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- (1) **PROPOSED ACQUISITION OF 40% OF THE TOTAL ISSUED SHARE CAPITAL OF BOWSPRIT CAPITAL CORPORATION LIMITED, THE MANAGER OF FIRST REAL ESTATE INVESTMENT TRUST AND PROPOSED JOINT VENTURE WITH OUE LIMITED; AND**
  - (2) **PROPOSED ACQUISITION OF 83,593,683 UNITS, REPRESENTING APPROXIMATELY 10.63%<sup>1</sup> OF THE TOTAL ISSUED UNITS OF FIRST REAL ESTATE INVESTMENT TRUST**
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## 1. INTRODUCTION

1.1. The Board of Directors (the “**Board**”) of OUE Lippo Healthcare Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce the following:

- (a) the Company has today entered into a conditional share purchase agreement (the “**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 (the “**Sale Shares**”), representing 40% of the total issued share capital of Bowsprit Capital Corporation Limited (“**Bowsprit**”), held by LKRM, subject to the terms and conditions of the Manager CSPA (the “**Proposed Manager Acquisition**”);
- (b) OUE Limited (“**OUE**”), the Company’s parent company, has also today 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**”);
- (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) OLH Healthcare Investments Pte. Ltd. (“**OHI**”), an indirect wholly-owned subsidiary of the Company, has today entered into a conditional unit purchase agreement (the “**Units CSPA**”) as purchaser with Bridgewater International Limited (“**Bridgewater**”) as vendor and PT LK as guarantor to acquire 83,593,683 units (the “**Sale Units**”), representing approximately 10.63%<sup>1</sup> of the total issued units of First Real Estate Investment Trust (“**First REIT**”), held by Bridgewater, subject to the terms and conditions of the Units CSPA (the “**Proposed Units Acquisition**”),

(the Proposed Manager Acquisition, the Joint Venture and the Proposed Units Acquisition, collectively the “**Proposed Transactions**”).

1.2. The Company will be seeking the approval of its shareholders (“**Shareholders**”) for the Proposed Manager Acquisition and the Proposed Units Acquisition at an extraordinary general meeting (“**EGM**”) to be convened. Shareholders should note that the resolutions in respect of the Proposed Manager Acquisition and the Proposed Units Acquisition are inter-conditional. In

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<sup>1</sup> Calculated based on 786,684,626 units, being the total number of issued units of First REIT outstanding as at the date of this announcement.

the event that any of these resolutions is not approved, the other resolution will not be duly passed.

## **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 this announcement, 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 Singapore Exchange Securities Trading Limited (“**SGX-ST**”). As at the date of this announcement, Bowsprit owns 55,051,808 units, representing approximately 7.0%<sup>2</sup> of the total issued units of First REIT.

The audited net tangible assets (the “**NTA**”) and the net asset value (the “**NAV**”) of Bowsprit attributable to the Sale Shares as at 31 December 2017 were both approximately S\$31,015,000. The audited profits before income tax, minority interests and extraordinary items for the financial year ended 31 December 2017 (“**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 company, 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 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 (“**Encumbrance**”) and together with all rights and advantages attaching to them as at completion of the Proposed Manager Acquisition (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 (as defined below) are intended to be fully funded by the proceeds

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<sup>2</sup> Calculated based on 786,684,626 units, being the total number of issued units of First REIT outstanding as at the date of this announcement.

from the renounceable underwritten rights issue (the “**Rights Issue**”) also announced or to be announced by the Company today.

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 attributable to 40% of the issued share capital of Bowsprit is approximately S\$39,553,000.

**(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 an extraordinary general meeting of the Company 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 Manager Completion Date (as defined below).

**(d) Completion**

The Manager Completion shall take place simultaneously with the Proposed Units Acquisition 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 (the “**Manager Completion Date**”).

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.

**(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 “**OUE LH 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), 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.

**(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;

“**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 date of this announcement, First REIT has in aggregate 786,684,626 units in issue (“**Units**”).

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 date of this announcement, 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 profits 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 completion of the Proposed Units Acquisition (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 amounted to approximately S\$102,653,000, which represents a discount of 7.5% to S\$1.3276 per Sale Unit, being the average of the intraday high price for Units transacted on the SGX-ST for the ninety (90) trading days period up to and including 14 September 2018.

#### (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 an extraordinary general meeting of the Company 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 Proposed Manager Acquisition 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.

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**

**(a) 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 Share<sup>3</sup> and distribution of S\$7.1 million<sup>4</sup> 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.

**(b) 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.

**(c) 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.

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<sup>3</sup> 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.

<sup>4</sup> 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.



