



THE PROPOSED DISPOSAL OF THE MIXED COMMERCIAL DEVELOPMENT LAND AT KUALA LUMPUR, MALAYSIA

1. INTRODUCTION

- 1.1. The Board of Directors (the "**Board**" or "**Directors**") of OUE Healthcare Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that OUE LH Seasons Residences Sdn Bhd (the "**Vendor**"), a wholly-owned indirect subsidiary of the Company has, on 15 May 2024, entered into a sale and purchase agreement (the "**SPA**") with Golden Eagle City Sdn. Bhd. (the "**Purchaser**") for the disposal of the piece of vacant land held under Title No. Pajakan Negeri 46289, Lot 84 Seksyen 63, Town and District of Kuala Lumpur, Federal Territory of Kuala Lumpur (the "**Property**") to the Purchaser, at a purchase price of Ringgit Malaysia ("**RM**") 125.0 million (approximately S\$35.6 million) ("**Purchase Price**") (the "**Proposed Disposal**").
- 1.2. The Proposed Transaction is considered a "discloseable transaction" of the Company as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").
- 1.3. Unless otherwise stated, the S\$ equivalent of the RM figures in this announcement (the "**Announcement**") have been arrived at based on an exchange rate of RM100.0:S\$28.5.

2. INFORMATION RELATING TO THE PURCHASER AND THE PROPERTY

2.1. The Purchaser

The Purchaser is a private company limited by shares incorporated in Kuala Lumpur on 13 May 2024 and its primary business is in real estate activities with owned or leased property. The Purchaser is ultimately owned by an independent third party. To the best of the knowledge of the Directors, none of the Purchaser and/or any of its associates have any connections (including business relationships) with the Company, the Group, the Directors, the controlling shareholders of the Company and/or their respective associates.

2.2. The Property

The Property is a piece of vacant land bearing the assessment address of 19, 19A, Jalan Kia Peng, 50450 Kuala Lumpur, Federal Territory of Kuala Lumpur, measuring approximately 4,724 square metres in area. The Property is a mixed commercial development land and is a 99-year leasehold expiring on 29 April 2108. The Property is a non-core legacy asset of the Group and is currently not in use.

Based on the latest full year audited consolidated financial statements of the Group for the financial year ended 31 December 2023 ("**FY2023**"):

- (a) the book value of the Property is RM128.0 million (approximately S\$36.6 million¹) as at 31 December 2023; and

¹ Based on an exchange rate of RM100.0:S\$28.6.

- (b) no net profit is attributable to the Property as the Property is not in use and does not generate any income or revenue.

2.3. **Independent Valuation of the Property**

Based on the valuation report issued by Raine & Horne International Zaki + Partners Sdn. Bhd. on 31 December 2023 (the "**Valuation Report**"), which was commissioned by the Company, the market value of the Property as at 31 December 2023 is RM128.0 million (approximately S\$36.6 million¹). The valuation of the Property was arrived at based on the comparison approach, where comparison was made against recent transactions involving other similar properties in the vicinity. Factors including the location, plot size, improvements made (if any), surrounding developments, facilities and amenities available were taken into consideration in the comparison approach.

3. **PRINCIPAL TERMS OF THE SPA**

A summary of the material terms and conditions of the SPA is as follows.

3.1. **Sale and Purchase of the Property**

The Vendor shall sell, and the Purchaser shall purchase, the Property free from all encumbrances on an "as is where is" basis with vacant possession.

3.2. **Purchase Price**

The Purchase Price for the Property is RM125.0 million, which was arrived at on a willing-buyer willing-seller basis, after taking into account, among others, the market value of the Property and the payment terms offered by the Purchaser (as set out in this paragraph 3.2).

The Purchase Price shall be satisfied by the Purchaser in the following manner:

- (a) the deposit of RM12.5 million ("**Deposit**"), being 10% of the Purchase Price, shall be satisfied in the following manner:
 - (i) the earnest deposit of RM3.75 million ("**Earnest Deposit**"), being 3% of the Purchase Price, has been paid by the Purchaser to Messrs Halim Hong & Quek, Advocates & Solicitors (the "**Purchaser's Solicitors**") as stakeholders authorised by the parties prior to the execution of the SPA. Upon receipt of a written confirmation from Messrs Christopher & Lee Ong, Advocates & Solicitors (the "**Vendor's Solicitors**") that the SPA has been duly executed by the Vendor and is deposited with the Vendor's Solicitors as stakeholder (the "**Vendor's Solicitors' Confirmation**"), the Purchaser's Solicitors are authorised by the parties to release the Earnest Deposit to the Vendor immediately; and
 - (ii) the balance deposit of RM8.75 million ("**Balance Deposit**"), being 7% of the Purchase Price, shall be paid to the Vendor within three (3) business days upon signing of the SPA, provided that the Vendor's Solicitors' Confirmation has been provided to the Purchaser's Solicitors; and
- (b) upon satisfaction (or waiver) of the Conditions Precedent (as defined below), the Purchaser shall pay the balance purchase price of RM112.5 million ("**Balance Purchase Price**"), being 90% of the Purchase Price, to the Vendor's Solicitors as

