

# HEALTHWAY MEDICAL CORPORATION LIMITED

(Company Registration No.: 200708625C)  
(Incorporated in the Republic of Singapore)  
(the “**Company**”)

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## RENEWAL OF LEASE AGREEMENT BEING AN INTERESTED PERSON TRANSACTION ENTERED INTO BY THE COMPANY WITH OUE COMMERCIAL REAL ESTATE INVESTMENT TRUST

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### 1. INTRODUCTION

The Board of Directors of the Company (the “**Board**”) wishes to announce that the Company has on 14 June 2023 accepted the letter of offer (the “**LOO**”) issued by DBS Trustee Limited (“**DBS Trustee**”) (in its capacity as trustee of OUE Commercial Real Estate Investment Trust (“**OUE C-REIT**”) in relation to the lease of the Premises (as defined below). This is a renewal of the existing lease agreement between the Company and DBS Trustee in respect of the Premises.

Pursuant to the LOO, the units situated at #10-09 and #10-09A of 6 Shenton Way, OUE Downtown 2, Singapore 068809 (the “**Premises**”) will continue to be leased to the Company for a period of three (3) years commencing on 1 August 2023 and expiring on 31 July 2026 (“**Term**”).

The terms of the LOO were negotiated and made on normal commercial terms at arm’s length basis.

### 2. DETAILS OF THE INTERESTED PERSON

OUE C-REIT is a joint venture of Hongkong Chinese Limited which in turn is a 73.95% subsidiary of Lippo Limited (“**Lippo**”). Lippo is owned as to 74.98% by Lippo Capital Limited (“**Lippo Capital**”) which is a 60.00% subsidiary of Lippo Capital Holdings Company Limited (“**Lippo Capital Holdings**”). Lippo Capital Group Limited (“**Lippo Capital Group**”) which is wholly owned by Dr Stephen Riady, owns 100.00% of the issued share capital of Lippo Capital Holdings. Lippo, through its 74.99% subsidiary, Lippo China Resources Limited (“**LCR**”), is deemed to be interested in approximately 40.76% of the entire issued shares of the Company and hence each of LCR, Lippo, Lippo Capital, Lippo Capital Holdings, Lippo Capital Group and Dr Stephen Riady is deemed as a controlling shareholder of the Company. Dr Stephen Riady is also a Non-Independent Non-Executive Director of the Company.

Each of Lippo, Lippo Capital, Lippo Capital Holdings, Lippo Capital Group and Dr Stephen Riady (together, the “**Relevant Persons**”) is also deemed to be interested in approximately 49.52% of the units in OUE C-REIT. Accordingly, OUE C-REIT is regarded as an associate of each of the Relevant Persons and therefore an “interested person” within the definition of Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”).

### 3. INTERESTED PERSON TRANSACTION (“IPT”) AND RULE 916(1) OF THE CATALIST RULES

As the LOO is entered into between the Company and an associate of the Company’s controlling shareholders and director, the transaction would constitute an IPT under Chapter 9 of the Catalist Rules.

The total transaction value (excluding goods and services tax), which comprises the monthly rental and the service charge based on current rate, for the duration of the Term amounts to approximately S\$2,369,408 (“**IPT Value**”) and represents approximately 5.17% of the latest audited net tangible assets

("NTA") of the Company and its subsidiaries (collectively, the "**Group**"). The Group's latest audited NTA as at 31 December 2022 was S\$45,797,000. As the IPT Value is more than 5% of the Group's latest audited NTA, pursuant to Catalist Rule 906, the Company's entry into the LOO would require the approval of the Company's shareholders ("**Shareholders**").

However, the lease is for a period not exceeding three (3) years and the terms of the LOO are supported by an independent valuation report from Edmund Tie & Company (SEA) Pte Ltd dated 28 July 2023 ("**Valuation Report**"). The rental and service charge payable by the Company pursuant to the LOO is lower than the market rental value indicated in the Valuation Report, which estimates the market gross rent for the Premises at S\$66,555 per month (or S\$96.87 per square metre ("**sqm**") per month, including monthly service charge of S\$12.92 per sqm per month). Accordingly, the entry into the LOO and the lease thereunder falls under the exemption of Catalist Rule 916(1) from compliance with Catalist Rule 906, and as such, Shareholders' approval is not required.

#### **4. DETAILS OF THE LEASE AGREEMENT**

The Premises will be leased to the Company for a term of three (3) years. The Premises occupy a total floor area of 687 sqm. The rental rate will be S\$80.73 per sqm per month for the first year of the Term and S\$83.96 per sqm per month for the second and third years of the Term. Service charge of S\$12.92 per sqm per month is payable during the Term. The service charge is subject to increase during the Term based on the terms of the LOO.

The Company is required to maintain a refundable security deposit amounting to three (3) months of the rental and service charge for the Premises which is payable by the Company upon the entry into the LOO.

#### **5. RATIONALE AND BENEFIT TO THE COMPANY**

The Premises are situated at a strategic location within the central business district which is convenient for the Company's use as its main corporate office. The renewal allows the Company's main corporate office to continue to operate at the current location. In addition, the effective rental rate payable for the Premises under the LOO is lower than the market rate as indicated in the Valuation Report. Therefore, the entry into the LOO is beneficial to the Group.

#### **6. TOTAL VALUE OF IPT**

Save for the LOO, the Company has not entered into any other IPTs with OUE C-REIT (excluding transactions less than S\$100,000) since the beginning of this financial year, being 1 January 2023 ("**FY2023**") up to the date of this announcement.

Other than the LOO, there are no other IPTs (excluding transactions below S\$100,000) entered into by the Company since the beginning of FY2023 up to the date of this announcement.

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

Save as disclosed herein, none of the Directors or substantial shareholders of the Company has any direct or indirect interest (other than through their respective shareholdings in the Company) in the LOO.

#### **8. DOCUMENTS FOR INSPECTION**

A copy of each of the LOO and the Valuation Report are available for inspection by prior appointment during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

**BY ORDER OF THE BOARD**

Chen Chuanjian, Jason  
Chew Pei Tsing  
Joint Company Secretaries

31 July 2023

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this announcement.*

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