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- (1) **PROPOSED PARTNERSHIP WITH GROUP OF RESPIRATORY AND CARDIOTHORACIC MEDICAL PRACTICES IN SINGAPORE; AND**
 - (2) **ENTRY INTO JOINT VENTURE WITH OUE LIMITED**
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1. INTRODUCTION

1.1. Establishment of Joint Venture and the Proposed Transaction

The Board of Directors (the "**Board**" or "**Directors**") of OUE Lippo Healthcare Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that:

- (a) OUELH (SEA) Pte. Ltd. ("**OUELH SPV**"), a wholly-owned subsidiary of the Company, has together with TI Echo Pte. Ltd. ("**OUE SPV**"), a wholly-owned subsidiary of the Company's controlling shareholder, OUE Limited ("**OUE**"), established a joint venture company known as Echo Healthcare Management Pte. Ltd. (the "**OUE JV**"). OUE JV is a newly incorporated company set up for the purpose of the Proposed Transaction (as defined below) and as at the date of this Announcement, is 60.0% held by OUELH SPV and 40.0% held by OUE SPV; and
- (b) OUE JV has today entered into definitive documentations (including the MSSPA (as defined below)) in respect of the formation of a joint venture with (i) RMA Med Holdings Pte. Ltd. ("**RMA HoldCo**"); (ii) TRP Holdings Pte. Ltd. ("**TRP HoldCo**"); and (iii) Witty Hearty Lungs Pte. Ltd. ("**BH HoldCo**" and together with RMA HoldCo and TRP HoldCo, the "**Founders**" and each, a "**Founder**") to create a partnership with (i) RMA Global Pte. Ltd. ("**RMA**"), (ii) The Respiratory Practice (Farrer) Pte. Ltd. ("**TRPF**"), and (iii) Breathing Heart Pte. Ltd. ("**BH**", and together with RMA and TRPF, the "**Medical Partners**") (the "**Proposed Transaction**").

1.2. Master Subscription and Sale and Purchase Agreement

As part of the Proposed Transaction, OUE JV has today entered into a master subscription and sale and purchase agreement ("**MSSPA**") with (amongst others) the Founders. Pursuant to the terms of the MSSPA, on the completion of the Proposed Transaction ("**Closing**"):

- (a) OUE JV will hold 60.0% of the issued and paid-up share capital of Echo Healthcare Services Pte. Ltd. ("**HoldCo**", and together with its subsidiaries, "**HoldCo Group**"), and the Founders will collectively hold the remaining 40.0% of HoldCo; and
- (b) HoldCo will hold 60.0% of the issued and paid-up share capital of each of the Medical Partners, while RMA HoldCo, TRP HoldCo and BH HoldCo will hold the remaining 40.0% of each of RMA, TRPF and BH respectively.

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Please refer to **Appendix A** for the envisaged corporate structure of the HoldCo Group immediately after Closing.

1.3. **Chapter 10 of the Catalyst Rules**

As the relative figures for the Proposed Transaction as computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") exceed 5.0% but do not exceed 75.0%, the Proposed Transaction constitutes a "disclosable transaction" as defined in Chapter 10 of the Catalyst Rules.

1.4. **Chapter 9 of the Catalyst Rules**

In connection with the Proposed Transaction, OUE LH SPV and OUE SPV have today entered into a joint venture agreement to set out the respective rights and obligations of OUE LH SPV and OUE SPV as shareholders of OUE JV (the "**Joint Venture**"). The Joint Venture with OUE SPV constitutes an "interested person transaction" as defined in Chapter 9 of the Catalyst Rules which falls within the exception under Rule 916(2) of the Catalyst Rules for compliance with Rule 906 of the Catalyst Rules, further details of which are set out in Paragraph 7.3 of this Announcement.

2. **INFORMATION RELATING TO THE MEDICAL PARTNERS, THE FOUNDERS AND THE SALE SHARES (AS DEFINED BELOW)**

2.1. **Information on the Medical Partners and the Founders**

(a) RMA

RMA is a private company incorporated in Singapore, and as at the date of the MSSPA, is 100% owned by RMA HoldCo. RMA currently owns and operates three (3) clinics in Gleneagles Medical Centre, Mount Elizabeth Novena Specialist Centre and Mount Elizabeth Medical Centre, respectively. There are five (5) consultants specialising in respiratory medicine engaged by RMA (the "**RMA Doctors**") who will continue to be engaged by RMA after Closing. RMA's medical clinics are specialist clinics for the diagnosis and treatment of lung, sleep and allergy disorders.