**5. RELATIVE FIGURES UNDER RULE 1006 OF THE SGX-ST LISTING MANUAL (SECTION B: RULES OF CATALIST) (“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 <sup>(1)</sup>	-43.4% <sup>(2)</sup>	-72.9% <sup>(3)</sup>	-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% <sup>(4)</sup>	38.6% <sup>(5)</sup>	53.5%
(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 loss before tax of approximately S\$5,864,000 for the six (6) months ended 30 June 2018 as disclosed in the Company's latest announced unaudited consolidated accounts for the second quarter ended 30 June 2018 ("**2Q Results**") and (ii) the unaudited profit before tax for the six (6) months ended 30 June 2018<sup>5</sup> of Bowsprit of approximately S\$2,543,000 attributable to the Company, for its 40% shareholding in Bowsprit following the Manager Completion.
- (3) Based on (i) the Group's loss before tax of approximately S\$5,864,000 for the six (6) months ended 30 June 2018 as disclosed in the Company's 2Q Results and (ii) the unaudited profit before tax for the six (6) months ended 30 June 2018 of First REIT ("**First REIT 1H PBT**") of approximately S\$4,273,000 attributable to the Sale Units, which represents approximately 10.63%<sup>6</sup> 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 the number of shares in issue ("**Shares**") of 2,221,564,603 Shares 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 the number of Shares in issue of 2,221,564,603 Shares by the weighted average price of S\$0.1196 per Share on 17 September 2018.

The relative figures 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 figures due to the losses of the Group, but not 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.

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;

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<sup>5</sup> Based on unaudited management accounts of Bowsprit provided to the Company. Such provided figures have not been independently verified as to the accuracy.

<sup>6</sup> Calculated based on 786,684,626 units, being the total number of issued units of First REIT outstanding as at the date of this announcement.

- (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 earnings per Share (“EPS”);
- (c) that the Group equity-accounts the financial results and positions for its 40% shareholding in Bowsprit and its approximately 10.63%<sup>7</sup> unitholding in First REIT;
- (d) that the Group holds approximately 10.63%<sup>7</sup> 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 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	Pro Forma Adjusted for the Placement (as defined below)	Pro Forma Adjusted for the Placement, Rights Issue and Proposed Transactions
NTA (S\$'000)	37,494	114,944 <sup>(1)</sup>	263,700 <sup>(1), (2)</sup>
Number of Shares	1,659,064,603 <sup>(3)</sup>	2,221,564,603 <sup>(4)</sup>	4,443,129,206 <sup>(4), (5)</sup>
NTA per Share (cents)	2.26	5.17	5.93

#### Notes:

- (1) Includes net proceeds of S\$77,450,000 pursuant to the previous placement of 562,500,000 Shares to Browny Healthcare Pte. Ltd. (“BHPL”) pursuant to the placement agreement dated 10 January 2018 between the Company and BHPL, which was completed on 15 February 2018 (“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.

<sup>7</sup> Calculated based on 786,684,626 units, being the total number of issued units of First REIT outstanding as at the date of this announcement.

(5) Assumes 2,221,564,603 new Shares are issued pursuant to the Rights Issue.

## 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) <sup>(1)</sup>
Weighted average number of Shares	1,659,064,603	2,221,564,603 <sup>(2)</sup>	4,443,129,206 <sup>(2), (3)</sup>
EPS / (Loss per share) (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<sup>8</sup> attributable to the Company, for its 40% shareholding in Bowsprit following the Manager Completion, and (ii) approximately S\$7,441,000 attributable to the Sale Units, which represents approximately 10.63%<sup>8</sup> 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. INTERESTED PERSON TRANSACTIONS

### 7.1. The Joint Venture

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

As at the date of this announcement, OUE directly and indirectly owns an aggregate of 1,429,514,500 Shares, representing approximately 64.35% of the total issued Shares.

<sup>8</sup> Calculated based on 786,684,626 units, being the total number of issued units of First REIT outstanding as at the date of this announcement.

As such, OUE is considered an interested person of the Company as defined under Chapter 9 of the Catalyst Rules. The Company is an entity-at-risk as defined under Chapter 9 of the Catalyst Rules. Accordingly, the Joint Venture with OUE constitutes an interested person transaction under Chapter 9 of the Catalyst Rules.

**(b) Exception from Requirement for Shareholders' Approval Pursuant to Rule 916 of the Catalyst Rules**

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

The value at risk of the Joint Venture is approximately S\$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.

