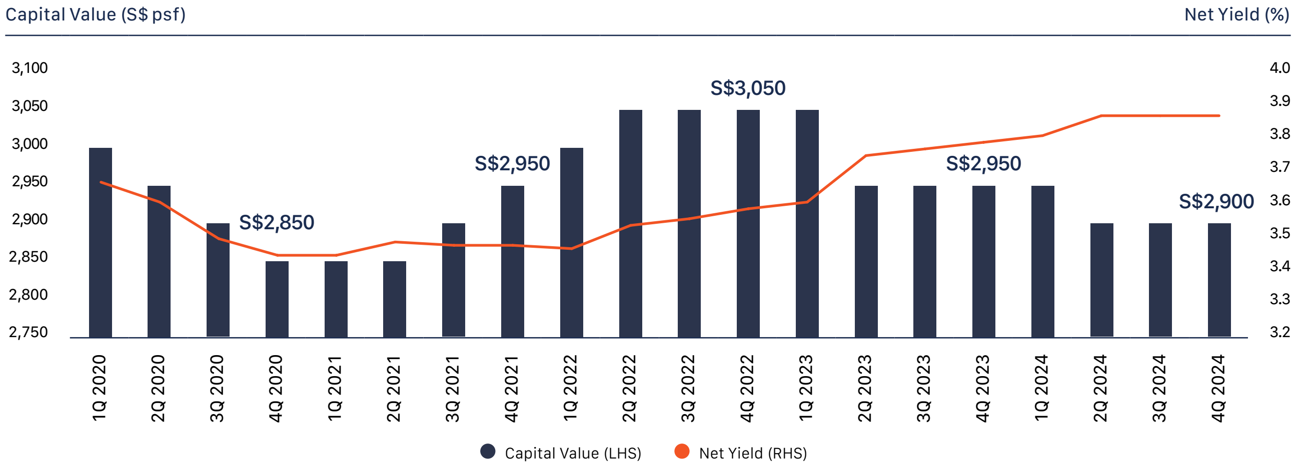
Source: CBRE Singapore, 4Q 2024

4 Grade A Core CBD and Grade B Core CBD Monthly Rental Values



Source: CBRE Singapore, 4Q 2024

5 Grade A Core CBD Office Capital Value and Net Yield



Source: CBRE Singapore, 4Q 2024

Independent Market Review

2.6 Office Market Outlook

For the full year 2024, Singapore's economic growth improved on the back of robust momentum in the finance and insurance, manufacturing and wholesale trade sector. While demand in office sector remained steady, the completion of IOI Central Boulevard Towers added a significant amount of stock into the market, resulting in a slight increase in the vacancy rates in prime CBD areas.

Net absorption has shown positive trends but concerns regarding the trend of increasing secondary spaces, upcoming lease expirations in 2025 and low precommitment levels of new office pipeline persist. These spaces, if not reabsorbed by the market in time, could add to primary vacancies. Conversely, the island-wide new office supply, particularly in the Grade A Core CBD, is expected to be below historical average over the next four years. Additionally, there is some relief in terms of supply as there are no new GLS sites with a significant office component in the Core CBD under the 1H/2H 2024 and 1H 2025 GLS Programme. Continued interest rate cuts could also encourage some companies to invest in technology and resources, leading to expansion.

The increasing back-to-office momentum has also contributed to demand for office space. Remote and hybrid work arrangement are anticipated to decline gradually in 2025, albeit still higher than pre-pandemic rate. In 2024, many companies, particularly the technology and finance sector, have mandated employees to return to the office for more days per week, citing reasons such as improved communication and collaboration as well as enhanced employee productivity. However, the impact is unlikely to be immediate, as a significant increase in office space demand may take time to materialise, especially given the high capital expenditure required for fit outs.

Looking ahead, flight-to-quality and flight-to-green trends will likely continue as workplace transformation and talent demand drive more relocations and increase preferences towards better-quality offices and more efficient footprints. As the distinction between the two-tier market becomes more apparent, it could incentivise landlords to undertake AEIs to increase the value of their assets in the longer term. This will result in an overall improvement in the quality of office buildings located in CBD. As the office market recalibrates with the shifts in demand and changing trends, Singapore will remain as one of Asia Pacific's ("APAC") key business hubs of choice.

Occupier sentiment will remain cautious due to global economic uncertainties. Despite the substantial secondary spaces and largely uncommitted new office buildings in the pipeline, CBRE anticipates that Grade A Core CBD rents growth would be in line with Singapore's GDP growth at approximately 2% in 2025. Rental growth is expected to resume as market absorption gradually improves alongside an increased in back-to-office momentum.

3. Retail Market Overview

3.1 Overview

Retail Sales Index

For the full year of 2024, Total Retail Sales Index (excluding motor vehicles)[5] contracted slightly by 0.7% YoY compared to the 2.0% YoY growth in 2023. However, changes in consumer behaviour and prevailing trends have led to several subsectors outperforming the broader market. Subsectors including Food & Alcohol (8.4%), Watches & Jewellery (3.5%) and Cosmetics, Toiletries & Medical Goods (2.0%) recorded robust growth YoY, while Computer & Telecommunications Equipment (-6.5%), Wearing Apparel & Footwear (-5.7%) and Optical Goods & Books (-5.6%) experienced significant declines.

The F&B index[6] grew by 2.8% YoY, moderating from the 9.3% YoY growth in 2023. All subsectors, except for Fast Food Outlets (-1.5%), recorded expansions. Most notably, Food Caterers experienced a remarkable growth of 19.6% YoY, surpassing pre-pandemic (2019) levels. The increase was underpinned by the strong MICE and larger-scale event pipelines, making it the top performer in terms of growth for the past three years.

While the average proportion of online retail sales[7] (excluding motor vehicles) and F&B sales[8] remained above the pre-COVID-19 level in 2019 at 13.4% and 24.8% in December 2024 respectively, growth has slightly moderated from the peaks recorded during COVID-19 (2020-2021), which were at 15.1% and 28.7% respectively. Moving forward, CBRE anticipates that the proportion of online sales remains at an elevated level, while physical retail will continue to play a key part of the overall shopping experience.

Notes:

[5] Retail Sales Index (2017=100), at Current Prices, Annual, https://tablebuilder.singstat.gov.sg/table/TS/M601701

[6] Food & Beverage Service Index (2017=100), at Current Prices, Annual, https://tablebuilder.singstat.gov.sg/table/TS/M601721

[7] Online Retail Sales Proportion (Out of respective Industry's Total Sales), https://tablebuilder.singstat.gov.sg/table/TS/M601861#!

[8] Online Food & Beverage Sales Proportion, https://tablebuilder.singstat.gov.sg/table/TS/M602001

Tourist Spending

Singapore Tourism Board ("STB") reported visitor arrivals increased by 21% YoY to 16.5 million, achieving the upper range of the expected 15.0 to 16.5 million for 2024. Tourism receipts is likely to exceed the S$27.7 million achieved in 2019. The MICE sector continued to thrive in 2024, with events such as Singapore Airshow 2024, which saw a record turnout of close to 60,000 trade attendees, as well as sold out concerts from world renown artists such as Taylor Swift and Coldplay.

Retail Trends

Development of Spend Across Generations

The relevance of Generation Alpha is becoming increasingly significant as five distinct generations of shoppers emerge, each with unique shopping preferences: Baby Boomers, Generation X, Millennials, Generation Z, and Generation Alpha. Retailers should cater to these varying spending habits, particularly in an era marked by the universal adoption of smartphones and social media. For example, most retail malls now maintain a presence on multiple social media platforms catering to different generations, such as Facebook, TikTok, Instagram and RedNote. These social media interactions enhance the visibility of new stores and promotional events, effectively engaging a diverse audience.

Expanding Silver Economy

Singapore's residents' population is aging due to low birth rate and increased life expectancy. As the population structure evolves, the country's silver economy is expected to expand. As of end June 2024, residents aged 65 and above formed 18.0% of Singapore's resident population, up from 13.7% in 2018 respectively. To capitalise on the opportunities arising from the silver economy, it is important for retailers to understand and adapt the changing needs of Singapore's population.

While the seniors of previous generations tend to seek familiarity and exhibit consistent spending habits, the new seniors are more discerning consumers, better educated, more health-conscious, and more affluent, and have greater access to information. There will potentially be growth in demand for health and wellness products, including organic foods, fitness services, and mental well-being offerings. Retail environments must also evolve to include more experiences, providing opportunities for social interaction and community engagement for these group of consumers.

Emerging consumer trends

The rise in pet ownership among younger generations is driving an increase in pet-related retailers and services, such as pet-friendly dining, grooming, and veterinary clinics. Malls and restaurants are enhancing their pet-friendly amenities to cater to this demographic, featuring elements like pet strollers and open green spaces. As of 1 January 2025, the Singapore Food Agency has assessed the food safety and zoonotic transmission risks and has allowed eateries to be able to seat patrons and their pets outdoors without a pet café license if they do not serve pet food. With these changes, there will be increased flexibility for landlords to set up pet friendly sections in their alfresco/ outdoor dining areas. Recognising this demand, the Allora Ristorante & Bar at Crowne Plaza Changi Airport transformed its alfresco area into a pet-friendly space. Concurrently, the demand for designer toys and collectibles, particularly among young adults, is growing. In response, retailers are offering diverse products aimed at adult collectors, with Pop-Mart expanding its presence through multiple locations and seasonal pop-ups across Singapore. Collaborations for product launches and events can further engage this community and attract consumer traffic.

Consumers are also increasingly prioritising health and wellness, leading to a surge in demand for related products and services. This trend extends beyond gyms to include sports apparel and wellness offerings. For example, Mandarin Gallery features athleisure brands like MLB KOREA and J.Lindeberg, as well as a wide variety of health and wellness brands on the upper levels including Phillip Waine Singapore and Hisential Orchard Clinic.

Brick-and-motor Continues to be the Main Source of Retail Sales

Looking ahead, brick-and-mortar sales are expected to remain the primary source of retail revenue despite the rise of e-commerce as online spending stabilises. Retail spaces are increasingly leveraging unique advantages that online platforms cannot replicate, enhancing customers engagement through immersive experiences curated with arts, designs and cultural elements. This approach not only differentiates brand offerings but also fosters interactive environments that resonate with consumers and encourage social media sharing, thereby enhancing organic marketing efforts.

To maintain consumer engagement and ensure the relevance of physical shopping experiences, it is essential for retail sectors to continuously assess and refresh their tenant mix, as well as introduce innovative brands and concepts.

Independent Market Review

Tenant Mix

Throughout 2024, leasing activities have stabilised, with the F&B sector consistently outperforming the broader market. Despite a slight decline in overall retail sales, this sector saw more openings than closures, reflecting a resilient demand, fuelled by market entries from international brands as well as expansions from existing brands.

Notable new entrants include DRIM Korean Steak House and MODU Samgyetang, strategically launching in Mandarin Gallery located at the heart of Orchard Road. Additionally, established brands like CHAGEE also expanded its presence in Singapore and established an outlet at One Raffles Place shopping mall.

3.2 Existing Supply

As of 4Q 2024, total island-wide retail stock increased by 1.6% YoY to 68.6 million sq ft, with private retail stock accounting for 74.1% or 50.8 million sq ft of total retail stock. In 2024, total new completions amounted to 0.7 million sq ft, slightly higher than the five-year (2019-2023) historical average of 0.5 million sq ft. Notable completions include Paris Ris Mall, New Bahru and Punggol Digital District Phase 1.

Orchard Road[9] continues to be Singapore's pre-eminent shopping belt, flanked by many high-end shopping centres housing flagship stores of international brands. In 4Q 2024, private retail stock in Orchard Road contracted marginally by 1.0% YoY to 7.1 million sq ft and accounted for 10.4% of the total island-wide retail stock. Conversely, private retail stock in the Downtown Core[10] region saw a 2.1% increase YoY to 7.5 million sq ft and accounted for approximately 10.9% of island-wide retail stock.

3.3 Future Supply

The total retail supply anticipated to enter the market between 2025 and 2027 is around 0.9 million sq ft of NLA, averaging 0.3 million sq ft per annum with no large-scale malls expected to be completed in the next three years. This figure is 29.0% lower than the historical five-year annual average completion (2020-2024) of 0.4 million sq ft.

In 2025, approximately 0.5 million sq ft of retail space is expected to enter the market, with supply distributed across the Rest of Central (0.2 million sq ft), Fringe (0.2 million sq ft), Outside Central Region (0.1 million sq ft) and Downtown Core submarkets (0.03 million sq ft). A total of eight developments is slated to be completed in 2025, including Punggol Digital District Phase 2 (109,300 sq ft) in Outside Central Region, The Cathay (81,800 sq ft) and Canning Hill Square (96,900 sq ft) in Rest of Central, as well as Marine Parade Underground Mall (99,800 sq ft) in the Fringe.

Three retail projects are expected to be completed in 2026, contributing approximately 146,300 sq ft of retail space. Notable completions include Lentor Modern Mall (90,000sq ft) in Outside Central Region and TMW Maxwell (34,700 sq ft) in the Downtown Core submarkets.

In 2027, four projects are expected to be completed, adding approximately 0.3 million sq ft of retail space. These include Movenpick Singapore (29,300 sq ft) in the Downtown Core submarkets and Bukit V (173,400 sq ft) in the Fringe. Although some developments are scheduled for completion in the Downtown Core over the next three years, OUE REIT's One Raffles Place Shopping Mall will remain one of the largest and most prominent retail developments within Raffles Place.

By submarket, it is worth-noting that there are currently no known developments slated for completion during this period in the Orchard Road submarket. The Fringe submarket will be the largest contributor to future supply from 2025 to 2027, accounting for approximately 38.1% of the total. This is followed by Outside Central Region, Rest of Central and Downtown Core, which account for 33.4%, 18.9% and 9.6% respectively. 6

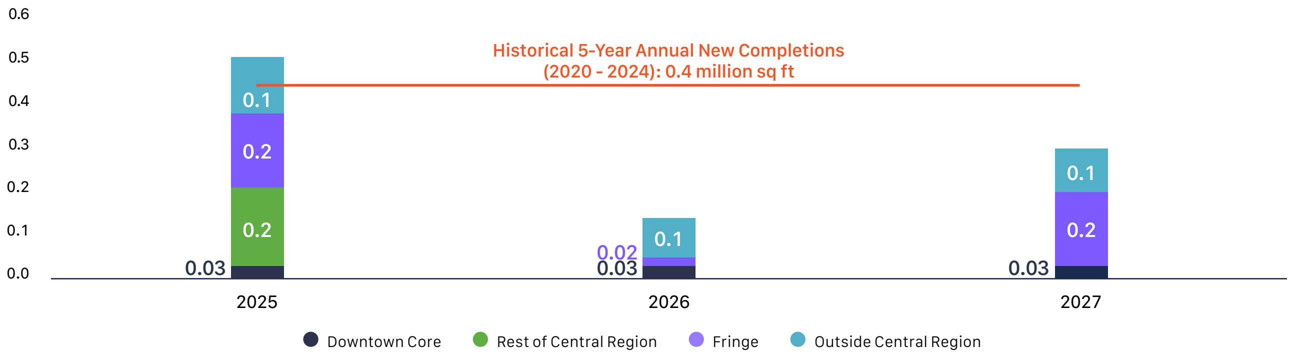
Notes:

[9] The Orchard Road submarket is located within the Central Area. It is bounded by Claymore Road and Scotts Road to the north, the Central Expressway and Oxley Road to the east, Eber Road and Orchard Boulevard Road to the south, and Grange Road and Tanglin Road to the west

[10] The Downtown Core comprises the following subzones: Anson, Tanjong Pagar, Phillip, Raffles Place, Maxwell, Cecil, Central Subzone, Clifford Pier, Bayfront Subzone, City Hall, Bugis, Marina Centre and Nicoll

6 Island-wide Future Retail Supply (2025 - 2027)

Net Lettable Area (million sq ft)



Source: CBRE Singapore, 4Q 2024

Table 2: Major Future Retail Supply (2025 – 2027)

	2025: (0.5 million sq ft)	2026: (0.1 million sq ft)	2027: (0.3 million sq ft)
Orchard Road	N.A.	N.A.	N.A.
Downtown Core	Keppel South Central: 27,300 sq ft	TMW Maxwell (Maxwell House Redevelopment): 34,700 sq ft	Mövenpick Singapore and Mövenpick Living Singapore (Tower 15 Redevelopment): 29,300 sq ft
Rest of Central Region	CanningHill Square (Liang Court Redevelopment): 96,900 sq ft The Cathay (A/A): 81,800 sq ft	N.A.	N.A.
Fringe	Marine Parade Underground Mall: 99,800 sq ft Geneo: 36,100 sq ft Weave at Resorts World Sentosa (A/A): 30,000 sq ft	Piccadilly Grand/ Galleria: 21,600 sq ft	Bukit V: 173,400 sq ft
Outside Central Region	Punggol Digital District - Phase 2: 109,300 sq ft West Mall: 20,000 sq ft	Lentor Modern Mall: 90,000 sq ft	Chill @ Chong Pang: 56,900 sq ft Jurong Gateway Hub: 40,400 sq ft

Source: CBRE Singapore, 4Q 2024

Independent Market Review

3.4 Demand and Vacancy

In 2024, tourist arrivals reached approximately 16.5 million, representing a YoY increase of 21.4% compared to the same period in 2023. Submarkets such as Orchard Road and the Downtown Core, which are heavily dependent on tourism, have demonstrated a stronger recovery compared to other areas. These locations are expected to recover more rapidly in terms of both rental rates and vacancy levels. However, in light of evolving consumer preferences and shopping behaviours, retailers must adapt to stay relevant and attract in-store customers.

2024 recorded a positive net absorption of 1.3 million sq ft for island-wide retail spaces, with new openings and expansions primarily driven by the F&B sector. Singapore welcomed the return of international brand CHAGEE, along with the debut of new concepts by world-renowned chefs like Maison Boulud and Le Pristine. This positive net absorption was also supported by the fashion sector, particularly sporting goods, along with significant expansion in the service sector. On the other hand, due to changing preferences and intense competition, 2024 saw notable closure in the fitness and entertainment sectors.

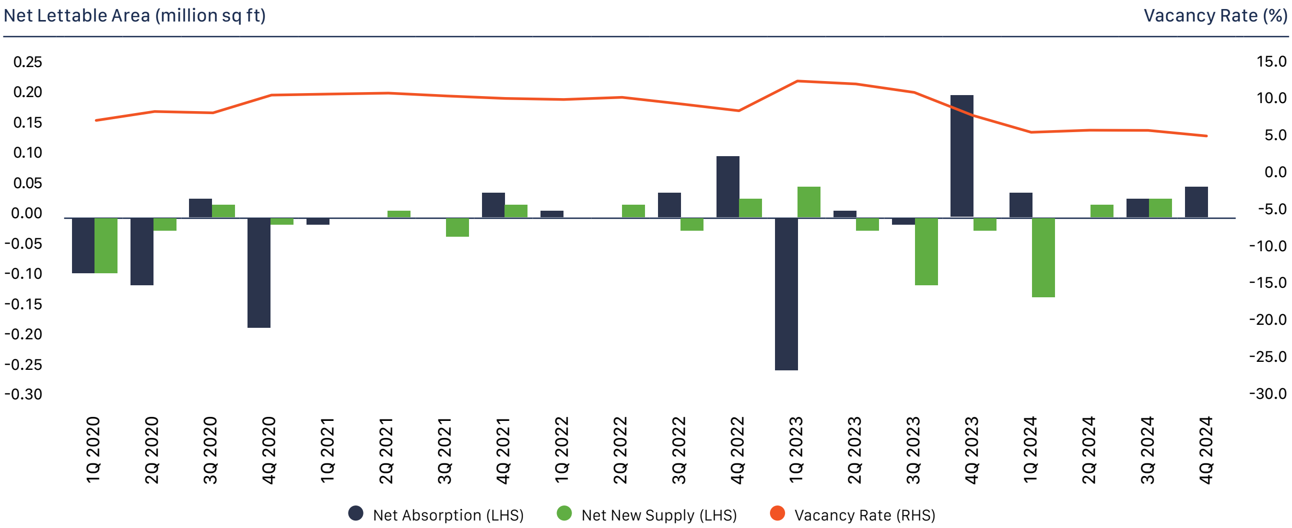
Following a positive net absorption of 129,200 sq ft in the Orchard Road submarket for the full year of 2024, vacancy rates declined by 2.8 ppt YoY to 5.9% in 4Q 2024, with a negative net supply totalling 75,300 sq ft in Orchard Road. Similarly, the Downtown Core submarket also recorded positive net absorption of 215,300 sq ft. Vacancy rate declined slightly by 1.0 ppt to 5.6%, attributed to a higher positive net supply of 150,700 sq ft. On the back of strong tourism recovery, both submarkets have generally experienced YoY declines in vacancy rates in the post pandemic era. 7 8

3.5 Rental Values

Prime rents in 2024 within the Orchard Road and the Fringe area submarkets continued their momentum from 2023. Demand for spaces remained robust due to retailers' confidence in the continued tourism recovery and the normalisation of back-to-office arrangements.

Rents in Orchard Road grew by 0.8% QoQ and 4.0% YoY to S$37.75 psf pm in 4Q 2024, representing ten consecutive quarters of rental growth. Similarly, rents in the Other City/City Fringe areas also expanded for the tenth consecutive quarter, recording a 0.6% QoQ and 2.9% YoY growth to S$17.75 psf pm in 4Q 2024.

7 **Orchard Road Supply and Demand**



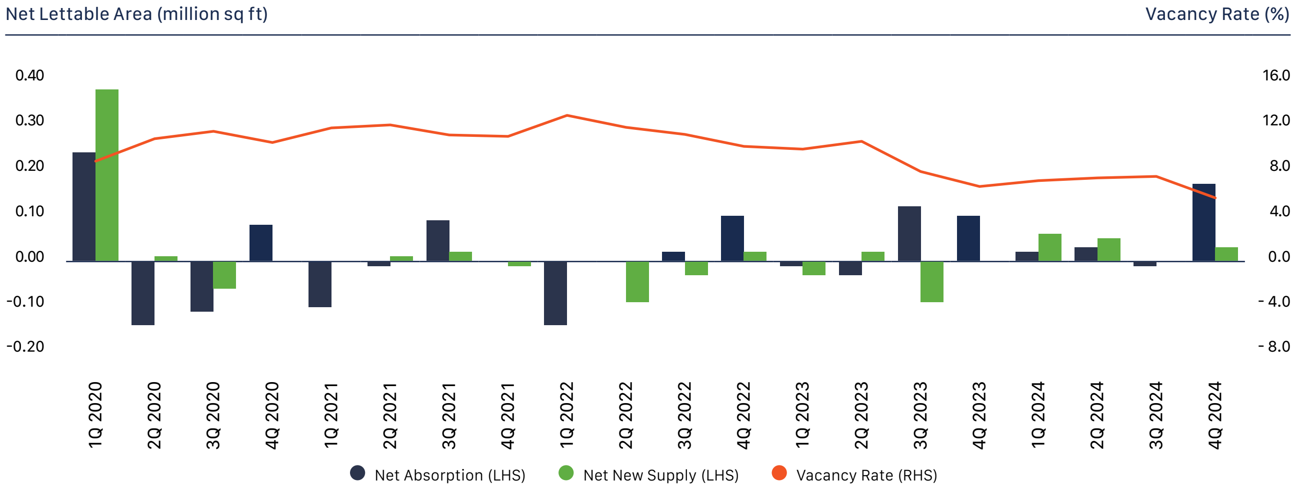
Source: CBRE Singapore, 4Q 2024

While global economic uncertainties remain in 2025, Singapore is expected to sustain its tourism recovery, supported by the addition of fresh offerings and experiences, and a steady stream of MICE events. Additionally, with below-historical-average supply over the next few years, retail rents are expected to recover to pre-pandemic levels in 2025. 9

3.6 Capital Values

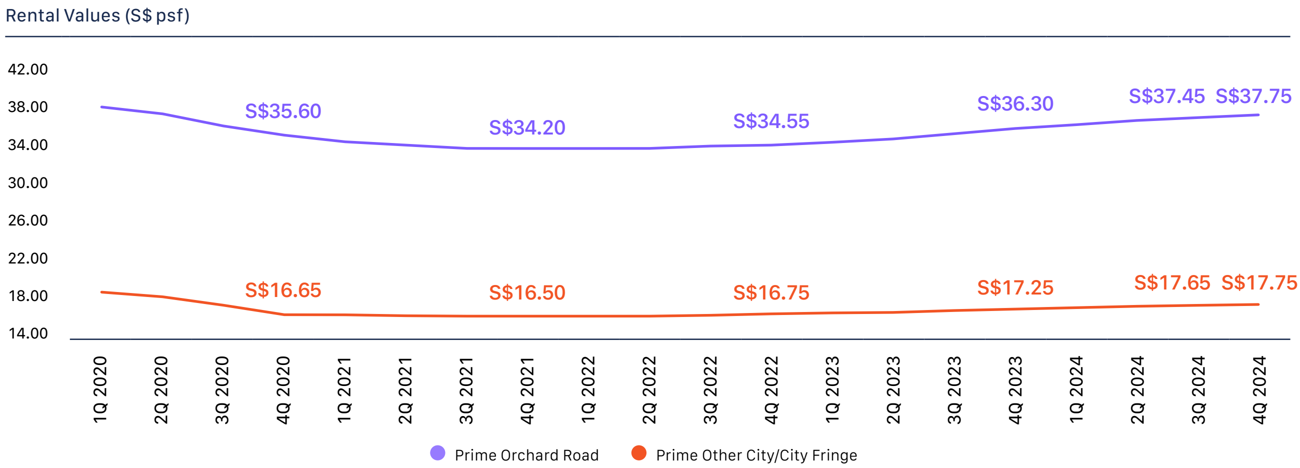
Unlike in 2023 when total transaction (S$4.0 billion) was supported by two large deals, e.g. Jurong Point (S$2.0 billion) and 50% stake of NEX (S$1.0 billion)[11], total investment transactions in 2024 stood at approximately S$3.8 billion, representing a 3.2% YoY decline in total investment transactions. This was attributed to the absence of big-ticket deals in 2024.

8 **Downtown Core Supply and Demand**



Source: CBRE Singapore, 4Q 2024

9 **Prime Orchard Road and Prime Other City/City Fringe Monthly Rental Values**



Source: CBRE Singapore, 4Q 2024

Note:

[11] Value is based on 50% stake of the agreed property value of NEX

Independent Market Review

While US Federal Reserve started its first rate cut in September 2024, boosting investor sentiment and appetite, caution remained due to ongoing economic and geopolitical uncertainties, along with expectations of volatile rate cuts in 2025. Orchard Road capital values remained unchanged YoY at S$7,300 psf in 4Q 2024. However, amid cautious investment sentiments and rising prime rents, net yields increased by 22 bps to 5.26% in 4Q 2024 compared to the same period.

Looking ahead, the anticipated interest rate cuts in 2025, coupled with the continued tourism recovery and the normalisation of back-to-office arrangements might incentivise investors to deploy more capital into the retail sector. CBRE projects that capital values will increase over the next 12 months, while net yields are expected to grow at a higher rate, driven by stronger rental growth. 10

3.7 Retail Market Outlook

Going forward, submarkets that rely heavily on tourism, such as Orchard Road, are projected to see stronger rental growth in 2025, driven by the expected continued recovery of the tourism sector, improved flight connectivity and capacity, as well as a stable line-up of MICE events. Additionally, the ongoing trend of returning to office is likely to boost foot traffic in malls located in the Downtown Core. OUE REIT's One Raffles Place shopping mall is expected to benefit from continued growth in foot traffic in 2025.

Overall, retailers remain cautiously optimistic about the rebound in tourist arrivals. In the near term, challenges such as e-commerce, manpower shortages and higher operating costs might continue to weigh on the operations. Nonetheless, with limited new retail supply over the next few years, island-wide prime retail rents are expected to continue its growth trajectory.

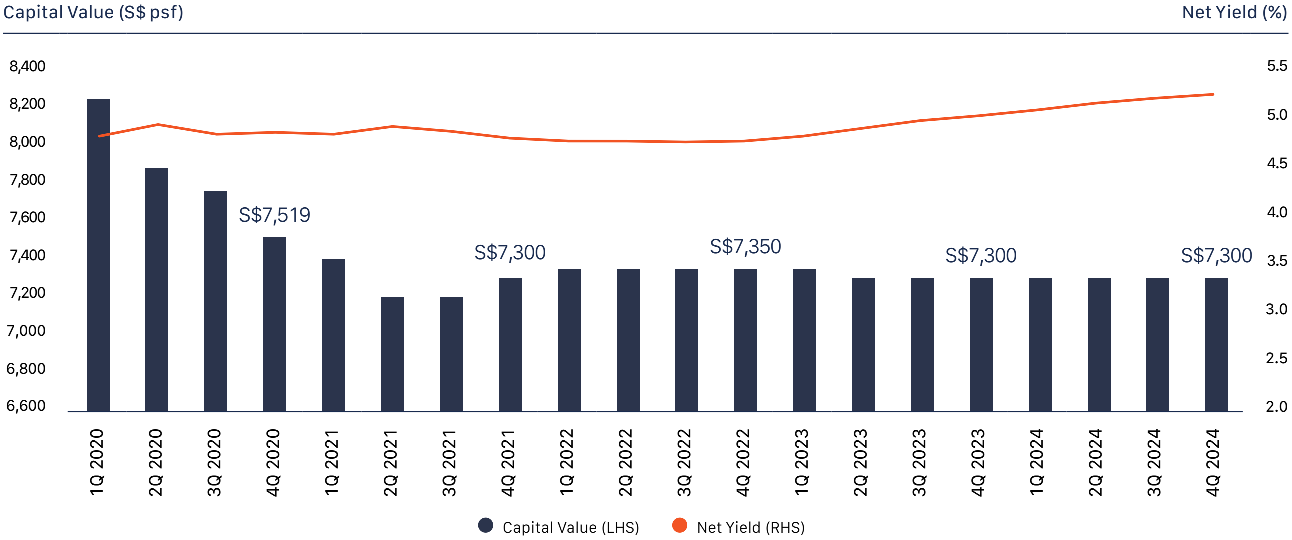
4. Hotel Market Overview

4.1 Tourism Market Overview

In 2024, Singapore welcomed approximately 16.5 million visitors, representing a 21.4% increase compared to 2023 and achieve the upper range of STB's 15.0 to 16.5 million visitors target for 2024. Throughout the year, the strong collaboration of STB and MTI have successfully reinforced Singapore's position as a Global-Asia hub by enhancing event experiences and promoting sustainability tourism. High-profile concerts by Coldplay, Ed Sheeran and Taylor Swift further established the city as a centre for entertainment and musical performances.

Several new attractions were also introduced in 2024. These included the SensoryScape, which offered a multisensory experience walk that connected Resorts World Sentosa with Sentosa beaches. Palawan Beach was revitalised with new leisure attractions, such as KidZania, an indoor theme park, and a three-storey go-kart circuit, Hyperdrive. In addition, Night Safari celebrated its 30th anniversary with the introduction of the Pangolin Trail, allowing visitors to observe different species in all-weather condition. 11

10 Orchard Road Capital Value and Net Yield

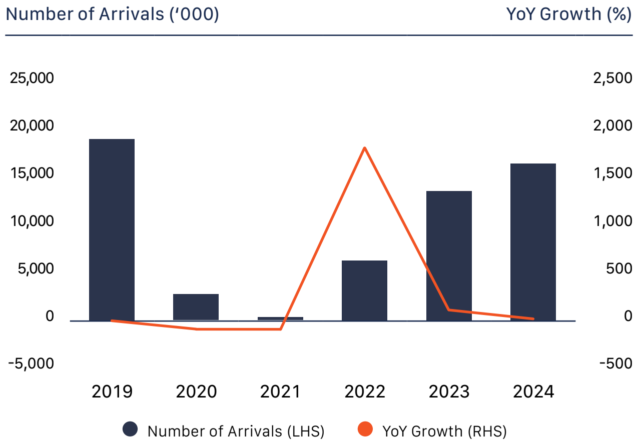


Source: CBRE Singapore, 4Q 2024

4.2 Existing Supply

While the pandemic resulted in a limited supply of new hotels in recent years, 2024 witnessed the opening of several new hotels, including Mercure ICON Singapore City Centre, the reopening of Grand Hyatt (Phase 1), lyf Bugis (formerly Hotel G), and QT Singapore (formerly Hotel Telegram). This trend reflects a competitive hotel landscape, with operators keen to expand their presence and differentiate themselves in the market.

