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**Issuer:** OUE Limited

**Stock code:** LJ3

**Meeting details:**

Date: 24 April 2026

Time: 2.00 p.m.

Venue: Hilton Singapore Orchard (333 Orchard Road, Singapore 238867), Grand Ballroom, Level 6, Orchard Wing

**Q1.** The group increased its stake in Gemdale Properties and Investment Corporation Limited (GPI) by 3.85% for \$30.3 million. The transaction initially resulted in the recognition of negative goodwill of \$94.85 million, which was subsequently reversed after further assessment of the market conditions in China that affected GPI. An impairment loss of \$(20.0) million has since been recognised in FY2025.

- (i) Can the board confirm whether it approved the follow-on investment in Gemdale, and explain the due diligence performed? In particular, how does the board reconcile the initial recognition and subsequent reversal of negative goodwill, and what does this indicate about the robustness of the original assumptions??**

The group's share of losses due to GPI was \$(237.2) million in 2024 and \$(185.1) million in 2025. The original stake in GPI was first acquired in 2014 at HK\$0.52, representing a nearly 20% premium to market. The share price has since declined to approximately HK\$0.14. Notwithstanding this, the investment remains material to the group, with a carrying value of approximately \$0.7 billion. The independent auditors identify the carrying value of GPI as a key audit matter.



(Source: <https://sg.finance.yahoo.com/chart/0535.HK>)

- (ii) Given the sustained losses and significant decline in market value, how has the board assessed the risk profile of the investment, including downside scenarios such as further impairments, financial distress or even bankruptcy/insolvency? Has the board set clear limits on additional capital exposure to this investment?**
- (iii) What is the group's total cost of investment in GPI to date, how does this compare with the current carrying value and market value, and what is the board's exit strategy and expected timeline for value realisation?**

**Q2.** In the past two years, the group reported losses attributable to owners of the company of \$(220.9) million in FY2025 and \$(286.8) million in FY2024. Over the five-year period from FY2021 to FY2025, the aggregate losses amounted to \$(155.7) million even if the group was profitable in the first three years. The five-year financial summary can be found on page 9 of the annual report.

Equity attributable to shareholders fell from \$3.85 billion to \$2.95 billion, while total borrowings increased from \$2.82 billion to \$2.91 billion. The gearing ratio has risen from 41% to 53%.

- (i) What has been the total shareholder return over 5 years, 10 years, and 15 years?**
- (ii) How does the board assess its own effectiveness in providing entrepreneurial leadership, setting strategy, allocating capital and overseeing management, particularly in light of the losses and declining equity base? How has it held management accountable?**

Over the past two financial years, the executive chairman received a fixed salary of \$2.0 million per annum, while the executive director received bonuses representing 57% to 61% of a total pay package of approximately \$1.0 million each year, notwithstanding the significant losses reported. Aggregate remuneration paid to key management personnel has remained largely unchanged at approximately \$3.6 million to \$3.8 million across FY2023, FY2024 and FY2025.

- (iii) How does the remuneration committee ensure that executive compensation is structured to reflect financial performance and shareholder outcomes? Specifically, what performance-linked incentive framework is in place, and how are targets calibrated to ensure that remuneration is commensurate with the results delivered?**

**Q3.** The company has been active in capital management, including on-market share buybacks and an equal access offer (EAO) in 2024.

In FY2024, the company conducted an EAO at \$1.25 per share, resulting in the acquisition of 84,038,036 shares, alongside on-market buybacks of 3,299,700 share at an average price of \$1.109 per share.

In FY2025, the company repurchased 5,253,400 for \$5,849,000 at an average price of \$1.113 per share.

- (i) Can the board, especially the independent directors, articulate the capital management framework that governs share buybacks and EAOs? Specifically, how are decisions on pricing, timing and scale determined?**

The EAO in FY2024 had the effect of stabilising net asset value (NAV) per share notwithstanding the group reporting significant losses. While NAV per share declined modestly from \$4.31 to \$4.23 in FY2024, in the absence of a similar exercise in FY2025, a loss of \$(220.9) million resulted in NAV per share declining more sharply from \$4.23 to \$3.93.

Based on the company's disclosures in July 2024, OUE Realty Pte. Ltd. and Golden Concord Asia Limited<sup>1</sup> collectively disposed of 67,319,910 shares during the EAO, representing proceeds of \$84,149,887.50 and accounting for 80.1% of the shares acquired<sup>2</sup> in the EAO exercise (as compared to their combined stake of 73.53% before the EAO).

- (ii) How does the board assess the signalling effect of controlling shareholders not only tendering shares at \$1.25 per share (which is a discount of more than 70% to the last reported NAV per share of \$4.31) but doing so in excess of their entitled 10% allocation? What does their willingness to sell at such a steep discount to book value, and in excess of the 10% EAO limit, imply about their own assessment of the group's intrinsic value?**
  
- (iii) Given that the EAO did not close the discount to net asset value, can the board set out a clear and time-bound plan to narrow this gap? Separately, will the independent directors lead a comprehensive strategic review of the group to address the persistent (share price) underperformance, encompassing strategy, capital allocation priorities, human capital, and organisational effectiveness?**

*Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.*

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<sup>1</sup> <https://links.sgx.com/1.0.0/corporate-announcements/KLYOW00M4IBATG8G/893915b3da0f47705b462a427906d0bf41761d47c8c6e861ae99ab115208cbca>

<sup>2</sup> Based on the 10% limit, the controlling group would have been entitled to sell 61,891,641 shares during the EAO but sold an extra 5,428,269 shares. Specifically, OUE Realty with 502,513,060 shares could tender 50,251,306 but tendered 54,658,760 shares (4,407,454 excess shares tendered). Golden Concord Asia Limited had 116,403,350 shares and could tender 11,640,335 but tendered 12,661,150 (1,020,815 excess shares tendered). Both were given 8.77% more in the final EAO allocation.



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