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

- (i) the risks and rewards of the Joint Venture are in proportion to the equity of each of OUE and the Company;
- (ii) the Audit and Risk Committee of the Company (the "**ARC**") has considered the terms of the Joint Venture and is of the view that the risks and rewards of the Joint Venture are in proportion to the equity of each of OUE and the Company, and the terms of the Joint Venture are not prejudicial to the interests of the Company and its minority shareholders; and
- (iii) OUE does not have an existing equity interest in Bowsprit prior to the participation of the Company in the Joint Venture. For the avoidance of doubt, the Proposed Manager Acquisition and the OUE Manager Acquisition are intended to take place concurrently.

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

**7.2. The Proposed Manager Acquisition and the Proposed Units Acquisition**

**(a) Interested Person Transaction under Chapter 9 of the Catalyst 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 wholly owned by Mr. James 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 Catalyst Rules.

Each of the Company and OHI is an entity-at-risk as defined under Chapter 9 of the Catalyst 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 Catalyst Rules.

**(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 Catalyst Rules.

**7.3. Total Value of Interested Person Transactions**

Save for the Proposed Transactions and excluding transactions which were less than S\$100,000, during the course of the financial year ending 31 December 2018 ("FY2018"), which is from 1 January 2018 up to the date of this announcement:

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

**7.4. ARC's Statement**

The ARC will form its view as to whether the Proposed Manager Acquisition and the Proposed Units Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders after considering the independent financial adviser's opinion to be obtained in due course. The ARC's view of the Proposed Manager Acquisition and the Proposed Units Acquisition will be set out in the circular to be despatched to Shareholders in due course.

**8. FINANCIAL ADVISER**

Oversea-Chinese Banking Corporation Limited is the sole financial adviser to the Company in relation to the Proposed Transactions.

## **9. INDEPENDENT FINANCIAL ADVISER**

Pursuant to Chapter 9 of the Catalist Rules, the Company has appointed RHT Capital Pte. Ltd. as the independent financial adviser (“**IFA**”) to provide an opinion letter as to whether the Proposed Manager Acquisition and the Proposed Units Acquisition, as interested person transactions, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

A copy of the letter from the IFA will be included in the circular to be despatched to Shareholders in due course.

## **10. SERVICE CONTRACTS**

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

## **11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for Treasure International Holdings Pte. Ltd. (“**TIHPL**”), a wholly-owned subsidiary of OUE, and Dr. Stephen Riady, none of the Directors or controlling Shareholders of the Company (other than through their respective shareholdings in the Company) has any interest, direct or indirect, in the Proposed Transactions.

## **12. EXTRAORDINARY GENERAL MEETING**

### **12.1. Resolutions to be passed**

An EGM will be convened for the purpose of considering and, if thought fit, passing with or without modification, *inter alia*, ordinary resolutions in respect of the following:

- (a) the Proposed Manager Acquisition; and
- (b) the Proposed Units Acquisition.

Shareholders should note that the above resolutions are inter-conditional. In the event that any of the resolutions is not approved, the other resolution will not be duly passed.

### **12.2. Circular**

A circular containing, *inter alia*, information on the Proposed Manager Acquisition and the Proposed Units Acquisition, the advice of the IFA on the Proposed Manager Acquisition and the Proposed Units Acquisition, and the notice of the EGM to be convened, will be despatched to Shareholders in due course.

### **12.3. Abstention from voting**

Under Rule 919 of the Catalist Rules, where a meeting is held to obtain shareholders’ approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless

specific instructions as to voting are given. Accordingly, Dr. Stephen Riady and his associates (including TIHPL) will abstain from voting on any of the resolutions at the EGM, nor accept appointments as proxies to attend and vote at the EGM in respect of any of the resolutions set out above unless the shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast.

#### 12.4. BHPL Undertaking

As at 17 September 2018, 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 Shares**”). BHPL has today 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 Manager Acquisition and Proposed Units Acquisition 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 Manager Acquisition and Proposed Units Acquisition 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).

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, preemptive or other similar right, right of first refusal and any other encumbrance or condition whatsoever; and
- (ii) “**Relevant Shares**” means the Existing 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.

#### 13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Manager CSPA and the Units CSPA are available for inspection at the registered office of the Company at 9 Battery Road, #15-01, Singapore 049910, during normal business hours for a period of three (3) months from the date of this announcement.



#### 14. 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 Proposed Transactions and/or other matters contemplated by this announcement.

Shareholders and potential investors of the Company should exercise caution when trading in the Shares of the Company, as there is no certainty that the Proposed Manager Acquisition and the Proposed Units Acquisition will be completed. 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

Dr. Wong Weng Hong  
Chief Executive Officer and Executive Director

18 September 2018

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*This announcement has been prepared by OUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Limited) (the “Company”) and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”), for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

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