11 **Visitor Arrivals to Singapore**



Source: STB, CBRE Singapore 4Q 2024

4.3 Future Supply

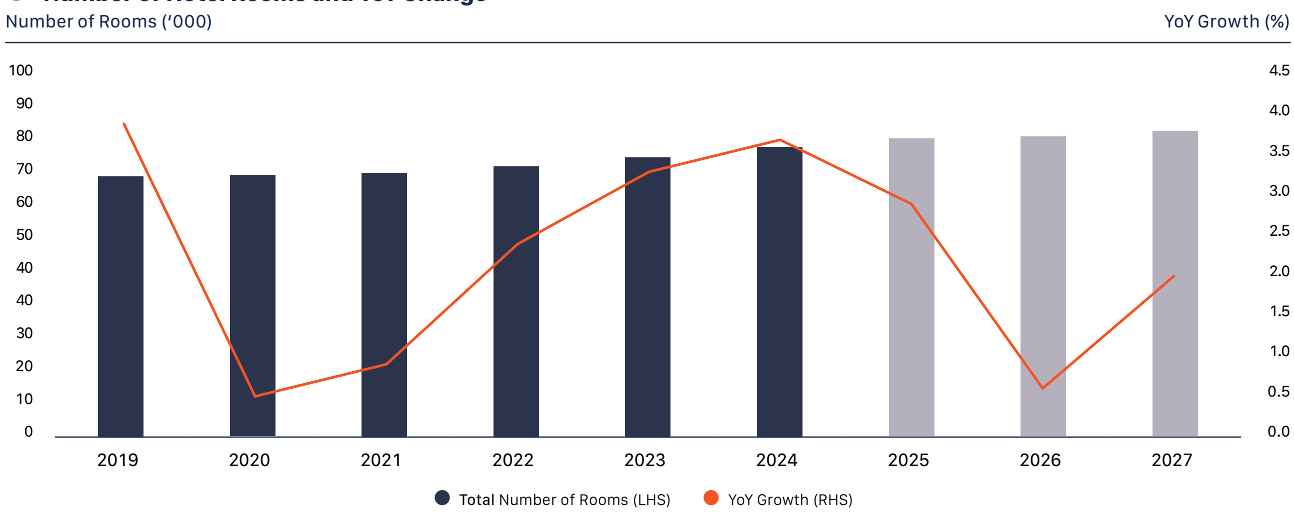
CBRE notes that approximately 4,121 hotel rooms and 383 serviced residences units are scheduled for completion or currently under planning between 2025 and 2027. Notable completions include 200-key PARKROYAL COLLECTION Faber House on Orchard Road. Beyond 2027, two significant completions include the 100-key redevelopment on Cuscaden Road and the 255-key Indigo Changi Airport.

The central area, which includes Orchard (11.3%) and the Downtown Core (28.0%) where Singapore's CBD is situated, holds the largest share of hotels at 39.3%. The Singapore Regional submarket[12] follows closely with a share of 22.4%, while Sentosa accounts for 12.1% of the market.

Approximately 32.7% of the supply will be contributed by the Luxury segment, followed by the Upper Midscale (29.9%), Upscale (17.5%), Midscale (9.0%), and Upper Upscale (6.2%). The rest of the pipeline consists of economy segment and those that have not engaged a hotel brand. This statistic is in line with what CBRE has observed in the APAC region where developers are looking to capitalise on the growing demand for upscale to high-end hospitality.

In 2027, key hotel openings will include Raffles Sentosa Resort & Spa (62 keys; luxury hotel), Mandai Rainforest Resort by Banyan Tree (338 keys; luxury hotel), Mövenpick Singapore (808 keys; upscale hotel), and Mama Shelter (115 keys; midscale hotel). 12

12 **Number of Hotel Rooms and YoY Change**



Source: CBRE Singapore, 4Q 2024

Note:

[12] The Singapore Regional Submarket comprises of hotels located outside of Downtown Core, Kallang, Museum, Newton, Novena, Orchard, Outram, River Valley, Rochor, Sentosa, Singapore River and Tanglin

Independent Market Review

4.4 Hotel Market Performance

Benefitting from the strong recovery of visitor arrivals, market-wide average daily rate ("ADR") maintained an upward trajectory, in tandem with the increased visitor arrivals. The market-wide ADR reached a record high of S$280 in 2024, translating to a substantial YoY growth of 1.9% over 2023. Average occupancy grew by 1.0 ppt YoY to 81.9%, resulting in a revenue per available room of S$229, marking a notable 3.2% YoY increase from last year. 13

4.5 Hotel Investment Market

Benefitting from the robust performance of Singapore's tourism and hospitality markets, investor confidence in hospitality assets remains high with keen interest from potential buyers. In 2024, five transactions totalling approximately S$1.1 billion were completed, a significant increased from 2023 where three transactions amounting to approximately S$571 million was completed. Singapore's strong long-term fundamentals, alongside its political and economic stability, have fueled investor optimism, as reflected in these sales. As a recognised safe haven for investments, the long-term outlook for the Singapore market remains favourable.

4.6 Hotel Market Outlook

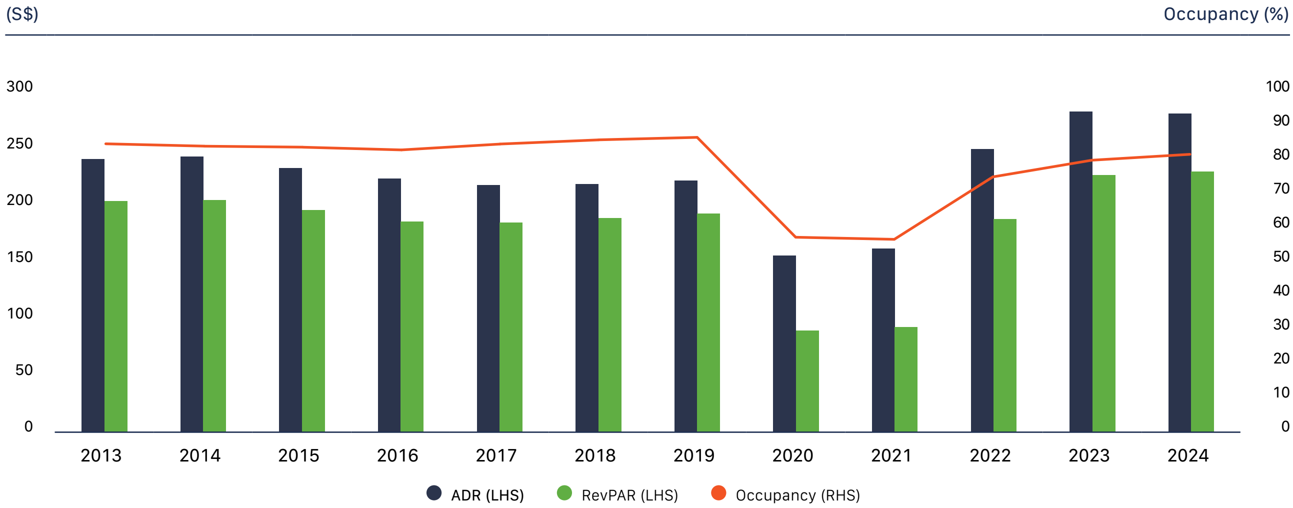
STB anticipates a robust influx of visitor arrivals in 2025, projecting between 17.0 to 18.5 million arrivals, with expected tourism receipts ranging from S$29.0 billion to S$30.5 billion.

Against the backdrop of heightened economic uncertainties, STB remains committed to fostering high-quality tourism growth and enhance Singapore's standing as a premier travel destination. With a well-managed pipeline of hotel room supply and collaborative efforts between STB and its tourism and MICE partners, Singapore is poised for sustained recovery in both leisure and business travel.

In 2025, a series of new attractions are set to open, such as Minion Land at Universal Studios Singapore, Singapore Oceanarium at Resorts World Sentosa, Rainforest Wild at Mandai Wildlife Reserve. Ongoing infrastructure projects aimed at enhancing Singapore's global connectivity include a S$3 billion upgrade of Changi Airport's Terminal 1 to 4, the development of Changi Airport Terminal 5 and the Tuas Mega Port. Furthermore, in March 2024 Singapore announced a S$165 million fund to be used to promote the country as a major sports event destination over the next four years. This initiative will enable the hosting of more world-class sporting events and the construction of a new arena.

The proposed developments in the pipeline demonstrated the efforts from STB and its partners to further reinforce Singapore as a top destination in the region. With an expected increase in demand for tourism and hotel accommodation, the hospitality assets under OUE REIT's portfolio are set to reap the benefits given their prime location in areas such as Orchard Road and Changi Airport.

13 **Singapore Hotel Market Performance**



Source: STB, CBRE Singapore 4Q 2024

Qualifying Clause

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Heightened Market Volatility

We draw your attention to a combination of global inflationary pressures (leading to higher interest rates) and signs of stress in some markets/sectors have significantly increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term.

Experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. Any investment or internal decision-making processes should reflect this heightened level of volatility and potential for deteriorating market conditions.

It is important to note that the conclusions set out in this report are valid as at the reported date only. Where appropriate, we recommend that market conditions are closely monitored, as we continue to track how markets respond to evolving events.

Investor Relations

Guided by our Investor Relations Policy, the Manager is committed to maintaining regular, timely and transparent communication with Unitholders, prospective investors, analysts, the media, regulators and other stakeholders.

Financial results, business updates, announcements, press releases, presentation slides and other relevant disclosures are issued through SGXNet and are posted in a timely manner on OUE REIT's website (https://ouereit.com). Unitholders and other stakeholders can subscribe to email alerts via the website (https://investor.ouereit.com/email_alerts.html) to receive the latest updates on OUE REIT.

Annual General Meeting

The AGM is an important communication channel between the board of directors, management of OUE REIT and the Unitholders. OUE REIT convened its 10th AGM on 24 April 2024 in a physical format at Hilton Singapore Orchard, where OUE REIT's performance, growth strategies and outlook were presented to Unitholders. As specified in the Notice of AGM, Unitholders may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM.

All resolutions were duly passed, and the results were announced on SGXNet and OUE REIT's website on the same day of the AGM. Detailed minutes of the AGM were also published within one month on SGXNet and OUE REIT's website on 23 May 2024, in line with best practices.

Proactive Stakeholder Engagement

The Manager strives to maintain regular engagement with Unitholders (both retail and institutional) and the wider investment community to provide updates on OUE REIT's development and financial performance, share insights on its strategies market outlook, and gather feedback for consideration.

In FY 2024, the senior management team engaged with more than 300 research analysts and institutional investors through various both in-person and virtual events and activities. These include quarterly analysts and investors briefings. The Manager also hosted one-on-one meetings, group meetings, investor conferences, property tours and non-deal roadshows throughout the year.

Retail investors are a key stakeholder group of OUE REIT. As part of its outreach programme for retail investors, the Manager actively collaborated with the Singapore Exchange ("SGX"), Securities Investors Association (Singapore), REIT Association of Singapore ("REITAS") and various brokerage firms to connect with retail investors via webinars. The Manager also recognised the importance of in-person engagement and has attended various physical events, including the REITs Symposium jointly organized by ShareInvestor and REITAS in May 2024, which was well-attended by over 1,100 retail participants. In August, the Manager also participated in The Edge REITs Investment Forum's panel discussion, and shared insights with over 140 participants.

To broaden our communications channels, we enhanced media outreach and leverage digital platforms such as OUE REIT's LinkedIn, Moomoo and Tiger Brokers community pages to provide educational content, including videos, and infographics, to help investors gain a better understanding of OUE REIT, industry and market trends, empowering them to make informed decisions.

A testament to the Manager's investors engagement efforts, OUE REIT is now well-covered by 7 research houses in Singapore and was included in the S&P Global Ex-US Property Index in 2024. The REIT received 5 analyst initiation reports in 2024 from Phillip Securities, Maybank Securities, KGI Securities, Beansprout and OCBC Investment Research, all recommending "BUY" ratings.

Analyst Coverage

As of 31 December 2024

- Beansprout
- CGS International
- DBS Group Research
- KGI Securities
- Maybank Securities
- OCBC Investment Research
- Phillip Capital

Constituent of Key Indices

- FTSE EPRA Nareit Global Developed Index
- FTSE EPRA Nareit Green Index
- iEdge S-REIT Index
- iEdge Real Estate Index
- S&P Global Ex-US Property Index

Connect with Us:

LinkedIn

Unitholders' Enquiries

If you have any enquiries or would like to find out more about OUE REIT,

please contact:

The Manager

Ms Mary Ng
Vice President
Investor Relations & Sustainability

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Fax : +65 6809 8701
Email : enquiry@ouereit.com
Website : www.ouereit.com

Unit Depository

For depository-related matters, please contact:

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589

Tel : +65 6535 7511
Email : asksgx@sgx.com
Website : investors.sgx.com

Key Investor Relations Events & Activities in 2024

1Q

FY 2023 post results analyst briefing	30 January 2024
FY 2023 post results investors' property tour	31 January 2024
FY 2023 post results investors' virtual meeting	2 February 2024
Phillip Securities POEMS Webinar	21 February 2024
Chartwell Hong Kong Investor Meeting	20 March 2024
RHB Malaysia Retail Webinar	13 March 2024

2Q

Tokyo Non-Deal Roadshow ("NDR")	1-3 April 2024
1Q 2024 post business update analyst briefing	25 April 2024
1Q 2024 post business update investors' virtual meeting	3 May 2024
REITs Symposium	11 May 2024
DBS Private Banking x REITAS Luncheon	14 May 2024
HSBC Global Credit Conference and Hong Kong NDR	12 June 2024

3Q

1H 2024 post results analyst briefing	25 July 2024
1H 2024 post results investors' virtual meeting	26 July 2024
SGX REITs Panel Discussion (Mandarin Session)	2 July 2024
ProperUs CGS International Retail Investors Webinar	24 July 2024
Panel Discussion at The Edge REITs Investment Forum	20 August 2024
SGX-REITAS Education Series	12 September 2024

4Q

3Q 2024 post business update analyst briefing	24 October 2024
3Q 2024 post business update investors' virtual meeting	25 October 2024
SGX Reverse NDR with Korean institutional investors	29 October 2024
SIAS x SGX Corporate Connect	29 October 2024
BNP Paribas Global ESG Corporate Access	26-27 November 2024

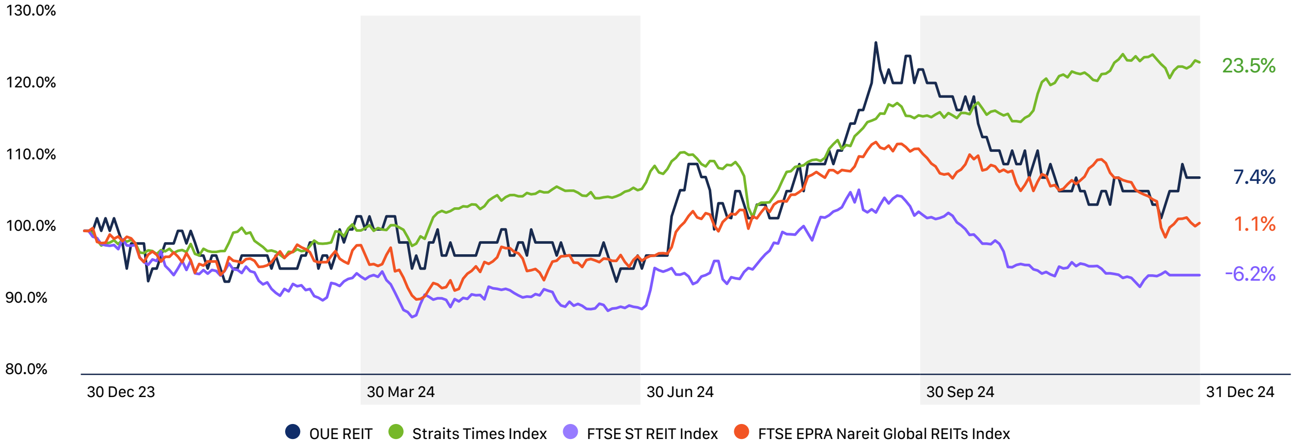
Financial Calendar	**FY 2024**	**FY 2025 (tentative)**
First Quarter Business Update Announcement	24 April 2024	April 2025
Half Year Financial Results Announcement	24 July 2024	July 2025
Payment of Distribution to Unitholders	4 September 2024	By September 2025
Third Quarter Business Update Announcement	23 October 2024	October 2025
Full Year Financial Results Announcement	23 January 2025	January 2026
Payment of Distribution to Unitholders	5 March 2025	By March 2026
Annual General Meeting	22 April 2025	April 2026

Investor Relations

Unit Price Performance

S$	2024	2023
Opening Price on First Trading Day of Year	**0.285**	0.340
Closing Price on Last Trading Day of Year	**0.285**	0.285
Highest Closing Price	**0.345**	0.370
Lowest Closing Price	**0.250**	0.205
Average Closing Price	**0.280**	0.297
Market Capitalisation[1] (S$ million)	**1,565.5**	1,563.5

Relative Total Return Performance for FY 2024

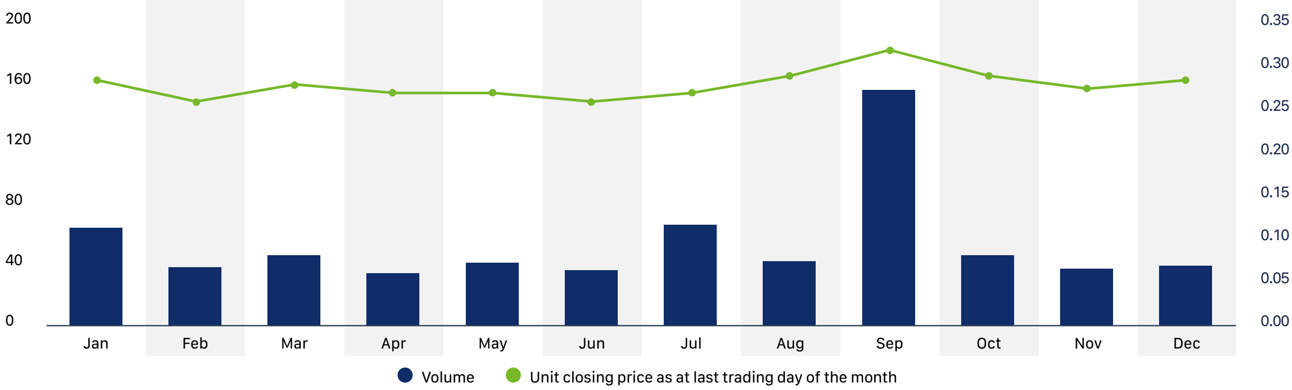


Trading Volume

Number of Units	2024	2023
Total Volume Traded	**643,497,810**	825,541,251
Average Daily Trading Volume	**2,553,563**	3,315,427

2024 Trading Performance

Volume (million Units)											Unit Price (S$)
64	38	46	34	41	36	66	42	155	46	37	39
0.285	0.260	0.280	0.270	0.270	0.260	0.270	0.290	0.320	0.290	0.275	0.285



Source : Bloomberg

Note:

[1] Based on OUE REIT's closing Unit price and total number of Unit in issue as at the last trading date of the respective financial year

Sustainability Approach

1. Commitment

OUE REIT is committed to embedding sustainability into its operations, with a goal of creating long-term value and a sustainable future for all our stakeholders. Our Sustainability Framework is built upon the United Nations' Sustainable Development Goals ("UN SDGs"). On the environmental front, we are a member of the Singapore Green Building Council that drives change towards a sustainable future. Meanwhile, we are committed to the Ten Principles of the United Nations Global Compact revolving around Human Rights, Labour, Environment and Anti-Corruption.

OUE REIT aligns its Sustainability Report with globally recognised standards and strives to further strengthen our disclosures. Our FY 2024 Sustainability Report is prepared in accordance with the Global Reporting Initiative 2021 Standards, Sustainability Accounting Standards Board Standards for Real Estate, Task Force on Climate-related Financial Disclosures and the Environmental Risk Management Guidelines from the Monetary Authority of Singapore ("MAS"). Meanwhile, we are also progressing towards being fully aligned with the International Financial Reporting Standards S2 Climate-related Disclosure Standards, published by the International Sustainability Standards Board.

2. ESG Vision 2030 – OUE REIT's Sustainability Framework

In FY 2023, OUE REIT, together with our Sponsor OUE Limited, launched a two-phased recalibration exercise to review our sustainability roadmap and address increasing expectations from our stakeholders and the community. As a result of this exercise, in February 2024, OUE REIT introduced its ESG Vision 2030 – a roadmap encompassing our Sustainability Framework.

Building on OUE Limited's Sustainability Roadmap 2030, our Sustainability Framework centres around three core pillars: (1) Stewarding the Environment, (2) Empowering Communities, and (3) Building Trust. These pillars seamlessly integrate with OUE REIT's key business strategies and identified material topics, supporting the REIT's long-term objectives of delivering sustainable growth for its Unitholders.

2.1 Key Pillars

<table>
<tr><th></th><th>STEWARDING THE ENVIRONMENT</th><th>EMPOWERING COMMUNITIES</th><th>BUILDING TRUST</th></tr>
<tr><td>OBJECTIVES</td><td>We are committed to decarbonising in line with the 1.5°C pathway of the Paris Agreement and operating with respect for natural resources</td><td>We are committed to attracting and retaining the best talent through inclusive practices, ensuring the health and well-being of employees and tenants, and positively impacting local communities</td><td>We are committed to upholding strong corporate governance, maintaining ethical business practices, and building trust with our investors and other key stakeholders</td></tr>
<tr><td>PATHWAYS</td><td>• Integrate ESG into our value creation
• Develop climate resilient portfolio through green investments
• Elevate green building certifications through asset enhancement initiatives
• Explore ways to increase the use of renewable energy
• Conduct comprehensive climate risk assessments and prudently manage climate-related risks and opportunities for our asset portfolio</td><td>• Foster a culture of continuous learning and development
• Promote diversity and inclusion within the organisation
• Deliver high-quality services, anchored in best practices
• Drive positive change and develop a social ecosystem that empowers the communities in which we operate</td><td>• Strengthen anti-money laundering, anti-bribery and anti-corruption, cybersecurity, and compliance risk management through robust controls, advanced security measures and comprehensive reporting mechanisms
• Strengthen enterprise risk management with the integration of sustainability-related risks
• Diversify source of funding through sustainable financing
• Leverage on digital tools to monitor sustainability progress, gain actionable insights, and enhance accuracy and transparency on sustainability-related disclosure</td></tr>
</table>

Sustainability Approach

3. Sustainability Governance

The Board of Directors (the "Board") recognises the importance of sustainability as a core consideration in our business, as well as its fiduciary duty to Unitholders. There is a formal structure in place to support the effective management of sustainability risks and opportunities at OUE REIT.

3.1 Governance Structure

BOARD OF DIRECTORS
Assumes overall responsibility, oversight, and strategic direction on sustainability

AUDIT & RISK COMMITTEE (BOARD COMMITEE)
Monitors sustainability-related risks and opportunitities, and performance

Provides oversight on disclosure and compliance

Reports to the Board on at least a bi-annual basis

SUSTAINABILITY STEERING COMMITTEE ("SSC")
Drives the implementation of sustainability initiatives and monitoring of OUE REIT's progress against sustainability targets

Chairman:
- Chief Executive Officer

Committee Members:
- Chief Financial Officer
- Asset Management Lead
- Investor Relations & Sustainability Lead

Reports to the SSC on monthly basis

SUSTAINABILITY TASK FORCE ("STF")
Facilitates the implementation of policies and initiatives, and to develop action plans in response to OUE REIT's sustainability targets

Representatives from:
- Finance/Treasury
- Human Resources
- Legal
- Corporate Secretariat
- Asset Management
- Investor Relations & Sustainability

Covers sustainability focus areas comprising:
- Environment, Health & Safety, Human Resources, Compliance, Investments, Stakeholder Engagements

STAFF
Supports OUE REIT's sustainability efforts

3.2 Roles and Responsibilities

The Board holds the overall responsibility for managing OUE REIT's ESG risks and opportunities, including climate-related ones, and overseeing the incorporation of sustainability considerations into the business strategy. The Board is supported by the Audit and Risk Committee which monitors any material exposure to sustainability and climate-related risks and opportunities, reviews and assesses OUE REIT's strategies and performance against previously disclosed targets in relation to identified material ESG topics, ensures effectiveness and adequacy of enterprise risk management ("ERM") procedures, internal controls, and reviews the quality and reliability of information prepared for inclusion in the sustainability report. The Board's responsibilities are detailed in OUE REIT's Corporate Governance, under the Board's Conduct of Affairs, where sustainability matters are integrated into the Manager's overarching strategy (refer to pages 76 to 77 of the Annual Report).

The Board regularly reviews sustainability risks and opportunities, ensuring they align with OUE REIT's long-term business objectives. With the evolving sustainability landscape, the Board keeps abreast of sustainability developments, ensuring that it possesses the relevant competencies to effectively oversee OUE REIT's sustainability risks, including those related to climate change. The Board undertakes relevant and mandatory sustainability trainings as required by the Singapore Exchange.

The Board delegates its responsibilities to the SSC, which is chaired by the Chief Executive Officer and comprising the Chief Financial Officer, Asset Management ("AM") Lead, and Investor Relations ("IR") and Sustainability Lead of OUE REIT as the committee members. Guided by the Environmental Policy, the SSC is responsible for the identification and integration of climate-related risks and opportunities into asset management and investment decisions. The implementation of sustainability initiatives is also driven by the SSC, and it monitors OUE REIT's progress against targets to evaluate their effectiveness. The SSC meets monthly and reports to the Board on key initiatives and progress, at least on a bi-annual basis.

The STF is an implementation body that comprises representatives from various departments, corporate functions and business units, such as Finance/Treasury, AM, HR, Legal, Corporate Secretariat, IR and Sustainability. Based on the direction provided by the SSC, the STF facilitates the implementation of policies and initiatives, and develops action plans in response to OUE REIT's sustainability targets. The STF reports to the SSC monthly on the implementation of initiatives and action plans.

As part of OUE REIT's commitment to effectively manage sustainability risks, non-financial ESG key performance indicators ("KPIs") are included in the variable component of remuneration. For the Manager's employees, these KPIs relate to OUE REIT's Global Real Estate Sustainability Benchmark ("GRESB") performance, third-party corporate governance scores, employee learning and development, as well as the implementation of health and wellness programmes. OUE REIT also considers stakeholder views in its remuneration policies. Tenant satisfaction rate is one of the KPIs for both the Manager and the Property Management teams. Other KPIs include feedback from analysts and investors regarding OUE REIT's performance and communication efforts. The Property Management teams have set specific targets for energy conservation and are currently developing goals for water and waste management to further advance sustainability efforts.

Materiality & ESG Risks Assessment

OUE REIT has in in place a robust ESG-related risk management process to ensure the robustness of risk information, accountability for outcomes and action plans, and a focus on long-term sustainability.

A materiality analysis is conducted at least annually to identify, review and prioritise the material issues that might potentially impact OUE REIT. Following the completion of our second climate scenario analysis, the Manager has also incorporated identified material climate-related risks and opportunities into our ERM Framework and risk register.

Potential ESG risks and opportunities in the short, medium, and long term are primarily identified by various departments, corporate functions, and business units such as Finance/Treasury, AM, HR, Legal, Corporate Secretariat, and IR & Sustainability. OUE REIT also actively engages property management teams and external stakeholders, including tenants, investors and service providers, as well as conducts thorough reviews of various ESG assessments, such as GRESB. Based on the identified risks, the Manager develops appropriate action plans to optimise the allocation of resources and manage risks within the acceptable levels.

	STEWARDING THE ENVIRONMENT	EMPOWERING COMMUNITIES	BUILDING TRUST
CRITICAL TOPICS	1. Climate Resilience 2. Water Efficiency	1. Health & Safety 2. Service Quality 3. Employee Engagement	1. Compliance 2. Ethical Business Practices 3. Cyber Security
MODERATE AND EMERGING TOPICS	1. Waste Minimisation	1. Creating Social Ecosystems 2. Innovation	

Sustainability Approach

Aligning Sustainability Efforts with UN SDGs

OUE REIT's ESG material topics are mapped to the six Capitals of Assets, Financial, Intellectual, Human, Environmental & Natural, and Social & Stakeholder Relationships and echo the UN SDGs. Based on the UN SDGs, OUE REIT has identified 11 material ESG topics reflecting its focus areas, sustainability ambitions and priorities. For each ESG material topic, targets have been set (refer to pages 10 to 11 of the Sustainability Report for detailed targets).

Focus Areas and Relevant UN SDGs	Material Topics	Key Targets & Aspirations
Stewarding the Environment • Assets Capital • Financial Capital • Environmental & Natural Capital Contributing to UN SDGs:	• Climate Resilience • Water Efficiency • Waste Minimisation	• Reduce 40% of absolute Scope 1 and 2 GHG emissions for commercial properties by FY 2030# • Achieve 90% of green financing by FY 2030 • Actively pursue opportunities in renewable energy use for commercial properties • Reduce water intensity by 25%* for commercial properties per m^2 by FY 2030 • Reduce non-hazardous waste intensity by 15%* for commercial properties per m^2 by FY 2030 • Increase commercial segment recycling rate to 12.5%* by FY 2030
Strengthening Social Fabric • Human Capital • Social Capital & Stakeholders Relationships Contributing to UN SDGs:	• Health & Safety • Employee Engagement • Service Quality • Creating Social Ecosystems • Innovation	• Achieve 25% of women represented on the Board of Directors by FY 2030 • Maintain the proportion of women in senior management at 40% or above • Maintain zero incidents of non-discrimination • At least 85% of employees participating in annual engagement survey • Achieve at least 70% employee engagement score • Achieve an average of 30 training hours per employee • Contribute to communities' social well-being by partaking in at least 2 community service events • Maintain zero non-compliance with regulations and /or regulatory codes concerning the health and safety of tenants and building users resulting in a fine, penalty or warning • Achieve at least 80% tenant satisfaction rate in relation to commercial properties
Building Trust • Intellectual Capital Contributing to UN SDGs:	• Compliance • Ethical Business Practices • Cyber Security	• Maintain zero confirmed incidents of corruption# • Maintain zero cyber incidents and data breaches# • Maintain zero incidents of non-compliance with laws and/or regulations, including competition laws, resulting in significant fines and non-monetary sanctions# • Maintain zero incidents of non-compliance with environmental laws and/or regulations resulting in significant fines and non-monetary sanctions# • Achieve 100% employee annual acknowledgement of all company policies, including Code of Business Conduct and Ethics

Compared to baseline year FY 2023
* Compared to baseline year FY 2017

4. Stakeholder Engagement

OUE REIT focuses on stakeholder engagement as a key business approach to achieve long-term value creation and growth. The Manager ensures continual and regular engagement with an extensive range of key stakeholders via various channels and interactions, to understand their interests, concerns, needs and feedback. This helps OUE REIT identify potential risks, opportunities and issues that are material to stakeholders. The Board is kept informed of the outcomes from these engagement activities and adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders as part of its overall responsibility and strategy to create long-term value for its stakeholders. All matters are tabled for consideration, to be addressed through policies and processes if approved.

OUR STAKEHOLDERS

Tenants
We work with our tenants to be their preferred landlord and ensure their needs are met.

Unitholders & Prospective Investors
We keep open dialogues with Unitholders and prospective investors to enable them to make informed investment decisions, as well as to garner their feedback and views for onsideration.

