

CIRCULAR DATED 13 JANUARY 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax advisor or other professional adviser(s) immediately.

If you have sold or transferred all your shares in the capital of OUE Lippo Healthcare Limited (the “**Company**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this Circular.

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 049418 and E-mail: sponsorship@ppcf.com.sg).



(Company Registration No. 201304341E)
(Incorporated in the Republic of Singapore)
(In receivership over charged shares in certain subsidiaries)

CIRCULAR TO SHAREHOLDERS

in relation to

**THE PROPOSED ACQUISITION OF (1) 40% STAKE IN YOMA SILOAM HOSPITAL
PUN HLAING LIMITED AND (2) 35% STAKE IN PUN HLAING INTERNATIONAL
HOSPITAL LIMITED**

Independent Financial Adviser in respect of
the Proposed Transaction



(Company Registration No. 201109968H)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	26 January 2019 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	28 January 2019 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Mandarin Orchard Singapore, Mandarin Ballroom I, 6 th Floor, Main Tower, 333 Orchard Road, Singapore 238867

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

COMPANIES/ORGANISATIONS

“BHPL”	:	Browny Healthcare Pte. Ltd.
“Bowsprit”	:	Bowsprit Capital Corporation Limited
“CDP”	:	The Central Depository (Pte) Limited
“Company” or “OUELH”	:	OUE Lippo Healthcare Limited
“First REIT”	:	First Real Estate Investment Trust
“FMI”	:	First Myanmar Investment Company Limited (now known as First Myanmar Investment Public Company Limited)
“Group”	:	The Company and its subsidiaries
“IFA”	:	RHT Capital Pte. Ltd., the independent financial adviser to the Non-Interested Directors in relation to the Proposed Transaction
“Independent Valuer”	:	Cushman & Wakefield VHS Pte. Ltd.
“OHA”	:	OUELH Healthcare Assets (MM) Pte. Ltd.
“OHS”	:	OUELH Healthcare Services (MM) Pte. Ltd.
“OUE”	:	OUE Limited
“PHCC”	:	Pun Hlaing Capital Co., Ltd.
“PHIH”	:	Pun Hlaing International Hospital Limited
“PT LK”	:	PT Lippo Karawaci Tbk
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“TIHPL”	:	Treasure International Holdings Pte. Ltd.
“Vendor”	:	PT Waluya Graha Loka
“YSHPH”	:	Yoma Siloam Hospital Pun Hlaing Limited

GENERAL

“Agreement”	:	The conditional sale and purchase agreement dated 10 January 2019 entered into between OHS, OHA and the Vendor in relation to the Proposed Transaction
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DEFINITIONS

“ARC”	:	The audit and risk committee of the Company as at the date of this Circular, comprising Mr. Eric Sho Kian Hin, Mr. Roger Tan Chade Phang, Mr. Jackson Tay Eng Kiat and Mr. Johji Sato
“associate”	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“associated company”	:	Any company in which at least 20% but not more than 50% of its shares are held by the listed company or the listed group
“BHPL Undertaking”	:	Has the meaning ascribed to it in Paragraph 4.4 of this Circular
“Board”	:	The board of Directors of the Company as at the date of this Circular
“Catalist”	:	The Catalist board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The Listing Manual of the SGX-ST, Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“Circular”	:	This circular to Shareholders dated 13 January 2019
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore

DEFINITIONS

“Completion”	:	The completion of the Proposed Transaction in accordance with the terms and conditions set out in the Agreement
“Consideration”	:	Has the meaning ascribed to it in Paragraph 2.5(b) of this Circular
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company or a person who in fact exercises control over the Company
“Directors”	:	The directors of the Company for the time being as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on Monday, 28 January 2019 at 10.00 a.m., notice of which is set out on pages 65 to 66 of this Circular
“EPS”	:	Earnings per Share
“Existing BHPL Shares”	:	Has the meaning ascribed to it in Paragraph 4.4 of this Circular
“FY”	:	The financial year ended 31 December
“GDP”	:	Gross Domestic Product
“IFA Letter”	:	The letter dated 13 January 2019 from the IFA to the Non-Interested Directors in relation to the Proposed Transaction, as set out in Appendix A to this Circular
“Latest Practicable Date”	:	3 January 2019, being the latest practicable date prior to the printing of this Circular
“Long-Stop Date”	:	Has the meaning ascribed to it in Paragraph 2.5(c) of this Circular
“LPS”	:	Loss per Share
“Manager Acquisition”	:	Has the meaning ascribed to it in Paragraph 5.1 of this Circular
“Non-Interested Directors”	:	The Directors of the Company who are independent for the purposes of the Proposed Transaction, being Mr. Lee Yi Shyan, Dr. Wong Weng Hong, Mr. Masato Mohri, Mr. Roger Tan Chade Phang, Mr. Eric Sho Kian Hin, Mr. Jackson Tay Eng Kiat and Mr. Johji Sato

DEFINITIONS

“Notice of EGM”	:	The notice of the EGM as set out on pages 65 to 66 of this Circular
“NTA”	:	Net tangible assets
“Ordinary Resolution”	:	Has the meaning ascribed to it in Paragraph 1.3 of this Circular
“PHCC PHIH Shares”	:	Has the meaning ascribed to it in Paragraph 2.2 of this Circular
“PHIH Sale Shares”	:	Has the meaning ascribed to it in Paragraph 1.1(b) of this Circular
“Placement”	:	The placement of 562,500,000 Shares to BHPL pursuant to the placement agreement dated 10 January 2018 between the Company and BHPL, which was completed on 15 February 2018
“Proposed Transaction”	:	Has the meaning ascribed to it in Paragraph 1.1 of this Circular
“Purchasers”	:	OHS and OHA
“Rights Issue”	:	The renounceable underwritten rights issue of 2,221,564,603 new Shares in the capital of the Company announced by the Company on 18 September 2018, which was completed on 23 October 2018
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore
“Shareholders”	:	Registered holders of Shares in the register of members of the Company except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
“Shares”	:	The ordinary shares in the capital of the Company
“Substantial Shareholder”	:	A person who has an interest in not less than 5.0% of the total votes attached to all the voting shares (excluding treasury shares) in the Company

DEFINITIONS

“Summary Valuation Report”	:	The Summary Valuation Report dated 27 December 2018 from the Independent Valuer in relation to the YSHPH Sale Shares, the PHIH Sale Shares and the rights relating to the PHCC PHIH Shares as described in Paragraph 2.5(e) as set out in Appendix B to this Circular
“S\$” and “cents”	:	Singapore dollars and cents, being the lawful currency of the Republic of Singapore
“Targets”	:	YSHPH and PHIH
“Units Acquisition”	:	Has the meaning ascribed to it in Paragraph 5.1 of this Circular
“Valuation”	:	Has the meaning ascribed to it in Paragraph 2.5(b) of this Circular
“Valuation Range”	:	Has the meanings ascribed to it in Paragraph 2.5(b) of this Circular
“YSHPH Sale Shares”	:	Has the meaning ascribed to it in Paragraph 1.1(a) of this Circular
“%” or “per cent”	:	Percentage or per centum

The term **“subsidiary”** shall have the meaning ascribed to it in the Companies Act.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalyst Rules or any modification thereof and used in this Circular shall have the same meaning assigned to it thereunder, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein (if any) between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

For the purpose of this Circular, unless otherwise stated, all currency exchange rates used throughout this Circular are US\$1:MMK1,530, US\$1:S\$1.36, and S\$1:MMK1,130, the prevailing rate as at 7 January 2019.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

QUE LIPPO HEALTHCARE LIMITED

(Company Registration No. 201304341E)
(Incorporated in the Republic of Singapore)
(In receivership over charged shares in certain subsidiaries)

Board of Directors:

Mr. Lee Yi Shyan (Non-Independent, Non-Executive Chairman)
Dr. Stephen Riady (Non-Independent, Non-Executive Director)
Dr. Wong Weng Hong (Chief Executive Officer, Executive Director)
Mr. Masato Mohri (Non-Independent, Non-Executive Director)
Mr. Roger Tan Chade Phang (Lead Independent Director)
Mr. Eric Sho Kian Hin (Independent Director)
Mr. Jackson Tay Eng Kiat (Independent Director)
Mr. Johji Sato (Independent Director)

Registered Office:

9 Battery Road
#15-01
Singapore 049910

13 January 2019

To: The Shareholders of the Company

Dear Sir/Madam,

THE PROPOSED ACQUISITION OF (1) 40% STAKE IN YOMA SILOAM HOSPITAL PUN HLAING LIMITED AND (2) 35% STAKE IN PUN HLAING INTERNATIONAL HOSPITAL LIMITED

1. INTRODUCTION

1.1. The Proposed Transaction

The Company had on 10 January 2019 announced that its indirect wholly-owned subsidiaries, OHS and OHA, have on 10 January 2019 entered into the Agreement with the Vendor for the following transactions:

- (a) acquisition by OHS from the Vendor of 9,120,000 shares (the “**YSHPH Sale Shares**”) in the capital of YSHPH, representing 40% of the total number of shares in the capital of YSHPH; and
- (b) acquisition by OHA from the Vendor of 735,105 shares (the “**PHIH Sale Shares**”) in the capital of PHIH, representing 35% of the total number of shares in the capital of PHIH,

(collectively, the “**Proposed Transaction**”).

Both Purchasers are wholly-owned subsidiaries of OUELH Investments (MM) Pte. Ltd., a company incorporated in Singapore which is wholly-owned by the Company.

The Proposed Transaction is made in the ordinary course of business and will neither result in change to the nature of the Group’s business nor change in the Group’s risk profile. Accordingly, it does not fall under the requirements of Chapter 10 of the Catalist Rules.

The Proposed Transaction constitutes an interested person transaction as defined under Chapter 9 of the Catalist Rules as the Vendor is considered an associate of Dr. Stephen Riady, who is the Non-Independent, Non-Executive Director of the Company. As the value

LETTER TO SHAREHOLDERS

of the Proposed Transaction exceeds 5.0% of the Group's latest audited net tangible assets, the approval of Shareholders is required pursuant to Rule 906(1)(a) of the Catalyst Rules.

Accordingly, the Company will be seeking the approval of the Shareholders for the Proposed Transaction at the EGM pursuant to Chapter 9 of the Catalyst Rules.

1.2. Opinion of the IFA

The IFA has been appointed to provide an opinion as to whether the Proposed Transaction, as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. The IFA Letter is set out in Appendix A to this Circular.

1.3. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Transaction and to seek the approval of Shareholders for the Proposed Transaction ("**Ordinary Resolution**") at the EGM.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

1.4. Sponsor and the SGX-ST

The Sponsor and the SGX-ST assume no responsibility for the contents of the Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Circular. If a Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant, tax advisor or other professional adviser(s) immediately.

2. THE PROPOSED TRANSACTION

2.1. Information on YSHPH

YSHPH is a company incorporated in Myanmar on 16 March 2015 and is engaged in the management and operation of hospitals and clinics in Myanmar. As at the date of the Agreement, YSHPH operates three hospitals, one medical centre and two clinics.

The three hospitals, with a total capacity of approximately 370 beds, are located in Yangon, Mandalay and Taunggyi. The core services provided by the three hospitals include emergency, out-patient, in-patient laboratory, imaging, physiotherapy, medical check-up and overseas clinical services across practices including cardiology, orthopaedics, obstetrics and gynaecology.

As at the date of the Agreement, YSHPH is a joint venture company between FMI and the Vendor with FMI holding 60% of the total number of shares in the capital of YSHPH and the remaining 40% of the total number of shares in the capital of YSHPH (being the YSHPH Sale Shares) held by the Vendor.

LETTER TO SHAREHOLDERS

The audited loss before tax of YSHPH for the financial year ended 31 March 2018 is approximately US\$2.3 million. YSHPH's audited net assets as at 31 March 2018 is approximately US\$10.4 million. The unaudited loss before tax of YSHPH for the seven (7) months ended 31 October 2018 is approximately US\$2.6 million. YSHPH's unaudited net assets as at 31 October 2018 is approximately US\$7.8 million.

2.2. Information on PHIH

PHIH is a company incorporated in Myanmar on 11 August 2000 and owns or holds the leases of the land and properties on which YSHPH operates, with back-to-back leases. In addition, PHIH is in the process of acquiring a piece of land located in Mawlamyine City.

The acquisition is expected to be completed by the first half of 2019.

As at the date of the Agreement, PHIH is a joint venture company between FMI, the Vendor and PHCC. FMI and the Vendor respectively holds 60% and 35% of the total number of shares in the capital of PHIH, with the remaining 5% (the "**PHCC PHIH Shares**") held by PHCC.

The audited loss before tax of PHIH for the financial year ended 31 March 2018 is US\$126,000. PHIH's audited net asset as at 31 March 2018 is US\$5.6 million. The unaudited loss before tax of PHIH for the seven (7) months ended 31 October 2018 is approximately US\$72,000. PHIH's unaudited net assets as at 31 October 2018 is approximately US\$5.6 million.

2.3. FMI

Upon completion of the Proposed Transaction, the Company will, through the Purchasers, be a joint venture partner with FMI.

Established in 1992, FMI is one of Myanmar's largest public companies. FMI is the first company to be listed on the Yangon Stock Exchange and is a diversified conglomerate investing in financial services, real estate, healthcare and tourism sectors. As at the date of the Agreement, FMI has a market capitalisation of approximately MMK270 billion.

2.4. The Vendor

The Vendor is incorporated in Indonesia and is an indirect wholly-owned subsidiary of PT LK. PT LK is listed on the Indonesia Stock Exchange and is one of Indonesia's largest listed property companies, with a portfolio that comprises residential and urban development, hospitals, mall, hotels and leisure and asset management.

2.5. Material Terms of the Proposed Transaction

(a) The Proposed Transaction

On and subject to the terms and conditions of the Agreement, and in exchange for the Consideration:

- (i) the Vendor agrees to sell, and OHS agrees to purchase the YSHPH Sale Shares;
- and

LETTER TO SHAREHOLDERS

- (ii) the Vendor agrees to sell, and OHA agrees to purchase the PHIH Sale Shares.

The acquisition of the YSHPH Sale Shares and the acquisition of the PHIH Sale Shares are inter-conditional upon each other.

(b) Consideration

The consideration for the Proposed Transaction is US\$19,500,000 (the “**Consideration**”), with US\$17,600,000 being payable for the acquisition of the YSHPH Sale Shares and US\$1,900,000 being payable for the acquisition of the PHIH Sale Shares.

The Consideration, amounting to approximately S\$26,520,000 (based on an exchange rate of US\$1:S\$1.36 as at 7 January 2019), will be paid to the Vendor in cash on Completion. The Consideration is intended to be fully funded by the net proceeds from the Placement. As at the date of the Agreement, the balance net proceeds from the Placement that has not been utilised amounted to S\$41,526,000.

The Consideration was arrived at after arm’s length negotiations and was on a willing-buyer willing-seller basis, taking into account an independent valuation (the “**Valuation**”) conducted by the Independent Valuer as at 30 September 2018 and other various factors, such as the business prospects of the Targets and the net asset value of the Targets.

The Valuation was commissioned by the Company and their findings were produced in the Summary Valuation Report as set out in **Appendix B** to this Circular. Based on the Summary Valuation Report, the Independent Valuer is of the opinion that the market value of the YSHPH Sale Shares, the PHIH Sale Shares and the rights relating to the PHCC PHIH Shares as described in paragraph 2.5(e) below is in the region of MMK28.5 billion and MMK34.7 billion. This is equivalent to US\$18.4 million to US\$22.4 million (the “**Valuation Range**”) which is converted based on the exchange rate of US\$1:MMK1,551 as at 3 January 2019. Accordingly, the midpoint of the Valuation Range is at US\$20.4 million.

