
ENTRY INTO A DEED OF MEMORANDUM OF UNDERSTANDING AND SUPPLEMENTAL LETTER TO SECONDMENT AGREEMENT

1. INTRODUCTION

- 1.1. The Board of Directors (the "**Board**" or "**Directors**") of OUE Lippo Healthcare Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the announcement dated 10 January 2018 (the "**Placement Announcement**") in relation to the Company's entry into a placement agreement (the "**Placement Agreement**") with Brownly Healthcare Pte. Ltd. ("**BHPL**") for the subscription of an aggregate of 562,500,000 new ordinary shares in the capital of the Company. BHPL is an indirect wholly-owned subsidiary of ITOCHU Corporation, a controlling shareholder of the Company.
- 1.2. As stated in the Placement Announcement, the Placement Agreement provides for certain investor protection rights for BHPL, including, *inter alia*, (a) the rights for BHPL to appoint secondees to be involved in the management of the Company; (b) the rights to nominate one (1) non-independent, non-executive director and one (1) independent, non-executive director to be appointed to the Board (and Board committees); and (c) certain anti-dilution provisions (collectively, the "**Relevant Investor's Rights**"). Under the terms of the Placement Agreement, the Relevant Investor's Rights are subject to conditions, including BHPL maintaining the minimum shareholding in the Company ("**Minimum Shareholding**"), as set out in the Placement Agreement.
- 1.3. In accordance with the Relevant Investor's Rights, the Company also entered into a secondment agreement dated 15 February 2018 with BHPL, ITOCHU Singapore Pte. Ltd. and ITOCHU Corporation (collectively, the "**ITOCHU Entities**") (the "**Secondment Agreement**") in respect of BHPL's right to second up to three (3) employees to the Company. Pursuant to the Secondment Agreement and related documentation, the Company is obliged to make remuneration-related payments either directly to the seconded employees and/or in the form of secondment fees payable to ITOCHU Singapore Pte. Ltd.
- 1.4. On 23 March 2021, OUE Limited, a controlling shareholder of the Company, announced that its wholly-owned subsidiary, Treasure International Holdings Pte. Ltd. ("**TIHPL**"), has on 23 March 2021, entered into a share purchase agreement (the "**SPA**") with BHPL to purchase 266,587,752 shares of the Company ("**Shares**"), representing approximately 6% of total issued share capital of the Company as at the date of this Announcement (the "**Share Sale**"). With effect from the closing of the SPA, BHPL would cease to hold at least 25% of the Shares as a result of the Share Sale, being the Minimum Shareholding. Details of the SPA and agreement between TIHPL and BHPL are set out in the announcement by OUE Limited available on SGXNET.
- 1.5. Notwithstanding that BHPL would cease to hold the Minimum Shareholding from the closing of the SPA, the Company and BHPL have agreed that BHPL shall continue to be able to exercise certain Relevant Investor's Rights, subject to amendments or adjustments with effect from the closing of the SPA (the "**Amended Investor's Rights**"). In connection therewith, the Board wishes to announce that the Company has, on 23 March 2021, entered into a memorandum of understanding with BHPL (the "**MOU**") and a supplemental letter supplemental to the Secondment Agreement with the ITOCHU Entities (the "**Supplemental Letter**"), setting out the Amended Investor's Rights.

- 1.6. Further details of the MOU and the Supplemental Letter are set out in paragraphs 2 and 3 of this Announcement respectively.

2. PRINCIPAL TERMS OF THE MOU

- 2.1. **Amended Investor Rights.** Under the MOU, the Company has agreed that with effect from the closing of the SPA and until the expiry of the MOU Term (as defined in paragraph 2.2 below), notwithstanding that BHPL no longer holds the Minimum Shareholding, the Amended Investor's Rights shall include: (a) the right by BHPL to be entitled to propose one (1) non-independent non-executive director to be appointed as a director on the Board; (b) rights for BHPL (and its affiliates) to appoint up to two (2) secondees to the Group; (c) undertakings in respect of certain representations, warranties and dividend matters; and (d) anti-dilution provisions whereby for a period of five (5) years after the date of the MOU, the Company shall not undertake any non *pro-rata* issuance of Shares or securities convertible into Shares (collectively, the "**Additional Securities**") without the prior written consent of BHPL, unless, contemporaneously with the non *pro-rata* issuance, the Company offers BHPL the right to subscribe for such number of Additional Securities on the same terms as is necessary for BHPL to maintain its shareholding in the Company.

- 2.2. **MOU Term.** The MOU shall continue in full force and effect without limit in point of time until the earlier of the following events (the "**MOU Term**");

- (a) the Company and BHPL agree in writing to terminate the MOU; and
- (b) BHPL (together with its affiliates) ceases to hold at least 19% of the total number of Shares solely as a result of a sale of its Shares to any person; or
- (c) BHPL (together with its affiliates) ceases to hold at least 15% of the total number of Shares solely as a result of BHPL not taking up its *pro rata* proportion of Shares in the event of any rights issues undertaken by the Company,

and in such event, BHPL shall procure its nominated directors to resign from the Board and shall terminate the secondment of staff to the Company.

3. PRINCIPAL TERMS OF THE SUPPLEMENTAL LETTER

- 3.1. In view of the Amended Investor's Rights, consequential amendments have been made to the Secondment Agreement, by way of the Supplemental Letter between the Company and the ITOCHU Entities, to reflect the Amended Investor's Rights.

- 3.2. Under the Supplemental Letter, the ITOCHU Entities shall have the right to second up to a total of two (2) employees to the Company until such time when the Secondment Agreement is terminated in accordance with paragraph 3.3 below (the "**Secondment Agreement Term**").

- 3.3. If at any time:

- (a) BHPL (together with its affiliates) ceases to hold at least 19% of the total number of Shares solely as a result of a sale of its Shares to any person; or
- (b) BHPL (together with its affiliates) ceases to hold at least 15% of the total number of Shares solely as a result of BHPL not taking up its *pro rata* proportion of Shares in the event of any rights issues undertaken by the Company,

then the Secondment Agreement (as supplemented and amended by the Supplemental Letter) shall thereupon automatically cease and determine save for certain surviving provisions.

4. FINANCIAL EFFECT

The entry into the MOU and the Supplemental Letter are not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2021.

5. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for BHPL (a wholly-owned subsidiary of ITOCHU Corporation), TIHPL (a wholly-owned subsidiary of OUE Limited) and all of the beneficial Shareholders (via BHPL and TIHPL's respective shareholding interests in the Company), none of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the entry into the MOU and the Supplemental Letter.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the MOU and the Supplemental Letter are available for inspection¹ at the registered office of the Company at 6 Shenton Way, #10-09A OUE Downtown, Singapore 066809, during normal business hours for three (3) months from the date of this Announcement.

7. FURTHER ANNOUNCEMENTS AND CAUTIONARY STATEMENT

The Company will make further announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the matters contemplated by this Announcement. Shareholders and potential investors of the Company should exercise caution when trading in the shares of the Company. In the event of any doubt as to the action they should take, shareholders should consult their financial, tax, legal or other professional advisers.

By Order of the Board
OUE Lippo Healthcare Limited

Mr. Yet Kum Meng
Chief Executive Officer and Executive Director
23 March 2021

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

The contact person for the Sponsor is Ms. Gillian Goh, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

¹ Prior appointment is required in light of the COVID-19 situation