

CIRCULAR DATED 25 FEBRUARY 2021

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 inform the purchaser or transferee or bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of Extraordinary General Meeting (“**EGM**”) and the accompanying Proxy Form and Questions Form) may be accessed on SGXNET and the Company’s website at https://investor.ouelh.com/agm_egm.html.

This Circular 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.

OUE LIPPO
Healthcare

OUE LIPPO HEALTHCARE LIMITED

(Company Registration No. 201304341E)

(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) **THE PROPOSED ALLOTMENT AND ISSUANCE OF CONVERTIBLE PERPETUAL BONDS (“PERPETUAL SECURITIES”) TO THE PROPOSED SUBSCRIBER FOLLOWING CONVERSION OF THE EXISTING SHAREHOLDER LOANS (THE “PROPOSED SHAREHOLDER LOAN CONVERSION”);**
- (2) **THE PROPOSED ALLOTMENT AND ISSUANCE OF THE CONVERSION SHARES TO THE PROPOSED SUBSCRIBER UPON THE CONVERSION OF THE PERPETUAL SECURITIES (THE “PROPOSED CONVERSION SHARE ISSUANCE”);**
- (3) **THE PROPOSED SHAREHOLDER LOAN CONVERSION AS AN INTERESTED PERSON TRANSACTION; AND**
- (4) **THE PROPOSED CONVERSION SHARE ISSUANCE AS AN INTERESTED PERSON TRANSACTION**

Financial Adviser in respect of the Proposed Transactions

RHT
Capital

RHT CAPITAL PTE. LTD.

(Company Registration No. 201109968H)

(Incorporated in the Republic of Singapore)

Independent Financial Adviser in respect of the Proposed Transactions

 **ZICO** | capital

ZICO CAPITAL PTE. LTD.

(Company Registration Number: 201613589E)

(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time to pre-register online to attend the EGM	:	9 March 2021 at 3.00 p.m.
Last date and time for lodgement of Proxy Form	:	10 March 2021 at 3.00 p.m.
Date and time of EGM	:	12 March 2021 at 3.00 p.m.
Place of EGM	:	The EGM will be convened and held by way of electronic means. Please refer to Paragraphs 13 and 15 of this Circular for further details.

This Circular has been made available on SGXNET and the Company’s website which may be accessed at the URL https://investor.ouelh.com/agm_egm.html. A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 situation in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via “live” audio-and-video webcast or listening to the EGM proceedings via “live” audio-only stream, (b) submitting questions in advance of the EGM, and/or (c) voting by appointing the Chairman of the EGM as proxy at the EGM.

Please refer to Paragraph 15.1 of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM.

Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET.

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DEFINITIONS

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

COMPANIES / ORGANISATIONS

“ACRA”	: Accounting and Corporate Regulatory Authority of Singapore
“BHPL”	: Brownny Healthcare Pte. Ltd.
“CDP”	: The Central Depository (Pte) Limited
“Company”	: OUE Lippo Healthcare Limited
“CPF”	: The Central Provident Fund of Singapore
“Financial Adviser”	: RHT Capital Pte. Ltd.
“Group”	: The Company and its subsidiaries
“IFA”	: ZICO Capital Pte. Ltd.
“OUE”	: OUE Limited
“OUE Treasury”	: OUE Treasury Pte. Ltd., a wholly-owned subsidiary of OUE
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Sponsor”	: PrimePartners Corporate Finance Pte. Ltd.
“TIHPL”	: Treasure International Holdings Pte. Ltd., a wholly-owned subsidiary of OUE

GENERAL

“Alternative Stock Exchange”	: At any time, in the case of the Shares, if they are not at that time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Announcement”	: The announcement dated 23 February 2021 made by Company in relation to the Proposed Transactions
“associate”	: (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(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 30.0% or more;

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- (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 30.0% or more
- “BHPL Undertaking”** : Has the meaning ascribed to it in Paragraph 6 of this Circular
- “Board”** : The board of Directors of the Company as at the date of this Circular
- “Business Day”** : A day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore
- “Catalist”** : The Catalist 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
- “Circular”** : This circular to Shareholders dated 25 February 2021
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore
- “Completion”** : The issue of the Perpetual Securities to the Proposed Subscriber and the consummation of the transactions contemplated by the Conversion Agreement
- “Completion Date”** : The date on which Completion occurs to be agreed upon between the Parties, which date shall be no later than the fifth (5th) Business Day following the date on which all of the Conditions Precedent have been satisfied or waived (other than those Conditions Precedent that, by their terms, are intended to be satisfied at Completion, but subject to the satisfaction or waiver of these Conditions Precedent)
- “Conditions”** : The terms and conditions of the Perpetual Securities, the principal terms of which are found in Paragraph 3.1 of this Circular
- “Conditions Precedent”** : The conditions precedent to Completion as set out in Clause 3.1 of the Conversion Agreement, the material terms of which are summarised in Paragraph 3.2 of this Circular
- “Constitution”** : The constitution of the Company
- “controlling shareholder”** : A person who:
- (a) holds directly or indirectly 15.0% or more of the total voting rights in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or
- (b) in fact exercises control over a company

DEFINITIONS

- “Conversion Agreement”** : The agreement dated 23 February 2021 entered into between the Company and the Proposed Subscriber in relation to the conversion of the Existing Shareholder Loans and the subscription of the Perpetual Securities by the Proposed Subscriber
- “Conversion Price”** : S\$0.070 per Share, subject to adjustments in accordance with the Conditions
- “Conversion Shares”** : Shares to be issued and allotted by the Company to the Proposed Subscriber upon conversion of the Perpetual Securities in accordance with the Conditions
- “COVID-19 Act”** : The COVID-19 (Temporary Measures) Act 2020, as amended, modified or supplemented from time to time, which, *inter alia*, enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means
- “COVID-19 Order”** : The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended, modified or supplemented from time to time, which sets out the alternative arrangements in respect of, *inter alia*, general meetings of companies
- “CPF Agent Banks”** : Agent banks included under the CPFIS
- “CPFIS”** : CPF Investment Scheme
- “CPFIS Investors”** : Investors who purchased Shares using their CPF savings under the CPFIS
- “Directors”** : The directors of the Company for the time being
- “Distribution Payment Date”** : Has the meaning ascribed to it in Paragraph 3.1 of this Circular
- “EGM”** : The extraordinary general meeting of the Company to be convened and held on 12 March 2021 at 3.00 p.m. by way of electronic means, notice of which is set out on pages 63 to 66 of this Circular
- “EPS”** : Earnings per Share
- “Existing BHPL Shares”** : Has the meaning ascribed to it in Paragraph 6 of this Circular
- “Existing Shareholder Loans”** : Collectively, (a) the loan granted by TIHPL to the Company on 24 February 2017, the terms of which were subsequently amended on 24 April 2017 and 21 July 2017; and (b) the loan granted by OUE Treasury to the Company on 24 April 2017, the terms of which were subsequently amended on 21 June 2017 and 21 July 2017, and assigned to TIHPL with effect from and including 1 January 2021
- “FY”** : The financial year ended 31 December

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- “IFA Letter”** : The letter from the IFA to the Non-Interested Directors dated 25 February 2021, as set out in **Appendix A** to this Circular
- “Issue Date”** : Has the meaning ascribed to it in Paragraph 3.1 of this Circular
- “Latest Practicable Date”** : 16 February 2021, being the latest practicable date prior to the printing of this Circular
- “Loan Amount”** : The outstanding principal amount of the Existing Shareholder Loans together with accrued and unpaid interest thereon as at 28 February 2021
- “Non-Interested Directors”** : The Directors of the Company who are independent for the purposes of the Proposed Transactions, being Mr. Yet Kum Meng, Mr. Tadahiro Kiyosu, Mr. Roger Tan Chade Phang, Mr. Eric Sho Kian Hin, Mr. Jackson Tay Eng Kiat and Mr. Johji Sato
- “Notice of EGM”** : The notice of the EGM dated 25 February 2021 as set out on pages 63 to 66 of this Circular
- “NTA”** : Net tangible assets
- “Ordinary Resolution”** : A resolution passed by a majority of members being greater than 50.0% of such members as, being entitled to do so, vote in person or proxy, at a general meeting or a class meeting of the Company
- “Parties”** : The parties to the Conversion Agreement, being the Company and the Proposed Subscriber (and each, a **“Party”**)
- “Perpetual Securities”** : The 4.0% convertible perpetual bonds of an aggregate principal amount of S\$189,607,700 (being the outstanding principal amount of the Existing Shareholder Loans plus accrued interest thereon up to and including 28 February 2021, rounded down to the nearest authorised denomination of the Perpetual Securities) to be issued by the Company to the Proposed Subscriber upon the conversion of the Existing Shareholder Loans, in accordance with the terms of the Conversion Agreement
- “Proposed Conversion Share Issuance”** : The proposed allotment and issuance of Conversion Shares by the Company upon the conversion of the Perpetual Securities in accordance with the Conditions
- “Proposed Shareholder Loan Conversion”** : The proposed allotment and issuance of the Perpetual Securities by the Company to the Proposed Subscriber following conversion of the Existing Shareholder Loans pursuant to the Conversion Agreement
- “Proposed Subscriber”** : TIHPL
- “Proposed Transactions”** : Collectively, the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance
- “Record Date”** : The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares

DEFINITIONS

“ Register of Holders ”	: The register of holders of the Perpetual Securities to be kept at the address of the registered office of the Company
“ Resolutions ”	: The Ordinary Resolutions relating to the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance as set out in the Notice of EGM
“ 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
“ SFRS ”	: Singapore Financial Reporting Standards
“ 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
“ SRS ”	: Supplementary Retirement Scheme
“ SRS Agent Banks ”	: Agent banks included under the SRS
“ SRS Investors ”	: Investors who have purchased Shares using their SRS contributions pursuant to the SRS
“ substantial shareholder ”	: A person who has an interest in not less than 5.0% of the total votes attached to all the Shares (excluding treasury shares) of the Company
“ S\$ ” and “ cents ”	: Singapore dollars and cents, being the lawful currency of the Republic of Singapore
“ % ” or “ per cent ”	: Percentage or per centum

The terms “**subsidiary**”, “**relevant intermediary**”, and “**treasury shares**” shall have the meaning ascribed to them respectively 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 Catalyst 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.

DEFINITIONS

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

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

OUÉ LIPPO HEALTHCARE LIMITED

(Company Registration No. 201304341E)
(Incorporated in the Republic of Singapore)

Board of Directors:

Mr. Lee Yi Shyan (Non-Independent, Non-Executive Chairman)
Mr. Yet Kum Meng (Chief Executive Officer, Executive Director)
Mr. Tadahiyo Kiyosu (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:

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

25 February 2021

To: The Shareholders of the Company

Dear Sir/Madam,

- (1) **THE PROPOSED ALLOTMENT AND ISSUANCE OF CONVERTIBLE PERPETUAL BONDS (“PERPETUAL SECURITIES”) TO THE PROPOSED SUBSCRIBER FOLLOWING CONVERSION OF THE EXISTING SHAREHOLDER LOANS (THE “PROPOSED SHAREHOLDER LOAN CONVERSION”);**
- (2) **THE PROPOSED ALLOTMENT AND ISSUANCE OF THE CONVERSION SHARES TO THE PROPOSED SUBSCRIBER UPON THE CONVERSION OF THE PERPETUAL SECURITIES (THE “PROPOSED CONVERSION SHARE ISSUANCE”);**
- (3) **THE PROPOSED SHAREHOLDER LOAN CONVERSION AS AN INTERESTED PERSON TRANSACTION; AND**
- (4) **THE PROPOSED CONVERSION SHARE ISSUANCE AS AN INTERESTED PERSON TRANSACTION**

1. INTRODUCTION

1.1. The Proposed Transactions

As stated in the Announcement made by the Company on 23 February 2021, the Company has on 23 February 2021 entered into the Conversion Agreement with the Proposed Subscriber, pursuant to which, *inter alia*, the Company has agreed to issue, and the Proposed Subscriber has agreed to subscribe for, S\$189,607,700 in aggregate principal amount of the Perpetual Securities, representing the outstanding amount of the Existing Shareholder Loans plus accrued interest thereon up to and including 28 February 2021, rounded down to the nearest authorised denomination of the Perpetual Securities. The Proposed Subscriber has agreed to waive interest on the Existing Shareholder Loans that accrue from 1 March 2021. As set out in Paragraph 3.4(b)(iii) of this Circular, at Completion and upon discharge of the Existing Shareholder Loans, the Company will pay the Proposed Subscriber the difference between the Loan Amount and the principal amount of the Perpetual Securities issued by means of a Singapore dollar cheque drawn on a bank in Singapore. Pursuant to the terms of the Conversion Agreement, each Perpetual Security shall, at the option of the holder thereof, be convertible into Conversion Shares at the Conversion Price of S\$0.070 per Share, subject to adjustments in the circumstances described in Paragraph 3.1 of this Circular.

The Board of Directors is convening the EGM to seek Shareholders' approval for the Proposed Transactions, which consists of the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance.

LETTER TO SHAREHOLDERS

The Proposed Transactions constitute:

- (a) the issuance of convertible securities (in respect of the Proposed Shareholder Loan Conversion) and shares (in respect of the Proposed Conversion Share Issuance) under Chapter 8 of the Catalist Rules; and
- (b) interested person transactions under Chapter 9 of the Catalist Rules,

and are subject to the approval of Shareholders.

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the above said matters and to seek Shareholders' approval for the Resolutions in respect thereof to be tabled at the EGM, as set out in the Notice of EGM.

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.