(c) Conditions Precedent

Completion of the Proposed Transaction is conditional upon the following conditions being satisfied or waived in accordance with the Agreement:

- (i) the execution and delivery of a letter by FMI to the Vendor (A) waiving its rights of first refusal in respect of the transfer of the YSHPH Sale Shares and PHIH Sale Shares by the Vendor and (B) consenting to the restrictions in relation to the use of certain names as set out in the Agreement, and the Purchasers having sighted such letter;
- (ii) all the relevant warranties being true, accurate and not misleading as at the date of Completion;

LETTER TO SHAREHOLDERS

- (iii) the Proposed Transaction being effected upon the terms and conditions of this Agreement not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or other authority of Singapore, Myanmar and Indonesia;
- (iv) the approval of the shareholders of the Company for the Proposed Transaction at an extraordinary general meeting convened by the Company; and
- (v) the entry by FMI and the Vendor into a joint venture agreement in relation to PHIH in a form and substance acceptable to OHA.

In the event that any of the conditions above is not fulfilled or waived on or before the date falling six (6) months from the date of the Agreement (the “**Long-Stop Date**”), the Purchasers may in their sole discretion extend the Long-Stop Date, failing which the Agreement shall lapse and cease to have further effect.

(d) Representations and Warranties

The Vendor, and each of the Purchasers have provided to one another certain customary representations, warranties and undertakings pursuant to the Agreement.

(e) Assignment

The Vendor shall, on Completion, assign to OHA all the existing rights the Vendor has in connection with or related to the PHIH Sale Shares as at Completion, including the following:

- (i) a non-revocable power of attorney and a charge over the PHCC PHIH Shares granted by PHCC to the Vendor;
- (ii) a deed of assignment between the Vendor, PHCC and PHIH, pursuant to which PHCC assigned all of the economic interests (including but not limited to dividends, distributions, and profits) arising from or relating to the PHCC PHIH Shares to be received by PHCC to the Vendor; and
- (iii) a call option granted by PHCC in favour of the Vendor allowing the Vendor to acquire the PHCC PHIH Shares for a consideration of MMK1,000, which is exercisable to the extent that foreign companies (as defined under applicable Myanmar laws) may hold all or part of the PHCC PHIH Shares.

(f) Completion

The Completion of the Proposed Transaction will take place on the date falling ten (10) business days after the date on which the conditions referred to in Paragraph 2.5(c) are satisfied or waived in accordance with the Agreement or at such other time and/or date as may be agreed between the Vendor and the Purchasers, and is expected to occur on or before the first quarter of 2019.

LETTER TO SHAREHOLDERS

(g) Right to Terminate Prior to Completion

If, at any time prior to Completion:

- (a) the Purchasers are aware of any breach by the Vendor of the warranties or the undertakings given by the Vendor, the Purchasers shall be entitled by notice in writing to the Vendor to terminate the Agreement (other than the surviving provisions) without any liability on its part; or
- (b) any event shall occur (other than an event constituting or giving rise to a breach of any of the warranties given by the Vendor) which affects or is likely to affect adversely to a material degree the financial position, turnover, profitability or prospects of the Targets, the Purchasers shall be entitled by notice in writing to the Vendor to terminate the Agreement (other than the surviving provisions) without any liability on its part.

3. RATIONALE FOR THE PROPOSED TRANSACTION

The Proposed Transaction is in line with the Company's strategy and vision to build itself as a Pan Asian healthcare platform.

As one of the fastest growing economies in Southeast Asia, Myanmar presents a wealth of business opportunities. The country's GDP has grown twelve (12) times with a compounded annual growth rate at approximately 18.1% since 2003¹. Healthcare spending has also increased from US\$279 million in 2012 to US\$789 million in 2018².

The three hospitals owned and operated by the Targets are located in Yangon, Mandalay, and Taunggyi. Yangon and Mandalay are the largest and second largest city³ in Myanmar respectively, while Taunggyi is the capital of Shan State, which is the largest of all fourteen administrative divisions in Myanmar. The Company is of the view that the Proposed Transaction will help establish a strong foothold for the Group to expand in Myanmar, where the demand for affordable quality healthcare services is expected to increase.

4. THE PROPOSED TRANSACTION AS AN INTERESTED PERSON TRANSACTION

4.1. Chapter 9 of the Catalyst Rules

Chapter 9 of the Catalyst Rules governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company's interested persons. Under Chapter 9 of the Catalyst Rules, where a listed company or any of its subsidiaries or any of its associated companies which is an entity at risk proposes to enter into transactions with the listed company's interested persons, the listed company is required to seek shareholders' approval if the value of the transaction (either in itself or when aggregated with the value of other transactions with the same interested person during the same financial year) is equal to or exceeds 5.0% of the listed group's latest audited NTA. For the avoidance of doubt, the requirement for shareholders' approval does not apply to any transaction below S\$100,000.

¹ Source: World Bank, 2018

² Source: OECD, April 2018

³ In terms of population; Source: World Atlas

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For the purposes of Chapter 9 of the Catalist Rules:

- (a) **“approved exchange”** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules.
- (b) **“entity at risk”** means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.
- (c) **“interested person”** means:
 - (i) a director, chief executive officer, or controlling shareholder of the listed company; or
 - (ii) an associate of any such director, chief executive officer, or controlling shareholder.
- (d) **“interested person transaction”** means a transaction between an entity at risk and an interested person.
- (e) a **“transaction”** includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

4.2. The Proposed Transaction as an Interested Person Transaction

(a) Interested Person Transaction under Chapter 9 of the Catalist Rules

The Vendor is 100% indirectly held by PT LK. Based on publicly available information, PT Inti Anugerah Pratama directly holds 52.4% interest in PT LK. PT Inti Anugerah Pratama is in turn 40% held by Fullerton Capital Limited, a company wholly owned by Dr. Stephen Riady, who is the Non-Independent, Non-Executive Director of the Company, and 60% held by PT Trijaya Utama Mandiri, a company indirectly wholly owned by Mr. James Tjahaja Riady, who is the brother of Dr. Stephen Riady.

As such, the Vendor is considered an associate of Dr. Stephen Riady and an interested person of the Company as defined under Chapter 9 of the Catalist Rules.

Each of OHS and OHA is an entity-at-risk as defined under Chapter 9 of the Catalist Rules. Accordingly, the Proposed Transaction between OHS, OHA and the Vendor constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

LETTER TO SHAREHOLDERS

(b) Requirement for Shareholders' Approval

The value at risk of the Proposed Transaction is approximately US\$19,500,000 (equivalent to S\$26,520,000), being the Consideration, which represents approximately 70.7% of the latest audited NTA of the Group of approximately S\$37,494,000 as at 31 December 2017. Accordingly, as the value exceeds 5.0% of the latest audited NTA of the Group, the Proposed Transaction will require the approval of the Shareholders of the Company pursuant to Rule 906(1)(a) of the Catalist Rules.

4.3. Total Value of Interested Person Transactions for the Current Financial Year

Save for the Proposed Transaction and excluding transactions which were less than S\$100,000 each, during the course of FY2019, which is from 1 January 2019 up to the Latest Practicable Date:

- (a) there are no other interested person transactions entered into by the Group with PT LK and its group of companies; and
- (b) there are no other interested person transactions entered into by the Group and other interested persons.

4.4. Irrevocable Undertaking

As at the Latest Practicable Date, BHPL is the legal and beneficial owner of 1,125,000,000 Shares representing approximately 25.32% of the Company's existing share capital of 4,443,129,206 Shares (the "**Existing BHPL Shares**"). BHPL has on 7 January 2019 given irrevocable undertakings (the "**BHPL Undertaking**") to the Company that, *inter alia*:

- (a) BHPL will vote, and will procure the voting of, all the Relevant Shares in favour of the resolutions to approve the Proposed Transaction and all other matters in connection therewith at the EGM (or at any adjournment thereof), provided that the IFA confirms in its opinion that the Proposed Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders; and
- (b) BHPL will not, during the term of the BHPL Undertaking directly or indirectly, (i) offer, sell, transfer, assign, give or otherwise dispose of, (ii) grant any option, interest, right or warrant to purchase in respect of, (iii) charge, mortgage, pledge or otherwise create an Encumbrance over, or (iv) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of, all or any of the Relevant Shares or any interest therein (or enter into any agreement with a view to effecting any of the foregoing).

For the purposes of the BHPL Undertaking:

- (i) "**Encumbrance**" means any mortgage, assignment, debenture, lien, charge, pledge, title retention, hypothecation, right to acquire, security interest, option, claim, pre-emptive or other similar right, right of first refusal and any other encumbrance or condition whatsoever; and

LETTER TO SHAREHOLDERS

- (ii) **“Relevant Shares”** means the Existing BHPL Shares and any other Shares which may be acquired, directly or indirectly, by BHPL, including without limitation, pursuant to (i) the exercise of any options or warrants which BHPL may have to subscribe for new Shares, (ii) any bonus issue, rights issue or distribution of Shares (whether by way of dividend or otherwise) declared or made by the Company, or (iii) any open market purchase of Shares, on or after the date of the BHPL Undertaking.

5. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The proforma financial effects of the Proposed Transaction set out below are purely for illustration purposes only and do not reflect the actual future financial situation of the Company or the Group after completion of the Proposed Transaction.

The proforma financial effects of the Proposed Transaction presented below have been prepared based on the audited consolidated financial statements of the Group for FY2017, the unaudited consolidated financial statements of the Targets for the financial year ended 31 March 2018 and the following assumptions:

- (a) that completion of the Proposed Transaction had taken place on 31 December 2017 for purposes of the proforma financial effect on the NTA per Share of the Group; and
- (b) that completion of the Proposed Transaction had taken place on 1 January 2017 for purposes of the proforma financial effect on the consolidated EPS of the Group.

5.1. NTA per Share

	FY2017		
	Before the Proposed Transaction	Proforma Adjusted ⁽¹⁾	Proforma Adjusted ⁽¹⁾ and after the Proposed Transaction
NTA (S\$'000)	37,494	263,700	263,700
Number of Shares	1,659,064,603 ⁽²⁾	4,443,129,206	4,443,129,206
NTA per Share (cents)	2.26	5.94	5.94

Notes:

- (1) Adjusted for (a) net proceeds of approximately S\$77,450,000 pursuant to the Placement, (b) net proceeds of approximately S\$148,750,000 pursuant to the Rights Issue and (c) (i) the acquisition by the Company from LK REIT Management Pte. Ltd. of 40% of the total issued share capital of Bowsprit (the **“Manager Acquisition”**) and (ii) the acquisition by OLH Healthcare Investments Pte. Ltd. (a wholly-owned subsidiary of the Company) from Bridgewater International Limited of 10.63%¹ of the total issued units of First REIT (the **“Units Acquisition”**), both announced on 18 September 2018 and completed on 26 October 2018.
- (2) Represents the number of Shares outstanding as at 31 December 2017.

¹ As announced in the Company's announcement on 26 October 2018, the percentage unitholding has reduced from 10.63% to 10.60% due to the issue of additional units of First REIT to its manager, Bowsprit as payment of Bowsprit's management fees.

LETTER TO SHAREHOLDERS

5.2. EPS

	FY2017		
	Before the Proposed Transaction	Proforma Adjusted ⁽¹⁾	Proforma Adjusted ⁽¹⁾ and after the Proposed Transaction
Profit/(loss) after tax attributable to Shareholders (S\$'000)	(90,700)	(79,141)	(80,463) ⁽²⁾
Weighted average number of Shares	1,659,064,603 ⁽³⁾	4,443,129,206	4,443,129,206
EPS/(LPS) (cents)	(5.47)	(1.78)	(1.81)

Notes:

- (1) Adjusted for (a) the Placement, (b) the Rights Issue and (c) the Manager Acquisition and the Units Acquisition.
- (2) Computed based on 40% of the unaudited consolidated loss after tax attributable to the Targets of approximately S\$1,322,000 for the financial year ended 31 March 2018.
- (3) Represents the number of Shares outstanding as at 31 December 2017.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders (both direct and deemed) in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholdings of the Company are set out below:

	As at the Latest Practicable Date			
	Number of Shares			% ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
Directors				
Mr. Lee Yi Shyan	—	—	—	—
Dr. Stephen Riady ⁽²⁾	—	2,859,029,000	2,859,029,000	64.35
Dr. Wong Weng Hong	—	—	—	—
Mr. Masato Mohri	—	—	—	—
Mr. Roger Tan Chade Phang	—	—	—	—
Mr. Eric Sho Kian Hin	—	—	—	—
Mr. Jackson Tay Eng Kiat	—	—	—	—
Mr. Johji Sato	—	—	—	—

LETTER TO SHAREHOLDERS

	As at the Latest Practicable Date			
	Number of Shares			% ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
Substantial Shareholders (other than Directors)				
TIHPL	2,859,029,000	–	2,859,029,000	64.35
BHPL	1,125,000,000	–	1,125,000,000	25.32
OUE ⁽³⁾	–	2,859,029,000	2,859,029,000	64.35
OUE Realty Pte. Ltd. ("OUER") ⁽⁴⁾	–	2,859,029,000	2,859,029,000	64.35
Golden Concord Asia Limited ("GCAL") ⁽⁵⁾	–	2,859,029,000	2,859,029,000	64.35
Fortune Code Limited ("FCL") ⁽⁶⁾	–	2,859,029,000	2,859,029,000	64.35
Lippo ASM Asia Property Limited ("LAAPL") ⁽⁷⁾	–	2,859,029,000	2,859,029,000	64.35
Pacific Landmark Holdings Limited ("Pacific Landmark") ⁽⁸⁾	–	2,859,029,000	2,859,029,000	64.35
HKC Property Investment Holdings Limited ("HKC Property") ⁽⁹⁾	–	2,859,029,000	2,859,029,000	64.35
Hongkong Chinese Limited ("HCL") ⁽¹⁰⁾	–	2,859,029,000	2,859,029,000	64.35
Hennessy Holdings Limited ("Hennessy") ⁽¹¹⁾	–	2,859,029,000	2,859,029,000	64.35
Prime Success Limited ("PSL") ⁽¹²⁾	–	2,859,029,000	2,859,029,000	64.35
Lippo Limited ("LL") ⁽¹³⁾	–	2,859,029,000	2,859,029,000	64.35
Lippo Capital Limited ("LCL") ⁽¹⁴⁾	–	2,859,029,000	2,859,029,000	64.35
Lippo Capital Holdings Company Limited ("LCH") ⁽¹⁵⁾	–	2,859,029,000	2,859,029,000	64.35
Lippo Capital Group Limited ("LCG") ⁽¹⁶⁾	–	2,859,029,000	2,859,029,000	64.35
PT Trijaya Utama Mandiri ("PT Trijaya") ⁽¹⁷⁾	–	2,859,029,000	2,859,029,000	64.35

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	As at the Latest Practicable Date			
	Number of Shares			% ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
Admiralty Station Management Limited (“ Admiralty ”) ⁽¹⁸⁾	—	2,859,029,000	2,859,029,000	64.35
Argyle Street Management Limited (“ ASML ”) ⁽¹⁹⁾	—	2,859,029,000	2,859,029,000	64.35
Argyle Street Management Holdings Limited (“ ASMHL ”) ⁽²⁰⁾	—	2,859,029,000	2,859,029,000	64.35
Mr. James Tjahaja Riady ⁽²¹⁾	—	2,859,029,000	2,859,029,000	64.35
Mr. Kin Chan ⁽²²⁾	—	2,859,029,000	2,859,029,000	64.35
Mr. V-Nee Yeh ⁽²³⁾	—	2,859,029,000	2,859,029,000	64.35
ITOCHU Singapore Pte Ltd (“ ITOCHU SG ”) ⁽²⁴⁾	—	1,125,000,000	1,125,000,000	25.32
ITOCHU Corporation (“ ITOCHU Corp ”) ⁽²⁵⁾	—	1,125,000,000	1,125,000,000	25.32

Notes:

- (1) Based on the total number of issued Shares of 4,443,129,206 Shares as at the Latest Practicable Date.
- (2) Dr. Stephen Riady holds 100% of the issued share capital of LCG, which is the holding company of LCH. LCH is an intermediate holding company of Pacific Landmark. Pacific Landmark and Admiralty jointly hold LAAPL. LAAPL is the indirect holding company of TIHPL. TIHPL has a direct interest in 2,859,029,000 Shares. Accordingly, Dr. Stephen Riady has a deemed interest in the Shares held by TIHPL.
- (3) OUE is the holding company of TIHPL. Accordingly, OUE has a deemed interest in the Shares held by TIHPL.
- (4) OUER is the holding company of OUE. Accordingly, OUER has a deemed interest in the Shares in which OUE has an interest.
- (5) GCAL is the holding company of OUER, and an intermediate holding company of OUE. Accordingly, GCAL has a deemed interest in the Shares in which OUE has an interest.
- (6) FCL is the holding company of GCAL, and an intermediate holding company of OUE. Accordingly, FCL has a deemed interest in the Shares in which OUE has an interest.
- (7) LAAPL is the holding company of FCL. FCL is an intermediate holding company of OUE. Accordingly, LAAPL has a deemed interest in the Shares in which OUE has an interest.
- (8) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. Accordingly, Pacific Landmark has a deemed interest in the Shares in which OUE has an interest.
- (9) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. HKC Property is the holding company of Pacific Landmark. Accordingly, HKC Property has a deemed interest in the Shares in which OUE has an interest.
- (10) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. HCL is an intermediate holding company of Pacific Landmark. Accordingly, HCL has a deemed interest in the Shares in which OUE has an interest.
- (11) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. Hennessy is an intermediate holding company of Pacific Landmark. Accordingly, Hennessy has a deemed interest in the Shares in which OUE has an interest.

