



OUE Limited

Company Registration No. 196400050E
Incorporated in the Republic of Singapore

**PROVISION OF IRREVOCABLE UNDERTAKINGS IN CONNECTION WITH THE PROPOSED
ISSUE OF UNITS IN FIRST REAL ESTATE INVESTMENT TRUST**

1. Introduction

The Board of Directors of OUE Limited (the “**Company**”) refers to the announcement (the “**First REIT Announcement**”) by First REIT Management Limited (in its capacity as manager) (the “**FR Manager**”) of First Real Estate Investment Trust (“**First REIT**”) today in relation to the proposed issuance of new units in First REIT (“**Units**”) pursuant to a renounceable rights issue (the “**Proposed Rights Issue**”) by First REIT to raise gross proceeds of approximately S\$158.2 million.

1.1 First REIT

First REIT is a real estate investment trust listed on the Main Board of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and established with the principal investment objective of investing in a diversified portfolio of income-producing real estate and/or real estate-related assets in Asia that are primarily used for healthcare and/or healthcare-related purposes.

First REIT’s existing portfolio comprises 20 properties, 16 of which are located in Indonesia, three in Singapore and one in South Korea, with a combined gross floor area of 350,850 square metres.

1.2 The Proposed Rights Issue

The FR Manager intends to carry out the Proposed Rights Issue to issue up to 791,063,000 Units (the “**Rights Units**”) (which is equivalent to approximately 98% of the 807,206,351 Units in issue) based on an indicative issue price of S\$0.20 per Rights Unit (the “**Issue Price**”), to raise gross proceeds of approximately S\$158.2 million to eligible unitholders of First REIT (“**Unitholders**”) and on a *pro rata* basis of an indicative rights ratio of 98 Rights Units for every 100 Units held as at the record date for the Proposed Rights Issue, fractional entitlements to be disregarded.

To demonstrate support for First REIT and the Proposed Rights Issue, First REIT Management Limited (in its own capacity) (“**FRML**”), OUE Lippo Healthcare Limited (“**OUELH**”) and the Company have each provided an irrevocable undertaking in respect of the Proposed Rights Issue, as described in Section 2 below.

The Company holds 60.0% of the shares in FRML. In addition, the Company indirectly holds 64.36% of OUELH, which in turn holds 40.0% of FRML. OUELH is separately listed on Catalist of the SGX-ST.

2. The Irrevocable Undertakings

2.1 Commitment by First REIT Management Limited (in its own capacity)

To demonstrate its support for First REIT and the Proposed Rights Issue, FRML, which owns an aggregate interest in 75,573,533 units in First REIT (the **“FRML Initial Units”**), representing approximately 9.36% of the total number of Units in issue¹ as at the date of this announcement, has irrevocably undertaken to the FR Manager (the **“FRML Undertaking”**) that, among other things:

- (i) as at 5.00 p.m. (Singapore time) on the record date for the Proposed Rights Issue, being the time and date at and on which the register of Unitholders and the unit transfer books of First REIT will be closed to determine the provisional allotments of the Rights Units under the Proposed Rights Issue to Unitholders who are eligible to participate in the Proposed Rights Issue (the **“Rights Issue Record Date”**), FRML will have an interest in not less than the number of the FRML Initial Units credited to securities accounts with The Central Depository (Pte) Limited (**“CDP”**) which are held in the name of FRML (each with registered addresses with CDP in Singapore);
- (ii) in accordance with the terms and conditions of the Proposed Rights Issue, FRML will by the last day for acceptance and payment of the Rights Units (**“Closing Date”**) accept, subscribe and pay in full for, its total provisional allotment of the Rights Units (the **“FRML Allotted Rights Units”**); and
- (iii) FRML will take or cause to be taken, all steps and actions and do, or cause to be done, all such acts and things as may be reasonably required to give effect to the undertakings set out in the FRML Undertaking.

