

CIRCULAR DATED 26 SEPTEMBER 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax advisor or other professional adviser(s) immediately.

If you have sold or transferred all your shares in the capital of OUE Lippo Healthcare Limited (the “**Company**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049418 and E-mail: sponsorship@ppcf.com.sg).



(Company Registration No. 201304341E)
(Incorporated in the Republic of Singapore)
(In receivership over charged shares in certain subsidiaries)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED ACQUISITION OF:

- (1) 40% OF THE TOTAL ISSUED SHARE CAPITAL OF BOWSPRIT CAPITAL CORPORATION LIMITED, THE MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST; AND**
- (2) 83,593,683 UNITS, REPRESENTING APPROXIMATELY 10.63% OF THE TOTAL ISSUED UNITS OF FIRST REAL ESTATE INVESTMENT TRUST**

Sole Financial Adviser in respect of the
Proposed Transactions



(Company Registration No. 193200032W)
(Incorporated in Singapore)

Independent Financial Adviser in respect of the
Proposed Transactions



(Company Registration No. 201109968H)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	9 October 2018 at 10 a.m.
Date and time of Extraordinary General Meeting	:	11 October 2018 at 10 a.m.
Place of Extraordinary General Meeting	:	Stephen Riady Auditorium @ NTUC Level 7 NTUC Centre One Marina Boulevard Singapore 018989

TABLE OF CONTENTS

DEFINITIONS	1
LETTER TO SHAREHOLDERS	8
1. INTRODUCTION	8
2. THE PROPOSED MANAGER ACQUISITION	10
3. THE PROPOSED UNITS ACQUISITION	14
4. RATIONALE FOR THE PROPOSED TRANSACTIONS	15
5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES	16
6. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS	17
7. THE PROPOSED TRANSACTIONS AS INTERESTED PERSON TRANSACTIONS .	19
8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	22
9. SERVICE CONTRACTS	25
10. OPINION OF THE INDEPENDENT FINANCIAL ADVISER	25
11. OPINION OF THE ARC	27
12. NON-INTERESTED DIRECTORS' RECOMMENDATIONS	28
13. ABSTENTION FROM VOTING	28
14. EXTRAORDINARY GENERAL MEETING	28
15. INTER-CONDITIONALITY OF RESOLUTIONS TO BE PASSED	29
16. ACTION TO BE TAKEN BY SHAREHOLDERS	29
17. RESPONSIBILITY STATEMENTS	29
18. CONSENTS	29
19. DOCUMENTS AVAILABLE FOR INSPECTION	30
APPENDIX A – IFA LETTER	31
APPENDIX B – VALUATION CERTIFICATES	75
NOTICE OF EXTRAORDINARY GENERAL MEETING	219
PROXY FORM	

This page has been intentionally left blank.

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

COMPANIES/ORGANISATIONS

“BHPL”	:	Brownly Healthcare Pte. Ltd.
“Bowsprit”	:	Bowsprit Capital Corporation Limited
“Bridgewater”	:	Bridgewater International Limited
“CDP”	:	The Central Depository (Pte) Limited
“Company” or “OUE LH”	:	OUE Lippo Healthcare Limited
“First REIT”	:	First Real Estate Investment Trust
“Group”	:	The Company and its subsidiaries
“IFA”	:	RHT Capital Pte. Ltd., the independent financial adviser to the Non-Interested Directors in relation to the Proposed Transactions
“Independent Valuers”	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield VHS Pte. Ltd., KJPP Rengganis, Hamid & Rekan and KJPP Wilson dan Rekan
“LKRM”	:	LK REIT Management Pte. Ltd.
“OHI”	:	OLH Healthcare Investments Pte. Ltd.
“OUE”	:	OUE Limited
“OUE Group”	:	OUE and its subsidiaries
“PT LK”	:	PT Lippo Karawaci Tbk
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Sole Financial Adviser”	:	Oversea-Chinese Banking Corporation Limited, the sole financial adviser to the Company in relation to the Proposed Transactions
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“TIHPL”	:	Treasure International Holdings Pte. Ltd.
“Trustee”	:	Perpetual (Asia) Limited (formerly known as The Trust Company (Asia) Limited), in its capacity as trustee of First REIT

DEFINITIONS

GENERAL

- “1H”** : The six (6) months ending or ended on, as the case may be, 30 June
- “ARC”** : The audit and risk committee of the Company as at the date of this Circular, comprising Mr. Eric Sho Kian Hin, Mr. Roger Tan Chade Phang, Mr. Jackson Tay Eng Kiat and Mr. Johji Sato
- “associate”** : (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “associated company”** : Any company in which at least 20% but not more than 50% of its shares are held by the listed company or the listed group
- “Board”** : The board of Directors of the Company as at the date of this Circular
- “Business Day”** : A day which is not a Saturday, a Sunday or a public holiday in Singapore
- “Catalist”** : The Catalist board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : The Listing Manual of the SGX-ST, Section B: Rules of Catalist, as amended, modified or supplemented from time to time

DEFINITIONS

“Circular”	:	This circular to Shareholders dated 26 September 2018
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person who holds directly or indirectly 15% or more of the total votes attached to all voting shares of the Company or a person who in fact exercises control over the Company
“Directors”	:	The directors of the Company for the time being as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on 11 October 2018 at 10 a.m., notice of which is set out on pages 219 to 220 of this Circular
“Encumbrance”	:	Any claim, charge, mortgage, security, lien, option, equity, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind
“EPS”	:	Earnings per Share
“FY”	:	The financial year ended 31 December
“IFA Letter”	:	The letter dated 26 September 2018 from the IFA to the Non-Interested Directors in relation to the Proposed Transactions, as set out in Appendix A to this Circular
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.0675 for each Rights Share
“Joint Venture”	:	Has the meaning ascribed to it in Paragraph 1.1(c) of this Circular
“Latest Practicable Date”	:	17 September 2018, being the latest practicable date prior to the printing of this Circular
“LPS”	:	Loss per Share
“Manager Completion”	:	The completion of the Proposed Manager Acquisition in accordance with the terms and conditions set out in the Manager CSPA

DEFINITIONS

“Manager Completion Date”	:	The date of the Manager Completion, which shall occur no later than ten (10) Business Days after such date on which all of the Manager Conditions have been fulfilled or waived (as the case may be) and shall take place no later than 30 November 2018, or such other date as the parties to the Manager CSPA may agree
“Manager Conditions”	:	Has the meaning ascribed to it in Paragraph 2.3(c) of this Circular
“Manager Consideration”	:	Has the meaning ascribed to it in Paragraph 2.3(b) of this Circular
“Manager CSPA”	:	The conditional share purchase agreement dated 18 September 2018 entered into between the Company, OUE, LKRM and PT LK in relation to the Proposed Manager Acquisition
“NAV”	:	Net asset value
“Non-Interested Directors”	:	The Directors of the Company who are independent for the purposes of the Proposed Transactions, being Mr. Lee Yi Shyan, Dr. Wong Weng Hong, Mr. Roger Tan Chade Phang, Mr. Eric Sho Kian Hin, Mr. Jackson Tay Eng Kiat, Mr. Johji Sato and Mr. Masato Mohri
“Notice of EGM”	:	The notice of the EGM as set out on pages 219 to 220 of this Circular
“NTA”	:	Net tangible assets
“OUE Manager Acquisition”	:	Has the meaning ascribed to it in Paragraph 1.1(b) of this Circular
“Placement”	:	The placement of 562,500,000 Shares to BHPL pursuant to the placement agreement dated 10 January 2018 between the Company and BHPL, which was completed on 15 February 2018
“Proposed Manager Acquisition”	:	Has the meaning ascribed to it in Paragraph 1.1(a) of this Circular
“Proposed Transactions”	:	Collectively, the Proposed Manager Acquisition and the Proposed Units Acquisition
“Proposed Units Acquisition”	:	Has the meaning ascribed to it in Paragraph 1.1(d) of this Circular
“Resolution 1”	:	Has the meaning ascribed to it in Paragraph 1.3(a) of this Circular

DEFINITIONS

“Resolution 2”	:	Has the meaning ascribed to it in Paragraph 1.3(b) of this Circular
“Rights Issue”	:	The renounceable underwritten rights issue of 2,221,564,603 Rights Shares at the Issue Price, on the basis of one (1) Rights Share for every one (1) existing Share held by Shareholders who are eligible to participate in the Rights Issue as at the date and time to be determined by the Directors for the purposes of determining Shareholders’ entitlements under the Rights Issue
“Rights Shares”	:	The new Shares to be allotted and issued by the Company pursuant to the Rights Issue
“Sale Shares”	:	Has the meaning ascribed to it in Paragraph 1.1(a) of this Circular
“Sale Units”	:	Has the meaning ascribed to it in Paragraph 1.1(d) of this Circular
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore
“Shareholders”	:	Registered holders of Shares in the register of members of the Company except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
“Shares”	:	The ordinary shares in the capital of the Company
“Substantial Shareholder”	:	A person who has an interest in not less than 5.0% of the total votes attached to all the voting shares (excluding treasury shares) in the Company
“S\$” and “cents”	:	Singapore dollars and cents, being the lawful currency of the Republic of Singapore
“Unit”	:	A unit representing an undivided interest in First REIT
“Units Completion”	:	The completion of the Proposed Units Acquisition in accordance with the terms and conditions set out in the Units CSPA

DEFINITIONS

“Units Completion Date”	:	The date of the Units Completion, which shall occur no later than ten (10) Business Days after such date on which all of the Units Conditions have been fulfilled or waived (as the case may be) and shall take place no later than 30 November 2018, or such other date as the parties to the Units CSPA may agree
“Units Conditions”	:	Has the meaning ascribed to it in Paragraph 3.3(c) of this Circular
“Units Consideration”	:	Has the meaning ascribed to it in Paragraph 3.3(b) of this Circular
“Units CSPA”	:	The conditional unit purchase agreement dated 18 September 2018 entered into between OHI, Bridgewater and PT LK in relation to the Proposed Units Acquisition
“Valuation Certificates”	:	The Valuation Certificates from the Independent Valuers in relation to Pacific Healthcare Nursing Home @ Bukit Merah, Pacific Healthcare Nursing Home II @ Bukit Panjang, The Lantor Residences, Sarang Hospital, Siloam Hospitals Buton & Lippo Plaza Buton, Siloam Hospitals Kupang & Lippo Plaza Kupang, Siloam Hospitals Labuan Bajo, Siloam Hospitals Lippo Cikarang, Siloam Sriwijaya, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Lippo Village, Siloam Hospitals Purwakarta, Siloam Hospitals Surabaya, Imperial Aryaduta Hotel and Country Club, Mochtar Riady Comprehensive Cancer Centre, Siloam Hospitals Makassar, Siloam Hospitals Manado and Hotel Aryaduta Manado, Siloam Hospitals TB Simatupang, Siloam Hospitals Bali and Siloam Hospitals Yogyakarta, as set out in Appendix B to this Circular
“%” or “per cent”	:	Percentage or per centum

The term **“subsidiary”** shall have the meaning ascribed to it in the Companies Act.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any modification thereof and used in this Circular shall have the same meaning assigned to it thereunder, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

DEFINITIONS

Any discrepancies in tables included herein (if any) between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

QUE LIPPO HEALTHCARE LIMITED

(Company Registration No. 201304341E)
(Incorporated in the Republic of Singapore)
(In receivership over charged shares in certain subsidiaries)

Board of Directors:

Mr. Lee Yi Shyan (Non-Independent, Non-Executive Chairman)
Dr. Stephen Riady (Non-Independent, Non-Executive Director)
Dr. Wong Weng Hong (Chief Executive Officer, Executive Director)
Mr. Masato Mohri (Non-Independent, Non-Executive Director)
Mr. Roger Tan Chade Phang (Lead Independent Director)
Mr. Eric Sho Kian Hin (Independent Director)
Mr. Jackson Tay Eng Kiat (Independent Director)
Mr. Johji Sato (Independent Director)

Registered Office:

9 Battery Road
#15-01
Singapore 049910

26 September 2018

To: The Shareholders of OUE Lippo Healthcare Limited

Dear Sir/Madam,

THE PROPOSED ACQUISITION OF:

- (1) **40% OF THE TOTAL ISSUED SHARE CAPITAL OF BOWSPRIT CAPITAL CORPORATION LIMITED, THE MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST; AND**
- (2) **83,593,683 UNITS, REPRESENTING APPROXIMATELY 10.63%¹ OF THE TOTAL ISSUED UNITS OF FIRST REAL ESTATE INVESTMENT TRUST**

1. INTRODUCTION

1.1. The Proposed Transactions

The Company had on 18 September 2018 announced, *inter alia*, that:

- (a) the Company has on 18 September 2018 entered into the Manager CSPA as purchaser with LKRM as vendor and PT LK as guarantor, to acquire 400,000 ordinary shares (the “**Sale Shares**”), representing 40% of the total issued share capital of Bowsprit, held by LKRM, subject to the terms and conditions of the Manager CSPA (the “**Proposed Manager Acquisition**”);
- (b) OUE, the Company’s parent company, has also as purchaser entered into the Manager CSPA to acquire 600,000 ordinary shares, representing 60% of the total issued share capital of Bowsprit (the “**OUE Manager Acquisition**”);

¹ Calculated based on 786,684,626 Units, being the total number of issued Units of First REIT outstanding as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

- (c) subject to completion of the Proposed Manager Acquisition and the OUE Manager Acquisition, Bowsprit shall be the subject of a joint venture between the Company and OUE (the “**Joint Venture**”); and
- (d) OHI, an indirect wholly-owned subsidiary of the Company, has on 18 September 2018 entered into the Units CSPA as purchaser with Bridgewater as vendor and PT LK as guarantor to acquire 83,593,683 Units (the “**Sale Units**”), representing approximately 10.63%¹ of the total issued Units of First REIT, held by Bridgewater, subject to the terms and conditions of the Units CSPA (the “**Proposed Units Acquisition**”).

Each of the Proposed Manager Acquisition and the Proposed Units Acquisition constitutes an interested person transaction as defined under Chapter 9 of the Catalist Rules. As the value of each of the Proposed Manager Acquisition and the Proposed Units Acquisition exceeds 5.0% of the latest audited NTA of the Group, the approval of Shareholders is required pursuant to Rule 906(1) of the Catalist Rules.

In addition, Shareholders’ approval for the Proposed Transactions will also be sought pursuant to Chapter 10 of the Catalist Rules.

Accordingly, the Company will be seeking the approval of the Shareholders for the Proposed Manager Acquisition and the Proposed Units Acquisition at the EGM.

1.2. Opinion of the IFA

The IFA has been appointed to provide an opinion letter as to whether the Proposed Transactions, as interested person transactions, are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders. The IFA Letter is set out in Appendix A to this Circular.

1.3. Purpose of this Circular and Inter-Conditionality of the Resolutions

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Transactions and to seek the approval of Shareholders for the following proposals at the EGM:

- (a) the Proposed Manager Acquisition (“**Resolution 1**”) (Ordinary Resolution); and
- (b) the Proposed Units Acquisition (“**Resolution 2**”) (Ordinary Resolution).

Shareholders should note that Resolution 1 and Resolution 2 are inter-conditional upon each other. Accordingly, in the event that any of these resolutions is not approved, the other resolution will not be passed.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

¹ Calculated based on 786,684,626 Units, being the total number of issued Units of First REIT outstanding as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

1.4. Sponsor and the SGX-ST

The Sponsor and the SGX-ST assume no responsibility for the contents of the Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Circular. If a Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant, tax advisor or other professional adviser(s) immediately.

2. THE PROPOSED MANAGER ACQUISITION

2.1. Information on Bowsprit

Bowsprit is a public limited company incorporated in Singapore on 17 May 2006. As at the date of the Manager CSPA, the issued and paid-up share capital of Bowsprit is S\$1,000,000 divided into 1,000,000 ordinary shares.

Bowsprit is the manager of First REIT, which is listed on the Main Board of the SGX-ST.

As at the Latest Practicable Date, Bowsprit owns 55,051,808 Units, representing approximately 7.0%¹ of the total issued Units of First REIT.

The audited NTA and the NAV of Bowsprit attributable to the Sale Shares as at 31 December 2017 were both approximately S\$31,015,000. The audited profit before income tax, minority interests and extraordinary items for FY2017 of Bowsprit attributable to the Sale Shares was approximately S\$4,630,000.

2.2. Information on LKRM

LKRM, the vendor of the Sale Shares, is a private limited company incorporated in Singapore and an indirect wholly-owned subsidiary of PT LK, which is listed on the Indonesia Stock Exchange. PT LK is one of Indonesia's largest listed property companies, with a portfolio that comprises residential and urban development, hospitals, malls, hotels and leisure and asset management.

2.3. Material Terms of the Proposed Manager Acquisition

(a) The Sale Shares

The Sale Shares will be acquired by the Company free from all Encumbrances and together with all rights and advantages attaching to them as at the Manager Completion, including the right to receive all dividends or distributions declared, made or paid on or after the Manager Completion.

(b) Manager Consideration

The consideration for the purchase of the Sale Shares shall be approximately S\$39,553,000 (the "**Manager Consideration**"), which shall be payable by the Company in cash to LKRM upon the Manager Completion. The Manager Consideration and the Units Consideration are intended to be fully funded by the proceeds from the Rights Issue.

¹ Calculated based on 786,684,626 Units, being the total number of issued Units of First REIT outstanding as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

The Manager Consideration was arrived based on a price-earnings ratio of approximately 9.6 times of the audited profit after tax of Bowsprit for FY2017, of which the profit after tax attributable to the Sale Shares is approximately S\$4,118,000.

(c) Conditions Precedent

The Manager Completion is conditional upon satisfaction or waiver (as the case may be) of certain conditions (the “**Manager Conditions**”), including, *inter alia*, the following:

- (i) the passing at the EGM of the resolutions for the Proposed Manager Acquisition and the Proposed Units Acquisition;
- (ii) the receipt of the necessary regulatory approval from the Monetary Authority of Singapore in relation to the Proposed Manager Acquisition pursuant to Section 97A of the SFA;
- (iii) the receipt of all requisite legal, regulatory, corporate and other approvals, waivers and consents required to carry out the Proposed Manager Acquisition and all transactions related thereto, and such legal, regulatory, corporate and other approvals, waivers and consents remaining valid and in full force and effect on the Manager Completion;
- (iv) as at the date of the Manager Completion, no relevant governmental authority taking, instituting, implementing or threatening in writing to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might make the transactions or provisions contemplated in the Manager CSPA void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;
- (v) since 30 June 2018, there being no material adverse change in the financial condition and business operations of Bowsprit; and
- (vi) all representations, undertakings and warranties of OUE, the Company and LKRM under the Manager CSPA being complied with, true, accurate and not misleading in any material respect as at the Manager Completion Date.

(d) Completion

The Manager Completion shall take place simultaneously with the Units Completion on the Manager Completion Date and the Units Completion Date, respectively.

If the Manager Conditions are not satisfied or waived on or before the Manager Completion, save as expressly provided, the Manager CSPA (other than certain specified provisions) shall lapse and none of the parties shall have any claim against the other under it, save for any claim arising from antecedent breaches of the Manager CSPA including the undertakings in respect of the fulfilment of the Manager Conditions.

LETTER TO SHAREHOLDERS

(e) Guarantee by the Guarantor

Pursuant to the Manager CSPA, PT LK guarantees to the Company and OUE the due and punctual performance and observance by LKRM of all its obligations, commitments, undertakings, warranties and indemnities under or pursuant to the Manager CSPA.

(f) Right of First Refusal by PT LK

In connection with the Manager CSPA, and subject to the Manager Completion, it is proposed that PT LK shall grant Perpetual (Asia) Limited (formerly known as The Trust Company (Asia) Limited), acting in its capacity as trustee of First REIT (the “**Trustee**”) a right of first refusal (the “**PT LK ROFR**”) over any proposed offer by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity, for the period commencing from the Manager Completion Date and for so long as Bowsprit remains the manager of First REIT, and OUE and/or the Company hold(s), directly or indirectly, whether singly or in the aggregate, the single largest interest in Bowsprit (the “**PT LK ROFR Period**”).

For the purposes of the PT LK ROFR:

“**Grantor Group**” means PT LK and its subsidiaries, save for any subsidiary of PT LK which is listed on an Indonesia stock exchange (“**Listed Subsidiary**”) and the subsidiaries of such Listed Subsidiary;

“**Relevant Asset**” means a property in Indonesia or Singapore which is primarily used for healthcare purposes and, if applicable, the shares or equity interests in one or more single purpose companies or entities which holds such property, where “**healthcare**” shall mean hospitals, nursing homes, medical clinics and pharmacies; and

“**Relevant Entity**” means a member of the Grantor Group.

(g) Right of First Refusal by the Company

In connection with the Proposed Manager Acquisition, and subject to the Manager Completion, it is also proposed that the Company shall grant the Trustee a right of first refusal (the “**OUELH ROFR**”) over any proposed offer by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity, for the period commencing from the Manager Completion Date and for so long as Bowsprit remains the manager of First REIT, and OUE and/or the Company hold(s), directly or indirectly, whether singly or in the aggregate, the single largest interest in Bowsprit (the “**OUELH ROFR Period**”).

For the purposes of the OUELH ROFR:

“**Grantor Group**” means the Company and its subsidiaries, save for any subsidiary of the Company which is listed on a securities exchange (“**Listed Subsidiary**”) and the subsidiaries of such Listed Subsidiary;

“**Relevant Asset**” means a property in Indonesia or Singapore which is primarily used for healthcare purposes and, if applicable, the shares or equity interests in one or

LETTER TO SHAREHOLDERS

more single purpose companies or entities which holds such property, where “**healthcare**” shall mean hospitals, nursing homes, medical clinics and pharmacies; and

“**Relevant Entity**” means a member of the Grantor Group.

(h) **Non-Compete Undertaking by PT LK**

In connection with the Manager CSPA, and subject to the Manager Completion, it is further proposed that PT LK shall undertake to the Trustee that, for the period commencing from the Manager Completion Date and for so long as Bowsprit remains the manager of First REIT, and OUE and/or the Company hold(s), directly or indirectly, whether singly or in the aggregate, the single largest interest in Bowsprit (the “**Non-Compete Period**”), the Grantor Group shall not set up, establish, constitute, manage and/or invest in any fund or other entity, whether listed or unlisted, which invests principally, whether directly or indirectly, in Relevant Assets without the prior written consent of the Trustee (the “**Non-Compete Undertaking**”).

Nothing in the foregoing shall:

- (i) restrict the continued holding or control of holding of an interest in First REIT, whether directly or indirectly, by the Grantor Group;
- (ii) prevent the Grantor Group from undertaking any part of the operation, management and development of any Relevant Assets;
- (iii) restrict the continued holding, operation, management, development or sale of any Relevant Asset which is not acquired by First REIT pursuant to the PT LK ROFR; or
- (iv) prevent the Grantor Group from holding any indirect interest in any company or fund, which may compete with the Relevant Asset or any part thereof in Singapore and Indonesia, provided that no member of the Grantor Group shall be a controlling shareholder of such company or fund or have the right to appoint any board representative in such company or fund.

For the purposes of the Non-Compete Undertaking:

“**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;

“**controlling shareholder**” means a person who:

- (A) holds directly or indirectly more than 50.0% of the shares in issue or other equity interest of a company; or
- (B) has the power to direct the management or policies of a company, whether through the ownership of more than 50.0% of the voting power of such company or otherwise;

LETTER TO SHAREHOLDERS

“Grantor Group” means PT LK and its subsidiaries save for any subsidiary of PT LK which is listed on an Indonesia stock exchange (**“Listed Subsidiary”**) and the subsidiaries of such Listed Subsidiary; and

“Relevant Asset” means a property in Indonesia or Singapore which is primarily used for healthcare purposes and, if applicable, the shares or equity interests in one or more single purpose companies or entities which holds such property, where **“healthcare”** shall mean hospitals, nursing homes, medical clinics and pharmacies.

3. THE PROPOSED UNITS ACQUISITION

3.1. Information on First REIT

First REIT is a real estate investment trust listed on the Main Board of the SGX-ST on 11 December 2006. As at the Latest Practicable Date, First REIT has in aggregate 786,684,626 Units in issue.

First REIT is a healthcare real estate investment trust which invests 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. As at the Latest Practicable Date, First REIT has 20 properties across Indonesia, Singapore and South Korea.

The audited NTA and the NAV of First REIT attributable to the Sale Units as at 31 December 2017 were approximately S\$84,099,000. The audited profit before income tax, minority interests and extraordinary items for FY2017 of First REIT attributable to the Sale Units was approximately S\$9,942,000.

3.2. Information on Bridgewater

Bridgewater, the vendor of the Sale Units, is incorporated in Seychelles and is an indirect wholly-owned subsidiary of PT LK.

3.3. Material Terms of the Proposed Units Acquisition

(a) The Sale Units

The Sale Units will be acquired by OHI free from all Encumbrances and together with all rights and advantages attaching to them as at the Units Completion, including the right to receive all dividends or distributions declared, made or paid on or after the Units Completion.

(b) Units Consideration

The consideration for the purchase of the Sale Units shall be approximately S\$102,653,000 (the **“Units Consideration”**), which shall be payable by OHI in cash to Bridgewater upon the Units Completion. The Units Consideration and the Manager Consideration are intended to be fully funded by the proceeds from the Rights Issue.

The Units Consideration was arrived at based on a price of S\$1.2280 per Sale Unit, which represents a discount of 7.5% to S\$1.3276 per Sale Unit, being the average of the intraday high price for the Units transacted on the SGX-ST for the ninety (90) trading days period up to and including 14 September 2018.

LETTER TO SHAREHOLDERS

(c) Conditions Precedent

The Units Completion is conditional upon satisfaction or waiver (as the case may be) of the following conditions (the “Units Conditions”):

- (i) the passing at the EGM of the resolutions for the Proposed Units Acquisition and the Proposed Manager Acquisition; and
- (ii) the receipt of all requisite legal, regulatory, corporate and other approvals, waivers and consents required to carry out the Proposed Units Acquisition and all transactions related thereto, and such legal, regulatory, corporate and other approvals, waivers and consents remaining valid and in full force and effect on the Units Completion.

(d) Completion

The Units Completion shall take place simultaneously with the Manager Completion on the Units Completion Date and the Manager Completion Date, respectively.

If the Units Conditions are not satisfied or waived on or before the Units Completion, save as expressly provided, the Units CSPA (other than certain specified provisions) shall lapse and none of the parties shall have any claim against the other under it, save for any claim arising from antecedent breaches of the Units CSPA including the undertakings in respect of the fulfilment of the Units Conditions.

(e) Guarantee by the Guarantor

Pursuant to the Units CSPA, PT LK guarantees to OHI the due and punctual performance and observance by Bridgewater of all its obligations, commitments, undertakings, warranties and indemnities under or pursuant to the Units CSPA.

4. RATIONALE FOR THE PROPOSED TRANSACTIONS

4.1. Enhance shareholder value as the Proposed Transactions are earnings accretive and cash flow generating

Based on the audited financial results of First REIT and Bowsprit for FY2017, the Proposed Transactions are expected to contribute earnings of 0.26 cents per Share¹ and distribution of S\$7.1 million² to the Group. The compounded annual growth rate of First REIT in terms of asset size and distribution are 15.3% and 13.2% respectively, from 2007 to 2017. Therefore, the Proposed Transactions are expected to provide the Group with a stable and growing stream of recurring income and cash flow.

1 Purely for illustrative purposes only, being the incremental earnings per Share attributable to the Group calculated based on the aggregate earnings attributable to the Group from the Proposed Transactions for the relevant period divided by the Company's enlarged share capital of 4,443,129,206 Shares following the Rights Issue.

2 Purely for illustrative purposes only, being the distributions attributable to the Company from the Sale Units, which represents approximately 10.63% of the total issued Units of First REIT, for the relevant period.

LETTER TO SHAREHOLDERS

4.2. The Proposed Transactions are consistent with the Company's Pan-Asian growth strategy

As stated in the Company's annual report for FY2017, the Company intends to grow its healthcare business in Asia, and First REIT has significant presence in key Asian markets such as Indonesia and Singapore and is focused on investing in diverse yield-accretive healthcare-related real estate assets throughout Asia. Hence, the Proposed Transactions fit into the Company's geographical expansion plans.

4.3. The Proposed Transactions enable the Group to grow with an asset-light business model

The inclusion of First REIT and Bowsprit as part of the business of the Group with the completion of the Proposed Transactions will position the Group to ride on a business eco-system of growth through investments, operations, asset management, and capital recycling for reinvestments.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

Pursuant to Rule 1005 of the Catalist Rules, the Proposed Manager Acquisition is aggregated with the Proposed Units Acquisition for the purposes of determining the relative figures under Rule 1006 of the Catalist Rules, as the resolutions in respect of the Proposed Manager Acquisition and the Proposed Units Acquisition are inter-conditional and the ultimate parent company of LKRM and Bridgewater, being the vendors for the Proposed Manager Acquisition and the Proposed Units Acquisition, respectively, is the same party (being PT LK). The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures (%)		
		Proposed Manager Acquisition	Proposed Units Acquisition	Aggregate
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable	Not applicable	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profit ⁽¹⁾ .	-43.4% ⁽²⁾	-72.9% ⁽³⁾	-116.2%
(c)	The aggregate value of the consideration given, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	14.9% ⁽⁴⁾	38.6% ⁽⁵⁾	53.5%

LETTER TO SHAREHOLDERS

Rule 1006	Bases	Relative Figures (%)		
		Proposed Manager Acquisition	Proposed Units Acquisition	Aggregate
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable	Not applicable	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable	Not applicable	Not applicable

Notes:

- (1) "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (2) Based on (i) the Group's unaudited loss before tax of approximately S\$5,864,000 for the 1H2018 as disclosed in the Company's latest announced unaudited consolidated financial statements for the second quarter ended 30 June 2018 ("**2Q Results**") and (ii) the unaudited profit before tax for the 1H2018¹ of Bowsprit ("**Bowsprit 1H PBT**") of approximately S\$2,543,000 attributable to the Sale Shares, which represents 40% of the Bowsprit 1H PBT.
- (3) Based on (i) the Group's unaudited loss before tax of approximately S\$5,864,000 for the 1H2018 as disclosed in the Company's 2Q Results and (ii) the unaudited profit before tax for the 1H2018 of First REIT ("**First REIT 1H PBT**") of approximately S\$4,273,000 attributable to the Sale Units, which represents approximately 10.63%² of First REIT 1H PBT.
- (4) Based on the Manager Consideration of approximately S\$39,553,000, computed against the market capitalisation of the Company of S\$265,699,127 as at 17 September 2018, being the market day preceding the date of the Manager CSPA. The Company's market capitalisation was determined by multiplying 2,221,564,603 Shares in issue by the weighted average price of S\$0.1196 per Share on 17 September 2018.
- (5) Based on the Units Consideration of approximately S\$102,653,000 computed against the market capitalisation of the Company of S\$265,699,127 as at 17 September 2018, being the market day preceding the date of the Units CSPA. The Company's market capitalisation was determined by multiplying 2,221,564,603 Shares in issue by the weighted average price of S\$0.1196 per Share on 17 September 2018.

The relative figure computed under Rule 1006(c) of the Catalist Rules, on an aggregated basis, does not exceed 75%, and the profit test under Rule 1006(b) of the Catalist Rules involves negative figure due to the losses of the Group, but not of the assets to be acquired. Nevertheless, the Company will seek Shareholders' approval for the Proposed Manager Acquisition and the Proposed Units Acquisitions after taking into consideration the nature of the Proposed Transactions and in the interest of Shareholders.

6. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The *pro forma* financial effects of the Proposed Transactions set out below are purely for illustration purposes only and do not reflect the actual future financial situation of the Company or the Group after completion of the Proposed Transactions.

- 1 Based on unaudited management accounts of Bowsprit provided to the Company. Such provided figures have not been independently verified as to the accuracy.
- 2 Calculated based on 786,684,626 Units, being the total number of issued Units of First REIT outstanding as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

The *pro forma* financial effects of the Proposed Transactions presented below have been prepared based on the audited consolidated financial statements of the Group for FY2017 and the following assumptions:

- (a) that completion of the Proposed Transactions and the Rights Issue had taken place on 31 December 2017 for purposes of the financial effect on the NTA per Share;
- (b) that completion of the Proposed Transactions and the Rights Issue had taken place on 1 January 2017 for purposes of the financial effect on the EPS;
- (c) that the Group equity-accounts the financial results and positions for its 40% shareholding in Bowsprit and its approximately 10.63%¹ unitholding in First REIT;
- (d) that the Group holds approximately 10.63%¹ of the total issued Units of First REIT on 1 January 2017 and there has been no change in percentage unitholding held by the Group during FY2017; and
- (e) that 2,221,564,603 Rights Shares are issued at the Issue Price pursuant to the Rights Issue, raising net proceeds of approximately S\$148,755,611, for the purposes of computing the financial effect on the NTA per Share and the EPS after the Proposed Transactions.

6.1. NTA per Share

	FY2017		
	Before the Proposed Transactions	<i>Pro Forma</i> Adjusted for the Placement	<i>Pro Forma</i> Adjusted for the Placement, Rights Issue and Proposed Transactions
NTA (S\$'000)	37,494	114,944 ⁽¹⁾	263,700 ^{(1), (2)}
Number of Shares	1,659,064,603 ⁽³⁾	2,221,564,603 ⁽⁴⁾	4,443,129,206 ^{(4), (5)}
NTA per Share (cents)	2.26	5.17	5.93

Notes:

- (1) Includes net proceeds of approximately S\$77,450,000 pursuant to the Placement.
- (2) Includes net proceeds of approximately S\$148,755,611 pursuant to the Rights Issue.
- (3) Represents the number of Shares outstanding as at 31 December 2017.
- (4) Includes 562,500,000 Shares allotted and issued to BHPL on 15 February 2018 pursuant to the Placement.
- (5) Assumes 2,221,564,603 new Shares are issued pursuant to the Rights Issue.

¹ Calculated based on 786,684,626 Units, being the total number of issued Units of First REIT outstanding as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

6.2. EPS

	FY2017		
	Before the Proposed Transactions	Pro Forma Adjusted for the Placement	Pro Forma Adjusted for the Placement, Rights Issue and Proposed Transactions
Profit/(loss) after tax attributable to Shareholders (S\$'000)	(90,700)	(90,700)	(79,141) ⁽¹⁾
Weighted average number of Shares	1,659,064,603	2,221,564,603 ⁽²⁾	4,443,129,206 ^{(2), (3)}
EPS/(LPS) (cents)	(5.47)	(4.08)	(1.78)

Notes:

- (1) Computed based on the aggregated profit after tax attributable to the Proposed Transactions of approximately S\$11,559,000, comprising (i) approximately S\$4,118,000 attributable to the Sale Shares, which represents 40% of the profit after tax of Bowsprit in FY2017, and (ii) approximately S\$7,441,000 attributable to the Sale Units, which represents approximately 10.63%¹ of the profit after tax attributable to unitholders of First REIT in FY2017.
- (2) Includes 562,500,000 Shares allotted and issued to BHPL on 15 February 2018 pursuant to the Placement.
- (3) Assumes 2,221,564,603 new Shares are issued pursuant to the Rights Issue.

7. THE PROPOSED TRANSACTIONS AS INTERESTED PERSON TRANSACTIONS

7.1. Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company's interested persons. Under Chapter 9 of the Catalist Rules, where a listed company or any of its subsidiaries or any of its associated companies which is an entity at risk proposes to enter into transactions with the listed company's interested persons, the listed company is required to seek shareholders' approval if the value of the transaction (either in itself or aggregated with the value of other transactions with the same interested person) is equal to or exceeds 5% of the group's latest audited NTA. For the avoidance of doubt, the requirement for shareholders' approval does not apply to any transaction below S\$100,000.

For the purposes of Chapter 9 of the Catalist Rules:

- (a) **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules.

¹ Calculated based on 786,684,626 Units, being the total number of issued Units of First REIT outstanding as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

- (b) **“entity at risk”** means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.
- (c) **“interested person”** means:
 - (i) a director, chief executive officer, or controlling shareholder of the listed company; or
 - (ii) an associate of any such director, chief executive officer, or controlling shareholder.
- (d) **“interested person transaction”** means a transaction between an entity at risk and an interested person.
- (e) a **“transaction”** includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

7.2. The Proposed Manager Acquisition and the Proposed Units Acquisition as Interested Person Transactions

(a) Interested Person Transaction under Chapter 9 of the Catalist Rules

Each of LKRM and Bridgewater is an indirectly wholly-owned subsidiary of PT LK. Based on publicly disclosed information, PT Inti Anugerah Pratama directly holds 52.4% interest in PT LK. PT Inti Anugerah Pratama is in turn 40% held by Fullerton Capital Limited, a company wholly owned by Dr. Stephen Riady, who is the Non-Independent, Non-Executive Director of the Company, and 60% held by PT Trijaya Utama Mandiri, a company indirectly wholly owned by Mr. James Tjahaja Riady, who is the brother of Dr. Stephen Riady. As such, each of LKRM and Bridgewater is considered an associate of Dr. Stephen Riady and an interested person of the Company as defined under Chapter 9 of the Catalist Rules.

Each of the Company and OHI is an entity-at-risk as defined under Chapter 9 of the Catalist Rules. Accordingly, each of the Proposed Manager Acquisition between the Company and LKRM and the Proposed Units Acquisition between OHI and Bridgewater constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

LETTER TO SHAREHOLDERS

(b) Requirement for Shareholders' Approval

The value at risk of the Proposed Manager Acquisition is approximately S\$39,553,000, being the Manager Consideration, which represents approximately 105.5% of the Group's latest audited NTA of approximately S\$37,494,000 as at 31 December 2017.

The value at risk of the Proposed Units Acquisition is approximately S\$102,653,000, being the Units Consideration, which represents approximately 273.8% of the Group's latest audited NTA of approximately S\$37,494,000 as at 31 December 2017. Accordingly, each of the Proposed Manager Acquisition and the Proposed Units Acquisition will require the approval of Shareholders pursuant to Rule 906(1)(a) of the Catalist Rules.

7.3. Total Value of Interested Person Transactions

Save for the Proposed Transactions and the Joint Venture, and excluding transactions which were less than S\$100,000, during the course of FY2018, which is from 1 January 2018 up to the Latest Practicable Date:

- (a) there are no other interested person transactions entered into by the Group with the OUE Group;
- (b) there are no other interested person transactions entered into by the Group with PT LK and its subsidiaries; and
- (c) there are no other interested person transactions entered into by the Group and other interested persons.

For the avoidance of doubt, the Joint Venture falls within the exception under Rule 916(2) of the Catalist Rules. Accordingly, Shareholders' approval is not required for the Joint Venture. Further details in relation to the Joint Venture can be found in the Company's announcement dated 18 September 2018 in relation to the Proposed Transactions.

7.4. Irrevocable Undertaking

As at the Latest Practicable Date, BHPL is the legal and beneficial owner of 562,500,000 Shares representing approximately 25.32% of the total number of issued Shares (the "**Existing BHPL Shares**"). BHPL has on 18 September 2018 given undertakings (the "**BHPL Undertaking**") to the Company that, *inter alia*:

- (a) they will vote, and will procure the voting of, the Relevant Shares in favour of the resolutions to approve the Proposed Transactions and all other matters in connection therewith at the EGM (or at any adjournment thereof), provided that the IFA confirms in its opinion that the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders; and
- (b) they will not, during the term of the BHPL Undertaking directly or indirectly, (i) sell, transfer, assign, give or otherwise dispose of, (ii) grant any option, interest, right or warrant to purchase in respect of, (iii) charge, mortgage, pledge or otherwise create an Encumbrance over, or (iv) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of, all or any of the Relevant Shares or any interest therein (or enter into any agreement with a view to effecting any of the foregoing).

LETTER TO SHAREHOLDERS

For the purposes of the BHPL Undertaking:

- (i) **“Encumbrance”** means any mortgage, assignment, debenture, lien, charge, pledge, title retention, hypothecation, right to acquire, security interest, option, claim, pre-emptive or other similar right, right of first refusal and any other encumbrance or condition whatsoever; and
- (ii) **“Relevant Shares”** means the Existing BHPL Shares and any other Shares which may be acquired, directly or indirectly, by BHPL, including without limitation, pursuant to (i) the exercise of any options or warrants which BHPL may have to subscribe for new Shares, (ii) any bonus issue, rights issue or distribution of Shares (whether by way of dividend or otherwise) declared or made by the Company, or (iii) any open market purchase of Shares, on or after the date of the BHPL Undertaking.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders (both direct and deemed) in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholdings of the Company are set out below:

	As at the Latest Practicable Date			
	Number of Shares			% ⁽¹⁾
	Direct Interest	Deemed Interest	Total Interest	
Directors				
Mr. Lee Yi Shyan	–	–	–	–
Dr. Stephen Riady ⁽²⁾	–	1,429,514,500	1,429,514,500	64.35
Dr. Wong Weng Hong	–	–	–	–
Mr. Masato Mohri	–	–	–	–
Mr. Roger Tan Chade Phang	–	–	–	–
Mr. Eric Sho Kian Hin	–	–	–	–
Mr. Jackson Tay Eng Kiat	–	–	–	–
Mr. Johji Sato	–	–	–	–
Substantial Shareholders (other than Directors)				
Treasure International Holdings Pte. Ltd.	1,429,514,500	–	1,429,514,500	64.35
Brownly Healthcare Pte. Ltd.	562,500,000	–	562,500,000	25.32
OUE Limited ⁽³⁾	–	1,429,514,500	1,429,514,500	64.35
OUE Realty Pte. Ltd. ("OUER") ⁽⁴⁾	–	1,429,514,500	1,429,514,500	64.35
Golden Concord Asia Limited ("GCAL") ⁽⁵⁾	–	1,429,514,500	1,429,514,500	64.35
Fortune Code Limited ("FCL") ⁽⁶⁾	–	1,429,514,500	1,429,514,500	64.35

LETTER TO SHAREHOLDERS

	As at the Latest Practicable Date			
	Number of Shares			
	Direct Interest	Deemed Interest	Total Interest	% ⁽¹⁾
Lippo ASM Asia Property Limited ("LAAPL") ⁽⁷⁾	–	1,429,514,500	1,429,514,500	64.35
Pacific Landmark Holdings Limited ("Pacific Landmark") ⁽⁸⁾	–	1,429,514,500	1,429,514,500	64.35
HKC Property Investment Holdings Limited ("HKC Property") ⁽⁹⁾	–	1,429,514,500	1,429,514,500	64.35
Hongkong Chinese Limited ("HCL") ⁽¹⁰⁾	–	1,429,514,500	1,429,514,500	64.35
Hennessy Holdings Limited ("Hennessy") ⁽¹¹⁾	–	1,429,514,500	1,429,514,500	64.35
Prime Success Limited ("PSL") ⁽¹²⁾	–	1,429,514,500	1,429,514,500	64.35
Lippo Limited ("LL") ⁽¹³⁾	–	1,429,514,500	1,429,514,500	64.35
Lippo Capital Limited ("LCL") ⁽¹⁴⁾	–	1,429,514,500	1,429,514,500	64.35
Lippo Capital Holdings Company Limited ("LCH") ⁽¹⁵⁾	–	1,429,514,500	1,429,514,500	64.35
Lippo Capital Group Limited ("LCG") ⁽¹⁶⁾	–	1,429,514,500	1,429,514,500	64.35
PT Trijaya Utama Mandiri ("PT Trijaya") ⁽¹⁷⁾	–	1,429,514,500	1,429,514,500	64.35
Admiralty Station Management Limited ("Admiralty") ⁽¹⁸⁾	–	1,429,514,500	1,429,514,500	64.35
ASM Asia Recovery (Master) Fund ("AARMF") ⁽¹⁹⁾	–	1,429,514,500	1,429,514,500	64.35
ASM Asia Recovery Fund ("AARF") ⁽²⁰⁾	–	1,429,514,500	1,429,514,500	64.35
Argyle Street Management Limited ("ASML") ⁽²¹⁾	–	1,429,514,500	1,429,514,500	64.35
Argyle Street Management Holdings Limited ("ASMHL") ⁽²²⁾	–	1,429,514,500	1,429,514,500	64.35
Mr. James Tjahaja Riady ⁽²³⁾	–	1,429,514,500	1,429,514,500	64.35
Mr. Kin Chan ⁽²⁴⁾	–	1,429,514,500	1,429,514,500	64.35
Mr. V-Nee Yeh ⁽²⁵⁾	–	1,429,514,500	1,429,514,500	64.35
ITOCHU Singapore Pte Ltd ("ITOCHU SG") ⁽²⁶⁾	–	562,500,000	562,500,000	25.32
ITOCHU Corporation ("ITOCHU Corp") ⁽²⁷⁾	–	562,500,000	562,500,000	25.32

LETTER TO SHAREHOLDERS

Notes:

- (1) Based on the total number of issued Shares of 2,221,564,603 Shares as at the Latest Practicable Date.
- (2) Dr. Stephen Riady holds all the Shares in LCG, which is the holding company of LCH. LCH is an intermediate holding company of Pacific Landmark. Pacific Landmark and Admiralty jointly hold LAAPL. LAAPL is the indirect holding company of TIHPL. TIHPL has a direct interest in 1,429,514,500 Shares. Accordingly, Dr. Stephen Riady has a deemed interest in the Shares held by TIHPL.
- (3) OUE is the holding company of TIHPL. Accordingly, OUE has a deemed interest in the Shares held by TIHPL.
- (4) OUER is the holding company of OUE. Accordingly, OUER has a deemed interest in the Shares in which OUE has an interest.
- (5) GCAL is the holding company of OUER, and an intermediate holding company of OUE. Accordingly, GCAL has a deemed interest in the Shares in which OUE has an interest.
- (6) FCL is the holding company of GCAL, and an intermediate holding company of OUE. Accordingly, FCL has a deemed interest in the Shares in which OUE has an interest.
- (7) LAAPL is the holding company of FCL. FCL is an intermediate holding company of OUE. Accordingly, LAAPL has a deemed interest in the Shares in which OUE has an interest.
- (8) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. Accordingly, Pacific Landmark has a deemed interest in the Shares in which OUE has an interest.
- (9) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. HKC Property is the holding company of Pacific Landmark. Accordingly, HKC Property has a deemed interest in the Shares in which OUE has an interest.
- (10) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. HCL is an intermediate holding company of Pacific Landmark. Accordingly, HCL has a deemed interest in the Shares in which OUE has an interest.
- (11) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. Hennessy is an intermediate holding company of Pacific Landmark. Accordingly, Hennessy has a deemed interest in the Shares in which OUE has an interest.
- (12) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. PSL is an intermediate holding company of Pacific Landmark. Accordingly, PSL has a deemed interest in the Shares in which OUE has an interest.
- (13) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. LL is an intermediate holding company of Pacific Landmark. Accordingly, LL has a deemed interest in the Shares in which OUE has an interest.
- (14) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. LCL is an intermediate holding company of Pacific Landmark. Accordingly, LCL has a deemed interest in the Shares in which OUE has an interest.
- (15) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. LCH is an intermediate holding company of Pacific Landmark. Accordingly, LCH has a deemed interest in the Shares in which OUE has an interest.
- (16) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. LCG is the holding company of LCH, which in turn is an intermediate holding company of Pacific Landmark. Accordingly, LCG has a deemed interest in the Shares in which OUE has an interest.
- (17) OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. PT Trijaya holds more than 20% of the shares in LCL, which is an intermediate holding company of Pacific Landmark. Accordingly, PT Trijaya has a deemed interest in the Shares in which OUE has an interest.
- (18) LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, Admiralty has a deemed interest in the Shares in which OUE has an interest.
- (19) AARMF is a majority shareholder of Admiralty. LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, AARMF has a deemed interest in the Shares in which OUE has an interest.