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- (12) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. PSL is an intermediate holding company of Pacific Landmark. Accordingly, PSL has a deemed interest in the Shares in which OUE has an interest.
- (13) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. LL is an intermediate holding company of Pacific Landmark. Accordingly, LL has a deemed interest in the Shares in which OUE has an interest.
- (14) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. LCL is an intermediate holding company of Pacific Landmark. Accordingly, LCL has a deemed interest in the Shares in which OUE has an interest.
- (15) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. LCH is an intermediate holding company of Pacific Landmark. Accordingly, LCH has a deemed interest in the Shares in which OUE has an interest.
- (16) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. LCG is the holding company of LCH, which in turn is an intermediate holding company of Pacific Landmark. Accordingly, LCG has a deemed interest in the Shares in which OUE has an interest.
- (17) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. PT Trijaya holds more than 20% of the shares in LCL, which is an intermediate holding company of Pacific Landmark. Accordingly, PT Trijaya has a deemed interest in the Shares in which OUE has an interest.
- (18) LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, Admiralty has a deemed interest in the Shares in which OUE has an interest.
- (19) ASML owns 100% of the voting shares in the capital of Admiralty. LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, ASML has a deemed interest in the Shares in which OUE has an interest.
- (20) ASMHL is the holding company of ASML. ASML owns 100% of the voting shares in the capital of Admiralty. LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, ASMHL has a deemed interest in the Shares in which OUE has an interest.
- (21) Mr. James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20% of the shares in LCL. LCL is an intermediate holding company of Pacific Landmark. OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. Accordingly, Mr. James Tjahaja Riady has a deemed interest in the shares in which OUE has an interest.
- (22) Mr. Kin Chan is the beneficial owner of more than 20% of the issued share capital of ASMHL, the holding company of ASML. ASML owns 100% of the voting shares in the capital of Admiralty. LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, Mr. Kin Chan has a deemed interest in the shares in which OUE has an interest.
- (23) Mr. V-Nee Yeh is the beneficial owner of more than 20% of the issued share capital of ASMHL, the holding company of ASML. ASML owns 100% of the voting shares in the capital of Admiralty. LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, Mr. V-Nee Yeh has a deemed interest in the Shares in which OUE has an interest.
- (24) ITOCHU SG holds 60% of the issued share capital of BHPL. Accordingly, ITOCHU SG has a deemed interest in the Shares held by BHPL.
- (25) ITOCHU Corp is the holding company of ITOCHU SG. ITOCHU SG holds 60% of the issued share capital of BHPL. Accordingly, ITOCHU Corp has a deemed interest in the Shares held by BHPL.

Save for TIHPL, a wholly-owned subsidiary of OUE, all of the Substantial Shareholders (via TIHPL's shareholding interest in the Company) as disclosed in the table above (refer to note 3 to note 23 for details) and Dr. Stephen Riady, none of the Directors or Substantial Shareholders (other than through their respective shareholdings in the Company) has any interest, direct or indirect, in the Proposed Transaction.

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7. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

RHT Capital Pte. Ltd. has been appointed as the IFA to provide an opinion as to whether the Proposed Transaction, as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

The IFA Letter is reproduced in full in **Appendix A** to this Circular. **Shareholders are advised to read the IFA Letter in its entirety carefully and consider it in the context of this Circular before deciding on whether to approve the Proposed Transaction.**

The following is an extract from Section 7 of the IFA Letter and should be read by Shareholders in conjunction with, and in the full context of the IFA Letter. Unless otherwise defined or the context otherwise requires, all terms defined in the IFA Letter shall have the meanings therein.

“In arriving at our recommendation in respect of the Proposed Transaction, we have taken into consideration, inter alia, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

- (i) *Rationale for the Proposed Transaction;*
- (ii) *Financial performance and position of the Targets;*
- (iii) *Financial assessment of the Consideration:*
 - (a) *Independent valuation on the Stake in the Targets*
 - *the Consideration of US\$19.5 million is within the Valuation Range and represents approximately 4.4% discount to the midpoint of the Valuation Range.*
 - (b) *Financial assessment of the Consideration vis-à-vis comparable companies of the Targets*
 - *the P/Revenue ratio of the Targets implied by the Consideration of 3.8 times is within the range and below the mean but slightly above the median of the P/Revenue ratios of the Comparable Companies;*
 - *the EV/Revenue ratio of the Targets implied by the Consideration of 4.3 times is within the range, but slightly above the mean and median of the EV/Revenue ratios of the Comparable Companies; and*
 - *the P/NAV ratio of the Targets implied by the Consideration of 3.7 times is within the range but above the mean and median of the P/NAV ratios of the Comparable Companies.*
 - (c) *TGY Consideration and MLY Consideration*
- (iv) *Financial effects of the Proposed Transaction;*

LETTER TO SHAREHOLDERS

(v) *Other relevant considerations in relation to the Proposed Transaction:*

- (a) *Supportive structural dynamics;*
- (b) *The Targets are still in gestation period; and*
- (c) *FMI as the joint venture partner.*

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Transaction, as an Interested Person Transaction, is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.”

8. OPINION OF THE ARC

The ARC comprises Mr. Eric Sho Kian Hin, Mr. Roger Tan Chade Phang, Mr. Jackson Tay Eng Kiat and Mr. Johji Sato. The members of the ARC do not have any interests in the Proposed Transaction and are accordingly considered to be independent for the purposes of the Proposed Transaction.

The ARC, having reviewed, among other things, the terms and rationale for the Proposed Transaction, and after considering the advice of the IFA as set out in **Appendix A** to this Circular, concurs with the IFA and is of the opinion that the Proposed Transaction, as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

9. NON-INTERESTED DIRECTORS' RECOMMENDATIONS

Shareholders should read and consider carefully the recommendation of the Non-Interested Directors and the opinion of the IFA in its entirety before giving their approvals pertaining to the Proposed Transaction. Shareholders are also urged to read carefully the terms and conditions of the Proposed Transaction, the rationale for the Proposed Transaction and the financial effects of the Proposed Transaction, as respectively set out in this Circular.

Dr. Stephen Riady, being an interested person under Chapter 9 of the Catalist Rules for the purposes of the Proposed Transaction, will abstain from making any recommendation to Shareholders on the Proposed Transaction in his capacity as a Director.

The Non-Interested Directors, having considered and reviewed, among other things, the terms of the Proposed Transaction, the opinion of the IFA contained in the IFA Letter, the rationale for the Proposed Transaction, and all the other relevant information set out in this Circular, concur with the opinion of the IFA given in the IFA Letter.

Accordingly, they recommend that Shareholders vote in favour of the resolution in relation to the Proposed Transaction at the EGM.

Please refer to Paragraph 7 of this Circular and the IFA Letter reproduced in **Appendix A** to this Circular for the opinion of the IFA.

LETTER TO SHAREHOLDERS

10. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Catalist Rules, an interested person and any associate of the interested person must abstain from voting on the resolutions approving the interested person transactions involving themselves and their associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolutions unless specific voting instructions had been given by the Shareholders.

Accordingly, Dr. Stephen Riady and his associates (including TIHPL) will abstain from voting on the resolution in relation to the Proposed Transaction at the EGM. Further, Dr. Stephen Riady shall decline to accept appointment as proxy to attend and vote at the EGM in respect of the resolution set out above unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 65 to 66 of this Circular, will be held at Mandarin Orchard Singapore, Mandarin Ballroom I, 6th Floor, Main Tower, 333 Orchard Road, Singapore 238867 on Monday, 28 January 2019 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution in respect of the Proposed Transaction, as set out in the Notice of EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP as at 72 hours before the time fixed for the EGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transaction and the Group and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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 Circular in its proper form and context.

LETTER TO SHAREHOLDERS

14. CONSENTS

- 14.1.** RHT Capital Pte. Ltd., the IFA in respect of the Proposed Transaction, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the IFA Letter as set out in **Appendix A** to this Circular and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.
- 14.2.** Cushman and Wakefield VHS Pte. Ltd., the Independent Valuer in respect of the Proposed Transaction, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the Summary Valuation Report as set out in **Appendix B** to this Circular and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 9 Battery Road, #15-01, Singapore 049910, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the constitution of the Company;
- (b) the annual report of the Company for FY2017;
- (c) the Agreement;
- (d) the IFA Letter as set out in **Appendix A** to this Circular;
- (e) the Summary Valuation Report as set out in **Appendix B** to this Circular;
- (f) the consent letters referred to in Paragraph 14 of this Circular; and
- (g) the irrevocable undertaking from BHPL as mentioned in Paragraph 4.4 of this Circular.

Yours faithfully,

For and on behalf of the Board

OUE Lippo Healthcare Limited

(In receivership over charged shares in certain subsidiaries)

Dr. Wong Weng Hong
Chief Executive Officer and Executive Director

APPENDIX A – IFA LETTER

RHT CAPITAL PTE. LTD.

(Company Registration Number: 201109968H)
(Incorporated in the Republic of Singapore)
9 Raffles Place, #29-01
Republic Plaza Tower 1
Singapore 048619

13 January 2019

To: The Non-Interested Directors of OUE Lippo Healthcare Limited
(deemed to be independent in respect of the Proposed Transaction)

Mr. Lee Yi Shyan	(Non-Independent, Non-Executive Chairman)
Dr. Wong Weng Hong	(Chief Executive Officer, Executive Director)
Mr. Masato Mohri	(Non-Independent, Non-Executive Director)
Mr. Roger Tan Chade Phang	(Lead Independent Director)
Mr. Eric Sho Kian Hin	(Independent Director)
Mr. Jackson Tay Eng Kiat	(Independent Director)
Mr. Johji Sato	(Independent Director)

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE PROPOSED ACQUISITIONS OF THE STAKE IN THE TARGETS (AS DEFINED HEREIN)

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 13 January 2019 ("**Circular**") issued by OUE Lippo Healthcare Limited ("**OUELH**" or "**Company**", together with its subsidiaries, "**Group**") to the shareholders of the Company ("**Shareholders**") shall have the same meaning herein. For the purpose of our Letter (as defined below), where applicable, we have used the exchange rates of US\$1:MMK1,551, US\$1:THB32.17, US\$1:MYR4.1435 and US\$1:IDR14,410 as at 3 January 2019, being the Latest Practicable Date. The above exchange rates are extracted from published information by Bloomberg L.P. and are provided solely for information.*

1. INTRODUCTION

On 10 January 2019, the board of directors ("**Directors**") of OUELH announced that its indirect wholly-owned subsidiaries, OUELH Healthcare Services (MM) Pte. Ltd. ("**OHS**") and OUELH Healthcare Assets (MM) Pte. Ltd. ("**OHA**"), had on the same day, entered into a conditional sale and purchase agreement ("**Agreement**") with PT Waluya Graha Loka ("**Vendor**") for the following transactions:

- (a) acquisition by OHS from the Vendor of 9,120,000 shares ("**YSHPH Sale Shares**") in the capital of Yoma Siloam Hospital Pun Hlaing Limited ("**YSHPH**"), representing 40.0% of the total number of shares in the capital of YSHPH; and
- (b) acquisition by OHA from the Vendor of 735,105 shares ("**PHIH Sale Shares**") in the capital of Pun Hlaing International Hospital Limited ("**PHIH**"), and together with YSHPH, "**Targets**"), representing 35.0% of the total number of shares in the capital of PHIH.

(collectively referred as "**Proposed Transaction**")

Both OHS and OHA (collectively, "**Purchasers**") are wholly-owned subsidiaries of OUELH Investments (MM) Pte. Ltd., a company incorporated in Singapore which is wholly-owned by the Company.

APPENDIX A – IFA LETTER

As at the date of the Agreement, First Myanmar Investment Company Limited (now known as First Myanmar Investment Public Company Limited) (“**FMI**”) holds 60.0% of the total number of shares in the capital of YSHPH and PHIH. The Vendor holds 40.0% of the total number of shares in the capital of YSHPH and 35.0% of the total number of shares in the capital of PHIH. The remaining 5.0% of the total number of shares in the capital of PHIH (“**PHCC PHIH Shares**”) is held by Pun Hlaing Capital Company Limited (“**PHCC**”).

Pursuant to the Agreement, the Vendor shall, on completion of the Proposed Transaction (“**Completion**”), assign to OHA all the existing rights the Vendor has in connection with or related to the PHIH Sale Shares as at Completion, including the following:

- (a) a non-revocable power of attorney and a charge over the PHCC PHIH Shares granted by PHCC to the Vendor;
- (b) a deed of assignment between the Vendor, PHCC and PHIH, pursuant to which PHCC assigned all of the economic interests (including but not limited to dividends, distributions and profits) arising from or relating to the PHCC PHIH Shares to be received by PHCC to the Vendor; and
- (c) a call option granted by PHCC in favour of the Vendor allowing the Vendor to acquire the PHCC PHIH Shares for a consideration of MMK1,000, which is exercisable to the extent that foreign companies (as defined under applicable Myanmar laws) may hold all or part of the PHCC PHIH Shares.

(collectively referred as “**Assignment**”)

The YSHPH Sale Shares, PHIH Sale Shares and Assignment will collectively be referred as “**Stake in the Targets**”.

The consideration for the Proposed Transaction was determined to be approximately US\$19.5 million (“**Consideration**”), with US\$17.6 million being payable for the acquisition of the YSHPH Sale Shares and US\$1.9 million being payable for the acquisition of the PHIH Sale Shares, to be fully satisfied in cash upon the completion of the Proposed Transaction.