Government & Regulators
We engage governments and regulators to ensure we comply with laws and regulations, and that our business practices are ethical and fair.

Analysts & Media
We maintain regular, timely and transparent communication with analysts and the media to keep the public up-to-date and well-informed.

Community
We support the local community as a socially responsible corporate citizen and contribute to social integration.

Employees
We engage our employees regularly to build a positive working environment and be the employer of choice.

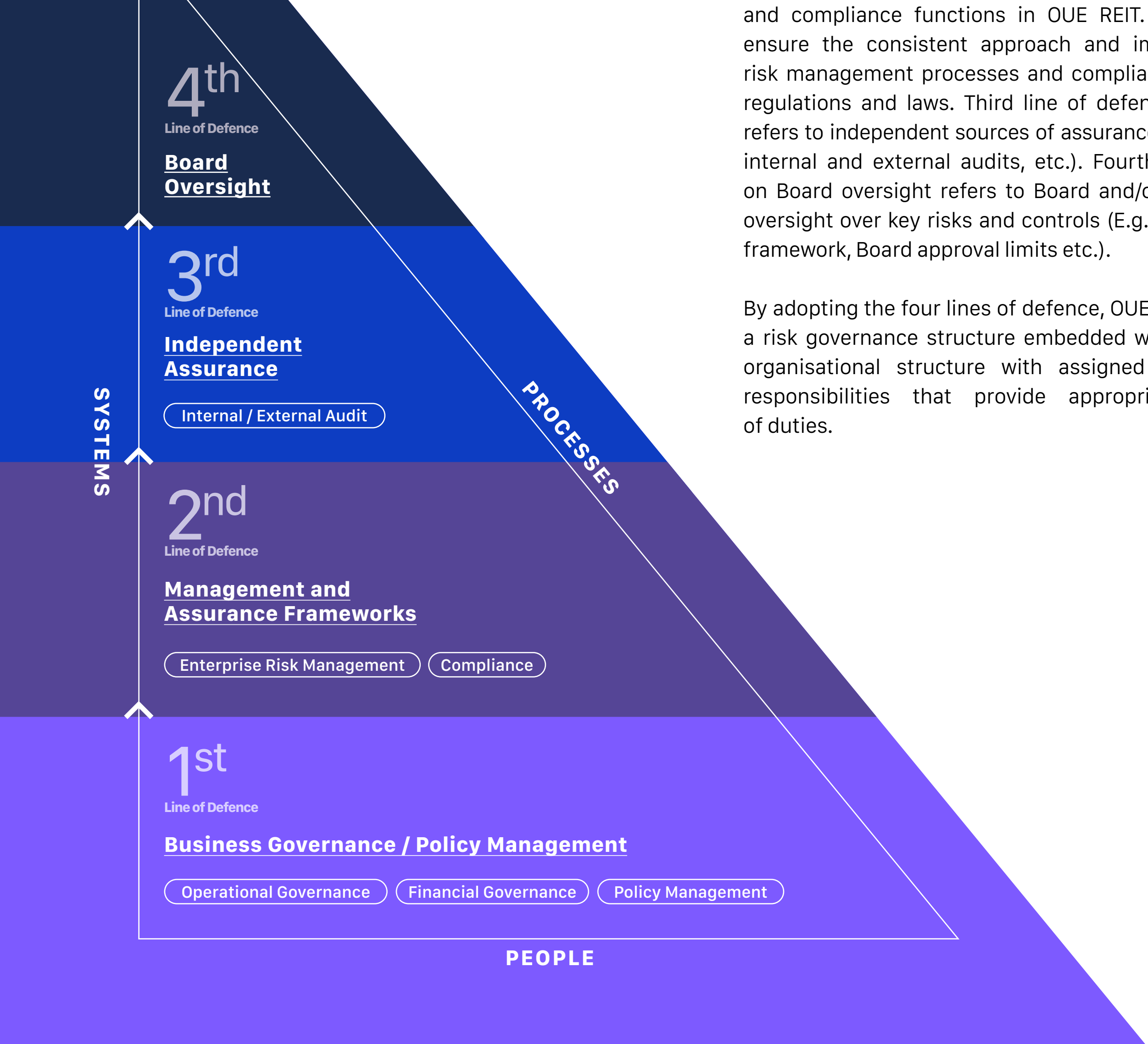
5. Reporting and Disclosure

OUE REIT is committed to maintaining regular, timely, accurate and fair communication with our stakeholders about OUE REIT's ESG progress. Our Sustainability Report, which is published annually and aligned to international standards of reporting, details our sustainability efforts and achievements. We also provide ESG updates on our corporate website's sustainability section https://www.ouereit.com/sustainability.html.

Enterprise Risk Management

OUE REIT Management Pte. Ltd. (the "Manager"), the Manager of OUE REIT, is dedicated to upholding high standards of corporate governance and rigorous risk management practices to safeguard the interests of Unitholders.

The Manager has established a comprehensive Enterprise Risk Management Framework ("ERM Framework") for OUE REIT, approved by the Board. The ERM Framework is adapted from the International Organisation for Standardisation 31000 Risk Management and is guided by COSO Enterprise Risk Management Framework and other relevant best practices and guidelines. It also complies with the Singapore Code of Corporate Governance (Principle 9) and the Singapore Listing Rules (719 and 1207(10)). The Framework integrates risk management into both strategic and operational decision-making by providing a structured approach to identifying, assessing, and addressing key risks that could impact OUE REIT's ability to deliver stable distributions and sustainable returns to Unitholders. It also promotes a strong corporate risk culture, encouraging timely and holistic risk management with active involvement from all staff levels under senior management's guidance.



Designed to be dynamic, OUE REIT's ERM Framework evolves to address the challenges of a changing business environment. As part of its commitment to responsible corporate governance and stakeholder accountability. The Manager regularly reviews and updates the ERM Framework for greater transparency in its risk management processes. In FY 2024, the Manager incorporated climate-related risks into the Framework to enhance the monitoring of environmental risks. OUE REIT will also embark on a refreshment exercise in FY 2025 to ensure that the risk profile remains comprehensive and relevant.

Risk Governmance Principle and Structure

The purpose of Risk Governance within OUE REIT's Manager is to embed and build on the four lines of defense (as illustrated in the diagram below), prerequisite to ensure the overall ERM process and system of internal controls are robust across the Manager.

First line of defence on Business Governance/ Policy Management refers to internal controls at the operational level (E.g. Standard Operating Procedures, approvals etc.). Second line of defence comprises risk management and compliance functions in OUE REIT. These functions ensure the consistent approach and implementation of risk management processes and compliance with relevant regulations and laws. Third line of defence on Assurance refers to independent sources of assurance on controls (E.g. internal and external audits, etc.). Fourth line of defence on Board oversight refers to Board and/or sub-committee oversight over key risks and controls (E.g. Board assurance framework, Board approval limits etc.).

By adopting the four lines of defence, OUE REIT has in place a risk governance structure embedded within the existing organisational structure with assigned ERM roles and responsibilities that provide appropriate segregation of duties.

The Board of Directors (the "Board") is responsible for the governance of risk and and the maintenance of a sound system of risk management and internal controls to safeguard the interests of OUE REIT, Unitholders and the Manager. The Board oversees OUE REIT's risk management matters with the support of the Audit & Risk Committee ("ARC"). The ARC consists of independent directors with diverse experience and expertise, providing oversight of the Manager's ERM activities. Their responsibilities include reviewing and endorsing the ERM Framework which contains prudent and effective controls to adequately assess and manage key risks (including climate risk) to safeguard the interests of Unitholders and OUE REIT's assets. The Board also monitors risk tolerance levels and ensures that action plans are in place to manage risks within acceptable limits.

The Chief Executive Officer ("CEO"), assisted by the Manager's Management Committee ("MC") holds overall responsibility for leading ERM activities, ensuring adequate resources for effective risk management, and overseeing the implementation of the ERM Framework. The CEO aligns strategies with reference to the risk assessment, addresses gaps in risk management, and works with the MC and Risk Owners to ensure ERM is integrated into strategy-setting.

The MC, led by the CEO, provides guidance on risk governance and manages the ERM Framework. Its duties include overseeing internal controls, developing risk policies, establishing risk parameters, and ensuring ERM implementation across the REIT. The MC also reviews the REIT's key and emerging risks, monitors risk exposure and reporting to the Board and ARC on a timely basis.

Separately, the Internal Audit function reviews the effectiveness of risk management and provides assurance on the adequacy and effectiveness of internal controls in place to manage OUE REIT's key risks.

Risk Management Process

The ERM process adopted by OUE REIT aims to establish a structured, disciplined, and systematic approach to risk management, ensuring the robustness of risk information, accountability for outcomes and action plans, and a focus on long-term sustainability.

Risk Management Proces

Step 1

Communication and Consultation

Regular communication and consultation with relevant stakeholders to support risk management decisions.

Regular trainings and awareness sessions are conducted to maintain and encourage ERM awareness and buy-in among staff.

Step 2

Establish Context

A thorough understanding of OUE REIT's objectives, alongside a clear definition of the external and internal organisational environment within which it operates.

Step 3

Risk Assessment

Establishment of risk parameters, identification and prioritisation of key risks based on OUE REIT's strategic objectives, including analysis of risk drivers, consequences, and existing controls, and an evaluation of whether the identified risks fall within OUE REIT's risk tolerance.

Step 4

Risk Management

Development of action plans to manage risks to an acceptable level with five main strategies:

- **Reduce** – Further mitigating risks by implementing additional controls. E.g. Implementing an additional layer of review or approval;
- **Transfer** – Transferring the risk to a third party. E.g. Buying insurance;
- **Accept** – Maintaining status quo level of controls and monitoring risks. E.g. Accepting a risk level within OUE REIT risk tolerance;
- **Increase** – Increasing current level of risk for the opportunity to potentially reap additional benefits. This generally only applies to risks where there is an 'up-side' involved (E.g. new asset investment); and
- **Avoid** – Eliminating the risk completely by avoiding the activity or process that gives rise to it.

Step 5

Monitor and Review

Ongoing review of risk parameters and profiles (including risk inventories and registers), as well as monitoring of Key Risk Indicators (or 'early warning signs') for effective risk monitoring and reporting.

Risk register is reviewed by the Manager, the ARC and the Board quarterly (and updated as and when necessary). Internal auditors and external auditors conduct audits that involve testing the effectiveness of the material internal control systems of OUE REIT.

Enterprise Risk Management

OUE REIT's Material Risks and Key Mitigating Measures

OUE REIT identifies the risks that will have an adverse impact on OUE REIT’s objectives as well as those risks that if managed well, can create value. Based on the risks, OUE REIT develops appropriate action plans to bring key risks to acceptable levels. This step will enable OUE REIT to optimise the allocation of resources to managing risks within the acceptable levels.

Risk Category	Material Risks	Key Mitigating Measures
Strategic Risk Risks that might impact the REIT's ability to achieve its long-term strategic objectives	**Macro-economic and market risk** Economic instability or downturns in global financial markets may adversely impact the operations and activities of OUE REIT	• Actively assess and monitor macro-market outlook, as well as property market conditions • Assess OUE REIT’s strategies in responds to changing market conditions • Conduct in-depth due-diligence process and feasibility studies against a rigorous set of criteria for any potential acquisition/divestment of properties
	Competition Risk Loss of market share due to increased competition within the industry, particularly in the hospitality sector, and the entry of new market players	• Proactive tenant engagement to obtain and respond to feedback from occupiers • Active property management to enhance asset values • Customise asset-specific leasing strategies to meet occupiers’ needs • Identify potential asset enhancement opportunities to create value and remain competitive in the market • Improve the environmental credential of OUE REIT's properties to future proof asset performance
	Climate-related Risk Climate change presents a key strategic risk and might exacerbate the severity of other material risks Physical risks resulting from the direct impacts of extreme weather events, such as floods, storms, heat waves, and depletion of natural resources may adversely damage OUE REIT’s buildings and disrupt daily operations The global transition to a low-carbon economy may present transition risks to OUE REIT, such as increasing expectations from stakeholders for higher resource use efficiencies, stringent regulatory compliance, and limiting sources of capital	• Robust sustainability governance structure in place to oversee and manage climate-related risks and ensure internal controls and mitigation strategies are in place • Conduct detailed and comprehensive climate scenario analysis on OUE REIT’s asset portfolio on a regular basis to identify and assess the relevance, severity, and likelihood of climate-related risks • Collaborate with property managers to monitor and manage climate-related risks at individual assets, as well as enhance resource use efficiencies wherever feasible • Actively engage with tenants and suppliers to raise sustainability awareness and promote green practices
Financial Risk Risk resulting from financial activities and/or use of financial instruments	**Liquidity / Re-financing Risk** Risk of failing to meet OUE REIT’s financial obligations and operational requirements	• Maintain sound policies for key treasury functions (Interest Rate, Foreign Currency, Loan, Equity, and Cash/Liquidity management) to define authority and responsibilities and mitigate risks • Maintain a strong balance sheet with healthy cash flows and ensure the availability of funding to meet refinancing and repayment needs • Access to various sources of funds from both banks and capital markets • Proactively manage refinancing requirements to achieve a well-diversified debt maturity profile
	Interest Rate Risk Exposure to fluctuations in interest rates, which may lead to volatility in OUE REIT's financing costs	• Active monitoring of interest rate movements and OUE REIT’s hedge profile to manage interest expenses and exposure. • Optimise cost of debt by leveraging on investment grade credit rating to lower funding costs from capital markets and banks • Adopt appropriate hedging strategies to manage interest rate volatility

Risk Category	Material Risks	Key Mitigating Measures
Compliance Risk Risk resulting from the changes in laws, statutes, compliance with regulatory bodies and local government units, and/or any related third-party legal action/ disputes that may affect OUE REIT operations	**Regulatory Compliance Risk** Non-compliance with evolving regulations will result in serious financial, operational and reputational consequences for OUE REIT and the Manager Upholding ethical standards in our business strengthens stakeholders' trust and OUE REIT's reputation	• Policies and procedures are reviewed and regularly updated to ensure full compliance with relevant laws and regulations • Implement sound risk management and internal control practices • Achieve 100% employee annual acknowledgement of all company policies, including Code of Business Conduct and Ethics • Ongoing monitoring of new regulations are carried out to ensure timely awareness on matters and regulations that will affect OUE REIT operations. • Trainings in relation to the local laws and regulations are conducted for all staffs annually or whenever there are major changes to the regulations • External professional consultants engaged for legal, tax or other implications on compliance matters for all operations. If necessary, will engage consultants to assist with implementing any new compliance requirements
Operational Risk (including IT) Operational risk, which is inherent in all business activities, is the risk of potential financial loss and/or business instability arising from failures in internal controls, operational processes or the systems that support them	**Data Confidentiality Risk (including Cyber Security Risk)** Intentional or unintentional disclosure and/or access to sensitive data (staff and clients) and/or personal information (softcopy / hardcopy) (Data Confidentiality Risk) Inability to protect, respond, and recover from cyber-attack in order to minimise disruption to key IT services or leakage of confidential information. (Cyber Security Risk)	• Conduct Vulnerability Assessment & Penetration Testing ("VAPT") exercise annually and simulate hacker attacks by a certified external party to identify security vulnerabilities within the IT infrastructure and applications • Implement key internal control principles such as segregation of duties, never alone principle, and access control principle in our operations to reduce cyber risk • IT Disaster Recovery Plan ("DRP") is in place to facilitate the recovery of critical application systems and databases (backed up and stored off-site at the IT disaster recovery centre) in the event of a major catastrophe. The IT DRP is tested annually. • Training on Information Security Awareness for employees (extended to vendors and contractors where appropriate)

Corporate Governance

OUE REIT is a real estate investment trust constituted by a deed of trust (the "Trust Deed") dated 10 October 2013 (as amended) and entered into between OUE REIT Management Pte. Ltd. (in its capacity as the manager of OUE REIT) (the "Manager") and DBS Trustee Limited (in its capacity as the trustee of OUE REIT) (the "Trustee").

The directors ("Directors") and management ("Management") of the Manager are committed to maintaining high standards of corporate governance as they firmly believe it is essential in protecting the interests of Unitholders, and critical to the performance of the Manager. This report sets out OUE REIT's corporate governance practices for FY 2024 with specific reference to principles and provisions of the Code of Corporate Governance 2018 (the "Code"). The Manager is pleased to report that it has complied with the Code in all material respects and to the extent that there are any deviations from the Code, the Manager has provided explanations for such deviation and details of the alternative practices which have been adopted by OUE REIT which are consistent with the intent of the relevant principle of the Code.

The Manager

The Manager has general powers of management over the assets of OUE REIT. The Manager's main responsibility is to manage OUE REIT's assets and liabilities for the benefit of Unitholders.

The primary role of the Manager is to set the business objectives and strategies of OUE REIT and make recommendations to the Trustee on acquisitions, divestments and enhancement of the assets of OUE REIT in accordance with its stated investment strategy.

The Manager uses its best endeavours to carry on and conduct its business in a proper and efficient manner, and to conduct all transactions with, or for OUE REIT, at arm's length.

The Manager is also responsible for the capital and risk management of OUE REIT. Other key functions and responsibilities of the Manager include:

- developing OUE REIT's business plans and budget to manage the performance of OUE REIT's assets;
- ensuring compliance with applicable requirements, laws and regulations, such as those set out in the listing manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Listing Manual"), the Code on Collective Investment Schemes (the "CIS Code") (including Appendix 6 (the "Property Funds Appendix")) issued by the Monetary Authority of Singapore (the "MAS"), the Capital Markets Services Licence ("CMS Licence") for REIT management issued by the MAS, the Securities and Futures Act 2001 ("SFA") and the Code, as well as ensuring that the Manager's obligations under the Trust Deed are properly carried out; and
- establishing a framework of prudent and effective controls which enables financial, operational, compliance and information technology risks to be assessed and managed.

OUE REIT, which is constituted as a trust, is externally managed by the Manager. The Manager appoints an experienced and well-qualified management team to run the day-to-day operations of OUE REIT. All Directors and employees of the Manager are remunerated by the Manager, and not by OUE REIT.

The Manager was issued a CMS Licence pursuant to the SFA on 15 January 2014.

The Manager was appointed in accordance with the terms of the Trust Deed. The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed. The Trust Deed will also be available for inspection at the registered office of the Manager during normal business hours[1] for so long as OUE REIT continues to be in existence.

The Manager is wholly held by OUE Limited (the "Sponsor"). The Manager's association with the Sponsor allows OUE REIT to be able to leverage on their network and affiliations in Asia to pursue new avenues of growth and collaborations in the future.

A. Board Matters

Principle 1: Board's Conduct of Affairs

The Manager is headed by an effective board of Directors (the "Board"), majority of which comprises non-executive Directors who are independent of the Management, which is collectively responsible and works with Management for the long-term success of OUE REIT. The Board is supported by two Board committees, namely the audit and risk committee (the "ARC") and the nominating and remuneration committee (the "NRC"). The composition of the Board committees is set out on page 83, and the Corporate Information page of this Annual Report. The Board has delegated specific responsibilities to these Board committees and their duties are described in this Annual Report. Each Board committee is governed by clear written terms of reference which have been approved by the Board and set out the composition, duties and authority of such Board committee. While these

Note:

[1] Prior appointment is required.

Board committees have the authority to examine particular issues in their respective areas, the Board committees report to the Board with their decisions and/or recommendations as the ultimate responsibility on all matters lies with the entire Board.

The principal roles and responsibilities of the Board include:

- providing leadership, setting strategic objectives and ensuring that the necessary financial and human resources are in place for the Manager to meet its objectives;
- reviewing and endorsing the enterprise risk management framework ("ERM Framework") which contains prudent and effective controls to adequately assess and manage key risks (including climate risk) to safeguard the interests of Unitholders and OUE REIT's assets;
- monitoring and reviewing the Management's performance;
- identifying the key stakeholder groups and recognising that their perceptions affect the reputation of the Manager and OUE REIT;
- setting the Manager's values and standards (including ethical standards), and ensuring that obligations to Unitholders and other stakeholders are understood and met; and
- considering sustainability issues (including ESG factors) when reviewing and guiding strategy, major corporate actions including acquisitions and divestments, risk management, policies, annual budgets and business plans, as well as reviewing the updates provided by the Sustainability Steering Committee of the Manager on OUE REIT's ESG performance and key initiatives on a bi-annual basis.

The global macroeconomic environment in 2024 remained uncertain, marked by a longer-than-expected elevated interest rate environment as central banks continue to strive to manage inflation. Heightened geo-political tension, including the escalating regional conflicts and potential escalation on trade disputes, have further added complexity to the market uncertainties. Despite the recovery of global tourism, the shift in international visitors' consumption preferences has affected tourist spending on hotel accommodation and luxury goods.

The Board recognises the importance of ensuring OUE REIT's resilience amidst macroeconomic uncertainties and has diligently monitored OUE REIT's capital management, property-related costs, and other expenses. During the year, OUE REIT obtained unsecured sustainability-linked loan ("SLLs") of S$600 million for refinancing, referencing its recalibrated target of a 40% absolute reduction in greenhouse gas emissions. OUE REIT also leveraged its investment-grade credit rating to diversify its debt maturity profile through the successful first issuance of 3-year and 7-year investment grade Green Notes totalling S$550 million. Notably, leveraging on strong institutional demand, OUE REIT undertook a bond re-tap issuance of S$120 million in November in addition to its existing 7-year investment grade Green Notes at 100.714% of the tap re-offer price, representing a tighter tap re-offer yield of 3.78% – the lowest ever bond issuance yield achieved by OUE REIT. Almost all allocation went towards institutional investors. To further diversify its sources of funding and optimise its debt maturity profile, OUE REIT established a S$2.0 billion Euro Medium-Term Note Programme in October 2024.

Meanwhile, the Board continued to collaborate closely with Management in identifying and seizing value creation opportunities. In December 2024, OUE REIT successfully divested Lippo Plaza Shanghai for a consideration of approximately S$357.4 million. This move aligns with OUE REIT's proactive asset management strategy to optimise portfolio composition and provides an opportunity to deploy proceeds towards more strategic initiatives, strengthening OUE REIT's balance sheet and enhancing financial flexibility for future growth.

Code of Conduct and Oversight of Management

The Board has approved in writing a framework of delegated authorisation to the Manager, as set out in its Limits of Authority ("LOA"). The LOA sets out the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditure. Matters which specifically require Board approval have been clearly communicated in the LOA. These include, among others, approval of budgets, acquisitions and divestments of properties, equity investments and debt securities, set up of special purpose vehicles and incorporation of subsidiaries, acceptance of debt facilities and issuance of debt capital market instruments and new equity or equity-linked instruments.

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

The Board has put in place a Code of Business Conduct and Ethics to set the appropriate tone from the top and document the desired organisational culture in order to ensure all employees are cognisant of the standards expected and to ensure proper accountability within the Manager.

Corporate Governance

The Code of Conduct and Ethics embodies the Manager's commitment to conduct its businesses in accordance with all applicable laws and regulations and the highest ethical standards and provides a communicable and understandable framework for all Directors and the employees of the Manager 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 Manager, including situations where there are potential conflict of interests. The Code of Conduct and Ethics also stipulates the procedures for employees of the Manager to report incidents of existing or potential violation of the Code of Conduct and Ethics and provides protection for employees of the Manager who made such disclosures.

All Directors and employees of the Manager are required to read and acknowledge the Code of Conduct and Ethics upon the commencement of his or her appointment or employment and on an annual basis thereafter.

Board Meetings and Activities

The Board holds regular scheduled meetings on a quarterly basis, with ad hoc meetings convened as and when required. A total of four Board meetings were held in FY 2024.

The attendance of the Directors for Board and Board committee meetings, as well as the frequency of such meetings during FY 2024, is disclosed below. Directors who are unable to attend Board or Board committee meetings may convey their views to the chairman of the Board (the "Chairman") or the company secretary of the Manager (the "Company Secretary").

The Manager's Constitution provides for participation in meetings via telephone or video conference where Directors are unable to be physically present at such meetings. Directors may raise questions and seek clarification through discussion forums with the Management in respect of significant matters passed via circular resolutions. If required, time is set aside for discussions amongst the non-executive and/or independent members of the Board without the presence of Management, in line with the provisions of the Code.

Board Orientation and Training

Upon their appointment to the Board, the newly-appointed Director will be given a formal letter which sets out the duties and obligations of an executive, non-executive or independent Director, as applicable. In addition, the Manager conducts an orientation programme for newly-appointed Directors to familiarise them with the business, operations and financial performance of OUE REIT. The newly-appointed Directors will also be briefed on the Manager's governance practices, including board processes, policies on disclosure of interests in securities, prohibitions on dealing in units of OUE REIT (the "Units") and restrictions on disclosure of price-sensitive information.

Under Rule 210(5)(a) of the Listing Manual, a newly-appointed Director who has no prior experience as a director of an issuer listed on the SGX-ST will also be required to undergo mandatory training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST, unless the NRC is of the view that training is not required because he or she has other relevant experience.

No new Directors were appointed in FY 2024.

Attendance of Board, Board Committee and General Meetings

	Number of meetings attended in FY 2024			
Name of Director	**Board**	**ARC**	**NRC**	**AGM[2]**
Lee Yi Shyan	4	-	-	1
Liu Chee Ming	4	4	-	1
Tan Huay Lim	4	4	-	1
Ong Kian Min	4	4	2	1
Usha Ranee Chandradas	4	4	2	1
Brian Riady	4	-	2	1
Han Khim Siew	4	-	-	1
Number of meetings held in FY 2024	**4**	**4**	**2**	**1**

Note:
[2] Annual General Meeting held on 24 April 2024.

Provision of Information to the Board and Board's Access to Independent Professional Advice

In order to enable the Directors to make informed decisions in the discharge of their duties and responsibilities, the Management endeavours to provide the Board with complete and adequate information in a timely manner prior to Board meetings, and on an ongoing basis. Such information includes ongoing reports relating to the operational and financial performance of OUE REIT, as well as matters requiring the Board's decision. The Management is also required to furnish any additional information, when so requested by the Board, as and when the need arises. In line with the Manager's sustainability and technological advancement efforts, the Directors access and read Board and Board committees papers on electronic devices to reduce paper waste.

The Directors also have separate and independent access to the Management, the Company Secretary and external advisers (where necessary) at the Manager's expense. The role of the Company Secretary and the Management is to ensure that all Board procedures are followed and that applicable regulations and rules prescribed by the Companies Act 1967 (the "Companies Act"), the Listing Manual and all other applicable laws and regulations are complied with. Under the direction of the Chairman, the responsibilities of the Company Secretary include ensuring timely information flows within the Board and its Board committees and between the Management and non-executive Directors. The appointment and removal of the Company Secretary is a decision of the Board as a whole. The Company Secretary and/or his representatives attend all Board meetings.

Directors are also at liberty to request for further explanations, briefings or informal discussions on any aspect of the Manager's operations or business issues from the Management.

The Manager will arrange for the Directors to be kept abreast of developments in the commercial and hospitality real estate sector on a regular basis. To keep pace with the fast-changing laws and regulations and commercial risks, and to develop and maintain their skills and knowledge, the Directors have an ongoing budget to receive further relevant training of their choice in connection with their duties as directors. This includes programmes run by the Singapore Institute of Directors ("SID"). The Directors have had opportunities for continuing education in a number of areas including directors' duties, corporate governance, financial reporting, insider trading, the Companies Act, the CIS Code and the Listing Manual, real estate-related matters and other areas such as sustainability to enhance their performance as Board and Board committee members. They are also given unrestricted access to professionals for consultation as and when they deem necessary at the Manager's expense.

The Board is routinely updated on developments and changes in the operating environment and applicable laws and regulations, including directors' duties and responsibilities, corporate governance matters and changes in financial reporting standards, to enable them to discharge their duties effectively as members of the Board and where applicable, as Board committee members. The Directors may also attend other relevant courses, conferences and seminars, at the Manager's expense. These include programmes run by the SID. Periodically, the Directors are provided with bespoke briefings by professional legal and financial advisors on the latest developments and trends in the respective areas in which the Directors are required to discharge their duties. For FY 2024, these briefings covered topics relating to ESG developments, including the upcoming International Sustainability Standards Board ("ISSB")reporting requirements and the convergence of financial and sustainability reporting, relevant regulatory and legislative changes and recent issues affecting REITs and updates on geo-political and macroeconomic developments.

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

Principle 2: Board Composition and Guidance

Principle 3: Chairman and Chief Executive Officer

Board Independence

The Board assesses the independence of each of the Directors in accordance with the requirements of the Code. Under the Code, an independent director is defined as one who is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of a Director's independent business judgement in the best interests of the Manager and OUE REIT. At least half of the Board shall be independent in accordance with the requirements of the Securities and Futures (Licensing and Conduct of Business) Regulations ("SFLCB Regulations").

The Board currently comprises seven Directors with four non-executive Directors who are independent. Accordingly, more than half of the Board is made up of independent Directors. No individual or small group of individuals dominates the Board's decision-making. In addition to the Board's annual review of the Directors' independence, each independent Director also submits an annual declaration regarding his or her independence. An independent Director shall only serve on the Board for a maximum of nine years. He or she will have to be re-designated as non-independent to continue serving on the Board beyond nine years. None of the Directors have served on the Board for a period beyond nine years as at the end of FY 2024.

Corporate Governance

In addition to the requirements of the Code, the Board also reviews and assesses annually the independence of each Director in accordance with regulations 13D to 13H of the SFLCB Regulations. Under the SFLCB Regulations, a Director is considered to be independent if the Director:

(a) is independent from the Management and OUE REIT;

(b) is independent from any business relationship with the Manager and OUE REIT;

(c) is independent from every substantial shareholder of the Manager and every substantial Unitholder;

(d) is not a substantial shareholder of the Manager or a substantial Unitholder; and

(e) has not served as a Director for a continuous period of nine years or longer.

In its review for FY 2024, the NRC has endorsed in its recommendation to the Board that the following Directors are independent for FY 2024:

Liu Chee Ming
Tan Huay Lim
Ong Kian Min
Usha Ranee Chandradas

For the purposes of Regulation 13E(b)(i) of the SFLCB Regulations, the Board, after considering the relevant requirements under the SFLCB Regulations, wishes to set out its views in respect of each of the Directors as follows:

Name of Director	Lee Yi Shyan [3]	Liu Chee Ming	Tan Huay Lim	Ong Kian Min	Usha Ranee Chandradas [4]	Brian Riady [5]	Han Khim Siew [6]
(i) had been independent from the Management and OUE REIT during FY 2024	✓	✓	✓	✓	✓	✓	
(ii) had been independent from any business relationship with the Manager and OUE REIT during FY 2024		✓	✓	✓	✓		✓
(iii) had been independent from every substantial shareholder of the Manager and every substantial Unitholder during FY 2024		✓	✓	✓			
(iv) had not been a substantial shareholder of the Manager or a substantial Unitholder during FY 2024	✓	✓	✓	✓	✓	✓	✓
(v) has not served as a Director for a continuous period of nine years or longer as at the last day of FY 2024	✓	✓	✓	✓	✓	✓	✓

Notes:

3 Mr Lee Yi Shyan is an executive advisor to the chairman of the Sponsor, which wholly-owns the Manager and is a substantial Unitholder. As such, during FY 2024, pursuant to the SFLCB Regulations, Mr Lee is deemed (i) to have a business relationship with the Manager and OUE REIT; and (ii) to be connected to a substantial shareholder of the Manager and a substantial Unitholder by virtue of his role as an executive advisor to the chairman of the Sponsor. The Board is satisfied that, as at 31 December 2024, Mr Lee was able to act in the best interests of all the Unitholders as a whole.

4 Ms Usha Ranee Chandradas is a director of OUE Healthcare Limited ("OUEH") which is a subsidiary of the Sponsor, which wholly-owns the Manager and is a substantial Unitholder. As such, during FY 2024, pursuant to the SFLCB Regulations, Ms Chandradas is deemed connected with a substantial shareholder of the Manager and a substantial Unitholder.