RMA HoldCo is, as at the date of the MSSPA, wholly-owned by the RMA Doctors.

(b) TRPF

TRPF is a private company incorporated in Singapore, and as at the date of the MSSPA, is 100% owned by TRP HoldCo. TRPF currently owns and operates six (6) clinics in Gleneagles Medical Centre, Parkway East Medical Centre, Farrer Park Medical Centre, Mount Alvernia Medical Centre D, Mount Elizabeth Medical Centre and Vision Exchange, respectively. There are five (5) consultants specialising in respiratory medicine engaged by TRPF (the "**TRP Doctors**"), who will continue to be engaged by TRPF after Closing. TRPF's medical clinics, similar to RMA's medical clinics, are specialist clinics for lung (including sleep and allergy) and intensive care medicine.

TRP HoldCo is, as at the date of the MSSPA, wholly-owned by the TRP Doctors.

(c) BH

BH is a private company incorporated in Singapore, and as at the date of the MSSPA, is 100% owned by BH HoldCo. BH operates a clinic specialising in thoracic and cardiovascular surgery and currently engages a cardiothoracic surgeon (the "**BH Doctor**") who will continue to be engaged by BH after Closing.

BH HoldCo is, as at the date of the MSSPA, wholly-owned by the BH Doctor.

To the best of the Board's knowledge, none of the Founders, the RMA Doctors, the TRP Doctors and the BH Doctor are related to the Company, its subsidiaries, the controlling shareholders of the Company or the Directors.

2.2. **The Sale Shares**

As part of the Proposed Transaction, HoldCo will acquire 60.0% of the issued and paid-up share capital of each of the Medical Partners (collectively, the "**Sale Shares**", and in respect of RMA, the "**RMA Sale Shares**", in respect of TRPF, the "**TRPF Sale Shares**" and in respect of BH, the "**BH Sale Shares**").

Value of the Sale Shares

Based on the unaudited accounts of each of the Medical Partners for the financial year ended 31 December 2021 ("**FY2021**"), the net tangible asset value and book value of the RMA Sale Shares, the TRPF Sale Shares and the BH Sale Shares are S\$426,860, S\$3,008,947, and S\$917,348, respectively. Based on the foregoing, the net tangible asset value and book value of the Sale Shares is in aggregate S\$4,353,155. There is no open market value for the Sale Shares as they are not publicly traded. Based on an average of the 12-month financial periods ended 31 August 2019, 31 August 2020 and 31 August 2021, the net profits attributable to the Sale Shares being acquired by the Company is S\$5,922,000. No independent valuation on the Sale Shares was carried out.

3. **MATERIAL TERMS OF THE PROPOSED TRANSACTION**

A summary of the material terms and conditions of the Proposed Transaction is as follows:

3.1. **Consideration for the Proposed Transaction**

(a) Aggregate Purchase Price

The aggregate purchase price for the acquisition of the Sale Shares shall be the amount of S\$31,064,299 (the "**Aggregate Purchase Price**"), broken down as follows:

- (i) S\$6,533,438 for the RMA Sale Shares (the "**RMA Purchase Price**");
- (ii) S\$8,321,472 for the TRPF Sale Shares (the "**TRP Purchase Price**"); and
- (iii) S\$16,209,389 for the BH Sale Shares (the "**BH Purchase Price**").

40.0% of the Aggregate Purchase Price shall be satisfied by way of the allotment and issuance of 4,000 new ordinary shares in HoldCo, representing 40.0% of the issued and paid-up share capital of HoldCo immediately after Closing (the "**Consideration Shares**"), and 60.0% of the Aggregate Purchase Price shall be satisfied by way of cash

payment of S\$18,638,580 (the "**Cash Consideration**"). The Consideration Shares and the Cash Consideration shall be allocated in satisfaction of the RMA Purchase Price, the TRP Purchase Price and the BH Purchase Price in the following manner:

- (i) the RMA Purchase Price shall be satisfied by way of: (A) the allotment and issuance of 841 new ordinary shares in HoldCo to RMA HoldCo, representing approximately 8.4% of the issued and paid-up share capital of HoldCo upon Closing; and (B) cash payment of S\$3,920,063 from HoldCo to RMA HoldCo;
- (ii) the TRP Purchase Price shall be satisfied by way of: (A) the allotment and issuance of 1,072 new ordinary shares in HoldCo to TRP HoldCo, representing approximately 10.7% of the issued and paid-up share capital of HoldCo upon Closing; and (B) cash payment of S\$4,992,883 from HoldCo to TRP HoldCo; and
- (iii) the BH Purchase Price shall be satisfied by way of: (A) the allotment and issuance of 2,087 new ordinary shares in HoldCo to BH HoldCo, representing approximately 20.9% of the issued and paid-up share capital of HoldCo upon Closing; and (B) cash payment of S\$9,725,634 from HoldCo to BH HoldCo.

