
PROPOSED ACQUISITION OF BRAINY WORLD HOLDINGS LIMITED

1. INTRODUCTION

The board of directors (the "**Board**") of OUE Lippo Healthcare Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, LCM (China) Pte Ltd ("**LCM**") has, on 7 November 2017, entered into a sale and purchase agreement with Lippo Investments Limited (the "**Seller**") for the following transactions:

- a) acquisition by LCM of the entire issued share capital comprising of one (1) issued ordinary share (the "**Sale Share**") in Brainy World Holdings Limited (the "**Target**"); and
- b) assignment to LCM of the loan (the "**Sale Loan**") of HK\$14,578,298.20 from the Seller to the Target,

(collectively, the "**Proposed Transaction**").

2. MATERIAL TERMS OF THE PROPOSED TRANSACTION

2.1 Consideration

The Consideration for the sale and purchase of the Sale Share is HK\$7.80 and for the assignment of the Sale Loan is HK\$14,578,298.20 (collectively, the "**Consideration**"). The Consideration of HK\$14,578,306, amounting to approximately S\$2,544,207 (based on an exchange rate of S\$1:HK\$5.73), will be paid to the Seller in cash at completion.

The Consideration was arrived at after arm's length negotiations and was on a willing-buyer willing-seller basis, taking into account various factors, such as the business prospects of the Target and its subsidiaries.

The Proposed Transaction will be funded by internal resources of the Group.

2.2 Assignment of the Sale Loan

The assignment of the Sale Loan will entitle LCM to repayment of the Sale Loan from the Target.

2.3 Completion of Proposed Transaction

The completion of the Proposed Transaction is expected to occur on or before 2 January 2018, or at such other time and/or date as may be agreed between the Seller and LCM.

3. RATIONALE FOR THE PROPOSED TRANSACTION

The Proposed Transaction provides the Group with the opportunity to grow its business in China where the demand for specialised and quality healthcare services is expected to increase.

OUE Lippo Healthcare Limited

Company Registration No. 201304341E

(In receivership over charged shares in certain subsidiaries)

6 Shenton Way, #10-09A, OUE Downtown 2, Singapore 068809

T: +65 6578 9188 F: 64794647 www.ouelh.com

4. INFORMATION ON THE TARGET

The Target is a limited company incorporated in the British Virgin Islands on 12 January 2017. It is an investment holding company and owns the entire issued share capital in Lippo Health Care Limited ("LHC"), a company incorporated under the laws of Hong Kong.

LHC owns a 50% equity interest in a sino-foreign equity joint venture company, 招商力宝医院管理(深圳)有限公司 (China Merchants Lippo Hospital Management (Shenzhen) Limited) (the "**JVCo**"), which was incorporated in the People's Republic of China ("**PRC**") on 14 July 2017, pursuant to an equity joint venture contract dated 15 May 2017 entered into between 深圳市招商创业有限公司 (China Merchants Landmark (Shenzhen) Co., Ltd) ("**CMSZ**") and LHC. CMSZ owns the remaining 50% of the equity interest of the JVCo. The JVCo is currently authorised to provide healthcare related services.

The unaudited consolidated net loss of the Target since its date of incorporation up to 31 October 2017 is HK\$15,899,738. The loss was due mainly to one-off startup expenses. The Target's unaudited consolidated net liability as at 31 October 2017 is HK\$15,899,730.

CMSZ is a subsidiary company of China Merchants Shekou Industrial Zone Holdings Co., Ltd ("**CMSK**"), which is listed on the Shenzhen Stock Exchange. CMSK is involved in industrial park development and management, community development and management, and cruise infrastructure development and management. CMSK is a member company of the China Merchants Group ("**CMG**"), which is a PRC state-owned conglomerate based in Hong Kong.

5. INTERESTED PERSON TRANSACTION

5.1 Interested person transaction under Chapter 9 of the Catalist Rules.

Lippo Capital Limited, the controlling shareholder of OUE Limited (which is in turn a controlling shareholder of the Company), holds a 100% interest in the shares of the Seller. As such, the Seller is considered an associate of Lippo Capital Limited and an interested person of the Company as defined under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Section B: Rules of Catalist ("**Catalist Rules**").

