OUE HEALTHCARE LIMITED
(formerly known as OUE Lippo Healthcare Limited)
Company Registration No. 201304341E

(A) THE PROPOSED VOLUNTARY DELISTING OF HEALTHWAY MEDICAL CORPORATION LIMITED AND CONDITIONAL EXIT OFFER FOR THE ACQUISITION OF ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF HEALTHWAY MEDICAL CORPORATION LIMITED, OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR CONCERT PARTY GROUP

(B) DISCLOSURES PURSUANT TO RULES 704(33) AND 728 OF THE CATALIST RULES – ENTRY INTO FACILITY AGREEMENT BY THE COMPANY AND OUEH INVESTMENTS PTE. LTD.

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1. INTRODUCTION

1.1. The Delisting and Exit Offer

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 OUEH Investments Pte. Ltd., a wholly-owned subsidiary of the Company (the "**Offeror**") and Healthway Medical Corporation Limited ("**HMC**") have today jointly announced the proposed voluntary delisting (the "**Delisting**") of HMC from the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") pursuant to Rules 1307 and 1308 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and in connection therewith, the conditional exit offer (the "**Exit Offer**") to be made by Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**") for and on behalf of the Offeror as the sole financial adviser to the Offeror in connection with the Delisting Proposal and the Exit Offer, to acquire all the issued and paid-up ordinary shares in the capital of HMC (the "**HMC Shares**") other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (collectively, the "**Offeror Concert Party Group**") as at the date of the Exit Offer (the "**Offer Shares**").

Shareholders of the Company (the "Shareholders") and HMC (the "HMC Shareholders") should exercise caution and seek appropriate independent advice when dealing in the ordinary shares in the capital of the Company (the "Shares") and the HMC Shares, respectively.

1.2. Joint Announcement

A copy of the joint announcement released by the Offeror and HMC in relation to the Delisting and the Exit Offer (the "**Joint Announcement**") is available on the website of the SGX-ST at www.sgx.com. References to the Delisting and the Exit Offer and its terms and conditions in this Announcement should be read together with, and are subject to, the Joint Announcement.

1.3. Chapter 10 and Rules 704(33) and 728 of the Catalist Rules

This Announcement is made in compliance with Chapter 10 and Rules 704(33) and 728 of the Catalist Rules and should be read in conjunction with the Joint Announcement. Capitalised

terms used in this Announcement which are not defined shall have the meanings ascribed to them in the Joint Announcement.

2. INFORMATION ON HMC

2.1 HMC is a Singapore-incorporated company and has been listed on the Catalist of the SGX-ST since 4 July 2008. HMC, together with its subsidiaries (collectively, the "**HMC Group**"), is a private healthcare provider, with networks of clinics and medical centres in Singapore. The HMC Group offers medical services, including general practitioner and family medicine clinics, health screening, adult specialists, baby and child specialists, dental services and allied healthcare services.

2.2 As at the date of this Announcement:

(a) HMC has an issued and fully paid-up share capital of S$277,630,000 comprising 4,535,571,100 HMC Shares and HMC does not hold any treasury shares; and

(b) there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights in HMC.

3. INFORMATION ON THE OFFEROR

3.1 The Offeror is a special purpose vehicle incorporated in Singapore on 25 May 2023 for the purposes of the Delisting Proposal and the Exit Offer with an issued and paid-up share capital of S$1.00 comprising one (1) ordinary share. The principal activity of the Offeror is that of investment holding and it has not carried on any business since its incorporation, save for matters undertaken in connection with making the Exit Offer.

3.2 The board of directors of the Offeror (the "**Offeror Directors**") comprises Mr. Yet Kum Meng, the Chief Executive Officer and Executive Director of the Company, and Mr. Loh Chee Meng, the Group Finance Director of the Company.

