

QUE LIPPO
Healthcare

ANNUAL GENERAL MEETING

29 APRIL 2021



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Litigation Updates

Dispute with the Crest Entities

- Receivable as at 31 Dec 2019 amounted to approx. S\$32 million
- Received favourable judgment in July 2020 from the High Court
- Received payment in full for the outstanding receivable
- The Court of Appeal largely upheld the decision of the High Court in March 2021

Dispute on Wuxi Hospital

- Enforced Singapore arbitration award in Hong Kong, Taiwan and China and successfully recovered approx. S\$1.7million in total to-date
- Received favourable first-instance judgment in Nov 2019 from the Wuxi Xinwu District Court dismissing challenge to our ownership of the Wuxi Hospital land and buildings
- Appeal application against the above first-instance judgment was withdrawn in March 2021, which makes the first-instance judgment final and binding

Transformation Roadmap

Strategic Partnerships, Asset-Light Business Model, Pan-Asia Expansion



**Building New
Growth Engines**

Scaling Up

Strengthening

Stabilising



**Strengthening
Financial Position**

Business Review – China

Prince Bay China Merchants – Lippo General Hospital

Own-and-Operate

- OUELH entered into shareholders' agreement with China Merchants Group in Jan 2020
- Progress: Piling works commenced in Q1 2021
- Expected TOP (bare-finish) in end-2022; Expected to commission in 2024

Changshu China Merchants – Lippo O&G Hospital

Lease-and-Operate

- CM Lippo JV entered into lease agreement in Dec 2020
- 19.5 years lease agreement upon completion of construction
- Progress: Completed superstructure of two hospital wings; basement construction works ongoing for the third wing
- Expected TOP (bare-finish) in end-2021; Expected to commission in 2023

Business Review – Myanmar



- Three hospitals in Myanmar JV continue to be operational amidst the COVID-19 pandemic and political uncertainties
- The flagship Pun Hlaing Hospital in Yangon is the only hospital that offers the full suite of COVID-19 related services (including testing, isolation, treatment etc.)
 - COVID-19 related services have mitigated impact brought about by the ongoing pandemic
- Despite the challenges, the Myanmar JV continues to generate positive operating cashflow so far
- Following the recent ASEAN Summit on Myanmar held in Indonesia, we remain vigilant in monitoring new developments

Business Review – First REIT



- Restructured Master Lease Agreements
 - New sustainable & stable long-term master lease structure
- Recapitalised Balance Sheet with Rights Issue
 - Improved financial flexibility
 - Paved way for further diversification of funding
 - Stronger balance sheet and debt profile post-rights
- Refinanced Debt Obligations
 - Debt headroom in excess of S\$300m for future acquisitions
- Repositioned for Growth
 - Diversify from over reliance on a single market

QUELH strengthened its position as Sponsor

Subscribed in full its total allotments of the rights units as well as excess rights units
Direct holding in First REIT increased from 10.4%¹ to 15.4%

¹as at 31 December 2020

Improving Financial Position

Scaling Up

- Existing Shareholder Loans and accrued interest of S\$189.6m converted into Perpetual Securities in 2021
 - Improved gearing ratio from 2.5 times to 0.6 times
- Better positioned to tap into the capital markets
- Recycling of capital

Strengthening

- Private placement to ITOCHU Corporation of approx. S\$78.8m in 2018
- OUELH rights issue that raised approx. S\$150m in 2018

Stabilising

- General Offer by OUE in 2017
- OUE provided loan facility of approx. S\$165.4m in 2017

Looking Ahead



THANK YOU

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