stakeholder for the Vendor on or before the day falling three (3) months after the Unconditional Date (as defined below) (the "**Payment Deadline**").

All moneys paid to the Vendor's Solicitors as stakeholders shall be deemed to have been paid to and received by the Vendor. The Balance Purchase Price shall be released by the Vendor's Solicitors to the Vendor upon the satisfaction of certain conditions within a prescribed period under the SPA, including the delivery by the Vendor of (a) the relevant documents for the transfer of title to the Property to the Purchaser, including the original Document of Title (as defined below); and (b) vacant possession of the Property to the Purchaser.

If the Purchaser is unable to pay the Balance Purchase Price in accordance with paragraph 3.2(b) for any reason whatsoever, the Payment Deadline shall be automatically extended by a period of one (1) month after the last day of the Payment Deadline (the "**Extended Period**"), provided that the Purchaser pays to the Vendor interest on the Balance Purchase Price then outstanding at the rate of 8% per annum calculated on a daily basis from the first day of the Extended Period until the date the Balance Purchase Price is paid in full by the Purchaser ("**Interest**").

The Purchase Price represents a deficit of approximately RM3.0 million (approximately S\$0.9 million) over the book value of the Property as at 31 December 2023. The Proposed Disposal is expected to result in an estimated loss on disposal of approximately RM7.7 million (approximately S\$2.2 million) (after deducting the sales commission of RM4.4 million (approximately S\$1.3 million) and the estimated professional fees and other related expenses of RM0.4 million (approximately S\$0.1 million)).

3.3. **Conditions Precedent**

Completion of the Proposed Disposal is subject to and conditional upon, among others, the following conditions ("**Conditions Precedent**" and each, a "**Condition Precedent**") being satisfied (or waived):

- (a) the Vendor, at its own cost and expense, having applied for and obtaining the approval of the Federal Territories Director Lands and Mines Office Kuala Lumpur to transfer the Property to the Purchaser;
- (b) the Vendor, at its own cost and expense, having procured the following documents to be forwarded to the Purchaser:
 - (i) the original letter of release from the existing architect;
 - (ii) the original letter of release from the existing quantity surveyor;
 - (iii) the original letter of release from the existing consultant in relation to civil and structural engineering;
 - (iv) the original letter of release from the existing consultant in relation to mechanical and electrical engineering; and
 - (v) the original letter of release from the existing consultant in relation to traffic; and
- (c) the Vendor's Solicitors confirming that the original document of title in respect of the Property (the "**Document of Title**") is free from encumbrances and is presently held by the Vendor's Solicitors as stakeholder.

The SPA shall become unconditional on the date the last of the Conditions Precedent is satisfied by the Vendor or waived, as the case may be (the "**Unconditional Date**").

If any of the Conditions Precedent are not satisfied on or before the date falling three (3) months from the date of the SPA (the "**CP Period**"), the CP Period shall automatically be extended for another three (3) months after the last day of the CP Period (the "**Extended CP Period**"), and thereafter, if any Conditions Precedent is not satisfied by the expiry of the Extended CP Period, the SPA shall lapse and the Deposit shall be refunded to the Purchaser within 14 days of receipt by the Vendor of demand from the Purchaser.

3.4. **Completion**

Under the SPA, the "**Completion Date**" is the date on which the Purchase Price and the Interest due (if any) is paid in full by the Purchaser. The Vendor shall deliver or cause to be delivered vacant possession of the Property in accordance with the SPA on the Completion Date.

4. **RATIONALE FOR THE PROPOSED DISPOSAL**

The Board is of the view that the Proposed Disposal is in the best interests of the Group and proposes to undertake the Proposed Disposal for the following reasons:

(a) **Forging a Sustainable Capital Structure**

The Proposed Disposal is part of the Company's ongoing strategic initiatives to enhance its capital structure. By unlocking the value of the Property, the Proposed Disposal further strengthens the Group's financial resilience and positions the Group for sustainable growth with an improved net current asset position.