The Vendor is 100% indirectly held by PT Lippo Karawaci Tbk (“**PT LK**”). Based on publicly available information, PT Inti Anugerah Pratama directly holds 52.4% interest in PT LK. PT Inti Anugerah Pratama is in turn 40.0% held by Fullerton Capital Limited, a company wholly owned by Dr. Stephen Riady, the non-independent and non-executive Director of the Company, and 60.0% held by PT Trijaya Utama Mandiri, a company indirectly wholly owned by Mr. James Tjahaja Riady, who is the brother of Dr. Stephen Riady.

Accordingly, the Vendor is considered an associate of Dr. Stephen Riady and deemed as an “interested person” within the meaning of Chapter 9 of Section B of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), and the Proposed Transaction constitutes an “interested person transaction” as defined in Rule 904(5) of the Catalist Rules (“**Interested Person Transaction**”).

In accordance with Chapter 9 of the Catalist Rules, Shareholders’ approval must be obtained for any Interested Person Transaction of a value which is equal to or greater than 5.0% of the Group’s latest audited net tangible assets (“**NTA**”) or when aggregated with other Interested Person Transactions during the same financial period, the value is equal to or more than 5.0% of the Group’s latest audited NTA. In obtaining such approval, pursuant to Rule 919 of the Catalist Rules, the Interested Person and their associates are required to abstain from voting on the resolution approving the Interested Person Transaction.

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Based on the Company's latest audited consolidated accounts for the financial year ended 31 December 2017, the Group's audited NTA amounted to approximately S\$37.5 million. The value of the Proposed Transaction is more than 5.0% of the Group's latest audited NTA. Pursuant to Rule 906(1)(a) of the Catalist Rules, the Proposed Transaction will be subject to the Shareholders' approval at an extraordinary general meeting of the Company ("**EGM**") to be convened.

Pursuant to Rule 921(4)(a) of the Catalist Rules, the Company is required to appoint an independent financial adviser ("**IFA**") to advise the Directors who are deemed to be independent in respect of the Proposed Transaction ("**Non-Interested Directors**") as to whether the Proposed Transaction is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders. In addition, pursuant to Rule 919 of the Catalist Rules, Dr. Stephen Riady will abstain and will procure that his associates and nominees abstain from voting on the resolutions to approve the Proposed Transaction at the EGM in respect of their entire shareholdings in the Company.

Accordingly, RHT Capital Pte. Ltd. ("**RHTC**") has been appointed by the Company as the IFA to the Non-Interested Directors to render an opinion on whether the Proposed Transaction, as an Interested Person Transaction, is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

Save for Dr. Stephen Riady who will abstain from making any recommendation on the Proposed Transaction as a Director of the Company, the remaining Directors, namely, Mr. Lee Yi Shyan, Dr. Wong Weng Hong, Mr. Masato Mohri, Mr. Roger Tan Chade Phang, Mr. Eric Sho Kian Hin, Mr. Jackson Tay Eng Kiat and Mr. Johji Sato are deemed to be independent for the purpose of the Proposed Transaction and will be making a recommendation on the Proposed Transaction.

This letter ("**Letter**") is addressed to the Non-Interested Directors and sets out, *inter alia*, our evaluation and recommendation on the Proposed Transaction as an Interested Person Transaction. This Letter forms part of the Circular to Shareholders which provides, *inter alia*, the details of the Proposed Transaction and the recommendation of the Non-Interested Directors thereon.

2. TERMS OF REFERENCE

The purpose of this Letter is to provide an independent opinion, for the purpose of Chapter 9 of the Catalist Rules, on whether the Proposed Transaction, as an Interested Person Transaction, is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Transaction nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Transaction. We do not, by this Letter, warrant the merits of the Proposed Transaction other than to form an opinion on the Proposed Transaction for the purposes of Chapter 9 of the Catalist Rules.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on information provided and representations made by the Directors, the management of the Company ("**Management**") and the Company's advisers. We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness and adequacy of such information. We have nevertheless made such enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

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We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge and belief, all facts stated and opinions expressed in the Circular which relate to the Proposed Transaction, the Targets and the Company are fair and accurate and that there are no material facts or omissions of which would make any statement in this Letter misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purposes of assessing the terms of the Proposed Transaction and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Targets, the Company and/or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Targets, the Company and/or the Group in connection with our opinion in this Letter.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Targets, the Company and/or the Group (including without limitation, property, plant and equipment). We have, however, been furnished with the valuation report in respect of the independent valuation on the Stake in the Targets dated 27 December 2018 ("**Valuation Report**") prepared by Cushman & Wakefield VHS Pte. Ltd. ("**Cushman & Wakefield**" or "**Independent Valuer**"), being the Independent Valuer appointed by the Company for the purposes of the Proposed Transaction, on which we have placed sole reliance on for such valuation. Further details on the Valuation Report are set out in section 6.3.1 of this Letter and a summary of the Valuation Report is set out in Appendix B to the Circular.

We are not experts in the evaluation or appraisal of the assets concerned. We have made reference to the Valuation Report for such appraisal and have not made any independent verification of the contents thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuations contained in the Valuation Report or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements.

We will be relying on the disclosures and representations made by the Company on the value of the assets, liabilities and profitability of the Targets, the Company and/or the Group. We have not relied on any financial projections or forecasts in respect of the Targets, the Company and/or the Group for the purpose of our evaluation of the Proposed Transaction.

Our opinion as set out in this Letter is based upon the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as of 3 January 2019 ("**Latest Practicable Date**"). Such conditions may change significantly over a relatively short period of time. **We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.** Shareholders should further take note of any announcements relevant to their consideration of the Proposed Transaction which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we advise the Non-Interested Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter set out in the Circular). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this Letter set out in the Circular).

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This Letter sets out, *inter alia*, our opinion on whether the Proposed Transaction, as an Interested Person Transaction, is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, and should be considered in the context of the entirety of this Letter and the Circular.

3. INFORMATION ON THE COMPANY

The Company is a subsidiary company of OUE Limited. The Company provides high quality and sustainable healthcare solutions through the acquisition, development, management, and operations of healthcare facilities. The Company currently owns, operates and/or manages healthcare and related facilities in Japan and China, and continually seeks to expand its portfolio across Pan-Asia.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital comprising 4,443,129,206 issued shares of the Company. Based on the last transacted share price of S\$0.063 and the outstanding shares as at the Latest Practicable Date, the market capitalisation of the Company was approximately S\$279.9 million.

4. INFORMATION ON THE VENDOR AND TARGETS

4.1 Information on the Vendor

The details on the Vendor, which have been set out in section 2.4 of the Circular, are extracted and reproduced in italics below:

“2.4 The Vendor

The Vendor is incorporated in Indonesia and is an indirect wholly-owned subsidiary of PT LK. PT LK is listed on the Indonesia Stock Exchange and is one of Indonesia’s largest listed property companies, with a portfolio that comprises residential and urban development, hospitals, mall, hotels and leisure and asset management.”

4.2 Information on the Targets and FMI

The details on the Targets and FMI, which have been set out in sections 2.1, 2.2 and 2.3 of the Circular, are extracted and reproduced in italics below:

“2.1 Information on YSHPH

YSHPH is a company incorporated in Myanmar on 16 March 2015 and is engaged in the management and operation of hospitals and clinics in Myanmar. As at the date of the Agreement, YSHPH operates three hospitals, one medical centre and two clinics.

The three hospitals, with a total capacity of approximately 370 beds, are located in Yangon, Mandalay and Taunggyi. The core services provided by the three hospitals include emergency, out-patient, in-patient laboratory, imaging, physiotherapy, medical check-up and overseas clinical services across practices including cardiology, orthopaedics, obstetrics and gynaecology.

As at the date of the Agreement, YSHPH is a joint venture company between FMI and the Vendor with FMI holding 60% of the total number of shares in the capital of YSHPH and the remaining 40% of the total number of shares in the capital of YSHPH (being the YSHPH Sale Shares) held by the Vendor.

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The audited loss before tax of YSHPH for the financial year ended 31 March 2018 is approximately US\$2.3 million. YSHPH's audited net assets as at 31 March 2018 is approximately US\$10.4 million. The unaudited loss before tax of YSHPH for the seven (7) months ended 31 October 2018 is approximately US\$2.6 million. YSHPH's unaudited net assets as at 31 October 2018 is approximately US\$7.8 million.

2.2 Information on PHIH

PHIH is a company incorporated in Myanmar on 11 August 2000 and owns or holds the leases of the land and properties on which YSHPH operates, with back-to-back leases. In addition, PHIH is in the process of acquiring a piece of land located in Mawlamyine City.

The acquisition is expected to be completed by the first half of 2019.

*As at the date of the Agreement, PHIH is a joint venture company between FMI, the Vendor and PHCC. FMI and the Vendor respectively holds 60% and 35% of the total number of shares in the capital of PHIH, with the remaining 5% (the "**PHCC PHIH Shares**") held by PHCC.*

The audited loss before tax of PHIH for the financial year ended 31 March 2018 is US\$126,000. PHIH's audited net asset as at 31 March 2018 is US\$5.6 million. The unaudited loss before tax of PHIH for the seven (7) months ended 31 October 2018 is approximately US\$72,000. PHIH's unaudited net assets as at 31 October 2018 is approximately US\$5.6 million.

2.3 FMI

Upon completion of the Proposed Transaction, the Company will, through the Purchasers, be a joint venture partner with FMI.

Established in 1992, FMI is one of Myanmar's largest public companies. FMI is the first company to be listed on the Yangon Stock Exchange and is a diversified conglomerate investing in financial services, real estate, healthcare and tourism sectors. As at the date of the Agreement, FMI has a market capitalisation of approximately MMK270 billion."

5. SALIENT TERMS OF THE PROPOSED TRANSACTION AND IRREVOCABLE UNDERTAKING

The key terms of the Proposed Transaction and the details of the irrevocable undertaking are set out below for your reference. Please refer to the sections 2.5 and 4.4 of the Circular for further details.

5.1 Consideration

The Consideration for the Proposed Transaction, which has been set out in section 2.5(b) of the Circular, is extracted and reproduced in italics below:

"(b) Consideration

*The consideration for the Proposed Transaction is US\$19,500,000 (the "**Consideration**"), with US\$17,600,000 being payable for the acquisition of the YSHPH Sale Shares and US\$1,900,000 being payable for the acquisition of the PHIH Sale Shares.*

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The Consideration, amounting to approximately S\$26,520,000 (based on an exchange rate of US\$1:S\$1.36 as at 7 January 2019), will be paid to the Vendor in cash on Completion. The Consideration is intended to be fully funded by the net proceeds from the Placement. As at the date of the Agreement, the balance net proceeds from the Placement that has not been utilised amounted to S\$41,526,000.

The Consideration was arrived at after arm's length negotiations and was on a willing buyer willing-seller basis, taking into account an independent valuation (the "Valuation") conducted by the Independent Valuer as at 30 September 2018 and other various factors, such as the business prospects of the Targets and the net asset value of the Targets.

The Valuation was commissioned by the Company and their findings were produced in the Summary Valuation Report as set out in Appendix B to this Circular. Based on the Summary Valuation Report, the Independent Valuer is of the opinion that the market value of the YSHPH Sale Shares, the PHIH Sale Shares and the rights relating to the PHCC PHIH Shares as described in paragraph 2.5(e) below is in the region of MMK28.5 billion and MMK34.7 billion. This is equivalent to US\$18.4 million to US\$22.4 million (the "Valuation Range") which is converted based on the exchange rate of US\$1:MMK1,551 as at 3 January 2019. Accordingly, the midpoint of the Valuation Range is at US\$20.4 million."

5.2 Conditions Precedent

The conditions precedent for the Proposed Transaction, which have been set out in section 2.5(c) of the Circular, are extracted and reproduced in italics below:

"(c) Conditions Precedent

Completion of the Proposed Transaction is conditional upon the following conditions being satisfied or waived in accordance with the Agreement:

- (i) the execution and delivery of a letter by FMI to the Vendor (A) waiving its rights of first refusal in respect of the transfer of the YSHPH Sale Shares and PHIH Sale Shares by the Vendor and (B) consenting to the restrictions in relation to the use of certain names as set out in the Agreement, and the Purchasers having sighted such letter;*
- (ii) all the relevant warranties being true, accurate and not misleading as at the date of Completion;*
- (iii) the Proposed Transaction being effected upon the terms and conditions of this Agreement not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or other authority of Singapore, Myanmar and Indonesia;*
- (iv) the approval of the shareholders of the Company for the Proposed Transaction at an extraordinary general meeting convened by the Company; and*
- (v) the entry by FMI and the Vendor into a joint venture agreement in relation to PHIH in a form and substance acceptable to OHA.*

In the event that any of the conditions above is not fulfilled or waived on or before the date falling six (6) months from the date of the Agreement (the "Long-Stop Date"), the Purchasers may in their sole discretion extend the Long-Stop Date, failing which the Agreement shall lapse and cease to have further effect."

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5.3 Assignment

The details on the Assignment, which have been set out in section 2.5(e) of the Circular, are extracted and reproduced in italics below:

“(e) Assignment

The Vendor shall, on Completion, assign to OHA all the existing rights the Vendor has in connection with or related to the PHIH Sale Shares as at Completion, including the following:

- (i) a non-revocable power of attorney and a charge over the PHCC PHIH Shares granted by PHCC to the Vendor;*
- (ii) a deed of assignment between the Vendor, PHCC and PHIH, pursuant to which PHCC assigned all of the economic interests (including but not limited to dividends, distributions, and profits) arising from or relating to the PHCC PHIH Shares to be received by PHCC to the Vendor; and*
- (iii) a call option granted by PHCC in favour of the Vendor allowing the Vendor to acquire the PHCC PHIH Shares for a consideration of MMK1,000, which is exercisable to the extent that foreign companies (as defined under applicable Myanmar laws) may hold all or part of the PHCC PHIH Shares.”*

5.4 Right to terminate prior to completion

The details on the right to terminate prior to completion, which have been set out in section 2.5(g) of the Circular, are extracted and reproduced in italics below:

“(g) Right to Terminate Prior to Completion

If, at any time prior to Completion:

- (a) the Purchasers are aware of any breach by the Vendor of the warranties or the undertakings given by the Vendor, the Purchasers shall be entitled by notice in writing to the Vendor to terminate the Agreement (other than the surviving provisions) without any liability on its part; or*
- (b) any event shall occur (other than an event constituting or giving rise to a breach of any of the warranties given by the Vendor) which affects or is likely to affect adversely to a material degree the financial position, turnover, profitability or prospects of the Targets, the Purchasers shall be entitled by notice in writing to the Vendor to terminate the Agreement (other than the surviving provisions) without any liability on its part.”*

5.5 Irrevocable undertaking

The details on the irrevocable undertaking, which have been set out in section 4.4 of the Circular, are extracted and reproduced in italics below:

“4.4 Irrevocable Undertaking

As at the Latest Practicable Date, BHPL is the legal and beneficial owner of 1,125,000,000 Shares representing approximately 25.32% of the Company’s existing share capital of 4,443,129,206 Shares (the “Existing BHPL Shares”). BHPL has on 7 January 2019 given irrevocable undertakings (the “BHPL Undertaking”) to the Company that, inter alia:

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- (a) *BHPL will vote, and will procure the voting of, all the Relevant Shares in favour of the resolutions to approve the Proposed Transaction and all other matters in connection therewith at the EGM (or at any adjournment thereof), provided that the IFA confirms in its opinion that the Proposed Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders; and*
- (b) *BHPL will not, during the term of the BHPL Undertaking directly or indirectly, (i) offer, sell, transfer, assign, give or otherwise dispose of, (ii) grant any option, interest, right or warrant to purchase in respect of, (iii) charge, mortgage, pledge or otherwise create an Encumbrance over, or (iv) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of, all or any of the Relevant Shares or any interest therein (or enter into any agreement with a view to effecting any of the foregoing).*

For the purposes of the BHPL Undertaking:

- (i) *“Encumbrance” means any mortgage, assignment, debenture, lien, charge, pledge, title retention, hypothecation, right to acquire, security interest, option, claim, pre-emptive or other similar right, right of first refusal and any other encumbrance or condition whatsoever; and*
- (ii) *“Relevant Shares” means the Existing BHPL Shares and any other Shares which may be acquired, directly or indirectly, by BHPL, including without limitation, pursuant to (i) the exercise of any options or warrants which BHPL may have to subscribe for new Shares, (ii) any bonus issue, rights issue or distribution of Shares (whether by way of dividend or otherwise) declared or made by the Company, or (iii) any open market purchase of Shares, on or after the date of the BHPL Undertaking.”*

6. EVALUATION OF THE PROPOSED TRANSACTION

In our evaluation of the Proposed Transaction, we have given due consideration to, *inter alia*, the following key factors:

- (i) Rationale for the Proposed Transaction;
- (ii) Financial performance and position of the Targets;
- (iii) Financial assessment of the Consideration;
- (iv) Financial effects of the Proposed Transaction; and
- (v) Other relevant considerations in relation to the Proposed Transaction.