3.3 As at the date of this Announcement, the Offeror is wholly-owned by the Company.

4. VALUE OF ASSETS TO BE ACQUIRED

4.1 For the purposes of this paragraph 4, the assets to be acquired is based on the maximum number of 1,376,876,184 Offer Shares (representing approximately 30.36% of the total issued HMC Shares)[1] that the Offeror may acquire, assuming full acceptance under the Exit Offer other than by GW Active Limited ("**Gateway**"), which has provided the Irrevocable Undertaking (as defined in paragraph 6.5 below) not to accept the Exit Offer in respect of all the HMC Shares held by it (being an aggregate of 1,241,134,751 HMC Shares, representing approximately 27.36% of the total number of issued HMC Shares). As the Exit Offer is not being made for the HMC Shares held by the Offeror Concert Party Group, the total number of Offer Shares does not include, among others, the HMC Shares held by Lippo China Resources Limited and Mr. Abram Melkyzedeck Suhardiman, being members of the Offeror Concert Party Group (who together hold an interest in an aggregate of 1,917,560,165 HMC Shares, representing approximately 42.28% of the total number of issued HMC Shares).

4.2 Based on the latest audited consolidated financial statements of the HMC Group for the financial year ended 31 December 2022 ("**FY2022**"), the net asset value ("**NAV**") and net

[1] In this Announcement, all shareholding percentages in HMC are calculated based on a total number of 4,535,571,100 HMC Shares in issue as at the date of this Announcement. HMC does not hold any treasury shares as at the date of this Announcement.

tangible asset ("**NTA**") value of the assets to be acquired is approximately S$60.7 million and S$13.5 million, respectively, and the net profits attributable to the assets to be acquired is approximately S$4.3 million.

4.3 Based on the volume-weighted average price of the HMC Shares of S$0.033[2] transacted on the SGX-ST on 28 June 2023, being the last full market day preceding the date of this Announcement on which there were trades in the HMC Shares on the SGX-ST, the market value of the assets to be acquired is approximately S$45.4 million.

5. RATIONALE FOR THE EXIT OFFER

5.1. Enhances the Company's regional healthcare ecosystem centred on Singapore's renowned medical excellence

The Exit Offer is an opportunity for the Company to strengthen its regional healthcare ecosystem with a strong foothold in the Singapore healthcare market. The Company's current regional healthcare ecosystem comprises a respiratory and cardiothoracic specialist group with 11 specialist doctors and two (2) cardiothoracic surgeons in Singapore, two (2) operating hospitals and one (1) hospital under development in China, three (3) hospitals, two (2) medical towers and three (3) primary care clinics in Myanmar as well as a controlling stake in First Real Estate Investment Trust.

HMC is a respected medical group with over 30 years of experience in Singapore's healthcare. With over 100 clinics and medical centres in its network, HMC provides a comprehensive spectrum of services covering primary care, secondary care and ancillary care, which includes general practitioners and family medicine clinics, health screening, specialists, dental services and allied healthcare services.

The Exit Offer will be an integral step for the Company to strengthen its regional healthcare ecosystem, anchored on Singapore's high standards of medical excellence.

5.2. Potential synergies between the Company and HMC

The Exit Offer complements and is synergistic with the Company's existing healthcare businesses in the region. The enlarged Group will serve as a collaborative regional platform for all its healthcare business verticals to grow, develop and scale their businesses in the region, including HMC.

It is a milestone step for the Company in building an integrated and seamless regional healthcare ecosystem that is well-positioned to provide a comprehensive spectrum of healthcare services across preventive, interventive, diagnostics, treatment, aftercare and other ancillary healthcare services.

In addition, the Exit Offer will provide opportunities on cost savings through streamlining of operations and economies of scale.

5.3. Unique opportunity to tap into Singapore's growing healthcare market

The Exit Offer will also enable the Company to tap into the growing Singapore healthcare market, including the Healthier SG Initiative announced by the Singapore government, where the nation is moving towards a patient-centred preventive healthcare model following the COVID-19 pandemic. The national shift towards preventive care from reactive care will also drive healthcare innovations that will translate into new business opportunities for private

[2] Calculated based on data extracted from Bloomberg L.P..

healthcare players.

6. PRINCIPAL TERMS OF THE EXIT OFFER

6.1. Offer Shares

The Exit Offer will be made for all the HMC Shares (excluding treasury shares) other than those already owned, controlled or agreed to be acquired by the Offeror Concert Party Group as at the date of the Exit Offer.

