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## PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE

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### 1. INTRODUCTION

- 1.1 The Board of Directors ("**Board**" or "**Directors**") of OUE Lippo Healthcare Limited ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing to undertake a renounceable underwritten rights issue of 2,221,564,603 new shares in the capital of the Company ("**Rights Shares**" and each a "**Rights Share**") at an issue price of S\$0.0675 for each Rights Share ("**Issue Price**"), on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company ("**Shares**") held by Entitled Shareholders (as defined below) as at the date and time to be determined by the Directors for the purposes of determining Shareholders' (as defined below) entitlements under the Rights Issue ("**Books Closure Date**"), fractional entitlements (if applicable) to be disregarded ("**Rights Issue**").
- 1.2 The Company has appointed Oversea-Chinese Banking Corporation Limited as the manager and underwriter ("**Manager and Underwriter**") for the Rights Issue, pursuant to the terms of a management and underwriting agreement ("**Management and Underwriting Agreement**") entered into between the Company and the Manager and Underwriter on 18 September 2018.

### 2. TERMS OF THE RIGHTS ISSUE

- 2.1 The Company is proposing to issue 2,221,564,603 Rights Shares in order to raise gross proceeds of approximately S\$149,955,611.
- 2.2 The Issue Price per Rights Share is S\$0.0675 and represents a discount of approximately 43.8% to the closing price of S\$0.1200 per Share on the Catalist of the SGX-ST on 17 September 2018, being the last trading day immediately prior to the date of this announcement, and a discount of approximately 28.0% to the theoretical ex-rights price<sup>1</sup> of S\$0.0938 per Share.
- 2.3 The allotment and issuance of the Rights Shares is proposed to be made pursuant to the authority granted under the share issue mandate passed by shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 24 April 2018 ("**General Mandate**").

The General Mandate authorises the Company to issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) as at the date of the grant of the General Mandate ("**Relevant Share Capital**"), provided that the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders shall not exceed 50% of the Relevant Share Capital. As the Relevant Share Capital comprised 2,221,564,603 Shares, the Company may issue up to 2,221,564,603 new Shares under the General Mandate on a pro rata basis. From the date of grant of the General Mandate and up to the date of this announcement, no Shares or convertible securities have been issued pursuant to the General Mandate. Accordingly, the issue of 2,221,564,603 Rights Shares pursuant to the Rights Issue falls within the limits of the General Mandate. On completion of the Rights Issue,

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<sup>1</sup> The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the closing price of S\$0.1200 per Share on the SGX-ST on 17 September 2018, being the last trading date immediately prior to the date of this announcement, the Issue Price and the enlarged number of Shares following completion of the Rights Issue.

the Company's enlarged share capital will comprise 4,443,129,206 Shares.

- 2.4 The Rights Shares are payable in full upon acceptance and/or application, and will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares. For this purpose, a **"Record Date"** means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which shareholders must be registered with the Company or The Central Depository (Pte) Limited (**"CDP"**), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.
- 2.5 The terms and conditions of the Rights Issue may be subject to such changes as the Company and the Manager and Underwriter may mutually agree. The final terms and conditions of the Rights Issue including procedures, acceptances and renunciations of applications for the Rights Shares will be contained in an offer information statement (**"Offer Information Statement"**) and its accompanying documents to be lodged with the Singapore Exchange Securities Trading Limited (**"SGX-ST"**), acting as agent on behalf of the Monetary Authority of Singapore (**"Authority"**). The Offer Information Statement will be despatched by the Company to Entitled Shareholders (as defined below) in due course.

### 3. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

- 3.1 The total estimated net proceeds from the Rights Issue is approximately S\$148,755,611<sup>2</sup> after deducting estimated expenses of approximately S\$1,200,000<sup>2</sup>. The Rights Issue will strengthen the Group's balance sheet and the Company intends to use the net proceeds from the Rights Issue in the following manner:
- (a) approximately S\$39,553,000 (which is equivalent to approximately 26.6% of the net proceeds from the Rights Issue) will be used to finance the proposed acquisition by the Company of 400,000 ordinary shares, representing 40.0% of the total issued share capital of Bowsprit Capital Corporation Limited (**"Proposed Manager Acquisition"**);
  - (b) approximately S\$102,653,000 (which is equivalent to approximately 69.0% of the net proceeds from the Rights Issue) will be used to finance the proposed acquisition by the Company, through its indirect wholly-owned subsidiary OLH Healthcare Investments Pte. Ltd., of 83,593,683 units, representing approximately 10.63% of the total issued units of First Real Estate Investment Trust (**"Proposed Units Acquisition"**), and together with the Proposed Manager Acquisition, the **"Proposed Transactions"**, details of which are set out in the Company's announcement of the same date); and
  - (c) approximately S\$2,500,000 (which is equivalent to approximately 1.7% of the net proceeds from the Rights Issue) will be used to pay professional fees and other fees and expenses incurred or expected to be incurred by the Company, in connection with the Proposed Transactions and/or the Rights Issue,

with the balance of the net proceeds from the Rights Issue to be used for general corporate and/or working capital requirements of the Group.