1.2. Inter-conditionality of the Resolutions

Shareholders should note that the Resolutions set out in the Notice of EGM are inter-conditional upon one another. This means that if any of the Resolutions is not approved, the other Resolutions will not be passed.

1.3. Legal Adviser and Financial Adviser

Rajah & Tann Singapore LLP is the legal adviser to the Company as to Singapore law in relation to the Proposed Transactions.

RHT Capital Pte. Ltd. is the Financial Adviser to the Company in relation to the Proposed Transactions.

2. BACKGROUND

2.1. Existing Shareholder Loans

The Company has previously obtained the following Existing Shareholder Loans from wholly-owned subsidiaries of OUE, the controlling shareholder of the Company:

- (a) a loan granted by TIHPL (the Proposed Subscriber) to the Company on 24 February 2017, the terms of which were subsequently amended on 24 April 2017 and 21 July 2017. The outstanding principal amount of this loan and the accrued interest thereon up to and including 28 February 2021 is S\$125,077,338.29 and S\$18,340,107.26, respectively; and
- (b) a loan granted by OUE Treasury to the Company on 24 April 2017, the terms of which were subsequently amended on 21 June 2017 and 21 July 2017, and which loan was assigned by OUE Treasury to TIHPL (the Proposed Subscriber) with effect from and including 1 January 2021. The outstanding principal amount of this loan and the accrued interest thereon up to and including 28 February 2021 is S\$40,334,945.20 and S\$5,855,349.93, respectively.

As stated above, the loan granted by OUE Treasury to the Company was assigned by OUE Treasury to TIHPL, the Proposed Subscriber, such that, with effect from and including 1 January 2021 (being the effective date of the assignment), any repayment of the loan originally granted by OUE Treasury, including accrued and unpaid interest, shall be made to TIHPL. The aggregate outstanding principal amount of the Existing Shareholder Loans and the accrued interest thereon up to and including 28 February 2021 is S\$165,412,283.49 and S\$24,195,457.19, respectively.

As at the Latest Practicable Date, TIHPL directly holds 2,859,729,000 Shares, representing 64.36% of the total issued share capital of the Company. TIHPL is also a wholly-owned subsidiary of OUE, the ultimate controlling shareholder of the Company.

LETTER TO SHAREHOLDERS

2.2. Entry into the Conversion Agreement

As set out in the Announcement, as part of the Company's ongoing efforts to restructure its financial obligations, the Company intends to convert the Existing Shareholder Loans and accrued interest thereon up to and including 28 February 2021 into the Perpetual Securities.

In connection therewith, the Company has on 23 February 2021 entered into the Conversion Agreement, pursuant to which, *inter alia*, the Company has agreed to issue, and the Proposed Subscriber has agreed to subscribe for, the Perpetual Securities in an aggregate principal amount of S\$189,607,700, representing the outstanding amount of the Existing Shareholder Loans plus accrued interest thereon up to and including 28 February 2021, rounded down to the nearest authorised denomination of the Perpetual Securities.

Pursuant to the terms of the Conversion Agreement, each Perpetual Security shall, at the option of the Proposed Subscriber, be convertible into Conversion Shares at the Conversion Price of S\$0.070 per Share, subject to adjustments in the circumstances described in Paragraph 3.1 of this Circular.

The Company does not have any existing warrants or other convertibles. No placement agent has been or will be appointed for the issue of the Perpetual Securities pursuant to the Proposed Shareholder Loan Conversion.

2.3. Rationale for the Proposed Transactions

The Proposed Transactions are part of the strategic roadmap of the Company to build a sustainable capital structure, starting with the injection of shareholder loans from OUE in 2017 through the Existing Shareholder Loans, to meet the Company's immediate loan repayment obligations, followed by a private share placement to ITOCHU Corporation (through its indirect wholly-owned subsidiary, BHPL) to bring in a strategic shareholder and a rights issue to fund strategic business acquisitions in 2018, and now the Proposed Shareholder Loan Conversion, which will put the Company in a good stead to tap on the capital market to fund future growth opportunities.

(a) Improving the Capital Structure of the Company

The Company has been in a net current liability position over the last few years due to the Existing Shareholder Loans which are payable on demand. The Proposed Shareholder Loan Conversion will convert the Existing Shareholder Loans into equity and remove the uncertainties over the going concern assumption of the Company.

The financial position of the Company will be strengthened by the Proposed Shareholder Loan Conversion, with the NTA and NTA per Share of the Company improving from S\$138.2 million and 3.11 cents per Share as at 31 December 2020 to S\$327.8 million and 7.38 cents per Share (4.58 cents on a diluted basis) respectively.

With the Proposed Shareholder Loan Conversion, the Company will be in a much stronger financial position to tap on the capital markets to fund future growth opportunities, given that the encumbrances over the assets of the Company from the Existing Shareholder Loans will be removed and the gearing ratio will also improve from 2.5 times to 0.6 times as at 31 December 2020.

(b) Improving the Financial Performance of the Company

The Proposed Shareholder Loan Conversion is expected to have an overall positive effect to the financial position of the Group.

Based on the *pro forma* financial effects of the Proposed Transactions as set out in Paragraph 7 of this Circular, the indicative fair value of the Perpetual Securities is S\$77.3 million¹, which represents a discount of 59.2% to the fair value of the Existing Shareholder Loans of S\$189.6 million. As a result, there will be a one-off indicative gain of S\$112.3 million to be recognised in the statement of comprehensive income of the Group upon issuance of the Perpetual Securities.

¹ The indicative fair value of the Perpetual Securities was arrived at based on a valuation model which took into account, among others, the present value of future distributions and fair value of the Conversion Shares assuming full conversion as well as the volatilities in the share price and market conditions.

LETTER TO SHAREHOLDERS

With the Existing Shareholder Loans being extinguished as a result of the Proposed Shareholder Loan Conversion, the Company would be relieved from having to pay an interest of approximately S\$6.6 million per year on the Existing Shareholder Loans.

Further, any distribution on the Perpetual Securities is at the sole discretion of the Company in accordance with the Conditions taking into consideration all relevant factors, including, *inter alia*, the market conditions, the level of cash, the solvency position and the funding needs of the Group and will not be charged as expense in the statement of comprehensive income of the Group.

Accordingly, the Proposed Shareholder Loan Conversion would improve the Company's financial position as it significantly reduces the Company's financing costs and therefore its operating expenses.

(c) Other Advantages to the Company and its Shareholders

Redemption of the Perpetual Securities is at the sole discretion of the Company with no fixed maturity date. In addition, there is a period of about five and a half years after the issuance of the Perpetual Securities (being the period up to 30 August 2026) before any conversion or redemption right arises, which allows the Company to focus in growing its businesses under its three-pronged growth strategy without distractions of seeking funding for redemption of the Perpetual Securities and/or diluting existing shareholder value from the conversion of the Perpetual Securities.

Under the terms of the Conditions, the Company may only elect to pay distribution on the Perpetual Securities for the financial year ended 31 December 2021 to 31 December 2025 if the Company pays at least the same amount of ordinary dividends to its Shareholders in absolute dollar terms.

The Conversion Price of the Perpetual Securities is at a premium of 125.1% over the NTA per Share of the Company as at 31 December 2020 and 79.5% over the closing share price of the Company as at the Latest Practicable Date.

The Proposed Transactions can only take place with OUE agreeing to them and ITOCHU Corporation supporting them at the upcoming EGM to approve the Proposed Transactions. As a strong demonstration of its confidence in the Company, OUE has agreed to execute the Conversion Agreement and as a strong testament of the merits of the Proposed Transactions, ITOCHU Corporation (through BHPL) has provided the BHPL Undertaking to the Company to vote in favour of the Proposed Transactions at the upcoming EGM (further details of which are set out in Paragraph 6 of this Circular).

2.4 Use of Proceeds and Availability of Working Capital to the Group

As at the Latest Practicable Date, the Existing Shareholder Loans have been fully utilised. As the Perpetual Securities are being issued in consideration for the conversion of the Existing Shareholder Loans and accrued interest thereon up to and including 28 February 2021, no further cash proceeds will be available to the Company arising from the Proposed Transactions. Notwithstanding the above, the Company has decided to undertake the Proposed Shareholder Loan Conversion for the reasons stated in Paragraph 2.3 of this Circular.

The Directors are of the opinion that, after taking into consideration the present bank facilities and the fact that no further cash proceeds will be available to the Company arising from the Proposed Transactions, the working capital available to the Group is sufficient to meet its present requirements.

LETTER TO SHAREHOLDERS

3. THE PROPOSED SHAREHOLDER LOAN CONVERSION

3.1. Principal Terms of the Perpetual Securities

The following is a summary of the principal terms and conditions of the Perpetual Securities:

Issue Price	The aggregate principal amount of the Perpetual Securities to be issued will be S\$189,607,700, which is equivalent to the outstanding Existing Shareholder Loans together with accrued interest thereon up to and including 28 February 2021, rounded down to the nearest authorised denominations of the Perpetual Securities. The issue price of the Perpetual Securities will be 100% of their principal amount.
Issue Date	The date to be agreed between the Company and the Proposed Subscriber as soon as practicable after the receipt of Shareholders' approval for the issue of the Perpetual Securities (the " Issue Date ").
Status	The Perpetual Securities will constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and will rank <i>pari passu</i> and without any preference or priority among themselves and with all present and future direct, unsubordinated, unconditional and unsecured obligations of the Company other than those preferred by statute or any applicable law. The Perpetual Securities will at all times rank ahead of any class of the Company's share capital.
Conversion Right	<p>A Proposed Subscriber may, at its option, convert all or some of its Perpetual Securities into Conversion Shares. The conversion right may be exercised at any time on or after 31 August 2026 and if the Perpetual Securities have been called for redemption by the Company, then up to and including the close of business on a date no later than seven (7) days prior to the date fixed for redemption thereof.</p> <p>The number of Conversion Shares to be issued on exercise of a conversion right shall be determined by dividing the principal amount of the Perpetual Securities to be converted by the Conversion Price in effect at the conversion date.</p>
Conversion Price	<p>The price at which Shares will be issued upon conversion will be S\$0.070 per Conversion Share.</p> <p>The Conversion Price is subject to adjustments for, <i>inter alia</i>, consolidation, subdivision and re-classification of Shares, capitalisation of profits and reserves, certain issuance of Shares, options, rights, warrants or securities at less than the then current market price, modifications of rights of conversion and certain other dilutive events.</p> <p>Any such adjustments shall be announced by the Company on the SGXNET in compliance with the Catalist Rules.</p>
Ranking of Conversion Shares	<p>The Conversion Shares will, when issued and delivered, be fully-paid and freely transferable, subject to restrictions in the Constitution and applicable law, and free from any and all encumbrances.</p> <p>The Conversion Shares to be issued by the Company shall, in all respects, rank <i>pari passu</i> with the Shares in issue on the relevant date of issuance.</p>

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Redemption of Perpetual Securities	<p>The Perpetual Securities will be perpetual bonds and will have no fixed redemption date. The Company may redeem the Perpetual Securities, in whole or in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to the principal amount thereof plus any distributions accrued to, but excluding, the date fixed for redemption, at any time on or after 31 August 2026.</p> <p>The Perpetual Securities may also be redeemed at the option of the Company in whole, but not in part, at any time, at their principal amount together with any distribution accrued to the date fixed for redemption, upon the occurrence of certain changes in applicable law or regulation of Singapore requiring the payment of additional amounts in to gross up payments on account of withholding taxes.</p> <p>The Perpetual Securities may also be redeemed at the option of the Company in whole or in part, at any time, at their principal amount together with any distribution accrued to the date fixed for redemption, upon the occurrence of certain changes to, or amendments to the interpretation of, applicable accounting standards, as a result of which the Perpetual Securities would cease to qualify as equity in the consolidated financial statements of the Company.</p>
Distributions	<p>The Perpetual Securities confer a right to receive distributions at a rate of 4.0% per annum. Subject to the provisions of the Perpetual Securities relating to the election by the Company to pay distributions, distributions will be payable on the Perpetual Securities annually in arrears on each Distribution Payment Date.</p>
Distribution Discretion	<p>The Company has sole discretion on whether or not to pay a distribution. The Company may, at its sole discretion, elect to pay a distribution (or to pay only part of a distribution) that is scheduled to be paid on a Distribution Payment Date by giving notice to the holders of the Perpetual Securities not less than five (5) Business Days prior to a scheduled Distribution Payment Date. In determining whether to elect to pay a distribution (or part thereof), the Company may take into consideration, <i>inter alia</i>, the market conditions, the level of cash, the solvency position and the funding needs of the Group.</p> <p>Without prejudice to the generality of the foregoing, on any Distribution Payment Date on or prior to 31 May 2026, the Company shall not pay any distribution on such Distribution Payment Date if in respect of the Company's most recent financial year ending immediately prior to such Distribution Payment Date, the Company has not paid or declared dividends in respect of its ordinary shares in an aggregate amount at least equal to the amount of distribution proposed to be made on such date (assuming, solely for this purpose, that the Company has elected to make such payment).</p>
Non-Cumulative Deferral	<p>Any distribution not paid pursuant to the Conditions of the Perpetual Securities will be non-cumulative and will not accrue interest. The Company is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. There is no limit on the number of times or the extent of the amount with respect to which the Company may elect not to pay distributions pursuant to the Conditions of the Perpetual Securities.</p>