2.2 Commitment by OUE Lippo Healthcare Limited

To demonstrate its support for First REIT and the Proposed Rights Issue, OUELH, which through its wholly-owned subsidiary, OLH Healthcare Investments Pte. Ltd. (**“OHIPL”**), owns an aggregate interest in 83,593,683 units in First REIT (the **“OHIPL Initial Units”**), representing approximately 10.36% of the total number of Units in issue² as at the date of this announcement, has irrevocably undertaken to the FR Manager (the **“OUELH Undertaking”**) that, among other things:

- (i) as at 5.00 p.m. (Singapore time) on the Rights Issue Record Date, OUELH will procure that OHIPL will have an interest in not less than the number of the OHIPL Initial Units credited to securities accounts with the CDP which are held in the name of OHIPL (each with registered addresses with CDP in Singapore);
- (ii) in accordance with the terms and conditions of the Proposed Rights Issue, OUELH will procure OHIPL to, by the Closing Date accept, subscribe and pay in full for, its total provisional allotment of the Rights Units (the **“OHI Allotted Rights Units”**, together with the FRML Allotted Rights Units, the **“Allotted Rights Units”**); and

1 Based on the total number of 807,206,351 Units in issue as at the date of this announcement.

2 Based on the total number of 807,206,351 Units in issue as at the date of this announcement.

- (iii) OUELH will take or cause to be taken, all steps and actions and do, or cause to be done, all such acts and things as may be reasonably required to give effect to the undertakings set out in the OUELH Undertaking.

OUELH owns 100.0% of OUELH (SEA) Pte. Ltd., which owns 100.0% of OUELH (Singapore) Pte. Ltd., which owns 100.0% of OHIPL.

2.3 Commitment by the Company

To demonstrate its support for First REIT and the Proposed Rights Issue, the Company, which through its interests in FRML and OUELH, has deemed interests in 159,167,216 Units (the “**OUE Initial Units**”) representing approximately 19.72% of the total number of Units in issue³ as at the date of this announcement, has irrevocably undertaken to the FR Manager (the “**OUE Irrevocable Undertaking**”, together with the FRML Undertaking and the OUELH Undertaking, the “**Irrevocable Undertakings**”) that, among other things:

- (i) as at 5.00 p.m. (Singapore time) on the Rights Issue Record Date, the Company will have an interest (either actual or deemed) in no less than the number of the OUE Initial Units;
- (ii) in accordance with the terms and conditions of the Proposed Rights Issue, the Company will either:
 - (a) (in the event that the Proposed Rights Issue is not underwritten) procure that Clifford Development Pte. Ltd. (“**CDPL**”)⁴ applies, subscribes and pays in full, any Excess Rights Units⁵ to the extent that they remain unsubscribed after satisfaction of all applications for Excess Rights Units (excluding for the avoidance of doubt the Rights Units which are the subject of the FRML Undertaking and the OUELH Undertaking); or
 - (b) (in the event that the Proposed Rights Issue is underwritten) commit to the underwriter(s) of the Proposed Rights Issue to procure that CDPL subscribes and pays in full, the Rights Units to the extent that they are not successfully subscribed for under the Proposed Rights Issue (excluding for the avoidance of doubt the Rights Units which are the subject of the FRML Undertaking and the OUELH Undertaking). For the avoidance of doubt, the Company will not receive any fee, and will procure that its subsidiaries do not receive any fee, from the underwriter(s) in respect of OUE Irrevocable Undertaking; and
- (iii) the Company will take or cause to be taken, all steps and actions and do, or cause to be done, all such acts and things as may be reasonably required to give effect to the undertakings set out in OUE Irrevocable Undertaking.

³ Based on the total number of 807,206,351 Units in issue as at the date of this announcement.

⁴ CDPL is a wholly-owned subsidiary of the Company. CDPL is not currently a Unitholder. Subject to the passing of the passing of the Proposed Whitewash Resolution (as defined in the First REIT Announcement) at the EGM (as defined in the First REIT Announcement), CDPL will become an Eligible Unitholder (as defined in the First REIT Announcement) by acquiring a nominal number of Units (e.g. 100) from FRML.

