
ELIGIBILITY TO AND PROPOSED PARTICIPATION IN RIGHTS ISSUE

1. INTRODUCTION

- 1.1. The associated company of OUE Lippo Healthcare Limited (the "**Company**"), First REIT Management Limited (the "**Manager**"), the manager of First Real Estate Investment Trust ("**First REIT**"), has issued an announcement today in relation to its intention to carry out a renounceable rights issue (the "**Proposed Rights Issue**") for the purposes of, among others, repaying part of the S\$400 million secured syndicated loan facilities provided by, among others, Oversea-Chinese Banking Corporation Limited to First REIT on 22 February 2018 (the "**Rights Issue Announcement**").
- 1.2. Unless otherwise defined, capitalised terms used herein shall have the meanings ascribed to them in the Rights Issue Announcement.

2. THE PROPOSED PARTICIPATION IN THE RIGHTS ISSUE

- 2.1. The Manager intends to carry out the Proposed Rights Issue to issue up to 791,063,000 Units (the "**Rights Units**") (which is equivalent to approximately 98% of the 807,206,351 units in First REIT in issue ("**First REIT Units**") based on an indicative issue price of S\$0.20 per Rights Unit, to raise gross proceeds of approximately S\$158.2 million to eligible unitholders of First REIT ("**Unitholders**") and on a *pro rata* basis of an indicative rights ratio of 98 Rights Units for every 100 Units held as at the record date for the Proposed Rights Issue, fractional entitlements to be disregarded.
- 2.2. To demonstrate support for First REIT and the Proposed Rights Issue, the Company has provided an irrevocable undertaking in respect of the Proposed Rights Issue, as described in paragraph 3 below.
- 2.3. The Company, through its wholly-owned subsidiary, OLH Healthcare Investments Pte. Ltd. ("**OHIPL**"), indirectly owns an aggregate interest in 83,593,683 units in First REIT (the "**OHIPL Initial Units**"), representing approximately 10.36% of the total number of First REIT Units in issue¹ as at the date of this announcement.
- The Company owns 100.0% of OUELH (SEA) Pte. Ltd., which owns 100.0% of OUELH (Singapore) Pte. Ltd., which owns 100.0% of OHIPL.
- 2.4. The Company holds 40.0% of the shares in the Manager. The Manager owns an aggregate interest in 75,573,533 units in First REIT, representing approximately 9.36% of the total number of First REIT Units in issue² as at the date of this announcement.

¹ Based on the total number of 807,206,351 First REIT Units in issue as at the date of this announcement.

² Based on the total number of 807,206,351 First REIT Units in issue as at the date of this announcement.

3. IRREVOCABLE UNDERTAKING BY THE COMPANY

3.1. Commitment by the Company

To demonstrate its support for First REIT and the Proposed Rights Issue, the Company has irrevocably undertaken to the Manager (the "**OUELH Undertaking**") that, among other things:

- (a) as at 5.00 p.m. (Singapore time) on the record date for the Proposed Rights Issue, being the time and date at and on which the register of Unitholders and the unit transfer books of First REIT will be closed to determine the provisional allotments of the Rights Units under the Proposed Rights Issue to Unitholders who are eligible to participate in the Proposed Rights Issue, the Company will procure that OHIPL will have an interest in not less than the number of the OHIPL Initial Units credited to securities accounts with The Central Depository (Pte) Limited ("**CDP**") which are held in the name of OHIPL (each with registered addresses with CDP in Singapore);
- (b) in accordance with the terms and conditions of the Proposed Rights Issue, the Company will procure OHIPL to, by the last day for acceptance and payment of the Rights Units accept, subscribe and pay in full for, its total provisional allotment of the Rights Units (the "**OHI Allotted Rights Units**"); and
- (c) the Company will take or cause to be taken, all steps and actions and do, or cause to be done, all such acts and things as may be reasonably required to give effect to the undertakings set out in the OUELH Undertaking.

3.2. Conditions to the OUELH Undertaking

The obligations of the Company under the OUELH Undertaking are subject to and conditional upon the conditions set out in Paragraph 2.8 of the Rights Issue Announcement.

3.3. Maximum Consideration Payable by the Company under the OUELH Undertaking

Based on the indicative issue price of S\$0.20 per Rights Unit, the maximum consideration payable by the Company in relation to the subscription of Rights Units in accordance with the OUELH Undertaking is approximately S\$16.4 million which will be satisfied wholly in cash and funded by internal resources (the "**OUELH Subscription**" or the "**Proposed Transaction**").

- 3.4. Save as pursuant to the OUELH Undertaking, nothing in this announcement constitutes a commitment or undertaking by the Company to subscribe for the Rights Units or any part thereof, nor is this announcement intended to impose any commitments or obligations, express or implied, upon the Company with respect to the Proposed Rights Issue, except in respect of the OUELH Undertaking.
- 3.5. As the OHI Allotted Rights Units constitute OHIPL's pro-rata entitlement in full under the Rights Issue, the OUELH Subscription is not expected to have a material impact on earnings per share and net tangible asset per share of the Company and its subsidiaries for the current financial year ending 31 December 2020.

4. IRREVOCABLE UNDERTAKING BY THE MANAGER

It should also be noted that to demonstrate its support for First REIT and the Proposed Rights Issue, the Manager (in its own capacity) has provided an undertaking to the Manager (in its capacity as manager of First REIT) (the "**FRML Undertaking**") on the same terms and subject to the same conditions as the OUE LH Undertaking in respect of the Manager's *pro rata* entitlement pursuant to the Proposed Rights Issue. Further details in respect of the FRML Undertaking are set out in Paragraph 2.5 of the Rights Issue Announcement.

As stated above, the Company holds 40.0% of the shares of the Manager. If required, the Company intends to fund its portion of the financing required for the Manager (in its own capacity) to fulfil the FRML Undertaking. The Company will announce the details of any such financing required as soon as it has agreed with the Manager on the terms of such funding.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction, save for their respective shareholdings in the Company and the Manager and save as disclosed in the Rights Issue Announcement.

6. FURTHER ANNOUNCEMENTS AND CAUTIONARY STATEMENT

The Company will make further announcements, in compliance with the requirements of the SGX-ST Listing Manual Section B: Rules of Catalist, as and when there are material developments in respect of the Proposed Transaction and/or other matters contemplated by this announcement. Shareholders and potential investors of the Company should exercise caution when trading in the shares of the Company, as there is no certainty that the Proposed Transaction will be completed. In the event of any doubt as to the action they should take, shareholders should consult their financial, tax, legal or other professional advisers.

By Order of the Board
OUE Lippo Healthcare Limited

Mr. Yet Kum Meng
Chief Executive Officer and Executive Director
28 December 2020

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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