(b) **Improving Liquidity and Capital Efficiency**

The Property is a non-core legacy asset of the Group which is currently not in use. The Proposed Disposal will allow the Group to save on the holding costs associated with the Property and improve the Group's liquidity and capital efficiency as the Company can better deploy its resources towards more productive uses.

5. **USE OF PROCEEDS**

The Company expects to receive net cash proceeds of approximately RM120.3 million (approximately S\$34.3 million), after deducting the sales commission of RM4.4 million (approximately S\$1.3 million) and the estimated professional fees and other related expenses of RM0.4 million (approximately S\$0.1 million) from the Proposed Disposal (the "**Net Proceeds**"), which will be used for working capital purposes. Any material disbursements of the Net Proceeds will be disclosed by the Company, including the specific usage(s), at the appropriate time.

6. **RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES**

The relative figures for the Proposed Disposal 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	4.8% ⁽¹⁾

(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits	Not applicable ⁽²⁾
(c)	The aggregate value of the consideration received for the Proposed Disposal, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	30.8% ⁽³⁾
(d)	The number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities of the Company previously in issue	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's probable and proved reserves	Not applicable ⁽⁵⁾

Notes:

- (1) "Net assets" means total assets less total liabilities. Based on the net asset value of the Property of RM128.0 million (approximately S\$36.6 million) and the audited net asset value of the Group of approximately S\$756.0 million as at 31 December 2023.
- (2) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Not applicable as the Property is not in use and does not generate any income or revenue.
- (3) The Company's market capitalisation of approximately S\$115.5 million is based on its total number of 4,443,129,206 issued ordinary shares ("**Shares**") and the weighted average price of S\$0.26 per Share on 14 May 2024, being the last traded market day prior to the date of the SPA.
- (4) Not applicable as the transaction is not an acquisition.
- (5) Not applicable as the Company is not a mineral, oil and gas company.

As the applicable relative figures for the Proposed Disposal as computed on the bases set out in Rule 1006 of the Catalist Rules exceed 5% but are less than 50%, the Proposed Disposal is a "discloseable transaction" under Chapter 10 of the Catalist Rules and does not require the approval of shareholders of the Company.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The *pro forma* financial effects of the Proposed Disposal set out below are purely for illustrative purposes only and should not be taken as an indication of the actual future financial performance or position of the Group following the Proposed Disposal nor a projection of the future financial performance or position of the Group after completion of the Proposed Disposal.

The *pro forma* financial effects of the Proposed Disposal are prepared based on the latest audited consolidated financial statements of the Group for FY2023 as well as the following bases and assumptions:

- (a) the financial effects on the net tangible asset ("**NTA**") per Share of the Group for FY2023 are computed assuming that the Proposed Disposal had been completed on 31 December 2023; and

- (b) the financial effects on the earnings per Share ("**EPS**") of the Group for FY2023 are computed assuming that the Proposed Disposal had been completed on 1 January 2023.

7.1. Effects on NTA per Share

As at 31 December 2023	Before the Proposed Disposal	After the Proposed Disposal
NTA ⁽¹⁾ (S\$'000)	725,290	723,088
Number of Shares	4,443,129,206	4,443,129,206
NTA per Share (cents)	16.3	16.3

Note:

- (1) NTA means total assets less the sum of total liabilities and intangible assets.

7.2. Effects on EPS

As at 31 December 2023	Before the Proposed Disposal	After the Proposed Disposal
Profit after tax attributable to the Shareholders of the Company (S\$'000)	8,049,000	5,847,000
Weighted average number of Shares	4,443,129,206	4,443,129,206
EPS (cents)	0.18	0.13

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this Announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, (other than their respective shareholding in the Company, if any) in the Proposed Disposal.

Shareholders are advised to refrain from taking any action in respect of their Shares which may be prejudicial to their interests, and for Shareholders and potential investors to exercise caution when trading in the Shares. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 6 Shenton Way, #10-10 OUE Downtown, Singapore 066809, during normal business hours for three (3) months from the date of this Announcement:

- (a) the SPA; and
- (b) the Valuation Report.

11. 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 Proposed Disposal, the Company, and the Group, 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.

12. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares as there is no certainty or assurance that the Proposed Disposal will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are also advised to read this Announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

By Order of the Board

OUE Healthcare Limited

Mr. Yet Kum Meng
Chief Executive Officer and Executive Director
15 May 2024

*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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.