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<sup>2</sup> Discrepancies in figures included in this announcement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

In the event that the Proposed Transactions are not completed for whatever reason, the full amount of the net proceeds will be allocated for working capital requirements of the Group, funding debt repayment and/or such other acquisitions and projects which the Group may identify in due course and announce in accordance with its obligations under the SGX-ST Listing Manual (Section B: Rules of Catalist).

- 3.2 Pending the deployment of the net proceeds from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets or debt instruments or used for other purposes on a short-term basis, as the Directors may deem appropriate in the interests of the Company.
- 3.3 The Company will announce any material disbursement of the proceeds from the Rights Issue accordingly. In addition, a status report on the use of the proceeds from the Rights Issue will be provided in the Company's interim and full year financial statement, and its annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied. Where there is any material deviation from the stated use of proceeds, the Company will announce the reason for such deviation.
- 3.4 As at the date hereof, the Directors are of the opinion that after taking into consideration the present bank facilities and the factors mentioned below, the working capital available to the Group is sufficient to meet its present requirements and the Rights Issue is being undertaken for the reasons stated in Section 3.1 above.

The opinion of the Directors referred to above has taken into account the following factors:

- (a) on 17 February 2017, OUE Limited ("**OUE**") had issued a comfort letter to the Company, and had set out that its long-term intention, subject to its review of the business and financial situation of the Group, is to work towards stabilising the Company's business and financial position, with the understanding that the Company is expected to operate as a going concern in view of its listing status on the Catalist (please refer to the SGXNET announcement dated 21 February 2017); and
- (b) on 15 February 2018, the Company completed a share placement of 562,500,000 Shares to Browny Healthcare Pte. Ltd. ("**BHPL**") at S\$0.14 per Share to raise gross proceeds of S\$78,750,000 and net proceeds of approximately S\$77,450,000 (please refer to the SGXNET announcements dated 10 January 2018 and 19 February 2018). As at the date hereof, S\$49,479,000 of the net proceeds of approximately S\$77,450,000 remains unutilised (please refer to the SGXNET announcements dated 14 March 2018 and 12 April 2018).

#### 4. **CONDITIONS TO THE RIGHTS ISSUE**

The Rights Issue is subject to, *inter alia*, the following:

- (a) the receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Rights Shares on the Catalist of the SGX-ST; and
- (b) the lodgement of the Offer Information Statement, together with all other accompanying documents, with the SGX-ST acting as agent on behalf of the Authority.

On behalf of the Company, PrimePartners Corporate Finance Pte. Ltd., as the sponsor of the Company, will submit an additional listing application to the SGX-ST for the listing of and quotation for the Rights Shares on the Catalist of the SGX-ST.

## 5. UNDERWRITING OF THE RIGHTS ISSUE AND IRREVOCABLE UNDERTAKINGS

### 5.1 Underwriting of the Rights Issue

The Rights Shares (excluding the Undertaken Rights Shares (as defined below)) ("**Underwritten Rights Shares**") have been underwritten by the Manager and Underwriter at the Issue Price on the terms and subject to the conditions of the Management and Underwriting Agreement.

In consideration of the Management and Underwriting Agreement to underwrite up to 229,550,103 Rights Shares of the Rights Issue, the Company will pay to the Manager and Underwriter an underwriting commission of 2.75% of the aggregate Issue Price of the Underwritten Rights Shares.

### 5.2 Irrevocable Undertakings

As at the date hereof, (a) BHPL holds a direct interest in 562,500,000 Shares representing approximately 25.32% of the total number of issued Shares ("**Existing BHPL Shares**") of the Company, and (b) OUE (together with BHPL, "**Undertaking Shareholders**") holds an indirect interest in 1,429,514,500 Shares ("**Existing OUE Shares**") through its wholly-owned subsidiary, Treasure International Holdings Pte. Ltd. ("**TIHPL**"), representing approximately 64.35% of the total number of issued Shares of the Company.

To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, the Undertaking Shareholders have separately given irrevocable undertakings ("**Irrevocable Undertakings**"), supported by evidence of financial resources satisfactory to the Company, pursuant to which:

- (a) BHPL has irrevocably undertaken to the Company that, *inter alia*:
  - (i) it will subscribe and pay in full for its full entitlement of 562,500,000 Rights Shares in accordance with the terms and conditions of the Rights Issue ("**BHPL Undertaken Rights Shares**") no later than the last time and date for acceptance and payment for the Rights Shares under the Rights Issue; and
  - (ii) it will not, on or before the closing date of the Rights Issue, sell, transfer or otherwise dispose of or encumber the Existing BHPL Shares (or any interest therein); and
- (b) OUE has irrevocably undertaken to the Company that, *inter alia*:
  - (i) it will procure TIHPL to subscribe and pay in full for its full entitlement of 1,429,514,500 Rights Shares, in accordance with the terms and conditions of the Rights Issue ("**OUE Undertaken Rights Shares**") no later than the last time and date for acceptance and payment for the Rights Shares under the Rights Issue; and
  - (ii) it will procure TIHPL to not, on or before the closing date of the Rights Issue, sell, transfer or otherwise dispose of the Existing OUE Shares (or any interest therein),

(the BHPL Undertaken Rights Shares and the OUE Undertaken Rights Shares being collectively, the **"Undertaken Rights Shares"**).