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<p>Distribution Payment Dates</p>	<p>31 May 2022, 31 May 2023, 31 May 2024, 31 May 2025, 31 May 2026 and thereafter every 31 December of each year, starting on and including 31 December 2026 (the “Distribution Payment Date”).</p> <p>Distributions due on a Distribution Payment Date will be paid on the due date for the payment of such distribution to the holder of the Perpetual Securities shown on the Register of Holders at the close of business on the seventh (7th) day before the due date for the payment of distribution (the “Distribution Record Date”).</p>
<p>Distribution Accrual</p>	<p>If the Company elects to pay a distribution on a Distribution Payment Date, such payment will be in respect of amounts accrued in the following periods:</p> <ul style="list-style-type: none"> ● for the Distribution Payment Date on 31 May 2022, the period from the Issue Date to 31 December 2021; ● for each subsequent Distribution Payment Date falling on or prior to 31 May 2026, the calendar year (1 January through 31 December) falling immediately prior to such Distribution Payment Date; ● for the Distribution Payment Date falling on 31 December 2026, the period from and including 1 January 2026 to and including 31 December 2026; and ● for each subsequent Distribution Payment Date falling on or after 31 December 2027, the period from but excluding the prior Distribution Payment Date to and including that Distribution Payment Date.
<p>Dividend Stopper</p>	<p>If, on any Distribution Payment Date falling on or prior to 31 May 2026, the Company has elected pursuant to the Conditions not to pay or to pay only part of a distribution scheduled to be made on that Distribution Payment Date, then the Company shall not declare or pay any dividends, distributions or make any other payment on any of its ordinary shares in respect of the Company’s most recently elapsed financial year that ended on or before that Distribution Payment Date other than for an amount up to but not exceeding the aforementioned Distribution (if any) which has been elected to be paid.</p> <p>If, on any Distribution Payment Date falling on or after 31 December 2026, the Company has not elected pursuant to the Conditions to pay all distributions scheduled to be made on that Distribution Payment Date and made such payment, then the Company shall not declare or pay any dividend, distributions or make any other payment on any of its ordinary Shares in respect of the Company’s most recently elapsed financial year ended on or before that Distribution Payment Date.</p>
<p>Transfer</p>	<p>Subject to any applicable law and the Conditions, a Perpetual Security may be transferred by delivery of the bond certificate issued in respect of that Perpetual Security, with the form of transfer on the back duly completed and signed by the holder of the Perpetual Security or its attorney duly authorised in writing, to the specified office of the Issuer. No transfer of a Perpetual Security will be valid unless and until entered on the Register of Holders.</p>

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Limited Right to Institute Proceedings	The right to institute proceedings for winding-up of the Company is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Company has elected not to pay that distribution in accordance with the terms of the Perpetual Securities.
Proceedings for Winding-Up	If (a) a final and effective order is made or an effective resolution is passed for the winding-up of the Company; or (b) the Company does not pay any principal or other amounts payable by it under the Perpetual Securities when due and such default continues for seven (7) Business Days after the due date, the Company will be deemed to be in default under the Perpetual Securities, and the holders of the Perpetual Securities may institute proceedings for the winding-up of the Company, prove in the winding up of the Company, and/or claim in the liquidation of the Company for such payment.
Denominations	The Perpetual Securities will be issued in denominations of S\$100 or any higher integral multiples.
Listing Status	The Perpetual Securities will not be listed and quoted on the Catalist or any other securities exchange.
Governing Law	The Perpetual Securities and any non-contractual obligations arising out of or in connection with them will be governed by and will be construed in accordance with Singapore law.

Any amendments to the terms of the Conversion Agreement shall be announced by the Company on the SGXNET in compliance with the Catalist Rules.

To the extent required by the Catalist Rules, the approval of the Shareholders is required for any material amendment to the terms of the Conversion Agreement or the Perpetual Securities that are to the advantage of the holders of the Perpetual Securities unless such amendments are made pursuant to the terms of the Conversion Agreement and the Perpetual Securities.

3.2. Conditions Precedent

Completion of the Proposed Shareholder Loan Conversion under the Conversion Agreement is conditional upon, among others, the following conditions:

- (a) the approval of the Shareholders for the Company's entry into the Conversion Agreement and the allotment and issuance of the Perpetual Securities and the Conversion Shares, and performance of its obligations thereunder having been obtained and being in full force and effect as at the Completion Date;
- (b) the approval in-principle from the SGX-ST for the listing and quotation of the Conversion Shares on Catalist having been obtained and such approval being in full force and effect as at the Completion Date, and not having been revoked or varied, and where such approval is subject to conditions, such conditions being reasonably acceptable to the Parties, and to the extent that any such conditions are required to be fulfilled on or before the Completion Date, such conditions having been fulfilled or waived by the SGX-ST;
- (c) the issue of the Perpetual Securities and the allotment and issue of the Conversion Shares and all the transactions contemplated in the Conversion Agreement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Conversion Agreement by any legislative, executive or regulatory body or authority (including the SGX-ST) in Singapore, which is applicable to either Party, including the Catalist Rules; and

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- (d) the representations and warranties of the Company being true and accurate as at, and as if made on, the Completion Date, and the Company having performed all of its undertakings, agreements or obligations under the Conversion Agreement to be performed on or before the Completion Date.

3.3. Long Stop Date

If any of the Conditions Precedent is not satisfied or waived by the Proposed Subscriber on or before 31 May 2021 or such other date as the Parties may agree in writing, the Conversion Agreement shall lapse and cease to have any effect and all obligations and liabilities of the Parties thereunder shall cease and determine and none of the Parties shall have any claim against the other Party for costs, damages, compensation or otherwise other than in respect of any antecedent breach of the Conversion Agreement.

3.4. Completion and Discharge of Existing Shareholder Loans

- (a) Completion is to take place on the Completion Date, to be agreed between the Parties and which date shall be no later than the fifth (5th) Business Day following the date on which all of the Conditions Precedent have been satisfied or waived (other than those conditions that, by their terms, are intended to be satisfied at Completion, but subject to the satisfaction or waiver of these conditions).
- (b) At the Completion, the Company shall:
 - (i) issue and deliver to the Proposed Subscriber the duly executed bond certificate (with the Conditions endorsed thereon) representing the Perpetual Securities in the principal amount agreed to be subscribed by the Proposed Subscriber;
 - (ii) enter or, as the case may be, procure the entry, in the Register of Holders the name of the Proposed Subscriber in respect of the Perpetual Securities issued to it; and
 - (iii) pay to the Proposed Subscriber an amount equal to (A) the Loan Amount less (B) the principal amount of the Perpetual Securities issued to the Proposed Subscriber, by means of a Singapore dollar cheque drawn on a bank in Singapore.
- (c) Against compliance by the Company of Paragraph 3.4 of this Circular, the Company shall be deemed to be automatically, fully, unconditionally and irrevocably released and discharged from all its obligations to the Proposed Subscriber under the Existing Shareholder Loans, including any interest accruing from and including 1 March 2021. Notwithstanding the foregoing, the Proposed Subscriber shall, at the request and cost of the Company, execute all deeds, instruments, notices, statements, confirmations or any other document and do all such deeds, acts and things as are necessary to give effect to such release and discharge of the Existing Shareholder Loans and any security interest in respect thereof. Without prejudice to the generality of the foregoing, on the Completion Date, the Proposed Subscriber shall (i) deliver to the Company the deed of discharge, release and assignment duly executed by it, in relation to the existing security for the Existing Shareholder Loans, in such form as may be agreed between the Proposed Subscriber and the Company, and (ii) will do all things and execute all documents as may be necessary to give effect to the discharge, release and reassignment of the existing security.

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4. THE PROPOSED CONVERSION SHARE ISSUANCE

4.1. The Conversion Shares

Based on the terms of the Conversion Agreement, the number of Conversion Shares to be allotted and issued by the Company pursuant to the full conversion of the Perpetual Securities is 2,708,681,428 Conversion Shares (based on the Conversion Price and assuming no adjustments to the Conversion Price are made). Assuming the full conversion of the Perpetual Securities, TIHPL's direct shareholding in the Company would be approximately 77.9% of the enlarged number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) of 7,151,810,634 Shares immediately following the allotment and issuance of 2,708,681,428 Conversion Shares.

The Conversion Shares shall, when issued, allotted and delivered upon conversion of the Perpetual Securities, be duly authorised, validly issued and credited as fully paid-up, be free from any and all encumbrances, including any restrictions on transfer other than restrictions on transfer set forth in the Constitution and pursuant to applicable laws and shall rank *pari passu* in all respects with the existing Shares, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the date of the issuance and allotment of the Conversion Shares.

4.2. Free Float Requirement

Under Catalist Rule 723, the Company must ensure that at least 10.0% of the total number of Shares (excluding preference shares, convertible equity securities and treasury shares) is at all times held by the public ("**Free Float Requirement**"). Under Catalist Rule 724(1), if the Free Float Requirement is not complied with, the Company must, as soon as practicable, notify its Sponsor of that fact and announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Catalist Rule 724(2) states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, for the percentage of the Shares held by members of the public to be raised to at least 10.0%, failing which the Company may be delisted from the SGX-ST.

Upon conversion and issuance of all of the Conversion Shares, the Free Float Requirement may not be complied with. For illustrative purposes, assuming the full conversion of all of the Perpetual Securities, the Proposed Subscriber's shareholding interest in the Company will increase from approximately 64.4% to approximately 77.9% and ITOCHU Corporation's (through its indirect wholly-owned subsidiary, BHPL) shareholding interest in the Company will decrease from approximately 25.3% to approximately 15.7%. Therefore, the aggregate Shares held by the public may decrease from the existing 10.3% as at the Latest Practicable Date to 6.4% of the enlarged number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) following the allotment and issuance of 2,708,681,428 Conversion Shares.

In the event that the Company does not meet the Free Float Requirement and the SGX-ST suspends trading in the Shares, the Company intends to take such steps which are necessary to restore the free float of the Company in order to maintain the listing status of the Company. However, the Company reserves its right to re-evaluate its position, taking into account, amongst other things, the prevailing market conditions at the relevant time. Accordingly, there is no assurance that the Company will take steps to preserve the listing status of the Company on the SGX-ST if the Free Float Requirement is not met.

4.3. Listing and Quotation Notice

The Company has, on 24 February 2021, made an application to the SGX-ST through the Sponsor for the listing and quotation of the Conversion Shares on the Catalist in the event of conversion of the Perpetual Securities, and will make an announcement in due course when the listing and quotation notice is obtained from the SGX-ST. Such announcement will include any conditions stipulated by the SGX-ST. The Company will comply with such conditions stipulated by the SGX-ST, if any.

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The listing and quotation notice if given by the SGX-ST in respect of the Conversion Shares, shall not be taken as an indication of the merits of the Proposed Shareholder Loan Conversion, the Proposed Conversion Share Issuance, the Perpetual Securities, the Conversion Shares, the Shares, the Company or its subsidiaries.

5. SHAREHOLDERS' APPROVAL FOR THE PROPOSED SHAREHOLDER LOAN CONVERSION AND THE PROPOSED CONVERSION SHARE ISSUANCE

5.1. Chapter 8 of the Catalyst Rules

Pursuant to Catalyst Rule 805 (except as provided in Catalyst Rule 806), the Company must obtain the prior approval of Shareholders in a general meeting for, *inter alia*, the issue of shares or convertible securities. Additionally, Catalyst Rule 824 provides that every issue of convertible securities not covered under a general mandate must be specifically approved by Shareholders in a general meeting.

Further, pursuant to Catalyst Rule 812, unless specific Shareholders' approval has been obtained, an issue of securities must not be placed to, *inter alia*, (a) an issuer's substantial shareholders, or (b) substantial shareholders, related companies, associated companies, and sister companies of the issuer's substantial shareholders.

The Proposed Subscriber is TIHPL, a substantial shareholder of the Company. Therefore, in accordance with Catalyst Rule 812(2), specific approval from Shareholders is required for the Proposed Transactions.

Accordingly, the Company is seeking, by way of Ordinary Resolution, specific Shareholders' approval from the independent Shareholders for (a) the Proposed Shareholder Loan Conversion in respect of the issuance of the Perpetual Securities to the Proposed Subscriber; and (b) the Proposed Conversion Share Issuance in respect of the allotment and issuance of such number of Conversion Shares to the Proposed Subscriber upon the conversion of the Perpetual Securities, subject to and in accordance with the Conditions.

Pursuant to Catalyst Rule 812(2), TIHPL and its associates will abstain from voting on the Resolutions relating to (a) the Proposed Shareholder Loan Conversion; and (b) the Proposed Conversion Share Issuance.

The Perpetual Securities will not be listed and quoted on the Catalist of the SGX-ST or any other securities or stock exchange. The Conversion Shares, if any when issued, will be listed and quoted on the Catalist of the SGX-ST, and if the Company is unable to obtain or maintain such listing, to use commercially reasonable endeavours to obtain and maintain a listing for all the then existing Conversion Shares on an Alternative Stock Exchange as the Company may from time to time determine and as may be approved by the holder of the Perpetual Securities. The Company will forthwith give notice to the holder of the Perpetual Securities of the listing or delisting of the Conversion Shares (as a class) by any such securities or stock exchange.

5.2. Chapter 9 of the Catalyst Rules

5.2.1. Background

Chapter 9 of the Catalyst 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 Catalyst 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 in the same financial year) is equal to or exceeds 5.0% 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.

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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;
- (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.

The SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into: (A) a transaction with an entity at risk; and (B) an agreement or arrangement with an interested person in connection with that transaction.

- (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 goods or 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 (for example, through one or more interposed entities).

5.2.2. The Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance as Interested Person Transactions

As at the Latest Practicable Date, TIHPL directly holds 2,859,729,000 Shares, representing 64.36% of the total issued share capital of the Company. As such, TIHPL is considered a controlling shareholder and an interested person of the Company.

Accordingly, pursuant to the Catalist Rules, the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance pursuant to the Conversion Agreement constitute interested person transactions under Chapter 9 of the Catalist Rules.