LETTER TO SHAREHOLDERS

- (20) AARF is a majority shareholder of AARMF. AARMF is a majority shareholder of Admiralty. LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, AARF has a deemed interest in the Shares in which OUE has an interest.
- (21) ASML manages AARF, a majority shareholder of AARMF. AARMF is a majority shareholder of Admiralty. LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, ASML has a deemed interest in the Shares in which OUE has an interest.
- (22) ASMHL is the holding company of ASML. ASML manages AARF, a majority shareholder of AARMF. AARMF is a majority shareholder of Admiralty. LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, ASMHL has a deemed interest in the Shares in which OUE has an interest.
- (23) Mr. James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20% of the shares in LCL. LCL is an intermediate holding company of Pacific Landmark. OUE is a subsidiary of LAAPL which is jointly held by Admiralty and Pacific Landmark. Accordingly, Mr. James Tjahaja Riady has a deemed interest in the shares in which OUE has an interest.
- (24) Mr. Kin Chan is the beneficial owner of more than 20% of the issued share capital of ASMHL, the holding company of ASML. ASML manages AARF, a majority shareholder of AARMF. AARMF is a majority shareholder of Admiralty. LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, Mr. Kin Chan has a deemed interest in the shares in which OUE has an interest.
- (25) Mr. V-Nee Yeh is the beneficial owner of more than 20% of the issued share capital of ASMHL, the holding company of ASML. ASML manages AARF, a majority shareholder of AARMF. AARMF is a majority shareholder of Admiralty. LAAPL is an intermediate holding company of OUE, and LAAPL is jointly held by Admiralty and Pacific Landmark. Accordingly, Mr. V-Nee Yeh has a deemed interest in the Shares in which OUE has an interest.
- (26) ITOCHU SG holds 60 per cent. of the issued share capital of BHPL. Accordingly, ITOCHU SG has a deemed interest in the Shares held by BHPL.
- (27) ITOCHU Corp is the holding company of ITOCHU SG. ITOCHU SG holds 60 per cent. of the issued share capital of BHPL. Accordingly, ITOCHU Corp has a deemed interest in the Shares held by BHPL.

Save for TIHPL, a wholly-owned subsidiary of OUE, all of the beneficial Shareholders (via TIHPL's shareholding interest in the Company) as disclosed in the table above (refer to note 3 to note 25 for details) and Dr. Stephen Riady, none of the Directors or Substantial Shareholders (other than through their respective shareholdings in the Company) has any interest, direct or indirect, in the Proposed Transactions.

9. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transactions.

10. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

RHT Capital Pte. Ltd. has been appointed as the IFA to provide an opinion as to whether the Proposed Transactions, as interested person transactions, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The IFA Letter is reproduced in full in **Appendix A** to this Circular. **Shareholders are advised to read the IFA Letter in its entirety carefully and consider it in the context of this Circular before deciding on whether to approve the Proposed Transactions.**

LETTER TO SHAREHOLDERS

The following is an extract from Section 7 of the IFA Letter and should be read by Shareholders in conjunction with, and in the full context of the IFA Letter. Unless otherwise defined or the context otherwise requires, all terms defined in the IFA Letter shall have the meanings therein.

“In arriving at our recommendation in respect of the Proposed Transactions, we have taken into consideration, inter alia, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

- (i) Rationale for the Proposed Transactions;*
- (ii) Financial performance and position of Bowsprit;*
- (iii) Financial assessment of the Manager Consideration for the Proposed Manager Acquisition:*

NAV and RNAV of Bowsprit

- (a) the Implied Bowsprit Valuation represents a premium of 26.5% over the adjusted NAV of Bowsprit as at 30 June 2018 or a P/NAV ratio of 1.3 times; and*
- (b) the Implied Bowsprit Valuation represents a premium of 31.1% over the RNAV of Bowsprit as at 30 June 2018 or a P/RNAV of 1.3 times.*

Financial assessment of Manager Consideration vis-à-vis Comparable Companies of Bowsprit

- (a) the PE ratio of Bowsprit implied by the Manager Consideration of 8.6 times is within the range and below the mean and the median of the PE ratios of the Comparable Companies;*
 - (b) the EV/EBITDA ratio of Bowsprit implied by the Manager Consideration of 7.6 times is within the range and below the mean and the median of the EV/EBITDA ratios of the Comparable Companies; and*
 - (c) the P/NAV and P/RNAV ratios of Bowsprit implied by the Manager Consideration of 1.3 times are within the range and below the mean and the median of the P/NAV ratios of the Comparable Companies.*
- (iv) Financial performance and position of First REIT;*
 - (v) Financial assessment of the Units Consideration for the Proposed Units Acquisition:*

NAV and RNAV of First REIT

- (a) the Implied First REIT Valuation represents a premium of 21.3% over the adjusted NAV of First REIT as at 30 June 2018 or a P/NAV of 1.2 times; and*
- (b) the Implied First REIT Valuation represents a premium of 22.1% over the RNAV of First REIT as at 30 June 2018 or a P/RNAV ratio of 1.2 times.*

LETTER TO SHAREHOLDERS

Financial assessment of Units Consideration vis-à-vis Comparable REITs of First REIT

- (a) *the 12 Months Distribution Yield of First REIT implied by the Units Consideration of 7.0% is within the range and above the mean and the median of the 12 Months Distribution Yield of the Comparable REITs; and*
- (b) *the P/NAV and P/RNAV ratios of First REIT implied by the Units Consideration of 1.2 times are within the range and below the mean and median of the P/NAV ratios of the Comparable REITs.*

Market quotations and trading activity of First REIT

- (a) *the Units Consideration of S\$1.228 per unit represents a discount of 3.3%, 6.3%, 7.7% and 9.0% to the VWAP of the units in First REIT for the 1-month, 3-month, 6-month and 1-year periods prior to the Latest Practicable Date respectively; and*
- (b) *the Units Consideration of S\$1.228 per unit represents a discount of 0.2% to the VWAP of the units in First REIT on 17 September 2018, being the Latest Practicable Date.*

(vi) *Financial effects of the Proposed Transactions;*

(vii) *Other relevant considerations in relation to the Proposed Transactions:*

- (a) *Opportunity to gain access into complementary business;*
- (b) *Inter-conditionality of the Proposed Transactions;*
- (c) *Analysts' target prices for First REIT;*
- (d) *Potential growth in portfolio of properties;*
- (e) *Long weighted average lease expiry of First REIT;*
- (f) *Enhancement in credit worthiness of PT LK; and*
- (g) *Certainty in Lippo group's commitment to First REIT.*

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Transactions, as Interested Person Transactions, are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders."

11. OPINION OF THE ARC

The ARC comprises Mr. Eric Sho Kian Hin, Mr. Roger Tan Chade Phang, Mr. Jackson Tay Eng Kiat and Mr. Johji Sato. The members of the ARC do not have any interests in the Proposed Transactions and are accordingly considered to be independent for the purposes of the Proposed Transactions.

LETTER TO SHAREHOLDERS

The ARC, having reviewed, among other things, the terms and rationale for the Proposed Transactions, and after considering the advice of the IFA as set out in **Appendix A** to this Circular, concurs with the IFA and is of the opinion that the Proposed Transactions, as interested person transactions, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

12. NON-INTERESTED DIRECTORS' RECOMMENDATIONS

Shareholders should read and consider carefully the recommendation of the Non-Interested Directors and the opinion of the IFA in its entirety before giving their approvals pertaining to the Proposed Transactions. Shareholders are also urged to read carefully the terms and conditions of the Proposed Transactions, the rationale for the Proposed Transactions and the financial effects of the Proposed Transactions, as respectively set out in this Circular.

Dr. Stephen Riady, being an interested person under Chapter 9 of the Catalist Rules for the purposes of the Proposed Transactions, will abstain from making any recommendation to Shareholders on the Proposed Transactions in his capacity as a Director.

The Non-Interested Directors, having considered and reviewed, among other things, the terms of the Proposed Transactions, the opinion of the IFA contained in the IFA Letter, the rationale for the Proposed Transactions, and all the other relevant information set out in this Circular, concur with the opinion of the IFA given in the IFA Letter.

Accordingly, they recommend that Shareholders vote in favour of the resolutions in relation to the Proposed Transactions at the EGM.

Please refer to Paragraph 10 of this Circular and the IFA Letter reproduced in **Appendix A** to this Circular for the opinion of the IFA.

13. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Catalist Rules, an interested person and any associate of the interested person must abstain from voting on the resolutions approving the interested person transactions involving themselves and their associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolutions unless specific voting instructions had been given by the Shareholders.

Accordingly, Dr. Stephen Riady will abstain, and will ensure that his associates (including TIHPL) will abstain, from voting on the Proposed Transactions, nor accept any nominations to act as proxy for any Shareholder in approving the Proposed Transactions at the EGM unless specific instructions as to voting are given by such Shareholder in the proxy instrument.

14. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 219 to 220 of this Circular, will be held at Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989 on 11 October 2018 at 10 a.m. for the purpose of considering and, if thought fit, passing with or without modifications Resolution 1 in respect of the Proposed Manager Acquisition and Resolution 2 in respect of the Proposed Units Acquisition at the EGM, as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

15. INTER-CONDITIONALITY OF RESOLUTIONS TO BE PASSED

In voting for the resolutions set out in the Notice of EGM, Shareholders should note that Resolution 1 and Resolution 2 are inter-conditional, and none of the resolutions will be proceeded with in the event any resolution is not passed.

16. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 9 Battery Road, #15-01, Singapore 049910, not later than 48 hours before the time fixed for the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP as at 72 hours before the time fixed for the EGM.

17. RESPONSIBILITY STATEMENTS

17.1. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions and the Group and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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 Circular in its proper form and context.

17.2. Sole Financial Adviser's Responsibility Statement

To the best of the Sole Financial Adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Group, and the Sole Financial Adviser is not aware of any facts the omission of which would make any statement in this Circular misleading.

18. CONSENTS

- 18.1. Oversea-Chinese Banking Corporation Limited, the Sole Financial Adviser in respect of the Proposed Transactions, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

LETTER TO SHAREHOLDERS

- 18.2.** RHT Capital Pte. Ltd., the IFA in respect of the Proposed Transactions, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the IFA Letter as set out in **Appendix A** to this Circular and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.
- 18.3.** Each of the Independent Valuers, namely Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman and Wakefield VHS Pte. Ltd., KJPP Rengganis, Hamid & Rekan and KJPP Wilson dan Rekan, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the Valuation Certificates as set out in **Appendix B** to this Circular and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 9 Battery Road, #15-01, Singapore 049910, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the constitution of the Company;
- (b) the annual report of the Company for FY2017;
- (c) the Manager CSPA;
- (d) the Units CSPA;
- (e) the IFA Letter;
- (f) the Valuation Certificates as set out in **Appendix B** to this Circular;
- (g) the consent letters referred to in Paragraph 18 of this Circular; and
- (h) the irrevocable undertaking from BHPL as mentioned in Paragraph 7.4 of this Circular.

Yours faithfully,

For and on behalf of the Board

OUE Lippo Healthcare Limited

(In receivership over charged shares in certain subsidiaries)

Dr. Wong Weng Hong
Chief Executive Officer and Executive Director

APPENDIX A – IFA LETTER

RHT CAPITAL PTE. LTD.

(Company Registration Number: 201109968H)
(Incorporated in the Republic of Singapore)
9 Raffles Place, #29-01
Republic Plaza Tower 1
Singapore 048619

26 September 2018

To: The Non-Interested Directors of OUE Lippo Healthcare Limited
(deemed to be independent in respect of the Proposed Transactions)

Mr Lee Yi Shyan	(Non-Independent, Non-Executive Chairman)
Dr Wong Weng Hong	(Chief Executive Officer, Executive Director)
Mr Masato Mohri	(Non-Independent, Non-Executive Director)
Mr Roger Tan Chade Phang	(Lead Independent Director)
Mr Eric Sho Kian Hin	(Independent Director)
Mr Jackson Tay Eng Kiat	(Independent Director)
Mr Johji Sato	(Independent Director)

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE PROPOSED ACQUISITIONS OF 40.0% OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF BOWSPRIT CAPITAL CORPORATION LIMITED AND 83,593,683 UNITS, REPRESENTING APPROXIMATELY 10.6% OF THE TOTAL ISSUED UNITS IN FIRST REAL ESTATE INVESTMENT TRUST AS INTERESTED PERSON TRANSACTIONS

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 26 September 2018 (“Circular”) issued by OUE Lippo Healthcare Limited (“OUE LH” or “Company”, together with its subsidiaries, “Group”) to the shareholders of the Company (“Shareholders”) shall have the same meaning herein.

1. INTRODUCTION

On 18 September 2018 (“**Announcement Date**”), the board of directors (“**Directors**”) of OUE LH announced that:

- (i) the Company, had on the same day, entered into a conditional share purchase agreement (“**Manager CSPA**”) as purchaser with LK REIT Management Pte. Ltd. (“**LKRM**”) as vendor and PT Lippo Karawaci Tbk (“**PT LK**”) as guarantor, to acquire 400,000 ordinary shares of Bowsprit Capital Corporation Limited (“**Bowsprit**”), representing 40.0% of the total issued and paid-up share capital of Bowsprit, held by LKRM, subject to the terms and conditions of the Manager CSPA (“**Proposed Manager Acquisition**”). For the avoidance of doubt, the Proposed Manager Acquisition includes all the issued units in First Real Estate Investment Trust (“**First REIT**”) held by Bowsprit. As at the Latest Practicable Date (defined herein), Bowsprit held 55,051,808 units in First REIT, representing approximately 7.0% of the total issued units in First REIT;
- (ii) OUE Limited (“**OUE**”), the Company’s parent company, has also as purchaser entered into the Manager CSPA to acquire 600,000 ordinary shares of Bowsprit, representing 60.0% of the total issued and paid-up share capital of Bowsprit (“**OUE Manager Acquisition**”);
- (iii) subject to completion of the Proposed Manager Acquisition and the OUE Manager Acquisition, Bowsprit shall be the subject of a joint venture between the Company and OUE; and

APPENDIX A – IFA LETTER

- (iv) OLH Healthcare Investments Pte. Ltd. (“**OHI**”), an indirect wholly-owned subsidiary of the Company, had on the same day, entered into a conditional unit purchase agreement (“**Units CSPA**”) as purchaser with Bridgewater International Limited (“**Bridgewater**”) as vendor and PT LK as guarantor to acquire 83,593,683 units in First REIT, representing approximately 10.6% of the total issued units in First REIT, held by Bridgewater, subject to the terms and conditions of the Units CSPA (“**Proposed Units Acquisition**”).

The Proposed Manager Acquisition and the Proposed Units Acquisition are collectively referred to as “**Proposed Transactions**”.

The consideration for the Proposed Manager Acquisition was determined to be approximately S\$39.6 million (“**Manager Consideration**”) to be fully satisfied by the Company in cash upon the completion of the Proposed Manager Acquisition (“**Manager Completion**”). The consideration for the Proposed Units Acquisition was determined to be approximately S\$102.7 million (“**Units Consideration**”) to be fully satisfied by OHI in cash upon the completion of the Proposed Units Acquisition (“**Units Completion**”).

After the completion of the Proposed Transactions, the Company will hold approximately 13.4% of the total issued units in First REIT, comprising of approximately 10.6% direct interest and 2.8% indirect interest through Bowsprit, based on 786,684,626 units being the total issued units in First REIT as at the Latest Practicable Date and assuming that there is no change in the total issued units in First REIT as at the Manager Completion and Units Completion.

OUE is a controlling shareholder of the Company and as at the Latest Practicable Date, OUE directly and indirectly, owns an aggregate of 1,429,514,500 ordinary shares of the Company, representing approximately 64.3% of the total issued and paid-up share capital of the Company (“**Shares**”).

The vendors for the Proposed Transactions, LKRM and Bridgewater, are indirect wholly-owned subsidiaries of PT LK. Based on publicly disclosed information, PT LK is 52.4% held by PT Inti Anugerah Pratama, which is in turn 40.0% held by Fullerton Capital Limited, a company wholly-owned by Dr Stephen Riady, a Director of the Company and 60.0% held by PT Trijaya Utama Mandiri, a company indirectly wholly-owned by Mr James Tjahaja Riady, the brother of Dr Stephen Riady. Accordingly, each of LKRM and Bridgewater is considered an associate of Dr Stephen Riady and deemed as an “**interested person**” within the meaning of Chapter 9 of Section B of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), and each of the Proposed Manager Acquisition and Proposed Units Acquisition constitutes an “interested person transaction” as defined in Rule 904(5) of the Catalist Rules (“**Interested Person Transaction**”).

In accordance with Chapter 9 of the Catalist Rules, Shareholders’ approval must be obtained for any Interested Person Transaction of a value which is equal to or greater than 5.0% of the Group’s latest audited net tangible assets (“**NTA**”) or when aggregated with other Interested Person Transactions during the same financial period, the value is equal to or more than 5.0% of the Group’s latest audited NTA. In obtaining such approval, pursuant to Rule 919 of the Catalist Rules, the Interested Person and their associates are required to abstain from voting on the resolution approving the Interested Person Transaction.

Based on the Company’s latest audited consolidated accounts for the financial year ended 31 December (“**FY**”) 2017, the Group’s audited NTA amounted to approximately S\$37.5 million. The value of each of the Proposed Manager Acquisition and Proposed Units Acquisition is more than 5.0% of the Group’s latest audited NTA. Pursuant to Rule 906(1)(a) of the Catalist Rules, the Proposed Transactions will be subject to the Shareholders’ approval at an extraordinary general meeting of the Company (“**EGM**”) to be convened.

APPENDIX A – IFA LETTER

Pursuant to Rule 921(4)(a) of the Catalist Rules, the Company is required to appoint an independent financial adviser (“**IFA**”) to advise the Directors who are deemed to be independent in respect of the Proposed Transactions (“**Non-Interested Directors**”) as to whether the Proposed Transactions are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders. In addition, pursuant to Rule 919 of the Catalist Rules, Dr Stephen Riady will abstain and will procure that his associates and nominees abstain from voting on the resolutions to approve the Proposed Transactions at the EGM in respect of their entire shareholdings in the Company.

Accordingly, RHT Capital Pte. Ltd. (“**RHTC**”) has been appointed by the Company as the IFA to the Non-Interested Directors to render an opinion on whether the Proposed Transactions, as Interested Person Transactions, are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

Save for Dr Stephen Riady who will abstain from making any recommendation on the Proposed Transactions as a Director of the Company, the remaining Directors, namely, Mr Lee Yi Shyan, Dr Wong Weng Hong, Mr Masato Mohri, Mr Roger Tan Chade Phang, Mr Eric Sho Kian Hin, Mr Jackson Tay Eng Kiat and Mr Johji Sato are deemed to be independent for the purpose of the Proposed Transactions and will be making a recommendation on the Proposed Transactions.

This letter (“**Letter**”) is addressed to the Non-Interested Directors and sets out, *inter alia*, our evaluation and recommendation on the Proposed Transactions as Interested Person Transactions. This Letter forms part of the Circular to Shareholders which provides, *inter alia*, the details of the Proposed Transactions and the recommendation of the Non-Interested Directors thereon.

APPENDIX A – IFA LETTER

2. TERMS OF REFERENCE

The purpose of this Letter is to provide an independent opinion, for the purpose of Chapter 9 of the Catalyst Rules, on whether the Proposed Transactions, as Interested Person Transactions, are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Transactions nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Proposed Transactions. We do not, by this Letter, warrant the merits of the Proposed Transactions other than to form an opinion on the Proposed Transactions for the purposes of Chapter 9 of the Catalyst Rules.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on information provided and representations made by the Directors, the management of the Company ("**Management**") and the Company's advisers. We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness and adequacy of such information. We have nevertheless made such enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge and belief, all facts stated and opinions expressed in the Circular which relate to the Proposed Transactions and the Company are fair and accurate and that there are no material facts or omissions of which would make any statement in the Circular misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purposes of assessing the terms of the Proposed Transactions and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of Bowsprit, First REIT, the Company and/or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of Bowsprit, First REIT, the Company and/or the Group in connection with our opinion in this Letter.

We have not made an independent evaluation or appraisal of the assets and liabilities of Bowsprit, First REIT, the Company and/or the Group (including without limitation, property, plant and equipment). We have, however, been furnished with the valuation certificates on the portfolio of investment properties of First REIT ("**Investment Properties**") dated 10 September 2018 ("**Valuation Certificates**") prepared by KJPP Rengganis, Hamid & Rekan ("**KJPP RHR**"), Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("**Colliers**"), KJPP Wilson dan Rekan ("**KJPP Wilson**") and Cushman & Wakefield VHS Pte. Ltd. ("**Cushman & Wakefield**") (collectively, "**Independent Valuers**"), being the independent valuers appointed by the Company for the purposes of the Proposed Units Acquisition, on which we have placed sole reliance on for such valuation. Further details on the Valuation Certificates are set out in section 6.5.1 of this Letter and the Valuation Certificates are set out in Appendix B to the Circular.

We are not experts in the evaluation or appraisal of the assets concerned and we have made reference to Valuation Certificates for such assets appraisal and have not made any independent verification of the contents thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuations contained in the Valuation Certificates or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements.

APPENDIX A – IFA LETTER

We will be relying on the disclosures and representations made by the Company on the value of the assets, liabilities and profitability of Bowsprit, First REIT, the Company and/or the Group. We have not relied on any financial projections or forecasts in respect of Bowsprit, First REIT, the Company and/or the Group for the purpose of our evaluation of the Proposed Transactions.

Our opinion as set out in this Letter is based upon the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as of 17 September 2018 (“**Latest Practicable Date**”). Such conditions may change significantly over a relatively short period of time. **We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.** Shareholders should further take note of any announcements relevant to their consideration of the Proposed Transactions which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we advise the Non-Interested Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter set out in the Circular). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this Letter set out in the Circular).

This Letter sets out, *inter alia*, our opinion on whether the Proposed Transactions, as Interested Person Transactions, are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, and should be considered in the context of the entirety of this Letter and the Circular.

APPENDIX A – IFA LETTER

3. INFORMATION ON THE COMPANY AND THE GROUP

The Company is a subsidiary of OUE and is listed on the Catalist Board of the SGX-ST. OUE and OUE LH are member companies of Lippo group, one of the Asia's largest and most diversified conglomerates with close to 20 listed companies across Asia and serving over 60 million customers annually. The Company serves as OUE's platform to expand into the healthcare real estate market.

The Company is principally engaged in the development and management of healthcare facilities in Japan and China. The Group seeks to expand its portfolio across China, Japan and Southeast Asia.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital comprising 2,221,564,603 Shares. Based on the last transacted Share price of S\$0.120 and the outstanding Shares as at the Latest Practicable Date, the market capitalisation of the Company was approximately S\$266.6 million.

4. INFORMATION ON BOWSPRIT AND FIRST REIT

4.1 Information on Bowsprit and LKRM

The details on Bowsprit and the vendor for the Proposed Manager Acquisition, LKRM, which have been set out in sections 2.1 and 2.2 of the Circular, are extracted and reproduced in italics below:

“2.1. Information on Bowsprit

Bowsprit is a public limited company incorporated in Singapore on 17 May 2006. As at the date of the Manager CSPA, the issued and paid-up share capital of Bowsprit is S\$1,000,000 divided into 1,000,000 ordinary shares.

Bowsprit is the manager of First REIT, which is listed on the Main Board of the SGX-ST.

As at the Latest Practicable Date, Bowsprit owns 55,051,808 Units, representing approximately 7.0%¹ of the total issued Units of First REIT.

The audited NTA and the NAV of Bowsprit attributable to the Sale Shares as at 31 December 2017 were both approximately S\$31,015,000. The audited profit before income tax, minority interests and extraordinary items for FY2017 of Bowsprit attributable to the Sale Shares was approximately S\$4,630,000.

2.2. Information on LKRM

LKRM, the vendor of the Sale Shares, is a private limited company incorporated in Singapore and an indirect wholly-owned subsidiary of PT LK, which is listed on the Indonesia Stock Exchange. PT LK is one of Indonesia's largest listed property companies, with a portfolio that comprises residential and urban development, hospitals, malls, hotels and leisure and asset management.”

APPENDIX A – IFA LETTER

4.2 Information on First REIT and Bridgewater

The details on First REIT and the vendor for the Proposed Units Acquisition, Bridgewater, which have been set out in sections 3.1 and 3.2 of the Circular, are extracted and reproduced in italics below:

“3.1. Information on First REIT

First REIT is a real estate investment trust listed on the Main Board of the SGX-ST on 11 December 2006. As at the Latest Practicable Date, First REIT has in aggregate 786,684,626 Units in issue.

First REIT is a healthcare real estate investment trust which invests 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. As at the Latest Practicable Date, First REIT has 20 properties across Indonesia, Singapore and South Korea.

The audited NTA and the NAV of First REIT attributable to the Sale Units as at 31 December 2017 were approximately S\$84,099,000. The audited profit before income tax, minority interests and extraordinary items for FY2017 of First REIT attributable to the Sale Units was approximately S\$9,942,000.

3.2. Information on Bridgewater

Bridgewater, the vendor of the Sale Units, is incorporated in Seychelles and is an indirect wholly-owned subsidiary of PT LK.”

5. SALIENT TERMS OF THE PROPOSED TRANSACTIONS

5.1 Proposed Manager Acquisition

The details of the Proposed Manager Acquisition are set out in section 2 of the Circular. A summary of the key terms of the Proposed Manager Acquisition is set out below for your reference.

5.1.1 Manager Consideration

The Manager Consideration of approximately S\$39.6 million for the Proposed Manager Acquisition is payable by the Company in cash to LKRM upon the Manager Completion. The Manager Consideration was arrived at based on a price-earnings ratio of approximately 9.6 times of the audited profit after tax of Bowsprit for FY2017, of which the profit after tax attributable to 40.0% of the total issued and paid-up share capital of Bowsprit is approximately S\$4.1 million.

As at the Latest Practicable Date, Bowsprit held 55,051,808 units in First REIT, representing approximately 7.0% of the total issued units in First REIT. For the avoidance of doubt, the Proposed Manager Acquisition includes the acquisition of all the issued units in First REIT held by Bowsprit.

Accordingly, the Manager Consideration of approximately S\$39.6 million which is for 40.0% of the total issued and paid-up share capital of Bowsprit, would value the total issued and paid-up share capital of Bowsprit at S\$98.9 million (“**Implied Bowsprit Valuation**”).

APPENDIX A – IFA LETTER

5.1.2 Conditions Precedent

As set out in section 2.3(c) of the Circular, the Manager Completion is conditional upon satisfaction or waiver (as the case may be) of certain conditions, including, *inter alia*, the following:

- (i) the passing at the EGM of the resolutions for the Proposed Manager Acquisition and the Proposed Units Acquisition;
- (ii) the receipt of the necessary regulatory approval from the Monetary Authority of Singapore in relation to the Proposed Manager Acquisition pursuant to Section 97A of the Securities and Futures Act, Chapter 289 of Singapore;
- (iii) the receipt of all requisite legal, regulatory, corporate and other approvals, waivers and consents required to carry out the Proposed Manager Acquisition and all transactions related thereto, and such legal, regulatory, corporate and other approvals, waivers and consents remaining valid and in full force and effect on the Manager Completion;
- (iv) as at the date of the Manager Completion, no relevant governmental authority taking, instituting, implementing or threatening in writing to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might make the transactions or provisions contemplated in the Manager CSPA void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;
- (v) since 30 June 2018, there being no material adverse change in the financial condition and business operations of Bowsprit; and
- (vi) all representations, undertakings and warranties of OUE, the Company and LKRM under the Manager CSPA being complied with, true, accurate and not misleading in any material respect as at the date of the Manager Completion.

5.1.3 Guarantee by PT LK

As set out in section 2.3(e) of the Circular, PT LK had provided guarantees to the Company and OUE in respect of the Proposed Manager Acquisition to guarantee due and punctual performance and observance by LKRM of all its obligations, commitments, undertakings, warranties and indemnities under or pursuant to the Manager CSPA.

5.1.4 Right of First Refusal by PT LK

Subject to the Manager Completion, PT LK shall grant a right of first refusal (“**ROFR**”) to Perpetual (Asia) Limited (formerly known as The Trust Company (Asia) Limited), acting in the capacity as trustee of First REIT (“**Trustee**”) as set out in section 2.3(f) of the Circular and is extracted and reproduced in italics below:

*“In connection with the Manager CSPA, and subject to the Manager Completion, it is proposed that PT LK shall grant Perpetual (Asia) Limited (formerly known as The Trust Company (Asia) Limited), acting in its capacity as trustee of First REIT (the “**Trustee**”) a right of first refusal (the “**PT LK ROFR**”) over any proposed offer by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity, for the period commencing from the Manager Completion Date and for so long as Bowsprit remains the manager of First REIT, and OUE and/or the Company hold(s) directly or indirectly, whether singly or in the aggregate, the single largest interest in Bowsprit (the “**PT LK ROFR Period**”).*

APPENDIX A – IFA LETTER

For the purposes of the PT LK ROFR:

“Grantor Group” means PT LK and its subsidiaries, save for any subsidiary of PT LK which is listed on an Indonesia stock exchange (“Listed Subsidiary”) and the subsidiaries of such Listed Subsidiary;

“Relevant Asset” means a property in Indonesia or Singapore which is primarily used for healthcare purposes and, if applicable, the shares or equity interests in one or more single purpose companies or entities which holds such property, where “healthcare” shall mean hospitals, nursing homes, medical clinics and pharmacies; and

“Relevant Entity” means a member of the Grantor Group.”

5.1.5 Right of First Refusal by the Company

Subject to the Manager Completion, the Company shall grant a ROFR to the Trustee as set out in section 2.3(g) of the Circular and is extracted and reproduced in italics below:

“In connection with the Proposed Manager Acquisition, and subject to the Manager Completion, it is also proposed that the Company shall grant the Trustee a right of first refusal (the “OUELH ROFR”) over any proposed offer by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity, for the period commencing from the Manager Completion Date and for so long as Bowsprit remains the manager of First REIT, and OUE, and/or the Company hold(s), directly or indirectly, whether singly or in the aggregate, the single largest interest in Bowsprit (the “OUELH ROFR Period”).

For the purposes of the OUELH ROFR:

“Grantor Group” means the Company and its subsidiaries, save for any subsidiary of the Company which is listed on a securities exchange (“Listed Subsidiary”) and the subsidiaries of such Listed Subsidiary;

“Relevant Asset” means a property in Indonesia or Singapore which is primarily used for healthcare purposes and, if applicable, the shares or equity interests in one or more single purpose companies or entities which holds such property, where “healthcare” shall mean hospitals, nursing homes, medical clinics and pharmacies; and

“Relevant Entity” means a member of the Grantor Group.”

5.1.6 Non-Compete Undertaking by PT LK

Subject to the Manager Completion, PT LK shall provide a non-compete undertaking to the Trustee as set out in section 2.3(h) of the Circular and is extracted and reproduced in italics below:

“In connection with the Manager CSPA, and subject to the Manager Completion, it is further proposed that PT LK shall undertake to the Trustee that, for the period commencing from the Manager Completion Date and for so long as Bowsprit remains the manager of First REIT, and OUE and/or the Company hold(s), directly or indirectly, whether singly or in the aggregate, the single largest interest in Bowsprit (the “Non-Compete Period”), the Grantor Group shall not set up, establish, constitute, manage and/or invest in any fund or other entity, whether listed or unlisted, which invests principally, whether directly or indirectly, in Relevant Assets without the prior written consent of the Trustee (the “Non-Compete Undertaking”).

APPENDIX A – IFA LETTER

Nothing in the foregoing shall:

- (i) restrict the continued holding or control of holding of an interest in First REIT, whether directly or indirectly, by the Grantor Group;*
- (ii) prevent the Grantor Group from undertaking any part of the operation, management and development of any Relevant Assets;*
- (iii) restrict the continued holding, operation, management, development or sale of any Relevant Asset which is not acquired by First REIT pursuant to the PT LK ROFR; or*
- (iv) prevent the Grantor Group from holding any indirect interest in any company or fund, which may compete with the Relevant Asset or any part thereof in Singapore and Indonesia, provided that no member of the Grantor Group shall be a controlling shareholder of such company or fund or have the right to appoint any board representative in such company or fund.*

For the purposes of the Non-Compete Undertaking:

“control” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;

“controlling shareholder” means a person who:

- (A) holds directly or indirectly more than 50.0% of the shares in issue or other equity interest of a company; or*
- (B) has the power to direct the management or policies of a company, whether through the ownership of more than 50.0% of the voting power of such company or otherwise;*

*“Grantor Group” means PT LK and its subsidiaries, save for any subsidiary of PT LK which is listed on an Indonesia stock exchange (“**Listed Subsidiary**”) and the subsidiaries of such Listed Subsidiary; and*

“Relevant Asset” means a property in Indonesia or Singapore which is primarily used for healthcare purposes and, if applicable, the shares or equity interests in one or more single purpose companies or entities which holds such property, where “healthcare” shall mean hospitals, nursing homes, medical clinics and pharmacies.”

5.2 Proposed Units Acquisition

The details of the Proposed Units Acquisition are set out in section 3 of the Circular. A summary of the key terms of the Proposed Units Acquisition is set out below for your reference.

5.2.1 Units Consideration

The Units Consideration of approximately S\$102.7 million for the Proposed Units Acquisition is payable by OHI in cash to Bridgewater upon the Units Completion. The Units Consideration was arrived at based on a price of S\$1.2280 per unit in First REIT, which represents a discount of 7.5% to S\$1.3276 per unit in First REIT, being the average of the intraday high price for the units in First REIT transacted on the SGX-ST for the 90 trading days period up to and including 14 September 2018.

Accordingly, the Units Consideration of approximately S\$102.7 million which is for 10.6% of the total issued units in First REIT would value the total issued units in First REIT at S\$966.0 million (“**Implied First REIT Valuation**”).

APPENDIX A – IFA LETTER

5.2.2 Conditions Precedent

As set out in section 3.3(c) of the Circular, the Units Completion is conditional upon satisfaction or waiver (as the case may be) of certain conditions, including, *inter alia*, the following:

- (i) the passing at the EGM of the resolutions for the Proposed Units Acquisition and the Proposed Manager Acquisition; and
- (ii) the receipt of all requisite legal, regulatory, corporate and other approvals, waivers and consents required to carry out the Proposed Units Acquisition and all transactions related thereto, and such legal, regulatory, corporate and other approvals, waivers and consents remaining valid and in full force and effect on the Units Completion.

5.2.3 Guarantee by PT LK

As set out in section 3.3(e) of the Circular, PT LK has provided guarantees to OHI in respect of the Proposed Units Acquisition to guarantee due and punctual performance and observance by Bridgewater of all its obligations, commitments, undertakings, warranties and indemnities under or pursuant to the Units CSPA.

6. EVALUATION OF THE PROPOSED TRANSACTIONS

In our evaluation of the Proposed Transactions, we have given due consideration to, *inter alia*, the following key factors:

- (i) Rationale for the Proposed Transactions;
- (ii) Financial performance and position of Bowsprit;
- (iii) Financial assessment of the Manager Consideration for the Proposed Manager Acquisition;
- (iv) Financial performance and position of First REIT;
- (v) Financial assessment of the Units Consideration for the Proposed Units Acquisition;
- (vi) Financial effects of the Proposed Transactions; and
- (vii) Other relevant considerations in relation to the Proposed Transactions.

6.1 Rationale for the Proposed Transactions

The rationale for the Proposed Transactions which has been set out in section 4 of the Circular is extracted and reproduced in italics below:

“4.1. Enhance shareholder value as the Proposed Transactions are earnings accretive and cash flow generating

Based on the audited financial results of First REIT and Bowsprit for FY2017, the Proposed Transactions are expected to contribute earnings of 0.26 cents per Share¹ and distribution of S\$7.1 million² to the Group. The compounded annual growth rate of First REIT in terms of asset size and distribution are 15.3% and 13.2% respectively, from 2007 to 2017. Therefore, the Proposed Transactions are expected to provide the Group with a stable and growing stream of recurring income and cash flow.

APPENDIX A – IFA LETTER

4.2. *The Proposed Transactions are consistent with the Company's Pan-Asian growth strategy*

As stated in the Company's annual report for FY2017, the Company intends to grow its healthcare business in Asia, and First REIT has significant presence in key Asian markets such as Indonesia and Singapore and is focused on investing in diverse yield-accretive healthcare-related real estate assets throughout Asia. Hence, the Proposed Transactions fit into the Company's geographical expansion plans.

4.3. *The Proposed Transactions enable the Group to grow with an asset-light business model*

The inclusion of First REIT and Bowsprit as part of the business of the Group with the completion of the Proposed Transactions will position the Group to ride on a business eco-system of growth through investments, operations, asset management, and capital recycling for reinvestments."

6.2 Financial performance and position of Bowsprit

Financial performance of Bowsprit

The financial performance of Bowsprit for FY2015, FY2016 and FY2017 and the six-month period ended 30 June ("1H") 2017 and 2018 is as follows:

	← Audited →			← Unaudited →	
(S\$'000)	FY2015	FY2016	FY2017	1H2017	1H2018
Revenue	10,560	10,832	11,436	5,348	5,666
Interest Income	3	1	-	-	-
Dividend income	3,199	3,644	4,038	1,943	2,254
Other gains	21	25	13	10	6
Administrative expenses	(3,670)	(3,955)	(3,912)	(2,167)	(1,569)
Finance costs	(4)	-	-	-	-
Profit before tax	10,109	10,547	11,575	5,134	6,357
Income tax expense	(1,169)	(1,167)	(1,281)	(600)	(600)
Profit after tax	8,940	9,380	10,294	4,534	5,757

Sources: Bowsprit's audited financial statements for FY2015, FY2016 and FY2017, and unaudited financial statements for 1H2017 and 1H2018

Review of operating results

FY2015 vs FY2016

Revenue increased by S\$0.2 million or approximately 2.6% from S\$10.6 million in FY2015 to S\$10.8 million in FY2016 mainly due to the increase in portfolio management fee income as a result of an increase in the net property income and total assets of First REIT, partly offset by a decrease in property acquisition fees.

Dividend income increased by S\$0.4 million or approximately 13.9% from S\$3.2 million in FY2015 to S\$3.6 million in FY2016 mainly due to the increase in distributions per unit of First REIT.

APPENDIX A – IFA LETTER

Other gains increased from FY2015 to FY2016 as a result of an increase in the receipt of government grants.

Administrative expenses increased by S\$0.3 million or approximately 7.8% from S\$3.7 million in FY2015 to S\$4.0 million in FY2016 mainly due to increase in the cost of: (i) office rental; (ii) employee benefits expense arising from the increase in salaries and other short-term employee benefits and contributions to defined contribution plan; and (iii) directors' fees.

Finance costs incurred in FY2016 was negligible due to the decrease in finance leases of Bowsprit.

As a result of the above factors, profit after tax of Bowsprit improved by S\$0.5 million or approximately 4.9% from S\$8.9 million in FY2015 to S\$9.4 million in FY2016.

FY2016 vs FY2017

Revenue increased by S\$0.6 million or approximately 5.6% from S\$10.8 million in FY2016 to S\$11.4 million in FY2017 mainly due to the increase in portfolio management fee income as a result of an increase in the net property income and total assets of First REIT and an increase in property acquisition fees.

Dividend income increased by S\$0.4 million or approximately 10.8% from S\$3.6 million in FY2016 to S\$4.0 million in FY2017 mainly due to the increase in distributions per unit by First REIT.

Other gains decreased from FY2016 to FY2017 as a result of a decrease in the receipt of government grants.

Administrative expenses decreased marginally from S\$4.0 million in FY2016 to S\$3.9 million in FY2017 due to the decrease in the cost of: (i) office rental; and (ii) employee benefits expense arising from the decrease in salaries and other short-term employee benefits and contributions to defined contribution plan, partly offset by an increase in directors' fees.

As a result of the above factors, profit after tax of Bowsprit improved by S\$0.9 million or approximately 9.7% from S\$9.4 million in FY2016 to S\$10.3 million in FY2017.

1H2017 vs 1H2018

Revenue increased by S\$0.4 million or approximately 5.9% from S\$5.3 million in 1H2017 to S\$5.7 million in 1H2018 mainly due to the increase in portfolio management fee income as a result of an increase in the net property income and total assets of First REIT.

Dividend income increased by S\$0.4 million or approximately 16.0% from S\$1.9 million in 1H2017 to S\$2.3 million in 1H2018 mainly due to the increase in distributions per unit by First REIT.

Other gains decreased from 1H2017 to 1H2018 as a result of a decrease in the receipt of government grants.

Administrative expenses decreased by S\$0.6 million or approximately 27.6% from S\$2.2 million in 1H2017 to S\$1.6 million in 1H2018 mainly due to a decrease in the cost of: (i) office rental; and (ii) employee benefits expense arising from the decrease in salaries and other short-term employee benefits and contributions to defined contribution plan, partly offset by an increase in directors' fees.

As a result of the above factors, profit after tax of Bowsprit improved by S\$1.3 million or approximately 27.0% from S\$4.5 million in 1H2017 to S\$5.8 million in 1H2018.

APPENDIX A – IFA LETTER

Financial position of Bowsprit

The financial position of Bowsprit as at 31 December 2017 and 30 June 2018 is as follows:

	Audited	Unaudited
(S\$'000)	31 December 2017	30 June 2018
Plant and equipment	69	78
Available-for-sale financial assets	69,366	70,997
Total non-current assets	69,435	71,075
Trade and other receivables	8,470	8,502
Other assets	115	157
Cash and cash equivalents	2,453	3,058
Total current assets	11,038	11,717
Total assets	80,473	82,792
Income tax payable	1,294	1,246
Other financial liabilities	14	2
Trade and other payables	1,627	1,366
Total current liabilities	2,935	2,614
Share capital	1,000	1,000
Fair value reserve	20,183	17,065
Retained earnings	56,355	62,113
Total equity	77,538	80,178
Total equity and liabilities	80,473	82,792
Net asset value ("NAV") as at 30 June 2018		80,178,025
Implied Bowsprit Valuation		98,883,620
Price-to-NAV ("P/NAV") ratio		1.2

Sources: Bowsprit's audited financial statements for FY2017 and unaudited financial statements for 1H2018

Review of financial position

As at 30 June 2018

The assets of Bowsprit as at 30 June 2018 comprised mainly: (i) available-for-sale financial assets of S\$71.0 million; (ii) trade and other receivables of S\$8.5 million; and (iii) cash and cash equivalents of S\$3.1 million, representing 85.8%, 10.3% and 3.7% of the total assets respectively.

Available-for-sale financial assets of Bowsprit comprised quoted equity units in First REIT and are recognised at fair value. Trade and other receivables relate mainly to trade receivables due from First REIT which are unsecured, interest-free and repayable on demand.

APPENDIX A – IFA LETTER

The liabilities of Bowsprit as at 30 June 2018 comprised mainly: (i) trade and other payables of S\$1.4 million; and (ii) income tax payable of S\$1.2 million, representing 52.3% and 47.7% of the total liabilities respectively.

As at 30 June 2018, the NAV of Bowsprit amounted to approximately S\$80.2 million.

We wish to highlight to the Non-Interested Directors that the above analysis is only for illustrative purposes and is not meant to be an indication of, or comment on Bowsprit's future profitability, growth prospects, financial positions and working capital sufficiency.

6.3 Financial assessment of the Manager Consideration for the Proposed Manager Acquisition

In assessing the Manager Consideration, we have considered the following:

- (i) NAV and revalued NAV ("**RNAV**") of Bowsprit; and
- (ii) Financial assessment of the Manager Consideration *vis-à-vis* comparable companies of Bowsprit.

6.3.1 NAV and RNAV of Bowsprit

The NAV of Bowsprit as at 30 June 2018 amounted to S\$80.2 million. We note that Bowsprit had on 31 August 2018 declared a dividend of S\$2.0 million ("**Bowsprit Dividend**"). As at the date of this Letter, the Bowsprit Dividend had been paid to LKRM, being the sole shareholder of Bowsprit and the vendor for the Proposed Manager Acquisition. Accordingly, after deducting the Bowsprit Dividend from the NAV of Bowsprit as at 30 June 2018, the adjusted NAV of Bowsprit as at 30 June 2018 amounted to S\$78.2 million. The Implied Bowsprit Valuation of S\$98.9 million represents a premium of 26.5% over the adjusted NAV of Bowsprit or a P/NAV ratio of 1.3 times.

In our evaluation, we have also considered whether there are any other assets which should be revalued at an amount that is materially different from that which was recorded on the financial statements of Bowsprit as at 30 June 2018 and whether there are any factors which have been otherwise disclosed in the financial statements of Bowsprit that are likely to impact the NAV of Bowsprit as at 30 June 2018.

As at 30 June 2018, the assets of Bowsprit comprised mainly available-for-sale financial assets of S\$71.0 million, representing 85.8% of the total assets. Available-for-sale financial assets of Bowsprit comprised quoted equity units in First REIT. We note that as at 30 June 2018, Bowsprit held 53,381,217 units in First REIT. On 17 July 2018, 680,251 units and 990,340 units in First REIT were issued to Bowsprit, pursuant to the trust deed constituting First REIT dated 19 October 2006 (as amended), as partial payment of the performance fee component and the base fee component in respect of the management fee respectively. Further details of the issuance of the units are set out in section 6.5.1 of this Letter. Accordingly, as at the Latest Practicable Date, Bowsprit held 55,051,808 Units in First REIT.

As set out in section 6.5.1 of this Letter, in connection with the Proposed Units Acquisition, the Group had commissioned the Independent Valuers for the independent valuations on the Investment Properties of First REIT as at 16 July 2018. Based on the Valuation Certificates, we have computed First REIT's RNAV per unit, further details of which are set out in section 6.5.1 of this Letter. We note that First REIT's adjusted NAV per unit and RNAV per unit are S\$1.01, which are lower than the unit price of First REIT of S\$1.24 as at the Latest Practicable Date. Accordingly, in our evaluation of the Proposed Manager Acquisition, we have recomputed the RNAV of Bowsprit based on the unit price of First REIT of S\$1.24 as at the Latest Practicable Date.

APPENDIX A – IFA LETTER

Based on the book value of the available-for-sale financial assets of Bowsprit as at 30 June 2018, the 55,051,808 units in First REIT held by Bowsprit which includes the 990,340 units and 680,251 units in First REIT issued to Bowsprit on 17 July 2018, and the unit price of First REIT of S\$1.24 as at the Latest Practicable Date, we have computed the revaluation deficit of the quoted equity units in First REIT:

	Book value as at 30 June 2018	Revalued amount based on unit price of First REIT as at Latest Practicable Date	Revaluation deficit
	(S\$'000)	(S\$'000)	(S\$'000)
Available-for-sale financial assets	70,997	68,264	2,733

Based on the above, we have recomputed the RNAV of Bowsprit as at 30 June 2018:

	(S\$'000)
Adjusted NAV of Bowsprit as at 30 June 2018	78,178
Less: Revaluation deficit in relation to the available-for-sale financial assets	(2,733)
RNAV of Bowsprit as at 30 June 2018	75,445
Price-to-RNAV ("P/RNAV") ratio based on the Implied Bowsprit Valuation	1.3

Source: Bowsprit's unaudited financial statements for 1H2018

Based on the above, we note that the Implied Bowsprit Valuation represents a premium of 31.1% over the RNAV of Bowsprit or a P/RNAV ratio of 1.3 times.