Nonetheless, the Board has in its review taken the following into consideration:

- Ms Chandradas serves in her personal capacity as an independent non-executive director of OUEH.
- Ms Chandradas is not in any employment relationship with the Sponsor group and is not under any obligation to act in accordance with the directions, instructions or wishes of the Sponsor group.

Based on the above, the Board is of the view that Ms Chandradas' appointment as a director of OUEH should not interfere with her ability to exercise independent judgment and Ms Chandradas should be treated as an independent Director. The Board is satisfied that, as at 31 December 2024, Ms Chandradas was able to act in the best interests of all the Unitholders as a whole.

5 Mr Brian Riady is the deputy chief executive officer and executive director of the Sponsor, which wholly-owns the Manager and is a substantial Unitholder. As such, during FY 2024, pursuant to the SFLCB Regulations, Mr Riady is deemed (i) to have a business relationship with the Manager and OUE REIT; and (ii) to be connected to a substantial shareholder of the Manager and a substantial Unitholder. The Board is satisfied that, as at 31 December 2024, Mr Riady was able to act in the best interests of all the Unitholders as a whole.

6 Mr Han Khim Siew is the Chief Executive Officer and Executive Director of the Manager, which is wholly-owned by the Sponsor. As such, during FY 2024, pursuant to the SFLCB Regulations, Mr Han is deemed (i) to have a management relationship with the Manager and OUE REIT; and (ii) to be connected to a substantial shareholder of the Manager and a substantial Unitholder. The Board is satisfied that, as at 31 December 2024, Mr Han was able to act in the best interests of all the Unitholders as a whole.

For the purposes of Regulation 13E(b)(ii) of the SFLCB Regulations, as at 31 December 2024, Mr Lee Yi Shyan, Ms Usha Ranee Chandradas, Mr Brian Riady and Mr Han Khim Siew were able to act in the best interests of all the Unitholders as a whole.

The integrity and professionalism of the Directors have allowed them to discharge their responsibilities with due care and diligence.

Board Size and Diversity Policy

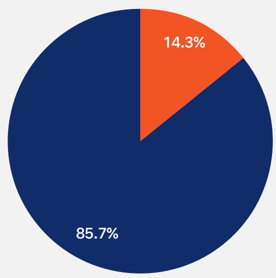
The Board is of the opinion that its current size is appropriate, taking into account the nature and scope of the Manager's role *vis-a-vis* OUE REIT, for effective decision-making and constructive debate and to provide effective oversight over Management.

The Manager recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of the Board's performance, and in supporting OUE REIT's strategic objectives and sustainable development. The Board has implemented a board diversity policy which considers relevant measurable objectives such as skills, experience and knowledge, gender, age, ethnicity, nationality, cultural background, educational background, independence and length of service. It is paramount that the Manager continues to maintain the appropriate balance and mix of skills, knowledge and experience on the Board to support the needs and long-term sustainability of OUE REIT's businesses. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors, the NRC will consider candidates on merit against objective criteria set by the Board after having given due regard to the benefits of diversity and the needs of the Board.

Diversity Targets, Plans, Timelines and Progress

The Manager's diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are set out as follows:

Diversity Target, Plans and Timelines	Progress towards achieving targets
Gender 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. The Board will strive to achieve the stated gender diversity target in the course of the progressive renewal of the Board by the end of 2030. The Manager believes that achieving the optimum gender representation on the Board would benefit the Manager by providing different perspectives. The push for greater gender diversity would also broaden the Manager's talent pool and improve its critical thinking and problem-solving capabilities.	In Progress - 1 out of 7 Directors (i.e. 14.3% of the Board) is female.



Female Director	1
Male Directors	6

Corporate Governance

Diversity Target, Plans and Timelines

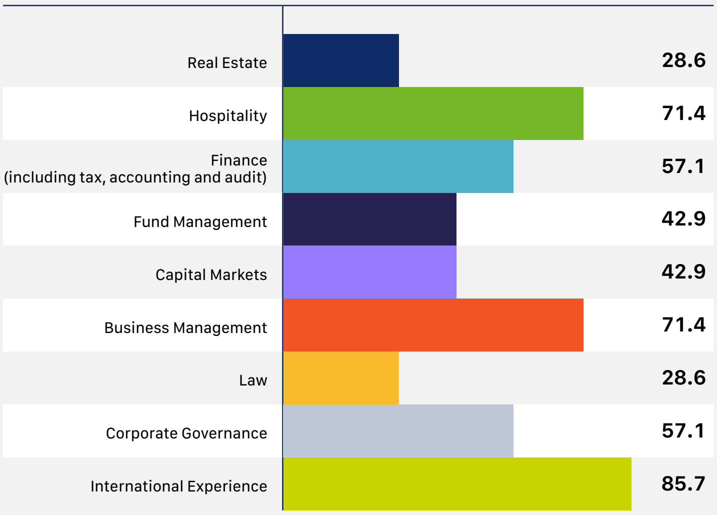
Skillsets / Experience

To ensure that the Directors as a group possess the core skillsets/experience in the areas of real estate, hospitality, finance (including tax, accounting and audit), fund management, capital markets, business management, law, corporate governance and international experience, which are identified by the Board as critical for the Board to carry out its oversight of the business affairs, and to exercise effective stewardship and corporate governance of OUE REIT.

The Manager believes that the diversity in the range of views and perspectives and the breadth of experience of the Directors would enhance the deliberations of the Board and facilitate the effective oversight of Management.

Progress towards achieving targets

Achieved - The current Board comprises Directors who are corporate and business leaders and professionals with varied backgrounds, expertise and experience and possess the core skillsets/experience identified by the Board.

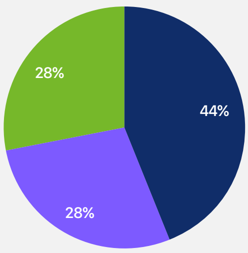


Collectively, they have core competencies spanning the relevant areas of OUE REIT's businesses and operations across the commercial, hospitality and retail sectors.

Apart from gender and skillsets/experience, the Board composition in terms of age group, independence, tenure and nationality as at 31 December 2024 is as follows:

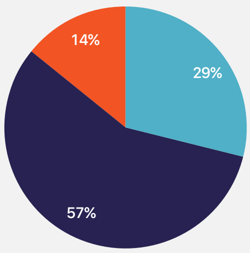
Other Board Diversity Metrics

By Age Group



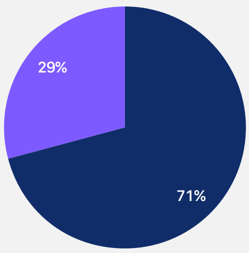
55 and below	3
56 to 64	2
65 and above	2
Total	**7**

By Length of Tenure



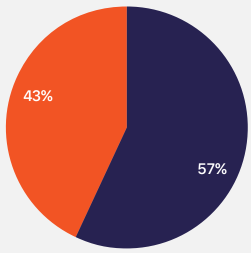
0 to 3 years	2
> 3 to < 6 years	4
> 6 years	1
Total	**7**

By Nationality



Singaporeans	5
Non-Singaporeans	2
Total	**7**

By Board Independence



Independent	4
Non-Independent	3
Total	**7**

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

In relation to tenure, the ongoing Board renewal process results in a Board with staggered tenure for the independent Directors. This provides continuity and stability for the conduct of Board matters while also ensuring the ability to have different perspectives and insights to meet the changing business environment of OUE REIT.

In relation to nationality, as OUE REIT may pursue opportunities in key gateway cities overseas, the Board's diverse geographical background and experience has provided the Manager with international experience and insights, as well as in-depth understanding of OUE REIT's investments and businesses in such countries.

In relation to independence, the Manager believes that independent directors on the Board would benefit the Manager by promoting the exercise of objective independent judgement and by fostering constructive debate.

The NRC remains committed to implementing the board diversity policy and any progress made towards the implementation of the board diversity policy will be reported to the Board on an annual basis and disclosed in future annual reports, as appropriate. The Board, taking into account the views of the NRC, considers that the current Board comprises persons with diverse business experiences and backgrounds who as a group, possess an appropriate balance and diversity necessary to manage and contribute effectively to the Manager and OUE REIT, as contemplated by the board diversity policy.

The Chairman is Mr Lee Yi Shyan, who is a non-independent non-executive Director. He bears primary responsibility for the workings of the Board, by ensuring effectiveness in all aspects of its role including ensuring Board meetings are held regularly and whenever necessary, setting the agenda for Board meetings with input from Management, ensuring sufficient allocation of time for thorough discussion of key agenda items at Board meetings, promoting an open environment within the Boardroom for constructive debate and encouraging the non-executive Directors to speak freely and contribute effectively. He exercises control over the quality, quantity and timeliness of information flow between the Board and Management and seeks to ensure that the Directors receive timely, clear and adequate information. At AGMs and other Unitholders' meetings, he plays a pivotal role in fostering constructive dialogue between Unitholders, the Board and Management. As Chairman of the Board, Mr Lee Yi Shyan also promotes and leads the Manager in its commitment to achieve and maintain high standards of corporate governance.

The Code recommends that a company should appoint an independent director to be the lead independent director where, *inter alia*, the Chairman is not an independent director. In this regard, Mr Liu Chee Ming, an independent Director, was appointed as the Lead Independent Director. As the Lead Independent Director, Mr Liu had the discretion to hold and lead meetings with the other independent and/or non-executive Directors without the presence of Management as he deems appropriate or necessary and to provide feedback to the Chairman after such meetings. In addition, Mr Liu provided leadership in situations where the Chairman was conflicted, and was available to Unitholders where they had concerns and for which contact through the normal channels of communication with the Chairman or Management were inappropriate or inadequate.

Board Composition

Lee Yi Shyan	Chairman and Non-Independent Non-Executive Director
Liu Chee Ming	Lead Independent Director and member of the ARC
Tan Huay Lim	Independent Director and chairman of the ARC
Ong Kian Min	Independent Director, member of the ARC and chairman of the NRC
Usha Ranee Chandradas	Independent Director and member of the ARC and NRC
Brian Riady	Non-Independent Non-Executive Director and member of the NRC
Han Khim Siew	Chief Executive Officer ("CEO") and Executive Director

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In addition, as the Chairman is not an independent Director, the Board is made up of a majority of independent non-executive Directors.

The non-executive Directors participate in setting and developing strategies and goals for Management. They also review and assess Management's performance in respect of such strategies and goals. This enables Management to benefit from their external and objective perspective on issues that are brought before the Board. The Board has established and set out in writing the division of responsibilities between the Chairman and the CEO.

There is a clear separation of responsibilities between the Chairman and the CEO, so as to maintain an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the CEO are not related to each other.

There is a clear segregation of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Principle 4: Board Membership

Principle 5: Board Performance

The NRC comprises three non-executive Directors, namely Mr Ong Kian Min, Ms Usha Ranee Chandradas and Mr Brian Riady. A majority of the NRC comprises independent Directors. Mr Ong Kian Min is the chairman of the NRC and an independent Director. Ms Usha Ranee Chandradas, an independent Director, is a member of the NRC. Mr Brian Riady, a non-independent non-executive Director, is a member of the NRC. The NRC met twice in FY 2024.

The principal responsibilities of the NRC in performing the functions of a nominating committee include succession planning for Directors through an annual review of the Board's composition which takes into account the need for progressive renewal of the Board, the appointment and/or replacement of the Chairman, the CEO and key management personnel, reviewing and evaluating nominations of Directors for appointment to the Board, evaluating the performance of the Directors and the Board as a whole and the Board committees, and reviewing and being mindful of the independence of the Directors. In addition, the NRC reviews and makes recommendations on the training and professional development programs for the Board, and recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, each Board committee separately, the Chairman and each individual Director. While Mr Liu Chee Ming, the Lead Independent Director, is not a member of the NRC, the NRC is majority independent and may consult with the Lead Independent Director, on an as-required basis, in the performance of its functions including succession planning for the Board.

The NRC determines on an annual basis whether or not a Director is independent, taking into account guidance from the Code and the SFLCB Regulations on what constitutes an "independent" Director, and the existence of relationships which would deem a Director not to be independent.

Process for Appointment of New Directors

In its selection, appointment and re-appointment process, the NRC reviews the composition of the Board including the mix of expertise, skills and attributes of existing Directors and other aspects of diversity such as gender and age, so as to identify the requisite and/or desired qualities to supplement the Board's existing attributes. The NRC will also consider core competencies such as accounting, business acumen, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls. In doing so, where necessary or appropriate, the NRC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting such candidates. The NRC also takes into consideration whether a candidate had previously served on the board of companies with adverse track records or a history of irregularities, and assesses whether a candidate's resignation from the board of any such company would cast any doubt on his or her ability to act as a Director of the Manager. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.

Additionally, in the recruitment of Directors, the NRC is mindful of the importance of ensuring that the Board is well-balanced and diverse.

The details of the board diversity policy adopted by the NRC are set out under "Principle 2: Board Composition and Guidance". The selection and nomination process involves the following:

(a) in carrying out its review, the NRC will take into account that the Board composition should reflect balance and diversity in matters such as skills and industry experience, management experience, gender, age, ethnicity and other relevant factors;

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

(c) external consultants may be used from time to time to access a wide base of potential non-executive Directors. Those considered will be assessed against a range of criteria, including the nominee's track record, background, experience, professional skills, financial literacy, core competencies and personal qualities. The NRC and the Board will also consider whether a candidate's skills and experience will complement the existing Board and whether the candidate has sufficient time available to commit to his responsibilities as a Director; and

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

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

Review of Directors' Time Commitments

The Directors must ensure that they are able to give sufficient time and attention to the affairs of the Manager, and as part of its review process, the NRC decides whether or not a Director is able to do so and whether he or she has been adequately carrying out his or her duties as a Director. In determining whether a Director has been adequately carrying out his or her duties as a Director, the NRC takes into account the assessments of the individual Director's effectiveness and his or her actual conduct on the Board. The NRC believes that setting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements for each board may vary, and thus it should not be prescriptive. Instead, a qualitative and holistic approach is taken. The number of directorships each Director holds should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her individual capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and his or her near term plan regarding some of the other appointments.

The NRC is satisfied that for FY 2024, each of the Directors has given sufficient time and attention in discharging his or her responsibilities as Director by providing invaluable guidance, advice and support to OUE REIT. The NRC and the Board are therefore satisfied that during the financial year under review, even where a Director had a significant number of other listed company board representations and/or other principal commitments, the Director was able to carry out and had been adequately carrying out his or her duties as a Director of the Manager.

Key information on the Directors' particulars and background, and the listed company directorships and principal commitments of each Director, can be found on pages 24 to 27 of this Annual Report.

Board Performance

The NRC assesses the effectiveness of the Board as a whole and its Board committees and the contribution by the Chairman and each Director to the effectiveness of the Board. A formal appraisal process to assess the effectiveness of the Board and Board committees has been implemented. The Board performance evaluation process includes a questionnaire designed to assess the performance of the Board and enhance the overall effectiveness of the Directors. The evaluation categories covered in the questionnaire include Board composition and competency, Board information, Board process, Board accountability, performance benchmarking, Management communications, standard of conduct, risk management and internal controls. In addition, there is a self-performance assessment to be undertaken by each Director. The evaluation categories covered in the individual assessment include independence and integrity, preparedness, participation, commitment and competence. The Company Secretary will compile the Directors' responses to the questionnaire into a consolidated report, and the report will be discussed at a NRC meeting and then shared with the entire Board. In evaluating each Director's performance and that of the Board and its Board committees, the NRC considers, *inter alia*, the Directors' attendance, contribution and participation at Board and Board committee meetings, Directors' individual evaluations and the overall effectiveness of the Board in steering and overseeing the conduct of the Manager's business *vis-a-vis* OUE REIT. Based on the NRC's assessment and review, the Board and its Board committees operate effectively and each Director has given sufficient time and attention to the affairs of OUE REIT and has been able to discharge his or her duties as a Director effectively.

No external facilitator was used in the evaluation process for the financial year under review.

B. Remuneration Matters

Principle 6: Procedures for Developing Remuneration Policies

Principle 7: Level and Structure of Remuneration

Principle 8: Disclosure on Remuneration

The principal responsibilities of the NRC in relation to the remuneration matters include (i) recommending to the Board a general framework of remuneration for Directors and key management personnel of the Manager, namely the CEO and chief financial officer ("CFO"), (ii) developing policies for fixing of, and recommending to, the Board, the remuneration packages of individual Directors and the key management personnel of the Manager, and (iii) reviewing the remuneration policy of the Manager to ensure the policy meets its stated objectives having regard to the performance of OUE REIT and other considerations.

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The NRC sets the remuneration policy (i) to ensure that the compensation offered by the Manager is competitive and will attract, retain and motivate Directors and key management personnel, and (ii) for Directors to be good stewards of the Manager and OUE REIT, and for key management personnel with the required experience and expertise to run the Manager successfully. In developing and reviewing the policy for the remuneration packages for Directors and the key management personnel of the Manager, the NRC takes into consideration the Manager's existing remuneration policy and other conditions within the REIT management industry and in comparable REIT managers. The remuneration policy of the Manager is structured to attract and retain highly qualified persons, and the Manager's overall goal is to ensure value creation and the long-term sustainability and success of the Manager and OUE REIT. In relation to the remuneration policy, the Board determines value creation to be the amount of value-add contributed by the individual, including but not limited to deal introduction to OUE REIT, cost-savings ideas and novel initiatives which have the potential of increasing the performance of OUE REIT and it is measured based on the monetary benefit/cost-savings which OUE REIT receives as a result of the value-add contributed by the individual Director and a key management personnel.

To further attract and retain highly qualified persons, the Manager has established the succession planning framework as a strategy for identifying and developing future leaders for critical roles. This helps the Manager to prepare for contingencies by closing the gap of a departure and grooming high-potential persons for advancement.

The framework comprises the following which allows the Manager to systematically manage the process and reduce any risk of gaps:

(a) identify the critical roles, recognise capabilities required of the critical roles and select the talent pool;

(b) develop and implement succession and knowledge transfer plans; and

(c) evaluate effectiveness.

The remuneration of the Directors and Management is paid by the Manager, and not by OUE REIT. The remuneration of the Directors in the form of directors' fees is paid wholly in cash and the remuneration of Management in the form of salaries, annual bonuses and allowances is also paid wholly in cash. There is no non-monetary remuneration in the form of stock options or Units paid to the Directors or Management.

For the financial year under review, the Manager did not engage any remuneration consultant with regard to the remuneration of its Directors and key management personnel.

Remuneration of Directors

The structure of the Directors' fees for non-executive Directors comprises a base fee for serving as a Director, and additional fees for (i) serving as Chairman or Deputy Chairman of the Board, or chairman of Board committees, (ii) serving as Lead Independent Director and/or (iii) serving on Board committees as members, as the case may be. The Directors' fees take into account:

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

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

The current remuneration framework for the non-executive Directors remains unchanged from that of FY 2024.

Remuneration of Key Management Personnel

The Manager links executive remuneration to corporate and individual performance, based on the performance appraisal of the key executive officers that take into account the following criteria namely (i) leadership, (ii) self-management and effectiveness, (iii) communication and interpersonal skills, (iv) quality management, (v) administration and managerial skills, (vi) human resource management and development, (vii) technical and functional skills, (viii) customer focus; and (ix) value creation. The Manager currently does not have in place long-term or short-term incentive schemes for its executive Directors and key executive officers.

When conducting its review of remuneration, the NRC takes into account the performance of OUE REIT as well as the performance of the individual employee. The performance of OUE REIT is measured based on financial and non-financial key performance indicators ("KPIs") that include metrics related to risk management and sustainability. Individual performance is measured via the employee's annual appraisal based on indicators such as core values, competencies and KPIs highlighted below.

Fixed Component

The fixed component in the Manager's remuneration framework is structured to remunerate employees for the roles they perform. It comprises the employee's base salary, fixed allowances and any statutory contribution. The base salaries and fixed allowances for key management personnel are reviewed annually by the NRC and approved by the Board.

Variable Component

A significant and appropriate proportion of the remuneration of executive directors and key executives of the Manager comprises a variable component which is structured to link rewards to corporate and individual performance and incentivise sustained performance in both the short and long term. The variable incentives are measured based on quantitative and qualitative targets. Overall performance in relation to these targets is determined at the end of the year and approved by the NRC.

Key executives are assessed based on an annual performance review with pre-agreed financial and non-financial KPIs. The financial KPIs include increases in NPI and DPU as well as key capital structure parameters. In measuring the performance of these KPIs, the NRC refers to factors such as the DPU and total Unitholder returns. Non-financial KPIs include measures such as corporate governance and compliance goals, as well as people development.

No Director, key executive officer and/or key management personnel is involved in the deliberation and decision in respect of his or her own individual fees/remuneration. For the avoidance of doubt, Mr Han Khim Siew, the CEO and Executive Director of the Manager, was not involved in the decision of the Board on his own remuneration.

The remuneration of each Director (including the CEO and Executive Director) payable for FY2024 is set out below:

Name of Director	Base/Fixed Salary (%)	Variable or Performance-related Bonuses (%)	Directors' Fees [7] (%)	Others (%)	Total Remuneration (S$)
Lee Yi Shyan	-	-	100	-	100,000 [8]
Liu Chee Ming	-	-	100	-	108,750 [9]
Tan Huay Lim	-	-	100	-	106,250 [10]
Ong Kian Min	-	-	100	-	106,250 [11]
Usha Ranee Chandradas	-	-	100	-	81,250 [12]
Brian Riady	-	-	100	-	62,500 [13]
Han Khim Siew	63	37	-	-	1,089,585 [14]

Notes:

7 The framework for determining the Directors' fees in FY 2024 is as follows: (i) S$50,000 each for Chairman and Deputy Chairman; (ii) S$50,000 for a member of the Board; (iii) S$40,000 for Lead Independent Director; (iv) S$37,500 for chairman of the ARC; (v) S$18,750 for a member of the ARC; (vi) S$25,000 for chairman of the NRC; and (vii) S$12,500 for a member of the NRC. The Directors' fees are payable wholly in cash.

8 The fees received by Mr Lee Yi Shyan comprise S$50,000 for being Chairman and S$50,000 for being a member of the Board for FY 2024.

9 The fees received by Mr Liu Chee Ming comprise S$50,000 for being a member of the Board, S$40,000 for being Lead Independent Director and S$18,750 for being a member of the ARC for FY 2024.

10 The fees received by Mr Tan Huay Lim comprise S$50,000 for being a member of the Board, S$37,500 for being chairman of the ARC and S$18,750 for being a member of the ARC for FY 2024.

11 The fees received by Mr Ong Kian Min comprise S$50,000 for being a member of the Board, S$18,750 for being a member of the ARC, S$25,000 for being chairman of the NRC and S$12,500 for being a member of the NRC for FY 2024.

12 The fees received by Ms Usha Ranee Chandradas 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 for FY 2024.

13 The fees received by Mr Brian Riady comprise S$50,000 for being a member of the Board and S$12,500 for being a member of the NRC for FY 2024.

14 Mr Han Khim Siew did not receive directors' fees in respect of his position as CEO and Executive Director for FY 2024.

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The remuneration of the CEO and Executive Director of the Manager for FY 2024 can be found in the "Remuneration of Directors" section on page 87 of this Annual Report.

The Code and the Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management [Notice No. SFA04-N14] (issued pursuant to Section 101 of the SFA) require (i) the disclosure of the remuneration of each individual Director and the CEO on a named basis, (ii) the disclosure of the remuneration of at least the top five key management personnel [15]/top five executive officers (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000, and (iii) in aggregate the total remuneration paid to the top five key management personnel (who are not Directors or the CEO). In the event of non-disclosure of (ii) and (iii) above, the Manager is required to provide reasons for such non-disclosure.

After much deliberation, the Board is of the view that disclosure of the remuneration of the top five key management personnel and/or executive officers (who are neither Directors nor the CEO) on a named basis, whether in exact quantum or in bands of S$250,000, and the total remuneration paid to the top five key management personnel (who are not Directors or the CEO) will not be in the best interests of the Manager, OUE REIT or its Unitholders. In arriving at its decision, the Board had taken into consideration, *inter alia*, the commercial sensitivity and confidential nature of remuneration matters, the competitive nature of the REIT management industry, the competitive business environment which OUE REIT operates in, the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place and the negative impact which such disclosure may have on the Manager in attracting and retaining talent for the Manager (at the Management level) on a long-term basis. Given the competitive business environment which OUE REIT operates in, the Manager faces significant competition for talent in the REIT management sector, and it is not disclosing the remuneration of the top five key management personnel and/or executive officers (who are neither Directors nor the CEO), so as to minimise potential staff movement and undue disruption to its Management which would be prejudicial to the interest of the Unitholders. Further, such non-disclosure of remuneration does not affect the Manager's level of transparency on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation as such information have been disclosed in detail in the preceding paragraphs. Accordingly, the Board is of the view that the non-disclosure of the remuneration, whether in exact quantum or in bands of S$250,000, of the top five key management personnel and/or executive officers (who are neither Directors nor the CEO), and the total remuneration paid to the top five key management personnel (who are neither Directors nor the CEO), is consistent with the intent of Principle 8 of the Code as a whole and will not be prejudicial to the interest of the Unitholders.

There are no employees of the Manager who are substantial shareholders of the Manager, substantial Unitholders or immediate family members of a Director, the CEO, a substantial shareholder of the Manager or a substantial Unitholder, and whose remuneration exceeds S$100,000 during FY 2024. The Manager does not have any employee share scheme.

The NRC considers all aspects of remuneration, including termination terms, to ensure they are fair. No termination, retirement or post-employment benefits were granted to Directors, the CEO or key executive officers of the Manager during FY 2024.

C. ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Control

The Board is overall responsible for the governance of risk and the maintenance of a sound system of risk management and internal controls to safeguard the interests of OUE REIT, the Unitholders and the Manager.

The Board is also responsible for presenting a balanced and understandable assessment of OUE REIT's performance, position and prospects to its Unitholders, the public and the regulators, including interim and other price-sensitive or trade-sensitive public reports and reports to regulators (if required). The Management is accountable to the Board and provides the Board with quarterly business updates as well as half-year and full-year results, which are then reviewed and approved by the Board for release to the SGX-ST. Financial results and other price-sensitive or trade-sensitive information, annual reports and material corporate developments are disclosed via SGXNet.

Note:

[15] The term "key management personnel" is defined in the Code to mean the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Manager.

To keep Unitholders informed of material developments, the Manager released updates by way of press releases and voluntary business updates, where applicable. The aim of such engagement is to provide Unitholders with prompt disclosure of relevant information, to enable them to have a better understanding of OUE REIT's businesses and performance.

The Manager has an established ERM Framework for OUE REIT, which has been approved by the Board. The ERM Framework assists the Manager to evaluate and monitor changes to business operations that may result in significant risk exposure to OUE REIT. It is used by the Manager to determine the nature and the extent of the significant financial, operational, compliance and information technology risks in order to achieve strategic objectives and value creation. The ownership of these risks lies with the CEO and the function heads of the Manager, with stewardship residing with the Board.

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

During the year under review, the Manager incorporated climate-related risks into the ERM Framework to enhance the monitoring of environmental risks. The Board and Management also paid particular attention to monitoring OUE REIT's risk of becoming subject to, or violating, any anti-money laundering law or regulation.

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

The current ERM approach has also facilitated a balanced consideration between risk and strategy and allowed the Board and Management to deliberate on OUE REIT's risk appetite, and to be nimble and able to re-purpose some of OUE REIT's business operations to capitalise on growth opportunities. Having an effective ERM function drives quick decision-making to not only focus on value protection but to also look for areas for enhanced value creation.

The ARC, together with the Manager, assists the Board to oversee, review and update the ERM Framework to ensure its adequacy and effectiveness on the business, with internal controls in place to manage risks including but not limited to finance, operations, compliance and information technology. The Manager has identified key risks, assessed their likelihood and impact on OUE REIT's business and established specific internal controls in place to manage or mitigate those risks. The information is maintained in a risk register which is reviewed by the Manager, the ARC and the Board quarterly (and updated as and when necessary). Internal auditors and external auditors conduct audits that involve testing the effectiveness of the material internal control systems of OUE REIT.

As part of its operations risk management, the Manager has in place a Business Continuity Plan which is updated and tested annually to ensure that OUE REIT and the Manager can respond effectively to disruptions resulting from internal and external events, while continuing its critical business functions and minimising impact on its people, assets and building operations.

Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal auditors and external auditors are reported to the ARC. The effectiveness of the measures taken by Management in response to the recommendations made by the internal auditors and external auditors is also reviewed by the ARC. The system of risk management and internal controls is continually being refined by the Manager, the ARC and the Board.

The Board has received assurance from:

(a) the CEO and CFO of the Manager that the financial records of OUE REIT have been properly maintained and the financial statements for FY 2024 give a true and fair view of OUE REIT's operations and finances; and

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(b) the CEO and other key management personnel of the Manager who are responsible that the ERM Framework implemented within OUE REIT is adequate and effective in identifying and addressing the material risks in OUE REIT in its current business environment including material financial, operational, compliance and information technology risks.

The Board notes that the ERM Framework established by the Manager provides reasonable, but not absolute, assurance that OUE REIT will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgment in decision-making, human error, fraud, other irregularities and losses.

Based on the ERM Framework established and reviews conducted by OUE REIT's internal auditors and external auditors as well as the assurance from the CEO and other key management personnel who are responsible, the Board is of the opinion that OUE REIT's system of risk management and internal controls was adequate and effective as at 31 December 2024 to address the material financial, operational, compliance and information technology risks faced by OUE REIT. The ARC concurs with the Board's comments provided in the foregoing. For FY 2024, the Board and the ARC have not identified any material weaknesses in the Manager's internal controls and risk management systems.

Principle 10: Audit and Risk Committee

The ARC consists of four independent non-executive Directors, namely Mr Tan Huay Lim, Mr Liu Chee Ming, Mr Ong Kian Min and Ms Usha Ranee Chandradas. Mr Tan Huay Lim is the chairman of the ARC.

All members of the ARC have many years of management level experience. The Board is of the view that the ARC members collectively have recent and relevant expertise or experience in financial management and are appropriately qualified to discharge their responsibilities objectively. A total of four ARC meetings were held in FY 2024.

None of the ARC members were previous partners or directors of, or hold any financial interest in, the Manager's and OUE REIT's external auditors, KPMG LLP. [16]

The ARC's responsibilities, under its terms of reference (which was updated in January 2025 to incorporate climate-related and sustainability risk), include the following:

1. monitoring and evaluating the adequacy and effectiveness of the Manager's risk management and internal controls. Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Manager's systems, including financial, operational, compliance and information technology controls, and risk management systems, and to disclose whether the ARC concurs with the Board's comments in respect of the foregoing. If material weaknesses are identified by the ARC or the Board, to also disclose the steps taken to address them. Such review can be carried out internally or with the assistance of any competent third parties;

2. in respect of risk management and internal controls:

   (a) overseeing the design, implementation and monitoring of the risk management and internal control systems;

   (b) reviewing and reporting to the Board, at least twice a year, on the Manager's and OUE REIT's risk profile and major risk exposures and the steps taken to monitor, control and mitigate such risks; and

   (c) reviewing at least annually and reporting to the Board on the adequacy and effectiveness of the Manager and OUE REIT's risk management and internal control systems;

3. reviewing the financial statements of OUE REIT and the Manager and reviewing the quality and reliability of information prepared for inclusion in financial reports;

4. reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of OUE REIT and any announcements relating to the financial performance of OUE REIT;

5. reviewing the assurance from the CEO and CFO on the financial records and financial statements that the financial records have been properly maintained and the financial statements give a true and fair view of OUE REIT's operations and finances, for inclusion in the Annual Report;

Note:

[16] Provision 10.3 of the Code states that the ARC should not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation. Mr Tan Huay Lim, who was appointed as independent Director and chairman of the ARC of the Manager with effect from 1 January 2023, retired as partner of KPMG LLP in September 2015 and does not hold any financial interest in KPMG LLP.