6.1 Rationale for the Proposed Transaction

The rationale for the Proposed Transaction, which has been set out in section 3 of the Circular, is extracted and reproduced in italics below:

“3. **RATIONALE FOR THE PROPOSED TRANSACTION**

The Proposed Transaction is in line with the Company’s strategy and vision to build itself as a Pan Asian healthcare platform.

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As one of the fastest growing economies in Southeast Asia, Myanmar presents a wealth of business opportunities. The country's GDP has grown twelve (12) times with a compounded annual growth rate at approximately 18.1% since 2003¹. Healthcare spending has also increased from US\$279 million in 2012 to US\$789 million in 2018².

The three hospitals owned and operated by the Targets are located in Yangon, Mandalay, and Taunggyi. Yangon and Mandalay are the largest and second largest city³ in Myanmar respectively, while Taunggyi is the capital of Shan State, which is the largest of all fourteen administrative divisions in Myanmar. The Company is of the view that the Proposed Transaction will help establish a strong foothold for the Group to expand in Myanmar, where the demand for affordable quality healthcare services is expected to increase."

6.2 Financial performance and position of the Targets

The Targets comprise of YSHPH and PHIH. Further, we understand from the Management that the Targets have on 1 October 2018 completed the acquisition of 70% equity interest in a hospital located in Taunggyi, being SEIN Hospital ("TGY Hospital"), and PHIH is in the process of acquiring two plots of land located in Mawlamyine City ("MLY Land"). Please refer to section 6.3.3 of this Letter for further details on TGY Hospital and MLY Land.

We understand from the Management that the acquisition of TGY Hospital was implemented through business transfer and was completed on 1 October 2018. Accordingly, the historical financial statements of TGY Hospital are not available and have not been consolidated into the Targets' unaudited proforma financials statements. TGY Hospital has been recorded as deferred investments in the Targets' unaudited proforma balance sheet as at 31 October 2018 based on the consideration paid for TGY Hospital.

Accordingly, the review of the financial performance of the Targets relates to the unaudited proforma financial statements of YSHPH and PHIH only.

Financial performance of the Targets

The financial performance of the Targets for the financial year ended 31 March ("FY") 2016, FY2017 and FY2018 and the seven-month period ended 31 October 2017 ("7M2018") and 31 October 2018 ("7M2019") is as follows:

	← Unaudited →				
(MMK'000)	FY2016	FY2017	FY2018	7M2018	7M2019
Revenue	11,922,329	14,678,928	18,817,298	10,833,618	12,166,295
Doctors' fees	(3,287,802)	(4,011,321)	(4,940,309)	(2,793,755)	(3,227,436)
Material costs	(3,742,761)	(4,570,303)	(5,900,630)	(3,429,427)	(3,914,042)
Operating expenses	(4,103,442)	(7,865,125)	(7,761,977)	(4,353,790)	(6,774,104)
Depreciation and amortisation	(1,564,169)	(2,382,401)	(3,328,860)	(1,789,063)	(2,280,719)
Interests	-	(29,728)	(656,094)	-	-
Loss before tax	(775,846)	(4,179,951)	(3,770,572)	(1,532,418)	(4,030,006)
Provision for tax	(1,053)	(9,677)	(1,867)	-	-
Loss after tax	(776,900)	(4,189,628)	(3,772,439)	(1,532,418)	(4,030,006)

Sources: Targets' unaudited proforma financial statements for FY2016, FY2017, FY2018, 7M2018 and 7M2019

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Review of operating results

FY2016 vs FY2017

Revenue increased by MMK2.8 billion or approximately 23.1% from MMK11.9 billion in FY2016 to MMK14.7 billion in FY2017 due mainly to the opening of new healthcare facilities and consequently, the increase in the number of patients.

Doctors' fees increased by MMK0.7 billion or approximately 22.0% from MMK3.3 billion in FY2016 to MMK4.0 billion in FY2017 due mainly to the increase in number of doctors because of the expansion in healthcare facilities.

Material costs increased by MMK0.8 billion or approximately 22.1% from MMK3.7 billion in FY2016 to MMK4.6 billion in FY2017 due mainly to the increase in the number of patients.

Operating expenses increased by MMK3.8 billion or approximately 91.7 % from MMK4.1 billion in FY2016 to MMK7.9 billion in FY2017 due mainly to the increase in staff cost as a result of the expansion in healthcare facilities and non-recurring impairment of the investment in a hospital project in Yangon.

Depreciation and amortisation increased by MMK0.8 billion or approximately 52.3% from MMK1.6 billion in FY2016 to MMK2.4 billion in FY2017 due mainly to the additional fixed assets for the new healthcare facilities.

Due to the above factors, loss after tax of the Targets increased by MMK3.4 billion or approximately 439.3% from MMK0.8 billion in FY2016 to MMK4.2 billion in FY2017.

FY2017 vs FY2018

Revenue increased by MMK4.1 billion or approximately 28.2% from MMK14.7 billion in FY2017 to MMK18.8 billion in FY2018 due mainly to the opening of new healthcare facilities and consequently, the increase in the number of patients.

Doctors' fees increased by MMK0.9 billion or approximately 23.2% from MMK4.0 billion in FY2017 to MMK4.9 billion in FY2018 due mainly to the increase in the number of doctors because of the expansion in healthcare facilities.

Material costs increased by MMK1.3 billion or approximately 29.1% from MMK4.6 billion in FY2017 to MMK5.9 billion in FY2018 due mainly to the increase in the number of patients.

Operating expenses in FY2018 remained stable at MMK7.8 billion. The increase in staff cost as a result of the expansion in healthcare facilities was offset by the absence of the non-recurring impairment of an investment incurred in FY2017.

Depreciation and amortisation increased by MMK0.9 billion or approximately 39.7% from MMK2.4 billion in FY2017 to MMK3.3 billion in FY2018 due mainly to the additional fixed assets for the new healthcare facilities.

Due to the above factors, loss after tax of the Targets decreased by MMK0.4 billion or approximately 10.0% from MMK4.2 billion in FY2017 to MMK3.8 billion in FY2018.

7M2018 vs 7M2019

Revenue increased by MMK1.3 billion or approximately 12.3% from MMK10.8 billion in 7M2018 to MMK12.2 billion in 7M2019 due mainly to increase in the number of patients.

Doctors' fees increased by MMK0.4 billion or approximately 15.5% from MMK2.8 billion in 7M2018 to MMK3.2 billion in 7M2019 due mainly to the increase in the number of doctors because of the expansion of healthcare facilities.

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Material costs increased by MMK0.5 billion or approximately 14.1% from MMK3.4 billion in 7M2018 to MMK3.9 billion in 7M2019 due mainly to the increase in the number of patients.

Operating expenses increased by MMK2.4 billion or approximately 55.6 % from MMK4.4 billion in 7M2018 to MMK6.8 billion in 7M2019 due mainly to the operations ramp up of the healthcare facilities.

Depreciation and amortisation increased by MMK0.5 billion or approximately 27.5% from MMK1.8 billion in 7M2018 to MMK2.3 billion in 7M2019 due mainly to the additional fixed assets for the new healthcare facilities.

Due to the above factors, loss after tax of the Targets increased by MMK2.5 billion or approximately 163.0% from MMK1.5 billion in 7M2018 to MMK4.0 billion in 7M2019.

Financial position of the Targets

The financial position of the Targets as at 31 October 2018 is as follows:

	Unaudited
(MMK'000)	31 October 2018
Property, plant and medical equipment	30,734,428
Deferred investment	8,531,890
Total non-current assets	39,266,318
Inventory	1,222,905
Accounts receivables	836,421
Prepaid expenses	8,551,508
Cash at bank & on hand	435,327
Total current assets	11,046,161
Total assets	50,312,479
Accounts payables and advance receipt	4,521,854
Shareholders' loan	12,880,193
Loan	12,459,167
Total current liabilities	29,861,214
Paid up share capital	40,684,627
Shareholders' loan (capitalised to equity on 16 November 2018)	6,003,079
Retained earnings	(26,236,441)
Total equity	20,451,265
Total equity and liabilities	50,312,479

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Net asset value (“NAV”) as at 31 October 2018 (MMK)	20,451,265,219
NAV as at 31 October 2018 (US\$)	13,185,858
Consideration for the Stake in the Targets (US\$)	19,500,000
Implied Consideration for 100% Stake in the Targets (US\$)	48,750,000
Price-to-NAV (“P/NAV”) ratio as implied by Consideration	3.7

Sources: Targets’ unaudited proforma financial statements for 7M2019

Review of financial position

As at 31 October 2018

The assets of the Targets as at 31 October 2018 comprised mainly: (i) property, plant and medical equipment of MMK30.7 billion; (ii) deferred investment of MMK8.5 billion; and (iii) prepaid expenses of MMK8.6 billion, representing 61.1%, 17.0% and 17.0% of the total assets respectively.

Deferred investment comprised mainly of the consideration paid for TGY Hospital while prepaid expenses comprised mainly of the consideration paid for MLY Land.

The liabilities of the Targets as at 31 October 2018 comprised mainly: (i) shareholders’ loan of MMK12.9 billion; (ii) loan of MMK12.5 billion; and (iii) account payable and advance receipt of MMK4.5 billion, representing 43.1%, 41.7% and 15.1% of the total liabilities respectively.

Loan comprised of interest bearing bank borrowings.

We note that the current liabilities of the Targets are higher than the current assets. We understand from the Management that the shareholders may continue to fund the working capital of the Targets if required.

As at 31 October 2018, the NAV of the Targets amounted to approximately MMK20.5 billion.

We wish to highlight to the Non-Interested Directors that the above analysis is only for illustrative purposes and is not meant to be an indication of, or comment on Targets’ future profitability, growth prospects, financial positions and working capital sufficiency.

6.3 Financial assessment of the Consideration

As set out in sections 2.2 and 2.3 of the Circular, the Targets own and operate private hospitals and clinics in Myanmar. As at the Latest Practicable Date, YSHPH operates three hospitals (including the recent acquisition of TGY Hospital as set out below) and one medical centre and two clinics, and PHIH owns the land and properties which YSHPH operates on. The land and properties are leased from PHIH to YSHPH.

We understand from the Management that:

- (i) The Targets have on 1 October 2018 completed the acquisition of 70% equity interest in TGY Hospital for a consideration of US\$4.9 million (“**TGY Consideration**”). The acquisition of TGY Hospital was fully funded by shareholders’ loan and bank borrowings; and

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- (ii) PHIH is in the process of acquiring MLY Land which is expected to complete by first half of 2019 for a consideration of MMK6,969,600,000 (or US\$4.5 million) (“**MLY Consideration**”). Pursuant to the agreements entered into, PHIH has paid the vendor an amount of MMK 6.8 billion as partial fulfilment of the MLY Consideration as at Latest Practicable Date. Similar to the acquisition of TGY Hospital, the acquisition of MLY Land is also fully funded by shareholders’ loan and bank borrowings.

As mentioned in section 6.2 of this Letter, the acquisition of TGY Hospital was implemented through business transfer and was completed on 1 October 2018. Accordingly, the historical financial statements of TGY Hospital are not available and have not been consolidated into the Targets’ unaudited proforma financials statements. TGY Hospital is currently recognised as deferred investments in the Targets’ unaudited proforma balance sheets based on the TGY Consideration. Separately, the MLY Consideration paid for the acquisition of MLY Land is recognised as prepaid expenses in the Targets’ unaudited proforma balance sheets.

Due to the reasons above, we have assessed the TGY Consideration and the MLY Consideration separately from the Consideration of US\$19.5 million for the Stake in the Targets.

In assessing the Consideration, we have considered the following:

- (i) Independent valuation of the Stake in the Targets;
- (ii) Financial assessment of the Consideration *vis-à-vis* comparable companies of the Targets; and
- (iii) TGY Consideration and MLY Consideration.

6.3.1 Independent valuation on the Stake in the Targets

In connection with the Proposed Transaction, the Company has commissioned the Independent Valuer to carry out an independent valuation on the Stake in the Targets as at the Valuation Date, being 30 September 2018. A summary of the Valuation Report is set out in Appendix B to the Circular.

Based on the Valuation Report, the valuation has been carried out in accordance with the International Valuation Standards. The Independent Valuer has valued the Stake in the Targets on the basis of market value as at the Valuation Date. “Market value” is defined as the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

The Independent Valuer has adopted the income approach as the primary approach and has used the market approach as a cross-check. The cost approach is not adopted because it does not directly incorporate information about the future economic benefits contributed by the Targets’ assets, businesses or business interests.

Further information on the income approach and market approach is extracted and reproduced in italic below:

“Income Approach

The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.

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Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The market approach often uses market multiples derived from a set of comparables, each with different multiples. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors."

We note that in deriving the market value of the Stake in the Targets, the Independent Valuer has, *inter alia*, deducted the shareholders' loan and bank borrowings incurred by the Targets in relation to the acquisition of 70% equity interest in TGY Hospital and the acquisition of MLY Land from the estimated enterprise value, and added the consideration paid for the acquisitions of TGY Hospital and MLY Land back to the estimated market value of the Targets as surplus assets. The above adjustments did not have an impact to the overall independent valuation of the Stake in the Targets as the TGY Consideration and the MLY Consideration were fully financed by debt.

Based on the Valuation Report, the Independent Valuer is of the opinion that the market value of the Stake in the Targets is in the region of MMK28.5 billion and MMK34.7 billion. This is equivalent to market value between US\$18.4 million and US\$22.4 million which is converted based on the exchange rate as at Latest Practicable Date ("**Valuation Range**"). Accordingly, the midpoint of the Valuation Range is at US\$20.4 million.

In this regard, we note that the Consideration of US\$19.5 million is within the Valuation Range and represents approximately 4.4% discount to the midpoint of the Valuation Range.

The Directors and Management have confirmed to us that they have made due and careful enquires with respect to the assumptions and projections underlying the financial forecasts of the Targets used by the Independent Valuer to value the Stake in the Targets.

We recommend the Non-Interested Directors to advise the Independent Shareholders to read the summary of the Valuation Report carefully, in particular the terms of reference, key assumptions and critical factors.

6.3.2 Financial assessment of the Consideration *vis-à-vis* comparable companies of the Targets

In assessing the Consideration, we have attempted to compare various valuation ratios of the Targets implied by the Consideration with companies listed on the stock exchanges which are engaged in, *inter alia*, the operation and ownership of hospitals in the emerging countries of Southeast Asia ("**Comparable Companies**").