The Aggregate Purchase Price was arrived at on a willing-buyer and willing-seller basis after the conduct of negotiations on an arm's length basis based on a valuation of the respective Medical Partners as agreed between the parties after taking into consideration (i) the earnings and cash flow of the Medical Partners for the past three (3) financial years; (ii) the potential synergies between the Group and the Medical Partners; and (iii) the rationale and benefits of the Proposed Transaction as set out in Paragraph 4 of this Announcement.

(b) Earn-Out

Subject to Closing occurring, upon the HoldCo Group reaching its growth target (the "**Growth Target**") in any one (1) full financial year within the period of eight (8) years from Closing (the "**Relevant Period**"), HoldCo shall pay to the Founders a one-off aggregate earn-out of S\$9,319,289 (the "**Earn-Out**") in cash. In the event the HoldCo Group does not reach the Growth Target in any financial year by the expiry of the Relevant Period, the Earn-Out shall be reduced *pro rata* by the growth rate achieved in the last financial year of the Relevant Period compared to the Growth Target (such reduced Earn-Out, the "**Reduced Earn-Out**"). Payment of the Earn-Out or the Reduced Earn-Out (as the case may be) shall be borne fully by OUE JV.

The Earn-Out and the Reduced Earn-Out was arrived at on a willing-buyer and willing-seller basis after the conduct of negotiations on an arm's length basis based on a valuation of the respective Medical Partners as agreed between the parties after taking into consideration (i) the earnings and cash flow of the Medical Partners for the past three (3) financial years; (ii) the potential synergies between the Group and the Medical Partners; and (iii) the rationale and benefits of the Proposed Transaction as set out in Paragraph 4 of this Announcement.

The Company's portion of the Cash Consideration and the Earn-Out or Reduced Earn-Out (as the case may be) will be funded by the Company's internal resources.

3.2. Conditions Precedent

Closing of the Proposed Transaction is conditional upon, among other things, the fulfilment and satisfaction of the following conditions being satisfied (or waived):

- (a) all necessary notifications, approvals, consents, licenses, permits, authorisations, waivers, exemptions and/or registrations from or with all relevant governmental authorities, financiers, counterparties and/or third parties (if any) of each of the Medical Partners and/or required to be obtained by HoldCo and/or the Founders for the Proposed Transaction ("**Approvals**") having been given or obtained, and where any such Approval is subject to conditions, such conditions being acceptable to HoldCo, and if such conditions are required to be fulfilled before Closing, such conditions being fulfilled before Closing, and such Approvals remaining valid and in full force and effect and not having been withdrawn, revoked or amended;
- (b) all Licences¹ (including the medical clinic licence issued under Section 6(2) of the Private Hospitals and Medical Clinics Act 1980 of Singapore in respect of the operation of each of the clinics owned and operated by the Medical Partners (collectively, the "**Clinics**") and all lease agreements in respect of the premises out of which each Clinic operates ("**Leases**") remaining valid and in full force and effect and, all conditions applicable to any such Licence and/or Lease having been complied with in all material respects, with no change to the terms of the Licences and the Leases and no notice or threat of suspension, cancellation, modification or revocation of any of the Licences and/or the Leases;
- (c) as at the Closing Date (as defined below), no Material Adverse Change² in respect of any of the Medical Partners shall have occurred since 31 December 2021;
- (d) the Proposed Transaction 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, judicial or regulatory body or other authority of Singapore and any other relevant jurisdictions; and
- (e) each of the Founder Doctors (as defined below) signing the Service Agreement (as defined below),

(collectively, the "**Conditions Precedent**" and each, a "**Condition Precedent**").

3.3. Closing

Subject to all the Conditions Precedent being satisfied or waived (as the case may be), Closing is expected to take place by the end of the third quarter of 2022 (such date, the "**Closing Date**").

¹ "**Licences**" means all licences, consents, permits, concessions, approvals, certificates and other authorisations required by the respective Medical Partners, medical personnel employed or engaged or operating out of the respective Clinics, and their equipment and facilities to conduct the operations and business of each Medical Partner and where relevant, their subsidiaries, including operating, managing and owning the respective Clinics, and operating the equipment and facilities therein.