6. reviewing the assurance from the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Manager's risk management and internal control systems, for inclusion in the Annual Report;

7. reviewing the annual audit plans of the external and internal auditors. The ARC may suggest matters to be included for review by the external and internal auditors during their audit of OUE REIT and the Manager;

8. ensuring that OUE REIT has in place an effective governance structure for ESG matters;

9. reviewing at least annually the processes for identifying, assessing, and managing climate and ESG-related risks and opportunities, or where relevant, when a significant event or change in circumstances occurs;

10. reviewing and considering proposed changes from Management on OUE REIT's climate-related and sustainability strategies, if any, to ensure that they are relevant to evolving local and global sustainability trends and developments, and making recommendations to the Board, where relevant;

11. considering the proposals and recommendations from Management on climate and ESG-related policies, targets and practices, and making recommendations to the Board, where relevant;

12. monitoring OUE REIT's performance against previously disclosed targets in relation to identified material ESG topics, climate and sustainability-related risks and opportunities;

13. reviewing OUE REIT's sustainability reporting, climate and sustainability-related disclosures, and providing oversight on the Manager's compliance with applicable climate and sustainability-related legal and regulatory requirements;

14. reviewing with the external and internal auditors their findings on their evaluation of the system of the internal accounting controls of OUE REIT and the Manager;

15. reviewing the external and internal audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the Management;

16. reviewing, approving and monitoring adequacy and effectiveness of processes to regulate conflicts of interests situations and Related Party Transactions, including ensuring compliance with applicable regulations, which include but are not limited to the provisions of the Listing Manual relating to Interested Person Transactions ("IPTs") (as defined in the Listing Manual) and the provisions of the Property Funds Appendix relating to Interested Party Transactions (as defined in the Property Funds Appendix) (both types of transactions constituting "Related Party Transactions"). In particular, to ensure that Related Party Transactions are on normal commercial terms and are not prejudicial to the interests of OUE REIT and its minority unitholders and in respect of any property management agreement which is a Related Party Transaction, to carry out reviews at appropriate intervals to satisfy itself that the Manager has reviewed the property manager's compliance with the terms of the property management agreement and has taken remedial actions where necessary;

17. reviewing the quarterly reports to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. Such review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the ARC. If an ARC member has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction;

18. reviewing the independence and objectivity of the external auditors annually and stating (i) the aggregate amount of fees paid to the external auditors for that financial year, and (ii) a breakdown of the fees paid in total for audit and non-audit services respectively, or an appropriate negative statement, in the Annual Report. Where the external auditors also supply a substantial volume of non-audit services to OUE REIT and/or the Manager, the ARC should keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;

19. making recommendations to the Board on: (i) the proposals to the Unitholders (or the shareholders of the Manager, as the case may be) on the appointment, re-appointment and removal of OUE REIT's (or the Manager's, as the case may be) external auditors each year, and (ii) approving the remuneration and terms of engagement of the external auditors;

20. ensuring that the internal audit function is independent from the Management, that the internal audit function will report to the chairman of the ARC and that the internal audit function is adequately qualified to perform an effective role;

21. ensuring that the internal audit function is adequately resourced, staffed with persons with the relevant qualifications and experience, and has appropriate standing within the Manager;

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22. ensuring that the internal auditors carry out their function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors Inc. ("IIA");

23. meeting with the external auditors and with the internal auditors, in each case without the presence of the Management, at least annually;

24. reviewing the adequacy, effectiveness, independence, objectivity, scope and results of the external audit and OUE REIT's and the Manager's internal audit function, and providing a comment in the Annual Report on whether the internal audit function is independent, effective and adequately resourced;

25. oversight and monitoring of whistle-blowing, including reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on and to ensure that the Manager publicly discloses, and clearly communicates to employees of the Manager, the existence of a whistle-blowing policy and the procedures for raising such concerns;

26. report significant matters raised through the whistle-blowing channel to the Board;

27. monitor the procedures in place to ensure compliance with applicable legislation and regulation, including but not limited to the Listing Manual, the CIS Code and the Code;

28. review the financial guidelines, procedures and financial authority limits, and make a recommendation to the Board for its approval;

29. review and discuss with the external auditors, any suspected fraud or irregularity, or suspected infringement of any applicable law, rules or regulations, which has or is likely to have a material impact on OUE REIT's operating results or financial position and Management's response, and at an appropriate time, report such matter to the Board; and

30. reporting to the Board its findings from time to time on matters arising and requiring the attention of the ARC, how it has discharged its responsibilities and whether it was able to discharge its duties independently.

In the review of the financial statements, the ARC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The ARC reviewed, amongst other matters, the key audit matter (Table 1) as reported by the external auditors for FY 2024.

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

The ARC has reviewed the non-audit fees paid to the external auditors. The ARC has considered the nature and extent of the non-audit services provided and is satisfied that the independence and objectivity of the external auditors have not been compromised by the provision of non-audit services. The amount of non-audit fees paid to the external auditors for FY 2024 was S$174,000. The ARC is satisfied that OUE REIT has complied with the requirements of Rules 712 and 715 of the Listing Manual in relation to the appointment of its auditing firm. Accordingly, the ARC has recommended to the Board the nomination of the external auditors, KPMG LLP, for re-appointment at the forthcoming Annual General Meeting to be held on 22 April 2025. The ARC has met with the external auditors and the internal auditors without the presence of the Management and has unfettered access to any information it may require.

Table 1: Key Audit Matter

Key audit matter	How the issue was addressed by the ARC
Valuation of investment properties	The ARC reviewed the valuation reports of OUE REIT's investment properties and discussed the basis of the valuation with the external valuers and Management, focusing on significant changes in fair value measurements and key drivers of the changes. The ARC reviewed the independence and competency of the external valuers and the appropriateness of the valuation methodologies applied by them in arriving at the fair market value of the investment properties based on their existing use. The ARC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and reasonableness of the underlying key assumptions and key data applied in the valuation of investment properties. The ARC noted that the valuation reports have been prepared in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards or Royal Institution of Chartered Surveyors' RICS Valuation – Global Standards (incorporating the International Valuation Standards).

The details of the remuneration of the auditors of OUE REIT during FY 2024 are as follows:

Breakdown of Audit and Non-Audit Services	Amount (S$)
Audit Services	279,000
Non-Audit Services	174,000

In the course of carrying out their duties, OUE REIT's external auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the ARC.

The Manager has in place a whistle-blowing policy whereby employees of the Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters as well as any breach of the Manager's Code of Business Conduct and Ethics, without fear of reprisals in any form. The ARC has the responsibility of overseeing this policy which is administered with the assistance of the head of the Sponsor's Internal Audit department ("OUE IA"). Under these procedures, arrangements are in place for independent investigation of such matters raised in good faith and for appropriate follow-up action to be taken. The whistle-blowing policy is publicly disclosed on the Manager's website and clearly communicated to the Manager's employees to encourage the reporting of any behaviour or action that might constitute impropriety in financial reporting or other matters. The Manager is committed to ensuring that whistle-blowers will be protected against any detrimental or unfair treatment, and shall use reasonable best efforts to ensure that the confidentiality and anonymity of the complainants is protected.

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

The internal audit function in respect of OUE REIT has been outsourced to OUE IA, under the direct supervision of the ARC. The head of OUE IA reports directly to the ARC and administratively to the Deputy CEO of the Sponsor. The appointment and removal of OUE IA as the service provider for the internal audit function requires the approval of the ARC. OUE IA has unfettered access to all documents, records, properties and personnel in the Manager, including unrestricted access to the ARC, the Board and the Management. It is responsible for assisting the ARC in reviewing and evaluating the adequacy and effectiveness of the Manager's system of internal controls to address financial, operational, compliance and information technology risks for OUE REIT. It also audits the operations, regulatory compliance, risk management and sustainability reporting processes of the Manager. The scope of the internal audit reviews is carried out in accordance with the yearly plans prepared by OUE IA and approved by the ARC. All audit findings are communicated to the ARC as well as the Management.

OUE IA is a corporate member of the IIA, Singapore, which is an affiliate of the IIA with its headquarters in the United States of America. OUE IA subscribes to, and is guided by, the International Standards for the Professional Practice of Internal Auditing ("Standards") developed by IIA and has incorporated these Standards into its audit practices. OUE IA also abides by the framework as described in its Internal Audit Charter, which provides the blueprint for how internal audit activities are conducted. The Internal Audit Charter is approved by the ARC, at least on an annual basis. The ARC also reviewed the independence and performance of the internal audit function and was satisfied that the internal auditor was independent, adequately resourced, staffed with persons with the relevant qualifications and experience and effective in performing its functions, and had appropriate standing within the Manager.

D. Unitholder Rights and Responsibilities

Principle 11: Unitholder Rights and Conduct of General Meetings

Principle 12: Engagement with Unitholders

Principle 13: Engagement with Stakeholders

The Manager treats all Unitholders fairly and equitably in order to enable them to exercise their Unitholders' rights and have the opportunity to communicate their views on matters affecting OUE REIT. The Manager's investor relations ("IR") policy is to promote regular, effective and fair communication through timely and transparent disclosure of all material price- and trade-sensitive information relating to OUE REIT, such as information relating to OUE REIT's performance as well as strategic and business developments, through press releases, announcements, and the publication of its quarterly business updates as well as half-year and full-year results. These information are first published on the SGXNet, followed by OUE REIT's website at https://www.ouereit.com. The website is updated regularly and has a clearly dedicated IR section enabling easy access for Unitholders and the

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investment community to pertinent information about OUE REIT and its long-term prospects such as annual reports, financial results and the latest corporate presentations. Unitholders and investors can also subscribe to email alerts of all announcements and press releases issued by OUE REIT or submit questions at their convenience via an enquiry form on the website. The contact details of a specific IR contact person is also provided for ease of communication.

The Manager maintains regular engagement with Unitholders and also conducts regular briefings for other stakeholders from the wider investment community, such as analysts, investors and media representatives, in conjunction with the release of OUE REIT's results and business updates. During such briefings, Management will review OUE REIT's most recent performance as well as discuss the business outlook for OUE REIT. The Manager will give reasonable access to analysts and the media to help them formulate informed opinions on OUE REIT, but will not seek to influence their objective opinions.

The Manager also actively engages its stakeholders through a variety of initiatives and channels, including, but not limited to, regular dialogue with and the soliciting of views from the investment community, through group/individual meetings with investors, investor conferences and non-deal investor roadshows facilitated by the Manager's IR department and attended by the CEO and CFO. The CEO, CFO and senior management of the Manager are present at analyst briefings which are held quarterly, to answer questions. More details on the Manager's IR activities and efforts are found on pages 64 to 66 of this Annual Report while the full IR policy can be found on OUE REIT's website.

As required by the Listing Manual, the Manager discloses the names of OUE REIT's substantial Unitholders and a breakdown of their direct and deemed interests (including how such interests are held or derived) in OUE REIT's annual report every year. The Manager also disseminates, via SGXNet, the notifications it receives from its substantial Unitholders, in accordance with the provisions of the SFA.

The Manager adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of OUE REIT are served. The Manager considers emerging and existing sustainability-related trends to enable the Manager to identify and manage any potential, current, or impending business risks that need to be managed, and/or to take advantage of any opportunities they may provide. The Manager has arrangements in place to identify and engage with material stakeholder groups and to manage its relationships with such groups. These stakeholder groups are important to OUE REIT, either because their actions impact OUE REIT's business or OUE REIT's business impacts their actions. They comprise OUE REIT's Unitholders, prospective investors, analysts, the media, tenants and guests, employees as well as regulators. The Manager's various teams interact with these stakeholders on a regular basis and the Manager maintains a corporate website to facilitate communication and engagement with stakeholders. Pages 16 to 17 of the Sustainability Report describes OUE REIT's approach in identifying its material stakeholders, as well as addressing stakeholders' concerns and methods of engagement. The Sustainability Report, which is available on OUE REIT's website, also sets out the key areas of focus in relation to the management of stakeholder relationships for FY 2024.

OUE REIT's distribution policy is to distribute at least 90% of its taxable income to Unitholders, with the actual level of distribution to be determined at the Manager's discretion. Distributions are generally paid within 35 market days after the declaration of distributions.

Conduct of AGMs

The AGM held on 24 April 2024 was conducted physically.

The forthcoming AGM to be held on 22 April 2025 will continue to be conducted physically.

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

In addition, Unitholders are given the opportunity to communicate their views and to raise pertinent questions to the Directors and to participate effectively in and vote at Unitholders' meetings.

Save as disclosed on page 78 of this Annual Report, all Directors attend Unitholders' meetings, and the external auditors are also present at Unitholders' meetings, to address questions about the conduct of audit and the preparation and content of the auditors' report raised by the Unitholders.

Provision 11.5 of the Code states that the company should publish minutes of general meetings on its corporate website as soon as practicable. The Company Secretary prepares detailed minutes of Unitholders' meetings, which incorporate substantial and relevant comments or queries from Unitholders and responses from the Board and Management. Beginning from the 2020 AGM, these minutes have been subsequently published on SGXNet and made available on OUE REIT's website within one month of the date of the Unitholders' meeting.

As encouraged by SGX-ST and in support of the greater transparency of voting in general meetings and good corporate governance, the Manager has employed electronic polling since the first AGM held in 2015 whereby all resolutions are voted by poll and detailed results showing the number of votes cast for and against each resolution and the respective percentage are published at the general meeting. Prior to voting at the general meeting, the voting procedures will be made known to the Unitholders. The votes cast by each Unitholder are in direct proportion to their respective unitholdings in OUE REIT. All polls are conducted in the presence of independent scrutineers. The outcome of the general meeting is also promptly announced on SGXNet after each general meeting.

The Trust Deed does not allow a Unitholder to vote in absentia at general meetings but if any Unitholder is unable to attend the general meeting, the Trust Deed allows for the Unitholder to appoint up to two proxies to attend, speak and vote on his or her behalf at the general meeting. Further, Unitholders such as nominee companies which provide custodial services for securities are not constrained by the two proxy limitation and are able to appoint more than two proxies to attend, speak and vote at general meetings. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate at general meetings. This is consistent with Principle 11 of the Code as Unitholders are still given the opportunity to exercise their rights to attend and vote at general meetings through their proxies.

E. Interested Person Transactions Policy

The Manager has established a policy which aims to ensure that all IPTs will be undertaken on normal commercial terms and safeguard against the risk that interested persons could influence OUE REIT, its subsidiaries or associated companies, to enter into transactions with interested persons that may adversely affect the interests of OUE REIT and its Unitholders. It sets out the procedures to monitor and review IPTs, including to ensure compliance with the provisions of the Listing Manual and the Property Funds Appendix relating to IPTs, and provides potential examples of IPTs and practical guidance on assessing whether a counterparty is an interested person. The following procedures are also undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of OUE REIT's net tangible assets will be subject to review by the ARC on a quarterly basis;

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of OUE REIT's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of OUE REIT and its Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of OUE REIT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Any IPTs requiring disclosure are disclosed in the announcements and/or the Annual Report. There were no IPTs during FY 2024 which, pursuant to the Listing Manual, required immediate announcement or Unitholders' approval.

F. Dealings in the Units

The Manager has adopted a formal policy on handling of confidential information and dealings in securities (the "Information Dealing Policy") which applies the best practice recommendations issued by the SGX-ST. The Information Dealing Policy also sets out the implications of insider trading and guidance on dealings in the securities of OUE REIT as well as certain entities listed on the SGX-ST in which the Sponsor has an effective interest in (collectively, the "Restricted Securities"). It applies to and has been distributed to, *inter alia*, the Directors and employees of the Manager.

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

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(if OUE REIT does not announce its quarterly financial statements).

The Manager sends out memoranda and e-mails to the Directors and employees of the Manager to remind them that the Directors and employees of the Manager and their connected persons are prohibited from dealing in the Units during the following periods:

(a) two weeks before the announcement of OUE REIT's interim business updates for the first and third quarters of its financial year;

(b) one month before the announcement of OUE REIT's half-year and full-year results and (where applicable) property valuations; or

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

The Directors and employees of the Manager are prohibited from communicating price-sensitive or trade-sensitive information to any person. In addition, the Manager also discourages the Directors and employees of the Manager from dealing in the Units on short-term considerations.

Pursuant to the Information Dealing Policy, Directors and employees of the Manager are required to give a pre-trading notification and declaration (that, amongst others, he or she is not in possession of any information that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of the Restricted Securities ("inside information")) to their head of department and/or the Legal department (as the case may be) before any dealing in the Restricted Securities. Details of the transaction that had been notified prior to being undertaken must also be provided in writing within two business days after the trade. A transaction which was notified but not undertaken must also be reported as such.

All Directors and employees of the Manager must verify that confidential information is shared only to those persons who have a legitimate reason to have access to such information. The Information Dealing Policy sets out the procedures and safeguards which Directors and employees of the Manager should adopt to limit the risk of a leak of confidential information, including but not limited to signing of non-disclosure agreements, implementing Chinese walls, controlling access to documents containing confidential information, "clean-desk" policy, adoption of code names for transactions and maintenance of a list of persons who are privy to material inside information that has not been publicly announced.

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

Material Contracts

Save as disclosed (i) in the IPTs section of this Annual Report and (ii) on SGXNet (if any), no material contracts to which OUE REIT or any of its subsidiaries is a party and which involve the interests of the CEO, any director or controlling shareholder of the Manager or controlling Unitholder subsisted at the end of FY 2024, or have been entered into since the end of the previous financial year.

Financial Statements

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Report of the Trustee

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of OUE Real Estate Investment Trust (the "Trust") held by it or through its subsidiaries (collectively, the "Group") in trust for the holders of units in the Trust. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of OUE REIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 10 October 2013 (as amended) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust and its subsidiaries during the year covered by these financial statements set out on pages 103 to 180, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
DBS Trustee Limited

Chan Kim Lim
Director

Singapore
7 March 2025

Statement by the Manager

In the opinion of the directors of OUE REIT Management Pte. Ltd. (the "Manager"), the manager of OUE Real Estate Investment Trust (the "Trust"), the accompanying financial statements set out on pages 103 to 180 comprising the Statements of Financial Position, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Portfolio Statements of the Trust and its subsidiaries (the "Group") and of the Trust, the Statement of Cash Flows of the Group and Notes to the Financial Statements, including material accounting policy information are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of the Group and the Trust as at 31 December 2024, the total return, distributable income, movements in unitholders' funds and cash flows of the Group and the total return, distributable income and movements in unitholders' funds of the Trust for the year ended 31 December 2024, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed between DBS Trustee Limited and the Manager dated 10 October 2013 (as amended). At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet the respective financial obligations as and when they materialise.

For and on behalf of the Manager,
OUE REIT Management Pte. Ltd.

Han Khim Siew
Executive Director

Singapore
7 March 2025

Independent Auditors' Report

Unitholders
OUE Real Estate Investment Trust
(Constituted under a Trust Deed in the Republic of Singapore)

Report on the financial statements

Opinion

We have audited the financial statements of OUE Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position and portfolio statements of the Group and the Trust as at 31 December 2024, and the statements of total return, distribution statements, statements of movements in unitholders' funds of the Group and the Trust and 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 103 to 180.

In our opinion, the accompanying consolidated financial statements of the Group and the statements of financial position, portfolio statements, statements of total return, distribution statements and statements of movements in unitholders' funds of the Trust present fairly, in all material respects, the financial position and portfolio holdings of the Group and the Trust as at 31 December 2024 and the total return, distributable income and movements in unitholders' funds of the Group and the Trust and statement of cash flows of the Group for the year then ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 ("RAP 7") *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants.

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.

<u>Valuation of investment properties</u>
(Refer to Note 4 to the financial statements)

Risk

The Group has investment properties in Singapore (2023: Singapore and China) with a carrying value of $5.2 billion (2023: $5.6 billion) as at 31 December 2024. Investment properties represent the most significant asset item on the consolidated statements of financial position.

The Group's accounting policy is to state the investment properties at their fair values which are based on independent external valuations. The valuation process involves significant judgement in determining the appropriate 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 key assumptions could have a significant impact to the valuation.

Our response

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

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

We assessed the reasonableness of the key assumptions used in the valuations which included a comparison of the discount rates, terminal yield rates, capitalisation rates and price per square foot, against historical trends and available industry data, taking into consideration comparability and market factors.

We also considered the adequacy of the disclosures in the financial statements in describing the inherent degree of subjectivity and the key assumptions used in the valuations.

Our findings

The external valuers are members of professional bodies for valuers and have considered their own independence in carrying out their work.

The valuation methods used are in line with generally accepted market practices and the key assumptions used in the valuations are within range of available industry data, the additional factors considered by the external valuers were consistent with other corroborative evidence.

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

Other information

OUE REIT Management Pte. Ltd., the Manager of the Trust ("the Manager"), 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 except for the Statistics of Unitholdings ("the Report") which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and take appropriate actions in accordance with SSAs.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal controls as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager 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 the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's 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.

Independent Auditors' Report

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 the Manager.

- Conclude on the appropriateness of the Manager'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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Manager 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 Manager, 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.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
7 March 2025

Statements of Financial Position

As at 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Trust 2024 $'000	Trust 2023 $'000
Non-current assets					
Plant and equipment		107	193	–	–
Investment properties	4	5,169,536	5,630,357	930,000	930,000
Investments in subsidiaries	5	–	–	2,639,743	2,683,406
Investment in joint venture	6	376,336	353,719	319,291	316,878
Financial derivatives	7	2,200	–	119	–
Trade and other receivables	8	4,438	4,805	–	–
Loans to a subsidiary	9	–	–	585,600	32,100
		5,552,617	5,989,074	4,474,753	3,962,384
Current assets					
Trade and other receivables	8	25,614	22,138	15,134	4,852
Cash and cash equivalents	10	361,670	54,225	2,580	3,274
Financial derivatives	7	–	3,274	–	869
		387,284	79,637	17,714	8,995
Total assets		5,939,901	6,068,711	4,492,467	3,971,379
Non-current liabilities					
Loans and borrowings	11	1,984,370	2,055,119	1,272,803	794,797
Trade and other payables	12	29,416	41,655	6,411	11,862
Financial derivatives	7	2,352	244	1,371	244
Deferred tax liabilities	13	16,721	64,356	–	–
Lease liability		22,612	22,716	–	–
		2,055,471	2,184,090	1,280,585	806,903
Current liabilities					
Loans and borrowings	11	115,265	–	105,265	–
Trade and other payables	12	71,594	90,340	27,619	24,564
Financial derivatives	7	167	–	167	–
Current tax liabilities		40,046	16,151	–	–
Lease liability		104	100	–	–
		227,176	106,591	133,051	24,564
Total liabilities		2,282,647	2,290,681	1,413,636	831,467
Net assets		3,657,254	3,778,030	3,078,831	3,139,912

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

Statements of Financial Position

As at 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Trust 2024 $'000	Trust 2023 $'000
Represented by:					
Unitholders' funds		3,187,301	3,311,192	2,866,525	2,927,603
Convertible Perpetual Preferred Units ("CPPU") holder's funds	14	212,306	212,309	212,306	212,309
		3,399,607	3,523,501	3,078,831	3,139,912
Non-controlling interests	5	257,647	254,529	–	–
		3,657,254	3,778,030	3,078,831	3,139,912
Units in issue and to be issued ('000)	15	5,500,064	5,492,950	5,500,064	5,492,950
Net asset value per Unit ($)	16	0.58	0.60	0.52	0.53

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

Statements of Total Return

Year ended 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Trust 2024 $'000	Trust 2023 $'000
Revenue	17	295,521	285,055	161,789	147,853
Property operating expenses	18	(61,486)	(50,088)	(10,750)	(10,125)
Net property income		234,035	234,967	151,039	137,728
Manager's management fees	19	(16,084)	(17,654)	(16,084)	(17,654)
Trustee's fee		(971)	(961)	(971)	(961)
Other expenses		(1,427)	(611)	(1,004)	(891)
Finance income		3,655	3,004	9,843	3,408
Finance cost		(116,711)	(114,847)	(51,114)	(38,450)
Net finance costs	20	(113,056)	(111,843)	(41,271)	(35,042)
Net income		102,497	103,898	91,709	83,180
Share of results from joint venture	6	30,484	16,886	–	–
Net change in fair value of investment properties	4	(153,570)	87,474	(2,292)	1,909
Loss on disposal of a subsidiary	30	(26,427)	–	–	–
Impairment loss (recognised)/reversed on investment in subsidiaries	5	–	–	(43,663)	129,747
Total (loss)/return for the year before tax	21	(47,016)	208,258	45,754	214,836
Tax expense	22	(11,892)	(2,479)	–	–
Total (loss)/return for the year		(58,908)	205,779	45,754	214,836
Total (loss)/return attributable to:					
Unitholders and CPPU holder		(68,321)	200,109	45,754	214,836
Non-controlling interests		9,413	5,670	–	–
		(58,908)	205,779	45,754	214,836
Earnings per Unit (cents)					
Basic	23	(1.28)	3.61		
Diluted	23	(1.28)	3.45		

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

Distribution Statements

Year ended 31 December 2024

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Amount available for distribution to Unitholders at beginning of the year	60,813	59,938	60,813	59,938
Total (loss)/return for the year attributable to Unitholders and CPPU holder	(68,321)	200,109	45,754	214,836
Less: Amount reserved for distribution to CPPU holder	(2,200)	(2,200)	(2,200)	(2,200)
Less: Amount retained for working capital requirements	(5,000)	(8,000)	(5,000)	(8,000)
Distribution adjustments (Note A)	184,181	(74,602)	70,106	(89,329)
Amount available for distribution for the year	108,660	115,307	108,660	115,307
Add: Amount released*	5,000	–	5,000	–
Amount to be distributed to Unitholders (Note B)	113,660	115,307	113,660	115,307
Distributions to Unitholders:				
- Distribution of 1.04 cents per Unit for the period from 1/7/2022 to 31/12/2022	–	(56,897)	–	(56,897)
- Distribution of 1.05 cents per Unit for the period from 1/1/2023 to 30/06/2023	–	(57,535)	–	(57,535)
- Distribution of 1.04 cents per Unit for the period from 1/7/2023 to 31/12/2023	(57,126)	–	(57,126)	–
- Distribution of 0.93 cents per Unit for the period from 1/1/2024 to 30/06/2024	(51,085)	–	(51,085)	–
	(108,211)	(114,432)	(108,211)	(114,432)
Amount available for distribution to Unitholders at the end of the year	66,262	60,813	66,262	60,813
Distribution per Unit ("DPU") (cents)	2.06	2.09	2.06	2.09

* For the financial year ended 31 December 2024, OUE REIT Group released the remaining $5.0 million (FY 2023: nil) of capital distribution from divestment of OUE Bayfront.

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

Note A — Distribution adjustments

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Net change in fair value of investment properties	153,570	(87,474)	2,292	(1,909)
Loss on disposal of a subsidiary	26,427	–	–	–
Withholding tax relating to disposal	32,323	–	–	–
Amortisation of debt-related transaction costs	9,077	5,667	4,690	2,329
Net change in fair value of financial derivatives	7,814	21,267	3,514	3,471
Ineffective portion of changes in fair value of cash flow hedges	(2,881)	(2,040)	(438)	(862)
Manager's management fees paid/payable in Units	1,977	6,179	1,977	6,179
Trustee's fee	971	961	971	961
Foreign exchange differences	2,349	44	1	(1)
Deferred tax credit	(32,851)	(10,023)	–	–
Straight-lining of lease incentives	3,473	(3,017)	4	(219)
Transfer to statutory reserve	(1,049)	(1,064)	–	–
Net income of subsidiaries and joint venture not distributed to the Trust	–	–	12,411	29,692
Impairment loss recognised/(reversed) on investment in subsidiaries	–	–	43,663	(129,747)
Other items	(17,019)	(5,102)	1,021	777
Distribution adjustments	184,181	(74,602)	70,106	(89,329)

Note B — Amount to be distributed to Unitholders

	Group and Trust	
	2024 $'000	2023 $'000
Comprises:		
- From operations	80,984	93,335
- From tax exempt income	18,226	16,684
- From Unitholders' contribution	14,450	5,288
	113,660	115,307

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

Statements of Movements in Unitholders' Funds

Year ended 31 December 2024

	Attributable to Unitholders $'000	Attributable to CPPU holder $'000	Total $'000	Non-controlling interests $'000	Total $'000
Group					
Net assets attributable to owners at 1 January 2024	3,311,192	212,309	3,523,501	254,529	3,778,030
Operations					
Total (loss)/return for the year	(68,321)	–	(68,321)	9,413	(58,908)
Less: Amount reserved for distribution to CPPU holder	(2,200)	2,200	–	–	–
Net (decrease)/increase in net assets resulting from operations	(70,521)	2,200	(68,321)	9,413	(58,908)
Transactions with owners					
Issue of new Units:					
- Manager's management fees payable in Units	1,977	–	1,977	–	1,977
Distributions paid to Unitholders	(108,211)	–	(108,211)	–	(108,211)
Distributions paid to CPPU holder	–	(2,203)	(2,203)	–	(2,203)
Distributions paid to non-controlling interests	–	–	–	(6,400)	(6,400)
Net decrease in net assets resulting from transactions with owners	(106,234)	(2,203)	(108,437)	(6,400)	(114,837)
Foreign currency translation reserve					
Foreign operations:					
- Currency translation differences	(3,990)	–	(3,990)	–	(3,990)
- Currency translation differences reclassified to statements of total return on disposal	54,614	–	54,614	–	54,614
Net movement in foreign currency translation reserve	50,624	–	50,624	–	50,624
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	6,626	–	6,626	–	6,626
Hedging reserve transferred to statements of total return	(3,136)	–	(3,136)	105	(3,031)
Share of movement in hedging reserve of joint venture	(1,250)	–	(1,250)	–	(1,250)
Net movement in hedging transactions	2,240	–	2,240	105	2,345
At 31 December 2024	3,187,301	212,306	3,399,607	257,647	3,657,254

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

	Attributable to Unitholders $'000	Attributable to CPPU holder $'000	Total $'000	Non-controlling interests $'000	Total $'000
Group					
Net assets attributable to owners at 1 January 2023	3,240,073	212,309	3,452,382	254,985	3,707,367
Operations					
Total return for the year	200,109	–	200,109	5,670	205,779
Less: Amount reserved for distribution to CPPU holder	(2,200)	2,200	–	–	–
Net increase in net assets resulting from operations	197,909	2,200	200,109	5,670	205,779
Transactions with owners					
Issue of new Units:					
- Manager's management fees paid/ payable in Units	6,179	–	6,179	–	6,179
Distributions paid to Unitholders	(114,432)	–	(114,432)	–	(114,432)
Distributions paid to CPPU holder	–	(2,200)	(2,200)	–	(2,200)
Distributions paid to non-controlling interests	–	–	–	(6,000)	(6,000)
Net decrease in net assets resulting from transactions with owners	(108,253)	(2,200)	(110,453)	(6,000)	(116,453)
Movement in foreign currency translation reserve	(13,581)	–	(13,581)	–	(13,581)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	9,234	–	9,234	–	9,234
Hedging reserve transferred to statements of total return	(12,353)	–	(12,353)	(126)	(12,479)
Share of movement in hedging reserve of joint venture	(1,837)	–	(1,837)	–	(1,837)
Net movement in hedging transactions	(4,956)	–	(4,956)	(126)	(5,082)
At 31 December 2023	3,311,192	212,309	3,523,501	254,529	3,778,030

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

Statements of Movements in Unitholders' Funds

Year ended 31 December 2024

	Attributable to		
	Unitholders	CPPU holder	Total
	$'000	$'000	$'000
Trust			
Net assets attributable to owners at 1 January 2024	2,927,603	212,309	3,139,912
Operations			
Total return for the year	45,754	–	45,754
Less: Amount reserved for distribution to CPPU holder	(2,200)	2,200	–
Net increase in net assets resulting from operations	43,554	2,200	45,754
Transactions with owners			
Issue of new Units:			
- Manager's management fees payable in Units	1,977	–	1,977
Distributions paid to Unitholders	(108,211)	–	(108,211)
Distributions paid to CPPU holder	–	(2,203)	(2,203)
Net decrease in net assets resulting from transactions with owners	(106,234)	(2,203)	(108,437)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	2,419	–	2,419
Hedging reserve transferred to statements of total return	(817)	–	(817)
Net movement in hedging transactions	1,602	–	1,602
At 31 December 2024	2,866,525	212,306	3,078,831

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

	Attributable to		
	Unitholders	CPPU holder	Total
	$'000	$'000	$'000
Trust			
Net assets attributable to owners at 1 January 2023	2,826,265	212,309	3,038,574
Operations			
Total return for the year	214,836	–	214,836
Less: Amount reserved for distribution to CPPU holder	(2,200)	2,200	–
Net increase in net assets resulting from operations	212,636	2,200	214,836
Transactions with owners			
Issue of new Units:			
- Manager's management fees paid/payable in Units	6,179	–	6,179
Distributions paid to Unitholders	(114,432)	–	(114,432)
Distributions paid to CPPU holder	–	(2,200)	(2,200)
Net decrease in net assets resulting from transactions with owners	(108,253)	(2,200)	(110,453)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	(503)	–	(503)
Hedging reserve transferred to statements of total return	(2,542)	–	(2,542)
Net movement in hedging transactions	(3,045)	–	(3,045)
At 31 December 2023	2,927,603	212,309	3,139,912

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

Portfolio Statements

As at 31 December 2024

Description of property	Leasehold tenure	Location
Singapore		
OUE Downtown Office		
OUE Downtown is a mixed-use development comprising a 50-storey building (OUE Downtown 1) and a 37-storey building (OUE Downtown 2), a retail podium and a multi-storey car park The Group owns the office components of OUE Downtown (OUE Downtown Office), comprising OUE Downtown 1 (Strata Lot U4628V) and OUE Downtown 2 (Strata Lot U4629P)	OUE Downtown 1 and OUE Downtown 2: 99-year lease from 19 July 1967	6 Shenton Way, Singapore 068809 and 6A Shenton Way, Singapore 068815
One Raffles Place		
An integrated commercial development comprising One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall The Group has an effective interest of 67.95% in One Raffles Place	One Raffles Place Tower 1: 841-year lease from 1 November 1985 One Raffles Place Tower 2: 99-year lease from 26 May 1983 One Raffles Place Shopping Mall: the retail podium straddles two land plots: - approximately 75% of the net lettable area ("NLA") of the retail podium is on a 99-year lease from 1 November 1985 - the balance 25% of the NLA of the retail podium is on a 841-year lease from 1 November 1985	1 Raffles Place, One Raffles Place, Singapore 048616

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

Remaining Term of Lease as at 31/12/2024	Existing use	Group: Carrying value at 31/12/2024 $'000	Group: Percentage of Unitholders' funds at 31/12/2024 %	Group: Carrying value at 31/12/2023 $'000	Group: Percentage of Unitholders' funds at 31/12/2023 %
42 years	Commercial	930,000	30	930,000	28
802 years	Commercial	1,926,300	61	1,909,000	58
58 years					
60 years					
803 years					

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

Portfolio Statements

As at 31 December 2024

Description of property	Leasehold tenure	Location
Crowne Plaza Changi Airport An airport hotel situated within the vicinity of passenger terminals of Singapore Changi Airport and is connected to Jewel Changi Airport via a pedestrian bridge from Terminal 3.	74-year lease from 1 July 2009	75 Airport Boulevard, Singapore 819664
Hilton Singapore Orchard A hotel with 1,080 rooms located in Orchard Road.	99-year lease from 1 July 1957	333 Orchard Road, Singapore 238867
Mandarin Gallery High-end retail mall with 152-metre frontage situated along Orchard Road.	99-year lease from 1 July 1957	333A Orchard Road, Singapore 238897
Shanghai		
Lippo Plaza [1] A 36-storey commercial building with retail podium at Shanghai, China excluding: (i) Unit 2 in Basement 1, (ii) the 12th, 13th, 15th and 16th floors and (iii) 4 car park lots	50-year land use right commencing from 2 July 1994	222 Huaihai Zhong Road, Huangpu District, Shanghai, PRC 200021

Investment properties, at valuation (Note 4)
Investment in joint venture (Note 6)
Other assets and liabilities (net)
Net assets of the Group
Net assets attributable to CPPU holder
Net assets attributable to non-controlling interests
Unitholders' funds

[1] Lippo Plaza was disposed in December 2024 (Note 30). The carrying value of Lippo Plaza as at 31 December 2023 in Renminbi was RMB 2,400,000,000 ($449,041,000).