We have had discussions with the Management of the Company on the suitability and reasonableness of the selected Comparable Companies as comparisons with the Targets. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected listed companies. We make no representations or warranties, expressed or implied as to the accuracy or completeness of such information. The accounting policies of the Comparable Companies with respect to the values for which assets or the revenue and costs are recorded may differ from that of the Targets.

We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there are no companies listed on stock exchanges which we may consider to be identical to the Targets in terms of, *inter alia*, market capitalisation, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, accounting policies, track record, future prospects, market / industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria. Therefore, the comparison made with respect to the Comparable Companies merely serves as an illustrative market valuation of the Targets as at the Latest Practicable Date.

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In our evaluation, we have considered the following widely used valuation measures, which may not be exhaustive:

Valuation ratio	Description
Price-to-Revenue ("P/Revenue")	P/Revenue ratio or sales multiple is the ratio of a company's market capitalisation divided by the total revenue over a twelve-month period. The P/Revenue ratio illustrates the ratio of the market capitalisation of an entity in relation to its revenue.
Price-to-Earnings ("PE")	PE ratio or earnings multiple is the ratio of a company's market capitalisation divided by the historical consolidated net profit attributable to shareholders. The PE ratio is an earnings-based valuation methodology and is calculated based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. The PE ratio illustrates the ratio of the market capitalisation of an entity in relation to the historical net profit attributable to its shareholders. As such, it is affected by the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and amortisation charges. We understand from the Management that the Targets' hospital operations are still in a phase of ramping up and are loss making at the net profits and the EBITDA levels for FY2018 and T12M (as defined below). Accordingly, it is not meaningful to consider the PE ratio of the Targets implied by the Consideration with the PE ratios of the Comparable Companies.
Enterprise Value ("EV")-to-Revenue ("EV/Revenue")	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents. The EV/Revenue ratio illustrates the ratio of the market value of an entity's business in relation to its revenue.
Enterprise Value-to-Earnings before Interests, Taxes, Depreciation and Amortisation ("EBITDA") ("EV/EBITDA")	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, taxes, depreciation and amortisation. The EV/EBITDA ratio illustrates the ratio of the market value of an entity's business in relation to its historical pre-tax operating cash flow performance. The EV/EBITDA multiple is an earnings-based valuation methodology. The difference between EV/EBITDA and the PE ratio (described above) is that it does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. As mentioned above, the Targets are still loss making at the EBITDA level and it is not meaningful to consider EV/EBITDA ratio of the Targets implied by the Consideration with the EV/EBITDA ratios of the Comparable Companies.

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Valuation ratio	Description
P/NAV	NAV refers to consolidated net asset value, which is the total assets of a company less total liabilities. P/NAV refers to the ratio of a company's share price divided by NAV per share. The P/NAV ratio represents an asset-based relative valuation which takes into consideration the book value or NAV backing of a company. The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.

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A brief description of the Comparable Companies is set out as follows:

Comparable Companies	Stock exchange	Business activity description	Financial year end
TMC Life Sciences Bhd ("TMC Life")	Kuala Lumpur Stock Exchange	TMC Life provides health care services. The company offers human infertility consulting and treatment services.	31 August 2018
PT Sarana Meditama Metropolitan Tbk ("Sarana")	Indonesia Stock Exchange ("IDX")	Sarana owns and manages hospitals in Indonesia.	31 December 2017
Rajthanee Hospital PCL ("Rajthanee")	Stock Exchange of Thailand ("SET")	Rajthanee provides general medical and surgical hospital services.	31 December 2017
PT Sejahteraraya Anugrahjaya Tbk ("Sejahteraraya")	IDX	Sejahteraraya operates hospitals in Indonesia.	31 December 2017
Ladprao General Hospital PCL ("Ladprao")	SET	Ladprao is a private hospital. The hospital offers surgery, neurology, physical check-ups, hemodialysis, rehabilitation and physical therapy, women's health, pediatrics, dental, infertility, laser and cosmetic surgery.	31 December 2017
Ekachai Medical Care PCL ("Ekachai")	SET	Ekachai offers medical services in Thailand. The Company's medical services include plastic surgery, skin and beauty treatments, pediatric care, obstetrics, surgical procedures, orthopedic care, ophthalmology care, emergency trauma care, dialysis care, dental care, and physical therapy.	31 December 2017
Ratchaphruek Hospital PCL ("Ratchaphruek")	SET	Ratchaphruek provides health care services in Thailand. The hospital offers emergency care, laboratory, surgical, clinical and therapy services.	31 December 2017
Wattanapat Hospital Trang PCL ("Wattanapat")	SET	Wattanapat provides medical and surgical hospital services in Thailand. The hospital offers surgery, gynecology, pediatrics, skin treatment, dental, kidney and MRI services.	31 December 2017

Source: Bloomberg L.P.

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The valuation ratios of the Comparable Companies are based on their respective last traded share prices as at the Latest Practicable Date and are set out as follows:

Comparable Companies	Market capitalisation (US\$'million)	P/Revenue ⁽¹⁾ (times)	EV/Revenue ⁽²⁾ (times)	P/NAV ⁽³⁾ (times)
TMC Life	310.1	7.6	6.4	1.7
Sarana	231.3	3.7	4.5	3.1
Rajthanee	173.5	3.5	3.4	4.5
Sejahterarraya	164.9	3.2	3.1	1.3
Ladprao	124.2	2.6	2.7	2.8
Ekachai	103.5	5.4	5.2	4.0
Ratchaphruek	83.2	5.6	5.8	2.1
Wattanapat	42.9	2.3	2.4	1.6
High		7.6	6.4	4.5
Low		2.3	2.4	1.3
Mean		4.2	4.2	2.6
Median		3.6	4.0	2.4
Targets	48.8⁽⁴⁾	3.8⁽⁵⁾	4.3⁽⁶⁾	3.7⁽⁷⁾ (P/NAV implied by the Consideration as at 31 October 2018)

Sources: Bloomberg L.P., annual reports and announcements of the Comparable Companies, and RHTC calculations

Notes:

- (1) The P/Revenue ratios of the Comparable Companies are calculated based on their respective published latest full year revenue or trailing 12 months ("T12M") revenue, where applicable, as at the Latest Practicable Date.
- (2) The EV of the Comparable Companies are calculated based on (i) their market capitalisation; and (ii) their preferred equity, minority interests and net debt (if any), as set out in their respective latest available financial results as at the Latest Practicable Date. Revenue of Comparable Companies are calculated based on their respective published latest full year revenue or trailing T12M revenue, where applicable, as at the Latest Practicable Date.
- (3) The P/NAV ratios of the Comparable Companies are calculated based on their respective NAV values as set out in their latest published financial statements as at the Latest Practicable Date.
- (4) The implied Consideration values the 100% stake in the Targets at US\$48.8 million.
- (5) The P/Revenue ratio of the Targets is calculated based on the valuation of the Targets of US\$48.8 million implied by the Consideration and the Targets' T12M revenue of MMK20.1 billion (or US\$13.0 million) for the period ended 31 October 2018. As mentioned in section 6.2 of this Letter, as the acquisition of 70% equity interest of TGY Hospital was only completed on 1 October 2018 through business transfer, its financial statements have not been consolidated into the unaudited proforma financial statements of the Targets. Therefore, we have not included the revenue of TGY Hospital in the computation of the above P/Revenue ratio.
- (6) As mentioned in section 6.3 of this Letter, the TGY Consideration and the MLY Consideration are assessed separately from the Consideration of the Targets. Accordingly, when calculating the EV of the Targets, we have excluded the shareholders' loan and bank borrowings of US\$4.9 million and MMK7.0 billion (or US\$4.5 million), respectively, in relation to the acquisitions of TGY Hospital and MLY Land. In addition, as the Targets recorded higher current liabilities than current assets as at 31 October 2018, we have considered the cash at bank and on hand as minimum cash. As such, the EV of the Targets is calculated based on the equity value of US\$48.8 million implied by the Consideration and adding adjusted debt of US\$6.9 million. EV/Revenue is calculated based on the EV of the Targets of US\$55.7 million and Targets' T12M revenue of MMK20.1 billion (or US\$13.0 million) for the period ended 31 October 2018.

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- (7) The P/NAV ratio of the Targets is calculated based on the valuation of the Targets of US\$48.8 million implied by the Consideration and Targets' NAV of MMK20.5 billion (or US\$13.2 million) as at 31 October 2018.

Based on the above, we observe that:

- (a) the P/Revenue ratio of the Targets implied by the Consideration of 3.8 times is within the range and below the mean but slightly above the median of the P/Revenue ratios of the Comparable Companies;
- (b) the EV/Revenue ratio of the Targets implied by the Consideration of 4.3 times is within the range, but slightly above the mean and median of the EV/Revenue ratios of the Comparable Companies; and
- (c) the P/NAV ratio of the Targets implied by the Consideration of 3.7 times is within the range but above the mean and median of the P/NAV ratios of the Comparable Companies.

6.3.3 TGY Consideration and MLY Consideration

TGY Hospital

On 19 June 2017, the Targets entered into a term sheet with U Than Naing, U Ye Min, U Wanna Tun and Dr. Tun Aye (collectively, "**TGY Vendors**") to acquire 70.0% equity interest over the land, assets and business of TGY Hospital for a consideration of US\$4.9 million. Dr. Tun Aye, the founder of TGY Hospital, holds the remaining 30.0% equity interest of TGY Hospital. The acquisition was completed on 1 October 2018 and was fully funded by shareholders' loan and bank borrowings incurred by the Targets.

TGY Hospital is situated on three plots of land of approximately on the East Circular Road, Forest Quarter, Taunggyi and has a building comprising a 4-storey building on the old wing and a 6-storey building on the new wing. TGY Hospital provides primary to secondary medical services including surgical procedures, as well as laboratory services, imaging services, general healthcare services, and diagnostic services. It has a total bed capacity of 95 beds and is one of the community preferred hospitals in terms of location and reputed specialists in Taunggyi.

We understand from the Management that the TGY Vendors are unrelated third parties independent from: (i) the Targets; (ii) the Targets' shareholders, namely FMI and the Vendor; and (iii) the Vendor's ultimate controlling shareholder, Lippo group. We note that the TGY Consideration was determined based on the current market value of the land and the construction cost of the buildings of the TGY Hospital. Notwithstanding that the TGY Hospital is an operating hospital, we understand from the Management that the TGY Consideration did not value the hospital operations of TGY Hospital.

The acquisition of TGY Hospital was recently completed and the transaction was entered into between the Targets and the TGY Vendors, a willing buyer and a willing seller in an arm's length transaction.

MLY Land

PHIH entered into several agreements with U Kyaw Moe ("**MLY Vendor**") on 15 July 2017, 13 October 2017, 10 February 2018 and 18 July 2018 to acquire MLY Land for a consideration of MMK7.0 billion (or US\$4.5 million). We understand that PHIH is expected to complete the acquisition by first half of 2019. Similar to the acquisition of TGY Hospital, the acquisition of MLY Land is fully funded by shareholders' loan and bank borrowings. As at the Latest Practicable Date, pursuant to the agreements entered, PHIH has paid MMK6.8 billion to the MLY Vendors as partial fulfilment of MLY Consideration.

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MLY Land comprises of two plots of land located within Pho Kone Ward, Mawlamyine City, Mawlamyine District, Mon region, Myanmar.

We understand from the Management that the MLY Vendor is an unrelated third party independent from: (i) the Targets; (ii) the Targets' shareholders, namely FMI and the Vendor; and (iii) the Vendor's ultimate controlling shareholder, Lippo group. We further understand from the Management that the MLY Consideration was determined based on the prevailing market condition in Myanmar.

The acquisition of MLY Land is still ongoing and the transaction was entered into between the Targets and the MLY Vendor, a willing buyer and a willing seller in an arm's length transaction.

6.4 Financial effects of the Proposed Transaction

The financial effects of the Proposed Transaction, which have been set out in section 5 of the Circular, are extracted and reproduced in italics below:

“5. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The proforma financial effects of the Proposed Transaction set out below are purely for illustration purposes only and do not reflect the actual future financial situation of the Company or the Group after completion of the Proposed Transaction.

The proforma financial effects of the Proposed Transaction presented below have been prepared based on the audited consolidated financial statements of the Group for FY2017, the unaudited consolidated financial statements of the Targets for the financial year ended 31 March 2018 and the following assumptions:

- (a) *that completion of the Proposed Transaction had taken place on 31 December 2017 for purposes of the proforma financial effect on the NTA per Share of the Group; and*
- (b) *that completion of the Proposed Transaction had taken place on 1 January 2017 for purposes of the proforma financial effect on the consolidated EPS of the Group.*

5.1 NTA per Share

	FY2017		
	<i>Before the Proposed Transaction</i>	<i>Proforma Adjusted⁽¹⁾</i>	<i>Proforma Adjusted⁽¹⁾ and after the Proposed Transaction</i>
NTA (S\$'000)	37,494	263,700	263,700
Number of Shares	1,659,064,603 ⁽²⁾	4,443,129,206	4,443,129,206
NTA per Share (cents)	2.26	5.94	5.94

Notes:

- (1) *Adjusted for (a) net proceeds of approximately S\$77,450,000 pursuant to the Placement, (b) net proceeds of approximately S\$148,750,000 pursuant to the Rights Issue and (c) (i) the acquisition by the Company from LK REIT Management Pte. Ltd. of 40% of the total issued share capital of Bowsprit (the “**Manager Acquisition**”) and (ii) the acquisition by OLH Healthcare Investments Pte. Ltd. (a wholly-owned subsidiary of the Company) from Bridgewater International Limited of 10.63%¹ of the total issued units of First REIT (the “**Units Acquisition**”), both announced on 18 September 2018 and completed on 26 October 2018.*

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(2) Represents the number of Shares outstanding as at 31 December 2017.

5.2 EPS

	FY2017		
	Before the Proposed Transaction	Proforma Adjusted ⁽¹⁾	Proforma Adjusted ⁽¹⁾ and after the Proposed Transaction
Profit / (loss) after tax attributable to Shareholders (S\$'000)	(90,700)	(79,141)	(80,463) ⁽²⁾
Weighted average number of Shares	1,659,064,603 ⁽³⁾	4,443,129,206	4,443,129,206
EPS / (LPS) (cents)	(5.47)	(1.78)	(1.81)

Notes:

- (1) Adjusted for (a) the Placement, (b) the Rights Issue and (c) the Manager Acquisition and the Units Acquisition.
- (2) Computed based on 40% of the unaudited consolidated loss after tax attributable to the Targets of approximately S\$1,322,000 for the financial year ended 31 March 2018.
- (3) Represents the number of Shares outstanding as at 31 December 2017.”

6.5 Other relevant considerations in relation to the Proposed Transaction

- (i) Supportive structural dynamics;
- (ii) The Targets are still in gestation period; and
- (iii) FMI as the joint venture partner.

6.5.1 Supportive structural dynamics

The Targets own and operate hospitals and clinics in Myanmar, an emerging market in Southeast Asia. After liberalisation from military rule in 2010, Myanmar has adopted a free market economy, attracting foreign investments and experiencing healthy GDP growth rates. Improvements in economic conditions and rapid urbanisation have also generated a higher demand in healthcare services in Myanmar.

Further, the Myanmar government is supportive of the healthcare sector and is increasing spending in this sector, which has directly increased the number of healthcare staffs and healthcare infrastructure, creating a favourable condition for healthcare service providers. Additionally, we understand from the Management that the Myanmar government has plans to implement policies which will encourage foreign investments in healthcare sector, improve healthcare access across the nation and increase coverage of services to the entire population.

Long-term structural dynamics, namely as urbanisation, growing affluence and positive government policies will remain supportive for the Targets.