Accordingly, the Proposed Transaction constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

5.2 Exception for aggregation under Rule 908(2) of the Catalist Rules

Both OUE Limited and the Seller are subsidiaries of Lippo Capital Limited. However, as OUE Limited is listed on the Mainboard of the SGX-ST, has a board of directors of which the majority are different and are not accustomed to act on the instruction of Lippo Capital Limited and/or the Seller, and has its independent audit committee members, OUE Limited falls within the exception for aggregation under Rule 908(2) of the Catalist Rules. As such, the interested person transactions entered into between the Group and OUE Limited and its subsidiaries ("**OUE Limited Group**") during the financial year ending 31 December 2017 need not be aggregated with the transactions, including the Proposed Transaction, entered into between the Group and the Seller.

5.3 Aggregate value of interested person transactions and requirements under Chapter 9 of the Catalist Rules

Save for the interested person transactions entered into with the OUE Limited Group which had been previously disclosed, the Group does not have other interested person transactions entered into since the beginning of the current financial year.

As the value of the Proposed Transaction, being the Consideration, is less than 3% of the Group's latest audited net tangible assets of S\$131,768,000 and there are no other relevant interested persons

OUE Lippo Healthcare Limited

Company Registration No. 201304341E

(In receivership over charged shares in certain subsidiaries)

6 Shenton Way, #10-09A, OUE Downtown 2, Singapore 068809

T: +65 6578 9188 F: 64794647 www.ouelh.com

transactions to be aggregated, announcement and shareholders' approval requirements under Chapter 9 of the Catalist Rules do not apply in respect of this Proposed Transaction.

6. DISCLOSEABLE TRANSACTION UNDER CATALIST RULE 1006

The relative figures of the Proposed Transaction computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
(b)	The net loss attributable to the assets acquired or disposed of, compared with the group's net loss	8.92 ⁽¹⁾
(c)	The aggregate value of the consideration given, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	1.22 ⁽²⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable

Notes:

- (1) Based on the Group's loss before tax of S\$31.4 million for the 9 months ended 30 September 2017 as disclosed in the Company's latest announced consolidated accounts and the Target's unaudited net loss of S\$2.8 million for the period since its date of incorporation up to 31 October 2017 (using the exchange rate of S\$1:HK\$5.73).
- (2) Based on the aggregate Consideration of the Proposed Acquisition and the Proposed Loan Assignment of S\$2.5 million (using the exchange rate of S\$1:HK\$5.73) and the market capitalisation of the Company of S\$204.1 million as at 6 November 2017, being the market day preceding the date of the SPA. The Company's market capitalisation was determined by multiplying the number of shares in issue of 1,659,064,603 shares by the weighted average price of S\$0.123 per share on 6 November 2017.

As the relative figure for the Proposed Transaction computed under Catalist Rule 1006(b) exceeds 5% but is less than 75%, the Proposed Transaction constitutes a "discloseable transaction" for the purposes of Chapter 10 of the Catalist Rules.

OUE Lippo Healthcare Limited

Company Registration No. 201304341E

(In receivership over charged shares in certain subsidiaries)

6 Shenton Way, #10-09A, OUE Downtown 2, Singapore 068809

T: +65 6578 9188 F: 64794647 www.ouelh.com

7. FINANCIAL EFFECTS

The pro forma 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 pro forma financial effects of the Proposed Transaction presented below have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 and on the unaudited consolidated financial statements of the Target for the period since its date of incorporation up to 31 October 2017.

7.1 Net tangible assets

Assuming that the Proposed Transaction had been completed on 31 December 2016, being the end of the most recently completed financial year of the Group, the Proposed Transaction will not have any material impact on the net tangible assets per share of the Group.

7.2 Loss per share

Assuming that the Proposed Transaction had been completed on 1 January 2016, being the beginning of the most recently completed financial year of the Group, the Proposed Transaction will not have any material impact on the loss per share of the Group.

8. DIRECTORS' SERVICE CONTRACTS

There are no persons who are proposed to be appointed as a Director of the Company in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDER

Save as disclosed in this Announcement and for their respective interests (if any) in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction.

By Order of the Board

Dr Wong Weng Hong
Chief Executive Officer and Executive Director
7 November 2017

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

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

OUE Lippo Healthcare Limited

Company Registration No. 201304341E

(In receivership over charged shares in certain subsidiaries)

6 Shenton Way, #10-09A, OUE Downtown 2, Singapore 068809

T: +65 6578 9188 F: 64794647 www.ouelh.com