5.2.3. NTA

Based on the Group’s latest audited consolidated financial statements accounts for FY2019, the Group’s latest audited NTA amounts to approximately S\$248,251,000.

The total amount at risk to the Company is the total value of the Conversion Shares of S\$189.6 million (being the total number of Conversion Shares multiplied by the Conversion Price) which may be allotted and issued upon the conversion of the Perpetual Securities, representing approximately 76.4% of the Group’s latest audited NTA.

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In addition, in the event the Company elects to make a distribution to the holders of the Perpetual Securities in accordance with the Conditions, the additional amount at risk to the Company would be up to S\$7,584,308 per annum (being the distribution at a rate of 4.0% per annum), representing approximately 3.1% of the Group's latest audited NTA.

5.2.4. Shareholders' Approval

As the aggregate value of the interested person transactions in relation to the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance exceeds 5.0% of the Group's latest audited NTA, Shareholders' approval is required for the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance pursuant to Catalist Rule 906(1).

Pursuant to Catalist Rule 919, 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, TIHPL and its associates must abstain from voting on the Resolutions relating to (a) the Proposed Shareholder Loan Conversion; and (b) the Proposed Conversion Share Issuance. In addition, had the alternative arrangements for the EGM not applied (please refer to Paragraph 15.1 of this Circular for further details), TIHPL and its associates would have declined to accept appointment as proxy for any Shareholder to attend and vote at the EGM in relation to any of the abovementioned Resolutions, unless specific voting instructions as to voting are given by such Shareholder in the proxy instrument.

5.3. Total Value of Interested Person Transactions

In addition to the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance, the Group has entered into the following interested person transactions with OUE, TIHPL and/or any of their respective associates for the current financial year commencing on 1 January 2021 up to the Latest Practicable Date (excluding transactions which are less than S\$100,000):

Name of Interested Person	Nature of the transaction	Value of the transaction
First REIT Management Limited	Provision of shareholder's loan to interested person	S\$5,924,957

Save as disclosed above, the Group has not entered into any interested person transactions during the current financial year commencing on 1 January 2021 up to the Latest Practicable Date (excluding transactions which are less than S\$100,000).

6. IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date, BHPL is the legal and beneficial owner of 1,125,000,000 Shares representing approximately 25.32% of the total number of issued Shares (the "**Existing BHPL Shares**"). BHPL has on 23 February 2021 given undertakings (the "**BHPL Undertaking**") to the Company that, *inter alia*:

- (a) they will vote, and will procure the voting of, all 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

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- (b) they will not, from the date of the BHPL Undertaking until the expiry of 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, 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 (1) the exercise of any options or warrants which BHPL may have to subscribe for new Shares, (2) any bonus issue, rights issue or distribution of Shares (whether by way of dividend or otherwise) declared or made by the Company, or (3) any open market purchase of Shares, on or after the date of the BHPL Undertaking.

7. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The *pro forma* financial effects of the Proposed Transactions set out below are purely for illustrative purposes only and should not be taken as an indication of the actual future financial performance or position of the Group following the Proposed Transactions nor a projection of the future financial performance or position of the Group after Completion of the Proposed Transactions.

The *pro forma* financial effects of the Proposed Transactions are based on the Group’s audited consolidated financial statements for FY2019 and the Group’s latest announced unaudited consolidated financial statements for FY2020 and, *inter alia*, the following assumptions:

- (a) the financial effects on the NTA per Share and gearing of the Group are computed assuming that:
- (i) as at 31 December 2019, the Proposed Shareholder Loan Conversion had been completed on 31 December 2019;
- (ii) as at 31 December 2019, the Proposed Shareholder Loan Conversion had been completed and all the Conversion Shares have been allotted and issued in full on 31 December 2019;
- (iii) as at 31 December 2020, the Proposed Shareholder Loan Conversion had been completed on 31 December 2020; and
- (iv) as at 31 December 2020, the Proposed Shareholder Loan Conversion had been completed and all the Conversion Shares have been allotted and issued in full on 31 December 2020;
- (b) the financial effects on the EPS are computed assuming that:
- (i) as at 31 December 2019, the Proposed Shareholder Loan Conversion had been completed on 1 January 2019;
- (ii) as at 31 December 2019, the Proposed Shareholder Loan Conversion had been completed and all the Conversion Shares have been allotted and issued in full on 1 January 2020;

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- (iii) as at 31 December 2020, the Proposed Shareholder Loan Conversion had been completed on 1 January 2020; and
- (iv) as at 31 December 2020, the Proposed Shareholder Loan Conversion had been completed and all the Conversion Shares have been allotted and issued in full on 1 January 2020; and
- (c) no adjustments have been made to the Conversion Price.

7.1. Share Capital

	As at 31 December 2019			As at 31 December 2020		
	Before Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion and assuming the Conversion Shares have been allotted and issued in full	Before Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion and assuming the Conversion Shares have been allotted and issued in full
Issued and paid-up Share capital (S\$'000)	418,913	418,913	608,521	418,913	418,913	608,521
Number of issued Shares	4,443,129,206	4,443,129,206	7,151,810,634	4,443,129,206	4,443,129,206	7,151,810,634

7.2. NTA per Share

	As at 31 December 2019			As at 31 December 2020		
	Before Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion and assuming the Conversion Shares have been allotted and issued in full	Before Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion and assuming the Conversion Shares have been allotted and issued in full
NTA (S\$'000)	248,251	437,859	437,859	138,233	327,841	327,841
Number of issued Shares	4,443,129,206	4,443,129,206	7,151,810,634	4,443,129,206	4,443,129,206	7,151,810,634
NTA per Share (Singapore cents)	5.59	9.85	6.12	3.11	7.38	4.58

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7.3. EPS

	As at 1 January 2019			As at 1 January 2020		
	Before Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion and assuming the Conversion Shares have been allotted and issued in full	Before Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion and assuming the Conversion Shares have been allotted and issued in full
Profit / (Loss) after tax attributable to Shareholders (S\$'000) ⁽¹⁾	3,357	122,297	122,297	(98,726)	20,214	20,214
Weighted average number of issued Shares	4,443,129,206	4,443,129,206	7,151,810,634	4,443,129,206	4,443,129,206	7,151,810,634
EPS (Singapore cents)	0.08	2.75	1.71	(2.22)	0.45	0.28

Note:

- (1) The *pro forma* profit after tax attributable to Shareholders is computed based on: (i) the annual interest saving of S\$6.6 million; and (ii) the one-off indicative gain of S\$112.3 million recognised in the profit or loss of the Group arising from the extinguishment of financial liabilities with equity instruments in accordance with SFRS (I) INT 19 (*Extinguishing Financial Liabilities with Equity Instruments*), as a result of the Proposed Shareholder Loan Conversion. This gain is indicative only and has been computed based on the closing share price of the Company as at the Latest Practicable Date. The actual gain recognised may be lower or higher than S\$112.3 million subject to, *inter alia*, the share price as at the date of issuance of the Perpetual Securities. Accordingly, the actual profit or loss after tax attributable to Shareholders will only be determined as at the date of issuance of the Perpetual Securities.

7.4. Gearing Ratio

	As at 31 December 2019			As at 31 December 2020		
	Before Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion and assuming the Conversion Shares have been allotted and issued in full	Before Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion	After Completion of the Proposed Shareholder Loan Conversion and assuming the Conversion Shares have been allotted and issued in full
Total borrowings (S\$'000)	341,451	176,039	176,039	355,701	190,289	190,289
Net borrowings (S\$'000) ⁽¹⁾	288,742	123,330	123,330	286,728	121,316	121,316
Total equity (S\$'000)	253,102	442,710	442,710	141,237	330,845	330,845
Gearing ⁽²⁾	1.35	0.40	0.40	2.52	0.58	0.58
Net gearing ⁽³⁾	1.14	0.28	0.28	2.03	0.37	0.37

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Notes:

- (1) Net borrowings are total borrowings less cash and cash equivalents.
- (2) Gearing is computed using total borrowings divided by total equity.
- (3) Net gearing is computed using net borrowings divided by total equity.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

8.1. Shareholdings of Directors and Substantial Shareholders

The interests of the Directors and the 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			%(²)
	Direct Interest	Deemed Interest ⁽¹⁾	Total Interest	
Directors	–	–	–	–
Mr. Lee Yi Shyan	–	–	–	–
Mr. Yet Kum Meng	–	–	–	–
Mr. Tadahiyo Kiyosu	–	–	–	–
Mr. Roger Tan Chade Phang	–	–	–	–
Mr. Eric Sho Kian Hin	–	–	–	–
Mr. Jackson Tay Eng Kiat	–	–	–	–
Mr. Johji Sato	–	–	–	–
Substantial Shareholders (other than Directors)				
TIHPL	2,859,729,000	–	2,859,729,000	64.36
OUE ⁽³⁾	–	2,859,729,000	2,859,729,000	64.36
OUE Realty Pte. Ltd. (“OUER”) ⁽⁴⁾	–	2,859,729,000	2,859,729,000	64.36
Golden Concord Asia Limited (“GCAL”) ⁽⁵⁾	–	2,859,729,000	2,859,729,000	64.36
Fortune Crane Limited (“FCL”) ⁽⁶⁾	–	2,859,729,000	2,859,729,000	64.36
Lippo ASM Asia Property Limited (“LAAPL”) ⁽⁷⁾	–	2,859,729,000	2,859,729,000	64.36
HKC Property Investment Holdings Limited (“HKC Property”) ⁽⁸⁾	–	2,859,729,000	2,859,729,000	64.36
Hongkong Chinese Limited (“HCL”) ⁽⁹⁾	–	2,859,729,000	2,859,729,000	64.36
Hennessy Holdings Limited (“Hennessy”) ⁽¹⁰⁾	–	2,859,729,000	2,859,729,000	64.36
Prime Success Limited (“PSL”) ⁽¹¹⁾	–	2,859,729,000	2,859,729,000	64.36
Lippo Limited (“LL”) ⁽¹²⁾	–	2,859,812,500	2,859,812,500	64.36
Lippo Capital Limited (“LCL”) ⁽¹³⁾	–	2,859,812,500	2,859,812,500	64.36
Lippo Capital Holdings Company Limited (“LCH”) ⁽¹⁴⁾	–	2,859,812,500	2,859,812,500	64.36
Lippo Capital Group Limited (“LCG”) ⁽¹⁵⁾	–	2,859,812,500	2,859,812,500	64.36
PT Trijaya Utama Mandiri (“PT Trijaya”) ⁽¹⁶⁾	–	2,859,812,500	2,859,812,500	64.36
Admiralty Station Management Limited (“Admiralty”) ⁽¹⁷⁾	–	2,859,729,000	2,859,729,000	64.36
Argyle Street Management Limited (“ASML”) ⁽¹⁸⁾	–	2,859,729,000	2,859,729,000	64.36
Argyle Street Management Holdings Limited (“ASMHL”) ⁽¹⁹⁾	–	2,859,729,000	2,859,729,000	64.36
Mr. James Tjahaja Riady ⁽²⁰⁾	–	2,859,812,500	2,859,812,500	64.36
Dr. Stephen Riady ⁽²¹⁾	–	2,859,812,500	2,859,812,500	64.36
Mr. Kin Chan ⁽²²⁾	–	2,859,729,000	2,859,729,000	64.36
Mr. V-Nee Yeh ⁽²³⁾	–	2,859,729,000	2,859,729,000	64.36
BHPL	1,125,000,000	–	1,125,000,000	25.32
ITOCHU Singapore Pte Ltd (“ITOCHU SG”) ⁽²⁴⁾	–	1,125,000,000	1,125,000,000	25.32
ITOCHU Corporation (“ITOCHU Corp”) ⁽²⁵⁾	–	1,125,000,000	1,125,000,000	25.32

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Notes:

- (1) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
- (2) Based on the total number of 4,443,129,206 issued Shares as at the Latest Practicable Date.
- (3) OUE is deemed to have an interest in the Shares held by TIHPL. TIHPL is a wholly-owned subsidiary of OUE.
- (4) OUER is deemed to have an interest in the Shares in which its subsidiary, OUE, has a deemed interest.
- (5) GCAL is deemed to have an interest in the Shares in which its subsidiary, OUER, has a deemed interest.
- (6) FCL is deemed to have an interest in the Shares in which its subsidiary, GCAL, has a deemed interest.
- (7) LAAPL is deemed to have an interest in the Shares in which its subsidiary, FCL, has a deemed interest.
- (8) LAAPL is jointly held by HKC Property and Admiralty. Accordingly, HKC Property is deemed to have an interest in the Shares in which LAAPL has a deemed interest.
- (9) HCL is the immediate holding company of HKC Property. Accordingly, HCL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (10) Hennessy is an intermediate holding company of HKC Property. Accordingly, Hennessy is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (11) PSL is an intermediate holding company of HKC Property. Accordingly, PSL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (12) LL is an intermediate holding company of HKC Property. Accordingly, LL is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the 83,500 Shares held by Hongkong China Treasury Limited, a subsidiary of LL (the “**HKCTL Shares**”).
- (13) LCL is an intermediate holding company of HKC Property and the immediate holding company of LL. Accordingly, LCL is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.
- (14) LCH is an intermediate holding company of HKC Property and the immediate holding company of LL. Accordingly, LCH is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.
- (15) LCG is the holding company of LCH, which in turn is an intermediate holding company of HKC Property and the immediate holding company of LL. Accordingly, LCG is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.
- (16) PT Trijaya holds more than 20% of the shares in LCL, which is an intermediate holding company of HKC Property and the immediate holding company of LL. Accordingly, PT Trijaya is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.
- (17) LAAPL is jointly held by Admiralty and HKC Property. Accordingly, Admiralty is deemed to have an interest in the Shares in which LAAPL has a deemed interest.
- (18) ASML owns 100% of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the Shares in which Admiralty has a deemed interest.
- (19) ASMHL is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Shares in which ASML has a deemed interest.
- (20) Mr. James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20% of the shares in LCL. LCL in turn is an intermediate holding company of HKC Property and the immediate holding company of LL. Accordingly, Mr. James Tjahaja Riady is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.
- (21) Dr. Stephen Riady holds the entire issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of HKC Property and the immediate holding company of LL. Accordingly, Dr. Stephen Riady is deemed to have an interest in the Shares in which HKC Property has a deemed interest, as well as a deemed interest in the HKCTL Shares in which LL has a deemed interest.
- (22) Mr. Kin Chan is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, Mr. Kin Chan is deemed to have an interest in the Shares in which ASMHL has a deemed interest.