² "**Material Adverse Change**" means, in relation to each Medical Partner, any event, circumstance, condition or change which results in a reduction of the valuation of the Medical Partner by 10% or more for the period from 31 December 2021 to the Closing Date (both dates inclusive), as compared to such Medical Partner's 36-month Aggregate EBITDA (as defined in the MSSPA).

3.4. **Guarantee and Indemnity**

(a) Founder Doctors' Guarantee and Indemnity

In consideration of the agreement of HoldCo to acquire the Sale Shares from each Founder on the terms of the MSSPA, each of the RMA Doctors, the TRPF Doctors and the BH Doctor (collectively, the "**Founder Doctors**") has provided guarantees and undertakings to HoldCo and OUE JV as primary obligor in respect of:

- (i) the due and punctual performance by their respective Founders and its subsidiary (if applicable) of all the undertakings, covenants, agreements and obligations contained in the MSSPA on the part of their respective Founders and/or its subsidiary (if applicable); and
- (ii) the due and punctual payment to HoldCo and/or its nominee(s) of all sums which are payable to HoldCo and/or its nominee(s) under the MSSPA,

(the "**Founder Doctors' Guarantee**").

Subject to the liability limits set out in the MSSPA, the liability of the Founder Doctors in respect of the Founder Doctors' Guarantee shall be on a several basis, and each Founder Doctor's liability to HoldCo and/or OUE JV is limited to such Founder Doctor's respective percentage interest in the RMA Purchase Price, TRP Purchase Price or BH Purchase Price (as applicable) of the total liability of the Founder Doctors under or in connection with each claim for which the Founder Doctors are liable.

(b) OUE and OUELH's Guarantee

In consideration of the agreement of each of the Founders to sell the respective Sale Shares on the terms of the MSSPA, each of OUE and the Company has provided guarantees and undertakings to each of the Founders in respect of:

- (i) the due and punctual payment to the Founders of the Earn-Out or Reduced Earn-Out (as the case may be, if applicable) payable to the Founders and/or its nominee(s); and
- (ii) indemnifying the Founders from and against any and all losses directly or indirectly suffered or incurred by or made against the Founders for a breach of the warranties given in relation to HoldCo or OUE JV under the MSSPA,

(the "**OUE and OUELH Guarantee**"),

provided that the liability of each of OUE and the Company in respect of the OUE and OUELH Guarantee shall be on a several basis, and the maximum liability of each of OUE and the Company shall not exceed the Aggregate Purchase Consideration and the Earn-Out or Reduced Earn-Out (as the case may be, if applicable) payable based on its shareholding proportion in OUE JV.

3.5. **Service Agreements**

In consideration of the agreement of HoldCo to acquire the Sale Shares from each Founder on the terms of the MSSPA and such other consideration as set out in the respective Service Agreement (as defined below), each of the Founder Doctors shall provide their services to the respective Medical Partner for a period of eight (8) years, subject to and in accordance with the terms of the service agreements entered into between each of the Founder Doctors, HoldCo and the respective Medical Partner (the "**Service Agreements**" and each, a "**Service Agreement**").

3.6. **HoldCo Shareholders' Agreement and Medical Partner Shareholders' Agreement**

OUE JV and the Founders have, on the date of this Announcement, also entered into a shareholders' agreement (the "**HoldCo Shareholders' Agreement**") to set out their respective rights and obligations as shareholders of HoldCo. HoldCo and each of RMA HoldCo, TRP HoldCo and BH HoldCo, have also entered into shareholders' agreements in respect of each of RMA, TRPF and BH (each, a "**Medical Partner Shareholders' Agreement**"). The HoldCo Shareholders' Agreement and the Medical Partner Shareholders' Agreements will come into effect on Closing.

Pursuant to the terms of the HoldCo Shareholders' Agreement and the Medical Partner Shareholders' Agreements:

- (a) The board of directors of HoldCo will have seven (7) directors, comprising:
 - (i) four (4) directors appointed by OUE JV;
 - (ii) one (1) director appointed by RMA HoldCo;
 - (iii) one (1) director appointed by TRP HoldCo; and
 - (iv) one (1) director appointed by BH HoldCo.
- (b) The board of directors of each Medical Partner will have three (3) directors, comprising two (2) directors appointed by OUE JV, and one (1) director appointed by the respective Founder holding shares in the Medical Partner.
- (c) Matters in relation to the management and operation of the clinics will be delegated to the management of each Medical Partner who will have sole discretion over such management and operational matters. The board of directors of HoldCo will oversee all matters in relation to the overall management and operation of the business of the HoldCo Group and administrative functions of all subsidiaries of the HoldCo Group.
- (d) For a period of eight (8) years from Closing ("**Standstill Period**"), subject to certain exceptions, all parties shall not transfer their shares in HoldCo and the Medical Partners without the written consent of other parties to the HoldCo Shareholders' Agreement and the relevant Medical Partner Shareholders' Agreement, respectively. Following the expiry of the Standstill Period, any transfer of shares in HoldCo and the Medical Partners will be subject to a right of first refusal in favour of the other parties to the HoldCo Shareholders' Agreement and the relevant Medical Partner Shareholders' Agreement, respectively.

4. RATIONALE AND KEY BENEFITS OF THE PROPOSED TRANSACTION

The Board believes that the Proposed Transaction is in the interests of the Company for the following reasons:

(a) Building a regional healthcare ecosystem anchored on Singapore's medical best practices

The Proposed Transaction is an important milestone for the Company to build a regional healthcare ecosystem anchored on Singapore's medical best practices and create potential synergistic growth opportunities. The Company will be able to leverage on the Medical Partners' clinical expertise to elevate the overall healthcare standards and quality in the Company's growing regional healthcare network.

(b) Win-win arrangement in ensuring sustainable regional growth for all stakeholders

The Proposed Transaction is structured such that while the Medical Partners will be integrated into the Company's healthcare network, they will retain clinical independence in their respective practices, thereby aligning long-term objective of all stakeholders to ensure sustainable growth.

(c) Enhances shareholder value

Based on the Medical Partners' financial results for the past three (3) financial years, the Medical Partners are earnings accretive with a stable and growing stream of recurring income and cash flow, which the Company envisages will enhance long term shareholder value.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures for the proposed transaction as 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	Not applicable ⁽¹⁾
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	11.0% ⁽²⁾
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	15.1% (taking into account the Earn-Out payable) ⁽³⁾⁽⁴⁾
(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 ⁽⁵⁾
(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 ⁽⁶⁾

Notes:

- (1) Not applicable as the Company is not disposing of any assets pursuant to the Proposed Transaction.
- (2) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Based on the net profits of the Medical Partners based on an average of the 12-month financial periods ended 31 August 2019, 31 August 2020 and 31 August 2021 which are attributable to the Group of approximately S\$1.2 million and the adjusted audited consolidated net profits of the Group of approximately S\$11.6 million for FY2021, excluding all one-off income or expenses, including the one-off gain from the allotment and issuance of convertible perpetual bonds by the Company to Treasure International Holdings Pte. Ltd. following the conversion of existing shareholder loans, as announced by the Company on 23 February 2021 and completed on 16 March 2021.
- (3) Paragraph 3.2(b)(i) of Practice Note 10A of the Catalist Rules states that, *inter alia*, in computing the aggregate value of the consideration given under Rule 1006(c), any deferred consideration that may be payable by the issuer in the future shall be included in the aggregate value of consideration (i.e., the consideration is the maximum total consideration payable under the agreement). Accordingly, the Earn-Out payable by the Company of approximately S\$5,591,573, being the maximum amount of deferred consideration that may be payable by the Company in the future, has been included in the aggregate value of the consideration.
- (4) The Company's market capitalisation of approximately S\$160.0 million is based on its total number of 4,443,129,206 issued ordinary shares ("**Shares**") in the capital of the Company and the volume weighted average price of S\$0.0360 per Share on 20 May 2022, being the last traded market day prior to the date of the MSSPA.
- (5) Not applicable as there will be no issuance of shares of the Company as consideration for the Proposed Transaction.
- (6) Not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceed 5.0% but do not exceed 75.0%, the Proposed Transaction constitutes a "disclosable transaction" under Rule 1010 of the Catalist Rules.

6. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The *pro forma* financial effects of the Proposed Transaction 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 Transaction nor a projection of the future financial performance or position of the Group after completion of the Proposed Transaction.

The *pro forma* financial effects of the Proposed Transaction are prepared based on the latest audited consolidated financial statements of the Group for FY2021 as well as the following bases and assumptions:

- (a) the transaction costs incurred for the Proposed Transaction are insignificant and ignored for computational purposes;
- (b) the financial effects on the net tangible asset ("**NTA**") per Share of the Group for FY2021 are computed assuming that the Proposed Transaction had been completed on 31 December 2021; and
- (c) the financial effects on the earnings per Share ("**EPS**") of the Group for FY2021 are computed assuming that the Proposed Transaction had been completed on 1 January 2021.