The Offer Shares will be acquired:

(a) fully paid;

(b) free from all liens, equities, mortgages, charges, claims, pledges, encumbrances, options, powers of sale, declarations of trust, hypothecations, retention of title, rights of pre-emption, rights of first refusal, moratorium and/or other third party rights and interests of any nature whatsoever or an agreement, arrangement or obligation to create any of the foregoing; and

(c) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital, if any, which may be announced, declared, paid or made thereon by HMC, on or after the date of this Announcement (collectively, the "**Entitlements**"). If any Entitlement is announced, declared, paid or made by HMC on or after the date of this Announcement, and the books closure date in respect of such Entitlement falls before the settlement date in respect of the Offer Shares tendered in acceptance of the Exit Offer, the Offeror reserves the right to reduce the Exit Offer Price (as defined below) for the relevant Offer Shares by the amount of such Entitlement.

6.2. Exit Offer Price

The consideration for the Exit Offer payable by the Offeror for the Offer Shares will be S$0.048 in cash for each Offer Share (the "**Exit Offer Price**").

The Exit Offer Price was arrived at on the basis of and taking into account, *inter alia,* the prevailing market conditions, the historical market prices and trading activity of the HMC Shares, relevant precedent privatisation transactions on the SGX-ST and the NAV of HMC as disclosed in the latest audited consolidated financial statements of the HMC Group for FY2022. Please refer to the Joint Announcement for further information on the Exit Offer Price.

Based on the Exit Offer Price, the aggregate consideration payable to the HMC Shareholders by the Offeror is up to approximately S$66.1 million in cash, assuming full acceptance under the Exit Offer in respect of all the Offer Shares (other than the Offer Shares held by Gateway which are subject to the Irrevocable Undertaking and, for the avoidance of doubt, the HMC Shares held by the Offeror Concert Party Group). The aggregate consideration for the Offer Shares will be funded by bank borrowings, as described in further detail in paragraph 9 of this Announcement.

6.3. Conditions

The Exit Offer and the Delisting are conditional upon HMC having obtained HMC Shareholders' approval for both:

(a) the Delisting (the "**Delisting Resolution**") being approved by a majority of at least 75% of the total number of issued HMC Shares (excluding treasury shares and subsidiary holdings) held by HMC Shareholders present and voting, on a poll, either in person or by proxy at an extraordinary general meeting of HMC to be convened (the "**HMC EGM**"). The Offeror Concert Party Group must abstain from voting on the Delisting Resolution; and

(b) subject to and contingent upon the passing of the Delisting Resoluiton, the proposed amendments to the constitution of HMC on and with effect from the Delisting (the "**Constitution Amendment Resolution**" and together with the Delisting Resolution, the "**Proposed Offeree Resolutions**").

In the event either of the Proposed Offeree Resolutions is not approved at the HMC EGM, the Exit Offer will lapse and HMC will remain listed on the Official List of the SGX-ST.

In addition, the Delisting will also be conditional upon the SGX-ST agreeing to the application by HMC to delist from the Official List of the SGX-ST. HMC will, through its sponsor, submit an application in respect of the Delisting to the SGX-ST in due course.

6.4. **Minimum Acceptance Condition**

The Exit Offer and the Delisting will be conditional upon the Offeror having received, by the close of the Exit Offer, valid acceptances (which have not been validly withdrawn) in respect of such number of Offer Shares which, when taken together with the HMC Shares owned, controlled or agreed to be acquired by the Offeror Concert Party Group, will result in the Offeror Concert Party Group holding such number of HMC Shares carrying more than 50% of the voting rights attributable to the total HMC Shares outstanding as at the close of Exit Offer (the "**Minimum Acceptance Condition**").

6.5. **Irrevocable Undertaking**

The Offeror has received an irrevocable undertaking (the "**Irrevocable Undertaking**") from Gateway, pursuant to which Gateway has, subject to the terms and conditions of the Irrevocable Undertaking, undertaken, *inter alia*:

(a) not to accept the Exit Offer, in respect of all the HMC Shares held by it prior to and up to the close of the Exit Offer (the "**Relevant Shares**"); and

(b) to vote all of the Relevant Shares in favour of the Proposed Offeree Resolutions at the HMC EGM.

As at the date of this Announcement, Gateway holds an aggregate of 1,241,134,751 HMC Shares (representing approximately 27.36% of the total number of issued HMC Shares).

6.6. **Joint Announcement**

Please refer to the Joint Announcement for further information on other principal terms of the Delisting and the Exit Offer.

7. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures for the Exit Offer computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures (%)[1]
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable[2]
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	8.7%[3]
(c)	The aggregate value of the consideration given for the Exit Offer, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	57.2%[4][5]
(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[6]
(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[7]

Notes:

(1) Figures rounded to the nearest one (1) decimal place.

(2) Not applicable to an acquisition of shares.

(3) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Based on (a) approximately 30.36% of the net profits attributable to the HMC Group of approximately S$4.3 million for FY2022, assuming full acceptance under the Exit Offer in respect of all the Offer Shares (other than the Offer Shares held by Gateway which are subject to the Irrevocable Undertaking and, for the avoidance of doubt, the HMC Shares held by the Offeror Concert Party Group); and (b) the net profits of the Group of approximately S$49.7 million for FY2022.

(4) For the purposes of Rule 1006(c), the aggregate value of the consideration given for the Exit Offer shall be approximately S$66.1 million, assuming full acceptance under the Exit Offer in respect of all the Offer Shares (other than the Offer Shares held by Gateway which are subject to the Irrevocable Undertaking and, for the avoidance of doubt, the HMC Shares held by the Offeror Concert Party Group). Such full acceptance under the Exit Offer represents approximately 30.36% of the total issued HMC Shares that may be acquired by the Offeror.

(5) The Company's market capitalisation of approximately S$115.5 million is based on its total number of 4,443,129,206 Shares and the volume weighted average price of S$0.026 per Share on 30 June 2023, being the last full market day preceding the date of this Announcement on which the Shares were traded on the SGX-ST.

(6) Not applicable as no equity securities are to be issued by the Company as part of the consideration for the Exit Offer.

(7) Not applicable as the Company is not a mineral, oil and gas company.

As the relative figures for the Exit Offer as computed on the bases set out in Rules 1006(b) and (c) of the Catalist Rules exceed 5.0% but do not exceed 75.0%, the Exit Offer will be classified as a "discloseable transaction" under Rule 1010 of the Catalist Rules.

8. FINANCIAL EFFECTS OF THE EXIT OFFER

The *pro forma* financial effects of the Exit Offer on the Group as 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 Exit Offer nor a projection of the future financial performance or position of the Group after completion of the Exit Offer.

The *pro forma* financial effects set out below have been prepared based on the latest audited consolidated financial statements of the Group and of the HMC Group for FY2022, as well as the following bases and assumptions:

(a) all the Offer Shares (other than the Offer Shares held by Gateway which are subject to the Irrevocable Undertaking and, for the avoidance of doubt, the HMC Shares held by the Offeror Concert Party Group), representing approximately 30.36% of the total issued HMC Shares, are tendered into the Exit Offer;

(b) the Offeror will finance the Exit Offer through bank borrowings;

(c) the transaction costs in connection with the Exit Offer are disregarded for purposes of computing the financial effects;

(d) the financial effects of the Exit Offer on the NTA per Share of the Group for FY2022 are computed assuming that the Exit Offer had been completed on 31 December 2022; and

(e) the financial effects on the earnings per Share ("**EPS**") of the Group for FY2022 are computed assuming that the Exit Offer had been completed on 1 January 2022.

8.1. **Effects on NTA per Share**

	As at 31 December 2022	
	Before the Exit Offer	**After the Exit Offer**
NTA[(1)] (S$'000)	727,238	727,238
Number of Shares[(2)] ('000)	4,443,129	4,443,129
NTA[(1)] per Share (cents)	16.37	16.37

Notes:

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

(2) Based on the total number of Shares outstanding as at 31 December 2022, rounded to the nearest thousands.

8.2. **Effects on EPS**

	FY2022	
	Before the Exit Offer	**After the Exit Offer**
Profit after tax attributable to the shareholders of the Company (S$'000)	4,392	4,490[(1)(2)]
Weighted average number of Shares ('000)	4,443,129	4,443,129
Basic EPS (cents)	0.10	0.10
Diluted EPS (cents)	0.06	0.06

Notes:

(1) Computed based on the aggregated profit after tax for FY2022 attributable to the approximately 30.36% shareholding in HMC.

(2) Includes estimated financing expenses under the Facility (as defined below) attributable to the Exit Offer.