⁵ “**Excess Rights Units**” means the Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their provisional allotment of Rights Units under the Proposed Rights Issue (during the “nil-paid” rights trading period prescribed by the SGX-ST) (the “**Rights Entitlements**”) and/or (ii) Unitholders who are not Eligible Unitholders which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements.

2.4 The Irrevocable Undertakings

The obligations of each of FRML, OUE LH and the Company under the Irrevocable Undertakings are subject to and conditional upon:

- (i) the passing of the necessary resolution by the independent Unitholders at a general meeting of First REIT to approve the proposed restructuring of master lease agreements which PT. Lippo Karawaci Tbk had entered into with First REIT as initially described in the announcement issued by the FR Manager on 29 November 2020 entitled “Restructuring of Master Leases”;
- (ii) the approval in-principle having been obtained from the SGX-ST for the listing and quotation of the Rights Units on the Main Board of the SGX-ST and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue;
- (iii) the receipt of a “whitewash waiver” from the Securities Industry Council (“**SIC**”) (such waiver not being revoked or repealed) that CDPL need not, subject to the fulfilment of conditions to be laid down by the SIC, make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”) as a result of the issue of the Rights Units to CDPL, and the fulfilment of the said conditions;
- (iv) subject to the “whitewash waiver” in paragraph 2.4(iii) above being granted, the passing of the necessary resolution by the independent Unitholders at a general meeting of First REIT to waive their rights to receive a mandatory general offer for First REIT from CDPL, as a result of the issue of the Rights Units to CDPL; and
- (v) the lodgement of the offer information statement with the Monetary Authority of Singapore, together with all other accompanying documents (if applicable), in connection with the Proposed Rights Issue.

3. Rationale

The Irrevocable Undertakings demonstrate the support of the Company and its subsidiaries (the “**Group**”) for First REIT and the Proposed Rights Issue and will enable the Group to remain as a major unitholder of First REIT. The Irrevocable Undertakings provide certainty to First REIT of a successful rights issue and underscores the commitment of the Group to the longer-term prospects of First REIT.

4. Terms of Payment

Based on the indicative Issue Price, the maximum consideration payable by the Company in relation to the subscription of Rights Units in accordance with the OUE Irrevocable Undertaking and the Company’s 60% share of the consideration payable under the FRML Undertaking is approximately S\$135.8 million which will be satisfied wholly in cash and funded by internal resources (the “**OUE Subscription**”).

5. Financial Effects

The OUE Subscription is in the ordinary course of business of the Group and is not expected to have a material effect on the net tangible assets or earnings per share of the Group for the financial year ending 31 December 2020.

6. Interests of Directors and Controlling Shareholders

Save as disclosed below, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Irrevocable Undertakings.

As at the date of this announcement:

- (i) the Company holds 60.0% of the shares in the FR Manager;
- (ii) the Company holds 100.0% of Treasure International Holdings Pte. Ltd., which in turn holds 64.36% of OUELH, which in turn holds 40.0% of FRML. OUELH is listed on Catalist of the SGX-ST;
- (iii) FRML has a direct interest in 75,573,533 Units (or 9.36% of the total number of Units in issue);
- (iv) OUELH owns 100.0% of OUELH (SEA) Pte. Ltd., which owns 100.0% of OUELH (Singapore) Pte. Ltd., which owns 100.0% of OHIPL, which owns 83,593,683 Units (or 10.36% of the total number of Units in issue);
- (v) the Company, through its interest in FRML and OUELH, has deemed interests in 159,167,216 Units (or 19.72% of the total number of Units in issue); and
- (vi) Mr. Christopher James Williams, the Deputy Chairman and Non-Executive Non-Independent Director of the Company, is also Chairman and Non-Independent Non-Executive Director of the FR Manager.

BY ORDER OF THE BOARD

Kelvin Chua
Company Secretary
28 December 2020