6.1. Effect on NTA per Share

	Before the Proposed Transaction	After the Proposed Transaction ⁽¹⁾
NTA ⁽¹⁾ (S\$'000)	321,128	310,300
Number of Shares	4,443,129,206	4,443,129,206
NTA per Share (cents)	7.23	6.98

Note:

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

6.2. Effect on EPS

	Before the Proposed Transaction	After the Proposed Transaction
Profit after tax attributable to the Shareholders of the Company (S\$'000)	111,378	112,525
Number of Shares	4,443,129,206	4,443,129,206
EPS (cents)	2.51	2.53

7. THE JOINT VENTURE AS AN INTERESTED PERSON TRANSACTION

7.1. Chapter 9 of the Catalist Rules

As at the date of this Announcement, OUE is a controlling shareholder of the Company, holding an indirect interest in 3,126,316,752 Shares, representing approximately 70.4% of the total issued and paid-up share capital of the Company. Accordingly, OUE SPV, a wholly-owned subsidiary of OUE, is an "associate" of OUE and is considered an "interested person" of the Company for the purposes of Chapter 9 of the Catalist Rules.

OUE LH SPV, a wholly-owned subsidiary of the Company that is not listed on the SGX-ST or an approved exchange, is an "entity at risk" for the purposes of Chapter 9 of the Catalist Rules. Accordingly, the Joint Venture between OUE LH SPV and OUE SPV constitutes an "interested person transaction" under Chapter 9 of the Catalist Rules.

7.2. Total Value of Interested Person Transactions

Apart from the Joint Venture, the Group has not entered into any interested person transactions with OUE, any of its associates and/or any other interested person during the current financial year commencing on 1 January 2022 up to the date of this Announcement (excluding transactions which are less than S\$100,000).

7.3. **Exception from Requirement for Shareholders' Approval Pursuant to Rule 916 of the Catalist Rules**

Under Rule 906 of the Catalist Rules, shareholders' approval is required of an interested person transaction of a value which is equal to or exceeds 5.0% of the Group's latest audited NTA.

The value at risk of the Joint Venture is approximately S\$16.8 million, being the OUELH SPV's expected capital contribution to the Joint Venture, which represents approximately 5.2% of the Group's latest audited NTA of approximately S\$321.1 million as at 31 December 2021. OUELH SPV's expected capital contribution is calculated based on the Cash Consideration, the Earn-Out and expected capital injections to OUE JV and is in proportion to its shareholding in OUE JV.

However, the Joint Venture falls within the exception under Rule 916(2) of the Catalist Rules for compliance with Rule 906 of the Catalist Rules for the following reasons:

- (a) the risks and rewards of the Joint Venture are in proportion to the equity of each of OUE SPV and OUELH SPV;
- (b) the Audit and Risk Committee of the Company (the "**ARC**") has considered the terms of the Joint Venture and is of the view that the risks and rewards of the Joint Venture are in proportion to the equity of each of OUE SPV and OUELH SPV, and the terms of the Joint Venture are not prejudicial to the interests of the Company and its minority shareholders; and
- (c) OUE SPV does not have an existing equity interest in OUE JV prior to the participation of OUELH SPV in the Joint Venture.

Accordingly, Shareholders' approval is not required for the Joint Venture.

7.4. **ARC's Statement**

The ARC, having considered the terms of the Joint Venture, is of the view that the risks and rewards of the Joint Venture are in proportion to the equity of each of OUE SPV and OUELH SPV, and the terms of the Joint Venture are not prejudicial to the interests of the Company and its minority shareholders.

8. **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS**

Save for OUE SPV, a wholly-owned subsidiary of OUE, 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 through their respective shareholdings in the Company, if any) in the Proposed Transaction.

9. **DIRECTORS' SERVICE CONTRACTS**

As at the date of this Announcement, no person is 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.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the MSSPA is available for inspection at the registered office of the Company at 6 Shenton Way, #10-09A OUE Downtown, Singapore 066809, during normal business hours for three (3) months from the date of this Announcement.

11. 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 Transaction 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 Lippo Healthcare Limited

Mr. Yet Kum Meng
Chief Executive Officer and Executive Director
23 May 2022

*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. Foo Jien Jieng, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

APPENDIX A

CORPORATE STRUCTURE OF THE HOLDCO GROUP IMMEDIATELY AFTER CLOSING