In respect of the above, we have sought the following confirmations from the Directors and Management, and they confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief that, save as disclosed in this Letter:

- (i) other than the available-for-sale financial assets and Bowsprit Dividend, there are no material differences between realisable values of Bowsprit's assets and the respective book value as at 30 June 2018 which would have material impact on the NAV of Bowsprit;
- (ii) there are no other contingent liabilities, bad or doubtful debts or material events which would likely have a material impact on the NAV of Bowsprit as at the Latest Practicable Date;
- (iii) there are no litigation, claims or proceedings pending or threatened against Bowsprit or of any fact which would give rise to any proceedings which might materially and adversely affect the financial position of Bowsprit;
- (iv) there are no other intangible assets which ought to be disclosed in the statement of financial position of Bowsprit in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of Bowsprit; and
- (v) there are no material acquisitions or disposals of assets by Bowsprit between 30 June 2018 and the Latest Practicable Date, and Bowsprit does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of Bowsprit's material assets or material change in the nature of Bowsprit's business.

APPENDIX A – IFA LETTER

We wish to highlight to the Non-Interested Directors that the above analysis is only for illustrative purposes and is not meant to be an indication of, or comment on Bowsprit's future profitability, growth prospects, financial positions and working capital sufficiency.

6.3.2 Financial assessment of the Manager Consideration *vis-à-vis* comparable companies of Bowsprit

In assessing the Manager Consideration, we have attempted to compare various valuation ratios of Bowsprit implied by the Manager Consideration with companies which are listed on the SGX-ST and are engaged in, *inter alia*, real estate trust management. However, we have not been able to find such companies listed on the SGX-ST. In view of the foregoing, we have expanded our comparison to include companies which are listed on other major exchanges that are engaged in *inter alia*, real estate trust management ("**Comparable Companies**").

We have had discussions with the Management of the Company about the suitability and reasonableness of the selected Comparable Companies as comparisons with Bowsprit. Relevant information has been extracted from Capital IQ, publicly available annual reports and/or public announcements of the selected listed companies. We make no representations or warranties, expressed or implied as to the accuracy or completeness of such information. The accounting policies of the Comparable Companies with respect to the values for which assets or the revenue and costs are recorded may differ from that of Bowsprit.

We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there are no companies listed on the SGX-ST or other stock exchanges which we may consider to be identical to Bowsprit in terms of, *inter alia*, market capitalisation, geographical markets, composition of business activities, composition of portfolio of real estate investment managed, scale of business operations, risk profile, asset base, accounting policies, track record, future prospects, market / industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria. Therefore, the comparison made with respect to the Comparable Companies merely serves as an illustrative market valuation of Bowsprit as at the Latest Practicable Date.

APPENDIX A – IFA LETTER

In our evaluation, we have considered the following widely used valuation measures:

Valuation ratio	Description
Price-to-Earnings ("PE")	PE ratio or earnings multiple is the ratio of a company's market capitalisation divided by the historical consolidated net profit attributable to shareholders. The PE ratio is an earnings-based valuation methodology and is calculated based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. The PE ratio illustrates the ratio of the market capitalisation of an entity in relation to the historical net profit attributable to its shareholders. As such, it is affected by the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and amortisation charges.
Enterprise Value-to-Earnings before Interests, Taxes, Depreciation and Amortisation ("EV/EBITDA")	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, taxes, depreciation and amortisation. The EV/EBITDA ratio illustrates the ratio of the market value of an entity's business in relation to its historical pre-tax operating cash flow performance. The EV/EBITDA multiple is an earnings-based valuation methodology. The difference between EV/EBITDA and the PE ratio (described above) is that it does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges.
P/NAV	NAV refers to consolidated net asset value, which is the total assets of a company less total liabilities. P/NAV refers to the ratio of a company's share price divided by NAV per share. The P/NAV ratio represents an asset-based relative valuation which takes into consideration the book value or NAV backing of a company. The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.

APPENDIX A – IFA LETTER

A brief description of the Comparable Companies is set out as follows:

Comparable Companies	Stock Exchange	Business Activity Description	Financial Year End
Charter Hall Group ("Charter Hall")	Australian Securities Exchange ("ASX")	Charter Hall is one of Australia's leading fully integrated property groups, with over 25 years' experience managing and investing in high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has \$23.2 billion of funds under management across the office, retail and industrial sectors. The Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.	30 Jun 2018
Kenedix, Inc. ("Kenedix")	Tokyo Stock Exchange ("TSE")	Kenedix provides diversified real estate asset investment and management services in Japan and internationally. The company's portfolio of assets under management include office buildings, residential properties, retail properties and logistics facilities, and healthcare facilities. It also provides real estate brokerage and financial advisory services. In addition, the company manages private funds of client investors-pension funds, institutional investors, other investors, and Japanese REITs. The company was formerly known as Kennedy-Wilson Japan Co., Ltd. and changed its name to Kenedix in May 2005. Kenedix was founded in 1995 and is headquartered in Tokyo, Japan.	31 Dec 2017
Folkestone Limited ("Folkestone")	ASX	Folkestone operates as a real estate funds management, investment, and development company in Australia. It operates through property development and funds management segments. The company invests in the office, retail, industrial, residential, and social infrastructure sectors; and provides real estate funds management services for private clients and institutional investors. Folkestone is based in Sydney, Australia.	30 Jun 2018
Augusta Capital Limited ("Augusta Capital")	New Zealand Stock Exchange ("NZSE")	Augusta Capital engages in the investment of commercial and industrial properties in New Zealand. The company owns five commercial properties comprising commercial office towers, office buildings, finance center, and business parks located in Auckland. It also provides property syndication services. The company was formerly known as Kermadec Property Fund Limited and changed its name to Augusta Capital in March 2012. Augusta Capital was incorporated in 2006 and is based in Auckland, New Zealand.	31 Mar 2018

APPENDIX A – IFA LETTER

Comparable Companies	Stock Exchange	Business Activity Description	Financial Year End
BlackWall Limited (BlackWall)	ASX	BlackWall, formerly BlackWall Property Funds Limited, conducts vertically integrated property funds management business. The firm manages, develops and finance income-producing real estate on behalf of retail, high net worth and institutional property investors. It operates two wholly-owned subsidiaries, Blackwall Property Funds and WOTSO. Blackwall Property Funds is a property development and funds management business that acquires income-producing property increase rental returns. WOTSO secures conventional office space while adding value through contemporary fit out, high-speed connections, concierge and secretarial services and community engagement. It also offers project space, function areas and meeting rooms available for hire. BlackWall is based in Australia.	30 Jun 2018

Source: Capital IQ

APPENDIX A – IFA LETTER

The valuation ratios of the Comparable Companies are based on their respective last traded share prices as at the Latest Practicable Date and are set out as follows:

Comparable Companies	Market Capitalisation (S\$'million)	PE ⁽¹⁾ (times)	EV/EBITDA ⁽²⁾ (times)	P/NAV ⁽³⁾ (times)
Charter Hall	3,316.8	13.5	11.5	1.8
Kenedix	1,795.8	10.5	7.8	1.6
Folkestone	201.3	14.7	10.6	1.2
Augusta Capital	86.9	30.0 ⁽⁴⁾⁽⁵⁾	15.4 ⁽⁵⁾	1.1
BlackWall	57.7	7.3	5.1	2.0
High		30.0	15.4	2.0
Low		7.3	5.1	1.1
Mean		11.5	10.1	1.6
Median		12.0	10.6	1.6
Bowsprit	98.9⁽⁶⁾	8.6	7.6	1.3
				(P/NAV implied by the Manager Consideration as at 30 June 2018)
				1.3
				(P/RNAV implied by the Manager Consideration as at 30 June 2018)

Sources: Capital IQ, annual reports and announcements of the Comparable Companies, and RHTC calculations

Notes:

- (1) The PE ratios of the Comparable Companies are calculated based on their respective published latest full year earnings or trailing 12 months earnings, where applicable, as at the Latest Practicable Date. In respect of Bowsprit, its PE ratio is calculated based on the Implied Bowsprit Valuation of S\$98.9 million and Bowsprit's trailing 12 months earnings of S\$11.5 million for the period ended 30 June 2018. Based on Bowsprit's latest audited full year earnings of S\$10.3 million, the PE ratio implied by the Manager Consideration would be approximately 9.6 times.
- (2) The EV/EBITDA ratios of the Comparable Companies are calculated based on their respective published latest full year EBITDA and balance sheet items or their trailing 12 months EBITDA and interim balance sheet items, where applicable, as at the Latest Practicable Date. In respect of Bowsprit, its EV/EBITDA ratio is calculated based on Bowsprit's trailing 12 months EBITDA of S\$12.8 million for the period ended 30 June 2018. Bowsprit's adjusted EV of S\$97.8 million is calculated based on the Implied Bowsprit Valuation of S\$98.9 million, add debt of S\$1,994 and less cash and cash equivalents of S\$1.1 million adjusted for the Bowsprit Dividend as at 30 June 2018.
- (3) The P/NAV ratios of the Comparable Companies are calculated based on their respective NAV values as set out in their latest published financial statements as at the Latest Practicable Date. In respect of Bowsprit, its P/NAV ratio is calculated based on its adjusted NAV of S\$78.2 million and its P/RNAV ratio is calculated based on its RNAV of S\$75.4 million, as set out in section 6.3.1 of this Letter.
- (4) The PE ratio of Augusta Capital has not been included in the calculation of the mean and median of the PE ratio as it is a statistical outlier.
- (5) The one-off loss on available-for-sale assets of NZ\$2.2 million was excluded in the computation of the earnings and EBITDA of Augusta Capital. The one-off loss was recognised in respect to the fair value movement of Augusta's shareholding interest in NPT Limited which was held as an available-for-sale reserve. The reserve was released in the financial statement for the financial year ended 31 March 2018 when Augusta Capital was deemed to have significant influence over NPT Limited and recycled through the financial statements resulting in a loss being recognised in the profit before taxation.
- (6) The Implied Bowsprit Valuation values the total issued and paid-up share capital of Bowsprit at S\$98.9 million.

APPENDIX A – IFA LETTER

Based on the above, we observe that:

- (a) the PE ratio of Bowsprit implied by the Manager Consideration of 8.6 times is within the range and below the mean and the median of the PE ratios of the Comparable Companies;
- (b) the EV/EBITDA ratio of Bowsprit implied by the Manager Consideration of 7.6 times is within the range and below the mean and the median of the EV/EBITDA ratios of the Comparable Companies; and
- (c) the P/NAV and P/RNAV ratios of Bowsprit implied by the Manager Consideration of 1.3 times are within the range and below the mean and the median of the P/NAV ratios of the Comparable Companies.

APPENDIX A – IFA LETTER

6.4 Financial performance and position of First REIT

Financial performance of First REIT

The financial performance of First REIT for FY2015, FY2016, FY2017, 1H2017 and 1H2018 is as follows:

	← Audited →			← Unaudited →	
(S\$'000)	FY2015	FY2016	FY2017	1H2017	1H2018
Gross revenue	100,698	107,017	110,993	54,628	57,637
Property operating expenses	(1,422)	(1,182)	(1,517)	(607)	(715)
Net property and dividend income	99,276	105,835	109,476	54,021	56,922
Interest income	231	1,131	1,429	624	837
Manager's management fees	(9,881)	(10,584)	(10,877)	(5,343)	(5,666)
Trustee fees	(372)	(398)	(405)	(198)	(210)
Finance costs	(16,538)	(17,768)	(17,818)	(8,554)	(10,210)
Other (expenses) / income	(2,738)	(3,318)	(1,056)	327	(1,673)
Net income before the undernoted	69,978	74,898	80,749	40,877	40,000
Net fair value gains / (losses) on investment properties	24,168	(8,915)	13,367	-	-
Gains on divestment of investment property	-	512	-	-	-
Net gains / (losses) in fair value of derivatives financial instruments	2,131	(2,249)	(558)	(1,081)	213
Total return for the year before income tax	96,277	64,246	93,558	39,796	40,213
Income tax expense	(28,499)	(23,905)	(20,120)	(8,799)	(9,229)
Total return for the year after income tax	67,778	40,341	73,438	30,997	30,984
Total return attributable to:					
Unitholders of Trust	67,778	38,688	70,030	29,307	29,294
Perpetual securities holders	-	1,653	3,408	1,690	1,690
	67,778	40,341	73,438	30,997	30,984

Sources: First REIT's audited financial statements for FY2015, FY2016 and FY2017, and unaudited financial statements for 1H2017 and 1H2018

APPENDIX A – IFA LETTER

Review of operating results

FY2015 vs FY2016

Gross revenue increased by S\$6.3 million or approximately 6.3% from S\$100.7 million in FY2015 to S\$107.0 million in FY2016 mainly due to rental income contribution from Siloam Hospitals Kupang and Lippo Plaza Kupang ("**Kupang Property**") which were acquired in December 2015.

Property operating expenses decreased by S\$0.2 million or approximately 16.9% from S\$1.4 million in FY2015 to S\$1.2 million in FY2016 mainly due to the lower expenses incurred for Sarang Hospital which was partly offset by land title renewal costs for an Indonesia property, higher valuation expenses and building audit expenses.

Interest income increased by S\$0.9 million or approximately 389.6% from S\$0.2 million in FY2015 to S\$1.1 million in FY2016 mainly due to returns from the progress payments for the development of the new Siloam Hospitals Surabaya.

Manager's management fees increased by S\$0.7 million or approximately 7.1% from S\$9.9 million in FY2015 to S\$10.6 million in FY2016 mainly due to the increase in net property income and total assets of First REIT.

Trustee fees increased marginally from FY2015 to FY2016 mainly due to the increase in total assets of First REIT.

Finance costs increased by S\$1.3 million or approximately 7.4% from S\$16.5 million in FY2015 to S\$17.8 million in FY2016 mainly due to higher loan amounts drawn down to finance the acquisition of the Kupang Property and the progress payment for the development of the new Siloam Hospitals Surabaya which was partly offset by loan repayment with the proceeds from issuance of perpetual securities.

Other expenses increased by S\$0.6 million or approximately 21.2% from S\$2.7 million in FY2015 to S\$3.3 million in FY2016 as a result of the related costs for the consent solicitation exercise of the Multicurrency Medium Term Note Programme ("**MTN**") established in 2013 and transaction costs incurred for the proposed Siloam Hospitals Surabaya asset enhancement initiative ("**AEI**").

There were net fair value losses of S\$8.9 million in FY2016 as compared to net fair value gains of S\$24.2 million arising from the revaluation of investment properties. There was a one-off gain on divestment of investment property amounting to S\$0.5 million in FY2016, which was absent in FY2015. There were net losses of S\$2.2 million in FY2016 as compared to net gains of S\$2.1 million in FY2015 arising from changes in the fair value of derivative financial instruments due to the revaluation of interest rate swap contracts.

As a result of the above factors, the total return for the year after income tax attributable to unitholders decreased by S\$29.1 million or approximately 42.9% from S\$67.8 million in FY2015 to S\$38.7 million in FY2016.

FY2016 vs FY2017

Gross revenue increased by S\$4.0 million or approximately 3.7% from S\$107.0 million in FY2016 to S\$111.0 million in FY2017 mainly due to rental income contribution from (i) Siloam Hospitals Labuan Bajo ("**SHLB**") which was acquired in December 2016; (ii) Siloam Hospitals Buton and Lippo Plaza Buton ("**Buton Property**") which were acquired in October 2017; and (iii) Siloam Hospitals Yogyakarta ("**SHYG**") which was acquired in December 2017, as well as increase in rental income from existing properties.

Property operating expenses increased by S\$0.3 million or approximately 28.3% from S\$1.2 million in FY2016 to S\$1.5 million in FY2017 mainly due to the higher property expenses incurred for Sarang Hospital and existing properties in Indonesia.

APPENDIX A – IFA LETTER

Interest income increased by S\$0.3 million or approximately 26.3% from S\$1.1 million in FY2016 to S\$1.4 million in FY2017 mainly due to returns from the progress payments for the development of the new Siloam Hospitals Surabaya.

Manager's management fees had increased by S\$0.3 million or approximately 2.8% from S\$10.6 million in FY2016 to S\$10.9 million in FY2017 mainly due to the increase in net property income and total assets of First REIT.

Trustee fees increased marginally from FY2016 to FY2017 mainly due to the increase in total assets of First REIT.

Finance costs remained stable at S\$17.8 million for FY2017.

Other expenses decreased by S\$2.2 million or approximately 68.2% from S\$3.3 million in FY2016 to S\$1.1 million in FY2017 mainly due to the absence of transaction costs related to the Siloam Hospitals Surabaya AEI in FY2016 and higher unrealised exchange gain from loans denominated in United States Dollars ("USD").

There were net fair value gains of S\$13.4 million in FY2017 as compared to net fair value losses of S\$8.9 million in FY2016 arising from the revaluation of investment properties. There was a one-off gain on divestment of investment property amounting to S\$0.5 million in FY2016, which was absent in FY2017. Net losses in the fair value of derivative financial instruments decreased by S\$1.6 million or approximately 75.2% from S\$2.2 million in FY2016 to S\$0.6 million in FY2017 due to the revaluation of interest rate swap contracts.

As a result of the above factors, the total return for the year after income tax attributable to unitholders increased by S\$31.3 million or approximately 81.0% from S\$38.7 million in FY2016 to S\$70.0 million in FY2017.

1H2017 vs 1H2018

Gross revenue increased by S\$3.0 million or approximately 5.5% from S\$54.6 million in 1H2017 to S\$57.6 million in 1H2018 mainly due to rental income contribution from Buton Property and SHYG as well as increase in rental income from existing properties.

Property operating expenses increased by S\$0.1 million or approximately 17.8% from S\$0.6 million in 1H2017 to S\$0.7 million in 1H2018 mainly due to higher professional expenses incurred for existing properties in Indonesia.

Interest income increased by S\$0.2 million or approximately 34.1% from S\$0.6 million in 1H2017 to S\$0.8 million in 1H2018 mainly due to returns from the progress payments for the development of the new Siloam Hospitals Surabaya.

Manager's management fees increased by S\$0.4 million or approximately 6.0% from S\$5.3 million in 1H2017 to S\$5.7 million in 1H2018 mainly due to the increase in net property income and total assets of First REIT.

Trustee fees increased marginally from 1H2017 to 1H2018 mainly due to the increase in total assets of First REIT.

Finance costs increased by S\$1.6 million or approximately 19.4% from S\$8.6 million in 1H2017 to S\$10.2 million in 1H2018 mainly due to higher loan amounts drawn down to finance the acquisition of the Buton Property and SHYG and the second progress payment for the development of the new Siloam Hospitals Surabaya as well as the writeoff of unamortised loan related costs due to the refinancing of bank loans.

Other expenses of S\$1.7 million were incurred in 1H2018 as compared to other income of S\$0.3 million in 1H2017 mainly due to realised exchange loss related to value-added-tax refund from the acquisition of Siloam Hospitals Labuan Bajo and unrealised exchange loss on loans denominated in USD.

APPENDIX A – IFA LETTER

There were net gains of S\$0.2 million in 1H2018 as compared to net losses of S\$1.1 million in 1H2017 arising from changes in the fair value of derivative financial instruments due to the revaluation of interest rate swap contracts.

As a result of the above factors, the total return for the period after income tax attributable to unitholders remained stable at S\$29.3 million for 1H2018.

Financial position of First REIT

The financial position of First REIT as at 31 December 2017 and 30 June 2018 is as follows:

	Audited	Unaudited
(S\$'000)	31 December 2017	30 June 2018
Investment properties	1,349,303	1,349,776
Deferred tax assets	1,213	1,213
Other receivable	27,035	27,035
Derivative financial instruments	-	83
Total non-current assets	1,377,551	1,378,107
Trade and other receivables	25,982	29,103
Other assets	4,573	4,724
Cash and cash equivalents	15,741	16,320
Total current assets	46,296	50,147
Total assets	1,423,847	1,428,254
Deferred tax liabilities	51,396	51,396
Other financial liabilities	278,125	370,505
Derivatives financial instruments	512	63
Total non-current liabilities	330,033	421,964
Income tax payable	2,000	1,865
Trade and other payables	18,216	16,647
Other financial liabilities	198,324	109,520
Other liabilities	22,795	23,345
Derivatives financial instruments	164	68
Total current liabilities	241,499	151,445
Total liabilities	571,532	573,409
Issued Equity	406,603	398,551
Retained earnings	383,791	394,368
Foreign exchange reserve	1,043	1,076
Net assets attributable to unitholders	791,437	793,995

APPENDIX A – IFA LETTER

Perpetual securities holders	60,878	60,850
Net assets attributable to perpetual securities holders	60,878	60,850
NAV	852,315	854,845
NAV (attributable to unitholders) as at 30 June 2018		
		793,995,000
Implied First REIT Valuation		966,048,721
P/NAV ratio		1.2

Sources: First REIT's annual report for FY2017 and the unaudited results announcement for 1H2018

Review of financial position

As at 30 June 2018

The assets of First REIT as at 30 June 2018 comprised mainly investment properties of S\$1,349.8 million, representing approximately 94.5% of the total assets.

The liabilities of First REIT as at 30 June 2018 comprised mainly: (i) other financial liabilities (non-current) of S\$370.5 million; and (ii) other financial liabilities (current) of S\$109.5 million, representing approximately 64.6% and 19.1% of the total liabilities respectively. Other financial liabilities comprised mainly secured and unsecured bank loans. The bank loans are secured on certain Investment Properties of First REIT and shares of certain subsidiaries of First REIT.

As at 30 June 2018, the NAV attributable to unitholders of First REIT amounted to approximately S\$794.0 million. For ease of reference, the NAV attributable to unitholders of First REIT will be referred to as NAV of First REIT for the rest of this Letter.

We wish to highlight to the Non-Interested Directors that the above analysis is only for illustrative purposes and is not meant to be an indication of, or comment on First REIT's future profitability, growth prospects, financial positions and working capital sufficiency.

6.5 Financial assessment of the Units Consideration for the Proposed Units Acquisition

In assessing the Units Consideration, we have considered the following:

- (i) NAV and RNAV of First REIT;
- (ii) Financial assessment of the Units Consideration *vis-à-vis* comparable real estate investment trusts ("REITs") of First REIT; and
- (iii) Market quotations and trading activity of First REIT.

6.5.1 NAV and RNAV of First REIT

The NAV of First REIT as at 30 June 2018 amounted to S\$794.0 million. We note that, on 17 July 2018, new units in First REIT were issued to Bowsprit, comprising of (i) 680,251 units, based on an issue price of S\$1.3971 per unit, as a partial payment of the performance fee component in respect of the management fee for the period from 1 April 2017 to 30 June 2017, which values the respective units at approximately S\$1.0 million; and (ii) 990,340 units, based on an issue price of S\$1.3474 per unit, as a partial payment of the base fee component in respect of the management fee for the period from 1 April 2018 to 30 June 2018, which values the respective units at approximately S\$1.3 million. The balance of the management fee was paid in cash. Accordingly, after adjusting for the additional issued equity of approximately S\$2.3 million pursuant to the issued units, the adjusted NAV of First REIT as at 30 June 2018 amounted to S\$796.3 million.

APPENDIX A – IFA LETTER

The Implied First REIT Valuation of S\$966.0 million represents a premium of 21.3% over the adjusted NAV of First REIT or a P/NAV ratio of 1.2 times. Based on the total issued units of 786,684,626 in First REIT as the Latest Practicable Date, the adjusted NAV per unit is approximately S\$1.01.

In our evaluation, we have also considered whether there are any other assets which should be revalued at an amount that is materially different from that which was recorded on the financial statements of First REIT as at 30 June 2018 and whether there are any factors which have been otherwise disclosed in the financial statements of First REIT that are likely to impact the NAV of First REIT as at 30 June 2018.

In connection with the Proposed Units Acquisition, the Group had commissioned the Independent Valuers for the independent valuations on the Investment Properties of First REIT as at 16 July 2018. The Valuation Certificates are set out in Appendix B to the Circular.

The Independent Valuers had carried out independent valuations on the Investment Properties for the purposes of the Proposed Units Acquisition as set out below:

Property	Location	Independent Valuer
Siloam Hospitals Lippo Village	Indonesia	KJPP RHR
Siloam Hospitals Kebon Jeruk	Indonesia	KJPP RHR
Siloam Hospitals Surabaya	Indonesia	KJPP RHR
Imperial Aryaduta Hotel and Country Club	Indonesia	KJPP RHR
Siloam Hospitals Purwakarta	Indonesia	KJPP RHR
Mochtar Riady Comprehensive Cancer Centre	Indonesia	KJPP Wilson
Siloam Hospitals Makassar	Indonesia	KJPP Wilson
Siloam Hospitals Manado and Hotel Aryaduta Manado	Indonesia	KJPP Wilson
Siloam Hospitals TB Simatupang	Indonesia	KJPP Wilson
Siloam Hospitals Bali	Indonesia	KJPP Wilson
Siloam Hospitals Yogyakarta	Indonesia	KJPP Wilson
Siloam Hospitals Lippo Cikarang	Indonesia	Colliers
Siloam Sriwijaya	Indonesia	Colliers
Siloam Hospitals Kupang & Lippo Plaza Kupang	Indonesia	Colliers
Siloam Hospitals Labuan Bajo	Indonesia	Colliers
Siloam Hospitals Buton & Lippo Plaza Buton	Indonesia	Colliers
Pacific Healthcare Nursing Home @ Bukit Merah	Singapore	Cushman & Wakefield
Pacific Healthcare Nursing Home II @ Bukit Panjang	Singapore	Cushman & Wakefield
The Lantor Residences	Singapore	Cushman & Wakefield
Sarang Hospital	South Korea	Cushman & Wakefield

KJPP RHR and KJPP Wilson had carried out the independent valuations in accordance with the Indonesian Valuation Standards (Standar Penilaian Indonesia) VI Edition – 2015 and the Indonesian Valuers Code of Ethics (Kode Etik Penilai Indonesia/KEPI).

APPENDIX A – IFA LETTER

Cushman & Wakefield and Colliers had conducted the independent valuations in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines, 2015 Edition.

The Independent Valuers have prepared the Valuation Certificates on the basis of "Market Value", defined as the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

In arriving at the assessed market value of the Investment Properties, the Independent Valuers had in general, adopted the income approach. Please refer to the Valuation Certificates set out in Appendix B to the Circular for more details on the valuation approaches adopted by each of the Independent Valuers in its valuation of the respective Investment Properties.

In assessing the revaluation deficit of the Investment Properties, we have assumed the hypothetical sale of the Investment Properties at valuation amount. Based on the book value of the Investment Properties as at 30 June 2018 and the revalued amount based on the Valuation Certificates, we have computed the revaluation deficit of the Investment Properties as set out below:

	Book value as at 30 June 2018	Revalued amount based on the Valuation Certificates	Revaluation deficit
	(S\$'000)	(S\$'000)	(S\$'000)
Investment Properties	1,349,776	1,344,519 ⁽¹⁾	5,257

Note:

- (1) We note from the Management that based on the lease agreements of Sarang Hospital and all the Investment Properties located in Indonesia, the rental receipts' foreign exchange rates had been fixed on the inception of the lease agreements, and First REIT receives its rental in USD and Singapore Dollars ("SGD") respectively. Accordingly, the Independent Valuers had ascribed market values to the Sarang Hospital and all the Investment Properties located in Indonesia in USD and SGD respectively. The conversion of the market value of Sarang Hospital has been calculated based on the foreign exchange rate of US\$1:S\$1.37172 as at the Latest Practicable Date, as extracted from Capital IQ.

Based on the above, we have recomputed the RNAV of First REIT as at 30 June 2018:

	(S\$'000)
Adjusted NAV of First REIT as at 30 June 2018	796,280
Less: Revaluation deficit in relation to the Investment Properties	(5,257)
RNAV of First REIT as at 30 June 2018	791,023
P/RNAV ratio based on the Implied First REIT Valuation	1.2

Sources: First REIT's unaudited results announcement for 1H2018 and Valuation Certificates

Based on the above, we note that the Implied First REIT Valuation represents a premium of 22.1% over the RNAV of First REIT or a P/RNAV ratio of 1.2 times. Further, based on the total issued units of 786,684,626 in First REIT as the Latest Practicable Date, the RNAV per unit is approximately S\$1.01.

In respect of the above, we have sought the following confirmations from the Directors and Management, and they confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief that, save as disclosed in this Letter:

APPENDIX A – IFA LETTER

- (i) other than the Investment Properties, there are no material differences between realisable values of First REIT's assets and the respective book value as at 30 June 2018 which would have material impact on the NAV of First REIT;
- (ii) there are no other contingent liabilities, bad or doubtful debts or material events which would likely have a material impact on the NAV of First REIT as at the Latest Practicable Date;
- (iii) there are no litigation, claims or proceedings pending or threatened against First REIT or of any fact which would give rise to any proceedings which might materially and adversely affect the financial position of First REIT;
- (iv) there are no other intangible assets which ought to be disclosed in the statement of financial position of First REIT in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of First REIT; and
- (v) there are no material acquisitions or disposals of assets by First REIT between 30 June 2018 and the Latest Practicable Date, and First REIT does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of First REIT's material assets or material change in the nature of First REIT's business.

We wish to highlight to the Non-Interested Directors that the above analysis is only for illustrative purposes and is not meant to be an indication of, or comment on First REIT's future profitability, growth prospects, financial positions and working capital sufficiency.

6.5.2 Financial assessment of the Units Consideration *vis-à-vis* comparable REITs of First REIT

In assessing the Units Consideration, we have attempted to compare various valuation ratios of First REIT implied by the Units Consideration with REITs broadly comparable to First REIT, which invest mainly in healthcare and healthcare related real estate assets ("**Comparable REITs**"), and are listed on the SGX-ST. However, save for First REIT, Parkway Life Real Estate Investment Trust ("**Parkway REIT**") is the only other REIT listed on the SGX-ST which invests mainly in healthcare and healthcare related real estate assets.

In view of the foregoing, we have expanded our comparison to include REITs listed on other major exchanges which invest mainly in healthcare and healthcare real estate assets, specifically hospitals and/or medical office buildings.

We have had discussions with the Management of the Company about the suitability and reasonableness of the selected Comparable REITs as comparisons with First REIT. Relevant information has been extracted from Capital IQ, publicly available annual reports and/or public announcements of the selected listed REITs. We make no representations or warranties, expressed or implied as to the accuracy or completeness of such information. The accounting policies of the Comparable REITs with respect to the values for which assets or the revenue and cost are recorded may differ from that of First REIT.

We wish to highlight that the Comparable REITs are not exhaustive and we recognise that there is no REIT listed on the SGX-ST or other stock exchanges which we may consider to be identical to First REIT in terms of, *inter alia*, market capitalisation, geographical concentration, composition of properties, scale of operations, risk profile, track record, future prospects, political risk, competitive and regulatory environment, financial positions and other relevant criteria. Therefore, the comparison made with respect to the Comparable REITs merely serves as an illustrative market valuation of First REIT as at the Latest Practicable Date.

APPENDIX A – IFA LETTER

In our evaluation, we have considered the following widely used valuation measures:

Valuation ratio	Description
12 months distribution yield ("12 Months Distribution Yield")	12 Months Distribution Yield refers to the sum of gross distribution per unit amount over the trailing 12 months, divided by the current unit price. Gross and net distribution is assumed to be the same when only one is reported.
P/NAV	NAV refers to consolidated net asset value, which is the total assets of a company less total liabilities. P/NAV refers to the ratio of a company's share price divided by NAV per share. The P/NAV ratio represents an asset-based relative valuation which takes into consideration the book value or NAV backing of a company. The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.

A brief description of the Comparable REITs is set out as follows:

Comparable REITs	Stock Exchange	Business Activity Description	Financial Year End
Healthcare Trust of America, Inc. ("Healthcare Trust")	New York Stock Exchange ("NYSE")	Healthcare Trust is the largest dedicated owner and operator of medical office buildings in the United States, comprising over 24.2 million square feet of gross leasable area, with over \$7.0 billion invested primarily in medical office buildings. Healthcare Trust provides real estate infrastructure for the integrated delivery of healthcare services in highly-desirable locations.	31 Dec 2017
Medical Properties Trust, Inc. ("Medical Properties")	NYSE	Medical Properties is a self-advised REIT formed to capitalise on the changing trends in healthcare delivery by acquiring and developing net-leased healthcare facilities. Medical Properties's financing model helps facilitate acquisitions and recapitalisations and allows operators of hospitals and other healthcare facilities to unlock the value of their real estate assets to fund facility improvements, technology upgrades and other investments in operations. Facilities include acute care hospitals, inpatient rehabilitation hospitals, long-term acute care hospitals, and other medical and surgical facilities.	31 Dec 2017

APPENDIX A – IFA LETTER

Comparable REITs	Stock Exchange	Business Activity Description	Financial Year End
Healthcare Realty Trust Incorporated (“ Healthcare Realty ”)	NYSE	Healthcare Realty is a REIT that integrates owning, managing, financing and developing income-producing real estate properties associated primarily with the delivery of outpatient healthcare services throughout the United States. As of 30 June 2018, the company owned 201 real estate properties in 27 states totalling 14.9 million square feet and was valued at approximately \$5.0 billion. The company provided leasing and property management services to 11.2 million square feet nationwide.	31 Dec 2017
Physicians Realty Trust (“ Physicians Realty ”)	NYSE	Physicians Realty is a self-managed healthcare real estate company organised to acquire, selectively develop, own and manage healthcare properties that are leased to physicians, hospitals and healthcare delivery systems. The company invests in real estate that is integral to providing high quality healthcare.	31 Dec 2017
Assura Plc (“ Assura ”)	London Stock Exchange (“ LSE ”)	Assura is a United Kingdom REIT and long-term investor in and developer of primary care property. The company, headquartered in Warrington, works with general practitioners, health professionals and the National Health Service to create innovative property solutions in order to facilitate delivery of high quality patient care in the community. As at 31 March 2018, Assura's property portfolio was valued at £1,733 million.	31 Mar 2018
Parkway REIT	SGX-ST	Parkway REIT is one of Asia's largest listed healthcare REITs by asset size. It invests in income-producing real estate and real estate related assets that are used primarily for healthcare and healthcare-related purposes (including but are not limited to, hospitals, healthcare facilities and real estate and/or real estate assets used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine and other healthcare goods and devices). Parkway REIT owns a well-diversified portfolio of 50 properties with a total portfolio size of approximately S\$1.75 billion as at 31 March 2018. It owns the largest portfolio of strategically-located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital. In addition, it has 46 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 45 high quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots at Gleneagles Intan Medical Centre Kuala Lumpur in Malaysia.	31 Dec 2017

APPENDIX A – IFA LETTER

Comparable REITs	Stock Exchange	Business Activity Description	Financial Year End
Primary Health Properties Plc ("Primary Health")	LSE	Primary Health is a United Kingdom REIT and the leading investor in modern primary healthcare premises. The objective of the group is to create progressive returns to shareholders through a combination of earnings growth and capital appreciation. Primary Health achieves this by investing in healthcare real estate in the United Kingdom and Republic of Ireland let on long term leases backed by a secure underlying covenant funded mostly by government bodies.	31 Dec 2017
Universal Health Realty Income Trust ("Universal Health")	NYSE	Universal Health, a REIT, invests in healthcare and human service related facilities including acute care hospitals, rehabilitation hospitals, sub-acute care facilities, medical/office buildings, free-standing emergency departments and childcare centers.	31 Dec 2017
NorthWest Healthcare Properties Real Estate Investment Trust ("NorthWest Healthcare")	Toronto Stock Exchange	NorthWest Healthcare is an unincorporated, open-ended REIT established under the laws of the Province of Ontario. As at 30 June 2018, the REIT provides investors with access to a portfolio of high quality international healthcare real estate infrastructure comprised of interests in a diversified portfolio of 152 income-producing properties and 10.6 million square feet of gross leasable area located throughout major markets in Canada, Brazil, Germany, Australia and New Zealand. The REIT's portfolio of medical office buildings, clinics, and hospitals is characterised by long term indexed leases and stable occupancies.	31 Dec 2017
Vital Healthcare Property Trust ("Vital Healthcare")	NZSE	Vital Healthcare is a REIT externally managed by Vital Healthcare Management Limited. The firm invests in health and medical related properties in New Zealand and Australia. It undertakes acquisition or development of medical or healthcare-related properties such as surgical and medical facilities, geriatric and continuing care facilities primary healthcare facilities, and health support facilities. The fund may invest in conjunction with other health service providers. It was formerly known as ING Medical Properties Trust and Calan Healthcare Properties Trust.	30 Jun 2018
Community Healthcare Trust Incorporated ("Community Healthcare")	NYSE	Community Healthcare is a REIT that focuses on owning income-producing real estate properties associated primarily with the delivery of outpatient healthcare services in non-urban markets throughout the United States. The company had investments of approximately \$416.8 million in 91 real estate properties as of 30 June 2018, located in 27 states, totalling approximately 2.1 million square feet.	31 Dec 2017

APPENDIX A – IFA LETTER

Comparable REITs	Stock Exchange	Business Activity Description	Financial Year End
MedicX Fund Limited ("MedicX Fund")	LSE	MedicX Fund is the specialist primary care infrastructure investor in modern, purpose-built primary healthcare properties in the United Kingdom and Republic of Ireland, listed on the London Stock Exchange, with a portfolio comprising 154 properties.	30 Sep 2017
Al-'Aqar Healthcare REIT ("Al-'Aqar Healthcare")	Kuala Lumpur Stock Exchange	Al-'Aqar Healthcare operates as an Islamic REIT in Malaysia. It primarily invests in the Syariah-compliant real estate and Syariah compliant real estate-related assets that are used for commercial purposes. The company holds interests in 19 properties, which covers the total floor area of 3.7 million square feet consisting of 3.2 million square feet under hospitals and 0.5 million square feet under healthcare related activities. Al-'Aqar Healthcare was founded in 2006 and is based in Kuala Lumpur, Malaysia.	31 Dec 2017
Global Medical REIT Inc. ("Global Medical")	NYSE	Global Medical is a Maryland corporation engaged primarily in the acquisition of licensed, state-of-the-art, purpose-built healthcare facilities and the leasing of these facilities to strong clinical operators with leading market share. The company's management team has significant healthcare, real estate and public REIT experience and has long-established relationships with a wide range of healthcare providers. The company elected to be taxed as a REIT for U.S. federal income tax purposes commencing with the taxable year ended 31 December 2016.	31 Dec 2017

Source: Capital IQ

APPENDIX A – IFA LETTER

The valuation ratios of the Comparable REITs are based on their respective last traded prices per unit as at the Latest Practicable Date and are set out as follows:

Comparable REITs	Market Capitalisation (S\$'million)	12 Months Distribution Yield ⁽¹⁾ (%)	P/NAV ⁽²⁾ (times)
Healthcare Trust	7,825.6	4.5	1.8
Medical Properties	7,358.2	6.7	1.4
Healthcare Realty	5,172.4	4.0	2.1
Physicians Realty	4,300.3	5.3	1.3
Assura	2,448.1	4.6	1.1
Parkway REIT	1,645.6	4.8	1.6
Primary Health	1,484.6	4.8	1.1
Universal Health	1,412.2	3.6	4.9 ⁽³⁾
NorthWest Healthcare	1,241.4	7.0	1.3
Vital Healthcare	838.5	4.3	0.9
Community Healthcare	739.3	5.2	2.0
MedicX Fund	625.5	7.7	1.0
Al-'Aqar Healthcare	309.0	6.0	1.0
Global Medical	292.9	8.1	0.9

High	8.1	4.9
Low	3.6	0.9
Mean	5.5	1.3
Median	5.0	1.3

First REIT	966.0⁽⁴⁾	7.0	1.2
			(P/NAV implied by the Units Consideration as at 30 June 2018)
			1.2
			(P/RNAV implied by the Units Consideration as at 30 June 2018)

Sources: Capital IQ, annual reports and announcements of the Comparable REITs, and RHTC calculations

Notes:

- (1) The 12 Months Distribution Yield of the Comparable REITs are computed based on the sum of their respective published gross distribution per unit for their trailing 12 months, divided by the current price per unit, as at the Latest Practicable Date. In respect of First REIT, its 12 Months Distribution Yield is calculated based on the sum of First REIT's gross distribution of S\$0.0859 per unit for the trailing 12 months as at the Latest Practicable Date, divided by the Units Consideration of S\$1.228 per unit in First REIT.
- (2) The P/NAV ratios of the Comparable REITs are calculated based on their respective NAV values as set out in their latest published financial statements as at the Latest Practicable Date. In respect of First REIT, its P/NAV ratio is calculated based on its adjusted NAV of S\$796.3 million as at 30 June 2018 and its P/RNAV ratio is calculated based on its RNAV of S\$791.0 million as set out in section 6.5.1 of this Letter.

APPENDIX A – IFA LETTER

- (3) The P/NAV ratio of Universal Health has not been included in the calculation of the mean and median of the P/NAV ratio as it is a statistical outlier.
- (4) The Implied First REIT Valuation values the total issued units in First REIT at S\$966.0 million.

Based on the above, we observe that:

- (a) the 12 Months Distribution Yield of First REIT implied by the Units Consideration of 7.0% is within the range and above the mean and the median of the 12 Months Distribution Yield of the Comparable REITs; and
- (b) the P/NAV and P/RNAV ratios of First REIT implied by the Units Consideration of 1.2 times are within the range and below the mean and median of the P/NAV ratios of the Comparable REITs.

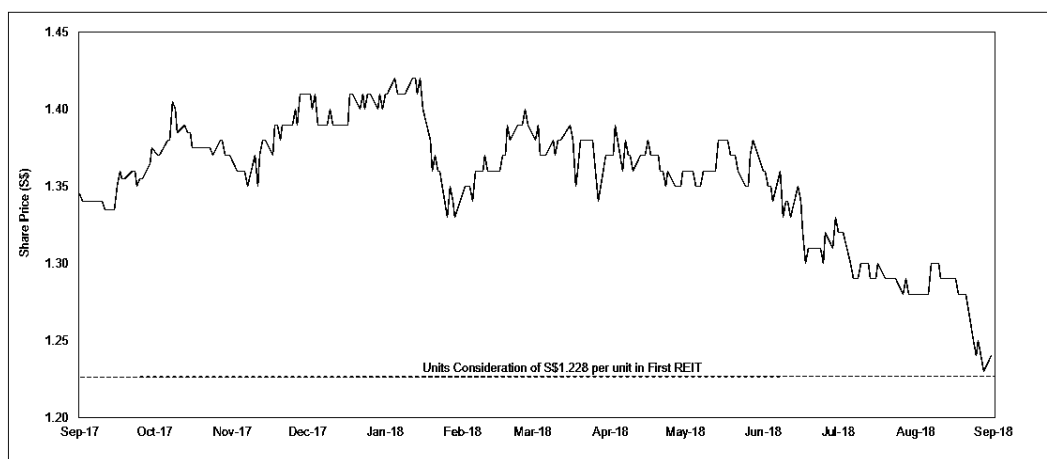
We note that among the Comparable REITs, Parkway REIT is the only REIT listed on the SGX-ST. The 12 Months Distribution Yield of First REIT implied by the Units Consideration of 7.0% is above the 12 Months Distribution Yield of Parkway REIT of 4.8% and the P/NAV and P/RNAV ratios of First REIT implied by the Units Consideration of 1.2 times is below the P/NAV ratio of Parkway REIT of 1.6 times.

For the avoidance of doubt, the Company will be acquiring approximately 10.6% of the total issued units in First REIT through OHI. Accordingly, the Units Consideration is for approximately 10.6% of the total issued units in First REIT.

6.5.3 Market quotations and trading activity of First REIT

We note that the Announcement Date is on 18 September 2018, which is one day after the Latest Practicable Date. Further, we note that on 18 September 2018, the trading of the units in First REIT was halted. Accordingly, using the Latest Practicable Date as reference, we set out below a historical chart on the trading prices of the units in First REIT for the period commencing from 18 September 2017, being the last trading date for the 1-year period prior to, and ending on the Latest Practicable Date (“**Period Under Review**”).

Trading prices of the units in First REIT for the Period Under Review



Source: Bloomberg L.P.

From the share price chart above, we note that for the Period Under Review, the unit price of First REIT had traded within a range of S\$1.23 to S\$1.42 per unit. The unit price of First REIT had not traded below the Units Consideration of S\$1.228 per unit in First REIT during the Period Under Review.

As at the Latest Practicable Date, the unit price of First REIT was S\$1.24.

APPENDIX A – IFA LETTER

We have tabulated below the respective volume weighted average price (“**VWAP**”) of the units in First REIT, the highest and lowest transacted prices for the units in First REIT for the Period Under Review.

	VWAP⁽¹⁾	Discount of Units Consideration per unit in First REIT to VWAP	Lowest transacted price	Highest transacted price
	(S\$)	(%)	(S\$)	(S\$)
For the period prior to and on the Latest Practicable Date				
1-month	1.27	3.3	1.23	1.30
3-month	1.31	6.3	1.23	1.38
6-month	1.33	7.7	1.23	1.40
1-year	1.35	9.0	1.23	1.42
17 September 2018, being the Latest Practicable Date	1.23	0.2	1.23	1.24

Source: Bloomberg L.P.

Note:

- (1) The VWAP is calculated based on the turnover divided by volume of the units in First REIT traded as extracted from Bloomberg L.P..

Based on the above, we observe that:

- (a) the Units Consideration of S\$1.228 per unit represents a discount of 3.3%, 6.3%, 7.7% and 9.0% to the VWAP of the units in First REIT for the 1-month, 3-month, 6-month and 1-year periods prior to the Latest Practicable Date respectively; and
- (b) the Units Consideration of S\$1.228 per unit represents a discount of 0.2% to the VWAP of the units in First REIT on 17 September 2018, being the Latest Practicable Date.

The Non-Interested Directors should note that the market price performance of the units in First REIT may be due to various market factors, the individual factors of which may not be easily isolated and identified with certainty. As such, the Non-Interested Directors should note that the past trading performance of the units in First REIT should not be relied upon as a promise of its future trading performance.

APPENDIX A – IFA LETTER

6.6 Financial effects of the Proposed Transactions

The financial effects of the Proposed Transactions which has been set out in section 6 of the Circular are extracted and reproduced in italics below:

“The pro forma financial effects of the Proposed Transactions set out below are purely for illustration purposes only and do not reflect the actual future financial situation of the Company or the Group after completion of the Proposed Transactions.

The pro forma financial effects of the Proposed Transactions presented below have been prepared based on the audited consolidated financial statements of the Group for FY2017 and the following assumptions:

- (a) that completion of the Proposed Transactions and the Rights Issue had taken place on 31 December 2017 for purposes of the financial effect on the NTA per Share;*
- (b) that completion of the Proposed Transactions and the Rights Issue had taken place on 1 January 2017 for purposes of the financial effect on the EPS;*
- (c) that the Group equity-accounts the financial results and positions for its 40% shareholding in Bowsprit and its approximately 10.63%¹ unitholding in First REIT;*
- (d) that the Group holds approximately 10.63%¹ of the total issued Units of First REIT on 1 January 2017 and there has been no change in percentage unitholding held by the Group during FY2017; and*
- (e) that 2,221,564,603 Rights Shares are issued at the Issue Price pursuant to the Rights Issue, raising net proceeds of approximately S\$148,755,611, for the purposes of computing the financial effect on the NTA per Share and the EPS after the Proposed Transactions.*

6.1 NTA per Share

	FY2017		
	<i>Before the Proposed Transactions</i>	<i>Pro Forma Adjusted for the Placement</i>	<i>Pro Forma Adjusted for the Placement, Rights Issue and Proposed Transactions</i>
<i>NTA (S\$'000)</i>	<i>37,494</i>	<i>114,944⁽¹⁾</i>	<i>263,700^{(1), (2)}</i>
<i>Number of Shares</i>	<i>1,659,064,603⁽³⁾</i>	<i>2,221,564,603⁽⁴⁾</i>	<i>4,443,129,206^{(4), (5)}</i>
<i>NTA per Share (cents)</i>	<i>2.26</i>	<i>5.17</i>	<i>5.93</i>

Notes:

- (1) Includes net proceeds of approximately S\$77,450,000 pursuant to the Placement.*
- (2) Includes net proceeds of approximately S\$148,755,611 pursuant to the Rights Issue.*
- (3) Represents the number of Shares outstanding as at 31 December 2017.*
- (4) Includes 562,500,000 Shares allotted and issued to BHPL on 15 February 2018 pursuant to the Placement.*
- (5) Assumes 2,221,564,603 new Shares are issued pursuant to the Rights Issue.*

APPENDIX A – IFA LETTER

6.2 EPS

	FY2017		
	<i>Before the Proposed Transactions</i>	<i>Pro Forma Adjusted for the Placement</i>	<i>Pro Forma Adjusted for the Placement, Rights Issue and Proposed Transactions</i>
<i>Profit / (loss) after tax attributable to Shareholders (S\$'000)</i>	(90,700)	(90,700)	(79,141) ⁽¹⁾
<i>Weighted average number of Shares</i>	1,659,064,603	2,221,564,603 ⁽²⁾	4,443,129,206 ^{(2), (3)}
<i>EPS / (LPS) (cents)</i>	(5.47)	(4.08)	(1.78)

Notes:

- (1) Computed based on the aggregated profit after tax attributable to the Proposed Transactions of approximately S\$11,559,000, comprising (i) approximately S\$4,118,000 attributable to the Sale Shares, which represent 40% of the profit after tax of Bowsprit in FY2017, and (ii) approximately S\$7,441,000 attributable to the Sale Units, which represents approximately 10.63%¹ of the profit after tax attributable to unitholders of First REIT in FY2017.
- (2) Includes 562,500,000 Shares allotted and issued to BHPL on 15 February 2018 pursuant to the Placement.
- (3) Assumes 2,221,564,603 new Shares are issued pursuant to the Rights Issue."