## **6. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE**

- 6.1 The Company proposes to provisionally allot the Rights Shares to all Shareholders who are eligible to participate in the Rights Issue ("**Entitled Shareholders**"), comprising Entitled Depositors and Entitled Scripholders.
- 6.2 "**Entitled Depositors**" are Shareholders with Shares standing to the credit of their Securities Accounts with CDP as at the Books Closure Date and: (i) whose registered addresses with CDP are in Singapore as at the Book Closure Date or (ii) who have, at least three (3) Market Days (being a day on which the SGX-ST is open for trading in securities) prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.
- 6.3 "**Entitled Scripholders**" are Shareholders whose share certificates have not been deposited with CDP and who have tendered to Boardroom & Corporate Advisory Services Pte. Ltd. ("**Share Registrar**") valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and (i) whose registered addresses with the Company are in Singapore as at the Books Closure Date or (ii) who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.
- 6.4 Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Books Closure Date. Entitled Shareholders will be at liberty to accept, decline or renounce or (in the case of Entitled Depositors only) trade on the Catalist of the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their Rights and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with the Rights Shares represented by the provisional allotments of (i) Entitled Shareholders who decline, do not accept, or elect not to renounce or (in the case of Entitled Depositors only) trade their provisional allotment of Rights Shares under the Rights Issue (during the provisional allotment trading period prescribed by the SGX-ST) and/or (ii) ineligible Shareholders, be aggregated and used to satisfy excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.
- 6.5 All dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the provisional allotment letters issued to Entitled Scripholders, setting out the provisional allotments of Rights Shares of such Entitled Scripholders under the Rights Issue ("**PALs**"), which will be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.
- 6.6 The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for excess Rights Shares, including the different modes of acceptance or application and payment, will be contained in the Offer Information Statement and in the application form for Rights Shares and excess Rights Shares issued to Entitled Depositors in respect of their provisional allotments of

Rights Shares under the Rights Issue ("**ARE**"), the application form for Rights Shares issued to purchasers of the Rights (as defined below) under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system ("**ARS**") and the PAL.

- 6.7 Shareholders who have subscribed for or purchased Shares under the Supplementary Retirement Scheme ("**SRS**") or through a finance company and/or depository agent can only accept their Rights and (if applicable) apply for excess Rights Shares by instructing the relevant banks, finance company and/or depository agent in which they hold their SRS Accounts to do so on their behalf. **ANY APPLICATION MADE BY THE ABOVE MENTIONED SHAREHOLDERS THROUGH CDP OR THROUGH AUTOMATED TELLER MACHINES WILL BE REJECTED.** Such Shareholders should refer to the Offer Information Statement for important details relating to the offer procedure in connection with the Rights Issue.

### Foreign Shareholders

- 6.8 The Offer Information Statement and its accompanying documents will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and the accompanying documents will not be despatched to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior thereto, provided the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**").
- 6.9 Foreign Shareholders will not be entitled to participate in the Rights Issue. Accordingly, no provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance or application for the Rights Shares by Foreign Shareholders will be valid.
- 6.10 The Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore ("**Foreign Purchasers**"). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their securities accounts should make the necessary arrangements with their depository agents or stockbrokers in Singapore.
- 6.11 If it is practicable to do so, the Company may, at its absolute discretion, arrange for the rights to subscribe for the Rights Shares ("**Rights**"), which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil-paid" on the Catalist of SGX-ST as soon as practicable after commencement of trading in "nil-paid" Rights. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the depository register maintained by CDP as at the Books Closure Date and sent to them at their own risk by ordinary post, **provided that** where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager and Underwriter, CDP or the Share Registrar and their respective officers in connection therewith.

- 6.12 If such provisional allotments cannot be or are not sold on the Catalist of SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager and Underwriter, CDP or the Share Registrar and their respective officers in connection therewith.
- 6.13 The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares and for the applications for excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

**SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE MAY PROVIDE AN ADDRESS IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE, (I) THE CENTRAL DEPOSITORY (PTE) LIMITED AT 9 NORTH BUONA VISTA DRIVE, #01- 19/20 THE METROPOLIS TOWER 2, SINGAPORE 138588 OR (II) BOARDROOM & CORPORATE ADVISORY SERVICES PTE. LTD. AT 50 RAFFLES PLACE, #32-01, SINGAPORE LAND TOWER, SINGAPORE 048623.**

## **7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in this announcement and save for their interests arising by way of their shareholdings in the Company and/or directorships in the Group, as the case may be, none of the Directors and substantial Shareholders has any interest, direct or indirect, in the Rights Issue.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **9. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares as there is no certainty or assurance that the Rights Issue will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

By Order of the Board,  
**OUE Lippo Healthcare Limited**

Dr. Wong Weng Hong  
Chief Executive Officer and Executive Director

18 September 2018

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*This announcement has been prepared by OUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Limited) (the “Company”) and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”), for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).*