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- (23) Mr. V-Nee Yeh is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, Mr. V-Nee Yeh is deemed to have an interest in the Shares in which ASMHL has a deemed interest.
- (24) ITOCHU SG is deemed to have an interest in the Shares held by BHPL. ITOCHU SG holds 60% of the issued share capital of BHPL.
- (25) ITOCHU Corp is deemed to have an interest in the Shares in which its subsidiary, ITOCHU SG, has a deemed interest. ITOCHU Corp also holds 40% of the issued share capital of BHPL.

8.2. Interests in the Proposed Transactions

Mr. Lee Yi Shyan, the Non-Independent, Non-Executive Chairman, is an executive adviser to the Chairman of OUE, which is the holding company of TIHPL and the controlling shareholder of the Company, and a nominee of OUE in certain of its subsidiaries.

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 in Paragraph 8.1 of this Circular (refer to note 3 to note 23 for details) and Mr. Lee Yi Shyan, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, (other than their respective shareholding in the Company, if any) in the Proposed Transactions.

9. OPINION OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Catalist Rule 921(4)(a), ZICO Capital Pte. Ltd. has been appointed as the IFA to advise the Non-Interested Directors in respect of the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance as interested person transactions.

A copy of the IFA Letter, containing in full the advice and opinion of the IFA, is reproduced and appended at **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 proceeding to vote on the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance as interested person transactions at the EGM.**

The following is an extract from Section 5 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 opinion, we have considered the views and representations made by the Directors and the Management, and reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Transactions.

We set out below a summary of the key factors we have taken into our consideration

- (a) *the rationale for the Proposed Transactions, specifically the fact that the Proposed Transactions will allow the Company to convert the Existing Shareholder Loans to equity which will remove the uncertainties over the going concern assumption of the Company and put the Company in a much stronger financial position to tap on the capital markets to fund future growth opportunities, given that the encumbrances over the assets of the Company from the Existing Shareholder Loans will be removed and the gearing ratio will improve;*
- (b) *the financial performance and position of the Group;*
- (c) *the Perpetual Securities will be perpetual bonds with no fixed redemption date;*
- (d) *the rate of Perpetual Securities Distribution is the same as the interest rate of the Existing Shareholder Loans. Notwithstanding so, the Perpetual Securities Distribution is at the sole discretion of the Company, taking into consideration, inter alia, the market conditions, the level of cash, the solvency position and the funding needs of the Group. Any non-payment of the Perpetual Securities Distribution is non-cumulative and will not accrue interest. There is also no limit on the number of times or the extent of the amount with respect to which the Company may elect not to pay distributions;*

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- (e) *the period of approximately five and a half years for conversion of the Perpetual Securities allows the Company to focus in growing its business without distractions of seeking funding for redemption of the Perpetual Securities and/or diluting existing shareholder value from conversion of the Perpetual Securities;*
- (f) *assessment of the financial terms of the Perpetual Securities as set out under Section 4.4 of this IFA Letter;*
- (g) *the Conversion Price represents a premium of 78%, 81%, 91%, 91%, 72% and 37% over the VWAP of the Shares as at the Latest Practicable Date, and for the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to the Latest Practicable Date, respectively;*
- (h) *the Conversion Price represents a premium of approximately 120.1% over the NAV per share and 125.1% over the NTA per share of the Group as at 31 December 2020;*
- (i) *other factors of assessment of the Conversion Price as set out under Section 4.5 of this IFA Letter;*
- (j) *the financial effects of the Proposed Transactions as set out under Section 4.6 of this IFA Letter; and*
- (k) *other relevant considerations as set out under Section 4.7 of this IFA Letter.*

We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that on balance, the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

In rendering its opinion and providing its recommendation, the IFA did not have regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any Shareholder. Accordingly, any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

10. STATEMENT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises Mr. Eric Sho Kian Hin, Mr. Roger Tan Chade Phang, Mr. Jackson Tay Eng Kiat and Mr. Johji Sato. The members of the Audit and Risk Committee do not have any interests in the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance and are accordingly considered to be independent for the purposes of the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance.

Having reviewed and considered, *inter alia*, the terms, rationale and financial effects of the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance as a whole, as well as the advice and opinion of the IFA on the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance, the Audit and Risk Committee concurs with the opinion of the IFA and is of the view that the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance, as interested person transactions, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

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11. DIRECTORS' RECOMMENDATIONS

11.1. The Proposed Shareholder Loan Conversion

Mr. Lee Yi Shyan, the Non-Independent, Non-Executive Chairman, is an executive adviser to the Chairman of OUE, which is the holding company of TIHPL and the controlling shareholder of the Company, and a nominee of OUE in certain of its subsidiaries. Accordingly, Mr. Lee Yi Shyan will abstain from making any recommendation to Shareholders on the Proposed Shareholder Loan Conversion in his capacity as a Director.

The Non-Interested Directors, having considered, *inter alia*, the rationale and financial effects of the Proposed Shareholder Loan Conversion and the opinion of the IFA as set out in **Appendix A** to this Circular, are of the opinion that the Proposed Shareholder Loan Conversion is in the interests of the Company and its minority Shareholders. Accordingly, the Non-Interested Directors recommend that Shareholders **VOTE IN FAVOUR** of the Resolutions relating to the Proposed Shareholder Loan Conversion.

11.2. The Proposed Conversion Share Issuance

Mr. Lee Yi Shyan, the Non-Independent, Non-Executive Chairman, is an executive adviser to the Chairman of OUE, which is the holding company of TIHPL and the controlling shareholder of the Company, and a nominee of OUE in certain of its subsidiaries. Accordingly, Mr. Lee Yi Shyan will abstain from making any recommendation to Shareholders on the Proposed Conversion Share Issuance in his capacity as a Director.

The Non-Interested Directors, having considered, *inter alia*, the rationale and financial effects of the Proposed Conversion Share Issuance and the opinion of the IFA as set out in **Appendix A** to this Circular, are of the opinion that the Proposed Conversion Share Issuance is in the interests of the Company and its minority Shareholders. Accordingly, the Non-Interested Directors recommend that Shareholders **VOTE IN FAVOUR** of the Resolutions relating to the Proposed Conversion Share Issuance.

12. ABSTENTION FROM VOTING

In accordance with Catalist Rule 812(2), TIHPL and its associates must abstain from voting on the Resolutions relating to (a) the Proposed Shareholder Loan Conversion; and (b) the Proposed Conversion Share Issuance.

In accordance with Catalist Rule 919, TIHPL and its associates must abstain from voting on the Resolutions relating to (a) the Proposed Shareholder Loan Conversion as an interested person transaction; and (b) the Proposed Conversion Share Issuance as an interested person transaction. In addition, had the alternative arrangements for the EGM not applied (please refer to Paragraph 15.1 of this Circular for further details), TIHPL would have declined, and would have ensured that each of its associates decline to accept appointment as proxy for any Shareholder to attend and vote at the EGM in relation to any of the aforementioned Resolutions, unless specific voting instructions as to voting are given by such Shareholder in the proxy instrument.

13. EXTRAORDINARY GENERAL MEETING

13.1. Date and Time of EGM

The EGM, notice of which is set out on pages 63 to 66 of this Circular, will be convened and held by way of electronic means on 12 March 2021 at 3.00 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without modifications the Resolutions to approve the Proposed Transactions as set out in the Notice of EGM.

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13.2. No Attendance at EGM

Due to the current COVID-19 situation in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate in the EGM by:

- (a) watching the EGM proceedings via “live” audio-and-video webcast or listening to the EGM proceedings via “live” audio-only stream;
- (b) submitting questions in advance of the EGM; and/or
- (c) voting by appointing the Chairman as proxy at the EGM.

Please refer to Paragraph 15.1 of this Circular for further details on the alternative arrangements.

In addition, Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET.

14. NO DESPATCH OF PRINTED COPIES OF CIRCULAR, NOTICE OF EGM, PROXY FORM AND QUESTIONS FORM

In line with the provisions under the COVID-19 Order, no printed copies of this Circular, the Notice of EGM, the Proxy Form and the Questions Form in respect of the EGM will be despatched to Shareholders.

Copies of this Circular, the Notice of EGM, the Proxy Form and the Questions Form have been uploaded on SGXNET and are now also available on the Company’s website at the URL https://investor.ouelh.com/agm_egm.html.

A Shareholder will need an Internet browser and PDF reader to view these documents on SGXNET and the Company’s designated website.

Shareholders are advised to read this Circular carefully in order to decide whether they should vote in favour of or against the resolutions in relation to the Proposed Transactions to be proposed at the EGM.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

15.1. Alternative Arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM as follows:

(a) Registration to attend the EGM

The Chairman of the EGM will conduct the proceedings of the EGM by way of electronic means.

Shareholders will be able to watch these proceedings through a “live” audio-and-video webcast via their mobile phones, tablets or computers or listen to these proceedings through a “live” audio-only stream via telephone.

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In order to do so, Shareholders must follow these steps:

- (i) Shareholders, CPF Investors and SRS Investors who wish to follow the proceedings through a “live” audio-and-video webcast via their mobile phones, tablets or computers or listen to the proceedings through a “live” audio-only stream via telephone must pre-register at <http://www.ouelh.com/EGM2021.html> no later than 3.00 p.m. on 9 March 2021 (the “**Registration Deadline**”). Following verification, an email containing instructions on how to access the “live” audio-and-video webcast and “live” audio-only stream of the proceedings of the EGM will be sent to authenticated Shareholders, CPF Investors and SRS Investors by 12.00 noon on 11 March 2021.

Shareholders and CPF Investors and SRS Investors who do not receive any email by 12.00 noon on 11 March 2021, but have registered by the Registration Deadline, should contact the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamE@boardroomlimited.com stating: (A) the Shareholder’s full name; and (B) the Shareholder’s identification/registration number.

Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (“**Investors**”) (other than CPF Investors and SRS Investors) will not be able to pre-register at <http://www.ouelh.com/EGM2021.html> for the “live” broadcast of the EGM. An Investor (other than CPF Investors and SRS Investors) who wishes to participate in the “live” broadcast of the EGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email to srs.teamE@boardroomlimited.com no later than 3.00 p.m. on 9 March 2021.

(b) Submission of questions in advance

Shareholders and Investors will not be able to ask questions “live” during the broadcast of the EGM. Shareholders who pre-register to watch the “live” audio-and-video webcast or listen to the “live” audio-only stream of the EGM may submit questions related to the resolutions to be tabled for approval for the EGM by submitting the completed Questions Form in advance of the EGM:

- (i) All Questions Forms must be submitted in the following manner:
- if submitted electronically, be submitted via email to the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamE@boardroomlimited.com; or
 - if submitted by post, be lodged at the registered at the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623,

in either case, by **3.00 p.m. on 9 March 2021** (being three (3) Business Days before the time appointed for holding the EGM).

- (ii) The Questions Form may be accessed and downloaded from the Company’s website at the URL https://investor.ouelh.com/agm_egm.html and on SGXNET.
- (iii) The Company will endeavour to address substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM as received from Shareholders and Investors either before the EGM on SGXNET and the Company’s website at the URL https://investor.ouelh.com/agm_egm.html or during the EGM.

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- (iv) The Company will, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNET and the Company's website, and the minutes will include the responses to the questions referred to above.
- (v) Please note that Shareholders and Investors will not be able to ask questions at the EGM "live" during the webcast and the audio feed, and therefore it is important for Shareholders to submit their Questions Forms in advance of the EGM.

In view of the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult to submit completed Questions Forms by post, Shareholders and Investors are strongly encouraged to submit their completed Questions Forms electronically via email.

(c) Voting by proxy only

Shareholders will not be able to vote online on the resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a Proxy Form to **appoint the Chairman of the EGM** to vote on their behalf:

- (i) Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
- (ii) The Proxy Form must be submitted to the Company in the following manner:
 - if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamE@boardroomlimited.com; or
 - if submitted by post, be lodged at the registered at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623,

in either case, by **3.00 p.m. on 10 March 2021** (being 48 hours before the time appointed for holding the EGM).

- (iii) The Proxy Form may be accessed and downloaded from the Company's website at the URL https://investor.ouelh.com/agm_egm.html and on SGXNET.
- (iv) Investors (other than CPF Investors and SRS Investors) who wish to vote should approach his/her relevant intermediary by **3.00 p.m. on 3 March 2021, being at least seven (7) working days before the date of the EGM**, to specify his/her voting instructions. CPF Investors and SRS Investors who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Agent Banks) to submit their voting instructions by **3.00 p.m. on 3 March 2021, being at least seven (7) working days before the date of the EGM**, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the EGM to vote on their behalf by 3.00 p.m. on 10 March 2021.

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15.2. Depositor not Shareholder

A Depositor will 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 CDP to the Company at least 72 hours before the EGM.