6.7 Other relevant considerations in relation to the Proposed Transactions

- (i) Opportunity to gain access into complementary business;
- (ii) Inter-conditionality of the Proposed Transactions;
- (iii) Analysts' target prices for First REIT;
- (iv) Potential growth in portfolio of properties;
- (v) Long weighted average lease expiry of First REIT;
- (vi) Enhancement in credit worthiness of PT LK; and
- (vii) Certainty in Lippo group's commitment to First REIT.

6.7.1 Opportunity to gain access into complementary business

As set out in sections 4.2 and 4.3 of the Circular, through the Proposed Transactions, the Company will gain access to a business eco-system and participate in the growth of the healthcare sector through investments, operations, asset management and capital recycling for reinvestments, which should enhance the Company's presence in healthcare-related property investment, providing a strategic fit with the Company's plans to grow the Group's healthcare business through an asset-light business model.

APPENDIX A – IFA LETTER

6.7.2 Inter-conditionality of the Proposed Transactions

As set out in section 1.3 of the Circular, we note that the resolutions for the Proposed Transactions are inter-conditional upon each other. Accordingly, in the event that any of the resolution is not approved, the other resolution will not be passed.

6.7.3 Analysts' target prices for First REIT

We note that there has been analyst coverage on First REIT. We have extracted the relevant target prices from Bloomberg L.P. as at the Latest Practicable Date and have summarised them in the table below.

Analyst	Date	Target price (S\$)	Discount of Units Consideration per unit in First REIT to target price (%)
Macquarie Capital Sec (S) Pte Ltd ("Macquarie")	17 Jul 2018	1.50	(18.1)
CGS-CIMB Securities SP Pte Ltd ("CIMB")	18 Jul 2018	1.41	(12.9)
Phillip Securities Pte Ltd ("Phillip")	21 Aug 2018	1.31	(6.3)
OCBC Investment Research Private Limited ("OIR")	4 Sep 2018	1.34	(8.4)

Source: Bloomberg L.P.

Based on the above, we note that the Units Consideration per unit in First REIT of S\$1.228 represents a discount of 18.1%, 12.9%, 6.3% and 8.4% to the target price estimated by Macquarie, CIMB, Phillip and OIR respectively.

We wish to highlight that the above target prices are not exhaustive and the estimated price targets of the units in First REIT represent the individual view of the respective analysts' (and not RHTC) based on the circumstances, including but not limited to, market, economic and industry conditions, market sentiment and investor perceptions on the prospects of First REIT, prevailing at the date of the publication of the respective target prices. The opinion of the analysts may change over time due to, *inter alia*, changes in market conditions, First REIT's corporate developments and the emergence of new information relevant to First REIT. As such, the estimated target prices may not be an accurate prediction of future market prices of the units in First REIT.

6.7.4 Potential growth in portfolio of properties

As at 30 June 2018, First REIT has a gearing ratio of 33.6%, which is below the 45.0% gearing limit set by the Monetary Authority of Singapore. There is capacity for Management to utilise its debt headroom for further acquisitions. This provides First REIT with more financial flexibility and headroom to take on additional debt financing to fund future potential acquisitions, allowing it to expand its portfolio of properties.

We note that the gearing ratio of First REIT is lower than the gearing ratio of Parkway REIT, the only Comparable REIT of First REIT listed on SGX-ST, which has a gearing ratio of 38.0% based on its latest published financial statement as the Latest Practicable Date.

APPENDIX A – IFA LETTER

6.7.5 Long weighted average lease expiry of First REIT

The weighted average lease expiry (“WALE”) of First REIT is approximately 9 years as at 30 June 2018. The long WALE provides certainty to First REIT on its rental income.

6.7.6 Enhancement in credit worthiness of PT LK

Although PT LK has never defaulted on paying its rental to First REIT, it faces challenges in terms of its liquidity position. As at the Latest Practicable Date, rating agencies, namely, Standard & Poor's, Moody's and Fitch have all issued to PT LK, a negative rating outlook and credit rating of B- (April 2018), B2 (April 2018) and B (May 2018) respectively.

Based on First REIT's FY2017 annual report, PT LK and its subsidiaries contributed approximately 82.4% of First REIT's gross revenue in FY2017. Accordingly, the completion of the Proposed Transactions would bolster the liquidity position of PT LK and reduce First REIT's risk in collecting its rental income from PT LK.

6.7.7 Certainty in Lippo group's commitment to First REIT

In PT LK's press release dated 31 May 2018, PT LK had stated that it is focused on improving its liquidity position and is looking at executing asset divestments in order to improve its credit ratings. This has raised uncertainty on whether PT LK is divesting its stake in First REIT and consequently, the likelihood of PT LK not renewing its current master leases with the properties of First REIT which will start expiring from 2021.

The Proposed Transactions will position the Company, a member of the Lippo group, as the new sponsor of First REIT. This reflects Lippo group's commitment in First REIT and removes uncertainty on Lippo group's stake in First REIT. At the same time, PT LK, another member of the Lippo group, will strengthen its liquidity position and enhance its credit worthiness as the key tenant of the properties of First REIT.

To further demonstrate PT LK's commitment to First REIT, it has provided a non-compete undertaking to the Trustee of First REIT as well as granted a ROFR to the Trustee of First REIT over the properties it holds, despite it having divested the entire issued and paid-up share capital of Bowsprit and approximately 10.6% of the total issued units in First REIT.

Please refer to sections 5.1.3, 5.1.4 and 5.1.6 of this Letter for further details of the undertaking and the ROFR mentioned above.

APPENDIX A – IFA LETTER

7. OUR OPINION

In arriving at our recommendation in respect of the Proposed Transactions, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

- (i) Rationale for the Proposed Transactions;
- (ii) Financial performance and position of Bowsprit;
- (iii) Financial assessment of the Manager Consideration for the Proposed Manager Acquisition:

NAV and RNAV of Bowsprit

- (a) the Implied Bowsprit Valuation represents a premium of 26.5% over the adjusted NAV of Bowsprit as at 30 June 2018 or a P/NAV ratio of 1.3 times; and
- (b) the Implied Bowsprit Valuation represents a premium of 31.1% over the RNAV of Bowsprit as at 30 June 2018 or a P/RNAV of 1.3 times.

Financial assessment of Manager Consideration vis-à-vis Comparable Companies of Bowsprit

- (a) the PE ratio of Bowsprit implied by the Manager Consideration of 8.6 times is within the range and below the mean and the median of the PE ratios of the Comparable Companies;
 - (b) the EV/EBITDA ratio of Bowsprit implied by the Manager Consideration of 7.6 times is within the range and below the mean and the median of the EV/EBITDA ratios of the Comparable Companies; and
 - (c) the P/NAV and P/RNAV ratios of Bowsprit implied by the Manager Consideration of 1.3 times are within the range and below the mean and the median of the P/NAV ratios of the Comparable Companies.
- (iv) Financial performance and position of First REIT;
 - (v) Financial assessment of the Units Consideration for the Proposed Units Acquisition:

NAV and RNAV of First REIT

- (a) the Implied First REIT Valuation represents a premium of 21.3% over the adjusted NAV of First REIT as at 30 June 2018 or a P/NAV of 1.2 times; and
- (b) the Implied First REIT Valuation represents a premium of 22.1% over the RNAV of First REIT as at 30 June 2018 or a P/RNAV ratio of 1.2 times.

Financial assessment of Units Consideration vis-à-vis Comparable REITs of First REIT

- (a) the 12 Months Distribution Yield of First REIT implied by the Units Consideration of 7.0% is within the range and above the mean and the median of the 12 Months Distribution Yield of the Comparable REITs; and
- (b) the P/NAV and P/RNAV ratios of First REIT implied by the Units Consideration of 1.2 times are within the range and below the mean and median of the P/NAV ratios of the Comparable REITs.

APPENDIX A – IFA LETTER

Market quotations and trading activity of First REIT

- (a) the Units Consideration of S\$1.228 per unit represents a discount of 3.3%, 6.3%, 7.7% and 9.0% to the VWAP of the units in First REIT for the 1-month, 3-month, 6-month and 1-year periods prior to the Latest Practicable Date respectively; and
 - (b) the Units Consideration of S\$1.228 per unit represents a discount of 0.2% to the VWAP of the units in First REIT on 17 September 2018, being the Latest Practicable Date.
- (vi) Financial effects of the Proposed Transactions;
- (vii) Other relevant considerations in relation to the Proposed Transactions:
- (a) Opportunity to gain access into complementary business;
 - (b) Inter-conditionality of the Proposed Transactions;
 - (c) Analysts' target prices for First REIT;
 - (d) Potential growth in portfolio of properties;
 - (e) Long weighted average lease expiry of First REIT;
 - (f) Enhancement in credit worthiness of PT LK; and
 - (g) Certainty in Lippo group's commitment to First REIT.

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Transactions, as Interested Person Transactions, are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Proposed Transactions, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Manager CSPA and the Units CSPA, and we do not warrant the merits of the Proposed Transactions. Furthermore, we were not involved in the legal and financial due diligence that were conducted by the Company and its advisers on Bowsprit and/or First REIT.

APPENDIX A – IFA LETTER

We have prepared this Letter for the use of the Non-Interested Directors in connection with and for the purposes of their consideration of the Proposed Transactions. The recommendation made by them to the Shareholders in relation to the Proposed Transactions shall remain the sole responsibility of the Non-Interested Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the EGM at any time and in any manner without prior written consent of RHTC in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours sincerely
For and on behalf of
RHT CAPITAL PTE. LTD.

Khong Choun Mun
Chief Executive Officer

Mah How Soon
Managing Director

APPENDIX B – VALUATION CERTIFICATES



Cushman & Wakefield VHS Pte. Ltd.
3 Church Street
#09-03 Samsung Hub
Singapore 049483
Tel +65 6535 3232
Fax +65 6535 1028
cushmanwakefield.com

10 September 2018

Company Registration No. 200709839D

OUE Lippo Healthcare Limited

6 Shenton Way, #10-09A
OUE Downtown 2
Singapore 068809

Attn: Mr Loh Chee Meng, Group Finance Director

Dear Sirs

VALUATION CERTIFICATES FOR PORTFOLIO OF PROPERTIES COMPRISING: -

- 1. PACIFIC HEALTHCARE NURSING HOME @ BUKIT MERAH, 6 LENGKOK BAHRU, SINGAPORE 159051**
 - 2. PACIFIC HEALTHCARE NURSING HOME II @ BUKIT PANJANG, 21 SENJA ROAD, SINGAPORE 677736**
 - 3. THE LENTOR RESIDENCE, 51 LENTOR AVENUE, SINGAPORE 786876**
 - 4. SARANG HOSPITAL, NO. 9 BONGSANNAM 3RD STREET, YEOSU CITY, JEOLLANAM-DO, SOUTH KOREA**
-

In accordance with the instructions issued by OUE Lippo Healthcare Limited, Cushman & Wakefield VHS Pte. Ltd. ("C&W") have prepared the Valuation Certificates as at material date, 16 July 2018, in respect of the abovementioned properties for the purpose of the proposed acquisition of certain units from a real estate investment trust (the "REIT"). Our instructions were to provide our opinion of the market values and Valuation Certificates in respect of the above mentioned properties (the "Properties") on "as-is" basis and subject to the existing tenancy (master lease) for each property, and based on the information disclosed to us.

C&W have prepared the Valuation Certificates in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines, 2015 Edition. The term 'Market Value' as used in the context of this valuation is defined as "the estimated amount for which a property should exchange on the date of valuation, between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The Valuation Certificates have been prepared on the assumption that the property is sold in the open market without the benefit of a deferred term contract, joint venture, management agreement or any similar arrangement that would serve to alter the value of the property.

As instructed, we provide a valuation summary letter with a brief description of the Properties together with the key factors that have been considered in determining the market values of the Properties. The value conclusions reflect all information known by the valuers of C&W who worked on the valuations in respect to the Properties, market conditions and available data.

Reliance on This Letter

The valuation contained in the Valuation Certificates are not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources, the Manager of the REIT ("Manager") and other related parties. Whilst C&W have endeavoured to obtain accurate information, it has not independently verified all the information provided by the Manager or other reliable and reputable agencies.

APPENDIX B – VALUATION CERTIFICATES



Page 2

VALUATION CERTIFICATES FOR A PORTFOLIO OF 4 PROPERTIES IN SINGAPORE AND SOUTH KOREA

We have also assumed that all the leases are legally valid and enforceable and each property has a proper legal title that can be freely transferable, leased and sub-leased in the market. C&W has no reason to doubt the truth and accuracy of the information provided to us by the Manager which is material to the valuation.

No allowance has been made in the valuation for any charges, mortgages or amounts owing on the Properties or for any expenses or taxation which may be incurred in effecting a sale. C&W have assumed that the Properties are free from encumbrances, restrictions or other outgoings of an onerous nature which would affect their market value, other than those which have been made known to C&W.

We have not carried out any structural survey and we are therefore unable to report whether the Property is or is not free from rot, infestation or any other defects. No tests have been carried out on any of the building services. We have also not obtained any Environmental Baseline Study as it is outside our terms of engagement.

Our valuation assumes that the premises and any works thereto comply with all relevant statutory and planning regulations.

Our valuations have been undertaken on a GST exclusive basis.

Valuation Rationale

We have adopted the Discounted Cash Flow Analysis and Capitalization Approach as the primary methods of valuation, in arriving at our opinion of the market value of the Properties. These valuation methodologies and key assumptions are summarized in this letter. Each methodology is based on a set of assumptions as to the income and expenses and valuation parameters as well as taking into considerations the changes in economic conditions and other relevant factors affecting the Properties. We generally have not adopted the Comparable Sales Method in view of limited suitable sales evidences of comparable properties in the recent years.

The resultant value is, in our opinion, the best estimate but it is not to be construed as a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made.

Discounted Cash Flow Analysis

We have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the commencement of the eleventh year of the cash flow. This form of analysis allows an investor to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon in undertaking this analysis, a range of assumptions is made including a target discount rate or internal rate of return, rental growth, vacancy provision, sale price of the property at the end of the investment horizon as well as costs associated with ownership and disposal of the Property.

Under this approach, we have discounted the estimated annual net income at an appropriate discount rate and projected a terminal value to arrive at the market value. The net income is derived by deducting from the gross income, property expenses such as property management fees, property tax and general vacancy provision for leasing downtime period and rent-free period, where applicable. No allowance for interest and other funding costs have been made.

APPENDIX B – VALUATION CERTIFICATES



Page 3

VALUATION CERTIFICATES FOR A PORTFOLIO OF 4 PROPERTIES IN SINGAPORE AND SOUTH KOREA

The terminal value is arrived by capitalizing the estimated eleventh year net operating income after allowing for disposal and related expenses, and having regard to the remaining period of the tenure of the Property. It is then discounted to present value and added to the 10-year discounted cash flow to derive the capital value of the Property. We have investigated the current market requirements for an investment return over a 10-year period from the relevant market sector in order to determine the appropriate discount rates for each property.

Capitalization Approach

Briefly, the Capitalization Approach takes into consideration the estimated gross annual rental for the property which is adjusted for property expenses such as property management fees, property tax and general vacancy provision for leasing downtime period and rent-free period, where applicable, to derive at the net rental income. The net income is then capitalized at an appropriate rate of return that reflects the current market investment criteria over the remaining lease term in order to reflect the certain and potential risks acceptable to a prudent investor.

Brief Description of the Properties

The key description of the Properties are summarised as follows: -

Property Address	Type	Tenure	Land Area (sq m)	Gross Floor Area (sq m)
Pacific Healthcare Nursing Home @ Bukit Merah, 6 Lengkok Bahru, Singapore 159051	Purpose-built nursing home with 259 beds	Leasehold 30 years commencing from 22 April 2002. (Balance leasehold term of about 13.8 years)	1,984.30	3,593.30
Pacific Healthcare Nursing Home II @ Bukit Panjang, 21 Senja Road, Singapore 677736	Purpose-built nursing home with 265 beds	Leasehold 30 years commencing from 14 May 2003. (Balance leasehold term of about 14.8 years)	2,000.00	3,562.94
The Lentor Residence, 51 Lentor Avenue, Singapore 786876	Purpose-built nursing home with 208 beds	Leasehold 99 years commencing from 20 August 1938. (Balance leasehold term of about 19.1 years)	2,485.60	4,005.60
Sarang Hospital, No. 9 Bongsannam 3 rd Street, Yeosu City, Jeollanam-do, South Korea	Nursing and rehabilitation hospital building with 217 beds	Freehold	2,142.00	4,981.54

The key occupancy/ tenancy (master lease) details for each of the Properties are as follows: -

Pacific Healthcare Nursing Home @ Bukit Merah, 6 Lengkok Bahru, Singapore 159051

The Property is fully leased to Pacific Healthcare Nursing Home Pte Ltd ("Master Tenant") for a period of 10 years commencing from 11 April 2007 with a further renewed lease term of 10 years commencing from 11 April 2017. The current net rent payable is S\$1,144,401.71 per annum, reflecting a rental rate of about S\$2.47 psf per month on GFA. The rent is subject to increase every year at a rate of 2%.

APPENDIX B – VALUATION CERTIFICATES



Page 4

VALUATION CERTIFICATES FOR A PORTFOLIO OF 4 PROPERTIES IN SINGAPORE AND SOUTH KOREA

The Master Tenant is responsible for property outgoings including maintenance and repair, utilities, security, fire safety, landscaping, insurance, property tax and land rent (if any). The Landlord is responsible for capital expenditure relating to structural parts of the building and replacement works of the mechanical and electrical equipment.

Pacific Healthcare Nursing Home II @ Bukit Panjang, 21 Senja Road, Singapore 677736

The Property is fully leased to Pacific Eldercare & Nursing Pte Ltd ("Master Tenant") for a period of 10 years commencing from 11 April 2007 with a further renewed lease term of 10 years commencing from 11 April 2017. The current net rent payable is S\$1,115,306.75 per annum, reflecting a rental rate of about S\$2.42 psf per month on GFA. The rent is subject to increase every year at a rate of 2%.

The Master Tenant is responsible for property outgoings including maintenance and repair, utilities, security, fire safety, landscaping, insurance, property tax and land rent (if any). The Landlord is responsible for capital expenditure relating to structural parts of the building and replacement works of the mechanical and electrical equipment.

The Lentor Residence, 51 Lentor Avenue, Singapore 786876

The Property is presently fully leased to The Lentor Residence Pte Ltd as Master Tenant. The Property was originally leased to First Lentor Residence Pte Ltd, followed by a novation of the lease to The Lentor Residence Pte Ltd on 8 February 2015. The master lease is for a period of 10 years commencing from 8 June 2007 with a further renewed lease term of 10 years commencing from 8 June 2017. The current net rent payable is S\$1,679,462.64 per annum, reflecting a rental rate of about S\$3.25 psf per month on GFA. The rent is subject to increase every year at a rate of 2%.

The Master Tenant is responsible for property outgoings including maintenance and repair, utilities, security, fire safety, landscaping, insurance and land rent (if any). The Landlord is responsible for property tax and capital expenditure relating to structural parts of the building and replacement works of the mechanical and electrical equipment.

Based on our research, we are of the opinion that the current agreed rental levels of the abovementioned nursing home properties in Singapore are in line with market rent level, taking into consideration rental evidences of comparable properties which range between S\$1.90 to S\$3.60 per square foot per month.

Sarang Hospital, No. 9 Bongsannam 3rd Street, Yeosu City, Jeollanam-do, South Korea

The Property is fully leased to Mr. Park Ki Ju ("Master Tenant") for a period of 10 years commencing from 5 August 2011. The current gross rent payable as of Year 7 is USD 675,698 per annum exclusive of outgoings, reflecting approximately USD11.30 psm per month on GFA. The rent is subject to increase every year at a rate of 2%.

The Tenant is responsible for all outgoing including taxes, insurance premiums, maintenance and repair, compliance costs, and utilities.

Based on our research, we are of the opinion that the current agreed rental levels of the abovementioned subject premises is in line with market.

APPENDIX B – VALUATION CERTIFICATES



Page 5

VALUATION CERTIFICATES FOR A PORTFOLIO OF 4 PROPERTIES IN SINGAPORE AND SOUTH KOREA

Summary of Valuation

Our opinion of the market value of each of the Properties is stated in the tables below, on “as-is” basis and subject to the existing tenancy (master lease) for each property and assuming free from encumbrances. The following summarizes some of the key valuation assumptions and market value for each property: -

Property Address	Market Value as at 16 July 2018	Capitalization Rate	Terminal Yield	Discount Rate
Pacific Healthcare Nursing Home @ Bukit Merah, 6 Lengkok Bahru, Singapore 159051	S\$9,600,000	7.00%	7.50%	8.75%
Pacific Healthcare Nursing Home II @ Bukit Panjang, 21 Senja Road, Singapore 677736	S\$9,800,000	7.00%	7.50%	8.75%
The Lantor Residence, 51 Lantor Avenue, Singapore 786876	S\$15,800,000	6.50%	7.00%	8.50%
Sarang Hospital, No. 9 Bongsannam 3 rd Street, Yeosu City, Jeollanam-do, South Korea	USD6,400,000	10.00%	10.50%	12.00%

Disclaimer

This Valuation Certificate letter is prepared for purposes of inclusion in the OUE Lippo Healthcare Limited Circular (the “Circular”) in connection with the proposed acquisition of certain units from a real estate investment trust. We specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information presented in this Valuation Certificate. We do not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given in this valuation summary and valuation certificates referred herein.

All information provided to us by the Manager is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Properties and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom the Manager is contracting with.

The valuers’ compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

APPENDIX B – VALUATION CERTIFICATES



Page 6

VALUATION CERTIFICATES FOR A PORTFOLIO OF 4 PROPERTIES IN SINGAPORE AND SOUTH KOREA

We hereby certify that the Valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of properties in the respective localities.

Yours faithfully

For and on behalf of

Cushman & Wakefield VHS Pte. Ltd.

A handwritten signature in black ink, appearing to read 'Chris Carver'.

Chris Carver
RICS

Membership : 1225970
Executive Director
Head of Valuations and Consulting
Singapore & South East Asia

A handwritten signature in black ink, appearing to read 'Claire Woo'.

Claire Woo
MSISV

Licensed Appraiser No.: AD041-2006273E
Director,
Valuation & Advisory
Singapore

Encl.

Limiting Conditions
Valuation Certificates

APPENDIX B – VALUATION CERTIFICATES



Page 7

VALUATION CERTIFICATES FOR A PORTFOLIO OF 4 PROPERTIES IN SINGAPORE AND SOUTH KOREA

LIMITING CONDITIONS

The valuation report is prepared subject to the following terms and conditions: -

1. The valuation report is:
 - a. restricted to the use by the client to whom this report is addressed;
 - b. for the specific purpose stated therein; and
 - c. for the sole purpose for which it was commissioned.

Any reliance on its contents shall be made within a reasonable time from the date of the valuation report. We disclaim any liability arising from any reliance on the valuation report by any other person or for any other purpose or beyond a reasonable time.
2. Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular, statement, correspondence nor publication in any way without our prior written approval of the form and context in which it may appear. We bear no responsibility for any unauthorised inclusion or publication.
3. Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable and accurate and we disclaim all responsibility if this information should later prove not to be so. Where information is given without being attributed directly to another party, it shall be taken that this information has been obtained by our own search of records and examination of documents, or by our enquiry from Government or quasi-Government departments.
4. The values assessed in this report for the subject property and any allocation of values between parts of the property apply strictly on the terms of and for the purpose of this valuation. The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
5. While due care is taken in the course of inspection to note serious building defects, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation or other hidden defects. We have also not made any test on the building services such as air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc. and the services are presumed to be in good working order.
6. Our valuation assumes that the title(s) is (are) in good order and are marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The client is advised to consult his solicitors on any matter concerning the title(s).
7. Any plans that are included in this report are meant for identification purposes and to assist the client in visualising the subject property. The plans should not be treated as certified true copies of areas or other particulars contained therein. We have not made any survey of the property and assume no responsibility in connection with such matters.
8. We have not taken into account of any plant and machinery in our valuation.
9. We have not made any requisition for the Road Line Plan or for drainage proposal. We have also not made any application for information/document in respect of Building Control Records. Such requisitions/applications will not be made unless specifically instructed by our client.
10. As matters concerning compulsory acquisitions by the Government are confidential, we are unable to provide information relating to Government acquisitions unless the subject property has already been gazette for acquisition.
11. Our valuation assumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations.
12. Our valuation assumes that all development charges and maintenance/ service/ conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid.
13. Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the property (ies).

APPENDIX B – VALUATION CERTIFICATES



Page 8

VALUATION CERTIFICATES FOR A PORTFOLIO OF 4 PROPERTIES IN SINGAPORE AND SOUTH KOREA

14. Subject at all times to the provisions in these terms and conditions *and in the letter of engagement*, we shall not be liable to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services in respect of:
 - a. any direct loss of profit;
 - b. any indirect, special or consequential loss whatsoever howsoever caused including without limitation (i) indirect loss of profit; (ii) loss of business; (iii) loss of goodwill; (iv) loss of use of money; (v) loss of opportunity, and the parties agree that the sub-clauses of this clause shall be severable.
15. Subject at all times to the provisions in these terms and conditions and in the letter of engagement, we shall not be liable to you in negligence for pure economic loss arising in connection with the performance or contemplated performance of our services.
16. Where a third party has contributed to the losses, damages, costs, claims or expenses, we shall not be liable to make any contribution in respect of the liability of such third party.
17. Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our services to you.
18. Subject to the provisions in these terms and conditions *and in the letter of engagement*, our total aggregate liability (including that of our partners and employees) to you in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of our services shall be limited to (i) an aggregate sum not exceeding the fee paid for each instruction accepted; or (ii) S\$500,000.00, whichever is lower.
19. We shall be released from our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond our reasonable control (examples being a strike, act of God or act of terrorism). On becoming aware of any circumstance which gives rise, or which is likely to give rise, to any failure or delay in the performance of our obligations, we will notify you by the most expeditious method then available.
20. Our pricing structure has been established by reference to these limitations on our liability and our level of professional indemnity insurance in respect of the services we provide. If you feel that it is necessary to discuss with us a variation in these levels, then please raise the issue with your client partner who will be able to let you have proposals for a revised pricing structure to reflect the agreed level of our liability and/or professional indemnity cover.
21. Responsibility for our valuation extends only to the party(ies) to whom it is addressed. However, in the event of us being asked by you to re-address our report to another party or other parties or permit reliance upon it by another party or other parties, we will give consideration to doing so, to named parties, subject to payment of additional fees.

These fees are exclusive of GST & expenses (including the cost of re-addressing the report) and are subject to a minimum fee of S\$1,000. Should additional work be involved, over and above that undertaken to provide the initial report, we may make a further charge although we will agree this with you before commencing the work.
22. Where we consent to reliance on our report by another party or other parties, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/they had been a party to the original letter of engagement between us. Where we consent to such reliance, you agree to furnish the addressee with a copy of any reliance letter issued by us and/or a copy of these terms and conditions.
23. Where you provide a copy of and/or permit another party or parties to rely upon our valuation report without obtaining our express written consent (in accordance with clauses 21 and 22 above), you agree to indemnify and us, our affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the valuation report by any such unauthorised person or entity.

APPENDIX B – VALUATION CERTIFICATES



Page 9

VALUATION CERTIFICATES FOR A PORTFOLIO OF 4 PROPERTIES IN SINGAPORE AND SOUTH KOREA

24. Save where we have consented to another party or other parties relying on the valuation report in accordance with clauses 21 and 22, where a valuation report is prepared or where we consent to a valuation report being used for the purpose of a public offering in accordance with any stock exchange listing rules, you agree to indemnify us for any liability whatsoever that we have to any party or parties which exceeds our aggregate cap on liability (referred to in clause 18) which arises from their use and/or reliance on the valuation report.
25. Where reference is made to "Reinstatement Cost for Insurance Values", such insurance value is the value of property on the appropriate basis as defined in the insurance contract or policy.
26. Where reference is made to "Forced Sale Value", such value is the amount that may reasonably be received from the sale of a property under (forced sale) conditions that do not meet all the criteria of a normal market transaction. Such Forced Sale Value is not a representation of the market value.
27. The report is prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we are properly reimbursed.
28.
 - a. The U.S. Foreign Corrupt Practices Act (the "FCPA") and other laws make it unlawful for us or anyone acting on our behalf to offer, pay, promise or authorize to pay any money, gift or anything of value directly or indirectly to any Public Official with the intent of causing the Public Official to misuse such official's position to obtain or retain business for us or our subsidiaries or affiliates. The term Public Official is broadly defined to include not only traditional government officials and those employed by government agencies, departments, or ministries but also employees of companies which are owned or controlled by the state. The U.K. Bribery Act and other laws also prohibit commercial bribery of any kind.
 - b. We comply with all applicable anti-bribery and corruption laws, rules, and regulations of the United States, European Union or any member state and any other similar laws in all applicable jurisdictions, including but not limited to the FCPA and U.K. Bribery Act ("Applicable Anti-Bribery Laws and Rules").
 - c. You acknowledge and confirm your understanding of and agree to comply with all applicable Anti-Bribery Laws and Rules and agree not to take or fail to take any action that might in any way cause us to be in violation of such laws.
 - d. We must at all times comply with all U.S. sanctions administered by the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other governmental action and any applicable international laws and regulations pertaining to the detection, prevention and reporting of potential money laundering and terrorist financing activities (collectively "Applicable Sanctions/AML Rules").
 - e. You represent and warrant to us that you, and all persons and entities owning (directly or indirectly) an ownership interest in you: (i) are not, and will not become, a person or entity with whom a party is restricted from doing business under Applicable Sanctions/AML Rules; and (ii) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in Clause 28 (e) (i) above.
 - f. In the event that we believe in good faith, and whether or not we have conducted an investigation, that you have acted in a way that may subject us to liability under Applicable Anti-Bribery Laws and Rules or you (including all persons and entities owning (directly or indirectly) an ownership interest in you) become a target of Applicable Sanctions/AML Rules, we shall have the unilateral right, exercisable immediately upon written notice, to terminate this agreement and shall be entitled to receive payment of the service fees for services rendered pursuant to this agreement together with any and all reasonable additional costs incurred due to such early termination.

APPENDIX B – VALUATION CERTIFICATES



VALUATION CERTIFICATE

Date of Valuation:	16 July 2018
Date of Inspection:	17 July 2018
Name of Client:	OUE Lippo Healthcare Limited
Purpose of Valuation:	For purpose of proposed acquisition of certain units from a real estate investment trust.
Property:	Pacific Healthcare Nursing Home @ Bukit Merah, 6 Lengkok Bahru, Singapore 159051
Legal Description:	Lot 3521A of Mukim 1
Tenure/ Interest Valued:	Leasehold for a term of 30 years commencing from 22 April 2002. (Balance leasehold term of about 13.8 years)
Registered Lessee:	Perpetual (Asia) Limited (as Trustee of First Real Estate Investment Trust)
Brief Description of Property:	A purpose-built 4-storey nursing home with a basement car park level. The nursing home accommodates a total of 259 beds comprising a mix of single-bed, 2-bed, 4-bed and 8/10-bed wards on the various levels and complimented by ancillary facilities for the residents. The Certificate of Statutory Completion (CSC) was issued on 6 September 2005.
2014 Master Plan Zoning:	Health & Medical Care. The Head Lease State Title No. 24903 states a permissible gross plot ratio of 1.8.
Land Area:	1,984.30 square metres or 21,359 square feet
Gross Floor Area ("GFA"):	3,593.30 square metres or 38,678 square feet
Occupancy/ Tenancy Details:	The Property is fully leased to Pacific Healthcare Nursing Home Pte Ltd ("Master Tenant") for a period of 10 years commencing from 11 April 2007 with a further renewed lease term of 10 years commencing from 11 April 2017. The current net rent payable is S\$1,144,401.71 per annum, reflecting a rental rate of about S\$2.47 psf per month on GFA. The rent is subject to increase every year at a rate of 2%. The Master Tenant is responsible for property outgoings including maintenance and repair, utilities, security, fire safety, landscaping, insurance, property tax and land rent (if any). The Landlord is responsible for capital expenditure relating to structural parts of the building and replacement works of the mechanical and electrical equipment.
Annual Land Rent:	The annual land rent of S\$12.00 per annum is currently waived.
Annual Value:	S\$1,177,000/-
Basis of Valuation:	Market Value on "as-is" basis and subject to the existing master lease.
Valuation Approaches:	Discounted Cash Flow Analysis and Capitalization Approach as primary approaches
Pertinent Assumptions	
Passing Net Rental Income:	S\$1,144,401.71 per annum (or approximately S\$2.47 psf per month on GFA)
Underwriting Net Market Rent:	Approximately S\$2.47 psf per month on GFA
Discounted Cash Flow Approach:	
10-year Average Growth Rate:	2.00% p.a.
Vacancy Allowance:	Assumed no vacancy provision and master leased.
Terminal Yield:	7.50%
Discount Rate:	8.75%
Derived Value:	S\$9,640,000/-
Capitalization Approach:	
Vacancy Allowance:	Assumed no vacancy provision and master leased.
Adopted Capitalization Rate:	7.00%
Derived Value:	S\$9,510,000/-

APPENDIX B – VALUATION CERTIFICATES



Final Market Value:

Market Value: S\$9,600,000/- (Singapore Dollars Nine Million and Six Hundred Thousand Only)

Value Per Square Foot of GFA: S\$248 per square foot

Disclaimers: Please refer to the disclaimers and Limiting Conditions in the Valuation Summary letter.

Signed for and on behalf of Cushman & Wakefield VHS Pte Ltd

A handwritten signature in black ink, appearing to be "Chris Carver", written over a light blue horizontal line.

Chris Carver
Executive Director

10 September 2018

A handwritten signature in black ink, appearing to be "Claire Woo", written over a light blue horizontal line.

Claire Woo
Director

APPENDIX B – VALUATION CERTIFICATES



VALUATION CERTIFICATE

Date of Valuation:	16 July 2018
Date of Inspection:	17 July 2018
Name of Client:	OUE Lippo Healthcare Limited
Purpose of Valuation:	For purpose of proposed acquisition of certain units from a real estate investment trust.
Property:	Pacific Healthcare Nursing Home II @ Bukit Panjang, 21 Senja Road, Singapore 677736
Legal Description:	Lot 1355V of Mukim 14
Tenure/ Interest Valued:	Leasehold for a term of 30 years commencing from 14 May 2003. (Balance leasehold term of about 14.8 years)
Registered Lessee:	Perpetual (Asia) Limited (as Trustee of First Real Estate Investment Trust)
Brief Description of Property:	A purpose-built 5-storey nursing home with car park facilities at the 1st storey. The nursing home accommodates a total of 265 beds comprising 8-bed wards on all levels from the 2nd to 5th storey and complimented by ancillary facilities for the residents. The Certificate of Statutory Completion (CSC) was issued on 28 February 2006.
2014 Master Plan Zoning:	Health & Medical Care. The Head Lease State Title No. 25538 states a permissible gross plot ratio of 1.8.
Land Area:	2,000.00 square metres or 21,528 square feet
Gross Floor Area ("GFA"):	3,562.94 square metres or 38,351 square feet
Occupancy/ Tenancy Details:	The Property is fully leased to Pacific Eldercare & Nursing Pte Ltd ("Master Tenant") for a period of 10 years commencing from 11 April 2007 with a further renewed lease term of 10 years commencing from 11 April 2017. The current net rent payable is S\$1,115,306.75 per annum, reflecting a rental rate of about S\$2.42 psf per month on GFA. The rent is subject to increase every year at a rate of 2%. The Master Tenant is responsible for property outgoings including maintenance and repair, utilities, security, fire safety, landscaping, insurance, property tax and land rent (if any). The Landlord is responsible for capital expenditure relating to structural parts of the building and replacement works of the mechanical and electrical equipment.
Annual Land Rent:	The annual land rent of S\$12.00 per annum is currently waived.
Annual Value:	S\$1,177,000/-
Basis of Valuation:	Market Value on "as-is" basis and subject to the existing master lease.
Valuation Approaches:	Discounted Cash Flow Analysis and Capitalization Approach as primary approaches
Pertinent Assumptions	
Passing Net Rental Income:	S\$1,115,306.75 per annum (or approximately S\$2.42 psf per month on GFA)
Underwriting Net Market Rent:	Approximately S\$2.42 psf per month on GFA
Discounted Cash Flow Approach:	
10-year Average Growth Rate:	2.00% p.a.
Vacancy Allowance:	Assumed no vacancy provision and master leased.
Terminal Yield:	7.50%
Discount Rate:	8.75%
Derived Value:	S\$9,900,000/-
Capitalization Approach:	
Vacancy Allowance:	Assumed no vacancy provision and master leased.
Adopted Capitalization Rate:	7.00%
Derived Value:	S\$9,730,000/-

APPENDIX B – VALUATION CERTIFICATES



Final Market Value:

Market Value:

SS\$9,800,000/- (Singapore Dollars Nine Million and Eight Hundred Thousand Only)

Value Per Square Foot of GFA:

SS\$256

Disclaimers:

Please refer to the disclaimers and Limiting Conditions in the Valuation Summary letter.

Signed for and on behalf of Cushman & Wakefield VHS Pte Ltd

A handwritten signature in black ink, appearing to read 'Chris Carver'.

Chris Carver
Executive Director

A handwritten signature in black ink, appearing to read 'Claire Woo'.

Claire Woo
Director

10 September 2018

APPENDIX B – VALUATION CERTIFICATES



VALUATION CERTIFICATE

Date of Valuation:	16 July 2018
Date of Inspection:	17 July 2018
Name of Client:	OUE Lippo Healthcare Limited
Purpose of Valuation:	For purpose of proposed acquisition of certain units from a real estate investment trust.
Property:	The Lantor Residence, 51 Lantor Avenue, Singapore 786876
Legal Description:	Lot 1286T of Mukim 20
Tenure/ Interest Valued:	Leasehold for a term of 99 years commencing from 20 August 1938. (Balance leasehold term of about 19.1 years)
Registered Lessee:	Perpetual (Asia) Limited (as Trustee of First Real Estate Investment Trust)
Brief Description of Property:	A purpose-built 5-storey nursing home (main wing) with a basement car park and roof terrace and an adjoining 5-storey new wing extension. The nursing home accommodates a total of 208 beds, comprising predominantly 2-bed and several 8-bed wards on the various levels and complimented by ancillary facilities for the residents. The Certificates of Statutory Completion (CSC) for the main wing and extension were issued on 17 March 1999 and 4 July 2013, respectively.
2014 Master Plan Zoning:	Health & Medical Care. The Head Lease (Supplemental) State Title No. 21736 states a permissible gross plot ratio of 1.6.
Land Area:	2,485.60 square metres or 26,755 square feet
Gross Floor Area ("GFA"):	4,005.60 square metres or 43,116 square feet
Occupancy/ Tenancy Details:	The Property is presently fully leased to The Lantor Residence Pte Ltd as Master Tenant. The Property was originally leased to First Lantor Residence Pte Ltd, followed by a novation of the lease to The Lantor Residence Pte Ltd on 8 February 2015. The master lease is for a period of 10 years commencing from 8 June 2007 with a further renewed lease term of 10 years commencing from 8 June 2017. The current net rent payable is S\$1,679,462.64 per annum, reflecting a rental rate of about S\$3.25 psf per month on GFA. The rent is subject to increase every year at a rate of 2%. The Master Tenant is responsible for property outgoings including maintenance and repair, utilities, security, fire safety, landscaping, insurance and land rent (if any). The Landlord is responsible for property tax and capital expenditure relating to structural parts of the building and replacement works of the mechanical and electrical equipment.
Annual Land Rent:	The annual land rent of S\$12.00 per annum is currently waived.
Annual Value:	S\$1,665,000/-
Basis of Valuation:	Market Value on "as-is" basis and subject to the existing master lease.
Valuation Approaches:	Discounted Cash Flow Analysis and Capitalization Approach as primary approaches
Pertinent Assumptions	
Passing Net Rental Income:	S\$1,679,462.64 per annum (or approximately S\$3.25 psf per month on GFA)
Underwriting Net Market Rent:	Approximately S\$3.20 psf per month on GFA
Discounted Cash Flow Approach:	
10-year Average Growth Rate:	2.00% p.a.
Vacancy Allowance:	Assumed no vacancy provision and master leased.
Terminal Yield:	7.00%
Discount Rate:	8.50%
Derived Value:	S\$15,740,000/-

APPENDIX B – VALUATION CERTIFICATES



Capitalization Approach:

Vacancy Allowance: Assumed no vacancy provision and master leased.

Adopted Capitalization Rate: 6.50%

Derived Value: S\$15,840,000/-

Final Market Value:

Market Value: S\$15,800,000/- (Singapore Dollars Fifteen Million and Eight Hundred Thousand Only)

Value Per Square Foot of GFA: S\$366 per square foot

Disclaimers: Please refer to the disclaimers and Limiting Conditions in the Valuation Summary letter.

Signed for and on behalf of Cushman & Wakefield VHS Pte Ltd

A handwritten signature in black ink, appearing to read "Chris Carver".

Chris Carver
Executive Director

10 September 2018

A handwritten signature in black ink, appearing to read "Claire Woo".

Claire Woo
Director

APPENDIX B – VALUATION CERTIFICATES



VALUATION CERTIFICATE

Date of Valuation:	16 July 2018
Date of Inspection:	23 July 2018
Name of Client:	OUE Lippo Healthcare Limited
Purpose of Valuation:	For purpose of proposed acquisition of certain units from a real estate investment trust.
Property:	Sarang Hospital, No. 9 Bongsannam 3rd Street, Yeosu City, Jeollanam-Do, South Korea
Tenure/ Interest Valued:	Freehold
Registered Lessee:	Kalmore (Korea) Limited
Brief Description of Property:	A 6-storey nursing and rehabilitation hospital building with one basement level. The subject property is built on three parcels of land with a site area of 2,142 sq m; it has a gross floor area of 4,981.54 sq m. There are a total of 43 carparking spaces which are comprised of surface and covered parking areas.
Urban Planning:	General Residential II
Land Area:	2,142.00 sqm
Gross Floor Area ("GFA"):	4,981.54 sqm
Occupancy/ Tenancy Details:	The Property is fully leased to Mr. Park Ki Ju ("Master Tenant") for a period of 10 years commencing from 5 August 2011. The current gross rent payable as of Year 7 is USD 675,698 per annum exclusive of outgoings. The Tenant is responsible for all outgoing including taxes, insurance premiums, maintenance and repair, compliance costs, and utilities.
Annual Rental Value:	USD675,698/-
Basis of Valuation:	Market Value on "as-is" basis and subject to the existing master lease.
Valuation Approaches:	Discounted Cash Flow Analysis and Capitalization Approach as primary approaches
Pertinent Assumptions	
Passing Net Rental Income:	USD675,698 per annum (or approximately USD11.30 psm per month on GFA)
Underwriting Net Market Rent:	Approximately USD11.30 psm per month on GFA
Discounted Cash Flow Approach:	
10-year Average Growth Rate:	2.00% p.a.
Vacancy Allowance:	Assumed no vacancy provision and master leased.
Terminal Yield:	10.50%
Discount Rate:	12.00%
Derived Value:	USD6,660,000/-
Capitalization Approach:	
Vacancy Allowance:	Assumed no vacancy provision and master leased.
Adopted Capitalization Rate:	10.00%
Derived Value:	USD6,400,000-

APPENDIX B – VALUATION CERTIFICATES



Final Market Value:

Market Value: USD6,400,000- (United States Dollars Six Million Four Hundred Thousand)

Value Per Square Metre of GFA: USD1,280 per square metre

Disclaimers: Please refer to the disclaimers and Limiting Conditions in the Valuation Summary letter.

Signed for and on behalf of Cushman & Wakefield VHS Pte Ltd

A handwritten signature in black ink, appearing to read "Chris Carver", written over a horizontal line.

Chris Carver
Executive Director

10 September 2018

APPENDIX B – VALUATION CERTIFICATES



Colliers International Consultancy & Valuation
(Singapore) Pte Ltd

1 Raffles Place #45-00
ONE RAFFLES PLACE
Singapore 048616

MAIN +65 6223 2323
FAX +65 6438 6826
EMAIL Singapore.Valuation@colliers.com



Valuation Certificate

10 September 2018

Our Reference	MISC/PTE/14/2018(E)
Valuation Prepared For	OUE Lippo Healthcare Limited
Property Address	Siloam Hospitals Buton & Lippo Plaza Buton, (the "Property") Jalan Sultan Hasanuddin No. 50, 52, 54, 58, Sub-District of Batulo, District of Wolio, City of Baubau, Province of Sulawesi Tenggara, Indonesia
Instruction	In accordance with our terms of engagement dated 13 July 2018, we provide our valuation of the unexpired leasehold interest in the Property, for OUE Lippo Healthcare Limited's corporate action subject to shareholders' approval purpose. The valuers have carried out a site inspection within the Property on 27 July 2018 and made independent investigations as necessary for carrying out this valuation. All information used has been verified as far as is reasonable, and has included information and data provided by you, from government departments, in the public domain, and our own internal database. In the absence of readily available and verifiable information from other sources for valuation purposes, and as agreed, we have relied on the information solely provided by you for the purposes of valuation. We have assumed all such information provided by you to be true and accurate. No structural survey or environmental survey of the Property has been carried out. Services and facilities have not been tested. We have assumed that the lease agreements are current, with good covenants and in line with the general market practice in Indonesia.
Valuer	This valuation has been prepared by Stella Seow and Alberth. Stella Seow is a Licensed Appraiser under the Inland Revenue Authority of Singapore and Member of the Singapore Institute of Surveyors & Valuers. She is also a Member of the Royal Institution of Chartered Surveyors (RICS). She is suitably qualified to carry out the valuation of this magnitude and nature and has over 20 years' experience in the real estate industry in Singapore. Alberth is a Member of the Indonesia Society of Appraisers (ISA/MAPPI) and a licenced appraiser. He is suitably qualified to carry out the valuation and has over 12 years' experience in the valuation of properties of this magnitude and nature, especially in Indonesia. Neither the valuer nor Colliers International Consultancy & Valuation (Singapore) Pte Ltd are aware of any pecuniary interest or conflict of interest that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the Property.