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6.5.2 The Targets are still in gestation period

The Targets have been expanding its healthcare facilities and increasing its medical professionals and other operating staffs to capture the growing healthcare demand in Myanmar, achieving high year-on-year revenue growth of 23.1% in FY2017 and 28.2% in FY2018. We understand from the Management that the Targets are in gestation period and in the process of achieving economies of scale.

6.5.3 FMI as the joint venture partner

FMI is one of Myanmar's largest public companies and has businesses in financial services, healthcare, real estate and tourism. Formed in 1992, it is one of the earliest public companies formed in Myanmar following the adoption of the market economy and the promulgation of the Myanmar Investment Law in 1990. FMI has also demonstrated a track record of profitability and commitment in its businesses in Myanmar. As at the Latest Practicable Date, FMI has a market capitalisation of approximately MMK271 billion. FMI, as a joint venture partner with the Company will contribute positively to the future growth plans of the Targets.

7. OUR OPINION

In arriving at our recommendation in respect of the Proposed Transaction, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

- (i) Rationale for the Proposed Transaction;
- (ii) Financial performance and position of the Targets;
- (iii) Financial assessment of the Consideration:
 - (a) Independent valuation on the Stake in the Targets
 - the Consideration of US\$19.5 million is within the Valuation Range and represents approximately 4.4% discount to the midpoint of the Valuation Range.
 - (b) Financial assessment of the Consideration vis-à-vis comparable companies of the Targets
 - the P/Revenue ratio of the Targets implied by the Consideration of 3.8 times is within the range and below the mean but slightly above the median of the P/Revenue ratios of the Comparable Companies;
 - the EV/Revenue ratio of the Targets implied by the Consideration of 4.3 times is within the range, but slightly above the mean and median of the EV/Revenue ratios of the Comparable Companies; and
 - the P/NAV ratio of the Targets implied by the Consideration of 3.7 times is within the range but above the mean and median of the P/NAV ratios of the Comparable Companies.
 - (c) TGY Consideration and MLY Consideration
- (iv) Financial effects of the Proposed Transaction;

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- (v) Other relevant considerations in relation to the Proposed Transaction:
 - (a) Supportive structural dynamics;
 - (b) The Targets are still in gestation period; and
 - (c) FMI as the joint venture partner.

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Transaction, as an Interested Person Transaction, is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Transaction nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Transaction, and we do not warrant the merits of the Proposed Transaction. Furthermore, we were not involved in the legal and financial due diligence that were conducted by the Company and its advisers on the Targets.

We have prepared this Letter for the use of the Non-Interested Directors in connection with and for the purposes of their consideration of the Proposed Transaction. The recommendation made by them to the Shareholders in relation to the Proposed Transaction shall remain the sole responsibility of the Non-Interested Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the Proposed Transaction to be approved by the shareholders in the EGM at any time and in any manner without prior written consent of RHTC in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours sincerely
For and on behalf of
RHT CAPITAL PTE. LTD.

Khong Choun Mun
Chief Executive Officer

Mah How Soon
Managing Director

APPENDIX B – SUMMARY VALUATION REPORT



Valuation of:

40% equity value of the Target Group
(as defined herein)

Prepared for

OUE Lippo Healthcare Limited

Report Date

27 December 2018

Ref: 18/RV/BV0029-2

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APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



Executive Summary

Valuation of 40% equity value of the Target Group (as defined herein)	
Date of Valuation:	30 September 2018
Purpose:	Public disclosure purpose to seek shareholders' approval
Situation/Background:	OUE Lippo Healthcare Limited ("OUELH" or "Company") is a subsidiary company of OUE Limited. OUELH and its subsidiaries ("Group") provides high quality and sustainable healthcare solutions through the acquisition, development, management, and operations of healthcare facilities. The Group currently owns, operates and/or manages healthcare and related facilities in Japan and China, and continually seeks to expand its portfolio across Pan-Asia. As part of the expansion plans, the Company is seeking shareholders' approval to acquire the following: • 40% of the total number of shares in the capital of Yoma Siloam Hospital Pun Hlaing ("YSHPH Sale Shares"); and • 35% of the total number of shares in the capital of Pun Hlaing International Co Ltd ("PHIH Sale Shares"). ("Proposed Acquisition") Further, the Vendor (as defined herein) and the OUELH and its subsidiary (the "Group") have also agreed that the Vendor shall assign to the Group all the existing rights the Vendor has in connection with or related to the PHIH Sale Shares as at the completion of the Proposed Acquisition, including to the following: • a non-revocable power of attorney and a charge over the 5% equity interest of PHIH held by Pun Hlaing Capital Co., Ltd. ("PHCC") to the Vendor ("PHCC PHIH Shares"); • a deed of assignment between the Vendor, PHCC and Pun Hlaing International Co Ltd ("PHIH"), pursuant to which PHCC assigned all the economic interests (including but not limited to dividends, distributions and profits) arising from or relating to the PHCC PHIH Shares to be received by PHCC to the Vendor; and • a call option granted by PHCC in favour of the Vendor allowing the Vendor to acquire PHCC PHIH Shares for a consideration of MMK1,000, which is exercisable to the extent that foreign companies (as defined under applicable Myanmar laws) may hold all or part of the PHCC PHIH Shares. As at Valuation Date, Yoma Siloam Hospital Pun Hlaing and PHIH ("Target Group") currently own and operate 2 hospitals, 1 medical centre and 2 clinics in Myanmar and the Target Group is in the process of acquiring TGY Hospital and the MLY Land. The acquisition of TGY Hospital is recently completed in October 2018 and the acquisition of the MLY Land is expected to be completed by early 2019. As a result of the Proposed Acquisition, the Company would like to ascertain the Market Value of the 40% equity value of the Target Group.
Subject matter:	40% equity value of the Target Group

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



Valuation of 40% equity value of the Target Group (as defined herein)
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Having regard to the foregoing and the present market conditions, we are of the opinion that the Market Value of the 40% equity value of the Target Group as at Valuation Date, subject to the assumption stated herein, is in the region of: -

MMK28.5 billion to MMK34.7 billion

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



A Valuation Report

To: OUE Lippo Healthcare Limited
Assets: 40% equity value of Target Group
Report Date: 27 December 2018
Valuation Date: 30 September 2018

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1. Introduction and Instructions

Appointment

In accordance with your instructions, we have determined the Market Value of 40% equity value of the Target Group. We are pleased to submit our summarised valuation report ("Report"), which has been prepared for public disclosure purpose to seek shareholders' approval pursuant to the Proposed Acquisition and should be read in conjunction with the full valuation report dated 27 December 2018 ("Full Report").

2. Terms of reference

Cushman & Wakefield VHS Pte Ltd ("C&W") has been appointed to undertake an independent valuation of 40% equity value of the Target Group. We were neither a party to the negotiations entered into by the Company in relation to the Proposed Acquisition nor were we involved in the deliberation leading up to the decision on the part of the management of the Company, Group, Target and/or Target Group (the "Management") to enter into the Proposed Acquisition and we do not, by the Report or Full Report or otherwise, advise or form any judgement on the merits of the Proposed Acquisition. We do not warrant the merits of the Proposed Acquisition or the acceptability of the risk for the Proposed Acquisition.

We have confined our evaluation strictly and solely on the financial terms of the Proposed Acquisition and have not taken into account the commercial/financial risks and/or merits (if any) of the Proposed Acquisition or the strategic merits or the comparison with other deals involving shares of Company, Group, Target and/or Target Group. We were not required to comment on or evaluate the methods or procedures used by Target Group to manage the change in any risk profile of the Company, Group, Target and/or Target Group in the context of possible changes in the nature of operations. Such evaluation or comment remains the responsibility of the Management although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our view as set out in the Report or the Full Report.

We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Proposed Acquisition. In addition, we do not

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



express any views or opinion on the merits of the Proposed Acquisition, the legality of the or any other and all other matters pertaining to the Proposed Acquisition, documents for the Proposed Acquisition (the Notice of Meeting and the accompanying explanatory notes), *inter alia*, the independence of any party or mechanism or process of voting, acceptance, its eligibility or validity or the other alternatives (if any) or the sufficiency of information.

In the course of our evaluation, we have held discussions with, *inter alia*, the Management, regarding their assessment of the Proposed Acquisition and have examined publicly available information collated by us as well as the financial information, both written and verbal, provided to us by the Management, including its consultants or advisers (where applicable). We have not independently verified such information but have made enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or the manner in which it has been classified or presented.

We do not warrant and have not commented on the acceptability of the risk that the Company, Group, Target and/or Target Group may be subject to for the Proposed Acquisition.

We were not required to and have not made any independent evaluation or appraisal of the individual assets and liabilities (including without limitation, real property) of Target and/or Target Group. Our opinion in this Report is based on economic conditions, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as at the Valuation Date. Accordingly, the bases or assumptions and likewise our views or opinion may change in light of developments which *inter alia*, includes general as well as company specific or industry specific conditions or sentiments or factors.

Shareholders should note that the evaluation is based solely on publicly available information and other information provided by the Management as well as the economic and market conditions prevailing as at the Valuation Date, and therefore does not reflect unexpected financial performance after the Valuation Date or developments both macro and company specific and that these factors do and will necessarily affect the valuation of the interests in the capital of the Target and/or Target Group. Likewise, this Report outlines some of the matters or bases or factors or assumptions which we have used in our valuation and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc. which we have used in the valuation.

In rendering the opinion, we have made no regard for the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder of Company, Target and/or Target Group (the "Shareholder"). As such, any individual Shareholder who may require advice in the context of his or her specific investment portfolio, including his or her investment in the Company, Group, Target and/or

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



Target Group, should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Report and provided by Company, Group, Target and/or Target Group which we used or may have used may differ from the relative emphasis accorded by any individual Shareholder and that any reliance on our opinion or view or assessment, is subject to the contents of the Report and the Full Report in its entirety.

Accordingly, our Report, Full Report or opinion or views or recommendation should not be used or relied by anyone for any other purposes and should only be used by the Management, subject to the terms of reference and the contents of the Report and Full Report as one of the basis for their opinion or views or recommendation. In addition, any references to our Full Report or Report or opinion or views, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of the Report or the Full Report in its entirety *inter alia* the matters, conditions, assumptions, factors and bases as well as our terms of reference for the Full Report or the Report.

3. Bases of Valuation

The valuation and report has been prepared in accordance with International Valuation Standards.

Bases

The subject matter has been valued on the basis of Market Value as at the Valuation Date which is defined as follows:

"The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



4. Assumptions and Reservations

Assumptions

In preparing our assessment, we have made the following key assumptions in our valuation and these apply throughout unless otherwise stated:

- The financial information provided accurately reflects the Target Group financial and operating position and performance.
- The financial statements were prepared in accordance with accounting principles generally accepted international on a true and fair basis.
- The Management has provided us the financial projections from FY2019 to FY2027 and to its best knowledge, the Management is solely responsible for the contents, estimation and the assumptions used in the projections.
- The Target Group shall continue to operate as a going concern and it has sufficient liquidity to achieve the financial forecasts and projections.
- There will not be any material changes in the political and/or economic conditions under which the Target Group operates that may adversely affect the future prospects of its prospects.
- There are no other liabilities, including any contingent liabilities, unusual contractual obligations or substantial commitments which would have a material effect on the value of the Target Group.
- The current owner of the Target Group has clear and unencumbered title of ownership over all assets included in this assessment.
- There are no material changes in existing political, legal or regulatory (including changes in legislation, laws, regulations, government policies or rules), fiscal, market or economic conditions in the Target Group countries of operations.
- There will be no material change in inflation, interest rates or exchange rates from those prevailing as at the Valuation Date.
- There will be no material changes in the bases or rates of taxation or duties.
- The Target Group operations and business will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Management, including but not limited to the occurrence of natural disasters or catastrophes, epidemics or serious accidents.

Other assumptions specific to a particular valuation approach or certain observations and conclusions are outlined in the ensuing sections of the report.

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



It should be noted that the valuation of the Target Group is critical upon the following key value drivers:

- The Target Group continues to operate as a going concern and is able to meet all its financial obligations;
- The Target Group sales, costs, and net profit continue to grow according to the forecast. Its capital expenditure and working capital requirements are estimated accurately in the projections;
- The Target Group has sufficient operational resources to support the projected turnover and profitability; and
- The Target Group continues to maintain costs in accordance with the forecast.

Any deviation from the above key drivers and forecasts may significantly vary the valuation of the Target Group.

The valuation is largely based on information provided to us by the Management who are solely responsible for their contents/accuracy. We have not performed any work in the nature of an audit or due diligence or investigation of the information provided to us and accordingly have not expressed any such opinion in this report. Further, we have not carried out any work in the nature of a feasibility study, nor have we expressed a viability opinion on the Proposed Acquisition. We have also not verified or confirmed information provided to us and have assumed that all such information is accurate and is not subject to material error or omission.

For this exercise, we have considered published market data and other public information relating to the comparable companies on international stock exchanges. We are not responsible as to their content and accuracy in deriving parameters such as country risk rate for purposes of valuation. Such information was obtained from Bloomberg and other sources, where applicable.

Reservations

The value conclusions reflect all information known by the valuers of Cushman & Wakefield VHS Pte Ltd who worked on the valuation in respect to Target Group, market conditions and available data.

5. General Comment

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgements that, even if logical and appropriate, may differ from those made another valuer. Historically, it has been considered that valuers may properly conclude within a range of possible values.

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



Market Value of the subject matter can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change.

We have no present or prospective interest in Target Group and are not a related corporation of nor do we have a relationship with the owner(s) or other party/parties whom the client is contracting with.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Company, Target Group, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

6. Valuation Methodology

We have adopted the income approach as our primary approach and have used the market approach as a cross-check. The cost approach is not adopted because it does not directly incorporate information about the future economic benefits contributed by the subject asset, business or business interest.

The Discounted Cash Flow ("DCF") method is one application of the income approach. We have used free cash flow to firm ("FCFF"), being the cash flows left over after covering capital expenditure and working capital needs, to assess overall enterprise value of the Target Group. FCFF is defined as follows:

$$FCFF = EBIT (1 - \text{Tax rate}) + \text{Depreciation \& Amortization} - \text{Capital Spending} - \text{Change in Working Capital}$$

FCFF is a measure of enterprise value and the equity interest is subsequently derived by taking the enterprise value, subtracting existing debt and adding cash and cash equivalents which is discounted by the Weighted Average Cost of Capital ("WACC").

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



The assumptions that we have adopted in our DCF analysis are as follows: -

- Financial Projections**

Management has provided us with detailed 9 year financial projections from financial year ended 31 March ("FY") 2019 to FY2027. The financial forecasts are used as the basis for the DCF and below is the extract of the financial projections

MMK million	Forecast								
	1 Oct 2018 to 31 Mar 2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Revenue	10,338	34,324	43,820	55,516	69,107	85,353	104,401	126,566	151,777
Cost of goods sold	(6,127)	(19,522)	(24,730)	(31,146)	(38,540)	(47,344)	(57,913)	(69,078)	(82,843)
Gross Profit	4,211	14,802	19,090	24,370	30,566	38,009	46,488	57,488	68,934
Operating expenses (excluding depreciation)	(4,939)	(9,939)	(10,932)	(12,026)	(13,694)	(15,064)	(16,570)	(19,333)	(22,871)
EBITDA	(728)	4,864	8,157	12,344	16,872	22,946	29,918	38,155	46,064
Depreciation and amortisation	(2,001)	(4,153)	(4,427)	(4,774)	(5,206)	(5,989)	(6,642)	(7,433)	(8,380)
EBIT	(2,729)	711	3,730	7,570	11,667	16,957	23,277	30,722	39,684
Other non-operating income	-	-	-	-	-	-	-	-	-
Other non-operating expenses	(1,069)	-	-	-	-	-	-	-	-
Profit before tax	(3,799)	711	3,730	7,570	11,667	16,957	23,277	30,722	39,684
Tax expenses	-	-	-	(1,893)	(2,917)	(4,239)	(5,819)	(7,681)	(9,921)
Net profit	(3,799)	711	3,730	5,678	8,750	12,717	17,458	23,042	29,763

- Capital Expenditure**

Management expected that there will be minimal amount of capital expenditure to be incurred during the projected period which is expected to be about 5% of the revenue. In FY2024, an additional capex of MMK2 billion is expected to be incurred for the purchase of medical beds to cater for increase in the number of patients.