16. RESPONSIBILITY STATEMENTS

16.1. 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.

16.2. To the best of the knowledge and belief of RHT Capital Pte. Ltd., as the Financial Adviser to the Company, this Circular contains full and true disclosure of all material facts about the Proposed Transactions and the Group, and RHT Capital Pte. Ltd. is not aware of any facts the omission of which would make any statement in this Circular misleading.

17. CONSENTS

Rajah & Tann Singapore LLP, the legal adviser to the Company as to Singapore law in relation to the Proposed Transactions, has given, and has not withdrawn, its written consent to the issue of this Circular with the inclusion of its name, in the form and context in which it appears in this Circular.

RHT Capital Pte. Ltd., the Financial Adviser to the Company 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, in the form and context in which it appears in this Circular.

ZICO Capital Pte. Ltd., the IFA, has given, and has not withdrawn, its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter set out in **Appendix A** to this Circular and all references thereto, in the form and context in which it appears in this Circular.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection² at the registered office of the Company at 6 Shenton Way, #10-09A OUE Downtown, Singapore 068809, during normal business hours for a period of 3 months from the date of this Circular:

- (a) the Constitution;
- (b) the audited financial statements of the Company for FY2019;
- (c) the unaudited financial statements of the Company for FY2020;

² Prior appointment is required in light of the COVID-19 situation.

LETTER TO SHAREHOLDERS

- (d) the Conversion Agreement;
- (e) the IFA Letter as set out in **Appendix A** to this Circular;
- (f) the letter of consents referred to in Paragraph 17 of this Circular; and
- (g) the BHPL Undertaking referred to in Paragraph 6 of this Circular.

Yours faithfully,

For and on behalf of the Board

OUE Lippo Healthcare Limited

Mr. Yet Kum Meng
Chief Executive Officer and Executive Director

APPENDIX A – IFA LETTER

25 February 2021

To: The Independent Directors of OUE Lippo Healthcare Limited (as defined herein)

Dear Sirs,

- (1) **THE PROPOSED ALLOTMENT AND ISSUANCE OF CONVERTIBLE PERPETUAL BONDS (“PERPETUAL SECURITIES”) TO THE PROPOSED SUBSCRIBER FOLLOWING CONVERSION OF THE EXISTING SHAREHOLDER LOANS (THE “PROPOSED SHAREHOLDER LOAN CONVERSION”); AND**
- (2) **THE PROPOSED ALLOTMENT AND ISSUANCE OF THE CONVERSION SHARES TO THE PROPOSED SUBSCRIBER UPON THE CONVERSION OF THE PERPETUAL SECURITIES (THE “PROPOSED CONVERSION SHARE ISSUANCE”).**

(COLLECTIVELY, THE “PROPOSED TRANSACTIONS”)

Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the circular to shareholders of OUE Lippo Healthcare Limited (the “Company”) dated 25 February 2021 (the “Circular”).

1. INTRODUCTION

- 1.1 The Company, as part of its ongoing efforts to restructure its financial obligations, has on 23 February 2021 entered into an agreement with Treasure International Holdings Pte. Ltd. (“**TIHPL**”) to convert the existing outstanding loans granted by TIHPL and OUE Treasury Pte Ltd to the Company (the “**Existing Shareholder Loans**”) to convertible perpetual bonds (“**Perpetual Securities**”) and TIHPL is to subscribe for the Perpetual Securities (the “**Conversion Agreement**”). With effect from and including 1 January 2021, the outstanding loan granted by OUE Treasury Pte Ltd was assigned to TIHPL.
- 1.2 Pursuant to the Conversion Agreement, the Company has agreed to issue, and TIHPL (the “**Proposed Subscriber**”) has agreed to subscribe for, S\$189,607,700 in aggregate principal amount of the Perpetual Securities, representing the aggregate outstanding principal amount of the Existing Shareholder Loans and accrued interest thereon up to and including 28 February 2021, rounded down to the nearest authorised denomination of the Perpetual Securities.
- 1.3 Based on the terms of the Conversion Agreement, each Perpetual Security shall be convertible into ordinary shares in the capital of the Company (the “**Shares**”) at the conversion price of S\$0.070 per Share (“**Conversion Price**”), at the option of the Proposed Subscriber at any time on or after 31 August 2026. Accordingly, 2,708,681,428 Shares (the “**Conversion Shares**”) will be allotted and issued by the Company if the Perpetual Securities are fully converted.
- 1.4 The Proposed Transactions constitute “interested person transactions” under Chapter 9 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Manual Section B: Rules of Catalyst (“**Catalist Rules**”) which require the approval of Shareholders to be obtained at an Extraordinary General Meeting to be convened.

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- 1.5 ZICO Capital Pte. Ltd. (“**ZICO Capital**”) has been appointed by the Company as the independent financial adviser (“**IFA**”) to advise the directors of the Company who are considered independent of the Proposed Transactions (the “**Independent Directors**”) for the purposes of making their recommendation to the independent Shareholders in respect of the Proposed Transactions.

This IFA letter (“**IFA Letter**”) has been prepared pursuant to Chapter 9 of the Catalist Rules as well as for the use of the Independent Directors to provide an opinion on whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. This IFA Letter forms part of the Circular to be despatched to Shareholders in relation to the Proposed Transactions and should be read in its entirety.

2. TERMS OF REFERENCE

ZICO Capital has been appointed as the IFA to advise Independent Directors in respect of the Proposed Transactions.

Our terms of reference do not require us to evaluate or comment on the rationale for, legal and commercial risks and/or merits (if any) of the Proposed Transactions, or on the future financial performance or prospects of the Company and its subsidiaries (the “**Group**”) and we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the directors (the “**Directors**”) and the management (the “**Management**”) of the Company although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

We were not involved in or responsible for, any aspect in the negotiations pertaining to the Proposed Transactions, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Transactions. We do not, by this IFA Letter, warrant the merits of the Proposed Transactions other than to express an opinion on whether the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

In the course of our evaluation of the Proposed Transactions, we have held discussions with the Directors and the Management. We have also examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors and the Management, including information contained in the Circular. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information or representations. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made reasonable enquiries and exercised judgement on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information upon which we have relied.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are fair and accurate in all material aspects. The Directors have confirmed to us that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed

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Transactions and the Group, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading.

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

We have not made an independent evaluation or appraisal of the assets and liabilities (including without limitation, property, plant and equipment) of the Group. We have not been furnished with any such evaluation or appraisal. We are not experts in the evaluation or appraisal of the assets/business concerned.

Our opinion is based upon market, economic, industry and other conditions prevailing, as well as information made available to us (including the Group's unaudited financial results for the year ended 31 December 2020), as at 16 February 2021 (the "**Latest Practicable Date**"). Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent developments after the Latest Practicable Date that may affect our opinion contained therein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Transactions, which may be released after the Latest Practicable Date.

In rendering our advice and providing our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any Shareholder. We recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own legal advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Proposed Transactions, but any recommendations made by the Independent Directors in respect of the Proposed Transactions shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Proposed Transactions) at any time and in any manner without the prior written consent of ZICO Capital. Our opinion in relation to the Proposed Transactions should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE PROPOSED TRANSACTIONS

3.1 The Proposed Subscriber

TIHPL directly holds 2,859,729,000 Shares, representing 64.36% of the total issued share capital of the Company as at the Latest Practicable Date. TIHPL is also a wholly-owned subsidiary of OUE Limited ("**OUE**"), the ultimate controlling shareholder of the Company.

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3.2 The Existing Shareholder Loans

On 24 February 2017, TIHPL granted a loan to the Company. The outstanding principal amount of this loan and the accrued interest thereon up to and including 28 February 2021 is S\$125,077,338.29 and S\$18,340,107.26, respectively.

On 24 April 2017, OUE Treasury Pte Ltd granted a loan to the Company and such loan was assigned by OUE Treasury to TIHPL with effect from and including 1 January 2021, and any repayment of such loan (including accrued and unpaid interest) shall be made to TIHPL. The outstanding principal amount of this loan and the accrued interest thereon up to and including 28 February 2021 is S\$40,334,945.20 and S\$5,855,349.93, respectively.

The aggregate outstanding principal amount of the Existing Shareholder Loans and the accrued interest thereon up to and including 28 February 2021 is S\$165,412,283.49 and S\$24,195,457.19, respectively.

3.3 The Proposed Shareholders Loan Conversion

Pursuant to the Conversion Agreement, the Company has agreed to issue, and the Proposed Subscriber has agreed to subscribe for, the Perpetual Securities of an aggregate principal amount of S\$189,607,700, representing the aggregate outstanding principal amount of the Existing Shareholder Loans and accrued interest thereon up to and including 28 February 2021, rounded down to the nearest authorised denomination of the Perpetual Securities.

Upon compliance by the Company of the conditions set out under Section 3.4 of the Circular, the Company shall be deemed to be automatically, fully, unconditionally and irrevocably released and discharged from all its obligations to the Proposed Subscriber under the Existing Shareholder Loans, including any interest accruing thereon from and including 1 March 2021.

3.4 Salient terms of the Perpetual Securities

The key terms of the Perpetual Securities have been extracted from Section 3.1 of the Circular and are set out in italics below.

<i>Issue Price</i>	<i>The aggregate principal amount of the Perpetual Securities to be issued will be S\$189,607,700, which is equivalent to the outstanding Existing Shareholder Loans together with accrued interest thereon up to and including 28 February 2021, rounded down to the nearest authorised denominations of the Perpetual Securities. The issue price of the Perpetual Securities will be 100% of their principal amount.</i>
<i>Issue Date</i>	<i>The date to be agreed between the Company and the Proposed Subscriber as soon as practicable after the receipt of Shareholders' approval for the issue of the Perpetual Securities (the "Issue Date").</i>
<i>Status</i>	<i>The Perpetual Securities will constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and will rank pari passu and without any preference or priority among themselves and with all present and future direct, unsubordinated, unconditional</i>

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	<p><i>and unsecured obligations of the Company other than those preferred by statute or any applicable law. The Perpetual Securities will at all times rank ahead of any class of the Company's share capital.</i></p>
<p><i>Conversion Right</i></p>	<p><i>A Proposed Subscriber may, at its option, convert all or some of its Perpetual Securities into Conversion Shares. The conversion right may be exercised at any time on or after 31 August 2026 and if the Perpetual Securities have been called for redemption by the Company, then up to and including the close of business on a date no later than seven (7) days prior to the date fixed for redemption thereof.</i></p> <p><i>The number of Conversion Shares to be issued on exercise of a conversion right shall be determined by dividing the principal amount of the Perpetual Securities to be converted by the Conversion Price in effect at the conversion date.</i></p>
<p><i>Conversion Price</i></p>	<p><i>The price at which Shares will be issued upon conversion will be S\$0.070 per Conversion Share.</i></p> <p><i>The Conversion Price is subject to adjustments for, inter alia, consolidation, subdivision and re-classification of Shares, capitalisation of profits and reserves, certain issuance of Shares, options, rights, warrants or securities at less than the then current market price, and certain other dilutive events.</i></p> <p><i>Any such adjustments shall be announced by the Company on the SGXNET in compliance with the Catalist Rules.</i></p>
<p><i>Ranking of Conversion Shares</i></p>	<p><i>The Conversion Shares will, when issued and delivered, be fully-paid and freely transferable, subject to restrictions in the Constitution and applicable law, and free from any and all encumbrances.</i></p> <p><i>The Conversion Shares to be issued by the Company shall, in all respects, rank pari passu with the Shares in issue on the relevant date of issuance.</i></p>
<p><i>Redemption of Perpetual Securities</i></p>	<p><i>The Perpetual Securities will be perpetual bonds and will have no fixed redemption date. The Company may redeem the Perpetual Securities, in whole or in part, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to the principal amount thereof plus any distributions accrued to, but excluding, the date fixed for redemption, at any time on or after 31 August 2026.</i></p> <p><i>The Perpetual Securities may also be redeemed at the option of the Company in whole, but not in part, at any time, at their principal amount together with any distribution accrued to the date fixed for redemption, upon the occurrence of certain changes in applicable law or regulation of Singapore requiring the payment of additional amounts in to gross up payments on account of withholding taxes.</i></p> <p><i>The Perpetual Securities may also be redeemed at the option of the Company in whole or in part, at any time, at their principal amount together with any distribution accrued to the date fixed for redemption, upon the occurrence of certain changes to, or amendments to the</i></p>