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Buton & Lippo Plaza Buton | 2
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (E)

Valuation Standards	This valuation has been carried out in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines. Colliers International Consultancy & Valuation (Singapore) Pte Ltd is also accredited under ISO 9001:2015. Colliers International Consultancy & Valuation (Singapore) Pte Ltd is regulated by the Singapore Institute of Surveyors and Valuers and all necessary investigations, inspections, and other work carried out for the purpose of this valuation have been in accordance with its' valuation standards. The Singapore Institute of Surveyors and Valuers monitors regulated firms under its Conduct and Disciplinary regulations. Colliers International maintains a complaint handling procedure, a copy of which is available on request. KJPP Rinaldi Alberth Baroto and Partners is a valuation firm licensed and operating in Republic of Indonesia, with Valuation Business License No. 2.13.0114 dated 25 January 2013 issued by the Ministry of Finance of Republic of Indonesia. The Indonesian valuers are bounded by the Valuer Code of Ethics (Kode Etik Penilai Indonesia/KEPI). Colliers International Consultancy & Valuation (Singapore) Pte Ltd is working in alliance with KJPP Rinaldi Alberth Baroto and Partners in this valuation exercise.
Valuation Basis	Market Value on 'As-Is' Basis. Market Value is defined as "the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".
Legal Description	BOT Agreement between PT Andromeda Sakti as the BOT holder, and Government of Regency of Buton as the land owner dated 16 June 2014, and its Addendum No. 032/3048 and No. 111/AGMT/KGK-AS/XI/2015 dated 25 November 2015
Tenure	Rights to Build (SHGB) SHGB No. 00033/Batulo and SHGB No. 00034/Batulo will expire on 8 March 2042 under BOT agreement with expiry date of 15 June 2044. (30 years after effective date)
Registered Lessee	PT Buton Bangun Cipta
Brief Description	The subject property comprises a 3-storey purpose-built hospital and a single-storey shopping centre. The hospital is linked to the shopping centre via an external covered walkway. It is within Baubau, the main city on Buton Island and the second largest city. It is located along Jalan Sultan Hasanuddin No. 50, 52, 54, 58 at the intersection of Jalan Anoa and Jalan Sultan Hasanuddin and is 1 km away from Port Murhum which provides direct sea connections to Jakarta and Kendari. Betoambari airport is about 6.2 km to the northeast. Immediate surrounds are generally mixed in nature with shophouses, petrol station, school, proposed hotel, cinema etc. The subject property excludes the cinema, parking area, and loading dock area.

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Buton & Lippo Plaza Buton | 3
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (E)

Land Area	21,874 sm.
Gross Floor Area	Approximately 21,934 sm (as provided and subject to survey).
Year of Completion	We understand that the hospital was completed in December 2015.
Occupancy	Tenanted. Based on the information provided by the client, the property is leased from PT Buton Bangun Cipta to PT Lippo Karawaci Tbk and PT Bina Bahtera Sejati (for Siloam Hospitals Buton), and PT Andromeda Sakti (for Lippo Plaza Buton).
Tenancy Profile	The lease term is for a period of 15+15 years commencing 10 October 2017. For Siloam Hospitals Buton, the annual commencement base rent is S\$1,600,000/-, whilst for Lippo Plaza Buton, the annual commencement base rent is S\$1,242,000/-, both based on agreed exchange rate of S\$1 = Rp. 9,600 payable quarterly in advance. For the period from 10/10/2017 to 9/10/2018, the total base rent is S\$2,842,000/-. Base rent is not subject to any increment in the first to fifth year of the lease. Thereafter, it is subject to an increase every year at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year, subject to a floor of 0% cap of 2%. The total base rent increment from Years 6 to 10 shall be capped at 5% and the same cap applies for Years 11 to 15. No variable rent will be payable in the first, second, third, fourth and fifth year of the Lease for Siloam Hospitals Buton. Variable rent for the sixth year onwards of the Lease will be based on audited Gross Operating Revenue growth of Siloam Hospitals Buton. There is no variable rent for Lippo Plaza Buton. The tenant is responsible for all outgoings.
Town Planning	According to the building permits, the subject property is zoned for hospital use.

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Buton & Lippo Plaza Buton | 4
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (E)

Valuation Approach	Discounted Cash Flow (DCF) Analysis
Discount Rate	9.80%
Terminal Rate	NA
Caveats & Assumptions	This report is subject to and includes our Standard Caveats and Assumptions as set out at Appendix I.
Date of Valuation	16 July 2018
Market Value	S\$29,100,000/- or S\$1,327 psm/Gross Floor Area (Singapore Dollars Twenty-Nine Million and One Hundred Thousand Only)

Yours faithfully,

For and on behalf of

Colliers International Consultancy & Valuation
(Singapore) Pte Ltd

Stella Seow
Licensed Appraiser No. AD041- 2004904K
Executive Director
Valuation & Advisory Department

KJPP Rinaldi Alberth Baroto & Partners

Alberth, ST, MAPPI (Cert.)
Managing Partner
Public Valuer License No. P-1.10-00287
Certified Member of MAPPI No. 08-S-02163

APPENDIX B – VALUATION CERTIFICATES



Appendix I

CAVEATS AND ASSUMPTIONS

1. DEFINITIONS

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor.

'We', 'Us', 'Our', 'Colliers' means Colliers International Limited.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or Singapore Institute of Surveyors & Valuers' Valuation Standards and Practice Guidelines.

2. PERFORMANCE OF SERVICES

2.1 We have provided the Services in accordance with:

- (a) The Terms and Conditions contained herein; or
- (b) As specifically instructed by You for the purpose of the Services; and
- (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. CONDITION OF THE PROPERTY

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurements has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

4. ENVIRONMENT AND PLANNING

- 4.1 We have obtained town planning information from the prevailing Master Plan available on URA website. It is your responsibility to check the accuracy of this information under the appropriate planning legislation.
- 4.2 For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.
- 4.3 No requisition on road, MRT, LRT, drainage and other government proposals has been made by us. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
- 4.4 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. FLOOR/BUILDING AREAS AND LETTABLE AREAS

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate floor/building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated by us then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

- 6.1 Unless otherwise notified by You, We will assume:
 - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/ dilapidation reports), we will rely upon the apparent expertise of such experts/ specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/ or point of views of any other parties.
- 6.7 All Location Plans are obtained from www.streetdirectory.com. Whilst we do make every endeavor to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
- 6.8 Values are reported in Singapore currency unless otherwise stated.

7. ESTIMATED SELLING PRICE

- 7.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
 - (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

8. CURRENCY OF VALUATION

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 9.1, You should not rely upon Our valuation:
 - (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

9. MARKET PROJECTIONS

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and based on information currently available to us and not representative of what actual values of the property will be as at future date. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

10. YOUR OBLIGATIONS

- 10.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/ they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/ or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
 - (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
 - (c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.
- 10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and replying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made any consequential or punitive damages.
- 10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.
- 10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

11. CONFIDENTIALITY

- 11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose stated in our valuation report, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- 11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 11.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

12. PRIVACY

- 12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

13. SUBCONTRACTING

- 13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

14. LIMITATION OF COLLIERS LIABILITY

- 14.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (example being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers International. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.
- 14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons/ judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billing pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.
- 14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.
- 14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.
- 14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error/ offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to held liable for an amount of three times Our contracted fee for the assignment per property.
- 14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

- 14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorized party.
- 14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.
- 14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.
- 15. **ENTIRE AGREEMENT**
 - 15.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
 - 15.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.
 - 15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated
- 16. **ANTI BRIBERY AND CORRUPTION MEASURES**
 - 16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.
 - 16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.

APPENDIX B – VALUATION CERTIFICATES



Colliers International Consultancy & Valuation
(Singapore) Pte Ltd

1 Raffles Place #45-00
ONE RAFFLES PLACE
Singapore 048616

MAIN +65 6223 2323
FAX +65 6438 6826
EMAIL Singapore.Valuation@colliers.com



Valuation Certificate

10 September 2018

Our Reference

MISC/PTE/14/2018(C)

Valuation Prepared For

OUE Lippo Healthcare Limited

Property Address

Siloam Hospitals Kupang & Lippo Plaza Kupang,
(the "Property") Jalan Veteran No. 4, Kupang, Nusa Tenggara Timur - Indonesia

Instruction

In accordance with our terms of engagement dated 13 July 2018, we provide our valuation of the unexpired leasehold interest in the Property, for OUE Lippo Healthcare Limited's corporate action subject to shareholders' approval purpose.

The valuers have carried out a site inspection within the Property on 25 July 2018 and made independent investigations as necessary for carrying out this valuation.

All information used has been verified as far as is reasonable, and has included information and data provided by you, from government departments, in the public domain, and our own internal database.

In the absence of readily available and verifiable information from other sources for valuation purposes, and as agreed, we have relied on the information solely provided by you for the purposes of valuation. We have assumed all such information provided by you to be true and accurate.

No structural survey or environmental survey of the Property has been carried out. Services and facilities have not been tested.

We have assumed that the lease agreements are current, with good covenants and in line with the general market practice in Indonesia.

Valuer

This valuation has been prepared by Stella Seow and Alberth.

Stella Seow is a Licensed Appraiser under the Inland Revenue Authority of Singapore and Member of the Singapore Institute of Surveyors & Valuers. She is also a Member of the Royal Institution of Chartered Surveyors (RICS). She is suitably qualified to carry out the valuation of this magnitude and nature and has over 20 years' experience in the real estate industry in Singapore.

Alberth is a Member of the Indonesia Society of Appraisers (ISA/MAPPI) and a licenced appraiser. He is suitably qualified to carry out the valuation and has over 12 years' experience in the valuation of properties of this magnitude and nature, especially in Indonesia.

Neither the valuer nor Colliers International Consultancy & Valuation (Singapore) Pte Ltd are aware of any pecuniary interest or conflict of interest that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the Property.

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Kupang & Lippo Plaza Kupang | 2
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (C)

Valuation Standards	This valuation has been carried out in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines. Colliers International Consultancy & Valuation (Singapore) Pte Ltd is also accredited under ISO 9001:2015. Colliers International Consultancy & Valuation (Singapore) Pte Ltd is regulated by the Singapore Institute of Surveyors and Valuers and all necessary investigations, inspections, and other work carried out for the purpose of this valuation have been in accordance with its' valuation standards. The Singapore Institute of Surveyors and Valuers monitors regulated firms under its Conduct and Disciplinary regulations. Colliers International maintains a complaint handling procedure, a copy of which is available on request. KJPP Rinaldi Alberth Baroto and Partners is a valuation firm licensed and operating in Republic of Indonesia, with Valuation Business License No. 2.13.0114 dated 25 January 2013 issued by the Ministry of Finance of Republic of Indonesia. The Indonesian valuers are bounded by the Valuer Code of Ethics (Kode Etik Penilai Indonesia/KEPI). Colliers International Consultancy & Valuation (Singapore) Pte Ltd is working in alliance with KJPP Rinaldi Alberth Baroto and Partners in this valuation exercise.
Valuation Basis	Market Value on 'As-Is' Basis. Market Value is defined as "the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".
Legal Description	BOT Agreement between PT Nusa Bahana Niaga as the BOT holder, and Pemerintah Propinsi Nusa Tenggara Timur (Provincial Government of Nusa Tenggara Timur) as the land owner dated 12 May 2011, and its Addendum No. HK. 34/2016 dated 5 December 2016
Tenure	Rights to Build (SHGB) on Rights to Manage (SHPL) under a BOT Agreement with Expiry Date of 12 May 2041.
Registered Lessee	PT Nusa Bahana Niaga
Brief Description	The subject property comprises a 4-storey purpose-built hospital and a 3-storey shopping mall. The hospital is linked to the mall via a covered walkway. It is located along Jalan Veteran No. 4 about 500 m from Gedung Keuangan Negara (GKN) to the west, some 1 km away from Polresta Kupang (Police Station) and approximately 5 km away from University of Nusa Kencana. El Tari International Airport is about 6 km away to the northwest. Immediate surrounds are generally shophouses and residential in nature. The Oebobo Traditional Market is a prominent landmark nearby. Other site improvements include ample surface parking lots generally.

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Kupang & Lippo Plaza Kupang | 3
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (C)

Land Area	66,060 sm.
Gross Floor Area	Approximately 55,368 sm (as provided and subject to survey)
Year of Completion	We have not been provided with this information but understand that the hospital commenced operations in December 2014.
Occupancy	Tenanted. Based on the information provided by the client, the property is leased from PT Nusa Bahana Niaga to PT Metropolis Propertindo Utama (Siloam Hospitals Kupang) and PT Bumi Sarana Sejahtera (Lippo Plaza Kupang).
Tenancy Profile	The lease term is for a period of 15+15 years commencing 14 December 2015. For Siloam Hospitals Kupang, the annual commencement base rent is S\$3,840,000/-, whilst for Lippo Plaza Kupang, the annual commencement base rent is S\$3,100,000/-, both based on agreed exchange rate of S\$1 = Rp. 9,800 payable quarterly in advance. For the period from 14/12/2017 to 13/12/2018, the total base rent is S\$6,953,020/- with no variable rent. Base rent is not subjected to any increment in the first to fifth year of the lease. Thereafter it is subject to increase every year at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year, subject to a cap of 2%. No variable rent will be payable in the first, second, and third year of the lease. For avoidance of doubt, when the Gross Operating Revenue (GOR) of the preceding financial year of the Lessee does not exceed the GOR of the further preceding financial year of the Lessee by more than 5%, no variable rent is payable. Variable rent is payable quarterly in advance. There is no variable rent for Lippo Plaza Kupang. The tenant is responsible for all outgoings.
Town Planning	According to the building permits, the subject property is zoned for hospital use.

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Kupang & Lippo Plaza Kupang | 4
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (C)

Valuation Approach	Discounted Cash Flow (DCF) Analysis
Discount Rate	9.80%
Terminal Rate	NA
Caveats & Assumptions	This report is subject to and includes our Standard Caveats and Assumptions as set out at Appendix I.
Date of Valuation	16 July 2018
Market Value	S\$74,700,000/- or S\$1,349 psm/Gross Floor Area (Singapore Dollars Seventy Four Million and Seven Hundred Thousand Only)

Yours faithfully,

For and on behalf of

Colliers International Consultancy & Valuation
(Singapore) Pte Ltd

KJPP Rinaldi Alberth Baroto & Partners

Stella Seow
Licensed Appraiser No. AD041- 2004904K
Executive Director
Valuation & Advisory Department

Alberth, ST, MAPPI (Cert.)
Managing Partner
Public Valuer License No. P-1.10-00287
Certified Member of MAPPI No. 08-S-02163

APPENDIX B – VALUATION CERTIFICATES



Appendix I

CAVEATS AND ASSUMPTIONS

1. DEFINITIONS

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor.

'We', 'Us', 'Our', 'Colliers' means Colliers International Limited.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or Singapore Institute of Surveyors & Valuers' Valuation Standards and Practice Guidelines.

2. PERFORMANCE OF SERVICES

2.1 We have provided the Services in accordance with:

- (a) The Terms and Conditions contained herein; or
- (b) As specifically instructed by You for the purpose of the Services; and
- (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. CONDITION OF THE PROPERTY

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurements has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

4. ENVIRONMENT AND PLANNING

- 4.1 We have obtained town planning information from the prevailing Master Plan available on URA website. It is your responsibility to check the accuracy of this information under the appropriate planning legislation.
- 4.2 For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.
- 4.3 No requisition on road, MRT, LRT, drainage and other government proposals has been made by us. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
- 4.4 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. FLOOR/BUILDING AREAS AND LETTABLE AREAS

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate floor/building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated by us then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

- 6.1 Unless otherwise notified by You, We will assume:
 - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/ dilapidation reports), we will rely upon the apparent expertise of such experts/ specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/ or point of views of any other parties.
- 6.7 All Location Plans are obtained from www.streetdirectory.com. Whilst we do make every endeavor to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
- 6.8 Values are reported in Singapore currency unless otherwise stated.

7. ESTIMATED SELLING PRICE

- 7.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
 - (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

8. CURRENCY OF VALUATION

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 9.1, You should not rely upon Our valuation:
 - (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

9. MARKET PROJECTIONS

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and based on information currently available to us and not representative of what actual values of the property will be as at future date. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

10. YOUR OBLIGATIONS

- 10.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/ they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/ or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
 - (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
 - (c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.
- 10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and replying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made any consequential or punitive damages.
- 10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.
- 10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

11. CONFIDENTIALITY

- 11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose stated in our valuation report, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- 11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 11.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

12. PRIVACY

- 12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

13. SUBCONTRACTING

- 13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

14. LIMITATION OF COLLIERS LIABILITY

- 14.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (example being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers International. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.
- 14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons/ judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billing pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.
- 14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.
- 14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.
- 14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error/ offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to held liable for an amount of three times Our contracted fee for the assignment per property.
- 14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

- 14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorized party.
- 14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.
- 14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.
- 15. ENTIRE AGREEMENT**
- 15.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 15.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.
- 15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated
- 16. ANTI BRIBERY AND CORRUPTION MEASURES**
- 16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.
- 16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.

APPENDIX B – VALUATION CERTIFICATES



Colliers International Consultancy & Valuation
(Singapore) Pte Ltd

1 Raffles Place #45-00
ONE RAFFLES PLACE
Singapore 048616

MAIN +65 6223 2323
FAX +65 6438 6826
EMAIL Singapore.Valuation@colliers.com



Valuation Certificate

10 September 2018

Our Reference	MISC/PTE/14/2018(D)
Valuation Prepared For	OUE Lippo Healthcare Limited
Property Address	Siloam Hospitals Labuan Bajo, (the "Property") Jalan Gabriel Gampur, RT 013/RW 005, Village of Gorontalo, District of Komodo, Regency of Manggarai Barat, Province of Nusa Tenggara Timur – Indonesia
Instruction	In accordance with our terms of engagement dated 13 July 2018, we provide our valuation of the unexpired leasehold interest in the Property, for OUE Lippo Healthcare Limited's corporate action subject to shareholders' approval purpose. The valuers have carried out a site inspection within the Property on 30 July 2018 and made independent investigations as necessary for carrying out this valuation. All information used has been verified as far as is reasonable, and has included information and data provided by you, from government departments, in the public domain, and our own internal database. In the absence of readily available and verifiable information from other sources for valuation purposes, and as agreed, we have relied on the information solely provided by you for the purposes of valuation. We have assumed all such information provided by you to be true and accurate. No structural survey or environmental survey of the Property has been carried out. Services and facilities have not been tested. We have assumed that the lease agreements are current, with good covenants and in line with the general market practice in Indonesia.
Valuer	This valuation has been prepared by Stella Seow and Alberth. Stella Seow is a Licensed Appraiser under the Inland Revenue Authority of Singapore and Member of the Singapore Institute of Surveyors & Valuers. She is also a Member of the Royal Institution of Chartered Surveyors (RICS). She is suitably qualified to carry out the valuation of this magnitude and nature and has over 20 years' experience in the real estate industry in Singapore. Alberth is a Member of the Indonesia Society of Appraisers (ISA/MAPPI) and a licenced appraiser. He is suitably qualified to carry out the valuation and has over 12 years' experience in the valuation of properties of this magnitude and nature, especially in Indonesia. Neither the valuer nor Colliers International Consultancy & Valuation (Singapore) Pte Ltd are aware of any pecuniary interest or conflict of interest that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the Property.

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Labuan Bajo | 2
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (D)

Valuation Standards

This valuation has been carried out in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines. Colliers International Consultancy & Valuation (Singapore) Pte Ltd is also accredited under ISO 9001:2015.

Colliers International Consultancy & Valuation (Singapore) Pte Ltd is regulated by the Singapore Institute of Surveyors and Valuers and all necessary investigations, inspections, and other work carried out for the purpose of this valuation have been in accordance with its' valuation standards. The Singapore Institute of Surveyors and Valuers monitors regulated firms under its Conduct and Disciplinary regulations. Colliers International maintains a complaint handling procedure, a copy of which is available on request.

KJPP Rinaldi Alberth Baroto and Partners is a valuation firm licensed and operating in Republic of Indonesia, with Valuation Business License No. 2.13.0114 dated 25 January 2013 issued by the Ministry of Finance of Republic of Indonesia. The Indonesian valuers are bounded by the Valuer Code of Ethics (Kode Etik Penilai Indonesia/KEPI).

Colliers International Consultancy & Valuation (Singapore) Pte Ltd is working in alliance with KJPP Rinaldi Alberth Baroto and Partners in this valuation exercise.

Valuation Basis

Market Value on 'As-Is' Basis. Market Value is defined as "the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Legal Description

Sertifikat Hak Guna Bangunan/SHGB (Rights to Build) No. 00029/Gorontalo.

Tenure

Expiry Date is 11 May 2046 (extendable and renewable).

Registered Lessee

PT Prima Labuan Bajo

Brief Description

The subject property comprises a 3-storey purpose-built hospital with a total of 153 beds which was completed in 2015. It is located in Labuan Bajo which is a fast-growing international island tourist destination in the Manggarai Barat Regency and located near to Komodo Island.

This tourist island is provided infrastructure and services such as electricity, clean water, telephone, and cell reception. It also has many hotels and dive shops in the island.

Other site improvements include surface parking lots generally.

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Labuan Bajo | 3
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (D)

Land Area	2,837 sm.
Gross Floor Area	7,604 sm (as provided and subject to survey).
Year of Completion	We understand that the building was completed in 2015.
Occupancy	Tenanted. Based on the lease provided by the Client, the Property is 100% leased to PT Lippo Karawaci Tbk and PT Lintas Buana Jaya.
Tenancy Profile	The lease term is for a period of 15+15 years commencing 30 December 2016. Annual commencement base rent of S\$1,850,000/- - based on agreed exchange rate of S\$1 = Rp. 9,400 payable quarterly in advance. For the period from 30/12/2017 to 29/12/2018, the base rent is S\$1,850,000/- with no variable rent. Base rent is not subject to any increment in the first to fifth year of the lease. Thereafter, it is subject to increase every year at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year, subject to a floor of 0% and cap of 2%. The total base rent increment from Years 6 to 10 shall be capped at 5% and the same cap applies for Years 11 to 15. No variable rent will be payable in the first, second, third, fourth, and fifth year of the Lease for Siloam Hospitals Labuan Bajo. Variable rent for the sixth year onwards of the Lease will be based on audited Gross Operating Revenue growth of Siloam Hospitals Labuan Bajo. For avoidance of doubt, when the Gross Operating Revenue (GOR) of the preceding financial year of the Lessee does not exceed the GOR of the further preceding financial year of the Lessee by more than 5%, no variable rent is payable. The tenant is responsible for all outgoings.
Town Planning	According to the building permits, the subject property is zoned for hospital use.

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Labuan Bajo | 4
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (D)

Valuation Approach	Discounted Cash Flow (DCF) Analysis
Discount Rate	9.80%
Terminal Rate	9.00%
Caveats & Assumptions	This report is subject to and includes our Standard Caveats and Assumptions as set out at Appendix I.
Date of Valuation	16 July 2018
Market Value	S\$20,800,000/- or S\$2,735psm/Gross Floor Area (Singapore Dollars Twenty Million and Eight Hundred Thousand Only)

Yours faithfully,

For and on behalf of

Colliers International Consultancy & Valuation
(Singapore) Pte Ltd

KJPP Rinaldi Alberth Baroto & Partners

Stella Seow
Licensed Appraiser No. AD041- 2004904K
Executive Director
Valuation & Advisory Department

Alberth, ST, MAPPI (Cert.)
Managing Partner
Public Valuer License No. P-1.10-00287
Certified Member of MAPPI No. 08-S-02163

APPENDIX B – VALUATION CERTIFICATES



Appendix I

CAVEATS AND ASSUMPTIONS

1. DEFINITIONS

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor.

'We', 'Us', 'Our', 'Colliers' means Colliers International Limited.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or Singapore Institute of Surveyors & Valuers' Valuation Standards and Practice Guidelines.

2. PERFORMANCE OF SERVICES

2.1 We have provided the Services in accordance with:

- (a) The Terms and Conditions contained herein; or
- (b) As specifically instructed by You for the purpose of the Services; and
- (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. CONDITION OF THE PROPERTY

3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.

3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.

3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.

3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurements has been taken.

3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.

3.6 An internal inspection has been made, unless otherwise stated.

3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.

3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.

3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.

3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

4. ENVIRONMENT AND PLANNING

- 4.1 We have obtained town planning information from the prevailing Master Plan available on URA website. It is your responsibility to check the accuracy of this information under the appropriate planning legislation.
- 4.2 For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.
- 4.3 No requisition on road, MRT, LRT, drainage and other government proposals has been made by us. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
- 4.4 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. FLOOR/BUILDING AREAS AND LETTABLE AREAS

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate floor/building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated by us then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

- 6.1 Unless otherwise notified by You, We will assume:
 - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/ dilapidation reports), we will rely upon the apparent expertise of such experts/ specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/ or point of views of any other parties.
- 6.7 All Location Plans are obtained from www.streetdirectory.com. Whilst we do make every endeavor to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
- 6.8 Values are reported in Singapore currency unless otherwise stated.

7. ESTIMATED SELLING PRICE

- 7.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
 - (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

8. CURRENCY OF VALUATION

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 9.1, You should not rely upon Our valuation:
 - (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

9. MARKET PROJECTIONS

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and based on information currently available to us and not representative of what actual values of the property will be as at future date. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

10. YOUR OBLIGATIONS

- 10.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/ they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/ or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
 - (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
 - (c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.
- 10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and replying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made any consequential or punitive damages.
- 10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.
- 10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

11. CONFIDENTIALITY

- 11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose stated in our valuation report, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- 11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 11.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

12. PRIVACY

- 12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

13. SUBCONTRACTING

- 13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

14. LIMITATION OF COLLIERS LIABILITY

- 14.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (example being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers International. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.
- 14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons/ judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billing pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.
- 14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.
- 14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.
- 14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error/ offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to held liable for an amount of three times Our contracted fee for the assignment per property.
- 14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

- 14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorized party.
- 14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.
- 14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.
15. **ENTIRE AGREEMENT**
- 15.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 15.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.
- 15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated
16. **ANTI BRIBERY AND CORRUPTION MEASURES**
- 16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.
- 16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.

APPENDIX B – VALUATION CERTIFICATES



Colliers International Consultancy & Valuation
(Singapore) Pte Ltd

1 Raffles Place #45-00
ONE RAFFLES PLACE
Singapore 048616

MAIN +65 6223 2323
FAX +65 6438 6826
EMAIL Singapore.Valuation@colliers.com



Valuation Certificate

10 September 2018

Our Reference	MISC/PTE/14/2018(A)
Valuation Prepared For	OUE Lippo Healthcare Limited
Property Address	Siloam Hospitals Lippo Cikarang, (the "Property") Jalan Mohammad Husni Thamrin Kav. 105, Sub-district of Cibatu, District of Lemahabang, Regency of Bekasi, Province of Jawa Barat – Indonesia
Instruction	In accordance with our terms of engagement dated 13 July 2018, we provide our valuation of the unexpired leasehold interest in the Property, for OUE Lippo Healthcare Limited's corporate action subject to shareholders' approval purpose. The valuers have carried out a site inspection within the Property on 24 July 2018 and made independent investigations as necessary for carrying out this valuation. All information used has been verified as far as is reasonable, and has included information and data provided by you, from government departments, in the public domain, and our own internal database. In the absence of readily available and verifiable information from other sources for valuation purposes, and as agreed, we have relied on the information solely provided by you for the purposes of valuation. We have assumed all such information provided by you to be true and accurate. No structural survey or environmental survey of the Property has been carried out. Services and facilities have not been tested. We have assumed that the lease agreements are current, with good covenants and in line with the general market practice in Indonesia.
Valuer	This valuation has been prepared by Stella Seow and Alberth. Stella Seow is a Licensed Appraiser under the Inland Revenue Authority of Singapore and Member of the Singapore Institute of Surveyors & Valuers. She is also a Member of the Royal Institution of Chartered Surveyors (RICS). She is suitably qualified to carry out the valuation of this magnitude and nature and has over 20 years' experience in the real estate industry in Singapore. Alberth is a Member of the Indonesia Society of Appraisers (ISA/MAPPI) and a licenced appraiser. He is suitably qualified to carry out the valuation and has over 12 years' experience in the valuation of properties of this magnitude and nature, especially in Indonesia. Neither the valuer nor Colliers International Consultancy & Valuation (Singapore) Pte Ltd are aware of any pecuniary interest or conflict of interest that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the Property.

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Lippo Cikarang | 2
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (A)

Valuation Standards	This valuation has been carried out in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines. Colliers International Consultancy & Valuation (Singapore) Pte Ltd is also accredited under ISO 9001:2015. Colliers International Consultancy & Valuation (Singapore) Pte Ltd is regulated by the Singapore Institute of Surveyors and Valuers and all necessary investigations, inspections, and other work carried out for the purpose of this valuation have been in accordance with its' valuation standards. The Singapore Institute of Surveyors and Valuers monitors regulated firms under its Conduct and Disciplinary regulations. Colliers International maintains a complaint handling procedure, a copy of which is available on request. KJPP Rinaldi Alberth Baroto and Partners is a valuation firm licensed and operating in Republic of Indonesia, with Valuation Business License No. 2.13.0114 dated 25 January 2013 issued by the Ministry of Finance of Republic of Indonesia. The Indonesian valuers are bounded by the Valuer Code of Ethics (Kode Etik Penilai Indonesia/KEPI). Colliers International Consultancy & Valuation (Singapore) Pte Ltd is working in alliance with KJPP Rinaldi Alberth Baroto and Partners in this valuation exercise.
Valuation Basis	Market Value on 'As-Is' Basis. Market Value is defined as "the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".
Legal Description	Sertifikat Hak Guna Bangunan/SHGB (Rights to Build) No. 623/Cibatu
Tenure	Expiry Date is 5 May 2023 (extendable and renewable).
Registered Lessee	PT Graha Pilar Sejahtera
Brief Description	The subject property comprises a 6-storey purpose-built hospital with a total of 114 beds in the old wing and the extension wing which was completed in September 2017. It is located in Lippo Cikarang which is one of the big developments in the Bekasi Regency and closed to the proposed Meikarta development slated to be a large scale comprehensive development. Lippo Cikarang is about 35 kilometres to the east of Jakarta. This integrated residential and light industrial estate also provides infrastructure and services for the industrial zone in which it is located. Approximately 500 industries are located within the township itself (including Epson, Sumitomo, and Hyundai). Other site improvements include surface parking lots generally.
Land Area	9,900 sm.
Gross Floor Area	13,256 sm (inclusive of the extension wing, as provided and subject to survey)

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Lippo Cikarang | 3
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (A)

Year of Completion	The building was completed in 1992 as an office building and was converted to a hospital in 2002. We understand that the extension was completed in September 2017.
Occupancy	Tenanted. Based on the lease provided by the Client, the Property is 100% leased to PT East Jakarta Medika
Tenancy Profile	The lease term is for a period of 15+15 years commencing 31 December 2010. Annual commencement base rent of S\$3,768,000/- - based on agreed exchange rate of S\$1 = Rp. 6,600 payable quarterly in advance. For the period from 31/12/2017 to 30/12/2018, the base rent is S\$4,095,735/- with a variable rent of S\$240,092/-. Base rent is subject to increase every year at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year, subject to a cap of 2%. No variable rent (VR) will be payable in the first year of the Lease. Variable rent is payable thereafter up to the fourth year but for avoidance of doubt, where the audited Tenant Gross Revenue for the Preceding Financial Year does not exceed the audited Tenant Gross Revenue for the Further Preceding Financial Year by more than 5%, no Variable Rent is payable. For the fifth year and inclusive of the fifth year, variable rent is computed based on the formula: Combined VR x SHLC Pre-Y Rent/Combined Pre-Y Rent Whereby the "combined VR" means the amount based on the aggregate gross revenue derived from the Property and other property; "SHLC Pre-Y Rent" means the sum of the total base rent and variable rent payable by the tenant in the preceding year; and "Combined Pre-Y Rent" means the sum of the total Base Rent and Variable Rent payable by the Tenant hereunder, and the total base rent and variable rent payable by the Other Tenant under the lease in respect of the Other Property, in the preceding Year. For the avoidance of doubt, where the Preceding Combined Gross Revenue does not exceed the Further Preceding Combined Gross Revenue by more than 5%, no Combined VR is payable. The tenant is responsible for all outgoings.
Town Planning	According to the building permits, the subject property is zoned for hospital use.
Valuation Approach	Discounted Cash Flow (DCF) Analysis
Discount Rate	9.80%
Terminal Rate	9.25%

APPENDIX B – VALUATION CERTIFICATES



Siloam Hospitals Lippo Cikarang | 4
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (A)

Caveats & Assumptions

This report is subject to and includes our Standard Caveats and Assumptions as set out at Appendix I.

Date of Valuation

16 July 2018

Market Value

S\$51,300,000/- or S\$3,870psm/Gross Floor Area
(Singapore Dollars Fifty-One Million and Three Hundred Thousand Only)

Yours faithfully,

For and on behalf of

Colliers International Consultancy & Valuation
(Singapore) Pte Ltd

KJPP Rinaldi Alberth Baroto & Partners

Stella Seow
Licensed Appraiser No. AD041- 2004904K
Executive Director
Valuation & Advisory Department

Alberth, ST, MAPPI (Cert.)
Managing Partner
Public Valuer License No. P-1.10-00287
Certified Member of MAPPI No. 08-S-02163

APPENDIX B – VALUATION CERTIFICATES



Appendix I

CAVEATS AND ASSUMPTIONS

1. DEFINITIONS

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor.

'We', 'Us', 'Our', 'Colliers' means Colliers International Limited.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or Singapore Institute of Surveyors & Valuers' Valuation Standards and Practice Guidelines.

2. PERFORMANCE OF SERVICES

2.1 We have provided the Services in accordance with:

- (a) The Terms and Conditions contained herein; or
- (b) As specifically instructed by You for the purpose of the Services; and
- (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. CONDITION OF THE PROPERTY

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurements has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

4. ENVIRONMENT AND PLANNING

- 4.1 We have obtained town planning information from the prevailing Master Plan available on URA website. It is your responsibility to check the accuracy of this information under the appropriate planning legislation.
- 4.2 For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.
- 4.3 No requisition on road, MRT, LRT, drainage and other government proposals has been made by us. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
- 4.4 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. FLOOR/BUILDING AREAS AND LETTABLE AREAS

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate floor/building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated by us then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

- 6.1 Unless otherwise notified by You, We will assume:
 - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/ dilapidation reports), we will rely upon the apparent expertise of such experts/ specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/ or point of views of any other parties.
- 6.7 All Location Plans are obtained from www.streetdirectory.com. Whilst we do make every endeavor to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
- 6.8 Values are reported in Singapore currency unless otherwise stated.

7. ESTIMATED SELLING PRICE

- 7.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
 - (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

8. CURRENCY OF VALUATION

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 9.1, You should not rely upon Our valuation:
 - (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

9. MARKET PROJECTIONS

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and based on information currently available to us and not representative of what actual values of the property will be as at future date. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

10. YOUR OBLIGATIONS

- 10.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/ they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/ or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
 - (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
 - (c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.
- 10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and replying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made any consequential or punitive damages.
- 10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.
- 10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

11. CONFIDENTIALITY

- 11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose stated in our valuation report, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- 11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 11.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

12. PRIVACY

- 12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

13. SUBCONTRACTING

- 13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

14. LIMITATION OF COLLIERS LIABILITY

- 14.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (example being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers International. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.
- 14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons/ judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billing pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.
- 14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.
- 14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.
- 14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error/ offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to held liable for an amount of three times Our contracted fee for the assignment per property.
- 14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

- 14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorized party.
- 14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.
- 14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.
- 15. ENTIRE AGREEMENT**
- 15.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 15.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.
- 15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated
- 16. ANTI BRIBERY AND CORRUPTION MEASURES**
- 16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.
- 16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.

APPENDIX B – VALUATION CERTIFICATES



Colliers International Consultancy & Valuation
(Singapore) Pte Ltd

1 Raffles Place #45-00
ONE RAFFLES PLACE
Singapore 048616

MAIN +65 6223 2323
FAX +65 6438 6826
EMAIL Singapore.Valuation@colliers.com



Valuation Certificate

10 September 2018

Our Reference	MISC/PTE/14/2018(B)
Valuation Prepared For	OUE Lippo Healthcare Limited
Property Address	Siloam Sriwijaya, (the "Property") Jalan POM IX, Sub-District of Lorok Pakjo, District of Ilir Barat, Regency of Palembang, Province of South Sumatra, Indonesia
Instruction	In accordance with our terms of engagement dated 13 July 2018, we provide our valuation of the unexpired leasehold interest in the Property, for OUE Lippo Healthcare Limited's corporate action subject to shareholders' approval purpose. The valuers have carried out a site inspection of the Property on 23 July 2018 and made independent investigations as necessary for carrying out this valuation. All information used has been verified as far as is reasonable, and has included information and data provided by you, from government departments, in the public domain, and our own internal database. In the absence of readily available and verifiable information from other sources for valuation purposes, and as agreed, we have relied on the information solely provided by you for the purposes of valuation. We have assumed all such information provided by you to be true and accurate. No structural survey or environmental survey of the Property has been carried out. Services and facilities have not been tested. We have assumed that the lease agreements are current, with good covenants and in line with the general market practice in Indonesia.
Valuer	This valuation has been prepared by Stella Seow and Alberth. Stella Seow is a Licensed Appraiser under the Inland Revenue Authority of Singapore and Member of the Singapore Institute of Surveyors & Valuers. She is also a Member of the Royal Institution of Chartered Surveyors (RICS). She is suitably qualified to carry out the valuation of this magnitude and nature and has over 20 years' experience in the real estate industry in Singapore. Alberth is a Member of the Indonesia Society of Appraisers (ISA/MAPPI) and a licenced appraiser. He is suitably qualified to carry out the valuation and has over 12 years' experience in the valuation of properties of this magnitude and nature, especially in Indonesia. Neither the valuer nor Colliers International Consultancy & Valuation (Singapore) Pte Ltd are aware of any pecuniary interest or conflict of interest that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the Property.

APPENDIX B – VALUATION CERTIFICATES



Siloam Sriwijaya | 2
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (B)

Valuation Standards

This valuation has been carried out in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines. Colliers International Consultancy & Valuation (Singapore) Pte Ltd is also accredited under ISO 9001:2015.

Colliers International Consultancy & Valuation (Singapore) Pte Ltd is regulated by the Singapore Institute of Surveyors and Valuers and all necessary investigations, inspections, and other work carried out for the purpose of this valuation have been in accordance with its' valuation standards. The Singapore Institute of Surveyors and Valuers monitors regulated firms under its Conduct and Disciplinary regulations. Colliers International maintains a complaint handling procedure, a copy of which is available on request.

KJPP Rinaldi Alberth Baroto and Partners is a valuation firm licensed and operating in Republic of Indonesia, with Valuation Business License No. 2.13.0114 dated 25 January 2013 issued by the Ministry of Finance of Republic of Indonesia. The Indonesian valuers are bounded by the Valuer Code of Ethics (Kode Etik Penilai Indonesia/KEPI).

Colliers International Consultancy & Valuation (Singapore) Pte Ltd is working in alliance with KJPP Rinaldi Alberth Baroto and Partners in this valuation exercise.

Valuation Basis

Market Value on 'As-Is' Basis. Market Value is defined as "the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Legal Description

8 strata title certificates (SHMASRS) on Rights to Build (SHGB) No. 828/Lorok Pakjo on Rights to Manage (SHPL) No. 93/Lorok Pakjo under a BOT Agreement No. 003/SPK/VI/2011 dated 25 January 2011. The strata titles are as follows:

- SHMASRS No. 6987/GF/RS/01/Lorok Pakjo.
- SHMASRS No. 6995/UG/RS/01/Lorok Pakjo.
- SHMASRS No. 6994/01/RS/01/Lorok Pakjo.
- SHMASRS No. 6986/02/RS/01/Lorok Pakjo.
- SHMASRS No. 6983/03/RS/01/Lorok Pakjo.
- SHMASRS No. 6985/05/RS/01/Lorok Pakjo.
- SHMASRS No. 6993/06/RS/01/Lorok Pakjo.
- SHMASRS No. 6982/RM/RS/01/Lorok Pakjo.

Tenure

Title	Tenure	Registered Proprietor/ Lessee
Strata titles under BOT	25 January 2011 until 24 January 2041	PT Sriwijaya Mega Abadi
Rights to Manage	NA	PT Palembang Paragon Mall.
Rights to Build	19 February 2014 until 3 February 2044	

APPENDIX B – VALUATION CERTIFICATES



Siloam Sriwijaya | 3
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (B)

Brief Description

The subject property comprises a 8-storey purpose built hospital within a gated commercial development. It is located on Jalan POM IX, from T-junction of Jalan Angkatan 45 and Jalan Kapten A Rival and about 1.5 km away from the intersection of Jalan Demang Lebar Daun, Jalan Duta Harapan 2 and Jalan Angkatan 45.

The Subject Property is surrounded by commercial developments such as Aryaduta Hotel, a shopping mall, streetblocks of shophouses, Arista Hotel, Governor Office, South Sumatera Parliament Office, Bumi Sriwijaya Stadium, Palembang Sport and Convention Center.

Siloam Sriwijaya is a Grade B Private General Hospital, which has excellent facilities in emergency & trauma and gastroenterology. Currently, the hospital has maximum capacity of 357 beds and is equipped with advanced diagnostic technologies.

Other site improvements include a parking lot and entrance road covered with concrete pavement blocks.

Land Area

23,311 sm. (based on SHGB, shared)

Lettable Floor Area

15,708.67 sm

Year of Completion

We have not been provided with this information but understand that the hospital commences operations in October 2012.

Occupancy

Tenanted. Based on the lease provided by the Client, the Property is leased from PT Sriwijaya Mega Abadi to PT Metropolis Propertindo Utama.

APPENDIX B – VALUATION CERTIFICATES



Siloam Sriwijaya | 4
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (B)

Tenancy Profile

The lease term is for a period of 15+15 years commencing 29 December 2014. Annual commencement base rent of S\$3,900,000/-, based on agreed exchange rate of S\$1 = Rp. 9,400, payable quarterly in advance. For the period from 29/12/2017 to 28/12/2018, the base rent is S\$3,916,380/- with a variable rent of S\$45,655/-.

Base rent is not subject to any increment in the first to third year of the lease. Thereafter, it is subject to an increase every year at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year, subject to a floor of 0% cap of 2%. The total base rent increment from Years 6 to 10 shall be capped at 5% and the same cap applies for Years 11 to 15.

No variable rent is payable in the First to Third years. Thereafter, variable rent is computed by (A) x (B) whereby;

Variable rent factor ("A") is computed as follows:

If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 5% but less than 15%, A is 0.75%.

If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 15% but less than 30%, A is 1.25%.

If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 30%, A is 2.00%.

("B") is the surplus of GOR of the preceding financial year of the Lessee over the GOR of the further preceding financial year of the Lessee. The variable rent is payable quarterly in advance.

For avoidance of doubt, when the GOR of the preceding financial year of the Lessee does not exceed the GOR of the further preceding financial year of the Lessee by more than 5%, no variable rent is payable.

The tenant is responsible for all outgoings.

Town Planning

According to the building permit, the subject property is zoned for hospital use.

APPENDIX B – VALUATION CERTIFICATES



Siloam Sriwijaya | 5
COLLIERS INTERNATIONAL
MISC/PTE/14/2018 (B)

Valuation Approach	Discounted Cash Flow (DCF) Analysis
Discount Rate	9.80%
Terminal Rate	N/A
Caveats & Assumptions	This report is subject to and includes our Standard Caveats and Assumptions as set out at Appendix I.
Date of Valuation	16 July 2018
Market Value	S\$41,900,000/- or S\$2,731psm/Gross Floor Area (Singapore Dollars Forty-One Million And Nine Hundred Thousand Only)

Yours faithfully,

For and on behalf of

Colliers International Consultancy & Valuation
(Singapore) Pte Ltd

Stella Seow
Licensed Appraiser No. AD041- 2004904K
Executive Director
Valuation & Advisory Department

KJPP Rinaldi Alberth Baroto & Partners

Alberth, ST, MAPPI (Cert.)
Managing Partner
Public Valuer License No. P-1.10-00287
Certified Member of MAPPI No. 08-S-02163

APPENDIX B – VALUATION CERTIFICATES



Appendix I

CAVEATS AND ASSUMPTIONS

1. DEFINITIONS

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor.

'We', 'Us', 'Our', 'Colliers' means Colliers International Limited.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or Singapore Institute of Surveyors & Valuers' Valuation Standards and Practice Guidelines.

2. PERFORMANCE OF SERVICES

2.1 We have provided the Services in accordance with:

- (a) The Terms and Conditions contained herein; or
- (b) As specifically instructed by You for the purpose of the Services; and
- (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. CONDITION OF THE PROPERTY

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurements has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

4. ENVIRONMENT AND PLANNING

- 4.1 We have obtained town planning information from the prevailing Master Plan available on URA website. It is your responsibility to check the accuracy of this information under the appropriate planning legislation.
- 4.2 For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.
- 4.3 No requisition on road, MRT, LRT, drainage and other government proposals has been made by us. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
- 4.4 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. FLOOR/BUILDING AREAS AND LETTABLE AREAS

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate floor/building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated by us then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

- 6.1 Unless otherwise notified by You, We will assume:
 - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/ dilapidation reports), we will rely upon the apparent expertise of such experts/ specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/ or point of views of any other parties.
- 6.7 All Location Plans are obtained from www.streetdirectory.com. Whilst we do make every endeavor to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
- 6.8 Values are reported in Singapore currency unless otherwise stated.

7. ESTIMATED SELLING PRICE

- 7.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
 - (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

8. CURRENCY OF VALUATION

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 9.1, You should not rely upon Our valuation:
 - (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

9. MARKET PROJECTIONS

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and based on information currently available to us and not representative of what actual values of the property will be as at future date. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

10. YOUR OBLIGATIONS

- 10.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it/ they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/ or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
 - (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
 - (c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.
- 10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and replying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made any consequential or punitive damages.
- 10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.
- 10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

11. CONFIDENTIALITY

- 11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose stated in our valuation report, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- 11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 11.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

12. PRIVACY

- 12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

13. SUBCONTRACTING

- 13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

14. LIMITATION OF COLLIERS LIABILITY

- 14.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (example being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers international. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.
- 14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons/ judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billing pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.
- 14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.
- 14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.
- 14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error/ offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to held liable for an amount of three times Our contracted fee for the assignment per property.
- 14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.

APPENDIX B – VALUATION CERTIFICATES



Appendix I

- 14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorized party.
- 14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.
- 14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.
- 15. **ENTIRE AGREEMENT**
 - 15.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
 - 15.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.
 - 15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated
- 16. **ANTI BRIBERY AND CORRUPTION MEASURES**
 - 16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.
 - 16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.

APPENDIX B – VALUATION CERTIFICATES

OUE Lippo Healthcare Limited

VALUATION OF FINANCIAL INTEREST
SILOAM HOSPITALS KEBON JERUK
Jalan Raya Perjuangan Kav. 8
Kebon Jeruk Sub District, Kebon Jeruk District
West Jakarta City, DKI Jakarta Province, Indonesia

No. Report : RHR00R1P0918006.0
Date : 10 September 2018



KJPP RHR

KJPP Rengganis, Hamid & Rekan

Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

APPENDIX B – VALUATION CERTIFICATES



KJPP RHR

KJPP Rengganis, Hamid & Rekan
Izin Usaha KJPP No. 2.09.0012
Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

To : The Board Directors
OUE Lippo Healthcare Limited ("OUE LH")
6 Shenton Way, #10-09A
OUE Downtown 2,
Singapore 068809

Our Ref. : RHR00C1P0718126.1
Report No. : RHR00R1P0918006.0
Date : 10 September 2018

VALUATION OF FINANCIAL INTEREST SILOAM HOSPITALS KEBON JERUK

Jalan Raya Perjuangan Kav.8, Kebon Jeruk Sub District, Kebon Jeruk District,
West Jakarta City, DKI Jakarta Province, Indonesia

Dear Sir/Madam,

Following the instruction of OUE Lippo Healthcare Limited ("OUE LH" or "Client") under contract No. RHR00C1P0718126.1 dated 12 July 2018 to form an opinion of Market Value of Financial Interest in land and building components of Siloam Hospitals Kebon Jeruk ("SHKJ") which is bounded under a Master Lease Agreement ("MLA") dated 23 October 2006, located at Jalan Raya Perjuangan Kav.8, Kebon Jeruk Sub District, Kebon Jeruk District, West Jakarta City, DKI Jakarta Province, Indonesia, we hereby declare that we have completed our inspection and analysis and submit the attached valuation report for the Client and Intended User.