The properties are leased to third parties except as otherwise stated in Note 17. Generally, the leases contain an initial non-cancellable period of 1 to 11 years (2023: 1 to 10 years). Subsequent renewals are negotiated with the respective lessees.

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

Remaining Term of Lease as at 31/12/2024	Existing use	Group Carrying value at 31/12/2024 $'000	Percentage of Unitholders' funds at 31/12/2024 %	Carrying value at 31/12/2023 $'000	Percentage of Unitholders' funds at 31/12/2023 %
59 years	Hotel	520,000	16	519,000	15
32 years	Hotel	1,318,500	41	1,346,000	41
32 years	Retail	451,000	14	453,500	14
–	Commercial	–	–	449,041	13
		5,145,800	162	5,606,541	169
		376,336	12	353,719	11
		(1,864,882)	(59)	(2,182,230)	(66)
		3,657,254	115	3,778,030	114
		(212,306)	(7)	(212,309)	(6)
		(257,647)	(8)	(254,529)	(8)
		3,187,301	100	3,311,192	100

Portfolio Statements

As at 31 December 2024

Description of property	Leasehold tenure	Location
Singapore		
OUE Downtown Office		
OUE Downtown is a mixed-use development comprising a 50-storey building (OUE Downtown 1) and a 37-storey building (OUE Downtown 2), a retail podium and a multi-storey car park The Trust owns the office components of OUE Downtown (OUE Downtown Office), comprising OUE Downtown 1 (Strata Lot U4628V) and OUE Downtown 2 (Strata Lot U4629P)	OUE Downtown 1 and OUE Downtown 2: 99-year lease from 19 July 1967	6 Shenton Way, Singapore 068809 and 6A Shenton Way, Singapore 068815
Investment properties, at valuation (Note 4)		
Investment in joint venture (Note 6)		
Other assets and liabilities (net)		
Net assets of the Trust		
Net assets attributable to CPPU holder		
Unitholders' funds		

The properties are leased to third parties except as otherwise stated in Note 17. Generally, the leases contain an initial non-cancellable period of 1 to 6 years (2023: 1 to 6 years). Subsequent renewals are negotiated with the respective lessees.

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

Remaining Term of Lease as at 31/12/2024	Existing use	Group Carrying value at 31/12/2024 $'000	Percentage of Unitholders' funds at 31/12/2024 %	Carrying value at 31/12/2023 $'000	Percentage of Unitholders' funds at 31/12/2023 %
42 years	Commercial	930,000	32	930,000	32
		930,000	32	930,000	32
		319,291	11	316,878	11
		1,829,540	64	1,893,034	64
		3,078,831	107	3,139,912	107
		(212,306)	(7)	(212,309)	(7)
		2,866,525	100	2,927,603	100

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

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000
Cash flows from operating activities			
Total (loss)/return for the year		(58,908)	205,779
Adjustments for:			
Depreciation of plant and equipment		61	66
Finance costs		114,360	114,805
Finance income		(3,655)	(3,004)
Manager's fees paid/payable in Units		1,977	6,179
Share of results from joint venture		(30,484)	(16,886)
Net change in fair value of investment properties		153,570	(87,474)
Loss on disposal of a subsidiary		26,427	–
Allowance/(write-back) for doubtful receivables		412	(162)
Tax expense		11,892	2,479
Operating income before working capital changes		215,652	221,782
Changes in:			
Trade and other receivables		1,588	(1,139)
Trade and other payables		(7,328)	3,997
Cash generated from operations		209,912	224,640
Tax paid		(11,750)	(11,253)
Net cash from operating activities		198,162	213,387
Cash flows from investing activities			
Additions to plant and equipment		(3)	(40)
Payment for capital expenditure on investment properties		(25,829)	(10,568)
Disposal of a subsidiary, net of cash disposed	30	299,460	–
Dividends received from joint venture		9,031	8,662
Interest received		2,803	3,404
Net cash from investing activities		285,462	1,458
Cash flows from financing activities			
Distributions paid to Unitholders		(108,211)	(114,432)
Distributions paid to CPPU holder		(2,203)	(2,200)
Distributions paid to non-controlling interests		(6,400)	(6,000)
Interest paid		(93,293)	(85,296)
Payment of transaction costs related to borrowings		(10,918)	(2,007)
Payment of lease liability		(1,020)	(1,009)
Proceeds from bank loans		568,750	446,882
Proceeds from issuance of unsecured notes		550,857	–
Repayment of bank loans		(1,073,250)	(444,882)
Net cash used in financing activities		(175,688)	(208,944)

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

	Note	Group 2024 $'000	2023 $'000
Net increase in cash and cash equivalents		307,936	5,901
Cash and cash equivalents at beginning of the year		54,225	49,482
Effect of exchange rate fluctuations on cash held		(491)	(1,158)
Cash and cash equivalents at end of the year	10	361,670	54,225

Significant non-cash transactions

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

Financial year ended 31 December 2024

- a total of 7,114,108 Units, amounting to $1,977,000, were issued to the Manager as satisfaction of the Manager's management fees for the financial year.

Financial year ended 31 December 2023

- a total of 21,999,691 Units, amounting to $6,179,000, were issued to the Manager as satisfaction of the Manager's management fees for the financial year.

Notes to the Financial Statements

Year ended 31 December 2024

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 7 March 2025.

1 General

OUE Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 10 October 2013 (as amended) (the "Trust Deed") between OUE REIT Management Pte. Ltd. (the "Manager") and DBS Trustee Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was admitted to the Official List of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 27 January 2014 (the "Listing Date").

The principal activity of the Trust is to invest, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs and hospitality and/or hospitality-related purposes, within and outside of Singapore, as well as real estate-related assets. The principal activities of the subsidiaries are set out in Note 5.

The consolidated financial statements relate to the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is regarded as a subsidiary of OUE Limited ("OUE") for financial reporting purposes. Accordingly, the ultimate holding company of the Trust is Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands.

Several service agreements were entered into in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

(a) Manager's fees

The Manager is entitled to receive the following remuneration:

(i) a base fee of 0.3% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the value of the Deposited Property (as defined in the Trust Deed);

(ii) a performance fee of 25% per annum of the difference in DPU (as defined in the Trust Deed) in a financial year with the DPU in the preceding full financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year. The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year in which the performance fee is payable may be less than the DPU in the financial year prior to any preceding financial year;

(iii) an acquisition fee of 0.75% of the acquisition price of an investment property for acquisitions from related parties and 1.0% of the acquisition price for all other cases;

(iv) a divestment fee of 0.5% of the sale price of an investment property on all future disposals of properties; and

(v) a development management fee of 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of the Trust.

1 General (cont'd)

(a) Manager's fees (cont'd)

Any portion of the base fee payable in the form of Units is payable quarterly in arrears and any portion of the base fee payable in cash is payable monthly in arrears. The performance fee is paid annually in arrears, regardless of whether it is paid in the form of cash and/or Units. For the financial year ended 31 December 2024, 50% of the management base fee in 4Q 2024 was payable in the form of Units and no performance fee was recognised during the year. In 2023, 35% of the management base fee and performance fee were payable in the form of Units.

The acquisition, divestment and development management fees are payable in the form of Units and/or cash as the Manager may elect, and such proportion as may be determined by the Manager. For the financial year ended 31 December 2024, the divestment fee is fully payable in cash.

(b) Fees under the property management agreements

OUE Bayfront and OUE Downtown are managed by OUE Commercial Property Management Pte. Ltd. ("the Commercial Property Manager") and Mandarin Gallery is managed by OUE Property Management Pte. Ltd. (the "Retail Property Manager" and collectively with the Commercial Property Manager, the "Property Managers").

Pursuant to the property management agreement between the Trust and the Commercial Property Manager in respect of OUE Bayfront and OUE Downtown, the following fees are payable:

- A property management fee of (a) 2% per annum of the gross revenue of the relevant property and (b) 2% of the gross revenue less property expenses ("Net Property Income") for the relevant property (calculated before accounting for the property management fee in that financial period); and

- A lease management fee of 0.5% per annum of the Net Property Income for the relevant property (calculated before accounting for the property management fee in that financial period) in respect of lease management services.

The Commercial Property Manager is also entitled to a project management fee at a scale of between 1.35% to 3.0% of the construction cost or a fee to be mutually agreed in writing between the Manager, the Trustee and the Commercial Property Manager. During the financial year, no project management services were provided by the Commercial Property Manager. Where development management fees are payable to the Manager, there will not be any project management fees payable to the Commercial Property Manager and vice versa.

Pursuant to the property management agreement between OUE Hospitality Sub-Trust and the Retail Property Manager in respect of Mandarin Gallery, the following fees are payable:

- A property management fee of (a) 2% per annum of the gross revenue of Mandarin Gallery and (b) 2% per annum of the Net Property Income of Mandarin Gallery (calculated before accounting for the property management fee in that financial period); and

- A lease management fee of 0.5% per annum of the Net Property Income of Mandarin Gallery (calculated before accounting for the property management fee in that financial period), in respect of lease management services.

The property and lease management fees are payable monthly in arrears.

Notes to the Financial Statements

Year ended 31 December 2024

1 General (cont'd)

(c) Trustee's fee

The Trust

Pursuant to the Trust Deed, the Trustee's fee shall not exceed 0.1% per annum of the value of the Deposited Property or such higher percentage as may be fixed by an extraordinary resolution of a meeting of Unitholders. The Trustee's fee is presently charged at a scaled basis of up to 0.02% per annum of the value of the Deposited Property (subject to a minimum of $30,000 per month). The Trustee's fee is payable out of the Deposited Property on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore (the "MAS") and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Financial Reporting Standards ("FRS") in Singapore.

The changes to material accounting policies are described in Note 2.5.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements is described in Note 4 – valuation of investment properties.

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.

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgments (cont'd)

Measurement of fair values (cont'd)

The Group has an established process with respect to the measurement of fair values.

The Manager reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Manager assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable 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 4 – investment properties
- Note 25 – financial instruments

2.5 Changes in material accounting policies

New accounting standards and amendments

The Group has applied the following amendments to FRSs for the first time for the annual period beginning on 1 January 2024:

- Amendments to FRS 1 *Classification of Liabilities as Current or Non-current and*
Amendments to FRS 1 *Non-current Liabilities with Covenants*
- Amendments to FRS 116 *Lease Liability in a Sale and Leaseback*
- Amendments to FRS 7 and FRS 107 *Supplier Finance Arrangements*

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

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies

The accounting policies set out below have been applied by the Group entities consistently to all the periods presented in these financial statements.

3.1 Basis of consolidation

(i) 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.

(ii) Investment in joint venture

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 the rights to its assets and obligations for its liabilities.

Investment in joint venture is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss of equity-accounted investee, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

(iii) Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income or expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related components of equity. Any resulting gain or loss is recognised in statements of total return.

3.2 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statements of total return.

The cost of a purchased property comprises its purchase price and any directly attributable expenditure, including transaction costs. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the CIS Code issued by the MAS.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statements of total return.

3 Material accounting policies (cont'd)

3.2 Investment properties (cont'd)

The investment properties are subject to continued maintenance and regularly revalued on the basis set out above. For income tax purposes, the Group may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

3.3 Financial instruments

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.

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified and measured at amortised cost or FVTPL.

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

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as 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 (SPPI) on the principal amount outstanding.

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.

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies (cont'd)

3.3 Financial instruments (cont'd)

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.

Held to collect

The Group holds financial assets which arise from its investment properties. The objective of the business model for these financial instruments is to collect the amounts due from the Group's receivables and to earn contractual interest income on the amounts collected.

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

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

A prepayment feature is consistent with the sole 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 the statements of total return. Any gain or loss on derecognition is recognised in the statements of total return.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses are recognised in the statements of total return.

3 Material accounting policies (cont'd)

3.3 Financial instruments (cont'd)

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

Financial liabilities are classified and measured at amortised cost.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statements of total return.

(i) Derecognition

Financial assets

The Group derecognises a financial asset when:

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

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statements 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, 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 the statements of total return.

(ii) Offsetting

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

(iii) Derivative financial instruments and hedge accounting

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

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies (cont'd)

3.3 Financial instruments (cont'd)

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

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statements of total return.

The Group designates certain derivatives as hedging instruments in qualifying hedging relationships.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in unitholders' funds and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statements of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in unitholders' funds until it is reclassified to the statements of total return in the same period or periods as the hedged expected future cash flows affect the statements of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statements of total return.

3.4 Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its 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 CGU.

3 Material accounting policies (cont'd)

3.4 Impairment (cont'd)

Non-financial assets (cont'd)

Impairment losses are recognised in the statements of total return.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Unitholders' funds

Unitholders' funds are classified as equity.

Issue costs relate to expenses incurred in connection with the issue of units. The expenses are deducted directly against unitholders' funds.

3.6 Convertible perpetual preferred units

The convertible perpetual preferred units do not have a maturity date and distribution payment is optional at the discretion of the Manager of the Trust. As the Trust does not have a contractual obligation to repay the principal nor make any distributions, the convertible perpetual preferred units are classified as equity.

Any distributions made are directly debited from equity. Incremental costs directly attributable to the issue of the convertible perpetual preferred units are deducted against the proceeds from the issue.

3.7 Revenue recognition

(i) Rental income

Rental income from investment properties is recognised in the statements of total return on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable rent is recognised as income in the accounting period in which it is earned and can be reliably estimated.

(ii) Service fee income

Revenue from servicing and maintaining the investment property is recognised on a time apportioned basis following the timing of satisfaction of performance obligations.

(iii) Car park income

Car park income consists of season and hourly parking income. Season parking income is recognised as it accrues on a time apportioned basis. Hourly parking income is recognised at a point of time upon the utilisation of car parking facilities.

(iv) Dividend income

Dividend income is recognised in the statements of total return on the date that the Trust's right to receive payment is established.

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies (cont'd)

3.8 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;
- amortisation of debt-related transaction costs;
- hedge ineffectiveness recognised in the statements of total return; and
- the reclassification of net gains and losses previously recognised in unitholders' funds on cash flow hedges of interest rate risk for borrowings.

Foreign currency gains and losses are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements are in a net gain or net loss position.

Interest income or expense is recognised under 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 the statements of total return using the effective interest method.

3.9 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statements of total return except to the extent that it relates to items recognised directly in unitholders' funds.

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 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.

3 Material accounting policies (cont'd)

3.9 Income 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; and

- temporary differences relating to investments in subsidiaries and investment in joint venture 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.

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. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. 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.

Tax Transparency Ruling

The Inland Revenue Authority of Singapore ("IRAS") has issued a Tax Transparency Ruling ("Ruling") to the Trust in respect of certain taxable income ("Specified Taxable Income"). Subject to meeting the terms and conditions of the Ruling which includes a distribution of at least 90% of the Specified Taxable Income of the Trust in the same year, the Trust will not be assessed to tax on the Specified Taxable Income distributed to the Unitholders. Instead, the Trustee and the Manager would undertake to deduct income tax at the prevailing corporate tax rate (currently at 17%) from distributions made to Unitholders out of such Specified Taxable Income, except:

(i) where the beneficial owners are individuals or qualifying unitholders, the Trustee and the Manager will make the distributions to such unitholders without deducting any income tax; or

(ii) where the beneficial owners are qualifying non-resident individual unitholders, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10%; or

(iii) where the beneficial owners are qualifying non-resident funds, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10%.

The Ruling does not apply to gains from the sale of real properties. Such gains, when determined by the IRAS to be trading gains, are assessable to tax on the Trustee. Where the gains are capital gains, the Trustee will not be assessed to tax and may distribute the capital gains without tax being deducted at source.

Any distributions made by the Trust to the Unitholders out of tax-exempt income and taxed income would be exempt from Singapore income tax in the hands of all Unitholders, regardless of their corporate or residence status.

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies (cont'd)

3.10 Segment reporting

An operating segment is a component of the Group that engages in business activities from which they may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the other components of the Group. All operating segments' operating results are reviewed regularly by the Board of Directors of the Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors of the Manager include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fees and trust expenses.

3.11 New standards not yet adopted

A number of new standards and amendments to standards are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 32.

4 Investment properties

	Group		Trust	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
At 1 January	5,630,357	5,539,164	930,000	930,000
Capital expenditure capitalised	11,618	22,460	2,296	819
Disposal of a subsidiary (Note 30)	(311,136)	–	–	–
Lease incentives	(3,461)	(554)	(4)	219
Fair value changes recognised in the statements of total return*	(153,570)	84,527	(2,292)	(1,038)
Translation differences	(4,272)	(15,240)	–	–
At 31 December	5,169,536	5,630,357	930,000	930,000

* In 2023, excluding the fair value gain of $2,947,000 arising from the reversal of unutilised income support related to the sale of OUE Bayfront in 2021, total fair value changes recognised in the statements of total return for the Group and the Trust, amounted to $87,474,000 and $1,909,000 respectively.

As at 31 December 2023, investment property with a carrying amount of $930,000,000 was pledged as security to secure bank loans (see Note 11).

4 Investment properties (cont'd)

Measurement of fair value

The investment properties are stated at fair value at the reporting date.

Properties	Valuer
31 December 2024	
OUE Downtown Office	Savills Valuation and Professional Services (S) Pte Ltd
One Raffles Place	Savills Valuation and Professional Services (S) Pte Ltd
Crowne Plaza Changi Airport	Cushman & Wakefield VHS Pte Ltd
Hilton Singapore Orchard	Cushman & Wakefield VHS Pte Ltd
Mandarin Gallery	Cushman & Wakefield VHS Pte Ltd
31 December 2023	
OUE Downtown Office	Savills Valuation and Professional Services (S) Pte Ltd
One Raffles Place	Savills Valuation and Professional Services (S) Pte Ltd
Crowne Plaza Changi Airport	Cushman & Wakefield VHS Pte Ltd
Hilton Singapore Orchard	Cushman & Wakefield VHS Pte Ltd
Mandarin Gallery	Cushman & Wakefield VHS Pte Ltd
Lippo Plaza	CBRE (Shanghai) Management Limited

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

The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation method capitalises an income stream into a present value using single-year capitalisation rate. The direct comparison method involves the analysis of comparable sales of similar properties, with adjustments made to differentiate the comparables in terms of location, area, quality and other relevant factors.

In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of the current market conditions. The fair value measurement of all of the Group's investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2.4).

	Group	
	2024	**2023**
	$'000	**$'000**
Fair value of investment properties (based on independent valuation)	5,145,800	5,606,541
Add: Carrying amount of lease liability	22,716	22,816
Add: Prepayment of lease	1,020	1,000
Carrying amount of investment properties	5,169,536	5,630,357

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Year ended 31 December 2024

4 Investment properties (cont'd)

Valuation techniques and significant unobservable inputs

The following table shows the Group's valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Commercial (Singapore)	Hospitality (Singapore)	Commercial (China)*	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flow method	Discount rate				The estimated fair value would increase/(decrease) if: ● discount rate was lower (higher); ● terminal yield rate was lower (higher).
	2024	6.5% - 7.0%	6.8% - 7.0%	–	
	2023	6.5% - 7.0%	7.0% - 7.25%	7.5%	
	Terminal yield rate				
	2024	3.8% - 5.3%	4.8% - 6.0%	–	
	2023	3.8% - 5.8%	5.0% - 6.0%	4.8%	
Capitalisation method	Capitalisation rate				The estimated fair value would increase/(decrease) if the capitalisation rate was lower (higher).
	2024	3.5% - 5.0%	–	–	
	2023	3.5% - 5.0%	–	4.5%	
Direct comparison method	Price per square foot (psf)				The estimated fair value would increase/(decrease) if the price psf was higher (lower).
	2024	$1,758 - $3,571	–	–	
	2023	$1,755 - $3,591	–	–	

* Lippo Plaza was disposed in December 2024.

5 Investments in subsidiaries

	Trust 2024 $'000	Trust 2023 $'000
Equity investments at cost	2,701,304	2,701,304
Less: Allowance for impairment loss	(61,561)	(17,898)
	2,639,743	2,683,406

The movement in the allowance for impairment loss on investment in subsidiaries are as follows:

	Trust 2024 $'000	Trust 2023 $'000
At 1 January	17,898	147,645
Impairment loss recognised/(reversed)	43,663	(129,747)
At 31 December	61,561	17,898

5 Investments in subsidiaries (cont'd)

The Trust has assessed the carrying amount of the investments in subsidiaries for indications of impairment annually. The recoverable amounts of the subsidiary were assessed based on fair value less costs to sell estimated using the revalued net assets of the subsidiary, taking into consideration the fair value of the underlying properties held by the subsidiary. Based on this assessment, additional impairment loss of $43,663,000 (2023: reversal of impairment loss of $129,747,000) on its investments in subsidiaries was recognised in statements of total return as estimated recoverable amount is lower than the carrying amount. The fair value measurement was categorised as level 3 on the fair value hierarchy.

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Ownership interest 2024 %	Ownership interest 2023 %
Direct subsidiaries				
OUE Eastern Pte. Ltd.[1]	Singapore	Investment holding	100	100
OUE REIT Treasury Pte. Ltd.[1]	Singapore	Provision of financial services	100	100
Beacon Property Holdings Pte. Ltd.[1]	Singapore	Investment holding	100	100
OUE Hospitality Sub-Trust[1]	Singapore	Property owner and investment holding	100	100
Indirect subsidiaries				
Tecwell Pte. Ltd.[1]	Singapore	Investment holding	100	100
Cresthill Property Holdings Pte. Ltd. [1]	Singapore	Investment holding	100	100
De Ting Nuo Enterprise Management Consulting (Shanghai) Co., Ltd.	China	Enterprise management consulting and business consulting	100	–
Lippo Realty (Shanghai) Limited[2]	China	Property owner	–	100
OUB Centre Limited[1]	Singapore	Property owner and investment holding	83.33	83.33

(1) Audited by KPMG LLP, Singapore.
(2) Audited by KPMG China (a member firm of KPMG International).

Notes to the Financial Statements

Year ended 31 December 2024

5 Investments in subsidiaries (cont'd)

Non-controlling interests

The non-controlling interests ("NCI") relate to the following subsidiary:

Name	Principal place of business/ Country of incorporation	Ownership interest held by NCI 2024 %	2023 %
OUB Centre Limited	Singapore	16.67	16.67

The following summarised financial information of the above subsidiary is prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	OUB Centre Limited 2024 $'000	2023 $'000
Revenue	87,665	86,222
Profit and total comprehensive income	56,477	34,016
Profit and total comprehensive income attributable to NCI	9,413	5,670
Non-current assets	1,927,368	1,909,861
Current assets	12,282	11,624
Non-current liabilities	(360,868)	(365,429)
Current liabilities	(32,900)	(28,883)
Net assets	1,545,882	1,527,173
Net assets attributable to NCI	257,647	254,529
Cash flows from operating activities	59,433	55,536
Cash flows used in investing activities	(1,773)	(2,441)
Cash flows used in financing activities	(58,092)	(53,060)
Net (decrease)/increase in cash and cash equivalents	(432)	35
Dividends paid to NCI	(6,400)	(6,000)

6 Investment in joint venture

	Group 2024 $'000	Group 2023 $'000	Trust 2024 $'000	Trust 2023 $'000
Investment in joint venture	376,336	353,719	319,291	316,878

6 Investment in joint venture (cont'd)

Details of the joint venture are as follows:

Name of joint venture	Place of constitution/ business	Principal activities	Effective equity interest held by the Trust 2024 %	2023 %
OUE Allianz Bayfront LLP [(1)]	Singapore	Property owner and investment holding	50	50

(1) Audited by KPMG LLP, Singapore.

The following table summarises the financial information of OUE Allianz Bayfront LLP, based on its financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition.

	2024 $'000	2023 $'000
Revenue	66,197	63,105
Profit from continuing operations [a]	65,794	33,771
Group's share of total return (50%)	32,898	16,886
Non-current assets	1,388,000	1,343,479
Current assets [b]	6,172	3,645
Non-current liabilities [c]	(632,550)	(630,226)
Current liabilities [d]	(8,950)	(9,461)
Net assets (100%)	752,672	707,437
Group's 50% interest in joint venture at beginning of the year	353,719	347,332
Share of total return for the year [e]	32,898	16,886
Share of movement in Unitholders' fund	(1,250)	(1,837)
Dividends received during the year	(9,031)	(8,662)
Carrying amount of interest in joint venture at end of the year	376,336	353,719
Group's share of joint venture's capital commitments	316	24

a Includes interest expense of $30,602,000 (2023: $31,446,000).
b Includes cash and cash equivalents of $2,922,000 (2023: $1,514,000).
c Includes non-current financial liabilities (excluding trade and other payables) of $13,391,000 (2023: $14,390,000).
d Includes current financial liabilities (excluding trade and other payables and provisions) of $3,236,000 (2023: $2,179,000).
e Includes capital expenditure of $2,414,000 (2023: nil) borne by the Trust.

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Year ended 31 December 2024

7 Financial derivatives

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Derivative assets				
Interest rate swaps used for hedging				
- Current	–	3,274	–	869
- Non-current	2,200	–	119	–
	2,200	3,274	119	869
Derivative liabilities				
Interest rate swaps used for hedging				
- Current	(167)	–	(167)	–
- Non-current	(2,352)	(244)	(1,371)	(244)
	(2,519)	(244)	(1,538)	(244)
Financial derivatives as a percentage of net assets	(0.1%)	0.1%	(0.1%)	0.1%

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing bank loans. Interest rate swaps are used to swap the interest expense of bank loans from floating rates to fixed rates.

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statements of financial position. This is because the Group does not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events.

7 Financial derivatives (cont'd)

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

	Gross amounts of recognised financial instruments $'000	Gross amounts of recognised financial instruments offset in the statements of financial position $'000	Net amounts of financial instruments included in the statements of financial position $'000	Related financial instruments that are not offset $'000	Net amount $'000
Group					
31 December 2024					
Derivatives assets					
Interest rate swaps used for hedging	2,200	–	2,200	(2,200)	–
Derivatives liabilities					
Interest rate swaps used for hedging	(2,519)	–	(2,519)	2,200	(319)
31 December 2023					
Derivatives assets					
Interest rate swaps used for hedging	3,274	–	3,274	(244)	3,030
Derivatives liabilities					
Interest rate swaps used for hedging	(244)	–	(244)	244	–
Trust					
31 December 2024					
Derivatives assets					
Interest rate swaps used for hedging	119	–	119	(119)	–
Derivatives liabilities					
Interest rate swaps used for hedging	(1,538)	–	(1,538)	119	(1,419)

Notes to the Financial Statements

Year ended 31 December 2024

7 Financial derivatives (cont'd)

	Gross amounts of recognised financial instruments $'000	Gross amounts of recognised financial instruments offset in the statements of financial position $'000	Net amounts of financial instruments included in the statements of financial position $'000	Related financial instruments that are not offset $'000	Net amount $'000
Trust					
31 December 2023					
Derivatives assets					
Interest rate swaps used for hedging	869	–	869	(244)	625
Derivatives liabilities					
Interest rate swaps used for hedging	(244)	–	(244)	244	–

8 Trade and other receivables

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Current				
Trade receivables from:				
- other related parties	8,559	7,861	–	–
- third parties	3,520	3,730	299	223
	12,079	11,591	299	223
Less: Allowance for doubtful receivables	(639)	(410)	–	–
	11,440	11,181	299	223
Interest receivables	185	1,187	167	602
Other receivables from:				
- subsidiaries	–	–	13,681	2,958
- other related parties	52	16	1	16
- joint venture	415	330	415	330
- third parties	10,827	7,562	484	551
	11,479	9,095	14,748	4,457
Deposits	25	273	3	3
	22,944	20,549	15,050	4,683
Prepayments	2,670	1,589	84	169
	25,614	22,138	15,134	4,852
Non-current				
Deposits	4,109	4,109	–	–
Prepayments	329	696	–	–
	4,438	4,805	–	–

8 Trade and other receivables (cont'd)

Trade receivables from related parties mainly relate to receivables from the master lessees of Hilton Singapore Orchard and Crowne Plaza Changi Airport. The receivables are considered to be held with a held-to-collect business model.