9. DISCLOSURE PURSUANT TO RULES 704(33) and 728 OF THE CATALIST RULES

9.1. Disclosure under Rule 704(33) of the Catalist Rules

In connection with the Exit Offer, the Company and the Offeror have entered into a facility agreement dated 30 June 2023 (the "**Facility Agreement**") for a term loan facility of S$70,000,000 and a revolving loan facility of S$15,000,000 (collectively, the "**Facilities**" and each, a "**Facility**").

Pursuant to Rule 704(33) of the Catalist Rules, the Company wishes to announce that under the terms of the Facility Agreement, if, *inter alia*, OUE Limited, a controlling shareholder of the Company holding approximately 70.36% of the issued share capital of the Company, ceases to own (directly or indirectly) at least 50.1% of the issued share capital of the Company (the "**Mandatory Prepayment Event**") for so long as the Facility Agreement remains in effect:

(a) the Company and the Offeror shall promptly notify the facility agent (the "**Facility Agent**") upon becoming aware of the Mandatory Prepayment Event; and

(b) the Facilities shall be immediately cancelled and shall immediately cease to be available for further utilisation and all utilisations of any Facility, accrued interest and all other amounts accrued under the Facility Agreement or any other financing document entered into in connection with the Facility Agreement shall become immediately due and payable.

As at the date of this Announcement, the Mandatory Prepayment Event has not occurred.

The aggregate amount of the Facilities (assuming the Facilities are drawn down in full) that may be affected by the occurrence of the Mandatory Prepayment Event is expected to be approximately S$85,000,000 and all interests accrued thereon.

9.2. Compliance with Rule 728 of the Catalist Rules

In compliance with Rule 728 of the Catalist Rules, the Company has obtained an irrevocable undertaking on 30 June 2023 from OUE Limited to immediately notify and provide the Company details of:

(a) any and all share pledging arrangements (or other arrangements having similar legal or economic effect to share pledging arrangements) in relation to any of OUE Limited's shareholding interests, whether direct or indirect, in the Company; and

(b) any event which may result in a breach of the terms of the Facility Agreement (including the occurrence of the Mandatory Prepayment Event), which includes any event which will be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the drawn-down Facilities.

As at the date of this Announcement, OUE Limited has not entered into any share pledging arrangement(s) (or other arrangements having similar legal or economic effect to share pledging arrangements) in relation to any of OUE Limited's shareholding interests in the Company.

10. 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, in the Exit Offer, save through their shareholdings in the Company (if any).

11. INDEPENDENT ADVISER TO THE SHAREHOLDERS OF THE COMPANY

Pursuant to Rule 7.2 of The Singapore Code on Take-overs and Mergers ("**Code**"), the board of a Singapore-incorporated offeror must obtain competent independent advice when it faces a material conflict of interests. Note 2 on Rule 7.2 provides the possible scenarios where a "conflict of interests" exists, which includes, inter alia, a situation where there are significant cross-shareholdings between the offeror and the offeree company.

As at the date of this Announcement, Lippo Limited is a common substantial shareholder in both the Offeror and HMC indirectly holding an interest in approximately 70.36% and 40.76% of the issued share capital of the Offeror and HMC, respectively, which gives rise to a possible material conflict of interest as defined under Rule 7.2 of the Code.

Accordingly, the Company has appointed SAC Capital Private Limited as an independent adviser ("**OUEH Independent Adviser**") to advise on whether or not the proposed acquisition by the Offeror of HMC by way of the Exit Offer is in the interests of the Shareholders.

The advice of the OUEH Independent Adviser will be disclosed in due course, and in any event, prior to the HMC EGM.

12. 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 Exit Offer. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Irrevocable Undertaking will be made available for inspection at the registered office of the Company at 6 Shenton Way, #10-10 OUE Downtown, Singapore 066809, during normal business hours from the date of this Announcement until the date on which the Exit Offer closes or lapses or is withdrawn in accordance with its terms.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Each of the Directors and the Offeror Directors (including any who may have delegated supervision of this Announcement) have taken all reasonable care to ensure the facts stated and all opinions expressed herein (other than those relating to HMC and any opinion expressed by HMC) are fair and accurate, and where appropriate, no material facts have been omitted, the omission of which would make any statement in this Announcement misleading and they hereby collectively and individually accept full responsibility. 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 and the Offeror 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.

15. 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 Exit Offer 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
3 July 2023

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*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.