1. Introduction

This assignment has been carried out by an independent valuer who is a Public Valuer in KJPP Rengganis, Hamid & Rekan-KJPP RHR (previously PT Heburinas Nusantara). KJPP RHR is an independent valuation firm registered in Indonesian Appraisers Society (Masyarakat Profesi Penilai Indonesia), provided with a business permit from the Ministry of Finance and registered in OJK "Otoritas Jasa Keuangan" previously Bapepam-LK (Securities Exchange Commission "SEC"). Partners of KJPP-RHR have been registered in the Ministry of Finance and OJK.

KJPP-RHR has established a strategic alliance with **CBRE**, the world's premier, and full service real estate services company listed in New York Stock Exchange.

All valuers, experts, and executive staffs in this valuation shall be regarded as a unified assigned team under the coordination of a Licensed Valuer.

Head Office:
Menara Kuningan 8th Floor
Jalan HR. Rasuna Said Blok X-7 Kav. 5, Jakarta 12940
Phone: 62-21 3001 6002 Fax: 62-21 3001 6003
Email: kjpg.rhp@rhp-valuation.com

Our Offices:
Bali (P) | Jakarta (P) | Makassar (P) | Medan (P) |
Semarang (P) | Surabaya | (P) Yogyakarta (P)

www.kjpg-rhr.com

APPENDIX B – VALUATION CERTIFICATES



2. Client and Intended User

The Client is OUELH and the Intended User is OUELH's shareholders with details as follows.

Business Sector : Healthcare Service & Property Investment

Address : 6 Shenton Way, # 10-09A, OUE Downtown 2, Singapore 068809

Telephone : +65 6578 9188

3. Purpose and Objective of Valuation

The purpose and objective of this valuation is to form an opinion of Market Value of the subject property for acquisition of shares related to affiliated transactions.

4. The Subject Property

The subject property is Financial Interest in land and building component of Siloam Hospitals Kebon Jeruk ("SHKJ") which is bounded under a MLA. SHKJ has a maximum capacity of 215 beds with a total gross floor area of about 18,316 square meters erected on land area of 11,420 square meters. It is located at Jalan Raya Perjuangan Kav.8, Kebon Jeruk Sub District, Kebon Jeruk District, West Jakarta City, DKI Jakarta province, Indonesia.

5. Ownership Right and Type

The subject property is based on MLA which covers a hospital building (real property). The ownership of the subject property is individual type covered by 1 (one) Right to Build Certificate (Sertifikat Hak Guna Bangunan – "SHGB") registered under the name of PT Graha Indah Pratama.

6. Basis of Valuation

The basis of valuation is Market Value as defined in The Indonesian Valuation Standard (Standar Penilaian Indonesia) as follows.

Market Value

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". (SPI 101.3.1)

Market Value refers and reflects the actual value regardless of any tax liability or costs associated with these sales transactions.

APPENDIX B – VALUATION CERTIFICATES



Financial Interest

"Financial Interest on property legally is derived from the division of ownership in the business entities and real property (e.g. alliance/partnership, syndicate, BOT, lease/co-Tenancies, joint venture), and granting contractual option rights to buy or sell property (for example land and buildings, shares or other financial instruments) at a stated price within a specific period, or derived from the establishment of investment instruments that are secured by a bunch of real estate assets". (KPUP-Property Type 5.1)

7. Date of Valuation

The valuation date is 16 July 2018 and the inspection date is 19 July 2018.

8. Currency

We have valued the property in Singapore Dollar currency since the rental revenue is in Singapore Dollar. However, the operating asset generates income in Rupiah and for variable rent conversion to Singapore Dollar, we used fixed exchange rate of SGD1 = Rp5,623.50/- as stated in the MLA. For your information, the exchange rate at the date of valuation is SGD1 = Rp10,542.28 (middle rate of Bank Indonesia).

9. Depth of Investigation

The valuation is conducted with limitation of investigation as follows.

- a. The investigation is carried out through the process of data collection by doing the inspection, calculation, and analysis;
- b. Investigation, calculation and analysis can be done favorably without being obstructed by the hidden information or intentionally hidden.

10. Reliable Information Data

Data from the following reliable domestic and international sources, that have not been independently verified, were relied upon in the preparation of this valuation report.

- Bank Indonesia;
- Indonesia Stock Exchange or other stock exchange;
- Statistics Indonesia;
- Research data from independent institution/firms;
- Information from the electronic and printed media.

11. Assumption and Special Assumption

- 1) The date of inspection is after the valuation date, therefore in this valuation we have assumed that there is no significant change in subject property between the date of valuation and the date of inspection;
- 2) The title of the subject property is assumed to be good marketable title and free and clear from all liens and encumbrances, easements, restriction, or limitation. We did not make any land measurement and we assumed that the land drawing contained in the land certificates and/or provided by SHKJ is true and accurate;

APPENDIX B – VALUATION CERTIFICATES



- 3) We have not investigated the title or any liabilities affecting the property appraised. No consideration was made for any outstanding amount owed in financing agreements, if any;
- 4) In this valuation we have assumed that the master lease term is transferable/marketable, free and clear from restriction and limitation;
- 5) We have valued the financial interest since the value is depending on the potential rental as stated in MLA. In this valuation, we have assumed that the Lessee will fulfill their liabilities until the end of contract;
- 6) We understand that the sustainability of the master lease contract / MLA is critical in this discounted cash flow valuation. Should this contract is not renewed upon expiry, then theoretically it will be calculated based on market rent which could be lower than the contractual rent rate. We have capitalized the contractual rent based on special assumption that the contract will be automatically renewed under similar terms upon expiry.
- 7) We understand that SHKJ is part of the IPO's property that the variable rent calculation is linkable to each of the IPO's property. Based on the Client's instruction, in this valuation, we assumed that the variable rent is calculated as a stand-alone property.

12. Valuation Approach and Rationale

In this valuation, we have adopted Income Approach with Discounted Cash Flow Method since the subject property is financial interest of income producing property.

13. Term on Approval for Publication

The valuation report and / or the attached references are only intended for the Client and Intended User as stated in this scope of work. The use of this report beyond the scope of work must be approved by KJPP RHR and the Client.

14. Confirmation on Indonesian Valuation Standards

The valuer's analysis, opinion and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Value Ethic Codes KEPI and SPI 6th Edition – 2015).

APPENDIX B – VALUATION CERTIFICATES



15. Valuation Conclusion

Having considered all relevant information and prevailing market condition, we are of the opinion that the Market Value of Financial Interest in land and building components of SHKJ located at Jalan Raya Perjuangan Kav.8, Kebon Jeruk Sub District, Kebon Jeruk District, West Jakarta City, DKI Jakarta province, Indonesia as of 16 July 2018 is

SGD96,700,000/-

(NINETY SIX MILLION SEVEN HUNDRED THOUSAND SINGAPORE DOLLARS)

By using exchange rate as of date of valuation SGD1 = Rp10,542.28 the Market Value is

Rp1,019,440,000,000/-

(ONE TRILLION NINETEEN BILLION FOUR HUNDRED FORTY MILLION RUPIAHS)

Jakarta, 10 September 2018

Yours faithfully,

KJPP Rengganis, Hamid & Rekan

KJPP Rengganis, Hamid & Rekan

Vivien Heriyanthi, MAPPI (Cert)

Partner – Property and Business Valuer

License Valuer No. PB-1.09.00263

MAPPI No. 00-S-01256

APPENDIX B – VALUATION CERTIFICATES



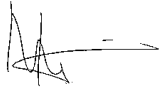
COMPLIANCE STATEMENT

Within the limitations of our ability and belief, we the undersigned declare that.

1. The statement in this report, which are based on the analysis, opinions and conclusions described therein, are to the best of our knowledge true and correct.
2. The report explains the limiting conditions and disclaimer that may have influenced the aforementioned analysis, opinion and conclusions.
3. We have no present or contemplated future interest in the property that is subject of this appraisal, nor have personal interests or bias with respect to the subject matters of this valuation or the parties involved.
4. The professional fee is not related with the opinion of value as stated in this report.
5. The Valuers have already accomplished professional education requirements defined/implemented by MAPPI (Masyarakat Profesi Penilai Indonesia).
6. The Valuers possess adequate understanding regarding the location and/or the type of property under valuation.
7. The engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. The Valuers compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of the stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.
9. The Valuers have carried out the following scope of work:
 - Problem identification (identifying the limitation, property rights, purpose and objective, definition of value, date of valuation);
 - Data collection and property inspection;
 - Data analysis;
 - Value estimation using suitable approaches;
 - Report writing.
10. No one other than the undersigned Valuers have involved in the inspection, analysis, conclusion, and opinions concerning the property that are set forth in this valuation report.
11. The Valuer's analysis, opinions, and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Valuer Ethic Codes (KEPI and SPI 6th Edition – 2015).

APPENDIX B – VALUATION CERTIFICATES



Name	Qualification	Signatures
Job Captain: Vivien Heriyanthi, MAPPI (Cert.) Licensed Valuer No. PB-1.09.00263 MAPPI No. 00-S-01256	Property & Business Valuer	
Reviewer : Felix Sulistio Thio MAPPI No.12-T-03860	Property & Business Valuer	
Valuer: Novia Eka Ayundari Putri MAPPI No. 18-P-8314	Property Valuer	
Assistant: Hans Sutama MAPPI No. 18-A-08571	Assistant	

APPENDIX B – VALUATION CERTIFICATES



VALUATION CERTIFICATE OF SILOAM HOSPITALS KEBON JERUK

General Description of Property	Master Lease Agreement	Methodology and Conclusion
Property Brief The subject property is Financial Interest in land and building components of SHKJ. SHKJ is a private hospital with maximum capacity of 215 beds and gross floor area of about 18,316 square meters erected on land area of 11,420 square meters. Location The subject property is located at Jalan Raya Perjuangan Kav.8, Kebon Jeruk Sub District, Kebon Jeruk District, West Jakarta City, DKI Jakarta province, Indonesia. SHKJ is located on the west side of Jalan Perjuangan or within radius of: • about 500 meters to the west of the Kebon Jeruk 1 Exit Gate Toll; • about 550 meters to the west of intersection between Jalan Perjuangan, and Jalan Arjuna Selatan; • about 840 meters to the east of intersection between Jalan Perjuangan, Jalan Pesanggrahan and Jalan Taman Aries; • about 7 kilometers to the southwest of the National Monument at the center of Jakarta City; • about 13 kilometers to the southeast of Soekarno Hatta International Airport. Site Details and Tenure The site is almost rectangular in shape with total land area of about 11,420 square meters. The frontage to Jalan Perjuangan is about 156 meters and the maximum depth is about 70 square meters. The site is generally flat and the elevation is as same as the fronting road. Currently, the site condition is a developed land with a hospital building.	Summary of MLA Lease commencement : 11 December 2006 Lease term : 15 years with a further term of 15 years after the expiry of the lease terms, on terms to be agreed between the parties. Base rent : Annual commencement base rent of SGD6,629,146 payable quarterly in advance Base rent is subject to increase every year of the lease onwards at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year or 2%, which one is lower. *If the CPI for the preceding calendar year is a negative value, the increment will be zero. Variable rent : Variable rent is computed as follows: $(A) \times (B)$ Where: A) Variable rent factor ("A") is computed as follows: - If GOR of the preceding financial year of the lessee exceeds the GOR of the further preceding financial year of the lessee by more than or equal to 5% but less than 15%, A is 0.75%. - If GOR of the preceding financial year of the lessee exceeds the GOR of the further preceding financial year of the lessee by more than or equal to 15% but less than 30%, A is 1.25%.	In this valuation we have adopted Income Approach with Discounted Cash Flow Method. Valuation Assumption Terminal Cap Rate : 10.00% Discount Rate : 9.99% Market Value SGD96,700,000/- (NINETY SIX MILLION SEVEN HUNDRED THOUSAND SINGAPORE DOLLARS) By using exchange rate as of date of valuation SGD1 = Rp10,542.28 the Market Value is: Rp1,019,440,000,000/- (ONE TRILLION NINETEEN BILLION FOUR HUNDRED FORTY MILLION RUPIAHS)

APPENDIX B – VALUATION CERTIFICATES



General Description of Property	Master Lease Agreement	Methodology and Conclusion
The land is covered with 1 (one) Right to Build Certificate (Sertipikat Hak Guna Bangunan – “SHGB”) registered under the name of PT Graha Indah Pratama with total land area of 11,420 square meters. <u>Town Planning</u> Zoning : Public and social services Site coverage (KDB) : 55% Plot ratio (KLB) : 6 Height limitation : 40-storey The building is covered with following permits: • Building Permit No. 7948/IMB/1990 issued on 25 September 1990 registered under the name of Yayasan Graha Medika. • Building Permit No. 5451/IMB/1991 issued on 21 June 1991 registered under the name of Yayasan Graha Medika. • Building Permit No. 15552/IMB/1994 issued on 5 January 1994 registered under the name of Yayasan Graha Medika. <u>Building Description</u> The subject property comprises of 2 buildings adjoined to each other, with gross building area of about 18,316 square meters. SHKJ is a new brand, which was previously known as Graha Medika Hospital. Graha Medika Hospital changed its name and symbol and became Siloam Hospitals West Jakarta on 1 April 2006. Since April 2007, it had changed its name to Siloam Hospital Kebon Jeruk. This hospital was built in 1991 with the latest renovation in 2017. As of inspection, we found that the building was generally in good condition.	- If GOR of the preceding financial year of the lessee exceeds the GOR of the further preceding financial year of the lessee by more than or equal to 30%, A is 2.00%. B) (“B”) is the GOR of the preceding financial year of the lessee over the GOR of the further preceding financial year of the lessee. The variable rent is payable quarterly in advance. For avoidance of doubt, when the GOR of the preceding financial year of the lessee does not exceed the GOR of the further preceding financial year of the lessee by more than 5%, no variable rent is payable. Fixed exchange rate : The VR shall be denominated in Singapore Dollars, with a fixed exchange rate for the entire lease term of S\$ 1 = IDR5,623.50.	

APPENDIX B – VALUATION CERTIFICATES

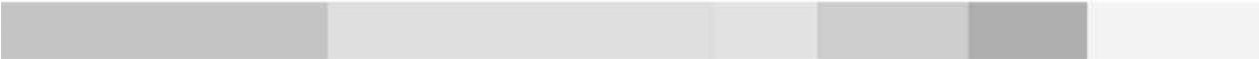


Assumptions and Limiting Conditions

This Property Valuation and Report is subject to the following limiting conditions:

- 1) Neither the whole nor any part of this Valuation and Report or any reference to it may be included in any published document, circular or statement nor published in any without the Valuer's prior written approval of the form and context in which it may appear.
- 2) Where it is stated in the report that information has been supplied to the Valuer by another party, this information is believed to be reliable but the Valuer can accept no responsibility if this should prove not be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by inquiry from Government or other appropriate departments.
- 3) Our Valuations and Reports are confidential to the party to whom they are addressed and to their professional advisors for the specific purpose to which they refer. The Valuer disclaims all responsibility and will accept no liability to any other party.
- 4) The values assessed in this report for the subject property and any allocation of values between parts of this property apply only in terms of and for the purpose of this report. The values assessed should not be used in conjunction with any other assessment as they may prove incorrect if used.
- 5) While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects.
- 6) We do not normally carry out investigations on site in order to ascertain the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.
- 7) Where market values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or the costs involved in effecting a sale. The property is valued on the assumption that it is free and clear of all mortgages, encumbrances and other outstanding premiums and charges.
- 8) Any sketch, plan or map in this Report is included to assist the reader in visualizing the property. We have assumed no responsibility in connection with such matters.
- 9) Information on Town Planning is obtained from the set of Master Plan and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements etc. If assurance is required, we recommend that verification be obtained from your lawyers.
- 10) The subject property is covered by legitimate land certificates, under responsible ownership and free from all liens and encumbrances. We do not make any land measurement, and we assume that the land drawing contained in the land certificates and /or provided by our client is true and accurate.
- 11) Our valuations are prepared on the basis that the premises and any works thereto comply with all relevant statutory regulations, it is assumed that they have been or will be issued with a Certificate of Fitness by competent authority.
- 12) The Valuer is not required to give testimony or to appear in court by reason of this Valuation Report, with reference to the property in question, unless arrangement has been made therefor.

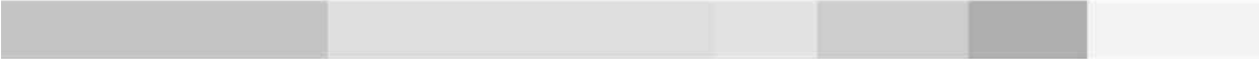
APPENDIX B – VALUATION CERTIFICATES



Head Office:
Menara Kuningan 8th Floor
Jalan HR. Rasuna Said Blok X-7 Kav. 5, Jakarta 12940
Phone: 62-21 3001 6002 Fax: 62-21 3001 6003
email: kjpp.rhp@rhp-valuation.com

Our Offices:
MEDAN | SURABAYA | SOLO | MAKASSAR | MANADO | DENPASAR

www.rhp-valuation.com



OUE Lippo Healthcare Limited

**VALUATION OF FINANCIAL INTEREST
SILOAM HOSPITALS LIPPO VILLAGE
Jalan Siloam No. 6, Lippo Village,
Bencong Sub District, Curug District
Tangerang Regency, Banten Province, Indonesia**

**No. Report : RHR00R1P0918003.0
Date : 10 September 2018**



KJPP RHR

KJPP Rengganis, Hamid & Rekan

Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

APPENDIX B – VALUATION CERTIFICATES



KJPP RHR

KJPP Rengganis, Hamid & Rekan
Izin Usaha KJPP No. 2.09.0012
Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

To : The Board Directors
OUE Lippo Healthcare Limited ("OUE LH")
6 Shenton Way, #10-09A
OUE Downtown 2,
Singapore 068809

Our Ref. : RHR00C1P0718126.1
Report No. : RHR00R1P0918003.0
Date : 10 September 2018

VALUATION OF FINANCIAL INTEREST

SILOAM HOSPITALS LIPPO VILLAGE

Jalan Siloam No. 6, Lippo Village, Bencong Sub District, Curug District
Tangerang Regency, Banten Province, Indonesia

Dear Sir/Madam,

Following the instruction of OUE Lippo Healthcare Limited ("OUE LH" or "Client") under contract No. RHR00C1P0718126.1 dated 12 July 2018 to form an opinion of Market Value of Financial Interest in land and building components of Siloam Hospitals Lippo Village ("SHLV" or "Subject Property") which is bounded under a Master Lease Agreement ("MLA") dated 23 October 2006, located at Jalan Siloam No. 6, Lippo Village, Bencong Sub District, Curug District, Tangerang Regency, Banten Province, Indonesia, we hereby declare that we have completed our inspection and analysis and submit the attached valuation report for the Client and Intended User.

1. Introduction

This assignment has been carried out by an independent valuer who is a Public Valuer in KJPP Rengganis, Hamid & Rekan-KJPP RHR (previously PT Heburinas Nusantara). KJPP RHR is an independent valuation firm registered in Indonesian Appraisers Society (Masyarakat Profesi Penilai Indonesia), provided with a business permit from the Ministry of Finance and registered in OJK "Otoritas Jasa Keuangan" previously Bapepam-LK (Securities Exchange Commission "SEC"). Partners of KJPP-RHR have been registered in the Ministry of Finance and OJK.

KJPP-RHR has established a strategic alliance with **CBRE**, the world's premier, and full service real estate services company listed in New York Stock Exchange.

All valuers, experts, and executive staffs in this valuation shall be regarded as a unified assigned team under the coordination of a Licensed Valuer.

Head Office:
Menara Kuningan 8th Floor
Jalan HR. Rasuna Said Blok X-7 Kav. 5, Jakarta 12940
Phone: 62-21 3001 6002 Fax: 62-21 3001 6003
Email: kjpp.rhp@rhp-valuation.com

Our Offices:
Bali (P) | Jakarta (P) | Makassar (P) | Medan (P) |
Semarang (P) | Surabaya (P) | Yogyakarta (P)

www.kjpp-rhr.com

APPENDIX B – VALUATION CERTIFICATES



2. Client and Intended User

The Client is OUE LH and the Intended User is OUE LH's Shareholders with details as follows.

Business Sector : Healthcare Service & Property Investment

Address : 6 Shenton Way, # 10-09A, OUE Downtown 2, Singapore 068809

Telephone : +65 6578 9188

3. Purpose and Objective of Valuation

The purpose and objective of this valuation is to form an opinion of Market Value of the subject property for acquisition of shares related to affiliated transactions.

4. The Subject Property

The subject property is Financial Interest in land and building component of Siloam Hospitals Lippo Village ("SHLV") which is bounded under one MLA. SHLV has a maximum capacity of 274 beds with a gross floor area of about 27,284 square meters erected on land area of 17,442 square meters. It is located at Jalan Siloam No. 6 Lippo Village, Tangerang Regency, Banten Province, Indonesia.

5. Ownership Right and Type

The subject property is based on MLA which covers a hospital building (real property). The ownership of the subject property is individual type covered by 7 (seven) Right to Build Certificates (Hak Guna Bangunan) registered under the name of PT Sentra Dinamika Perkasa.

6. Basis of Valuation

The basis of valuation is Market Value as defined in The Indonesian Valuation Standard (Standar Penilaian Indonesia) as follows.

Market Value

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". (SPI 101.3.1)

Market Value refers and reflects the actual value regardless of any tax liability or costs associated with these sales transactions.

Financial Interest

"Financial Interest on property legally is derived from the division of ownership in the business entities and real property (e.g. alliance/partnership, syndicate, BOT, lease/co-Tenancies, joint venture), and granting contractual option rights to buy or sell property (for example land and buildings, shares or other financial instruments) at a stated price within a specific period, or derived from the establishment of investment instruments that are secured by a bunch of real estate assets". (KPUP-Property Type 5.1)

APPENDIX B – VALUATION CERTIFICATES



7. Date of Valuation

The valuation date is 16 July 2018 and the inspection date is 23 July 2018.

8. Currency

We have valued the property in Singapore Dollar since the rental revenue is in Singapore Dollar. However, the operating asset generates income in Rupiah and for variable rent conversion to Singapore Dollar, we used fixed exchange rate of SGD1 = Rp5,623.50 as stated in the MLA. For your information, the exchange rate at the date of valuation is SGD1 = Rp10,542.28 (middle rate of Bank Indonesia).

9. Depth of Investigation

The valuation is conducted with limitation of investigation as follows:

- The investigation is carried out through the process of data collection by doing the inspection, calculation, and analysis;
- Investigation, calculation and analysis can be done favorably without being obstructed by the hidden information or intentionally hidden.

10. Reliable Information Data

Data from the following reliable domestic and international sources, that have not been independently verified, were relied upon in the preparation of this valuation report:

- Bank Indonesia;
- Indonesia Stock Exchange or other stock exchange;
- Statistics Indonesia;
- Research data from independent institution/firms;
- Information from the electronic and printed media.

11. Assumption and Special Assumption

Our valuation is subject to the following:

- 1) The date of inspection is after the valuation date, therefore in this valuation we have assumed that there is no significant change in subject property between the date of valuation and the date of inspection;
- 2) The title of the subject property is assumed to be good marketable title and free and clear from all liens and encumbrances, easements, restriction, or limitation. We did not make any land measurement and we assumed that the land drawing contained in the land certificates and/or provided by SHLV is true and accurate;
- 3) We have not investigated the title or any liabilities affecting the property appraised. No consideration was made for any outstanding amount owed in financing agreements, if any;
- 4) In this valuation we have assumed that the master lease term is transferable/marketable, free and clear from restriction and limitation;
- 5) We have valued the financial interest since the value is depending on the potential rental as stated in MLA. In this valuation, we have assumed that the Lessee will fulfill their liabilities until the end of contract;

APPENDIX B – VALUATION CERTIFICATES



- 6) We understand that the sustainability of the master lease contract / MLA is critical in this discounted cash flow valuation. Should this contract is not renewed upon expiry, then theoretically it will be calculated based on market rent which could be lower than the contractual rent rate. We have capitalized the contractual rent based on special assumption that the contract will be automatically renewed under similar terms upon expiry.
- 7) We understand that SHLV is part of the IPO's property that the variable rent calculation is linkable to each of the IPO's property. Based on the Client's instruction, in this valuation, we assumed that the variable rent is calculated as a stand-alone property.

12. Valuation Approach and Rationale

In this valuation, we have adopted Income Approach with Discounted Cash Flow Method since the subject property is financial interest of income producing property.

13. Term on Approval for Publication

The valuation report and / or the attached references are only intended for the Client and Intended User as stated in this scope of work. The use of this report beyond the scope of work must be approved by KJPP RHR and the Client.

14. Confirmation on Indonesian Valuation Standards

The valuer's analysis, opinion and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Value Ethic Codes KEPI and SPI 6th Edition – 2015).

APPENDIX B – VALUATION CERTIFICATES



15. Valuation Conclusion

Having considered all relevant information and prevailing market condition, we are of the opinion that the Market Value of Financial Interest in land and building components of SHLV located at Jalan Siloam No. 6, Lippo Village, Bencong Sub District, Curug District, Tangerang Regency, Banten Province, Indonesia as of 16 July 2018 is

SGD163,200,000/-

(ONE HUNDRED SIXTY THREE MILLION TWO HUNDRED THOUSAND SINGAPORE DOLLARS)

By using exchange rate as of date of valuation SGD1 = Rp10,542.28 the Market Value is

Rp1,720,500,000,000/-

(ONE TRILLION SEVEN HUNDRED TWENTY BILLION FIVE HUNDRED MILLION RUPIAHS)

Jakarta, 10 September 2018

Yours faithfully,

KJPP Rengganis, Hamid & Rekan

Vivien Heriyanthi, MAPPI (Cert)

Partner – Property and Business Valuer

License Valuer No. PB-1.09.00263

MAPPI No. 00-S-01256

APPENDIX B – VALUATION CERTIFICATES



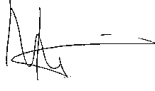
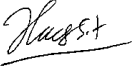
COMPLIANCE STATEMENT

Within the limitations of our ability and belief, we the undersigned declare that.

1. The statement in this report, which are based on the analysis, opinions and conclusions described therein, are to the best of our knowledge true and correct.
2. The report explains the limiting conditions and disclaimer that may have influenced the aforementioned analysis, opinion and conclusions.
3. We have no present or contemplated future interest in the property that is subject of this appraisal, nor have personal interests or bias with respect to the subject matters of this valuation or the parties involved.
4. The professional fee is not related with the opinion of value as stated in this report.
5. The Valuers have already accomplished professional education requirements defined/implemented by MAPPI (Masyarakat Profesi Penilai Indonesia).
6. The Valuers possess adequate understanding regarding the location and/or the type of property under valuation.
7. The engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. The Valuers compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of the stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.
9. The Valuers have carried out the following scope of work:
 - Problem identification (identifying the limitation, property rights, purpose and objective, definition of value, date of valuation);
 - Data collection and property inspection;
 - Data analysis;
 - Value estimation using suitable approaches;
 - Report writing.
10. No one other than the undersigned Valuers have involved in the inspection, analysis, conclusion, and opinions concerning the property that are set forth in this valuation report.
11. The Valuer's analysis, opinions, and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Valuer Ethic Codes (KEPI and SPI 6th Edition – 2015).

APPENDIX B – VALUATION CERTIFICATES



Name	Qualification	Signatures
Job Captain: Vivien Heriyanthi, MAPPI (Cert.) Licensed Valuer No. PB-1.09.00263 MAPPI No. 00-S-01256	Property & Business Valuer	
Reviewer : Felix Sulistio Thio MAPPI No. 12-T-03860	Property & Business Valuer	
Valuer: Novia Eka Ayundari Putri MAPPI No. 18-P-08314	Property Valuer	
Assistant: Hans Sutama MAPPI No. 18-A-08571	Assistant	

APPENDIX B – VALUATION CERTIFICATES



VALUATION CERTIFICATE OF SILOAM HOSPITALS LIPPO VILLAGE

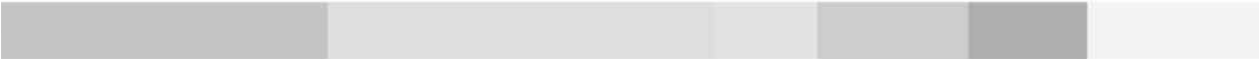
General Description of Property	Master Lease Agreement	Methodology and Conclusion
Property Brief The subject property is Financial Interest in land and building components of SHLV. SHLV is a private hospital with maximum capacity of 274 beds and gross floor area of about 27,284 square meters erected on land area of 17,442 square meters. Location The subject property is located at Jalan Siloam No. 6, Lippo Village, Bencong Sub District, Curug District, Tangerang Regency, Banten Province, Indonesia. SHLV is located on the south side of Jalan Boulevard Jenderal Sudirman or within radius of: • about 100 meters to the east of UPH Faculty of Medicine; • about 800 meters to the west of intersection between Jalan Jenderal Sudirman and Jalan Boulevard Diponegoro; • about 1.3 kilometers to the northwest of Imperial Klub Golf; • about 2.2 kilometers to the southwest of Karawaci Toll Gate. Site Details and Tenure The site is almost rectangular in shape with total land area of about 17,442 square meters. The frontage to Jalan Bungursari is about 80 meters and the maximum depth is about 160 meters. The site is generally flat and much higher than the fronting road. Currently, the site condition is a developed land with a hospital buildings. The land is covered with 7 (seven) Right to Build Certificate (Sertipikat Hak Guna Bangunan – “SHGB”) registered under the name of PT Sentra Dinamika Perkasa with total land area of 17,442 square meters.	Summary of MLA Lease commencement : 11 December 2006 Lease term : 15 years with a further term of 15 years after the expiry of the lease terms, on terms to be agreed between the parties. Base rent : Annual commencement base rent of SGD11,696,630 payable quarterly in advance Base rent is subject to increase every year of the lease onwards at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year or 2%, which one is lower. *If the CPI for the preceding calendar year is a negative value, the increment will be zero. Variable rent : Variable rent is computed as follows: (A) x (B) Where: a) Variable rent factor (“A”) is computed as follows: - If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 5% but less than 15%, A is 0.75%. - If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 15% but less than 30%, A is 1.25%.	In this valuation we have adopted Income Approach with Discounted Cash Flow Method. Valuation Assumption Terminal Cap Rate : 10.00% Discount Rate : 9.99% Market Value SGD163,200,000/- (ONE HUNDRED SIXTY THREE MILLION TWO HUNDRED THOUSAND SINGAPORE DOLLARS) By using exchange rate as of date of valuation SGD1 = Rp10,542.28 the Market Value is: Rp1,720,500,000,000/- (ONE TRILLION SEVEN HUNDRED TWENTY BILLION FIVE HUNDRED MILLION RUPIAHS)

APPENDIX B – VALUATION CERTIFICATES



General Description of Property	Master Lease Agreement	Methodology and Conclusion
<u>Town Planning</u> Zoning : Commercial Site coverage (KDB) : 60% Plot ratio (KLB) : n/a Height limitation : n/a The building is covered with following permits: • Building Permit No. 645.3/114-DPU/1994 issued on 21 June 1994. • Operation License No. 09/36/IOT/Kes/BKPMPT/2015 issued on 1 December 2015. <u>Building Description</u> The subject property comprises of 1 building with gross building area of about 27,284 square meters. The building completed its construction in 1995. As of inspection, we found that the building was generally in fair condition.	- If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 30%, A is 2.00%. b) ("B") is the GOR of the preceding financial year of the Lessee The variable rent is payable quarterly in advance. For avoidance of doubt, when the GOR of the preceding financial year of the Lessee does not exceed the GOR of the further preceding financial year of the Lessee by more than 5%, no variable rent is payable. Fixed exchange rate : The VR shall be denominated in Singapore Dollars, with a fixed exchange rate for the entire lease term of SGD 1 = IDR 5,623.5.	

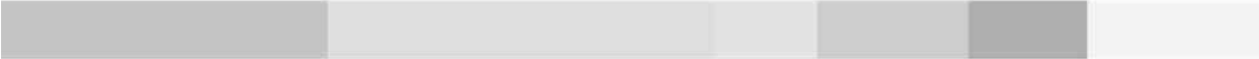
APPENDIX B – VALUATION CERTIFICATES



Head Office:
Menara Kuningan 8th Floor
Jalan HR. Rasuna Said Blok X-7 Kav. 5, Jakarta 12940
Phone: 62-21 3001 6002 Fax: 62-21 3001 6003
email: kjpp.rhp@rhp-valuation.com

Our Offices:
MEDAN | SURABAYA | SOLO | MAKASSAR | MANADO | DENPASAR

www.rhp-valuation.com



APPENDIX B – VALUATION CERTIFICATES

OUE Lippo Healthcare Limited

VALUATION OF FINANCIAL INTEREST
SILOAM HOSPITALS PURWAKARTA
Jalan Bungursari No. 1, Cibening Sub-District, Purwakarta District,
Purwakarta City, West Java Province, Indonesia

No. Report : RHR00R1P0918007.0
Date : 10 September 2018



KJPP RHR

KJPP Rengganis, Hamid & Rekan

Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

APPENDIX B – VALUATION CERTIFICATES



KJPP RHR
KJPP Rengganis, Hamid & Rekan
Izin Usaha KJPP No. 2.09.0012
Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

To : The Board Directors
OUE Lippo Healthcare Limited ("OUELH")
6 Shenton Way, #10-09A
OUE Downtown 2,
Singapore 068809

Our Ref. : RHR00C1P0718126.1
Report No. : RHR00R1P0918007.0
Date : 10 September 2018

VALUATION OF FINANCIAL INTEREST SILOAM HOSPITALS PURWAKARTA

Jalan Bungursari No. 1, Cibening Sub-District, Purwakarta District,
Purwakarta City, West Java Province, Indonesia

Dear Sir/Madam,

Following the instruction of OUE Lippo Healthcare Limited ("OUELH" or "Client") under contract No. RHR00C1P0718126.1 dated 12 July 2018 to form an opinion of Market Value of Financial Interest in land and building components of Siloam Hospitals Purwakarta ("SHPW") which is bounded under a Master Lease Agreement ("MLA") dated 5 May 2014, located at Jalan Bungursari No. 1, Cibening Sub-District, Purwakarta District, Purwakarta City, West Java Province, Indonesia, we hereby declare that we have completed our inspection and analysis and submit the attached valuation report for the Client and Intended User.

1. Introduction

This assignment has been carried out by an independent valuer who is a Public Valuer in KJPP Rengganis, Hamid & Rekan-KJPP RHR (previously PT Heburinas Nusantara). KJPP RHR is an independent valuation firm registered in Indonesian Appraisers Society (Masyarakat Profesi Penilai Indonesia), provided with a business permit from the Ministry of Finance and registered in OJK "Otoritas Jasa Keuangan" previously Bapepam-LK (Securities Exchange Commission "SEC"). Partners of KJPP-RHR have been registered in the Ministry of Finance and OJK.

KJPP-RHR has established a strategic alliance with **CBRE**, the world's premier, and full service real estate services company listed in New York Stock Exchange.

All valuers, experts, and executive staffs in this valuation shall be regarded as a unified assigned team under the coordination of a Licensed Valuer.

Head Office:
Menara Kuningan 8th Floor
Jalan HR. Rasuna Said Blok X-7 Kav. 5, Jakarta 12940
Phone: 62-21 3001 6002 Fax: 62-21 3001 6003
email: kjpp.rhp@rhp-valuation.com

Our Offices:
Denpasar (P) | Makassar (P) | Medan (P) | Soto (P) | Surabaya (P)

www.rhp-valuation.com

APPENDIX B – VALUATION CERTIFICATES



2. Client and Intended User

The Client is OUE LH and the Intended User is OUE LH's shareholders with details as follows:

Business Sector : Healthcare Service & Property Investment
Address : 6 Shenton Way, # 10-09A, OUE Downtown 2, Singapore 068809
Telephone : +65 6578 9188

3. Purpose and Objective of Valuation

The purpose and objective of this valuation is to form an opinion of Market Value of the subject property for acquisition of shares related to affiliated transaction.

4. The Subject Property

The subject property is Financial Interest in land and building component of Siloam Hospitals Purwakarta ("SHPW") which is bounded under a MLA. SHPW has a maximum capacity of 202 beds with a total gross floor area of about 8,254 square meters erected on land area of 7,990 square meters. It is located at Jalan Bungursari No. 1, Cibening Sub-District, Purwakarta District, Purwakarta City, West Java Province, Indonesia.

5. Ownership Right and Type

The subject property is based on MLA which covers a hospital building (real property). The ownership of the subject property is individual type covered by 6 (six) Right to Build Certificates (Hak Guna Bangunan) registered under the name of PT Eka Dasa Parinama.

6. Basis of Valuation

The basis of valuation is Market Value as defined in The Indonesian Valuation Standard (Standar Penilaian Indonesia) as follows.

Market Value

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". (SPI 101.3.1)

Market Value refers and reflects the actual value regardless of any tax liability or costs associated with these sales transactions.

APPENDIX B – VALUATION CERTIFICATES



Financial Interest

"Financial Interest on property legally is derived from the division of ownership in the business entities and real property (e.g. alliance/partnership, syndicate, BOT, lease/co-Tenancies, joint venture), and granting contractual option rights to buy or sell property (for example land and buildings, shares or other financial instruments) at a stated price within a specific period, or derived from the establishment of investment instruments that are secured by a bunch of real estate assets". (KPUP-Property Type 5.1)

7. Date of Valuation

The valuation date is 16 July 2018 and the inspection date is 18 July 2018.

8. Currency

We have valued the property in Singapore Dollar since the rental revenue is in Singapore Dollar. However, the operating asset generates income in Rupiah and for variable rent conversion to Singapore Dollar, we used fixed exchange rate of SGD1 = Rp9,500.00/- as stated in the MLA. For your information, the exchange rate at the date of valuation is SGD1 = Rp10,542.28 (middle rate of Bank Indonesia).

9. Depth of Investigation

The valuation is conducted with limitation of investigation as follows:

- a. The investigation is carried out through the process of data collection by doing the inspection, calculation, and analysis;
- b. Investigation, calculation and analysis can be done favorably without being obstructed by the hidden information or intentionally hidden.

10. Reliable Information Data

Data from the following reliable domestic and international sources, that have not been independently verified, were relied upon in the preparation of this valuation report:

- Bank Indonesia;
- Indonesia Stock Exchange or other stock exchange;
- Statistics Indonesia;
- Research data from independent institution/firms;
- Information from the electronic and printed media.

11. Assumption and Special Assumption

- 1) The date of inspection is after the valuation date, therefore in this valuation we have assumed that there is no significant change in subject property between the date of valuation and the date of inspection
- 2) The title of the subject property is assumed to be good marketable title and free and clear from all liens and encumbrances, easements, restriction, or limitation. We did not make any land measurement and we assumed that the land drawing contained in the land certificates and/or provided by SHPW is true and accurate;

APPENDIX B – VALUATION CERTIFICATES



- 3) We have not investigated the title or any liabilities affecting the property appraised. No consideration was made for any outstanding amount owed in financing agreements, if any;
- 4) In this valuation we have assumed that the master lease term is transferable/marketable, free and clear from restriction and limitation;
- 5) We have valued the financial interest since the value is depending on the potential rental as stated in MLA. In this valuation, we have assumed that the Lessee will fulfill their liabilities until the end of contract;
- 6) We understand that the sustainability of the master lease contract/MLA is critical in this discounted cash flow valuation. Should this contract is not renewed upon expiry, then theoretically it will be calculated based on market rent which could be lower than the contractual rent rate. We have capitalized the contractual rent based on special assumption that the contract will be automatically renewed under similar terms upon expiry.

12. Valuation Approach and Rationale

In this valuation, we have adopted Income Approach with Discounted Cash Flow Method since the subject property is financial interest of income producing property.

13. Term on Approval for Publication

The valuation report and / or the attached references are only intended for the Client and Intended User as stated in this scope of work. The use of this report beyond the scope of work must be approved by KJPP RHR and the Client.

14. Confirmation on Indonesian Valuation Standards

The valuer's analysis, opinion and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Value Ethic Codes KEPI and SPI 6th Edition – 2015).

APPENDIX B – VALUATION CERTIFICATES



15. Valuation Conclusion

Having considered all relevant information and prevailing market condition, we are of the opinion that the Market Value of Financial Interest in land and building components of SHPW located at Jalan Bungursari No. 1, Cibening Sub-District, Purwakarta District, Purwakarta City, West Java Province, Indonesia, as of 16 July 2018 is

SGD40,800,000/-
(FORTY MILLION EIGHT HUNDRED THOUSAND SINGAPORE DOLLARS)

By using exchange rate as of date of valuation SGD1 = Rp10,542.28 the Market Value is

Rp430,130,000,000/-
(FOUR HUNDRED THIRTY BILLION ONE HUNDRED THIRTY MILLION RUPIAHS)

Jakarta, 10 September 2018

Yours faithfully,

KJPP Rengganis, Hamid & Rekan

A handwritten signature in black ink, appearing to read "Vivien Heriyanthi", is written over a faint, light-colored watermark of the KJPP RHR logo. Below the signature, the text "KJPP Rengganis, Hamid & Rekan" is printed in a bold, sans-serif font.

KJPP Rengganis, Hamid & Rekan

Vivien Heriyanthi, MAPPI (Cert)

Partner – Property and Business Valuer

License Valuer No. PB-1.09.00263

MAPPI No. 00-S-01256

APPENDIX B – VALUATION CERTIFICATES



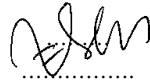
COMPLIANCE STATEMENT

Within the limitations of our ability and belief, we the undersigned declare that:

1. The statement in this report, which are based on the analysis, opinions and conclusions described therein, are to the best of our knowledge true and correct.
2. The report explains the limiting conditions and disclaimer that may have influenced the aforementioned analysis, opinion and conclusions.
3. We have no present or contemplated future interest in the property that is subject of this appraisal, nor have personal interests or bias with respect to the subject matters of this valuation or the parties involved.
4. The professional fee is not related with the opinion of value as stated in this report.
5. The Valuers have already accomplished professional education requirements defined/implemented by MAPPI (Masyarakat Profesi Penilai Indonesia).
6. The Valuers possess adequate understanding regarding the location and/or the type of property under valuation.
7. The engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. The Valuers compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of the stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.
9. The Valuers have carried out the following scope of work:
 - Problem identification (identifying the limitation, property rights, purpose and objective, definition of value, date of valuation);
 - Data collection and property inspection;
 - Data analysis;
 - Value estimation using suitable approaches;
 - Report writing.
10. No one other than the undersigned Valuers have involved in the inspection, analysis, conclusion, and opinions concerning the property that are set forth in this valuation report.
11. The Valuer's analysis, opinions, and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Valuer Ethic Codes (KEPI and SPI 6th Edition – 2015).

APPENDIX B – VALUATION CERTIFICATES



Name	Qualification	Signatures
Job Captain: Vivien Heriyanthi, MAPPI (Cert.) Licensed Valuer No. PB-1.09.00263 MAPPI No. 00-S-01256	Property & Business Valuer	
Reviewer : Felix Sulistio Thio MAPPI No.12-T-03860	Property & Business Valuer	
Valuer: Yakobus Yulianto Budi Raharjo MAPPI No. 17-P-07724	Property Valuer	
Halim Rusli MAPPI No. 17-P-07856	Business Valuer	

APPENDIX B – VALUATION CERTIFICATES



VALUATION CERTIFICATE OF SILOAM HOSPITALS PURWAKARTA

Property Description	Master Lease Agreement	Methodology and Conclusion
Property Brief The subject property is a Financial Interest in land and building components of SHPW. SHPW is a private hospital with maximum capacity of 202 beds and gross floor area of about 8,254 square meters erected on land area of 7,990 square meters. Location The subject property is located at Jalan Bungursari No. 1, Cibening Sub District, Purwakarta District, Purwakarta City, West Java Province, Indonesia. SHPW is located on the west side of Jalan Bungursari or within radius of: • about 2.8 kilometers to the east of intersection between Jalan Raya Sadang – Subang, Jalan Veteran and Jalan Raya Bungursari; • about 3.4 kilometers to the northeast of the Sadang Gate Toll; • about 5.4 kilometers to the south of Cikampek Gate Toll. • about 7.8 kilometers to the northeast of Purwakarta Station. • About 8.4 kilometers to the northeast of Alun – alun Purwakarta. Site Details and Tenure The site is almost rectangular in shape with total land area of about 7,990 square meters. The frontage to Jalan Bungursari is about 40 meters and the maximum depth is about 120 meters. The site is generally flat and the elevation is as same as the fronting road. Currently, the site condition is a developed land with a hospital buildings. The land is covered with 6 (six) Right to Build Certificate (Sertipikat Hak Guna Bangunan – “SHGB”) registered under the name of PT Eka Dasa Parinama with total land area of 7,990 square meters.	Summary of MLA Lease commencement : 28 May 2014 Lease term : 15 years with a further term of 15 years after the expiry of the lease terms, on terms to be agreed between the parties. Base rent : Annual commencement base rent of SGD3,400,000 payable quarterly in advance Base rent will not be subject to any increment in the 1st, 2nd and 3rd year of the Lease. Base rent is subject to increase every year thereafter at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year, subject to a floor of 0% cap of 2%. Variable rent : No Variable rent will be payable in the 1st, 2nd and 3rd year of the Lease. Variable rent for the 4th year onwards of the Lease will be based on audited Gross Operating Revenue (“GOR”) growth of SHPW. Variable rent is computed as follows: (A) x (B) Where: A) Variable rent factor (“A”) is computed as follows: - If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 5% but less than 15%, A is 0.75%.	In this valuation we have adopted Income Approach with Discounted Cash Flow Method. Valuation Assumption Terminal Cap Rate : 9.00% Discount Rate : 9.99% Market Value SGD40,800,000/- (FORTY MILLION EIGHT HUNDRED THOUSAND SINGAPORE DOLLARS) By using exchange rate as of date of valuation SGD1 = Rp10,542.28 the Market Value is: Rp430,130,000,000/- (FOUR HUNDRED THIRTY BILLION ONE HUNDRED THIRTY MILLION RUPIAHS)

APPENDIX B – VALUATION CERTIFICATES



Property Description	Master Lease Agreement	Methodology and Conclusion
<u>Town Planning</u> Zoning : Commercial Site coverage (KDB) : 60% Plot ratio (KLB) : 2.4 Height limitation : n/a The building is covered with following permits: • Building Permit No. 503/IMB.581-BPMPTSP/2014 issued on 16 October 2014 registered under the name PT Purimas Elokasri • Hospital Operational Permit No. 445.1/Kep09/I.25.b/IPRSU-BPMPT/2016 will be expired on 21 January 2021. <u>Building Description</u> The subject property comprises 2 building adjoined to each other, with gross building area of about 8,254 square meters. Building 1 completed its construction in 2004 and Building 2 completed in 2007 and renovated in 2014 when acquired by Siloam Hospitals. As of inspection, we found that the buildings were generally in good condition.	- If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 15% but less than 30%, A is 1.25%. - If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 30%, A is 2.00%. B) ("B") is the GOR of the preceding financial year excess the further preceding financial year of the Lessee When the GOR of the preceding financial year of the Lessee does not exceed the GOR of the further preceding financial year of the Lessee by more than 5%, no variable rent is payable Fixed exchange rate : The variable rent shall be paid by in Singapore Dollars which shall be fixed for the entire lease term SGD 1 = IDR 9,500	

APPENDIX B – VALUATION CERTIFICATES

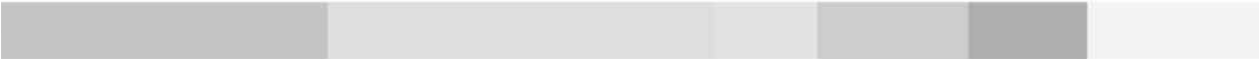


Assumptions and Limiting Conditions

This Property Valuation and Report is subject to the following limiting conditions:

- 1) Neither the whole nor any part of this Valuation and Report or any reference to it may be included in any published document, circular or statement nor published in any without the Valuer's prior written approval of the form and context in which it may appear.
- 2) Where it is stated in the report that information has been supplied to the Valuer by another party, this information is believed to be reliable but the Valuer can accept no responsibility if this should prove not be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by inquiry from Government or other appropriate departments.
- 3) Our Valuations and Reports are confidential to the party to whom they are addressed and to their professional advisors for the specific purpose to which they refer. The Valuer disclaims all responsibility and will accept no liability to any other party.
- 4) The values assessed in this report for the subject property and any allocation of values between parts of this property apply only in terms of and for the purpose of this report. The values assessed should not be used in conjunction with any other assessment as they may prove incorrect if used.
- 5) While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects.
- 6) We do not normally carry out investigations on site in order to ascertain the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.
- 7) Where market values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or the costs involved in effecting a sale. The property is valued on the assumption that it is free and clear of all mortgages, encumbrances and other outstanding premiums and charges.
- 8) Any sketch, plan or map in this Report is included to assist the reader in visualizing the property. We have assumed no responsibility in connection with such matters.
- 9) Information on Town Planning is obtained from the set of Master Plan and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements etc. If assurance is required, we recommend that verification be obtained from your lawyers.
- 10) The subject property is covered by legitimate land certificates, under responsible ownership and free from all liens and encumbrances. We do not make any land measurement, and we assume that the land drawing contained in the land certificates and /or provided by our client is true and accurate.
- 11) Our valuations are prepared on the basis that the premises and any works thereto comply with all relevant statutory regulations, it is assumed that they have been or will be issued with a Certificate of Fitness by competent authority.
- 12) The Valuer is not required to give testimony or to appear in court by reason of this Valuation Report, with reference to the property in question, unless arrangement has been made therefor.