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	<i>interpretation of, applicable accounting standards, as a result of which the Perpetual Securities would cease to qualify as equity in the consolidated financial statements of the Company.</i>
<i>Distributions</i>	<i>The Perpetual Securities confer a right to receive distributions at a rate of 4.0% per annum. Subject to the provisions of the Perpetual Securities relating to the election by the Company to pay distributions, distributions will be payable on the Perpetual Securities annually in arrears on each Distribution Payment Date.</i>
<i>Distribution Discretion</i>	<p><i>The Company has sole discretion on whether or not to pay a distribution. The Company may, at its sole discretion, elect to pay a distribution (or to pay only part of a distribution) that is scheduled to be paid on a Distribution Payment Date by giving notice to the holders of the Perpetual Securities not less than five (5) Business Days prior to a scheduled Distribution Payment Date. In determining whether to elect to pay a distribution (or part thereof), the Company may take into consideration, inter alia, the market conditions, the level of cash and, the solvency position and the funding needs of the Group.</i></p> <p><i>Without prejudice to the generality of the foregoing, on any Distribution Payment Date on or prior to 31 May 2026, the Company shall not pay any distribution on such Distribution Payment Date if in respect of the Company's most recent financial year ending immediately prior to such Distribution Payment Date, the Company has not paid or declared dividends in respect of its ordinary shares in an aggregate amount at least equal to the amount distribution proposed to be made on such date (assuming, solely for this purpose, that the Company has elected to make such payment).</i></p>
<i>Non-Cumulative Deferral</i>	<i>Any distribution not paid pursuant to the Conditions of the Perpetual Securities will be non-cumulative and will not accrue interest. The Company is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. There is no limit on the number of times or the extent of the amount with respect to which the Company may elect not to pay distributions pursuant to the Conditions of the Perpetual Securities.</i>
<i>Distribution Payment Dates</i>	<p><i>31 May 2022, 31 May 2023, 31 May 2024, 31 May 2025, 31 May 2026 and thereafter every 31 December of each year, starting on and including 31 December 2026 (the "Distribution Payment Date").</i></p> <p><i>Distributions due on a Distribution Payment Date will be paid on the due date for the payment of such distribution to the holder of the Perpetual Securities shown on the Register of Holders at the close of business on the seventh (7th) day before the due date for the payment of distribution.</i></p>
<i>Dividend Stopper</i>	<i>If, on any Distribution Payment Date falling on or prior to 31 May 2026, the Company has elected pursuant to the Conditions not to pay or to pay only part of a distribution scheduled to be made on that distribution Payment Date, then the Company shall not declare or pay any dividends, distributions or make any other payment on any of its ordinary shares in respect of the Company's most recently elapsed</i>

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	<p><i>financial year that ended on or before that Distribution Payment Date other than for an amount up to but not exceeding the aforementioned Distribution (if any) which has been elected to be paid.</i></p> <p><i>If, on any Distribution Payment Date falling on or after 31 December 2026, the Company has not elected pursuant to the Conditions to pay all distributions scheduled to be made on that Distribution Payment Date and made such payment, then the Company shall not declare or pay any dividend, distributions or make any other payment on any of its ordinary Shares in respect of the Company's most recent financial year ended on or before that Distribution Payment Date.</i></p>
<i>Listing Status</i>	<i>The Perpetual Securities will not be listed and quoted on the Catalist or any other securities exchange.</i>

3.5 The Proposed Conversion Share Issuance

The number of Conversion Shares to be allotted and issued by the Company is 2,708,681,428 Conversion Shares, based on the Conversion Price and assuming no adjustments to the Conversion Price are made. Assuming the full conversion of the Perpetual Securities, TIHPL's direct shareholding in the Company would be approximately 77.9% of the enlarged number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) of 7,151,810,634 Shares.

The Conversion Shares shall, when issued, allotted and delivered upon conversion of the Perpetual Securities, be duly authorised, validly issued and credited as fully paid-up, be free from any and all encumbrances, including any restrictions on transfer other than restrictions on transfer set forth in the Constitution and pursuant to applicable laws, and shall rank *pari passu* in all respects with the existing Shares, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the date of the issuance and allotment of the Conversion Shares.

3.6 Conditions Precedent for the Proposed Shareholder Loan Conversion

Please refer to Section 3.2 of the Circular for the key conditions precedent for the Proposed Shareholder Loan Conversion.

4. EVALUATION OF THE PROPOSED TRANSACTIONS

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

- (a) the rationale for the Proposed Transactions;
- (b) the financial performance and position of the Group;
- (c) comparison of the Perpetual Securities with the Existing Shareholder Loans;
- (d) assessment of the financial terms of the Perpetual Securities;
- (e) assessment of the Conversion Price;

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- (f) the financial effects of the Proposed Transactions; and
- (g) other relevant considerations.

4.1 Rationale for the Proposed Transactions

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Transactions. Nevertheless, we have reviewed the Company's rationale for the Proposed Transactions as set out in Section 2.3 of the Circular. The rationale of the Proposed Transactions has been extracted and set out in italics below. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

"The Proposed Transactions are part of the strategic roadmap of the Company to build a sustainable capital structure, starting with the injection of shareholder loans from OUE in 2017 through the Existing Shareholder Loans, to meet the Company's immediate loan repayment obligations, followed by a private share placement to ITOCHU Corporation (through its indirect wholly-owned subsidiary, BHPL) to bring in a strategic shareholder and a rights issue to fund strategic business acquisitions in 2018, and now the Proposed Shareholder Loan Conversion, which will put the Company in a good stead to tap on the capital market to fund future growth opportunities.

(a) **Improving the Capital Structure of the Company**

The Company has been in a net current liability position over the last few years due to the Existing Shareholder Loans which are payable on demand. The Proposed Shareholder Loan Conversion will convert the Existing Shareholder Loans into equity and remove the uncertainties over the going concern assumption of the Company.

The financial position of the Company will be strengthened by the Proposed Shareholder Loan Conversion, with the NTA and NTA per Share of the Company improving from S\$138.2 million and 3.11 cents per Share as at 31 December 2020 to S\$327.8 million and 7.38 cents per Share (4.58 cents on a diluted basis) respectively.

With the Proposed Shareholder Loan Conversion, the Company will be in a much stronger financial position to tap on the capital markets to fund future growth opportunities, given that the encumbrances over the assets of the Company from the Existing Shareholder Loans will be removed and the gearing ratio will also improve from 2.5 times to 0.6 times as at 31 December 2020.

(b) **Improving the Financial Performance of the Company**

The Proposed Shareholder Loan Conversion is expected to have an overall positive effect to the financial position of the Group.

Based on the pro forma financial effects of the Proposed Transactions as set out in Paragraph 7 of this Circular, the indicative fair value of the Perpetual Securities is S\$77.3

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million¹, which represents a discount of 59.2% to the fair value of the Existing Shareholder Loans of S\$189.6 million. As a result, there will be a one-off indicative gain of S\$112.3 million to be recognised in the statement of comprehensive income of the Group upon issuance of the Perpetual Securities.

With the Existing Shareholder Loans being extinguished as a result of the Proposed Shareholder Loan Conversion, the Company would be relieved from having to pay an interest of approximately S\$6.6 million per year on the Existing Shareholder Loans.

Further, any distribution on the Perpetual Securities is at the sole discretion of the Company in accordance with the Conditions taking into consideration all relevant factors, including, *inter alia*, the market conditions, the level of cash, the solvency position and the funding needs of the Group and will not be charged as expense in the statement of comprehensive income of the Group.

Accordingly, the Proposed Shareholder Loan Conversion would improve the Company's financial position as it significantly reduces the Company's financing costs and therefore its operating expenses.

(c) **Other Advantages to the Company and its Shareholders**

Redemption of the Perpetual Securities is at the sole discretion of the Company with no fixed maturity date. In addition, there is a period of about five and a half years after the issuance of the Perpetual Securities (being the period up to 30 August 2026) before any conversion or redemption right arises, which allows the Company to focus in growing its businesses under its three-pronged growth strategy without distractions of seeking funding for redemption of the Perpetual Securities and/or diluting existing shareholder value from the conversion of the Perpetual Securities.

Under the terms of the Conditions, the Company may only elect to pay distribution on the Perpetual Securities for the financial year ended 31 December 2021 to 31 December 2025 if the Company pays at least the same amount of ordinary dividends to its Shareholders in absolute dollar terms.

The Conversion Price of the Perpetual Securities is at a premium of 125.1% over the NTA per Share of the Company as at 31 December 2020 and 79.5% over the closing share price of the Company as at the Latest Practicable Date.

The Proposed Transactions can only take place with OUE agreeing to them and ITOCHU Corporation supporting them at the upcoming EGM to approve the Proposed Transactions. As a strong demonstration of its confidence in the Company, OUE has agreed to execute the Conversion Agreement and as a strong testament of the merits of the Proposed Transactions, ITOCHU Corporation (through BHPL) has provided the BHPL Undertaking to the Company to vote in favour of the Proposed Transactions at the upcoming EGM (further details of which are set out in Paragraph 6 of this Circular)."

¹ The indicative fair value of the Perpetual Securities was arrived at based on a valuation model which took into account, among others, the present value of future distributions and fair value of the Conversion Shares assuming full conversion as well as the volatilities in the share price and market conditions.

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4.2 Financial Performance and Position of the Group

Financial performance

A summary of the selected items of the consolidated financial statements of the Group for the financial years ended 31 December 2018 (“**FY2018**”) and 31 December 2019 (“**FY2019**”) and 31 December 2020 (“**FY2020**”), is set out below.

(S\$'000)	FY2018 (Audited)	FY2019 (Audited)	FY2020 (Unaudited)
Revenue	19,563	19,649	19,980
Profit/(Loss) before tax	(7,540)	5,754	(102,065)
Net profit/(loss) from continuing operations	(8,786)	3,238	(99,192)

FY2018 vs FY2019

The Group's revenue for FY2019 remained stable at S\$19.6 million due to the steady leasing income from the Group's 12 nursing homes in Japan and the pharmaceutical business in China.

Other income increased by S\$10.9 million, from approximately S\$56,000 in FY2018 to S\$10.9 million in FY2019, mainly due to a reversal of provisions for legal and related expenses .

Administrative expenses of the Group increased by approximately 8.1% or S\$1.4 million, from S\$16.4 million in FY2018 to S\$17.8 million in FY2019, mainly due to higher litigation costs incurred.

The Group's net finance costs decreased by approximately 14.7% or S\$1.6 million, from S\$10.8 million in FY2018 to S\$9.2 million in FY2019, mainly due to the repayment of a high interest loan in 2018 as well as the reduction in average outstanding loan balances during the year.

The Group's share of results of the associated companies increased by 31.6% or S\$1.8 million, from S\$5.5 million in FY2018 to S\$7.3 million in FY2019, due to the inclusion of the full year's share of results for the Group's interests in First Real Estate Investment Trust (“**First REIT**”) and its manager, First REIT Management Limited (“**First REIT Management**”) (formerly known as Bowsprit Capital Corporation Limited). The acquisitions relating to First REIT and First REIT Management were completed in October 2018.

Due to the aforesaid, net profit after tax from continuing operations improved from a loss position of S\$8.8 million in FY2018 to S\$3.2 million in FY2019.

FY2019 vs FY2020

The Group's revenue for FY2020 was relatively stable compared with the previous financial year mainly due to the stable nature of the rental income arising from the 12 nursing homes in Japan.

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The Group recorded other expenses of S\$57.9 million in FY2020 as compared to other income of S\$10.9 million in FY2019, mainly due to impairment losses relating to goodwill, property, plant and equipment and investment in associate and joint ventures, and fair value losses relating to investment properties and investment properties under development.

Administrative expenses of the Group decreased by approximately 13.0% or S\$2.3 million, from S\$17.8 million in FY2019 to S\$15.5 million in FY2020, mainly due to stringent cost management during the Coronavirus Disease 2019 pandemic and lower travelling expenses for the year.

The Group's net finance costs decreased by approximately 3.9% or S\$0.4 million, from S\$9.2 million in FY2019 to S\$8.8 million in FY2020, mainly due to higher foreign exchange gains for FY2020, which was partly offset by higher interest costs incurred.

The Group's share of results of equity-accounted investees (net of tax) was a net loss of S\$35.0 million in FY2020 as compared to a net profit of S\$7.3 million in FY2019. The net loss was, mainly due to the share of net fair value losses in respect of the Group's investment in FIRST REIT and four months of rental relief provided to certain lessees by FIRST REIT.

Due to the aforesaid, net profit/loss after tax from continuing operations declined from a net profit position of S\$3.2 million in FY2019 to a net loss position of S\$99.2 million in FY2020.

Financial Position

(\$'000)	31 December 2018 Audited	31 December 2019 Audited	31 December 2020 Unaudited
Non-Current Assets	568,829	605,667	533,459
Current Assets	102,134	103,849	83,436
Total Assets	670,963	709,516	616,895
Non-Current Liabilities	183,480	65,054	184,600
Current Liabilities	242,134	391,360	291,058
Total Liabilities	425,614	456,414	475,658
Total Equity	245,349	253,102	141,237
Equity attributable to owners of the Company	245,270	252,798	141,237

As at 31 December 2019

The non-current assets of the Group mainly consisted of property, plant and equipment of S\$36.3 million, investment properties of S\$299.8 million, investment properties under development of S\$91.2 million and investments in associates and joint ventures S\$173.5 million. The increase in the non-current assets of S\$36.8 million, from S\$568.8 as at 31 December 2018 to S\$605.7 million as at 31 December 2019, was mainly due to the increase in investments in associates and joint ventures resulting from the acquisition of the stakes in Yoma Siloam Hospital Pun Hlaing Limited and Pun Hlaing International Hospital Limited in FY2019.

The current assets of the Group mainly consisted of trade and other receivables of S\$50.8 million and cash and cash equivalents of S\$52.7 million. The increase in current assets of the Group of

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S\$1.7 million, from 102.1 million as at 31 December 2018 to S\$103.8 million as at 31 December 2019, was mainly due to the increase in trade and other receivables resulting from an advance to a joint venture partner and loan to a joint venture, which was partially offset by a decrease in cash and cash equivalents due to cash used for business acquisitions.

The non-current liabilities of the Group mainly consisted of loans and borrowings of S\$16.6 million and deferred tax liabilities of S\$40.8 million. The Group's non-current liabilities decreased by S\$118.4 million, from S\$183.5 million as at 31 December 2018 to S\$65.1 million as at 31 December 2019, mainly due to the re-classification of the Tokutei Mokuteki Kaisha bond from non-current liability to current liability.

The current liabilities of the Group mainly consisted of loan and borrowings of S\$324.8 million, trade and other payables of S\$36.6 million and provisions of S\$29.7 million. The increase in the Group's current liabilities of S\$149.3 million, from S\$242.1 million as at 31 December 2018 to S\$391.4 million as at 31 December 2019, was mainly due to the re-classification of the Tokutei Mokuteki Kaisha bond from non-current liability to current liability.