Outstanding balance with subsidiaries and related parties are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debt arising from these outstanding balances as the expected credit loss ("ECL") is not material.

Credit and market risks, and impairment losses

The Group and the Trust's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in Note 25.

The ageing of trade receivables that were not impaired at the reporting date is:

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Not past due	9,332	8,655	–	–
Past due 0 – 30 days	962	1,015	292	80
Past due 31 – 90 days	43	130	5	32
Past due over 90 days	1,103	1,381	2	111
	11,440	11,181	299	223

The movement in the allowance for doubtful receivables on trade receivables is as follows:

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
At 1 January	410	611	–	–
Allowance made	412	–	–	–
Disposal of a subsidiary	(184)	–	–	–
Write-back of allowance	–	(200)	–	–
Translation differences	1	(1)	–	–
At 31 December	639	410	–	–

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant difficulties and have defaulted on payments. The Group believes that the unimpaired amounts that are past due are still collectible based on historic payment behaviour and the deposits held.

Notes to the Financial Statements

Year ended 31 December 2024

9 Loans to a subsidiary

As at 31 December 2024, the Trust has:

- on-lent the proceeds of $555.0 million (2023: $5.0 million) from the issuance of the notes to OUE Hospitality Sub-Trust ("OUE H-Sub-Trust") (see Note 11(e)). The loans are unsecured and repayable on demand with fixed rates ranging from 3.90% to 4.10% (2023: 3.95%) per annum. The loans are not expected to be repaid in the next twelve months from the reporting date; and

- lent a loan of $30.6 million (2023: $27.1 million) to OUE H-Sub-Trust. The loan is unsecured, bears interest at SORA with a fixed margin per annum and matures in 2026.

10 Cash and cash equivalents

	Group		Trust	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank	6,656	20,853	2,580	2,274
Short-term deposits with financial institutions	355,014	33,372	–	1,000
	361,670	54,225	2,580	3,274

11 Loans and borrowings

	Group		Trust	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Bank loans				
- Secured	–	400,000	–	400,000
- Unsecured	1,163,500	1,268,000	439,500	–
Unsecured notes	950,000	400,000	–	–
Loan from a subsidiary	–	–	950,000	400,000
Less: Unamortised transaction costs	(13,865)	(12,881)	(11,432)	(5,203)
	2,099,635	2,055,119	1,378,068	794,797
Classified as:				
Current	115,265	–	105,265	–
Non-current	1,984,370	2,055,119	1,272,803	794,797
	2,099,635	2,055,119	1,378,068	794,797

11 Loans and borrowings (cont'd)

Terms and debt repayment schedule

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

			Group		Trust	
	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
2024						
Bank loans	4.03 – 4.89	2025 – 2029	1,163,500	1,153,487	439,500	431,920
Unsecured notes	3.90 – 4.10	2025 – 2031	950,000	946,148	–	–
Loan from a subsidiary	3.90 – 4.10	2025 – 2031	–	–	950,000	946,148
			2,113,500	2,099,635	1,389,500	1,378,068
2023						
Bank loans	4.74 – 5.51	2025 – 2028	1,668,000	1,658,257	400,000	397,935
Unsecured notes	3.95 – 4.00	2025 – 2027	400,000	396,862	–	–
Loan from a subsidiary	3.95 – 4.00	2025 – 2027	–	–	400,000	396,862
			2,068,000	2,055,119	800,000	794,797

(a) Secured bank loans

The Group does not have secured term loans and revolving credit facilities as at 31 December 2024. As of 31 December 2023, the Group has secured term loan and revolving credit facility which are secured on the following:

- investment property with a total carrying amount of $930,000,000 (Note 4);
- assignment of insurance policies on the investment property, except public liability insurance;
- assignment of all rights, titles, benefits and interests in connection with the sale and tenancy agreements, tenancy deposits/proceeds, sales deposits/proceeds, property management agreements and the receivables of the investment property;
- a debenture incorporating a fixed charge over book debt, charged accounts, goodwill, intellectual property and plant and machinery and floating charge over generally all of the present and future assets of the Trust in connection with the investment property; and
- the account control or charge over certain bank accounts of the Trust.

Notes to the Financial Statements

Year ended 31 December 2024

11 Loans and borrowings (cont'd)

(b) Unsecured bank loans

The Group has in place the following unsecured bank loans:

- a total of $1,358.0 million (2023: $1,308.0 million) committed bank loans and revolving credit facilities with banks. At the reporting date, $1,148.0 million (2023: $1,268.0 million) was drawn down; and

- $150.0 million (2023: $150.0 million) uncommitted revolving credit facility with banks. At the reporting date, $15.5 million (2023: nil) was drawn down. The outstanding balance of the drawn facilities is repayable on demand.

(c) Sustainability-linked loans

A total of $1,408.0 million (2023: $1,903.0 million) are sustainability-linked loans. These loans incorporate interest rate reductions linked to predetermined sustainability performance targets which will allow the Group to enjoy savings in interest costs when targets are achieved. At the reporting date, $1,148.0 million (2023: $1,668.0 million) was drawn down.

(d) Unsecured notes

In March 2020, the Trust, through its wholly-owned subsidiary, OUE REIT Treasury Pte. Ltd., established a $2.0 billion Multicurrency Debt Issuance Programme (the "2020 Programme"). Under the 2020 Programme, OUE REIT Treasury Pte. Ltd. may from time to time issue notes and/or perpetual securities in series or tranches.

During the year, OUE REIT Treasury Pte. Ltd. issued sustainability-linked notes amounting to $550.0 million under the 2020 Programme.

As at 31 December 2024, the unsecured notes outstanding under the 2020 Programme is $950.0 million (2023: $400.0 million). The unsecured notes have fixed rates ranging from 3.90% to 4.10% (2023: 3.95% to 4.00%) per annum payable semi-annually in arrears and mature between 2025 and 2031 (2023: 2025 and 2027).

In October 2024, the Trust, through its wholly-owned subsidiary, OUE REIT Treasury Pte. Ltd., established a $2.0 billion Euro Medium Term Note Programme (the "EMTN Programme"). Under the EMTN Programme, OUE REIT Treasury Pte. Ltd. may from time to time issue notes and/or perpetual securities in series or tranches. As at 31 December 2024, no notes have been issued under the EMTN programme.

The unsecured notes and the coupons relating thereto of all series will constitute direct, unconditional, unsubordinated and unsecured obligations of OUE REIT Treasury Pte. Ltd. and shall at all times rank pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than the subordinated obligations and priorities created by law) of OUE REIT Treasury Pte. Ltd.. All sums payable in respect of the unsecured notes will be unconditionally and irrevocably guaranteed by the Trustee, in its capacity as trustee of the Group.

(e) Loan from a subsidiary

OUE REIT Treasury Pte. Ltd. has on-lent the proceeds from the issuance of the notes to the Trust. The Trust has then on-lent $555.0 million (2023: $5.0 million) of the proceeds to a subsidiary, OUE Hospitality Sub-Trust.

11 Loans and borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		Derivative (assets)/ liabilities held to hedge long-term borrowings		
	Borrowings $'000	Lease liability $'000	Interest rate swap used for hedging – assets $'000	Interest rate swap used for hedging – liabilities $'000	Total $'000
Balance at 1 January 2024	2,055,119	22,816	(3,274)	244	2,074,905
Changes from financing cash flows*					
Proceeds from issuance of unsecured notes	550,857	–	–	–	550,857
Proceeds from bank loans	568,750	–	–	–	568,750
Repayment of bank loans	(1,073,250)	–	–	–	(1,073,250)
Payment of transaction costs related to borrowings	(10,918)	–	–	–	(10,918)
Payment of lease liability – principal	–	(100)	–	–	(100)
Payment of lease liability – interest	–	(920)	–	–	(920)
Total changes from financing cash flows	35,439	(1,020)	–	–	34,419
Change in fair value	–	–	1,074	2,275	3,349
Other changes					
Liability-related					
Amortisation of debt-related transaction costs	9,077	–	–	–	9,077
Financial liability measured at amortised cost – interest expense	–	920	–	–	920
Total liability-related other changes	9,077	920	–	–	9,997
Balance at 31 December 2024	2,099,635	22,716	(2,200)	2,519	2,122,670

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11 Loans and borrowings (cont'd)

	Liabilities		Derivative (assets)/ liabilities held to hedge long-term borrowings		
	Borrowings $'000	Lease liability $'000	Interest rate swap used for hedging – assets $'000	Interest rate swap used for hedging – liabilities $'000	Total $'000
Balance at 1 January 2023	2,049,459	25,280	(27,980)	–	2,046,759
Changes from financing cash flows*					
Proceeds from bank loans	446,882	–	–	–	446,882
Repayment of bank loans	(444,882)	–	–	–	(444,882)
Payment of transaction costs related to borrowings	(2,007)	–	–	–	(2,007)
Payment of lease liability – principal	–	(86)	–	–	(86)
Payment of lease liability – interest	–	(923)	–	–	(923)
Total changes from financing cash flows	(7)	(1,009)	–	–	(1,016)
Change in fair value	–	–	24,706	244	24,950
Other changes					
Liability-related					
Amortisation of debt-related transaction costs	5,667	–	–	–	5,667
Lease modification adjustment	–	(2,378)	–	–	(2,378)
Financial liability measured at amortised cost – interest expense	–	923	–	–	923
Total liability-related other changes	5,667	(1,455)	–	–	4,212
Balance at 31 December 2023	2,055,119	22,816	(3,274)	244	2,074,905

* Cashflow from financing activities presented in the consolidated statement of cash flows included interest expenses paid of $93,293,000 (2023: $85,296,000), which are included as part of interest payable in Note 12 – Trade and other payables. There are no material non-cash changes associated with interest payables.

12 Trade and other payables

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Current				
Trade payables	1,996	2,146	33	189
Other payables due to:				
- the Manager	3,543	3,726	1,977	3,726
- subsidiaries	–	–	3,325	194
- related parties	877	16,453	173	–
- joint venture	464	454	464	454
- third parties	5,012	14,032	414	613
Advance rental received	1,095	2,539	290	143
Accrued expenses	33,512	29,006	9,357	12,476
Interest payable to:				
- a subsidiary	–	–	4,397	1,499
- third parties	8,976	7,550	3,216	3,681
Rental deposits				
- related parties	104	–	74	–
- third parties	14,309	12,556	3,570	1,247
Other deposits				
- related parties	47	34	14	4
- third parties	1,659	1,844	315	338
	71,594	90,340	27,619	24,564
Non-current				
Rental deposits				
- related parties	608	627	299	316
- third parties	28,808	38,029	6,112	8,547
Provisions	–	2,999	–	2,999
	29,416	41,655	6,411	11,862

Other payables due to subsidiaries, related parties and joint venture are unsecured, interest-free and repayable on demand.

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13 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Investment properties	16,704	49,815	–	–
Plant and equipment	17	13,098	–	–
Other items	–	1,443	–	–
	16,721	64,356	–	–

Movements in deferred tax liabilities of the Group during the year are as follows:

	Investment properties $'000	Plant and equipment $'000	Others $'000	Total $'000
2024				
At 1 January 2024	49,815	13,098	1,443	64,356
Recognised in statements of total return (Note 22)	(33,035)	376	(192)	(32,851)
Disposal of a subsidiary (Note 30)	196	(13,327)	(1,237)	(14,368)
Translation differences	(272)	(130)	(14)	(416)
At 31 December 2024	16,704	17	–	16,721
2023				
At 1 January 2023	62,243	12,075	1,791	76,109
Recognised in statements of total return (Note 22)	(11,139)	1,409	(293)	(10,023)
Translation differences	(1,289)	(386)	(55)	(1,730)
At 31 December 2023	49,815	13,098	1,443	64,356

14 Convertible perpetual preferred units

In October 2015, the Group and the Trust issued 550 million Convertible Perpetual Preferred Units ("CPPU") at $1 per Unit to a substantial unitholder of the Trust and a related party of the Manager, as partial satisfaction of the purchase consideration for the subsidiaries acquired. The key terms and conditions of the CPPUs are as follows:

- the CPPU holder has the right to receive preferential non-cumulative distribution of an amount equivalent to 1.0% per annum of the issue price which may be declared by the Manager at its sole discretion;
- any preferential distribution or part thereof not due or payable shall not accumulate for the benefit of the CPPU holder or entitle the CPPU holder to any claim in respect thereof against the Trust, the Trustee and/or the Manager;
- the CPPUs rank senior to the Units in respect of the entitlement to participate in the distributions of the Trust and rank senior to the Units in respect of the entitlement to receive out of the assets of the Trust the amount equivalent to the number of CPPUs held by the CPPU holder multiplied by the issue price and outstanding preferred and special preferred distribution upon the liquidation of the Trust. The CPPUs rank junior to the claims of all other present and future creditors of the Trust;
- the CPPU holder has the sole right to convert the CPPUs into Units, provided that the number of CPPUs converted in each financial year shall not exceed one-third of the total number of CPPUs initially issued to the CPPU holder, at a conversion price of $0.7154 per CPPU, being the adjusted conversion price pursuant to the rights issue undertaken by the Trust in October 2018. The CPPUs may not be converted into Units for a period of four years commencing from the date of issuance of the CPPUs on 8 October 2015;
- the Manager shall have the sole right to redeem any number of CPPUs for the time being issued and outstanding on a pro-rata basis at the issue price at all times;
- the Manager shall not declare distributions or pay any distributions to the Unitholders, or make any redemption, unless the Manager declares or pays distributions to the CPPU holder; and
- the CPPU holder does not have the right to attend and vote at the meetings of Unitholders except during such period as the preferred or special preferred distribution remains in arrears and unpaid for at least 12 months, or upon any resolution which varies or abrogates any right, preference or privilege of the CPPUs, or upon any resolution for the dissolution or winding up of the Trust.

The CPPUs are classified as equity instruments in the statements of financial position.

The carrying value of the remaining 220.0 million (2023: 220.0 million) CPPUs and the total return attributable to the CPPU holder from the last distribution date is presented as $212,306,000 (2023: $212,309,000) in the statement of financial position.

Notes to the Financial Statements

Year ended 31 December 2024

15 Units in issue and to be issued

	Group and Trust	
	2024	2023
	'000	'000
Units in issue		
At 1 January	5,485,915	5,465,002
Creation of Units:		
- Manager's management fees paid in Units	7,035	20,913
At 31 December	5,492,950	5,485,915
Units to be issued		
Manager's management fees payable in Units	7,114	7,035
Units in issue and to be issued	5,500,064	5,492,950

Financial year ended 31 December 2024

During the financial year, the following Units were issued:

- 7,034,442 Units were issued at issue price of $0.29 per Unit, amounting to $2,006,000 as satisfaction of the Manager's management fees payable in Units.

Financial year ended 31 December 2023

During the financial year, the following Units were issued:

- 20,913,229 Units were issued at issue prices ranging from $0.22 to $0.34 per Unit, amounting to $6,186,000 as satisfaction of the Manager's management fees payable in Units.

Each Unit in the Trust represents an undivided interest in the Trust.

A Unitholder has no equitable or proprietary interest in the underlying asset of the Group and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interests in any asset and the real estate-related assets (or any part thereof) of the Group.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

16 Net asset value per Unit

	Note	Group 2024	Group 2023	Trust 2024	Trust 2023
Net asset value per Unit is based on:					
- Net assets attributable to Unitholders ($'000)		3,187,301	3,311,192	2,866,525	2,927,603
- Units in issue and to be issued at 31 December ('000)	15	5,500,064	5,492,950	5,500,064	5,492,950

17 Revenue

	Group 2024 $'000	Group 2023 $'000	Trust 2024 $'000	Trust 2023 $'000
Rental income	268,828	259,269	41,497	41,218
Service fee income	20,255	18,909	6,899	6,641
Carpark income	1,767	1,936	–	–
Dividend income	–	–	112,817	99,031
Others	4,671	4,941	576	963
	295,521	285,055	161,789	147,853

Under the terms of the lease agreements for the properties, the Group and the Trust are generally entitled to a fixed rent component and/or a variable rent component computed based on a certain percentage of the revenue. Hilton Singapore Orchard is leased to a related party under a master lease arrangement. The lease contains an initial term of 15 years from 25 July 2013 with an option to renew for a further 15 years. Crowne Plaza Changi Airport is leased to a related party under a master lease agreement till 27 May 2028, with an option to renew for two consecutive terms of five years each.

Included in rental income is variable rental income of $3,286,000 (2023: $3,806,000) recognised in the statements of total return for the Group and the Trust, respectively.

Included in the revenue of the Group and the Trust are amounts derived from related parties of $109,142,000 (2023: $99,770,000).

Others include miscellaneous income such as utilities and annual license fee, which are recognised over time as the service is provided.

Notes to the Financial Statements

Year ended 31 December 2024

18 Property operating expenses

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Property maintenance expenses	14,747	14,016	3,977	4,091
Property management fees	3,179	2,222	1,920	980
Property-related taxes	24,061	16,436	3,326	3,824
Insurance	886	741	121	90
Utilities	5,441	4,880	1,117	993
Land rent expenses	4,331	3,520	–	–
Centre management costs	5,198	4,671	–	–
Others	3,643	3,602	289	147
	61,486	50,088	10,750	10,125
Centre management costs comprise:				
Salaries, bonuses and other costs	4,707	4,187	–	–
Contributions to defined contribution plans	491	484	–	–
	5,198	4,671	–	–

19 Manager's management fees

	Group and Trust	
	2024 $'000	2023 $'000
Base fee	16,084	16,011
Performance fee	–	1,643
	16,084	17,654

The Manager's management fees comprise an aggregate of 7,114,108 (2023: 21,999,691) Units, amounting to approximately $1,977,000 (2023: $6,179,000), will be issued to the Manager as satisfaction of the Manager's management fees payable in Units at unit price of $0.28 (2023: $0.22 to $0.33) per Unit.

20 Net finance costs

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Finance income				
Interest income	774	964	9,405	2,546
Ineffective portion of changes in fair value of cash flow hedges	2,881	2,040	438	862
	3,655	3,004	9,843	3,408
Finance costs				
Amortisation of debt-related transaction costs	(9,077)	(5,667)	(4,690)	(2,329)
Interest paid/payable to a subsidiary	–	–	(23,929)	(13,958)
Interest paid/payable to banks*	(96,549)	(86,948)	(18,978)	(18,695)
Net change in fair value of derivatives	(7,814)	(21,267)	(3,514)	(3,471)
Net foreign exchange difference	(2,351)	(42)	(3)	3
Financial liability measured at amortised cost – interest expense	(920)	(923)	–	–
	(116,711)	(114,847)	(51,114)	(38,450)
Net finance costs	(113,056)	(111,843)	(41,271)	(35,042)

* Includes gain on cash flow hedges of $3,031,000 (2023: $12,479,000) transferred from hedging reserve.

The above finance income and expenses include the following interest income and expense and debt-related transaction costs in respect of assets and liabilities not at fair value through statements of total return:

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Total interest income on financial assets	774	964	9,405	2,546
Total interest expense on financial liabilities and debt-related transaction costs	(110,348)	(110,581)	(48,944)	(39,138)

Notes to the Financial Statements

Year ended 31 December 2024

21 Total (loss)/return for the year before tax

Included in total (loss)/return for the year before tax are the following:

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Audit fees paid/payable to:				
- Auditors of the Trust	227	299	76	115
- Auditors of other firms affiliated with KPMG International Limited	52	55	–	–
Non-audit fees paid/payable to:				
- Auditors of the Trust#	168	78	122	40
- Auditors of other firms affiliated with KPMG International Limited#	6	6	–	–
Valuation fees	90	88	15	15

Non-audit fees paid to auditors of the Trust and other firm affiliated with KPMG International Limited include audit-related services of $69,000 (2023: $18,000).

22 Tax expense

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Current tax expense				
Current year	11,476	11,580	–	–
Changes in estimates relating to prior years	–	(36)	–	–
	11,476	11,544	–	–
Withholding tax	33,267	958	–	–
Deferred tax credit				
Origination and reversal of temporary differences (Note 13)	(32,851)	(10,023)	–	–
	11,892	2,479	–	–

22 Tax expense (cont'd)

Reconciliation of effective tax rate

	Group		Trust	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Total (loss)/return for the year before tax	(47,016)	208,258	45,754	214,836
Tax calculated using Singapore tax rate of 17% (2023: 17%)	(7,993)	35,403	7,778	36,522
Effect of tax rates in foreign jurisdictions	(9,307)	(2,111)	–	–
Non-tax deductible items	13,971	7,186	11,563	3,662
Non-taxable items	(4,703)	(24,055)	(75)	(22,579)
Tax exempt income	–	–	(19,179)	(16,835)
Changes in estimates relating to prior years	–	(36)	–	–
Tax losses not available to carry forward	2	9	–	–
Tax transparency (Note 3.9)	(13,345)	(14,875)	(87)	(770)
Withholding tax	33,267	958	–	–
	11,892	2,479	–	–

23 Earnings per Unit

(i) Basic earnings per Unit

The calculation of basic earnings per Unit was based on the total return attributable to Unitholders and the weighted average number of Units, as set out below:

Total return attributable to Unitholders

	Group	
	2024	**2023**
	$'000	**$'000**
Total (loss)/return for the year attributable to Unitholders and CPPU holder	(68,321)	200,109
Less: Amount reserved for distribution to CPPU holder	(2,200)	(2,200)
Total (loss)/return attributable to Unitholders	(70,521)	197,909

Weighted average number of Units

	Group	
	2024	**2023**
	'000	**'000**
Units issued or to be issued at beginning of the year	5,492,950	5,470,950
Effect of Units issued during the year	–	7,060
Effect of Units to be issued as payment of the Manager's management fees payable in Units	19	20
Weighted average number of Units during the year	5,492,969	5,478,030

Notes to the Financial Statements

Year ended 31 December 2024

23 Earnings per Unit (cont'd)

(ii) Diluted earnings per Unit

The calculation of diluted earnings per Unit was based on the total return attributable to Unitholders and CPPU holder and the weighted average number of Units, after adjustment for the effect of all dilutive potential Units, as set out below:

Total return attributable to Unitholders (diluted)

	Group	
	2024	**2023**
	$'000	**$'000**
Total (loss)/return attributable to Unitholders (basic)	(70,521)	197,909
Add: Amount reserved for distribution to CPPU holder	2,200	2,200
Total (loss)/return attributable to Unitholders and CPPU holder (diluted)	(68,321)	200,109

Weighted average number of Units (diluted)

	Group	
	2024	**2023**
	'000	**$'000**
Weighted average number of Units (basic)	5,492,969	5,478,030
Effect of the Manager's fees paid/payable in Units	–	14,920
Effect of conversion of CPPUs into Units [1]	–	307,520
Weighted average number of Units (diluted)	5,492,969	5,800,470

[1] The weighted average number of Units includes the weighted average potential Units to be issued assuming all the remaining CPPUs were converted at $0.7154 per Unit, being the adjusted conversion price pursuant to the rights issue. As at 31 December 2024, 314,614,939 Units (2023: nil) were excluded from the diluted weighted average number of Units calculations as their effect would have been anti-diluted.

24 Operating segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment net property income, as included in the internal management reports that are reviewed by the Board of Directors of the Manager. Segment net property income is used to measure performance as management believes that such information is the most relevant in evaluating the results of its segments relative to other entities that operate within the same industry.

24 Operating segments (cont'd)

Information about reportable segments

	Commercial $'000	Hospitality $'000	Total $'000
Year ended 31 December 2024			
Revenue	189,608	105,913	295,521
Property operating expenses	(48,006)	(13,480)	(61,486)
Reportable segment net property income	141,602	92,433	234,035
Depreciation	(61)	–	(61)
Finance income	1,693	1,962	3,655
Finance costs	(71,347)	(45,364)	(116,711)
Unallocated items			
- Expenses			(18,421)
Net income			102,497
Share of joint venture results			30,484
Net change in fair value of investment properties	(121,557)	(32,013)	(153,570)
Loss on disposal of a subsidiary	(26,427)	–	(26,427)
Tax expense			(11,892)
Total loss for the year			(58,908)
31 December 2024			
Total assets	4,065,155	1,874,746	5,939,901
Year ended 31 December 2023			
Revenue	187,802	97,253	285,055
Property operating expenses	(44,419)	(5,669)	(50,088)
Reportable segment net property income	143,383	91,584	234,967
Depreciation	(66)	–	(66)
Finance income	2,057	947	3,004
Finance costs	(64,908)	(49,939)	(114,847)
Unallocated items			
- Expenses			(19,160)
Net income			103,898
Net change in fair value of investment properties	(47,212)	134,686	87,474
Share of joint venture results			16,886
Tax expense			(2,479)
Total return for the year			205,779
31 December 2023			
Total assets	4,168,125	1,900,586	6,068,711

Notes to the Financial Statements

Year ended 31 December 2024

24 Operating segments (cont'd)

Geographical information

The Group has two reportable segments, which are Singapore and China. The reporting segments operate in different countries and are managed separately because of the differences in operating and regulatory environment. For each of the reporting segments, the Board of Directors of the Manager reviews internal management reports on a regular basis.

Information about reportable segments

	Singapore $'000	China $'000	Total $'000
Year ended 31 December 2024			
Revenue	273,266	22,255	295,521
Property operating expenses	(57,133)	(4,353)	(61,486)
Reportable segment net property income	216,133	17,902	234,035
Depreciation	(58)	(3)	(61)
Finance income	2,916	739	3,655
Finance costs	(116,693)	(18)	(116,711)
Unallocated items			
- Expenses			(18,421)
Net income			102,497
Share of joint venture results			30,484
Net change in fair value of investment properties	(18,699)	(134,871)	(153,570)
Loss on disposal of a subsidiary	–	(26,427)	(26,427)
Tax expense			(11,892)
Total loss for the year			(58,908)
31 December 2024			
Total assets	5,584,887	355,014	5,939,901
Year ended 31 December 2023			
Revenue	261,885	23,170	285,055
Property operating expenses	(44,854)	(5,234)	(50,088)
Reportable segment net property income	217,031	17,936	234,967
Depreciation	(61)	(5)	(66)
Finance income	2,302	702	3,004
Finance costs	(114,698)	(149)	(114,847)
Unallocated items			
- Expenses			(19,160)
Net income			103,898
Net change in fair value of investment properties	132,014	(44,540)	87,474
Share of joint venture results			16,886
Tax expense			(2,479)
Total return for the year			205,779
31 December 2023			
Total assets	5,573,449	495,262	6,068,711

25 Financial instruments

Financial risk management

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors of the Manager has overall responsibility for the establishment and oversight of the risk management framework of the Group. The Audit and Risk Committee of the Manager assists the Board of Directors and oversees how the Manager monitors compliance with the risk management policies and procedures of the Group, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee reports regularly to the Board of Directors on its activities.

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 exposure of the Group to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a lessee to settle its financial and contractual obligations to the Group, as and when they fall due.

Concentration of credit risk is limited due to many varied tenants.

Credit evaluations are performed before lease agreements are entered into with prospective tenants. Rental deposits are obtained, where appropriate, to mitigate credit risk. In addition, the Manager monitors closely the balances due from its tenants.

Expected credit loss assessment for individual tenants

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual tenants.

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.

The Group has established an allowance account for impairment that represents its estimate of losses in respect of trade receivables due from specific customers. The Group believes that no allowance for impairment is necessary in respect of the remaining trade receivables as these receivables relate mainly to tenants that have a good record with the Group or have sufficient security deposits as collateral, and hence ECL is not material.

Notes to the Financial Statements

Year ended 31 December 2024

25 Financial instruments (cont'd)

Credit risk (cont'd)

Loans to a subsidiary, other receivables and deposits

Impairment on loans to a subsidiary, other receivables and deposits has been measured on the 12 months expected loss basis and the amount of the allowance is insignificant.

Cash and cash equivalents

The Group and the Trust held cash and cash equivalents of $361,670,000 and $2,580,000 respectively at 31 December 2024 (2023: $54,225,000 and $3,274,000 respectively). The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected 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.

Derivatives

At the reporting date, the Group has interest rate swap with a total notional amount of $775.0 million (2023: $1,065.0 million). The Trust has interest rate swap contracts with a total notional amount of $350.0 million (2023: $360.0 million).

The derivatives are entered into with bank and financial institution counterparties, which are rated Aa1/P-1 to A3/P-2, based on Moody's ratings.

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 statements of financial position.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

As at 31 December 2024, the Group maintains term loans and revolving credit facilities of $1,508.0 million (2023: $1,998.0 million) with banks. At the reporting date, $1,163.5 million (2023: $1,668.0 million) of the facilities was utilised.

As at 31 December 2024, the Group has issued unsecured notes of $950.0 million (2023: $400.0 million) through OUE REIT Treasury Pte. Ltd. as part of its $2.0 billion Multicurrency Debt Issuance Programme.

25 Financial instruments (cont'd)

Liquidity risk (cont'd)

The following are the remaining contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Within 2 to 5 years $'000	Cash flows: More than 5 years $'000
Group					
2024					
Non-derivative financial liabilities					
Trade and other payables*	(99,915)	(99,915)	(70,499)	(28,427)	(989)
Loans and borrowings	(2,099,635)	(2,402,182)	(202,772)	(1,879,088)	(320,322)
Lease liability	(22,716)	(58,815)	(1,020)	(4,080)	(53,715)
	(2,222,266)	(2,560,912)	(274,291)	(1,911,595)	(375,026)
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	2,200	6,342	1,710	4,632	–
Interest rate swaps used for hedging (net-settled)	(2,519)	4,224	1,424	2,800	–
	(319)	10,566	3,134	7,432	–
	(2,222,585)	(2,550,346)	(271,157)	(1,904,163)	(375,026)
2023					
Non-derivative financial liabilities					
Trade and other payables*	(129,456)	(129,456)	(87,800)	(40,961)	(695)
Loans and borrowings	(2,055,119)	(2,324,532)	(103,242)	(2,221,290)	–
Lease liability	(22,816)	(59,835)	(1,020)	(4,080)	(54,735)
	(2,207,391)	(2,513,823)	(192,062)	(2,266,331)	(55,430)
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	3,274	6,788	6,301	487	–
Interest rate swaps used for hedging (net-settled)	(244)	967	531	436	–
	3,030	7,755	6,832	923	–
	(2,204,361)	(2,506,068)	(185,230)	(2,265,408)	(55,430)

* Excluding lease liability (shown separately) and advance rental received

Notes to the Financial Statements

Year ended 31 December 2024

25 Financial instruments (cont'd)

Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Trust					
2024					
Non-derivative financial liabilities					
Trade and other payables*	(33,740)	(33,740)	(27,329)	(6,411)	–
Loans and borrowings	(1,378,068)	(1,597,590)	(159,629)	(1,117,638)	(320,323)
	(1,411,808)	(1,631,330)	(186,958)	(1,124,049)	(320,323)
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	119	630	165	465	–
Interest rate swaps used for hedging (net-settled)	(1,538)	2,232	825	1,407	–
	(1,419)	2,862	990	1,872	–
	(1,413,227)	(1,628,468)	(185,968)	(1,122,177)	(320,323)
2023					
Non-derivative financial liabilities					
Trade and other payables*	(36,283)	(36,283)	(24,421)	(11,862)	–
Loans and borrowings	(794,797)	(876,459)	(36,304)	(840,155)	–
	(831,080)	(912,742)	(60,725)	(852,017)	–
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	869	1,577	1,577	–	–
Interest rate swaps used for hedging (net-settled)	(244)	966	531	435	–
	625	2,543	2,108	435	–
	(830,455)	(910,199)	(58,617)	(851,582)	–

* Excluding lease liability (shown separately) and advance rental received

25 Financial instruments (cont'd)

Liquidity risk (cont'd)

The maturity analyses show the contractual undiscounted cash flows of the Group's and the Trust's financial liabilities on the basis of their earliest possible contractual maturity. Derivative financial instruments held are normally not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled.