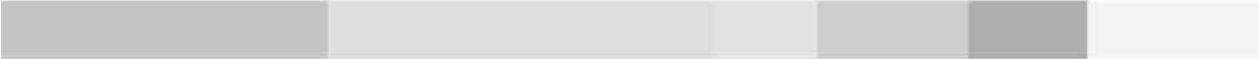
APPENDIX B – VALUATION CERTIFICATES



Head Office:
Menara Kuningan 8th Floor
Jalan HR. Rasuna Said Blok X-7 Kav. 5, Jakarta 12940
Phone: 62-21 3001 6002 Fax: 62-21 3001 6003
email: kjpp.rhp@rhp-valuation.com

Our Offices:
MEDAN | SURABAYA | SOLO | MAKASSAR | MANADO | DENPASAR

www.rhp-valuation.com

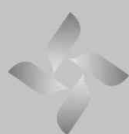


APPENDIX B – VALUATION CERTIFICATES

OUE Lippo Healthcare Limited

VALUATION OF FINANCIAL INTEREST
SILOAM HOSPITALS SURABAYA
Jalan Raya Gubeng No 70, Gubeng Sub District, Gubeng District
Surabaya City, East Java Province, Indonesia

No. Report : RHR00R1P0918004.0
Date : 10 September 2018



KJPP RHR

KJPP Rengganis, Hamid & Rekan

Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

APPENDIX B – VALUATION CERTIFICATES



KJPP RHR

KJPP Rengganis, Hamid & Rekan
Izin Usaha KJPP No. 2.09.0012
Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

To : The Board Directors
OUE Lippo Healthcare Limited ("OUE LH")
6 Shenton Way, #10-09A
OUE Downtown 2,
Singapore 068809

Our Ref. : RHR00C1P0718126.1
Report No. : RHR00R1P0918004.0
Date : 10 September 2018

VALUATION OF FINANCIAL INTEREST

SILOAM HOSPITALS SURABAYA

Jalan Raya Gubeng No 70, Gubeng Sub District, Gubeng District
Surabaya City, East Java Province, Indonesia

Dear Sir/Madam,

Following the instruction of OUE Lippo Healthcare Limited ("Client" or "OUE LH") under contract No. RHR00C1P0718126.1 dated 12 July 2018 to form an opinion of Market Value of Financial Interest in land and building components of Siloam Hospitals Surabaya ("SHS" or "Subject Property") which is bounded under a Master Lease Agreement ("MLA") dated 23 October 2006, located at Jalan Raya Gubeng No 70, Gubeng Sub District, Gubeng District, Surabaya City, East Java Province, Indonesia, we hereby declare that we have completed our inspection and analysis and submit the formal valuation report for your consideration.

1. Introduction

This assignment has been carried out by an independent valuer who is a Public Valuer in KJPP Rengganis, Hamid & Rekan-KJPP RHR (previously PT Heburinas Nusantara). KJPP RHR is an independent valuation firm registered in Indonesian Appraisers Society (Masyarakat Profesi Penilai Indonesia), provided with a business permit from the Ministry of Finance and registered in OJK "Otoritas Jasa Keuangan" previously Bapepam-LK (Securities Exchange Commission "SEC"). Partners of KJPP-RHR have been registered in the Ministry of Finance and OJK.

KJPP-RHR has established a strategic alliance with **CBRE**, the world's premier, and full service real estate services company listed in New York Stock Exchange.

All valuers, experts, and executive staffs in this valuation shall be regarded as a unified assigned team under the coordination of a Licensed Valuer.

Head Office:
Menara Kuningan 8th Floor
Jalan HR. Rasuna Said Blok X-7 Kav. 5, Jakarta 12940
Phone: 62-21 3001 6002 Fax: 62-21 3001 6003
Email: kjpp.rhp@rhp-valuation.com

Our Offices:
Bali (P) | Jakarta (P) | Makassar (P) | Medan (P) |
Semarang (P) | Surabaya | (P) Yogyakarta (P)

www.kjpp-rhr.com

APPENDIX B – VALUATION CERTIFICATES



2. Client and Intended User

The Client is OUE LH and the Intended User is OUE LH's shareholders with details as follows.

Business Sector : Healthcare Service & Property Investment
Address : 6 Shenton Way, # 10-09A, OUE Downtown 2, Singapore 068809
Telephone : +65 6578 9188

3. Purpose and Objective of Valuation

The purpose and objective of this valuation is to form an opinion of Market Value of the subject property for acquisition of shares related to affiliated transaction.

4. The Subject Property

The subject property is Financial Interest in land and building component of Siloam Hospitals Surabaya ("SHS") which is bounded under a MLA. SHS and ancillary healthcare-related premises has a maximum capacity of 160 beds with a total gross floor area of about 9,227 square meters erected on land area of 4,306 square meters. It is located at Jalan Raya Gubeng No 70, Gubeng Sub District, Gubeng District, Surabaya City, East Java Province, Indonesia.

5. Ownership Right and Type

The subject property is based on MLA which covers a hospital building (real property). The ownership of the subject property is individual type and covered by 5 (five) Right to Build Certificates (Sertifikat Hak Guna Bangunan – "SHGB") registered under the name of PT Tata Prima Indah.

6. Basis of Valuation

The basis of valuation is Market Value as defined in The Indonesian Valuation Standard (Standar Penilaian Indonesia) as follows.

Market Value

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". (SPI 101.3.1)

Market Value refers and reflects the actual value regardless of any tax liability or costs associated with these sales transactions.

APPENDIX B – VALUATION CERTIFICATES



Financial Interest

"Financial Interest on property legally is derived from the division of ownership in the business entities and real property (e.g. alliance/partnership, syndicate, BOT, lease/co-Tenancies, joint venture), and granting contractual option rights to buy or sell property (for example land and buildings, shares or other financial instruments) at a stated price within a specific period, or derived from the establishment of investment instruments that are secured by a bunch of real estate assets". (KPUP-Property Type 5.1)

7. Date of Valuation

The valuation date is 16 July 2018 and the inspection date is 20 July 2018.

8. Currency

We have valued the property in Singapore Dollar since the rental revenue is in Singapore Dollar. However, the operating asset generates income in Rupiah and for variable rent conversion to Singapore Dollar, we used fixed exchange rate of SGD1 = Rp5,623.50/- as stated in the MLA. For your information, the exchange rate at the date of valuation is SGD1 = Rp10,542.28 (middle rate of Bank Indonesia).

9. Depth of Investigation

The valuation is conducted with limitation of investigation as follows.

- a. The investigation is carried out through the process of data collection by doing the inspection, calculation, and analysis;
- b. Investigation, calculation and analysis can be done favorably without being obstructed by the hidden information or intentionally hidden.

10. Reliable Information Data

Data from the following reliable domestic and international sources, that have not been independently verified, were relied upon in the preparation of this valuation report.

- Bank Indonesia;
- Indonesia Stock Exchange or other stock exchange;
- Statistics Indonesia;
- Research data from independent institution/firms;
- Information from the electronic and printed media.

11. Assumption and Special Assumption

- 1) The date of inspection is after the valuation date, therefore in this valuation we assumed that there is no significant change in subject property between the date of valuation and the date of inspection.
- 2) Title of the subject property is assumed to be good marketable title, free, and clear from all liens and encumbrances, easements, restriction, or limitation. We did not make any land measurement and we assumed that the land drawing contained in the land certificates and/or provided by the Client is true and accurate.

APPENDIX B – VALUATION CERTIFICATES



- 3) We have not investigated the title or any liabilities affecting the property appraised. No consideration was made for any outstanding amount owed financing agreements, if any.
- 4) In this valuation, we have assumed that the master lease term is transferable/marketable, free and clear from restriction and limitation.
- 5) We have valued the financial interest since the value is depending on the potential rental as stated in MLA. In this valuation, we have assumed that the Lessee will fulfill their liabilities until the end of contract.
- 6) Based from proposed joint agreement and asset swap between First REIT (the Property Owner) and PT Saputra Karya, we understand that SHS's land and building will be divested on 30 June 2020. Based on the agreement, we assumed that SHS will be sold on 30 June 2020 with the price of SGD27,500,000/-.
- 7) We understand that SHS is part of the IPO's property that the variable rent calculation is linkable to each other of IPO's property. Based on the Client's instruction, in this valuation, we assumed that the variable rent is calculated as a stand-alone property.

12. Valuation Approach and Rationale

In this valuation, we have adopted Income Approach with Discounted Cash Flow Method since the subject property is financial interest of income producing property.

13. Term on Approval for Publication

The valuation report and / or the attached references are only intended for the Client and Intended User as stated in this scope of work. The use of this report beyond the scope of work must be approved by KJPP RHR and the Client.

14. Confirmation on Indonesian Valuation Standards

The valuer's analysis, opinion and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Value Ethic Codes KEPI and SPI 6th Edition – 2015).

APPENDIX B – VALUATION CERTIFICATES



15. Valuation Conclusion

Having considered all relevant information and prevailing market condition, we are of the opinion that the Market Value of Financial Interest in land and building components of SHS located at Jalan Raya Gubeng No. 70, Gubeng Subdistrict, Gubeng District, Surabaya City, East Java Province, Indonesia as of 16 July 2018 is

SGD28,400,000/-

(TWENTY EIGHT MILLION FOUR HUNDRED THOUSAND SINGAPORE DOLLARS)

By using exchange rate as of date of valuation SGD1 = Rp10,542.28 the Market Value is

Rp299,401,000,000/-

(TWO HUNDRED NINETY NINE BILLION FOUR HUNDRED ONE MILLION RUPIAHS)

Jakarta, 10 September 2018

Yours faithfully,

KJPP Rengganis, Hamid & Rekan

Vivien Heriyanthi, MAPPI (Cert)

Partner – Property and Business Valuer

License Valuer No. PB-1.09.00263

MAPPI No. 00-S-01256

APPENDIX B – VALUATION CERTIFICATES



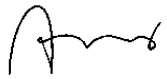
COMPLIANCE STATEMENT

Within the limitations of our ability and belief, we the undersigned declare that.

1. The statement in this report, which are based on the analysis, opinions and conclusions described therein, are to the best of our knowledge true and correct.
2. The report explains the limiting conditions and disclaimer that may have influenced the aforementioned analysis, opinion and conclusions.
3. We have no present or contemplated future interest in the property that is subject of this appraisal, nor have personal interests or bias with respect to the subject matters of this valuation or the parties involved.
4. The professional fee is not related with the opinion of value as stated in this report.
5. The Valuers have already accomplished professional education requirements defined/implemented by MAPPI (Masyarakat Profesi Penilai Indonesia).
6. The Valuers possess adequate understanding regarding the location and/or the type of property under valuation.
7. The engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. The Valuers compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of the stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.
9. The Valuers have carried out the following scope of work:
 - Problem identification (identifying the limitation, property rights, purpose and objective, definition of value, date of valuation);
 - Data collection and property inspection;
 - Data analysis;
 - Value estimation using suitable approaches;
 - Report writing.
10. No one other than the undersigned Valuers have involved in the inspection, analysis, conclusion, and opinions concerning the property that are set forth in this valuation report.
11. The Valuer's analysis, opinions, and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Valuer Ethic Codes (KEPI and SPI 6th Edition – 2015).

APPENDIX B – VALUATION CERTIFICATES



Name	Qualification	Signatures
Job Captain: Vivien Heriyanthi, MAPPI (Cert.) Licensed Valuer No. PB-1.09.00263 MAPPI No. 00-S-01256	Property & Business Valuer	
Reviewer : Felix Sulistio Thio MAPPI No.12-T-03860	Property & Business Valuer	
Valuer: Marlin Sunny MAPPI No. 17-P-08057	Property Valuer	
Assistant: Gracia Astriani MAPPI No. 18-A-08566	Assistant	

APPENDIX B – VALUATION CERTIFICATES



VALUATION CERTIFICATE OF SILOAM HOSPITALS SURABAYA

Property Description	Master Lease Agreement	Methodology and Conclusion
Property Brief The subject property is Financial Interest in land and building components of SHS. SHS is a private hospital with maximum capacity of 160 beds and gross floor area of about 9,227 square meters erected on land area of 4,306 square meters. Location The subject property is located at Jalan Raya Gubeng No 70, Gubeng Sub District, Gubeng District, Surabaya City, East Java Province, Indonesia. SHS is located on the west side of Jalan Raya Gubeng and on the south side of Jalan Karimun Jawa or within radius of: • about 200 meters to the north of T-junction of Jalan Raya Gubeng with Jalan Sulawesi; • about 500 meters to the east of T-junction of Jalan Karimun Jawa with Jalan Jenderal Sudirman; • about 1.9 kilometers to the southeast of Surabaya City Hall. • about 3.2 kilometers to the southeast of Pahlawan Monument. • about 6.0 kilometers to the southeast of Tanjung Perak International Seaport. • about 12.4 kilometers to the northwest of Juanda International Airport. Site Details and Tenure The site is like L-shape with land area of about 4,306 square meters. The frontage to Jalan Raya Gubeng is about 75 meters and the maximum depth is about 80 meters. The site is generally flat and the elevation is as same as the fronting road. Currently, about half of the site condition is a developed land with a hospital buildings and the other half of the site condition is under construction to be developed as the new hospital building and mix-used area. The land is covered with 5 (five) Right to Build Certificate (Sertipikat Hak	Summary of MLA Lease commencement : 11 December 2006 Lease term : 15 years with a further term of 15 years after the expiry of the lease terms, on terms to be agreed between the parties. Base rent : Annual commencement base rent of SGD 2,621,500 payable quarterly in advance. Base rent is subject to increase every year of the lease onwards at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year or 2%, which one is lower. *If the CPI for the preceding calendar year is a negative value, the increment will be zero. Variable rent : Variable rent is computed as follows: (A) x (B) Where: a) Variable rent factor ("A") is computed as follows: - If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 5% but less than 15%, A is 0.75% - If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial	In this valuation we have adopted Income Approach with Discounted Cash Flow Method. Valuation Assumption Terminal : SGD27,500,000 Value Discount : 9.99% Rate Market Value SGD28,400,000/- (TWENTY EIGHT MILLION FOUR HUNDRED THOUSAND SINGAPORE DOLLARS) By using exchange rate as of date of valuation SGD1 = Rp10,542.28 the Market Value is Rp299,401,000,000/- (TWO HUNDRED NINETY NINE BILLION FOUR HUNDRED ONE MILLION RUPIAHS)

APPENDIX B – VALUATION CERTIFICATES



Property Description	Master Lease Agreement	Methodology and Conclusion
Guna Bangunan – “SHGB”) registered under the name of PT Tata Prima Indah with total land area of 4,306 square meters. Town Planning Zoning : Public facilities Site coverage (KDB) : 50-60% Plot ratio (KLB) : 6-7.2 Height limitation : 12-storey The building is covered with following permits: • Building permit (IMB) No. Ag 6901/1303-699, Year 1973-1977 dated 28 June 1977 registered under the name of Yayasan Budi Mulyo to build hospital. • Building Permit (IMB) No. 188.45/801.92/402.5.09/19 dated 29 March 1994 registered under the name of RS Budi Mulia/Mrs Marta Wahyuningtias for RS Budi Mulia expansion. • Building Permit (IMB) No. 188/1926-92/402.5.09/1999 dated 18 December 1999 registered under the name of PT Budi Mulia Suryajaya to demolish and build 4-storey hospital. • Hospital Operational Permit No. P2T/5/03.23/02/X/2014 issued on 20 October 2014 registered under the name of PT Siloam International Hospital Tbk. The permit valid for 5 (five) years from the issuance date. Building Description The subject property comprises 5 building adjoined to each other, with gross building area of about 9,227 square meters. The building A completed its construction in 1977, building B and kitchen building completed in 1986, building C completed in 2001, while OPD building completed in 2008. As of inspection, we found that the building was generally in fair condition.	year of the Lessee by more than or equal to 15% but less than 30%, A is 1.25% - If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 30%, A is 2.00% B) b) (“B”) is the GOR of the preceding financial year of the Lessee The variable rent is payable quarterly in advance. For avoidance of doubt, when the GOR of the preceding financial year of the Lessee does not exceed the GOR of the further preceding financial year of the Lessee by more than 5%, no variable rent is payable Fixed : The VR shall be exchange rate : The VR shall be denominated in Singapore Dollars, with a fixed exchange rate for the entire lease term of SGD 1 = IDR 5,623.50.	

APPENDIX B – VALUATION CERTIFICATES

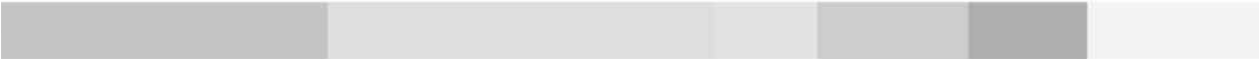


Assumptions and Limiting Conditions

This Property Valuation and Report is subject to the following limiting conditions:

- 1) Neither the whole nor any part of this Valuation and Report or any reference to it may be included in any published document, circular or statement nor published in any without the Valuer's prior written approval of the form and context in which it may appear.
- 2) Where it is stated in the report that information has been supplied to the Valuer by another party, this information is believed to be reliable but the Valuer can accept no responsibility if this should prove not be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by inquiry from Government or other appropriate departments.
- 3) Our Valuations and Reports are confidential to the party to whom they are addressed and to their professional advisors for the specific purpose to which they refer. The Valuer disclaims all responsibility and will accept no liability to any other party.
- 4) The values assessed in this report for the subject property and any allocation of values between parts of this property apply only in terms of and for the purpose of this report. The values assessed should not be used in conjunction with any other assessment as they may prove incorrect if used.
- 5) While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects.
- 6) We do not normally carry out investigations on site in order to ascertain the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.
- 7) Where market values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or the costs involved in effecting a sale. The property is valued on the assumption that it is free and clear of all mortgages, encumbrances and other outstanding premiums and charges.
- 8) Any sketch, plan or map in this Report is included to assist the reader in visualizing the property. We have assumed no responsibility in connection with such matters.
- 9) Information on Town Planning is obtained from the set of Master Plan and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements etc. If assurance is required, we recommend that verification be obtained from your lawyers.
- 10) The subject property is covered by legitimate land certificates, under responsible ownership and free from all liens and encumbrances. We do not make any land measurement, and we assume that the land drawing contained in the land certificates and /or provided by our client is true and accurate.
- 11) Our valuations are prepared on the basis that the premises and any works thereto comply with all relevant statutory regulations, it is assumed that they have been or will be issued with a Certificate of Fitness by competent authority.
- 12) The Valuer is not required to give testimony or to appear in court by reason of this Valuation Report, with reference to the property in question, unless arrangement has been made therefor.

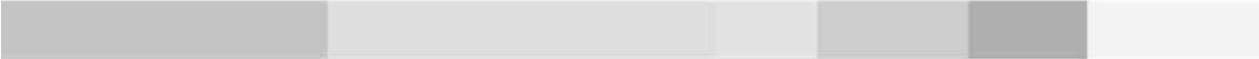
APPENDIX B – VALUATION CERTIFICATES



Head Office:
Menara Kuningan 8th Floor
Jalan HR. Rasuna Said Blok X-7 Kav. 5, Jakarta 12940
Phone: 62-21 3001 6002 Fax: 62-21 3001 6003
email: kjpp.rhp@rhp-valuation.com

Our Offices:
MEDAN | SURABAYA | SOLO | MAKASSAR | MANADO | DENPASAR

www.rhp-valuation.com



OUE Lippo Healthcare Limited

**VALUATION OF FINANCIAL INTEREST
IMPERIAL ARYADUTA HOTEL AND COUNTRY CLUB
Jalan Boulevard Jenderal Sudirman Kav. 401,
Lippo Village, Bencong Sub District, Curug District
Tangerang Regency, Banten Province, Indonesia**

**Report No. : RHR00R1P0918005.0
Date : 10 September 2018**



KJPP RHR

KJPP Rengganis, Hamid & Rekan
Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

APPENDIX B – VALUATION CERTIFICATES



KJPP RHR

KJPP Rengganis, Hamid & Rekan
Izin Usaha KJPP No. 2.09.0012
Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

To : The Board Directors
OUE Lippo Healthcare Limited ("OUE LH")
6 Shenton Way, #10-09A
OUE Downtown 2,
Singapore 068809

Our Ref. : RHR00C1P0718126.1
Report No. : RHR00R1P0918005.0
Date : 10 September 2018

VALUATION OF FINANCIAL INTEREST
IMPERIAL ARYADUTA HOTEL AND COUNTRY CLUB
Jalan Boulevard Jenderal Sudirman Kav. 401,
Lippo Village, Bencong Sub-District, Curug District,
Tangerang Regency, Banten Province, Indonesia

Dear Sir/Madam,

Following the instruction of OUE Lippo Healthcare Limited ("**Client**") under contract No. RHR00C1P0718126.1 dated 12 July 2018 to form an opinion of Market Value of Financial Interest in land and building components of Imperial Aryaduta Hotel and Country Club ("**IAHCC**" or "**Subject Property**") which is bounded under a Master Lease Agreement ("**MLA**") dated 23 October 2006, located at Jalan Boulevard Jenderal Sudirman Kav. 401, Lippo Village, Bencong Sub-District, Curug District, Tangerang Regency, Banten Province, Indonesia, we hereby declare that we have completed our inspection and analysis and submit the attached valuation report for the Client and Intended User.

1. Introduction

This assignment has been carried out by an independent valuer who is a Public Valuer in KJPP Rengganis, Hamid & Rekan-KJPP RHR (previously PT Heburinas Nusantara). KJPP RHR is an independent valuation firm registered in Indonesian Appraisers Society (Masyarakat Profesi Penilai Indonesia), provided with a business permit from the Ministry of Finance and registered in OJK "Otoritas Jasa Keuangan" previously Bapepam-LK (Securities Exchange Commission "SEC"). Partners of KJPP-RHR have been registered in the Ministry of Finance and OJK.

KJPP-RHR has established a strategic alliance with **CBRE**, the world's premier, and full service real estate services company listed in New York Stock Exchange.

All valuers, experts, and executive staffs in this valuation shall be regarded as a unified assigned team under the coordination of a Licensed Valuer.

Head Office:
Menara Kuningan 8th Floor
Jalan HR. Rasuna Said Blok X-7 Kav. 5, Jakarta 12940
Phone: 62-21 3001 6002 Fax: 62-21 3001 6003
Email: kjpp.rhp@rhp-valuation.com

Our Offices:
Bali (P) | Jakarta (P) | Makassar (P) | Medan (P) |
Semarang (P) | Surabaya | (P) Yogyakarta (P)

www.kjpp-rhr.com

APPENDIX B – VALUATION CERTIFICATES



2. Client and Intended User

The Client is OUE LH and the Intended User is OUE LH's Shareholders with details as follows.

Business Sector : Healthcare Service & Property Investment
Address : 6 Shenton Way, # 10-09A, OUE Downtown 2, Singapore 068809
Telephone : +65 6578 9188

3. Purpose and Objective of Valuation

The purpose and objective of this valuation is to form an opinion of Market Value of the subject property for acquisition of shares related to affiliated transaction.

4. The Subject Property

The subject property is Financial Interest in land and building component of Imperial Aryaduta Hotel and Country Club ("IAHCC") which is bounded under a MLA with total number of 190 rooms and has a total gross floor area of about 17,427 square meters erected on land area of 54,410 square meters. It is located at Jalan Boulevard Jenderal Sudirman Kav. 401, Lippo Village, Bencong Sub District, Curug District, Tangerang Regency, Banten Province, Indonesia.

5. Ownership Right and Type

The subject property is based on MLA which covers a hotel building (real property). The ownership of the subject property is individual type covered by 15 (fifteen) Right to Build Certificates (Hak Guna Bangunan) registered under the name of PT Karya Sentra Sejahtera.

6. Basis of Valuation

The basis of valuation is Market Value as defined in The Indonesian Valuation Standard (Standar Penilaian Indonesia) as follows.

Market Value

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". (SPI 101.3.1)

Market Value refers and reflects the actual value regardless of any tax liability or costs associated with these sales transactions.

APPENDIX B – VALUATION CERTIFICATES



Financial Interest

"Financial Interest on property legally is derived from the division of ownership in the business entities and real property (e.g. alliance/partnership, syndicate, BOT, lease/co-Tenancies, joint venture), and granting contractual option rights to buy or sell property (for example land and buildings, shares or other financial instruments) at a stated price within a specific period, or derived from the establishment of investment instruments that are secured by a bunch of real estate assets". (KPUP-Property Type 5.1)

7. Date of Valuation

The valuation date is 16 July 2018 and the inspection date is 23 July 2018.

8. Currency

We have valued the property in Singapore Dollar since the rental revenue is in Singapore Dollar. However, the operating asset generates income in Rupiah and for variable rent conversion to Singapore Dollar, we used fixed exchange rate of SGD1 = Rp5,623.50/- as stated in the MLA. For your information, the exchange rate at the date of valuation is SGD1 = Rp10,542.28 (middle rate of Bank Indonesia).

9. Depth of Investigation

The valuation is conducted with limitation of investigation as follows.

- a. The investigation is carried out through the process of data collection by doing the inspection, calculation, and analysis;
- b. Investigation, calculation and analysis can be done favorably without being obstructed by the hidden information or intentionally hidden.

10. Reliable Information Data

Data from the following reliable domestic and international sources, that have not been independently verified, were relied upon in the preparation of this valuation report.

- Bank Indonesia;
- Indonesia Stock Exchange or other stock exchange;
- Statistics Indonesia;
- Research data from independent institution/firms;
- Information from the electronic and printed media.

APPENDIX B – VALUATION CERTIFICATES



11. Assumption and Special Assumption

- 1) The date of inspection is after the valuation date, therefore in this valuation we have assumed that there is no significant change in subject property between the date of valuation and the date of inspection;
- 2) The title of the subject property is assumed to be good marketable title and free and clear from all liens and encumbrances, easements, restriction, or limitation. We did not make any land measurement and we assumed that the land drawing contained in the land certificates and/or provided by IAHCC is true and accurate;
- 3) We have not investigated the title or any liabilities affecting the property appraised. No consideration was made for any outstanding amount owed in financing agreements, if any;
- 4) In this valuation, we have assumed that the master lease term is transferable/marketable, free and clear from restriction and limitation.
- 5) We have valued the financial interest since the value is depending on the potential rental as stated in MLA. In this valuation, we have assumed that the Lessee will fulfill their liabilities until the end of contract;
- 6) We understand that the sustainability of the master lease contract / MLA is critical in this discounted cash flow valuation. Should this contract is not renewed upon expiry, then theoretically it will be calculated based on market rent which could be lower than the contractual rent rate. We have capitalized the contractual rent based on special assumption that the contract will be automatically renewed under similar terms upon expiry.
- 7) We understand that IAHCC is part of the IPO's property that the variable rent calculation is linkable to each of the IPO's property. Based on the Client's instruction, in this valuation, we assumed that the variable rent is calculated as a stand-alone property.

12. Valuation Approach and Rationale

In this valuation, we have adopted Income Approach with Discounted Cash Flow Method since the subject property is financial interest of income producing property.

13. Term on Approval for Publication

The valuation report and / or the attached references are only intended for the Client and Intended User as stated in this scope of work. The use of this report beyond the scope of work must be approved by KJPP RHR and the Client.

14. Confirmation on Indonesian Valuation Standards

The valuer's analysis, opinion and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Value Ethic Codes KEPI and SPI 6th Edition – 2015).

APPENDIX B – VALUATION CERTIFICATES



15. Valuation Conclusion

Having considered all relevant information and prevailing market condition, we are of the opinion that the Market Value of Financial Interest in land and building components of IAHCC located at Jalan Boulevard Jenderal Sudirman Kav. 401, Lippo Village, Bencong Sub District, Curug District, Tangerang Regency, Banten Province, Indonesia, as of 16 July 2018 is

SGD41,200,000/-

(FORTY ONE MILLION TWO HUNDRED THOUSAND SINGAPORE DOLLARS)

By using exchange rate as of date of valuation SGD1 = Rp10,542.28 the Market Value is

Rp434,342,000,000/-

(FOUR HUNDRED THIRTY FOUR BILLION THREE HUNDRED FORTY TWO MILLION RUPIAHS)

Jakarta, 10 September 2018

Yours faithfully,

KJPP Rengganis, Hamid & Rekan

A handwritten signature in black ink, appearing to read "Vivien Heriyanthi", is written over a faint circular stamp. The stamp contains the text "KJPP Rengganis, Hamid & Rekan".

KJPP Rengganis, Hamid & Rekan

Vivien Heriyanthi, MAPPI (Cert)

Partner – Property and Business Valuer

License Valuer No. PB-1.09.00263

MAPPI No. 00-S-01256

APPENDIX B – VALUATION CERTIFICATES



COMPLIANCE STATEMENT

Within the limitations of our ability and belief, we the undersigned declare that.

1. The statement in this report, which are based on the analysis, opinions and conclusions described therein, are to the best of our knowledge true and correct.
2. The report explains the limiting conditions and disclaimer that may have influenced the aforementioned analysis, opinion and conclusions.
3. We have no present or contemplated future interest in the property that is subject of this appraisal, nor have personal interests or bias with respect to the subject matters of this valuation or the parties involved.
4. The professional fee is not related with the opinion of value as stated in this report.
5. The Valuers have already accomplished professional education requirements defined/implemented by MAPPI (Masyarakat Profesi Penilai Indonesia).
6. The Valuers possess adequate understanding regarding the location and/or the type of property under valuation.
7. The engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. The Valuers compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of the stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.
9. The Valuers have carried out the following scope of work:
 - Problem identification (identifying the limitation, property rights, purpose and objective, definition of value, date of valuation);
 - Data collection and property inspection;
 - Data analysis;
 - Value estimation using suitable approaches;
 - Report writing.
10. No one other than the undersigned Valuers have involved in the inspection, analysis, conclusion, and opinions concerning the property that are set forth in this valuation report.
11. The Valuer's analysis, opinions, and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Valuer Ethic Codes (KEPI and SPI 6th Edition – 2015).

APPENDIX B – VALUATION CERTIFICATES



Name	Qualification	Signatures
Job Captain: Vivien Heriyanthi, MAPPI (Cert.) Licensed Valuer No. PB-1.09.00263 MAPPI No. 00-S-01256	Property & Business Valuer	
Reviewer : Felix Sulistio Thio MAPPI No.12-T-03860	Property & Business Valuer	
Valuer: Vania Alfrida MAPPI No. 16-P-06711	Property Valuer	
Assistant: Gracia Astriani MAPPI No. 18-A-08566	Assistant	

APPENDIX B – VALUATION CERTIFICATES



VALUATION CERTIFICATE OF IMPERIAL ARYADUTA HOTEL AND COUNTRY CLUB

Property Description	Master Lease Agreement	Methodology and Conclusion
Property Brief The subject property is Financial Interest in land and building components of IAHCC. IAHCC is a hotel and country club building with maximum capacity of 190 rooms and gross floor area of about 17,427 square meters erected on land area of 54,410 square meters. Location The subject property is located at Jalan Boulevard Jenderal Sudirman Kav.401, Lippo Village, Bencong Sub District, Curug District, Tangerang Regency, Banten Province, Indonesia. IAHCC is located on the south side of Jalan Jenderal Sudirman or within radius of: • about 600 meters to the northwest of the intersection of Jalan Boulevard Jenderal Sudirman and Jalan Boulevard Palembang; • about 700 meters to the north of Imperial Golf Club; • about 1.1 kilometers to the west of Karawaci Toll Gate; • about 11.5 kilometers to the southwest of the Soekarno-Hatta International Airport. Site Details and Tenure The site is like L-letter shape with land area of about 54,410 square meters. The frontage to Jalan Jenderal Sudirman is about 260 meters and the maximum depth is about 210 square meters. The site is generally flat and the elevation is as same as the fronting road. Currently, the site condition is a developed land with a hotel and country club buildings. The land is covered with 15 (fifteen) Right to Build Certificates (Sertipikat Hak Guna Bangunan – "SHGB") registered under the name of PT Karya Sentra Sejahtera with total land area of 54,410 square meters.	Summary of MLA Lease commencement : 11 December 2006 Lease term : 15 years with a further term of 15 years after the expiry of the lease terms, on terms to be agreed between the parties. Base rent : Annual commencement base rent of SGD3,215,080 payable quarterly in advance. Base rent is subject to increase every year of the lease onwards at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year or 2%, which one is lower. *If the CPI for the preceding calendar year is a negative value, the increment will be zero. Variable rent : Variable rent is computed as follows: (A) x (B) Where: A) Variable rent factor ("A") is computed as follows: - If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 5% but less than 15%, A is 0.75% - If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 15% but less than 30%, A is 1.25% - If GOR of the	In this valuation we have adopted Income Approach with Discounted Cash Flow Method. Valuation Assumption Terminal Cap Rate : 10.50% Discount Rate : 9.99% Market Value SGD41,200,000/- (FORTY ONE MILLION TWO HUNDRED THOUSAND SINGAPORE DOLLARS) By using exchange rate as of date of valuation SGD1 = Rp10,542.28 the Market Value is Rp434,342,000,000/- (FOUR HUNDRED THIRTY FOUR BILLION THREE HUNDRED FORTY TWO MILLION RUPIAHS)

APPENDIX B – VALUATION CERTIFICATES



Property Description	Master Lease Agreement	Methodology and Conclusion
<u>Town Planning</u> Zoning : Commercial Site coverage (KDB) : 60% Plot ratio (KLB) : n/a Height limitation : n/a The building is covered with following permits: • Building Permit No. 643/106-DPU/1993 issued on 13 March 1993 registered under the name of PT Tunggal Reksa Kencana. • Building Permit No. 643.1/105-DPU/1993 issued on 13 March 1993 registered under the name of PT Tunggal Reksa Kencana. • Building Permit Use No. 645/03-BP2T/2013 issued on 23 April 2013. • Building Operational License No. 503.5/1388-PLSKDTU.Kec.Klp /2018 issued on 23 May 2018 under the name of Hotel Aryaduta Lippo Village. <u>Building Description</u> The subject property comprises 2 main building adjoined to each other, with gross building area of about 17,427 square meters. The hotel and country club building completed its construction in 1994 with the latest renovation in 2015. As of inspection, we found that the building was generally in fair condition.	preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 30%, A is 2.00% B) ("B") is the GOR of the preceding financial year of the Lessee The variable rent is payable quarterly in advance. For avoidance of doubt, when the GOR of the preceding financial year of the Lessee does not exceed the GOR of the further preceding financial year of the Lessee by more than 5%, no variable rent is payable. Fixed exchange rate : The VR shall be denominated in Singapore Dollars, with a fixed exchange rate for the entire lease term of SGD 1 = IDR 5,623.5.	

APPENDIX B – VALUATION CERTIFICATES

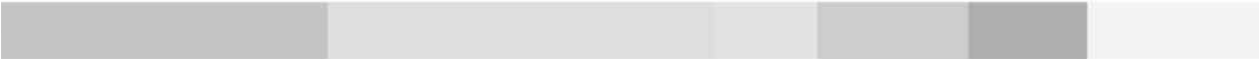


Assumptions and Limiting Conditions

This Property Valuation and Report is subject to the following limiting conditions:

- 1) Neither the whole nor any part of this Valuation and Report or any reference to it may be included in any published document, circular or statement nor published in any without the Valuer's prior written approval of the form and context in which it may appear.
- 2) Where it is stated in the report that information has been supplied to the Valuer by another party, this information is believed to be reliable but the Valuer can accept no responsibility if this should prove not be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by inquiry from Government or other appropriate departments.
- 3) Our Valuations and Reports are confidential to the party to whom they are addressed and to their professional advisors for the specific purpose to which they refer. The Valuer disclaims all responsibility and will accept no liability to any other party.
- 4) The values assessed in this report for the subject property and any allocation of values between parts of this property apply only in terms of and for the purpose of this report. The values assessed should not be used in conjunction with any other assessment as they may prove incorrect if used.
- 5) While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects.
- 6) We do not normally carry out investigations on site in order to ascertain the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.
- 7) Where market values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or the costs involved in effecting a sale. The property is valued on the assumption that it is free and clear of all mortgages, encumbrances and other outstanding premiums and charges.
- 8) Any sketch, plan or map in this Report is included to assist the reader in visualizing the property. We have assumed no responsibility in connection with such matters.
- 9) Information on Town Planning is obtained from the set of Master Plan and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements etc. If assurance is required, we recommend that verification be obtained from your lawyers.
- 10) The subject property is covered by legitimate land certificates, under responsible ownership and free from all liens and encumbrances. We do not make any land measurement, and we assume that the land drawing contained in the land certificates and /or provided by our client is true and accurate.
- 11) Our valuations are prepared on the basis that the premises and any works thereto comply with all relevant statutory regulations, it is assumed that they have been or will be issued with a Certificate of Fitness by competent authority.
- 12) The Valuer is not required to give testimony or to appear in court by reason of this Valuation Report, with reference to the property in question, unless arrangement has been made therefor.

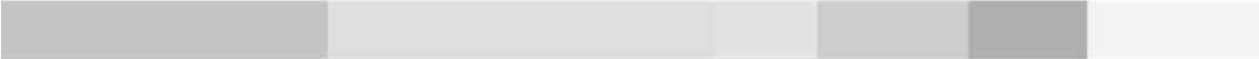
APPENDIX B – VALUATION CERTIFICATES



Head Office:
Menara Kuningan 8th Floor
Jalan HR. Rasuna Said Blok X-7 Kav. 5, Jakarta 12940
Phone: 62-21 3001 6002 Fax: 62-21 3001 6003
email: kjpp.rhp@rhp-valuation.com

Our Offices:
MEDAN | SURABAYA | SOLO | MAKASSAR | MANADO | DENPASAR

www.rhp-valuation.com



APPENDIX B – VALUATION CERTIFICATES

KANTOR JASA PENILAI PUBLIK
WILLSON DAN REKAN
Izin No.2.09.0049
Jasa Penilaian Properti
Wilayah Kerja Negara Republik Indonesia



Report No: 214/W&R-Report/2018

OUE Lippo Healthcare Ltd.
6 Shenton Way #10-09A
OUE Downtown 2
Singapore 068809

Attention: Mr. Loh Chee Meng, Group Finance Director.

Re : Valuation Summary of Siloam Properties (6 Hospitals).

The Instruction

Based on the Proposal Number 123/W&R-Proposal/VII/2018 dated 13 July 2018, OUE Lippo Healthcare Ltd (the "Company") has instructed KJPP Willson dan Rekan in association with Knight Frank (the "Valuer") to conduct an independent valuation of Siloam Properties.

Valuer Competency

Kantor Jasa Penilai Publik (KJPP) Willson dan Rekan is a valuation service company which holds Izin Usaha Number 2.09.0049 dated 19 June 2009 from the Finance Minister's decision of the Republic of Indonesia Number 610/KM.1/2009.

KJPP Willson dan Rekan is associated with Knight Frank, which is an international property consultant company which is centered in London – England and has a network of 519 offices in 59 countries around the world. Our association has been legalized and approved by the Minister of Finance of the Republic of Indonesia with the Surat Persetujuan Pencantuman Nama Badan Usaha Jasa Penilai Asing (BUJPA) No. 413/MK.1/2009 dated 21 July 2009.

The Public Valuer who signed this valuation report holds Public Valuer License No. P-1.11.00321 from the Ministry of Finance of the Republic of Indonesia and is registered in the Indonesian Financial Services Authority (OJK) with Registration No. 01/PM.22/STTD-P/A/2014.

Valuation Purposes

The Company required this valuation as part of the evaluation of the corporate actions.

The Valuation Cut-Off Date

The Cut-Off Date of this valuation is 16 July 2018.

Basis of Valuation

This valuation makes references to the Indonesian Valuation Standards (Standar Penilaian Indonesia) VI Edition - 2015, and the Indonesian Valuers Code of Ethics (Kode Etik Penilai Indonesia/KEPI).

The basis of this valuation is Market Value which is defined as "The estimated amount for which an asset or liability should exchange on the Valuation Cut-Off Date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion" (SPI-101, VI Edition - 2015).

Head office:
Chase Plaza 17th Floor, Jl. Jend. Sudirman Kav. 21, Jakarta 12920, Indonesia
T +62 (21) 570 7170 F +62 (21) 570 7177

KnightFrank.co.id

KJPP Willson dan Rekan is associated with Knight Frank, a limited liability partnership from London – United Kingdom. This association has been approved by the Ministry of Finance of Indonesia with Letter No.S-413/MK.1/2009.



APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

Valuation Objects

1. Mochtar Riady Comprehensive Cancer Centre ("MRCCC")

- Building Description : The subject property is Mochtar Riady Comprehensive Cancer Centre ("MRCCC") that comprises of a 29-storeys hospital building with 2 (two) basement level that accommodate 165 beds of its maximum capacity of 334 beds.
- Address : Jalan Garnisum Dalam No.2-3, Sub District of Karet Semanggi, District of Setiabudi, City of South Jakarta, Province of DKI Jakarta – Indonesia.
- Land Area : 4,145 square meters.
- Gross Floor Area : 37,933 square meters.
- Registered Proprietor : PT. Primatama Cemerlang.
- Land Titles : Hak Guna Bangunan (Right to Build) No.277/Karet Semanggi.
- Registered Proprietor : PT. Primatama Cemerlang.
 - Issuance Date : 22 August 1997.
 - Expiry Date : 26 August 2035.
 - Measurement Deed : 3717/1997.
 - Date of Situation Drawing : 14 August 1997.
 - Land Area : 4,145 square meters.
- Agreement Summary : The following summarizes the salient aspects of the master lease agreement dated 8 November 2010 which are applicable to our valuation analysis :
- Landlord : Perpetual (Asia) Limited as Trustee of First REIT through PT Primatama Cemerlang.
 - Tenant : PT Lippo Karawaci Tbk.
 - Property : Mochtar Riady Comprehensive Cancer Centre ("MRCCC") located at Jalan Garnisun Dalam No.2-3, Sub District of Karet Semanggi, District of Setiabudi, City of South Jakarta, Province of DKI Jakarta, Indonesia; together with the mechanical and electrical equipment (as listed in Appendix A of the Lease Agreement) located in the Subject Property.
 - Building Type/ Center of Excellence : Hospital/ Cancer Centre.
 - Lettable Area : 37,933 square meters.
 - Rent : The rent payable for the Term shall comprise (a) a base rent (the "Base Rent") and (b) a variable rent (the "Variable Rent"), save that for the First Year, the Rent payable by the Tenant shall comprise solely the Base Rent and no Variable Rent is payable;
The rent shall be paid in Singapore Dollars (S\$) in accordance with the formula (which shall be fixed for the entire term):
S\$1 = Rp.6,600.

Base Rent

The Base Rent payable for the First Year shall be the amount equivalent to Singapore Dollars Eighteen Million Six Hundred and Thirty Five Thousand (S\$18,635,000.00).

The Base Rent shall be increased on each Rent Revision Date, that is, the first anniversary date of the Commencement Date and thereafter on each

APPENDIX B – VALUATION CERTIFICATES

Report No: 214/W&R-Report/2018



subsequent anniversary date of the Commencement Date, by an amount equivalent to the lower of:

- (i) two times the CPI percentage variation for the calendar year (the "Preceding Calendar Year") preceding the calendar year in which the Rent Revision Date occurs; or
- (ii) 2%.

Variable Rent

No Variable Rent shall be payable in the First year.

In Respect of the Second, Third and Fourth Year :

- a. The amount equivalent to 0.75% of the audited Tenant Gross Revenue of the Preceding Calendar Year where the audited Tenant Gross Revenue of the preceding Calendar Year exceeds the audited Tenant Gross Revenue of the Calendar Year ("Further Preceding Calendar Year") preceding the Preceding Calendar Year by more than 5% but less than 15%
- b. The amount equivalent to 1.25% of the audited Tenant Gross Revenue of the Preceding Calendar Year where the audited Tenant Gross Revenue of the Preceding Calendar Year exceeds the audited Tenant Gross Revenue of the Further Preceding Calendar Year by 15% or more but less than 30%; and
- c. The amount equivalent to 2.00% of the audited Tenant Gross Revenue of the Preceding Calendar Year where the audited Tenant Gross Revenue of the Preceding Calendar Year exceeds the audited Tenant Gross Revenue of the Further Preceding Calendar Year by 30% or more.

For the avoidance of doubt, where the Tenant Gross Revenue of the Preceding Calendar Year does not exceed the Tenant Gross Revenue of the Further Preceding Calendar Year by more than 5%, no Variable Rent is payable; and the Variable Rent payable by the Tenant shall be computed as follows:

Combined VR x MRCCC Pre-Y Rent/ Combined Pre-Y Rent

Where :

"Combined VR" = the amount as determined in accordance with the provisions of Clause 2.3.3 (ii) below, based on the aggregate gross revenue derived from the property and the other property (Siloam Hospitals Lippo Cikarang);

"MRCCC Pre-Y rent" = the sum of the total Base Rent and Variable Rent payable by the Tenant hereunder in the preceding Year; and

"Combined Preceding Year Rent" = the sum of total Base Rent and Variable Rent payable by the Tenant hereunder, and the total base rent and variable rent payable by the Other Tenant under the lease in respect of the Other Property, in the preceding Year. in the event the Preceding Combined Gross Revenue exceeds the Further Preceding Combined Gross Revenue by:

APPENDIX B – VALUATION CERTIFICATES

Report No: 214/W&R-Report/2018



- a. more than 5% but less than 5%, the Combined VR payable shall be equivalent to 0.75% of the Preceding Combined Gross Revenue;
- b. 15% or more but less than 30%, the Combined VR shall be equivalent to 1.25% of the Preceding Combined Gross Revenue; and
- c. 30% or more, the Combined VR payable shall be equivalent to 2.00% of the Preceding Combined Gross Revenue;

For the avoidance of doubt, where the Preceding Combined Gross Revenue does not exceed the Further Preceding Combined Gross Revenue by more than 5%, no Combined VR is payable.