- Changes in Working Capital**

Management expects that the accounts receivable, accounts payable and inventory to be increased in line with increase the revenue and cost of goods sold (as the case may be) during the projected period. Management expects that the turnover days will be as indicated below with reference to historical trends.

Parameters	Turnover days
Trade receivables	30
Inventory	20
Trade payables	140

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



- **Terminal Value**

To estimate the terminal value of the Target Group at the end of the projection period in FY2027, we have used the Gordon Growth Model. This model is used to assess terminal value of firms that are growing at a stable growth rate and relates the value to its expected cash flow in the next time period, the required rate of return and the expected long-term growth rate.

$$\text{Terminal Value} = CF_{n+1} / (r - g)$$

Where	CF_{n+1}	=	expected cash flow one year from n -th year
	r	=	required rate of return, i.e. discount rate
	g	=	growth rate in perpetuity

We have assumed that the earnings of the Target Group would reach a stable growth rate of 3% after FY2027 based on expected long-term global GDP growth rate.

- **Discount Rate**

The income approach requires the application of an appropriate discount rate that reflects the inherent risks relating to the cash flows. The present value of the cash flows from Target Group is the expected future net cash flows discounted by an appropriate discount rate. We have adopted the Weighted Average Cost of Capital ("WACC") in this valuation which ranged from 16% to 18%.

- **Debt and Excess Cash & Cash equivalent**

In order to arrive at 100% interest in the capital of the Target Group from the enterprise value, the existing debt is subtracted and excess cash is added.

As at the Valuation Date, the Target Group had approximately MMK25.4 billion of debt and had no excess cash and cash equivalents.

- **Adjustment for Private Company Discount (Marketability Discount)**

According to the International Glossary of Business Valuation Terms, marketability means the relative ease and promptness with which a security or commodity may be sold when desired, at a representative current price, without material concession in price merely because of the necessity of the sale. Investors will price in a discount for the additional costs and risks of liquidation when valuing equity in privately held companies. Based on historical empirical studies including but not limited to SEC Institutional Investor Study, Maher Study and Trout Study, we are of the opinion that an appropriate marketability discount for the purpose of this valuation is 20%.

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



- **Adjustment for Lack of Control Discount (Minority Discount)**

According to the International Glossary of Business Valuation Terms, discount for lack of control refers to an amount or percentage deducted from a pro-rata share of the value of 100% of an interest in a business, to reflect the absence of some or all of the powers of control. Based on research surveys indicated by MergerStats, shares with controlling power are worth approximately 25% higher than shares without controlling power in the healthcare industry. As such, it is derived that about 20% of the total value of the Target Group is allocated to other shareholders without management power. The derivation of minority interest is as follows:-

$$\begin{aligned}\text{Minority Discount} &= 1 - 1/(1 + \text{control premium}) \\ &= 1 - 1/(1 + 25\%) \\ &= 20\%\end{aligned}$$

- **Value of 40% equity value of Target Group**

Based on the DCF method, the derived 100% enterprise value of Target Group ranges from MMK114.1 billion to MMK138.4 billion as at Valuation Date. The value of 100% interest in the capital of the Target Group is then derived by taking enterprise value, subtracting debt, adding excess cash and cash equivalents, applying the Marketability Discount and Minority Discount. As at the Valuation Date, the Target Group had approximately MMK25.4 billion of debt and had no excess cash and cash equivalents.

A marketability discount of 20% is applied to reflect the private status of Target and a minority discount of 20% is applied to reflect the lack of control for the 40% equity value of the Target Group.

Furthermore, the Target Group had recently made payments of MMK6.8 billion for the acquisition of MLY Land which is expected to be completed by early 2019 and also complete the acquisition of the TGY Hospital with a purchase consideration of approximately MMK7.6 billion in October 2018 ("Surplus Assets"). These 2 assets are considered as surplus assets of Target Group because the DCF as mentioned above did not take into consideration their expected future benefits. Accordingly, the aggregate amount of MMK14.4 billion is added to the value based on the DCF.

As such, as at Valuation Date, the Market Value of 40% equity value of the Target Group based on the DCF method and the Surplus Assets is approximately range from MMK28.5 billion to MMK34.7 billion.

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



7. Valuation Result

Having regard to the foregoing and the present market conditions, we are of the opinion that the Market Value of the 40% equity value of Target Group as at Valuation Date, subject to the assumption stated herein, is in the region of: -

MMK28.5 billion to MMK34.7 billion

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



8. Confidentiality

Our valuation is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of its contents.

9. Disclosure and Publication

You must not disclose the contents of this valuation report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or our valuation report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any special assumptions or departures that we have made.

10. Limiting Conditions

This report is prepared subject to the Limiting Conditions in Appendix 1 of the Report.

Signed for and on behalf of Cushman & Wakefield VHS Pte. Ltd.

Richard Yap
CA (Singapore), CFA, CVA
Director

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



Appendix 1 Limiting Conditions

The valuation report is prepared subject to the following terms and conditions: -

- 1) The valuation report is:
 - a. restricted to the use by the client to whom this report is addressed;
 - b. for the specific purpose stated therein; and
 - c. for the sole purpose for which it was commissioned.

Any reliance on its contents shall be made within a reasonable time from the date of the valuation report. We disclaim any liability arising from any reliance on the valuation report by any other person or for any other purpose or beyond a reasonable time.
- 2) Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular, statement, correspondence nor publication in any way without our prior written approval of the form and context in which it may appear. We bear no responsibility for any unauthorised inclusion or publication.
- 3) Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable and accurate and we disclaim all responsibility if this information should later prove not to be so. Where information is given without being attributed directly to another party, it shall be taken that this information has been obtained by our own search of records and examination of documents, or by our enquiry from Government or quasi-Government departments.
- 4) The values assessed in this report for the subject property and any allocation of values between parts of the property apply strictly on the terms of and for the purpose of this valuation (where applicable). The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
- 5) While due care is taken in the course of inspection to note serious building defects, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation or other hidden defects (where applicable). We have also not made any test on the building services such as air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc. and the services are presumed to be in good working order (where applicable).
- 6) Our valuation assumes that the title(s) is (are) in good order and are marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments (where applicable). We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The client is advised to consult his solicitors on any matter concerning the title(s) (where applicable).
- 7) Any plans that are included in this report are meant for identification purposes and to assist the client in visualising the subject property (where applicable). The plans should not be treated as certified true copies of areas or other particulars contained therein. We have not made any survey of the property and assume no responsibility in connection with such matters (where applicable).
- 8) We have not taken into account of any plant and machinery in our valuation.

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



- 9) We have not made any requisition for the Road Line Plan or for drainage proposal (where applicable). We have also not made any application for information/document in respect of Building Control Records. Such requisitions/applications will not be made unless specifically instructed by our client (where applicable).
- 10) As matters concerning compulsory acquisitions by the Government are confidential, we are unable to provide information relating to Government acquisitions unless the subject property has already been gazette for acquisition (where applicable).
- 11) Our valuation assumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations (where applicable).
- 12) Our valuation assumes that all development charges and maintenance/ service/ conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid (where applicable).
- 13) Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the property (ies) (where applicable).
- 14) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services in respect of:
 - a) any direct loss of profit;
 - b) any indirect, special or consequential loss whatsoever howsoever caused including without limitation (i) indirect loss of profit; (ii) loss of business; (iii) loss of goodwill; (iv) loss of use of money; (v) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.
- 15) Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in negligence for pure economic loss arising in connection with the performance or contemplated performance of our services.
- 16) Where a third party has contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of the liability of such third party.
- 17) Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our services to you (where applicable).
- 18) Subject to the provisions in these terms and conditions and in the letter of engagement, our total aggregate liability (including that of our partners and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services shall be limited to (i) an aggregate sum not exceeding the fee paid for each instruction accepted; or (ii) S\$500,000.00, whichever is lower.
- 19) We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise,

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.

- 20) Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue with your client partner who will be able to let you have proposals for a revised pricing structure to reflect the agreed level of our liability and/or professional indemnity cover.
- 21) Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to payment of additional fees.

These fees are exclusive of GST & expenses (including the cost of re-addressing the report) and are subject to a minimum fee of S\$1,000. Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.

- 22) Where we consent to reliance on our report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.
- 23) Where you provide a copy of and/or permit another party or parties to rely upon our valuation report without obtaining our express written consent (in accordance with clauses 21 and 22 above), you agree to indemnify and us, our affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the valuation report by any such unauthorised person or entity.
- 24) Save where we have consented to another party or other parties relying on the valuation report in accordance with clauses 21 and 22, where a valuation report is prepared or where we consent to a valuation report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our aggregate cap on liability (referred to in clause 18) which arises from their use and/or reliance on the valuation report.
- 25) Where reference is made to "Reinstatement Cost for Insurance Values", such insurance value is the value of property on the appropriate basis as defined in the insurance contract or policy (where applicable).
- 26) Where reference is made to "Forced Sale Value", such value is the amount that may reasonably be received from the sale of a property under (forced sale) conditions that do not meet all the criteria of a normal market transaction. Such Forced Sale Value is not a representation of the market value (where applicable).
- 27) The report is prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we are properly reimbursed.

APPENDIX B – SUMMARY VALUATION REPORT

Valuation of 40% equity value of the Target Group as at Valuation Date



28)

- a) The U.S. Foreign Corrupt Practices Act (the "FCPA") and other laws make it unlawful for us or anyone acting on our behalf to offer, pay, promise or authorize to pay any money, gift or anything of value directly or indirectly to any Public Official with the intent of causing the Public Official to misuse such official's position to obtain or retain business for us or our subsidiaries or affiliates. The term Public Official is broadly defined to include not only traditional government officials and those employed by government agencies, departments, or ministries but also employees of companies which are owned or controlled by the state. The U.K. Bribery Act and other laws also prohibit commercial bribery of any kind.
- b) We comply with all applicable anti-bribery and corruption laws, rules, and regulations of the United States, European Union or any member state and any other similar laws in all applicable jurisdictions, including but not limited to the FCPA and U.K. Bribery Act ("Applicable Anti-Bribery Laws and Rules").
- c) You acknowledge and confirm your understanding of and agree to comply with all applicable Anti-Bribery Laws and Rules and agree not to take or fail to take any action that might in any way cause us to be in violation of such laws.
- d) We must at all times comply with all U.S. sanctions administered by the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and any applicable international laws and regulations pertaining to the detection, prevention and reporting of potential money laundering and terrorist financing activities (collectively "Applicable Sanctions/AML Rules").
- e) You represent and warrant to us that you, and all persons and entities owning (directly or indirectly) an ownership interest in you: (i) are not, and will not become, a person or entity with whom a party is restricted from doing business under Applicable Sanctions/AML Rules; and (ii) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in Clause 28 (e) (i) above.

NOTICE OF EXTRAORDINARY GENERAL MEETING

QUE LIPPO HEALTHCARE LIMITED

(Company Registration No. 201304341E)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

(In receivership over charged shares in certain subsidiaries)

All capitalised terms used in this Notice which are not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the circular to Shareholders dated 13 January 2019.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at Mandarin Orchard Singapore, Mandarin Ballroom I, 6th Floor, Main Tower, 333 Orchard Road, Singapore 238867 on Monday, 28 January 2019 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution:

ORDINARY RESOLUTION

THE PROPOSED ACQUISITION OF (1) 40% STAKE IN YOMA SILOAM HOSPITAL PUN HLAING LIMITED AND (2) 35% STAKE IN PUN HLAING INTERNATIONAL HOSPITAL LIMITED

That for the purposes of Chapter 9 of the Catalist Rules Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”):

(a) approval be and is hereby given for the following transactions:

- (i) acquisition by OUELH Healthcare Services (MM) Pte. Ltd. (“**OHS**”), a wholly-owned subsidiary of the Company, from PT Waluya Graha Loka (the “**Vendor**”) of 9,120,000 shares in the capital of Yoma Siloam Hospital Pun Hlaing Limited (“**YSHPH**”), representing 40% of the total number of shares in the capital of YSHPH; and
- (ii) acquisition by OUELH Healthcare Assets (MM) Pte. Ltd. (“**OHA**”), a wholly-owned subsidiary of the Company, from the Vendor of 735,105 shares in the capital of Pun Hlaing International Hospital Limited (“**PHIH**”), representing 35% of the total number of shares in the capital of PHIH,

(collectively, the “**Proposed Transaction**”), upon the terms and conditions of the conditional sale and purchase agreement dated 10 January 2019 entered into between OHS, OHA and the Vendor (the “**Agreement**”); and

- (b) the directors of the Company (the “**Directors**”) and each of them be and are hereby authorised to complete and to do all acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution (including any amendment to the Agreement, execution of any other agreements or documents and procurement of third party consents).

Note:

- (1) Pursuant to Rule 919 of the Catalist Rules, Dr. Stephen Riady and his associates will abstain from exercising any voting rights in relation to the ordinary resolution as set out above.

NOTICE OF EXTRAORDINARY GENERAL MEETING

BY ORDER OF THE BOARD

Ng Ngai
Company Secretary

Singapore, 13 January 2019

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or its service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

QUE LIPPO HEALTHCARE LIMITED

(Company Registration No: 201304341E)
(Incorporated in the Republic of Singapore)
(In receivership over charged shares in certain subsidiaries)

PROXY FORM EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this Proxy Form)

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 Companies Act, Chapter 50 of Singapore) may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For SRS investors who have used SRS monies to buy shares in OUE Lippo Healthcare Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors should contact their respective Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s) the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 13 January 2019.

I/We* _____ (Name) _____ (NRIC/Passport No./
Company Registration No.*) of _____ (Address)
being a member/members* of OUE Lippo Healthcare Limited (the “**Company**”), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the meeting as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Extraordinary General Meeting of the Company (the “**EGM**”) to be held at Mandarin Orchard Singapore, Mandarin Ballroom I, 6th Floor, Main Tower, 333 Orchard Road, Singapore 238867 on Monday, 28 January 2019 at 10.00 a.m. and at any adjournment thereof.

The proxy/proxies* shall vote on the resolution set out in the notice of EGM in accordance with my/our* directions as indicated hereunder. Where no such direction is given, the proxy/proxies* may vote or abstain from voting at his/her/their* discretion, on any matter at the EGM or at any adjournment thereof.

Ordinary Resolution	For**	Against**
The Proposed Acquisition of (1) 40% stake in Yoma Siloam Hospital Pun Hlaing Limited and (2) 35% stake in Pun Hlaing International Hospital Limited		

* Delete as appropriate

** Voting will be conducted by poll. If you wish to exercise all your votes “For” or “Against”, please indicate with an “X” within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ____ day of _____ 2019

Total number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF CAREFULLY BEFORE COMPLETING THIS FORM

NOTES:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy (the "**Proxy Form**") will be deemed to relate to all shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's Proxy Form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's Proxy Form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
4. Completion and return of the Proxy Form shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the EGM.

Please fold here

Affix
Postage
Stamp

The Company Secretary
OUE Lippo Healthcare Limited
9 Battery Road,
#15-01
Singapore 049910

Please fold here

5. The Proxy Form must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time set for the EGM.
6. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form (or any related attachment) if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.