All the derivative financial instruments are designated as cash flow hedges. The table above reflects the periods in which the cash flows associated with cash flow hedges are expected to occur and to impact the total return.

In addition to the above, the interest payments on the Group's sustainability-linked loans included in borrowings take into consideration of the Group's expectation of its ability to meet the sustainability-linked performance targets, and may change if the Group expects that it can no longer meet this target.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's total return or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Manager's strategy to manage the risk of potential interest rate volatility may be through the use of interest rate hedging instruments and/or fixed rate borrowings.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and the notional or par amounts. The Group assesses whether the derivative designated in each hedge relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the regression method.

In these hedge relationships, the main sources of ineffectiveness are the differences in the repricing dates between the swaps and the borrowings.

Notes to the Financial Statements

Year ended 31 December 2024

25 Financial instruments (cont'd)

Market risk (cont'd)

Exposure to interest rate risk

The Group's exposure to changes in interest rates relate primarily to interest-earning financial assets and interest-bearing financial liabilities. At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Nominal amount			
	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Fixed rate instruments				
Short-term deposits with financial institutions	355,014	33,372	–	1,000
Loans to a subsidiary	–	–	555,000	5,000
Loans and borrowings	(950,000)	(400,000)	(950,000)	(400,000)
Interest rate swaps	(775,000)	(1,065,000)	(350,000)	(360,000)
	(1,369,986)	(1,431,628)	(745,000)	(754,000)
Variable rate instruments				
Loans to a subsidiary	–	–	30,600	27,100
Loans and borrowings	(1,163,500)	(1,668,000)	(439,500)	(400,000)
Interest rate swaps	775,000	1,065,000	350,000	360,000
	(388,500)	(603,000)	(58,900)	(12,900)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for the fixed rate financial assets and liabilities at fair value through statements of total return. The Group does not designate interest rate swaps as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect total return.

25 Financial instruments (cont'd)

Market risk (cont'd)

Sensitivity analysis for variable instruments

For the variable rate instruments, a change in 50 (2023: 50) basis points ("bp") in interest rate at the reporting date would impact total return and unitholders' funds (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

	Statements of Total Return		Unitholders' funds	
	Increase in interest rate $'000	Decrease in interest rate $'000	Increase in interest rate $'000	Decrease in interest rate $'000
Group				
2024				
Variable rate instruments				
Loans and borrowings (50 bp)	(5,818)	5,818	–	–
Interest rate swaps (50 bp)	3,875	(3,875)	12,120	(6,729)
	(1,943)	1,943	12,120	(6,729)
2023				
Variable rate instruments				
Loans and borrowings (50 bp)	(8,345)	8,345	–	–
Interest rate swaps (50 bp)	5,325	(5,325)	2,517	(4,421)
	(3,020)	3,020	2,517	(4,421)
Trust				
2024				
Variable rate instruments				
Loans and borrowings (50 bp)	(2,198)	2,198	–	–
Interest rate swaps (50 bp)	1,750	(1,750)	3,150	(2,665)
Loans to a subsidiary (50 bp)	153	(153)	–	–
	(295)	295	3,150	(2,665)
2023				
Variable rate instruments				
Loans and borrowings (50 bp)	(2,000)	2,000	–	–
Interest rate swaps (50 bp)	1,800	(1,800)	2,000	(946)
Loans to a subsidiary (50 bp)	136	(136)	–	–
	(64)	64	2,000	(946)

Notes to the Financial Statements

Year ended 31 December 2024

25 Financial instruments (cont'd)

Hedge accounting

Cash flow hedges

The Group and the Trust held the following instruments to hedge exposures to changes in interest rates.

	Maturity	
	1-12 months	**More than one year**
31 December 2024		
Group		
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	50,000	600,000
Fixed interest rate	3.03% - 3.08%	2.11% - 2.99%
Trust		
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	50,000	200,000
Fixed interest rate	3.03% - 3.08%	2.47% - 2.89%
31 December 2023		
Group		
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	655,000	85,000
Fixed interest rate	1.80% - 3.19%	2.98% - 3.08%
Trust		
Interest rate risk		
Interest rate swaps		
Net exposure ($'000)	175,000	85,000
Fixed interest rate	1.80% - 3.05%	2.98% - 3.08%

25 Financial instruments (cont'd)

Hedge accounting (cont'd)

Cash flow hedges (cont'd)

The amounts at the reporting date relating to items designated as hedged items were as follows.

	Change in value used for calculating hedge ineffectiveness $'000	Cash flow hedge reserve $'000
Group		
31 December 2024		
Interest rate risk		
Variable-rate instruments	(5,297)	4,811
31 December 2023		
Interest rate risk		
Variable-rate instruments	3,948	2,571
Trust		
31 December 2024		
Interest rate risk		
Variable-rate instruments	(1,609)	1,635
31 December 2023		
Interest rate risk		
Variable-rate instruments	2,832	33

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

Notes to the Financial Statements

Year ended 31 December 2024

25 Financial instruments (cont'd)

Hedge accounting (cont'd)

Cash flow hedges (cont'd)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

	As at 31 December			
	Nominal amount $'000	Carrying amount – assets $'000	Carrying amount – liabilities $'000	Line item in the statements of financial position where the hedging instrument is included
Group				
2024				
Interest rate risk				
Interest rate swaps	650,000	1,804	(1,817)	Financial derivatives
2023				
Interest rate risk				
Interest rate swaps	740,000	2,455	(244)	Financial derivatives
Trust				
2024				
Interest rate risk				
Interest rate swaps	250,000	119	(836)	Financial derivatives
2023				
Interest rate risk				
Interest rate swaps	260,000	631	(244)	Financial derivatives

During the period				
Changes in the value of the hedging instrument recognised in unitholders' funds and NCI $'000	**Hedge ineffectiveness recognised in statements of total return $'000**	**Line item in statements of total return that includes hedge ineffectiveness**	**Amount reclassified from hedging reserve to statements of total return $'000**	**Line item in statements of total return affected by the reclassification**
6,626	2,881	Finance income	(3,031)	Finance cost
9,234	2,040	Finance income	(12,479)	Finance cost
2,419	438	Finance income	(817)	Finance cost
(503)	862	Finance income	(2,542)	Finance cost

Notes to the Financial Statements

Year ended 31 December 2024

25 Financial instruments (cont'd)

Hedge accounting (cont'd)

Cash flow hedges (cont'd)

The following table provides a reconciliation by risk category of components of equity and analysis of unitholders' funds items, net of tax, resulting from cash flow hedge accounting:

	Group Hedging reserve $'000	Trust Hedging reserve $'000
Balance at 1 January 2024	2,571	33
Cash flow hedges		
Change in fair value:		
Interest rate risk	6,626	2,419
Amount reclassified to statements of total return:		
Interest rate risk	(3,136)	(817)
Share of movements in hedging reserve of joint venture	(1,250)	–
Balance at 31 December 2024	4,811	1,635
Balance at 1 January 2023	7,527	3,078
Cash flow hedges		
Change in fair value:		
Interest rate risk	9,234	(503)
Amount reclassified to statements of total return:		
Interest rate risk	(12,353)	(2,542)
Share of movements in hedging reserve of joint venture	(1,837)	–
Balance at 31 December 2023	2,571	33

Currency risk

In order to manage the currency risk involved in investing in assets outside Singapore, the Manager adopts the currency risk management strategies that may include:

- the use of foreign currency denominated borrowings to match the currency of the asset investment as a natural currency hedge; and
- entering into currency forward contracts to hedge the foreign currency income received from its foreign subsidiaries, back into Singapore Dollars.

As at the reporting date, the Group's exposure to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate is not material and changes in the exchange rates between the foreign currencies and the Singapore dollar would not have a significant impact to the Group's total return before tax.

25 Financial instruments (cont'd)

Accounting classifications and fair values

The fair values of financial assets and liabilities, including their levels in the fair value hierarchy are set out below. It does not include the fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
	Note	Amortised cost	Fair value — hedging instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
2024									
Financial assets measured at fair value									
Financial derivatives	7	–	2,200	–	2,200	–	2,200	–	2,200
Financial assets not measured at fair value									
Trade and other receivables^	8	27,053	–	–	27,053				
Cash and cash equivalents	10	361,670	–	–	361,670				
		388,723	–	–	388,723				
Financial liabilities measured at fair value									
Financial derivatives	7	–	(2,519)	–	(2,519)	–	(2,519)	–	(2,519)
Financial liabilities not measured at fair value									
Loans and borrowings:									
- Bank loans	11	–	–	(1,153,487)	(1,153,487)				
- Unsecured notes	11	–	–	(946,148)	(946,148)				
Trade and other payables#	12	–	–	(99,915)	(99,915)				
		–	–	(2,199,550)	(2,199,550)				

^ Excluding prepayments

Excluding advance rental received

Notes to the Financial Statements

Year ended 31 December 2024

25 Financial instruments (cont'd)

Accounting classifications and fair values (cont'd)

	Note	Carrying amount				Fair value			
		Amortised cost $'000	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
2023									
Financial assets measured at fair value									
Financial derivatives	7	–	3,274	–	3,274	–	3,274	–	3,274
Financial assets not measured at fair value									
Trade and other receivables^	8	24,658	–	–	24,658				
Cash and cash equivalents	10	54,225	–	–	54,225				
		78,883	–	–	78,883				
Financial liabilities measured at fair value									
Financial derivatives	7	–	(244)	–	(244)	–	(244)	–	(244)
Financial liabilities not measured at fair value									
Loans and borrowings:									
- Bank loans	11	–	–	(1,658,257)	(1,658,257)				
- Unsecured notes	11	–	–	(396,862)	(396,862)				
Trade and other payables#	12	–	–	(129,456)	(129,456)				
		–	–	(2,184,575)	(2,184,575)				

^ Excluding prepayments

Excluding advance rental received

25 Financial instruments (cont'd)

Accounting classifications and fair values (cont'd)

	Note	Carrying amount				Fair value			
		Amortised cost $'000	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust									
2024									
Financial assets measured at fair value									
Financial derivatives	7	–	119	–	119	–	119	–	119
Financial assets not measured at fair value									
Trade and other receivables^	8	15,050	–	–	15,050				
Loans to a subsidiary	9	585,600	–	–	585,600				
Cash and cash equivalents	10	2,580	–	–	2,580				
		603,230	–	–	603,230				
Financial liabilities measured at fair value									
Financial derivatives	7	–	(1,538)	–	(1,538)	–	(1,538)	–	(1,538)
Financial liabilities not measured at fair value									
Loans and borrowings:									
- Bank loans	11	–	–	(431,920)	(431,920)				
- Loan from a subsidiary	11	–	–	(946,148)	(946,148)				
Trade and other payables#	12	–	–	(33,740)	(33,740)				
		–	–	(1,411,808)	(1,411,808)				

^ Excluding prepayments

Excluding advance rental received

Notes to the Financial Statements

Year ended 31 December 2024

25 Financial instruments (cont'd)

Accounting classifications and fair values (cont'd)

	Note	Carrying amount				Fair value			
		Amortised cost $'000	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust									
2023									
Financial assets measured at fair value									
Financial derivatives	7	–	869	–	869	–	869	–	869
Financial assets not measured at fair value									
Trade and other receivables^	8	4,683	–	–	4,683				
Loans to a subsidiary	9	32,100	–	–	32,100				
Cash and cash equivalents	10	3,274	–	–	3,274				
		40,057	–	–	40,057				
Financial liabilities not measured at fair value									
Loans and borrowings:									
- Bank loans	11	–	–	(397,935)	(397,935)				
- Loan from a subsidiary	11	–	–	(396,862)	(396,862)				
Trade and other payables#	12	–	–	(36,283)	(36,283)				
		–	–	(831,080)	(831,080)				

^ Excluding prepayments

Excluding advance rental received

25 Financial instruments (cont'd)

Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values.

Financial instruments measured at fair value

Type	Valuation technique
Group and Trust	
Financial derivatives	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Financial instruments not measured at fair value

Type	Valuation technique
Group	
Trade and other receivables	*Discounted cash flows*
Trade and other payables	*Discounted cash flows*
Bank loans	*Discounted cash flows*
Unsecured notes	*The fair value of the unsecured notes is based on the quoted price at reporting date.*
Trust	
Loans to a subsidiary	*Loans to a subsidiary is based on the same terms as the unsecured notes (based on the quoted price at reporting date) and bank loans (based on discounted cash flows).*
Trade and other payables	*Discounted cash flows*
Loan from a subsidiary	*Loan from a subsidiary is based on the same terms as the unsecured notes (based on the quoted price at reporting date).*

There were no transfers between Level 2 and 3 during the year.

Notes to the Financial Statements

Year ended 31 December 2024

25 Financial instruments (cont'd)

Capital management

The Manager's principal objectives are to deliver regular and stable distributions to Unitholders and to achieve sustainable long-term growth in distributions and in the net asset value per Unit, while maintaining an appropriate capital structure. Capital consists of all components of equity of the Group.

The Group's capital funding objectives are to maintain a strong statement of financial position, manage the cost of debt financing, and potential refinancing or repayment risks, secure diversified funding sources and implement appropriate hedging strategies to manage interest rate volatility and foreign exchange exposure, after taking into account the prevailing market conditions.

The Group has income derived from its investments in the PRC. The conversion of the Chinese Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The Trust and its subsidiaries are subject to the aggregate leverage limit as defined in the Property Funds Appendix of the CIS Code issued by the MAS. The CIS Code stipulates that all REIT are to have a minimum adjusted interest coverage ratio ("ICR") of 1.5 times and the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 50.0% of its Deposited Property.

The Aggregate Leverage of the Group as at 31 December 2024 was 39.9% (2023: 38.2%) of its Deposited Property with an ICR of 2.1 times (2023: 2.4 times[1]). This complied with the Aggregate Leverage limit as described above.

There were no substantial changes in the Group's and the Trust's approach to capital management during the year.

[1] As defined in Appendix 6 of the CIS Code ("Property Funds Appendix") (last revised on 28 November 2024).

26 Commitments

The Group and the Trust has the following commitments as at the reporting date:

Capital commitments

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Contracted but not provided for in the financial statements:				
- Expenditure in respect of investment properties	29,363	2,032	9,534	247

27 Leases

Leases as lessee (FRS 116)

The Group leases land in relation to the Crowne Plaza Changi Airport site. The lease runs for a period of 74 years. Under the terms of the lease agreement, the land rent payable comprises a fixed component and a variable component computed based on certain percentage of the hotel revenue.

Information about leases for which the Group is a lessee is presented below.

Right-of-use asset

Right-of-use asset related to land meets the definition of investment property (see Note 4).

27 Leases (cont'd)

Amounts recognised in statements of total return

	2024 $'000	2023 $'000
Leases under FRS 116		
Interest on lease liability	920	923

Amounts recognised in consolidated statement of cash flows

	2024 $'000	2023 $'000
Total cash outflow for leases	1,020	1,009

Leases as lessor

Operating lease

The Group leases out its investment properties (see Note 4). 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.

Rental income from investment properties recognised by the Group during 2024 was $289,083,000 (2023: $278,178,000) and Trust was $48,396,000 (2023: $47,859,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group $'000	Trust $'000
2024		
Less than one year	223,789	45,579
One to two years	180,703	32,942
Two to three years	122,371	10,350
Three to four years	54,176	4,419
Four to five years	5,092	–
More than five years	3,661	–
Total	589,792	93,290
2023		
Less than one year	239,798	46,765
One to two years	204,874	40,920
Two to three years	152,574	27,512
Three to four years	97,654	5,936
Four to five years	47,662	4,056
More than five years	3,798	–
Total	746,360	125,189

Notes to the Financial Statements

Year ended 31 December 2024

28 Related party transactions

In the normal course of the operations of the Trust, the Manager's management fee and Trustee's fee have been paid or are payable to the Manager and the Trustee respectively. Property management fees are payable to the Property Managers, related parties of the Manager.

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	Group		Trust	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Fee payable to Manager	1,566	–	–	–
Payment of capital expenditure to a related party	3,121	19,452	–	–
Hotel service expenses and professional fees paid/ payable to related parties	3,733	3,227	46	–
Settlement of liabilities by related parties of the Manager on behalf of the Group and the Trust	210	75	209	–

29 Financial ratios

	Group		Trust	
	2024 %	2023 %	2024 %	2023 %
Expenses to weighted average net assets [1]				
- including performance component of the Manager's fees	0.56	0.60	0.62	0.69
- excluding performance component of the Manager's fees	0.56	0.55	0.62	0.63
Portfolio turnover rate [2]	27.93	–	–	–

[1] The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and the Trust, excluding property expenses and finance expenses.

[2] The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group and the Trust expressed as a percentage of daily average net asset value.

30 Disposal of a subsidiary

On 20 December 2024, the Group announced the divestment of 100% issued and paid-up capital of Lippo Realty (Shanghai) Limited through its indirect wholly-owned subsidiary, Tecwell Pte. Ltd. for a total sales consideration of RMB 1,916,925,000 (equivalent to approximately $357,382,000). The sale was completed on 27 December 2024.

Effect of disposal

The cash flows relating to assets and liabilities of Lippo Realty (Shanghai) Limited disposed during the year were as follows:

	$'000
Investment property	311,136
Plant and equipment	27
Trade and other receivables	972
Cash and cash equivalents	57,920
Trade and other payables	(21,436)
Deferred tax liabilities	(14,368)
Current tax liabilities	(9,011)
Net asset disposed	325,240
Transfer of foreign currency translation reserve to statements of total return	54,614
Tax expense relating to disposal*	(32,323)
Loss on disposal of a subsidiary	(26,427)
	321,104
Less: Deferred consideration	(3,260)
Less: Cash and cash equivalents disposed	(57,920)
Add: Withholding tax expenses and transaction costs payable in cash	39,536
Net cash inflow on disposal of a subsidiary	299,460

* The tax expense relating to disposal was assessed based on 10% of sales consideration less cost of investment in Lippo Realty (Shanghai) Limited recorded and applicable transaction costs (including divestment fee of $1,566,000).

31 Subsequent events

There were the following events subsequent to the reporting date:

- On 23 January 2025, the Manager declared a distribution of $1,106,000 to the CPPU holder in respect of the period from 1 July 2024 to 31 December 2024.
- On 23 January 2025, the Manager declared a distribution of 1.13 cents per Unit, amounting to $62,361,000, in respect of the period from 1 July 2024 to 31 December 2024.
- On 28 January 2025, the Trust issued 7,114,108 Units at $0.2779 per Unit, amounting to $1,977,000, to the Manager as partial payment of the management base fee for the period from 1 October 2024 to 31 December 2024.

Notes to the Financial Statements

Year ended 31 December 2024

32 New standards not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

(i) FRS 118 *Presentation and Disclosure in Financial Statements*

FRS 118 will replace FRS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of total return, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as other.

(ii) Other accounting standards

The following amendments to FRSs are not expected to have a significant impact on the Group's consolidated financial statements.

- Amendments to FRS 21: *Lack of Exchangeability*
- *Classification and Measurement of Financial Instruments (Amendments to FRS 109 and FRS 107)*
- *Annual Improvements to FRSs-Volume 11*
- FRS 119: *Subsidiaries without Public Accountability: Disclosures*

Interested Person and Interested Party Transactions

Name of interested person/party	Aggregate value of all interested person/party transactions during FY2024 (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person/party transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000	Nature of relationship
OUE Limited & its subsidiaries			OUE Limited: Controlling shareholder of the Manager and controlling Unitholder of OUE REIT Subsidiaries of OUE Limited: Associates of the controlling shareholder of the Manager and controlling Unitholder of OUE REIT
Gross rental income	108,611	–	
Utilities	353	–	
Manager's management fee[1]	18,113	–	
Manager's divestment fee[1]	1,566	–	
Property management fee[1]	1,259	–	
Reimbursement	3,345	–	
Shared services[1]	262	–	
Shared electricity services[1]	2,080	–	
DBS Trustee Limited (trustee of OUE REIT)			Trustee of OUE REIT ("DBS Trustee")
Trustee's fee[1]	969	–	
Moolahgo Pte. Ltd.			
Gross rental income	249	–	Associate of the controlling shareholder of the Manager and controlling Unitholder of OUE REIT

Please also see Related Party Transactions in Note 28 to the Financial Statements.

Saved as disclosed above, during the financial year ended 31 December 2024, there were no additional interested person/party transactions (excluding transactions less than S$100,000) or any material contracts entered into by OUE REIT involving the interests of the Chief Executive Officer, each director or controlling shareholder of the Manager or controlling Unitholder.

Notes:

1 The fees and charges payable by OUE REIT to DBS Trustee and the Manager under the Trust Deed (as amended), which constitutes an Interested Person Transaction, are deemed to have been specifically approved by the Unitholders upon subscription for the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or the bases of the fees charged thereunder which will adversely affect OUE REIT.

The fees and charges payable by OUE Hospitality Sub-Trust to the Property Manager under the Master Property Management Agreement, the Individual Property Management Agreement, the Shared Services Agreement, the Shared Electricity Services Agreement, the Licence Agreement, and the Mandarin Gallery Licence Agreement (each as defined in the prospectus of OUE Hospitality Trust dated 18 July 2013 (the "OUE H-Trust Prospectus")) each of which constitutes an Interested Person Transaction, are deemed to have been specifically approved by the stapled securityholders of OUE H-Trust upon subscription for the stapled securities at the initial public offering of OUE H-Trust and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or the bases of the fees charged thereunder which will adversely affect OUE REIT.

This includes OUE REIT's interest in joint ventures.

The following table sets out a summary of Units issued for payment of the management fees during or in respect of the financial period from 1 January 2024 to 31 December 2024.

For Period	Issue Date	Units issued	*Issue Price (S$)
1 October 2024 to 31 December 2024	28 January 2025	7,114,108	0.2779

* Based on the volume weighted average traded price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten business days of the relevant period in which the management fee accrues.

Statistics of Unitholdings

As of 3 March 2025

5,500,063,808 Units (one vote per Unit) in issue.
Market capitalisation of $1,512,517,547.20 based on the market closing Unit price of $0.275 on 3 March 2025.

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	Number of Unitholders	%	Number of Units	%
1 - 99	1,144	3.88	53,641	0.00
100 - 1,000	1,826	6.20	1,005,965	0.02
1,001 - 10,000	15,769	53.49	66,033,833	1.20
10,001 - 1,000,000	10,630	36.06	649,343,258	11.81
1,000,001 and above	109	0.37	4,783,627,111	86.97
TOTAL	**29,478**	**100.00**	**5,500,063,808**	**100.00**

TWENTY LARGEST UNITHOLDERS

No	Name of Unitholder	Number of Units	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	2,178,720,134	39.61
2	OUE LIMITED	1,056,861,084	19.22
3	DBS NOMINEES (PRIVATE) LIMITED	332,899,153	6.05
4	RAFFLES NOMINEES (PTE.) LIMITED	257,516,476	4.68
5	OCBC SECURITIES PRIVATE LIMITED	226,441,982	4.12
6	DB NOMINEES (SINGAPORE) PTE LTD	153,444,215	2.79
7	HSBC (SINGAPORE) NOMINEES PTE LTD	66,653,866	1.21
8	DBSN SERVICES PTE. LTD.	63,326,126	1.15
9	BANK OF CHINA NOMINEES (PTE) LTD	52,159,477	0.95
10	UOB KAY HIAN PRIVATE LIMITED	38,970,469	0.71
11	PHILLIP SECURITIES PTE LTD	24,569,675	0.45
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	23,858,593	0.43
13	SOON LEE HENG TRADING & TRANSPORTATION PTE LTD	21,758,900	0.40
14	IFAST FINANCIAL PTE. LTD.	15,926,129	0.29
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	15,363,202	0.28
16	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	13,657,182	0.25
17	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	13,324,939	0.24
18	HENG SIEW ENG	11,468,553	0.21
19	ABN AMRO CLEARING BANK N.V.	10,645,914	0.19
20	MAYBANK SECURITIES PTE. LTD.	10,347,843	0.19
	TOTAL	**4,587,913,912**	**83.42**

DIRECTORS' INTERESTS IN UNITS AS AT 21 JANUARY 2025

	Direct Interest		Deemed Interest	
Directors	No. of Units held	%	No. of Units held	%
Mr Lee Yi Shyan	14,533	0.00	–	–
Mr Liu Chee Ming	722,615	0.01	–	–

Statistics of Unitholdings

As of 3 March 2025

SUBSTANTIAL UNITHOLDERS' INTERESTS AS AT 3 MARCH 2025

	Direct Interest		Deemed Interest			
Name of Substantial Unitholder	**No. of Units Held**	**%[21]**	**No. of Units Held**	**%[21]**	**Total No. of Units Held**	**%[21]**
Clifford Development Pte. Ltd. ("**Clifford**")	1,471,601,271	26.76	–	–	1,471,601,271	26.76
OUE Limited	1,206,861,084	21.94	1,471,601,271[1]	26.76	2,678,462,355	48.70
OUE Realty Pte. Ltd. ("**OUER**")	25,807,700	0.47	2,678,462,355[2]	48.70	2,704,270,055	49.17
Golden Concord Asia Limited ("**GCAL**")	26,351,777	0.48	2,704,270,055[3]	49.17	2,730,621,832	49.65
Fortune Crane Limited ("**FCL**")	–	–	2,730,621,832[4]	49.65	2,730,621,832	49.65
Lippo ASM Asia Property Limited ("**LAAPL**")	–	–	2,730,621,832[5]	49.65	2,730,621,832	49.65
HKC Property Investment Holdings Limited ("**HKC Property**")	–	–	2,730,621,832[6]	49.65	2,730,621,832	49.65
Hongkong Chinese Limited ("**HCL**")	–	–	2,730,621,832[7]	49.65	2,730,621,832	49.65
Lippo Capital Limited ("**LCL**")	–	–	2,735,933,564[8]	49.74	2,735,933,564	49.74
Lippo Capital Holdings Company Limited ("**LCH**")	–	–	2,735,933,564[9]	49.74	2,735,933,564	49.74
Lippo Capital Group Limited ("**LCG**")	–	–	2,735,933,564[10]	49.74	2,735,933,564	49.74
Dr Stephen Riady	–	–	2,735,933,564[11]	49.74	2,735,933,564	49.74
PT Trijaya Utama Mandiri ("**PT Trijaya**")	–	–	2,735,933,564[12]	49.74	2,735,933,564	49.74
Mr James Tjahaja Riady	–	–	2,735,933,564[13]	49.74	2,735,933,564	49.74
Admiralty Station Management Limited ("**Admiralty**")	–	–	2,730,621,832[14]	49.65	2,730,621,832	49.65
Argyle Street Management Limited ("**ASML**")	–	–	2,730,621,832[15]	49.65	2,730,621,832	49.65
Argyle Street Management Holdings Limited ("**ASMHL**")	–	–	2,730,621,832[16]	49.65	2,730,621,832	49.65
Mr Kin Chan ("**KC**")	–	–	2,730,621,832[17]	49.65	2,730,621,832	49.65
Mr V-Nee Yeh ("**VY**")	–	–	2,730,621,832[18]	49.65	2,730,621,832	49.65
Mr Tang Yigang @ Gordon Tang ("**GT**")	497,213,888[19]	9.04	–	–	497,213,888	9.04
Madam Chen Huaidan (Celine Tang) ("**CT**")	453,121,062[20]	8.24	–	–	453,121,062	8.24

Statistics of Unitholdings

As of 3 March 2025

Notes:

(1) OUE Limited is deemed to have an interest in the Units held by Clifford. Clifford is a wholly-owned subsidiary of OUE Limited.

(2) OUER is the immediate holding company of OUE Limited and has a deemed interest in the Units in which OUE Limited has a direct and deemed interest.

(3) GCAL has a deemed interest in the Units through the direct and deemed interests of its wholly-owned subsidiary, OUER.

(4) FCL has a deemed interest in the Units through the direct and deemed interests of its wholly-owned subsidiary, GCAL.

(5) LAAPL is deemed to have an interest in the Units in which its subsidiary, FCL, has a deemed interest.

(6) LAAPL is jointly held by HKC Property and Admiralty. Accordingly, HKC Property is deemed to have an interest in the Units in which LAAPL has a deemed interest.

(7) HCL is the immediate holding company of HKC Property. Accordingly, HCL is deemed to have an interest in the Units in which HKC Property has a deemed interest.

(8) LCL is an intermediate holding company of HKC Property and Hongkong China Treasury Limited ("**HKCTL**"). Accordingly, LCL is deemed to have an interest in the Units in which HKC Property has a deemed interest, as well as a deemed interest in the 5,311,732 Units held by HKCTL (the "**HKCTL Units**").

(9) LCH is an intermediate holding company of HKC Property and HKCTL. Accordingly, LCH is deemed to have an interest in the Units in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Units.

(10) LCG is the holding company of LCH, which in turn is an intermediate holding company of HKC Property and HKCTL. Accordingly, LCG is deemed to have an interest in the Units in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Units.

(11) Dr Stephen Riady holds the entire issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of HKC Property and HKCTL. Accordingly, Dr Stephen Riady is deemed to have an interest in the Units in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Units.

(12) PT Trijaya holds more than 20% of the shares in LCL, which in turn is an intermediate holding company of HKC Property and HKCTL. Accordingly, PT Trijaya is deemed to have an interest in the Units in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Units.

(13) Mr James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20% of the shares in LCL. LCL in turn is an intermediate holding company of HKC Property and HKCTL. Accordingly, Mr James Tjahaja Riady is deemed to have an interest in the Units in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Units.

(14) LAAPL is jointly held by HKC Property and Admiralty. Accordingly, Admiralty is deemed to have an interest in the Units in which LAAPL has a deemed interest.

(15) ASML owns 100% of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the Units in which Admiralty has a deemed interest.

(16) ASMHL is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Units in which ASML has a deemed interest.

(17) KC is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, KC is deemed to have an interest in the Units in which ASMHL has a deemed interest.

(18) VY is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, VY is deemed to have an interest in the Units in which ASMHL has a deemed interest.

(19) GT's direct interest arises from 52,744,246 Units held in his own name, and 444,469,642 Units held by the joint accounts of GT and CT.

(20) CT's direct interest arises from 8,651,420 Units held in her own name and 444,469,642 Units held by the joint accounts of GT and CT.

(21) The unitholding percentage is calculated based on 5,500,063,808 issued Units as at 3 March 2025.

Public Float

Rule 723 of the Listing Manual of SGX-ST requires that at least 10% of the total number of issued units that is listed on the SGX-ST is at all times held by the public. Based on information available to the Manager as at 3 March 2025, approximately 35.69% of OUE REIT's Units were held in the hands of the public.

Treasury Units and Subsidiary Holdings

As at 3 March 2025, OUE REIT does not hold any treasury units and there are no subsidiary holdings as none of the subsidiaries of OUE REIT hold any Units.

Corporate Information

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Bloomberg: OUEREIT SP

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Chairman and Non-Independent Non-Executive Director

Mr Liu Chee Ming
Lead Independent Director

Mr Tan Huay Lim
Independent Director

Mr Ong Kian Min
Independent Director

Ms Usha Ranee Chandradas
Independent Director

Mr Brian Riady
Non-Independent Non-Executive Director

Mr Han Khim Siew
Chief Executive Officer and Executive Director

Audit and Risk Committee
Mr Tan Huay Lim
Chairman

Mr Liu Chee Ming
Mr Ong Kian Min
Ms Usha Ranee Chandradas

Nominating and Remuneration Committee
Mr Ong Kian Min
Chairman

Ms Usha Ranee Chandradas
Mr Brian Riady

Company Secretary
Mr Kelvin Chua

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Partner-in-charge:
Mr Lim Pang Yew, Victor
(Appointed since the financial year
ended 31 December 2024)

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