The Tenant shall deliver to the Landlord a statement from its auditors confirming the audited Tenant Gross Revenue for the Preceding Financial Year and the audited Tenant Gross Revenue for the Further Preceding Financial Year within 30 days prior to each Rent Revision Date

Commencement Date : 30 December 2010.

Lease Term : Fifteen (15) years commencing on (and including) the commencement date and ending on (and including) the day preceding the fifteenth anniversary date of the Commencement Date.

Building Permit : Hospital and facilities, based on Permit (Izin Mendirikan Bangunan) No.5204/IMB/2009 dated 2 June 2009.

Town Planning : Zonation of The Subject Property are as follow (based on DKI Jakarta Government Regulation No.1, years 2014 regarding Planning Regulation of DKI Jakarta) :
 Land Use Zoning : Public and social service zone.
 Building Site Coverage (KDB) : 30%
 Building Plot Ratio (KLB) : 5.5

Valuation Approach : Income Approach with Discounted Cash Flow Method.

Date of Inspection : 18 July 2018.

Date of Valuation : 16 July 2018.

Terminal Capitalisation Rate : 8.48%

Discount Rate : 9.65%

Market Value as at 16 July 2018 based on conditions in the Master Lease Agreement : **SGD 264,800,000.-**
(Singapore Dollars Two Hundred Sixty Four Million Eight Hundred Thousand Only).

Reflecting Indonesian Rupiahs Rp2,791,521,600,000.- at the exchange rate of S\$1 = Rp10,542.- (middle rate of the Central Bank of Indonesia) as at the date of valuation.

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

2. Siloam Hospitals Makassar ("SHMK")

Building Description	:	A 8-storeys hospital building with roof floor & 1 basement. The gross building area is 14,307 square meters.
Address	:	Jalan Metro Tanjung Bunga Kav 3-5, Sub district of Panambungan, District of Mariso, City of Makassar, Province of South Sulawesi, Indonesia.
Land Area	:	3,963 square meters.
Gross Floor Area	:	14,307 square meters.
Registered Proprietor	:	PT Bayutama Sukses.
Land Titles	:	Hak Guna Bangunan (Right to Build) No.20007/Penambungan. - Registered Proprietor : PT Bayutama Sukses. - Issuance Date : 21 March 2012. - Expiry Date : 22 December 2031. - Land Area : 3,963 square meters. - Measurement Deed : 00489/2012. - Date of Situation Drawing : 16 March 2012.
Agreement Summary	:	Landlord : Perpetual (Asia) Limited as Trustee of First REIT through PT Bayutama Sukses. Tenant : PT Lippo Karawaci Tbk. Property : Siloam Hospitals Makassar ("SHMK") located at Jalan Metro Tanjung Bunga Kav 3-5, Sub-District of Panambungan, District of Mariso, City of Makassar, Province of South Sulawesi, Indonesia; together with the mechanical and electrical equipment (as used in schedule 1 of the lease agreement) located in the property. Building Type/ Center of Excellence : Hospital/ Emergency & Trauma, Endocrinology and Cardiology. Lettable Area : 14,307 square meter. Rent : the Rent payable for the Term shall comprise (a) a base rent (the "Base Rent") and (b) a variable rent (the "Variable Rent"), save that for the First, Second and Third Year, the Rent payable by the Tenant shall comprise solely the Base Rent and no Variable Rent is payable; The rent shall be paid in Singapore Dollars (S\$) in accordance with the formula (which shall be fixed for the entire term): S\$1 = Rp.7,000. Base Rent Annual commencement base rent of S\$5,750,000, payable quarterly in advance. Base Rent will not be subject to any increment in the first, second and third year of the lease. Base rent is subject to increase every year thereafter at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year, subject to a floor of 0%, cap of 2%.

APPENDIX B – VALUATION CERTIFICATES

Report No: 214/W&R-Report/2018



Variable Rent

No variable rent shall be payable for each of the first year, the second year and the third year.

In respect of the fourth year:

The variable rent payable by the tenant shall be computed as following :

- a. Where the audited Gross Operating Revenue for the preceding financial year exceeds the audited gross operating revenue for the further preceding financial year by an amount that is 5% or more but less than 15%, the variable rent payable by the tenant shall be equivalent to 0.75% of such excess amount;
- b. Where the audited gross operating revenue for the preceding financial year exceeds the audited gross operating revenue for the further preceding financial year by an amount that is 15% or more but less than 30%, the variable rent payable by the tenant shall be equivalent to 1.25% of such excess amount; and
- c. Where the audited gross operating revenue for the preceding financial year exceeds the audited gross operating revenue for the further preceding financial year by an amount of 30% or more, the variable rent payable by the tenant shall be equivalent to 2% of such excess amount;

For the avoidance of doubt, where the audited gross operating revenue for the preceding financial year does not exceed the audited gross operating revenue for the further preceding financial year by more than 5%, no variable rent is payable; and

The tenant shall deliver to the landlord a statement from its auditors confirming the audited gross operating revenue for the preceding financial year and audited gross operating revenue for the further preceding financial year within 30 days prior to each rent revision date.

In respect of each year of the term from and including the fifth year :

the Variable Rent payable by the Tenant shall be computed as follows:

$$VR \times \frac{\text{Tenant Preceding Year Rent}}{\text{Combined Preceding Year Rent}}$$

Where:

“VR” = the amount as determined in accordance with the provisions of Clause 2.3.3(ii) below, based on the aggregate Gross Operating Revenue derived from the Property and the Other Property (Manado Property);

“Tenant Preceding Year Rent” = the sum of the total Base Rent and Variable Rent payable by the Tenant hereunder in the preceding Year; and

“Combined Preceding Year Rent” = the sum of

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

(a) the Tenant Preceding Year Rent and (b) the total base rent and variable rent payable by the Other Tenant under the lease in respect of the Other Property in the preceding Year.

in the event the Preceding Combined Gross Revenue exceeds the Further Preceding Combined Gross Revenue by:

- a. an amount that is more than 5% but less than 15%, the VR shall be equivalent to 0.75% of such excess amount;
- b. an amount that is 15% or more but less than 30%, the VR shall be equivalent to 1.25% of such excess amount; and
- c. an amount that is 30% or more, the VR payable shall be equivalent to 2.00% of such excess amount

For the avoidance of doubt, where the Preceding Combined Gross Revenue does not exceed the Further Preceding Combined Gross Revenue by more than 5%, no VR is payable.

The tenant shall deliver to the landlord a statement from its auditors confirming the audited gross operating revenue for the preceding financial year and the audited gross operating revenue for the further preceding financial year within 30 days prior to each rent revision date.

Commencement Date : 30 November 2012.

Lease Term : 15 years with a further term of 15 years after the expiry of the Lease Term, on terms to be agreed between the parties.

Building Permit : Hospital and facilities, based on License to Build No. 503/8525/IMB-B/01/DPM-PTSP.

Town Planning : Based on Peraturan Daerah No. 4 Tahun 2015 Kota Makassar :
Land Use Zoning : Mixed Use.
Building Site Coverage : 40% - 60%.

Valuation Approach : Income Approach with Discounted Cash Flow Method.

Date of Inspection : 19 July 2018.

Date of Valuation : 16 July 2018.

Terminal Capitalisation Rate : 8.30%

Discount Rate : 9.65%

Market Value as at 16 July 2018 based on conditions in the Master Lease Agreement : **SGD 72,900,000.-**
(Singapore Dollars Seventy Two Million Nine Hundred Thousand Only).

Reflecting Indonesian Rupiahs 768,511,800,000 at the exchange rate of S\$1 = Rp.10,542.- (middle rate of the Central Bank of Indonesia) as at the date of valuation.

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

3. Manado Property (“MD Property”)

Building Description	: An 11-storey mixed use development of 4-levels hospital with 238 beds and 9-levels of 5-star hotel with 200 guest rooms.																																																														
Address	: Jalan Sam Ratulangi No.22, Boulevard Center Complex, Wenang Utara, Manado, North Sulawesi, Indonesia.																																																														
Land Area	: 5,518 square meters.																																																														
Gross Floor Area	: 36,051 square meters.																																																														
Registered Proprietor	: PT. Menara Abadi Megah.																																																														
Land Titles	: 1. Right to Build Certificate No. 55/Wenang Utara.<table><tr><td>Proprietor Name</td><td>: PT Menara Abadi Megah.</td></tr><tr><td>Issuance Date</td><td>: 21 September 1992.</td></tr><tr><td>Expiry Date</td><td>: 18 May 2032.</td></tr><tr><td>Measurement Letter No.</td><td>: 1612/1992.</td></tr><tr><td>Measurement Letter Date</td><td>: 17 September 1992.</td></tr><tr><td>Land Area</td><td>: 964 square meters.</td></tr></table> 2. Right to Build Certificate No. 56/Wenang Utara.<table><tr><td>Proprietor Name</td><td>: PT Menara Abadi Megah.</td></tr><tr><td>Issuance Date</td><td>: 21 September 1992.</td></tr><tr><td>Expiry Date</td><td>: 18 May 2032.</td></tr><tr><td>Measurement Letter No.</td><td>: 1613/1992.</td></tr><tr><td>Measurement Letter Date</td><td>: 17 September 1992.</td></tr><tr><td>Land Area</td><td>: 1,272 square meters.</td></tr></table> 3. Right to Build Certificate No. 57/Wenang Utara.<table><tr><td>Proprietor Name</td><td>: PT Menara Abadi Megah.</td></tr><tr><td>Issuance Date</td><td>: 21 September 1992.</td></tr><tr><td>Expiry Date</td><td>: 18 May 2032.</td></tr><tr><td>Measurement Letter No.</td><td>: 1614/1992.</td></tr><tr><td>Measurement Letter Date</td><td>: 17 September 1992.</td></tr><tr><td>Land Area</td><td>: 795 square meters.</td></tr></table> 4. Right to Build Certificate No. 58/Wenang Utara.<table><tr><td>Proprietor Name</td><td>: PT Menara Abadi Megah.</td></tr><tr><td>Issuance Date</td><td>: 21 September 1992.</td></tr><tr><td>Expiry Date</td><td>: 18 May 2032.</td></tr><tr><td>Measurement Letter No.</td><td>: 1615/1992.</td></tr><tr><td>Measurement Letter Date</td><td>: 17 September 1992.</td></tr><tr><td>Land Area</td><td>: 1,049 square meters.</td></tr></table> 5. Right to Build Certificate No. 74/Wenang Utara.<table><tr><td>Proprietor Name</td><td>: PT Menara Abadi Megah.</td></tr><tr><td>Issuance Date</td><td>: 11 November 1992.</td></tr><tr><td>Expiry Date</td><td>: 18 May 2032.</td></tr><tr><td>Measurement Letter No.</td><td>: 1944/1992.</td></tr><tr><td>Measurement Letter Date</td><td>: 10 November 1992.</td></tr><tr><td>Land Area</td><td>: 793 square meters.</td></tr></table> 6. Right to Build Certificate No. 75/Wenang Utara.<table><tr><td>Proprietor Name</td><td>: PT Menara Abadi Megah.</td></tr></table>	Proprietor Name	: PT Menara Abadi Megah.	Issuance Date	: 21 September 1992.	Expiry Date	: 18 May 2032.	Measurement Letter No.	: 1612/1992.	Measurement Letter Date	: 17 September 1992.	Land Area	: 964 square meters.	Proprietor Name	: PT Menara Abadi Megah.	Issuance Date	: 21 September 1992.	Expiry Date	: 18 May 2032.	Measurement Letter No.	: 1613/1992.	Measurement Letter Date	: 17 September 1992.	Land Area	: 1,272 square meters.	Proprietor Name	: PT Menara Abadi Megah.	Issuance Date	: 21 September 1992.	Expiry Date	: 18 May 2032.	Measurement Letter No.	: 1614/1992.	Measurement Letter Date	: 17 September 1992.	Land Area	: 795 square meters.	Proprietor Name	: PT Menara Abadi Megah.	Issuance Date	: 21 September 1992.	Expiry Date	: 18 May 2032.	Measurement Letter No.	: 1615/1992.	Measurement Letter Date	: 17 September 1992.	Land Area	: 1,049 square meters.	Proprietor Name	: PT Menara Abadi Megah.	Issuance Date	: 11 November 1992.	Expiry Date	: 18 May 2032.	Measurement Letter No.	: 1944/1992.	Measurement Letter Date	: 10 November 1992.	Land Area	: 793 square meters.	Proprietor Name	: PT Menara Abadi Megah.
Proprietor Name	: PT Menara Abadi Megah.																																																														
Issuance Date	: 21 September 1992.																																																														
Expiry Date	: 18 May 2032.																																																														
Measurement Letter No.	: 1612/1992.																																																														
Measurement Letter Date	: 17 September 1992.																																																														
Land Area	: 964 square meters.																																																														
Proprietor Name	: PT Menara Abadi Megah.																																																														
Issuance Date	: 21 September 1992.																																																														
Expiry Date	: 18 May 2032.																																																														
Measurement Letter No.	: 1613/1992.																																																														
Measurement Letter Date	: 17 September 1992.																																																														
Land Area	: 1,272 square meters.																																																														
Proprietor Name	: PT Menara Abadi Megah.																																																														
Issuance Date	: 21 September 1992.																																																														
Expiry Date	: 18 May 2032.																																																														
Measurement Letter No.	: 1614/1992.																																																														
Measurement Letter Date	: 17 September 1992.																																																														
Land Area	: 795 square meters.																																																														
Proprietor Name	: PT Menara Abadi Megah.																																																														
Issuance Date	: 21 September 1992.																																																														
Expiry Date	: 18 May 2032.																																																														
Measurement Letter No.	: 1615/1992.																																																														
Measurement Letter Date	: 17 September 1992.																																																														
Land Area	: 1,049 square meters.																																																														
Proprietor Name	: PT Menara Abadi Megah.																																																														
Issuance Date	: 11 November 1992.																																																														
Expiry Date	: 18 May 2032.																																																														
Measurement Letter No.	: 1944/1992.																																																														
Measurement Letter Date	: 10 November 1992.																																																														
Land Area	: 793 square meters.																																																														
Proprietor Name	: PT Menara Abadi Megah.																																																														

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

Issuance Date : 11 November 1992.
 Expiry Date : 18 May 2032.
 Measurement Letter No. : 1943/1992.
 Measurement Letter Date : 10 November 1992.
 Land Area : 645 square meters.

Agreement Summary : Landlord : Perpetual (Asia) Limited as Trustee of First REIT through PT Menara Abadi Megah.
 Tenant : PT Lippo Karawaci Tbk.
 Property : Manado Property is located at Jalan Sam Ratulangi No.22, Boulevard Center Complex, Wenang Utara, Manado, North Sulawesi, Indonesia; together with the mechanical and electrical equipment (as listed in Appendix A of the Lease Agreement) located in the Subject Property.
 Building Type : Hospital / Hotel.
 Lettable Area : 36,051 square meters.
 Rent : the Rent payable for the Term shall comprise (a) a base rent (the "Base Rent") and (b) a variable rent (the "Variable Rent"), save that for the First, Second and Third Year, the Rent payable by the Tenant shall comprise solely the Base Rent and no Variable Rent is payable;

The rent shall be paid in Singapore Dollars (S\$) in accordance with the formula (which shall be fixed for the entire term):
 S\$1 = Rp. 7,000.

Base Rent
 Annual commencement base rent of S\$8,400,000 payable quarterly in advance. Base Rent will not subject to any increment in the first, second and third year of Lease. Base Rent is subject to increase every year thereafter at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year, subject to a floor of 0% cap of 2%.

Variable Rent
 No variable rent will be payable in the First Year, the Second Year and the Third Year of the lease.
 The Variable Rent for the Fourth Year is computed as follows:
 - The audited Gross Operating Revenue for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount of 5% or more than but less than 15%, the Variable Rent payable shall be equivalent to 0.75% of such excess amount.
 - The audited Gross Operating Revenue for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount of 15% or more than but less than 30%, the Variable Rent payable shall be equivalent to 1.25% of

APPENDIX B – VALUATION CERTIFICATES

Report No: 214/W&R-Report/2018



such excess amount.

- The audited Gross Operating Revenue for the Preceding Financial Year exceeds the audited Gross Operating Revenue for the Further Preceding Financial Year by an amount of 30% or more, the Variable Rent payable shall be equivalent to 0.75% of such excess amount.

For the avoidance of doubt, where the audited Gross Operating Revenue for the Preceding Financial Year does not exceed the audited Gross Operating for the Further Preceding Financial Year by more than 5%, no variable rent is payable.

In respect of each Year of the Term From and including the Fifth Year, the Variable Rent is computed as follows:

$VR \times \text{Tenant Preceding Year Rent} / \text{Combined Preceding Year Rent}$.

Where:

"VR" means the amount as determined in accordance with the provisions of clause (ii) below, based on the aggregate Gross Operating Revenue derived from the Property and the Other Property (Siloam Hospitals Makassar);

"Tenant Preceding Year Rent" means the sum of the total Base Rent and Variable Rent payable by the Tenant hereunder in the Preceding Year; and

"Combined Preceding Year Rent" means the sum of (a) the Tenant Preceding Year Rent and (b) the total base rent and variable rent payable by the Other Tenant under the lease in respect of the Other Property in the Preceding Year;

(ii) in the event the Preceding Combined Gross Operating Revenue exceeds the Further Preceding Combined Gross Operating Revenue by:

- An amount of 5% or more than but less than 15%, the Variable Rent payable shall be equivalent to 0.75% of such excess amount.

- An amount of 15% or more than but less than 30%, the Variable Rent payable shall be equivalent to 1.25% of such excess amount.

- An amount of 30% or more, the Variable Rent payable shall be equivalent to 2% of such excess amount.

For the avoidance of doubt, where the Preceding Combined Gross Operating Revenue does not exceed either the Further Preceding Combined Gross Operating Revenue by more than 5%, no VR is payable.

Commencement Date : 30 November 2012.

Lease Term : 15 years with a further term of 15 years after the expiry of the Lease Term, on terms to be agreed between the parties.

Building Permit : Hospital, hotel and facilities, based on License to Build No. 202/0182/0030/IMB/BP2T/I/2012.

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

Town Planning : Based on Local Government Regulation No.1, years 2014 regarding Planning Regulation / RTRW 2014-2034 of Manado City :

Land Use Zoning	: Office zone for commercial utilization (Trade and Services)
Building Site Coverage	: 40% - 60%.

Valuation Approach : Income Approach with Discounted Cash Flow Method.

Date of Inspection : 17 July 2018.

Date of Valuation : 16 July 2018.

Terminal Capitalisation Rate : 8.64%

Discount Rate : 9.65%

Market Value as at 16 July 2018 based on conditions in the Master Lease Agreement : **SGD 104,500,000.- (Singapore Dollars One Hundred Four Million Five Hundred Thousand Only).**

Reflecting Indonesian Rupiahs 1,101,639,000,000 at the exchange rate of S\$1 = Rp.10,542.- (middle rate of the Central Bank of Indonesia) as at the date of valuation.

4. Siloam Hospitals TB Simatupang ("SHTS")

Building Description : Private General Hospital and 16-storey hospital building with 2 (two) level basement, accommodates 269 beds. The gross building area is 18,605 square meters with land area 2,489 square meters.

Address : Jalan TB Simatupang/Jalan RA Kartini No. 8, Sub-District of Cilandak Barat, District of Cilandak, Regency of South Jakarta, Province of DKI Jakarta - Indonesia.

Land Area : 2,489 square meters.

Gross Floor Area : 18,605 square meters.

Registered Proprietor : PT. Perisai Dunia Sejahtera.

Land Titles : Hak Guna Bangunan (Right to Build) No.2577/Cilandak Barat.

- Registered Proprietor : PT. Perisai Dunia Sejahtera.
- Issuance Date : 28 March 2013.
- Expiry Date : 28 September 2028.
- Measurement Deed : 00073/Cilandak Barat/2013.
- Date of Situation Drawing : 26 March 2013.
- Land Area : 2,489 square meters.

Agreement Summary : The following summarizes the salient aspects of the master lease agreement dated 26 March 2013 which are applicable to our valuation analysis :

- Landlord : Perpetual (Asia) Limited as Trustee of First REIT through PT Perisai Dunia Sejahtera.
- Tenant : PT Lippo Karawaci Tbk.
- Property : Siloam Hospitals TB Simatupang located at Jalan TB Simatupang/Jalan RA Kartini No. 8, Sub-District of Cilandak Barat, District of Cilandak, Regency of South Jakarta, Province of DKI Jakarta - Indonesia; together with the mechanical and electrical

APPENDIX B – VALUATION CERTIFICATES

Report No: 214/W&R-Report/2018



- Building Type/ Center of Excellence : Hospital/ Emergency & Trauma, Endocrinology and Cardiology.
- Lettable Area : 18,605 square meters.
- Rent : The Rent payable for the Term shall comprise (a) a base rent (the "Base Rent") and (b) a variable rent (the "Variable Rent"), save that for the First, Second and Third Year, the Rent payable by the Tenant shall comprise solely the Base Rent and no Variable Rent is payable;

equipment (as used in schedule 1 of the lease agreement) located in the property.

The rent shall be paid in Singapore Dollars (S\$) in accordance with the formula (which shall be fixed for the entire term):

S\$1 = Rp.7,800.

Base Rent

The Base Rent payable for each of the First Year, the Second Year and the Third Year shall be the amount (whether payable in Singapore Dollars or Indonesian Rupiah pursuant to Clause 2.1(iii) or Clause 2.1(iv), as the case may be) that is equivalent to S\$9,260,000

The Base Rent shall be increased on each Rent Revision Date, that is, the third anniversary date of the Commencement Date and thereafter on each subsequent anniversary date of the Commencement Date, by an amount equivalent to the lower of:

- (i) two times the CPI percentage variation for the calendar year (the "Preceding Calendar Year") preceding the calendar year in which the Rent Revision Date occurs; or

- (ii) 2%.

Variable Rent

The variable rent is calculated based on a percentage growth of the audited gross revenue in the preceding financial year of SHTS.

No Variable Rent shall be payable for each of the first, the second and the third year.

In respect of the fourth year:

The Variable Rent shall be computed as follows:

- a. If audited gross operating revenue of the preceding financial year of SHTS exceeds the audited gross operating revenue of the further preceding financial year of SHTS

APPENDIX B – VALUATION CERTIFICATES

Report No: 214/W&R-Report/2018



by more than 5% but less than 15%, the variable rent shall be the amount which is 0.75% of such excess amount;

- b. If audited gross operating revenue of the preceding financial year of SHTS exceeds the audited gross operating revenue of the further preceding financial year of SHTS by 15% or more but less than 30%, the variable rent shall be the amount which is 1.25% of of such excess amount;

- c. If audited gross operating revenue of the preceding financial year of SHTS exceeds the audited gross operating revenue of the further preceding financial year of SHTS by 30% or more, the variable rent shall be the amount which is 2% of of such excess amount;

For the avoidance of doubt, where the Tenant Gross operating revenue of the Preceding Calendar Year does not exceed the Tenant Gross Operating Revenue of the Further Preceding Calendar Year by more than 5%, no Variable Rent is payable; and

In respect of each year of the terms from and including the fifth year, the Variable Rent payable by the Tenant shall be computed as follows:

$$VR \times \frac{\text{Tenant Preceding Year Rent}}{\text{Rent/Combined Preceding Year Rent}}$$

Where:

"VR" = the amount as determined in accordance with the provisions of Clause 2.3.3(ii) below, based on the aggregate Gross Operating Revenue derived from the Property and the Other Property (Siloam Hospitals Bali);

"Tenant Preceding Year Rent" = the sum of the total Base Rent and Variable Rent payable by the Tenant hereunder in the preceding Year; and

"Combined Preceding Year Rent" = the sum of (a) the Tenant Preceding Year Rent and (b) the total base rent and variable rent payable by the Other Tenant under the lease in respect of the Other Property in the preceding Year.

In the event the Preceding Combined Gross Operating Revenue exceeds the Further Preceding Combined Gross Revenue by:

- a. an amount that is more than 5% but less than 5%, the VR shall be equivalent to 0.75% of such excess amount;
- b. an amount that is 15% or more but less than 30%, the VR shall be equivalent to 1.25% of such xcess

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

- amount; and
c. an amount that is 30% or more, the VR payable shall be equivalent to 2.00% of such excess amount

For the avoidance of doubt, where the Preceding Combined Gross operating revenue does not exceed the Further Preceding Combined Gross Operating Revenue by more than 5%, no VR is payable.

Commencement Date : 22 May 2013.
Lease Term : 15 years with a further term of 15 years after the expiry of the Lease Term, on terms to be agreed between the parties.

Building Permit : Hospital and facilities, based on 2 Licenses consists of :
- License No.11723/IMB/2012 Dated 8 October 2012.
- License No.15006/IMB/2012 Dated 12 December 2012.

Town Planning : Zonation of The Subject Property are as follow (based on DKI Jakarta Government Regulation No.1, years 2014 regarding Planning Regulation of DKI Jakarta) :
Land Use Zoning : Public and social service zone.
Building Site Coverage (KDB) : 30%
Building Plot Ratio (KLB) : 3.5
Maximum Building Height : 24 Storeys

Valuation Approach : Income Approach with Discounted Cash Flow Method.

Date of Inspection : 17 July 2018.

Date of Valuation : 16 July 2018.

Terminal Capitalisation Rate : 8.17%.

Discount Rate : 9.65%.

Market Value as at 16 July 2018 based on conditions in the Master Lease Agreement : **SGD 118,900,000.**
(Singapore Dollars One Hundred Eighteen Million Nine Hundred Thousand Only).
Reflecting Indonesian Rupiahs 1,253,443,800,000 at the exchange rate of S\$1 = Rp.10,542.- (middle rate of the Central Bank of Indonesia) as at the date of valuation.

5. Siloam Hospitals Bali ("SHBL")

Building Description : Siloam Hospitals Bali comprises of a 4-storey hospital with one basement level. SHBL has a maximum capacity of 281 inpatient beds (based on official letter sign by director SHBL No.223/SHDP-SK/DIR/XII/2017), integrated with shops for related use (known as Lippo Plaza Sunset). The hospital has a land area of 9,025 square meters and a gross building floor area of 20,958 square meters.

Address : Jalan Sunset Road No.818, Sub District of Kuta, District of Kuta, City of Badung, Province of Bali, Indonesia

Land Area : 9,025 square meters.

Gross Floor Area : 20,958 square meters.

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

Registered Proprietor : PT Dasa Graha Jaya.

- Land Titles :
1. Right To Build Certificate No. 911/Kuta.
Proprietor Name : PT Dasa Graha Jaya.
Issuance Date : 22 August 1998.
Expiry Date : 26 March 2038.
Measurement Letter No. : 458/1998.
Measurement Letter Date : 12 August 1998.
Land Area : 1,805 square meters.
 2. Right to Build Certificate No. 912/Kuta.
Proprietor Name : PT Dasa Graha Jaya.
Issuance Date : 22 August 1998.
Expiry Date : 26 March 2038.
Measurement Letter No. : 457/1998.
Measurement Letter Date : 12 August 1998.
Land Area : 950 square meters.
 3. Right to Build Certificate No. 913/Kuta.
Proprietor Name : PT Dasa Graha Jaya.
Issuance Date : 22 August 1998.
Expiry Date : 26 March 2038.
Measurement Letter No. : 456/1998.
Measurement Letter Date : 12 August 1998.
Land Area : 1,280 square meters.
 4. Right to Build Certificate No. 914/Kuta.
Proprietor Name : PT Dasa Graha Jaya.
Issuance Date : 22 August 1998.
Expiry Date : 26 March 2038.
Measurement Letter No. : 448/1998.
Measurement Letter Date : 12 August 1998.
Land Area : 990 square meters.
 5. Right to Build Certificate No. 915/Kuta.
Proprietor Name : PT Dasa Graha Jaya.
Issuance Date : 22 August 1998.
Expiry Date : 26 March 2038.
Measurement Letter No. : 449/1998.
Measurement Letter Date : 12 August 1998.
Land Area : 1,200 square meters.
 6. Right to Build Certificate No. 916/Kuta.
Proprietor Name : PT Dasa Graha Jaya.
Issuance Date : 22 August 1998.
Expiry Date : 26 March 2038.
Measurement Letter No. : 459/1998.
Measurement Letter Date : 12 August 1998.
Land Area : 1,200 square meters.
 7. Right to Build Certificate No. 917/Kuta.
Proprietor Name : PT Dasa Graha Jaya.
Issuance Date : 22 August 1998.
Expiry Date : 26 March 2038.

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

Measurement Letter No. : 450/1998.
 Measurement Letter Date : 12 August 1998.
 Land Area : 1,600 square meters.

Agreement Summary : The following summarizes the salient aspects of the master lease agreement dated 26 March 2013, which are applicable to our valuation analysis:

Landlord : Perpetual (Asia) Limited as Trustee of First REIT through PT Dasa Graha Jaya.

Tenant : PT Lippo Karawaci Tbk.

Property : Four- storey hospital with one basement level accommodating 281 inpatient beds and integrated with shops for related use, which commenced operations on 17 December 2012.

Building Type/ Center of Excellence : Hospital/Emergency & Trauma, Orthopedics, and Cardiology.

Lettable Area : 20,958 square meter.

Rent : the Rent payable for the Term shall comprise (a) a base rent (the "Base Rent") and (b) a variable rent (the "Variable Rent"), save that for the First, Second and Third Year, the Rent payable by the Tenant shall comprise solely the Base Rent and no Variable Rent is payable;
 The rent shall be paid in Singapore Dollars (S\$) in accordance with the formula (which shall be fixed for the entire term):
 $S\$1 = Rp.7,800$.
 the Rent shall be paid quarterly in advance without any deduction, counterclaim or set-off, and without demand;

Base Rent
 The Base Rent payable for each of the First Year, the Second Year and the Third Year shall be the amount (whether payable in Singapore Dollars or Indonesian Rupiah pursuant to Clause 2.1(iii) or Clause 2.1(iv), as the case may be) that is equivalent to S\$9,680,000
 The Base Rent shall be increased on each Rent Revision Date, that is, the third anniversary date of the Commencement Date and thereafter on each subsequent anniversary date of the Commencement Date, by an amount equivalent to the lower of:
 two times the CPI percentage variation for the calendar year (the "Preceding Calendar Year") preceding the calendar year in which the Rent Revision Date occurs; or 2%.

Variable Rent
 The variable rent is calculated based on a percentage growth of the audited gross operating revenue in the

APPENDIX B – VALUATION CERTIFICATES

Report No: 214/W&R-Report/2018



preceding financial year of SHBL.

No variable rent will be payable in the first, second and third year of the Lease.

In respect of the fourth year:

The Variable Rent shall be computed as follows:

a. If audited gross operating revenue of the preceding financial year of SHBL exceeds the audited gross operating revenue of the further preceding financial year of SHBL by more than 5% but less than 15%, the variable rent shall be the amount which is 0.75% of such excess amount;

b. If audited gross operating revenue of the preceding financial year of SHBL exceeds the audited gross operating revenue of the further preceding financial year of SHBL by 15% or more but less than 30%, the variable rent shall be the amount which is 1.25% of such excess amount; and

c. If audited gross operating revenue of the preceding financial year of SHBL exceeds the audited gross operating revenue of the further preceding financial year of SHBL by 30% or more, the variable rent shall be the amount which is 2% of such excess amount;

For the avoidance of doubt, where the Audited Gross operating Revenue of the Preceding Financial Year does not exceed the Audited Gross Operating Revenue of the Further Preceding Financial Year by more than 5%, no Variable Rent is payable; and

In respect of each year of the term from and including the fifth year, the Variable Rent payable by the Tenant shall be computed as follows:

$$VR \times \frac{\text{Tenant Preceding Year Rent}}{\text{Combined Preceding Year Rent}}$$

Where:

"VR" = the amount as determined in accordance with the provisions of Clause 2.3.3(ii) below, based on the aggregate Gross Operating Revenue derived from the Property and the Other Property;

"Tenant Preceding Year Rent" = the sum of the total Base Rent and Variable Rent payable by the Tenant hereunder in the preceding Year; and

"Combined Preceding Year Rent" = the sum of (a) the Tenant Preceding Year Rent and (b) the total base rent and variable rent payable by the Other Tenant under the lease in respect of the Other Property in the preceding Year.

in the event the Preceding Combined Gross Operating Revenue exceeds the Further Preceding Combined Gross

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

Operating Revenue by:

a. an amount that is more than 5% but less than 15%, the VR shall be equivalent to 0.75% of such excess amount;

b. an amount that is 15% or more but less than 30%, the VR shall be equivalent to 1.25% of such excess amount; and

c. an amount that is 30% or more, the VR payable shall be equivalent to 2.00% of such excess amount.

For the avoidance of doubt, where the Preceding Combined Gross Operating Revenue does not exceed the Further Preceding Combined Gross Operating Revenue by more than 5%, no VR is payable.

Commencement Date : 13 May 2013.

Lease Term : 15 years with a further term of 15 years after the expiry of the Lease Term, on terms to be agreed between the parties.

Building Permit : License no.114 year 2011 date of issue 8 February 2011.

Town Planning : Zonation of The Subject Property are as follow (based on Badung Regency Regulation No.26, years 2013 regarding Planning Regulation of Badung Regency) :

Land Use Zoning : Trade and service zone.

Building Site Coverage : Maximum 60%

Valuation Approach : Income Approach with Discounted Cash Flow Method.

Date of Inspection : 19 July 2018.

Date of Valuation : 16 July 2018.

Terminal Capitalisation Rate : 8.32%

Discount Rate : 9.65%

Market Value as at 16 July 2018 based on conditions in the Master Lease Agreement : **SGD 123,400,000.- (Singapore Dollars One Hundred Twenty Three Million Four Hundred Thousand Only).**
Reflecting Indonesian Rupiahs 1,300,882,800,000.- at the exchange rate of S\$1 = Rp10,542.- (middle rate of the Central Bank of Indonesia) as at the date of valuation.

6. Siloam Hospitals Yogyakarta ("SHYG")

Building Description : A hospital building attached to Lippo Plaza Jogja. The gross building area of SHYG is 12,474 square meters.

Address : Jalan Laksda Adisucipto No.32-34, Sub-District of Demangan, District of Gondokusuman, City of Yogyakarta, Province of DI Yogyakarta, Indonesia.

Land Area : 13,715 square meters.

Gross Floor Area : 12,474 square meters.

Registered Proprietor : PT Yogya Central Terpadu.

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

Land Titles	: Hak Guna Bangunan (Right to Build) No.00131/Demangan. - Registered Proprietor : PT Yogya Central Terpadu. - Issuance Date : 27 December 2017. - Expiry Date : 27 December 2023. - Measurement No. : 00440/Demangan/2005. - Measurement Date : 14 November 2005. - Land Area : 13,715 square meters.
Remark	: We assume for this valuation that there will be a strata title unit for the hospital portion.
Agreement Summary	: The following summarizes the salient aspects of the master lease agreement dated 29 August 2017 which are applicable to our valuation analysis : - Landlord : Perpetual (Asia) Limited through PT Yogya Central Terpadu ("PT YCT"). - Note : PT YCT jointly held by First REIT (through Class A shares) and LMIRT (through Class B shares) held by their respective Sing SPC's. Class A shares of PT YCT is entitled to all of the rights and obligations attributable to SHYG, including all of its revenue, profits, dividends, expenses and liabilities. LMIRT hold Class B shares of the PT YCT which is entitled to all of the rights and obligations attributable to the retail mall, including all of its revenue, profits, dividends, expenses and liabilities. - Tenant : PT Lippo Karawaci Tbk, and PT Taruna Perkasa Megah. - Property : Siloam Hospitals Yogyakarta ("SHYG") located at Jalan Laksda Adisucipto No.32-34, Sub-District of Demangan, District of Gondokusuman, City of Yogyakarta, Province of DI Yogyakarta, Indonesia. - Building Type / Centre of Excellence : Hospital / Neuroscience and Cardiology. - Lettable Area : 12,474 square meters. - Rent : Base Rent Annual commencement base rent of S\$2,430,000, based on agreed exchange rate of S\$1 = Rp.9,800, payable quarterly in advance. Base rent is not subject to any increment in the first, second, third, fourth, and fifth year of the Lease. Base rent is subject to increase every year thereafter at a rate equal to 2 times the percentage increase of the Consumer Price Index of Singapore for the preceding calendar year, subject to a floor of 0% cap of 2%. The total base rent increment from Years 6 to 10 shall be capped at 5% and the same cap applies for Years 11 to 15. In the event the Singapore Dollar – Indonesian Rupiah exchange rate deviates from the agreed exchange rate of S\$1 = Rp.9,800, the Base Rent shall be adjusted accordingly based on the following formula: Base Rent / Rp.9,800 x BI Market Rate Where "BI Market Rate" means the Bank Indonesia's Rupiah exchange rate based on Bank Indonesia's buying rate of Singapore Dollar – Indonesia Rupiah applicable 14 (fourteen) days prior to the date of the invoice issued by the Lessor.

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

Variable Rent

No variable will be payable in the first, second, third, fourth, and fifth year of the Lease. Variable rent for the sixth year onwards of the Lease will be based on audited Gross Operating Revenue ("GOR") growth of SHYG.

Variable Rent is computed as follows:

(A) x (B)

Where:

(A) Variable rent factor ("A") is computed as follows:

- If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the lessee by more than or equal to 5% but less than 15%, A is 0.75%.
- If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 15% but less than 30%, A is 1.25%.
- If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year the Lessee by more than or equal to 30%, A is 2.00%.

(B) ("B") is the surplus of GOR of the preceding financial year of the Lessee over the GOR of the further preceding financial year of the Lessee.

The variable rent is payable quarterly in advance.

For avoidance of doubt, when the GOR of the preceding financial year of the Lessee does not exceed the GOR of the further preceding financial year of the Lessee by more than 5%, no variable rent is payable.

At least two weeks prior to each quarterly rent payment date, the Sponsor shall give written notice to the Lessor of the apportionment of the total rent payable by the Sponsor and the Siloam Lessee in respect of such quarter. In the event that the Lessor does not receive such notice at least two weeks prior to the relevant quarterly rent payment date, the Lessor shall invoice the Sponsor and the Siloam lessee in accordance with the formula set out in the Master Lease Agreement.

Lease Term	: 15 Years with a further term of 15 years after the expiry of the Lease Term, on terms to be agreed between the parties.						
Building Permit	: Izin Mendirikan Bangunan (Building Permit) No. 0079/GK/2014 dated 29 January 2014.						
Hospital Operating Permit	: Health Department Decree No. 503/6668 dated 20 June 2017.						
Town Planning	: Zonation of The Subject Property are as follow (based on Regional Plan of Yogyakarta No.2 year 2010 regarding Planning Regulation of Yogyakarta) : <table border="0"> <tr> <td>Land Use Zoning</td><td>: Commercial use/trade and service.</td></tr> <tr> <td>Building Site Coverage (KDB)</td><td>: Maximum 90%.</td></tr> <tr> <td>Building Plot Ratio (KLB)</td><td>: Maximum 6.4.</td></tr> </table>	Land Use Zoning	: Commercial use/trade and service.	Building Site Coverage (KDB)	: Maximum 90%.	Building Plot Ratio (KLB)	: Maximum 6.4.
Land Use Zoning	: Commercial use/trade and service.						
Building Site Coverage (KDB)	: Maximum 90%.						
Building Plot Ratio (KLB)	: Maximum 6.4.						
Valuation Approach	: Income Approach with Discounted Cash Flow Method.						
Date of Inspection	: 18 July 2018						

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

Date of Valuation : 16 July 2018.

Terminal Capitalisation Rate : 8.93%.

Discount Rate : 9.65%.

Market Value as at 16 July 2018 based on conditions in the Master Lease Agreement : **SGD 27,940,000.-**
(Singapore Dollars Twenty Seven Million Nine Hundred Forty Thousand Only).

Reflecting Indonesian Rupiahs Rp.294,543,480,000 at the exchange rate of S\$1 = Rp10,542.- (middle rate of the Central Bank of Indonesia) as at the date of valuation.

APPENDIX B – VALUATION CERTIFICATES



Report No: 214/W&R-Report/2018

Valuation Summary

The summary of the market values as at 16 July 2018 of the 6 properties; subject to our disclaimers, limiting conditions, and assumptions, are as follows:

No	Description	Market Value (SGD)
1	MRCCC	264,800,000
2	SHMK	72,900,000
3	MD Property	104,500,000
4	SHTS	118,900,000
5	SHBL	123,400,000
6	SHYG	27,940,000
	TOTAL	712,440,000

Total: SGD 712,440,000

(Singapore Dollar Seven Hundred Twelve Million Four Hundred Forty Thousand Only)

Valuation Assumptions and Limiting Conditions

- (i) This valuation is for 100% interest only and does not taken into account any partial interest of ownerships/shares by the Company and/ or its subsidiaries over of the Valuation Object;
- (ii) The Valuation Objects are free from all liens and encumbrances, encompassing both physical and legal encumbrances;
- (iii) The ownership and/or leasehold right of the Valuation Objects can be transferred or sub-lease to third parties;
- (iv) That all information relating to the Valuation Objects as provided by the Company to the Valuer is correct and accurate;
- (v) This valuation speaks only as of the date of valuation. The Valuer takes no responsibility for any events, conditions or circumstances affecting the market values of the Valuation Objects that take place subsequent to the date of valuation;
- (vi) This valuation is based on an evaluation of the current economic condition, which does not take into account nor make any provision for the effect of any sharp rise or decline in future economic conditions caused by the global financial crisis; and
- (vii) The Valuer reserves the right to revise this valuation should any of the information provided by the Company and/or the above assumptions that the Valuer has adopted in this valuation proof to be inaccurate.

The Valuer confirms having no present or prospective interest laid upon neither the Valuation Objects nor the reported values. The Valuer asserts that the statement in this report, which forms the basis of analysis, opinion and conclusion of this valuation, is correct and accurate.

Jakarta, 10 September 2018

KJPP Willson dan Rekan
in association with Knight Frank

Mosalina Dewi
ST, MM. MAPPI (Cert.)
Partner

Licensed Public Valuer No.: P-1.11.00321 (Property Valuation)
OJK Registration No.01/PM.22/STTD-P/A/2014
MAPPI Membership No.: 00-S-01272

NOTICE OF EXTRAORDINARY GENERAL MEETING

QUE LIPPO HEALTHCARE LIMITED

(Company Registration No. 201304341E)
(Incorporated in the Republic of Singapore)
(the “**Company**”)
(In receivership over charged shares in certain subsidiaries)

All capitalised terms used in this Notice which are not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the circular to Shareholders dated 26 September 2018.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at Stephen Riady Auditorium on 11 October 2018 at 10 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

Shareholders should note that Resolution 1 and Resolution 2 are inter-conditional upon each other. Accordingly, in the event that any of these resolutions is not approved, the other resolution will not be duly passed.

ORDINARY RESOLUTIONS

RESOLUTION 1 – THE PROPOSED ACQUISITION OF 40% OF THE TOTAL ISSUED SHARE CAPITAL OF BOWSPRIT CAPITAL CORPORATION LIMITED

That, subject to and contingent upon the passing of Resolution 2, for the purposes of Chapters 9 and 10 of the Catalist Rules Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”):

- (a) approval be and is hereby given for the acquisition by the Company of 400,000 ordinary shares, representing 40% of the total issued share capital of Bowsprit Capital Corporation Limited, held by LK REIT Management Pte. Ltd. (“**LKRM**”), upon the terms and conditions of the conditional sale and purchase agreement dated 18 September 2018 entered into by the Company and OUE Limited as purchasers, LKRM as vendor and PT Lippo Karawaci Tbk (“**PT LK**”) as guarantor (the “**Manager CSPA**”) (the “**Proposed Manager Acquisition**”); and
- (b) the directors of the Company (the “**Directors**”) and each of them be and are hereby authorised to complete and to do all acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution (including any amendment to the Manager CSPA, execution of any other agreements or documents and procurement of third party consents).

Note to Resolution 1:

- (1) Pursuant to Rule 919 of the Catalist Rules, Dr. Stephen Riady and his associates will abstain from exercising any voting rights in relation to Resolution 1.

NOTICE OF EXTRAORDINARY GENERAL MEETING

RESOLUTION 2 – THE PROPOSED ACQUISITION OF 83,593,683 UNITS OF FIRST REAL ESTATE INVESTMENT TRUST

That, subject to and contingent upon the passing of Resolution 1, for the purposes of Chapters 9 and 10 of the Catalist Rules:

- (a) approval be and is hereby given for the acquisition by OLH Healthcare Investments Pte. Ltd. (the “**OHI**”) of 83,593,683 units, representing approximately 10.63% of the total issued units of First Real Estate Investment Trust, held by Bridgewater International Limited (“**Bridgewater**”), upon the terms and conditions of the conditional sale and purchase agreement dated 18 September 2018 entered into by OHI as purchaser, Bridgewater as vendor and PT LK as guarantor (the “**Units CSPA**”) (the “**Proposed Units Acquisition**”); and
- (b) the directors of the Company (the “**Directors**”) and each of them be and are hereby authorised to complete and to do all acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution (including any amendment to the Units CSPA, execution of any other agreements or documents and procurement of third party consents).

Note to Resolution 2:

- (1) Pursuant to Rule 919 of the Catalist Rules, Dr. Stephen Riady and his associates will abstain from exercising any voting rights in relation to Resolution 2.

BY ORDER OF THE BOARD

Ng Ngai
Company Secretary

26 September 2018

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

QUE LIPPO HEALTHCARE LIMITED

(Company Registration No: 201304341E)
(Incorporated in the Republic of Singapore)
(In receivership over charged shares in certain subsidiaries)

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 Companies Act, Cap. 50) may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For SRS investors who have used SRS monies to buy shares in OUE Lippo Healthcare Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors should contact their respective Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s) the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 26 September 2018.

I/We* _____ (Name) NRIC/Passport number* _____
of _____ (Address)
being a member/members* of OUE Lippo Healthcare Limited (the “Company”), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the meeting as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Extraordinary General Meeting of the Company (the “EGM”) to be held at Stephen Riady Auditorium @ NTUC, Level 7, NTUC Centre, One Marina Boulevard, Singapore 018989 on 11 October 2018 at 10 a.m. and at any adjournment thereof.

The proxy/proxies* shall vote on the resolutions set out in the notice of EGM in accordance with my/our* directions as indicated hereunder. Where no such direction is given, the proxy/proxies* may vote or abstain from voting at his/her/their*, on any matter at the EGM or at any adjournment thereof.

Ordinary Resolutions		For**	Against**
1.	The Proposed Manager Acquisition		
2.	The Proposed Units Acquisition		

* Delete as appropriate

** Voting will be conducted by poll. If you wish to exercise all your votes “For” or “Against”, please indicate with an “X” within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2018

Total number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF CAREFULLY BEFORE COMPLETING THIS FORM

NOTES:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a member of the Company.
4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Extraordinary General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies, to the Extraordinary General Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 9 Battery Road #15-01 Singapore 049910 not less than 48 hours before the time set for the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy or proxies, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument (or any related attachment) appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.