



SINGAPORE O&G LTD.
(Company Registration No. 201100687M)

JOINT VENTURE WITH LYC MOTHER & CHILD SDN BHD FOR SETTING UP OF A POSTPARTUM CONFINEMENT CENTRE

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Singapore O&G Ltd. (“**SOG**” or “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that it has, on 18 March 2021 entered into a joint venture agreement (the “**JV Agreement**”) with LYC Mother & Child Centre Sdn Bhd (“**LYCMC**”), a wholly-owned subsidiary of LYC Healthcare Berhad (“**LYC**”), to incorporate a Special Purpose Vehicle (“**SPV**”), provisionally to be called LYC-SOG Mother & Child Centre Sdn Bhd, for the purpose of setting up a postpartum confinement centre of up to 130 beds in Johor, Malaysia (“**Johor Confinement Centre**”) offering confinement care and related services (the “**Business**” or “**Joint Venture**”). The JV Agreement also provides for the establishment of similar centres in Malaysia, as may be agreed by the Parties from time to time.

SOG and LYCMC are each referred to as the “**Party**”, and collectively referred to as the “**Parties**”.

2. INFORMATION ON THE JOINT VENTURE PARTNER

LYCMC is a wholly-owned subsidiary of LYC which is listed on Bursa Malaysia. LYCMC is in the business of provision of postpartum confinement care services since 2018. LYCMC currently operates three (3) confinement centres in Klang Valley, Malaysia with a total capacity of one hundred and twenty-two (122) beds in Taman Tun Dr Ismail, Puchong and Bukit Jalil.

LYCMC aims to offer homely and comfortable environment to ensure maximum comfort and well-being of all mothers and newborns. They offer a comprehensive range of services such as recovery and wellness therapy, postnatal yoga, specialised confinement meals and 24/7 nursery care. The combination of modern medical expertise and postnatal traditional practice has helped new mothers to heal and recover from pregnancy and childbirth. Throughout the confinement period, they provide qualified and professional caregivers to assist in the care of the babies and enable mothers to get their much-needed rest and sleep.

To the best knowledge of the Board, LYCMC, its directors and its shareholder (as the case may be) are independent and not related to the Group or the Company’s directors, controlling shareholders and their respective associates.

3. INFORMATION ON THE JOINT VENTURE

SOG has entered into the JV Agreement with LYCMC for the setting up of the Johor Confinement Centre, a postpartum confinement centre with up to 130 beds in Johor, to target Singaporeans and Malaysians who wish to spend their post childbirth confinement period in Johor, Malaysia. The Joint Venture also seeks to set up similar centres in Malaysia as may be agreed by the Parties from time to time.

In this Joint Venture, LYCMC will utilise its expertise in establishing, setting up and running the day-to-day business of the Johor Confinement Centre; while SOG will leverage on its extensive healthcare experience particularly in the field of Obstetrics and Gynaecology and paediatrics, to provide advice to LYCMC in relation to the operations and applicable regulatory matters concerning the Johor Confinement Centre.

4. SALIENT TERMS OF THE JOINT VENTURE AGREEMENT

The salient terms of the JV Agreement are set out below:

(i) Investment Contribution

The Parties will contribute an amount of Ringgit Malaysia Four million (RM 4,000,000) as the initial capital, in proportion to the shareholdings as stated under Paragraph (ii) below, towards the initial costs and expenditure (including renovation and preparation of the Johor Confinement Centre) which is deemed necessary and required for the start-up operation of the Johor Confinement Centre.

(ii) Shareholders and their respective shareholdings of the SPV

<u>Shareholders</u>	<u>No. of Shares Held</u>	<u>Paid-up Share Capital (RM)</u>	<u>Shareholding</u>
LYCMC or its nominee*	2,040,000	2,040,000	51%
SOG or its nominee*	1,960,000	1,960,000	49%
Total	4,000,000	4,000,000	100%

*Nominee refers to any of its wholly-owned subsidiaries as may be determined by each Party in its absolute discretion.

(iii) Board of Directors of the SPV

The Board of Directors shall comprise the following five (5) Directors:

- a) Three (3) Directors nominated by LYCMC; and
- b) Two (2) Directors nominated by SOG.

5. RATIONALE FOR THE JOINT VENTURE

As stated in the Company's Offer Document in relation to its Initial Public Offering ("IPO") dated 26 May 2015, the Company intends to:

- a) expand its business operations locally and regionally through, inter alia, joint ventures;

- b) make investments in healthcare professionals and synergistic businesses; and
- c) diversify and grow its patient base.

The Board believes that the Joint Venture with LYCMC will:

- a) achieve the above intentions, and provide the Group with in-roads into postpartum confinement and other related services in Malaysia, which the Group currently does not engage in;
- b) provide the Group with a diversified and recurrent stream of revenue which are less dependent on our specialist medical practitioners; and
- c) enable the Group to offer complementary services to women's and children's health and wellness.

The Joint Venture is not expected to change the risk profile of the Group. However, in the event that the Joint Venture progresses to a stage which would result in a significant change in the risk profile of the Group, the Company would seek its shareholders' approval prior to entering into such a stage.

6. FINANCIAL EFFECTS OF THE JOINT VENTURE

The Joint Venture will be funded through the use of our IPO proceeds and is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2021.

7. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors, controlling shareholders or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Joint Venture, other than through their respective shareholdings in the Company.

8. INSPECTION OF DOCUMENT

A copy of the JV Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 229 Mountbatten Road, #02-02, Mountbatten Square Singapore 398007 for a period of three (3) months from the date of this announcement.

Shareholders who wish to inspect these documents at the Company's registered office are required to send an email request to ir@sog.com.sg to make an appointment in advance. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one time and such arrangements are subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing measures which may be implemented by the relevant authorities from time to time.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes

full and true disclosure of all material facts about the Joint Venture, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

10. **CAUTIONARY STATEMENT**

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

11. **FURTHER ANNOUNCEMENTS**

The Company will make further announcements on the Joint Venture, including the incorporation of the SPV, on SGXNet in compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist on the Joint Venture, as appropriate or when there are material developments in respect of the same.

BY ORDER OF THE BOARD

DR. BEH SUAN TIONG
EXECUTIVE CHAIRMAN
18 March 2021

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

The contact person for the Sponsor is Ms. Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.