The net current liabilities position of the Group deteriorated further, from S\$140.0 million as at 31 December 2018 to S\$287.5 million as at 31 December 2019.

As at 31 December 2020

The non-current assets of the Group mainly consisted of property, plant and equipment of S\$12.5 million, investment properties of S\$308.7 million, investment properties under development of S\$74.5 million and investments in associate and joint ventures S\$134.7 million. The decrease in the non-current assets of S\$72.2 million, from S\$605.7 million as at 31 December 2019 to S\$533.5 million as at 31 December 2020, was mainly due to the impairment of property, plant and equipment, goodwill and investment in joint venture and associates; decrease in fair value of investment properties under development and investment properties; and net share of losses for the Group's investments in associate and joint ventures.

The current assets of the Group mainly consisted of trade and other receivables of S\$14.2 million and cash and cash equivalents of S\$69.0 million. The decrease in current assets of the Group of S\$20.4 million, from S\$103.8 million as at 31 December 2019 to S\$83.4 million as at 31 December 2020, was mainly due to the decrease in trade and other receivables from the cash receipts in relation to the Crest litigations, refund of deposit relating to the enforcement of an arbitration award and lower trade receivables in relation to the pharmaceutical distribution business.

The non-current liabilities of the Group mainly consisted of loans and borrowings of S\$137.0 million and deferred tax liabilities of S\$39.2 million. The Group's non-current liabilities increased by S\$119.5 million, from S\$65.1 million as at 31 December 2019 to S\$184.6 million as at 31 December 2020, mainly due to the re-classification of the Tokutei Mokuteki Kaisha bond from current liability to non-current liability as a result of successful refinancing of the aforementioned bond in May 2020.

The current liabilities of the Group mainly consisted of loan and borrowings of S\$218.7 million, trade and other payables of S\$38.8 million and provisions of S\$33.2 million. The decrease in the Group's current liabilities of S\$100.3 million, from S\$391.4 million as at 31 December 2019 to S\$291.1 million as at 31 December 2020, was mainly due the re-classification of the Tokutei Mokuteki Kaisha bond from current liability to non-current liability following the refinancing in May 2020, and utilisation of provision relating to legal and related expenses during the year.

The net current liabilities position of the Group marginally improved from S\$287.5 million as at 31 December 2019 to S\$207.6 million as at 31 December 2020.

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4.3 Comparison of the Perpetual Securities with the Existing Shareholder Loans

We highlight the following key comparison of the Perpetual Securities with the Existing Shareholder Loans:

- (a) The Perpetual Securities holders are entitled to receive distributions at a rate of 4.0% per annum (the “**Perpetual Securities Distribution**”). The Perpetual Securities Distribution rate is the same as the interest rate of the Existing Shareholders Loans.
- (b) The Perpetual Securities Distribution is at the sole discretion of the Company. The Company may elect to pay a distribution (or to pay only part of a distribution) that is scheduled to be paid on a Distribution Payment Date, taking into consideration, *inter alia*, the market conditions, the level of cash, the solvency position and the funding needs of the Group. Any non-payment of the Perpetual Securities Distribution is non-cumulative and will not accrue interest. There is no limit on the number of times or the extent of the amount with respect to which the Company may elect not to pay distributions. On the other hand, the Company has firm obligations to accrue and pay interests on the Existing Shareholder Loans regardless of its financial position or funding needs.

On any Distribution Payment Date on or prior to 31 May 2026, the Company shall not make any distribution in favour of the Perpetual Securities holders on any Distribution Payment Date if the Company has not paid or declared dividends in respect of its ordinary shares in respect of the most recent financial year ending immediately prior to such Distribution Payment Date, in an aggregate amount at least equal to the amount of distribution proposed.

- (c) The Perpetual Securities will be perpetual bonds with no fixed redemption date. The Perpetual Securities will be redeemable at the discretion of the Company at any time, in whole or in part, on or after 31 August 2026. On the other hand, the Existing Shareholder Loans are repayable on demand.
- (d) The Perpetual Securities will constitute unsecured obligations of the Company, whilst part of the Existing Shareholder Loans (amounting to approximately S\$125.1 million) is secured against certain assets of the Group.

We note that the restructuring of the Existing Shareholder Loans to Perpetual Securities will allow the Company to re-classify the Existing Shareholder Loans from current liability to equity and remove the uncertainties over the going concern assumption of the Company. The Proposed Shareholder Loan Conversion will put the Company in a much stronger financial position to tap on the capital markets to fund future growth opportunities, given that the encumbrances over the assets of the Company from the Existing Shareholder Loans will be removed and the gearing ratio will also improve.

The Proposed Subscriber may convert all or part of the Perpetual Securities into Conversion Shares any time after 31 August 2026, at a Conversion Price of S\$0.070 per Conversion Share. Please refer to Section 4.5 of this IFA Letter for our assessment of the Conversion Price.

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4.4 Assessment of the financial terms of the Perpetual Securities

4.4.1 Comparison with SGX-listed comparable financial instruments issued by companies in the healthcare sector

We have compiled the following statistics in respect of selected SGX-listed financial instruments which are generally comparable to the Perpetual Securities, issued by companies in the healthcare sector (“**Healthcare Comparable Financial Instruments**”). We wish to highlight that the list of Healthcare Comparable Financial Instruments may not be exhaustive, and we recognise that there is no Healthcare Comparable Financial Instruments which can be considered identical to the Perpetual Securities.

The terms of the Healthcare Comparable Financial Instruments are also influenced by the time of issue, the issuer’s market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, future prospects and other relevant criteria of the issuer. In addition, the Perpetual Securities will not be listed while the Healthcare Comparable Financial Instruments are publicly-listed and their market prices may be inflated or depressed due to market speculation, market pressures and/or trading activities. Therefore, the below comparisons are necessarily limited and are intended to serve only as an illustrative guide.

Issuer Name	Features	Issue Date	Amount Issued (S\$' millions)	Distribution Rate per annum (%)	Yield to Maturity as at Latest Practicable Date (%)	Tenor (Years)	Period between First Call Date and Issue Date (Months)	Conversion Premium/ (Discount) as at Latest Practicable Date ⁽¹⁾ (%)
Glenmark Pharmaceuticals Ltd	Convertible	28 June 2016	271	2.000	9.22	6.0	N.A ⁽²⁾	73.59
Fullerton Healthcare Corporation Ltd	Callable	7 July 2016	50	2.750	2.03	7.0	36	N.A ⁽²⁾
Fullerton Healthcare Corporation Ltd	Callable	7 July 2016	50	2.450	0.88	5.0	36	N.A ⁽²⁾
Jubilant Pharma Ltd	Callable	6 October 2016	412	4.875	3.79	5.0	36	N.A ⁽²⁾
Takeda Pharmaceutical Co Ltd	Callable	18 July 2017	683	2.450	0.26	4.5	N.A ⁽²⁾	N.A ⁽²⁾
Parkway Pantai Ltd	Perpetual and Callable	27 July 2017	679	4.250	4.91	N.A ⁽²⁾	60	N.A ⁽²⁾
Jubilant Pharma Ltd	Callable	5 March 2019	271	6.000	3.92	5.0	36	N.A ⁽²⁾

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Issuer Name	Features	Issue Date	Amount Issued (\$' millions)	Distribution Rate per annum (%)	Yield to Maturity as at Latest Practicable Date (%)	Tenor (Years)	Period between First Call Date and Issue Date (Months)	Conversion Premium/ (Discount) as at Latest Practicable Date ⁽¹⁾ (%)
Thomson Medical Group Ltd	Not Convertible, Perpetual or Callable	18 July 2019	225	4.800	3.31	3.0	N.A ⁽²⁾	N.A ⁽²⁾
Thomson Medical Group Ltd	Not Convertible, Perpetual or Callable	28 January 2020	175	4.050	3.88	5.0	N.A ⁽²⁾	N.A ⁽²⁾
Sosei Group Corporation	Convertible and Callable	16 July 2020	208	0.500	(3.24)	5.0	36 ⁽³⁾	(7.23)
			Max	6.000	9.22	7.0	60	n.m ⁽⁴⁾
			Average	3.410	2.90	5.1	40	n.m ⁽⁴⁾
			Median	3.400	3.55	5.0	36	n.m ⁽⁴⁾
			Min	0.500	(3.24)	3.0	36	n.m ⁽⁴⁾
The Perpetual Securities	Perpetual, Callable and Convertible		190	4.000⁽⁵⁾	N.A⁽²⁾	N.A⁽²⁾	66	78.12

Source: Bloomberg L.P. and respective financial instruments' prospectus.

Notes:

- (1) Conversion Premium is calculated by using the conversion price against the volume weighted average price ("VWAP") of the underlying security as at the Latest Practicable Date.
- (2) "N.A" denotes Not Applicable.
- (3) The redemption of the relevant financial instrument is subject to certain conditions.
- (4) "m.m" denotes not meaningful.
- (5) The Perpetual Securities Distribution is at the discretion of the Company.

Based on the above, we note the following:

- (a) the distribution rate of the Perpetual Securities is within the range but above the average and the median of the distribution rate of the Healthcare Comparable Financial Instruments;

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- (b) the distribution rate of the Perpetual Securities is within the range but above the average and the median of the yield to maturity as at the Latest Practicable Date of the Healthcare Comparable Financial Instruments;
- (c) the period between the issue date and first call date of the Perpetual Securities is above the range of the Healthcare Comparable Financial Instruments; and
- (d) the conversion premium of the Perpetual Securities is higher than the conversion premium/(discount) as at the Latest Practicable Date of the convertible securities issued by Glenmark Pharmaceuticals Ltd and Sosei Group Corporation.

Notwithstanding the above, we wish to highlight that the Perpetual Securities Distribution (including the distribution rate) is at the sole discretion of the Company, taking into consideration, *inter alia*, the market conditions, the level of cash, the solvency position and the funding needs of the Group. Any non-payment of the Perpetual Securities Distribution is non-cumulative and will not accrue interest. There is no limit on the number of times or the extent of the amount with respect to which the Company may elect not to pay distributions.

4.4.2 Comparison with recent SGX-listed comparable financial instruments

We have also compiled the following statistics in respect of recent SGX-listed convertible financial instruments (“**Recent Convertible Financial Instruments**”). We wish to highlight that the list of Recent Convertible Financial Instruments may not be exhaustive, and we recognise that there is no Recent Convertible Financial Instruments which can be considered identical to the Perpetual Securities.

The terms of the Recent Convertible Financial Instruments are also influenced by the time of issue, the issuer’s market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, future prospects and other relevant criteria of the issuer. In addition, the Perpetual Securities will not be listed while the Recent Convertible Financial Instruments are publicly-listed and their market prices may be inflated or depressed due to market speculation, market pressures and/or trading activities. Therefore, the below comparisons are necessarily limited and are intended to serve only as an illustrative guide.

Issuer Name	Issue Date	Amount Issued (\$’ millions)	Distribution Rate per annum (%)	Yield to Maturity as at Latest Practicable Date (%)	Tenor (Years)	Conversion Premium/(Discount) as at Latest Practicable Date ⁽¹⁾ (%)
Sure First Ltd	16 January 2020	202	2.000	(8.29)	5.0	(26.02)
CP Foods Capital Ltd	18 June 2020	384	0.500	2.28	5.0	35.44
Sosei Group Corporation	16 July 2020	208	0.500	(3.24)	5.0	(7.23)
ESR Cayman Ltd	30 September 2020	478	1.500	(1.42)	5.0	11.29

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Issuer Name	Issue Date	Amount Issued (S\$' millions)	Distribution Rate per annum (%)	Yield to Maturity as at Latest Practicable Date (%)	Tenor (Years)	Conversion Premium/(Discount) as at Latest Practicable Date ⁽¹⁾ (%)
Dreambeyond Holdings Ltd	16 October 2020	136	3.125	(0.67)	5.0	(1.96)
Flight Centre Travel Group Ltd	17 November 2020	392	2.500	1.40	7.0	39.55
China Hongqiao Group Ltd	25 January 2021	398	5.250	(1.55)	5.0	(9.08)
Washington H Soul Pattinson & Co Ltd	29 January 2021	229	0.625	0.46	5.0	18.89
		Max	5.250	2.28	7.0	39.55
		Average	2.000	(1.38)	5.3	7.61
		Median	1.750	(1.05)	5.0	4.66
		Min	0.500	(8.29)	5.0	(26.02)
The Perpetual Securities		190	4.000⁽²⁾	N.A⁽³⁾	N.A⁽³⁾	78.12

Source: Bloomberg L.P. and respective financial instruments' prospectus.

Notes:

- (1) Conversion Premium is calculated by using the conversion price against the VWAP of the underlying security as at Latest Practicable Date.
- (2) The Perpetual Securities Distribution is at the discretion of the Company.
- (3) "N.A" denotes Not Applicable

Based on the above, we note the following:

- (a) the distribution rate of the Perpetual Securities is within the range but above the average and the median distribution rate of the Recent Convertible Financial Instruments;
- (b) the distribution rate of the Perpetual Securities is above the range of the yield to maturity as at the Latest Practicable Date of the Recent Convertible Financial Instruments; and
- (c) the conversion premium of the Perpetual Securities is above the range of the conversion premium/(discount) as at the Latest Practicable Date of the Recent Convertible Financial Instruments.

Notwithstanding the above, we wish to highlight that the Perpetual Securities Distribution (including the distribution rate) is at the sole discretion of the Company, taking into consideration, *inter alia*, the market conditions, the level of cash, the solvency position and the funding needs of

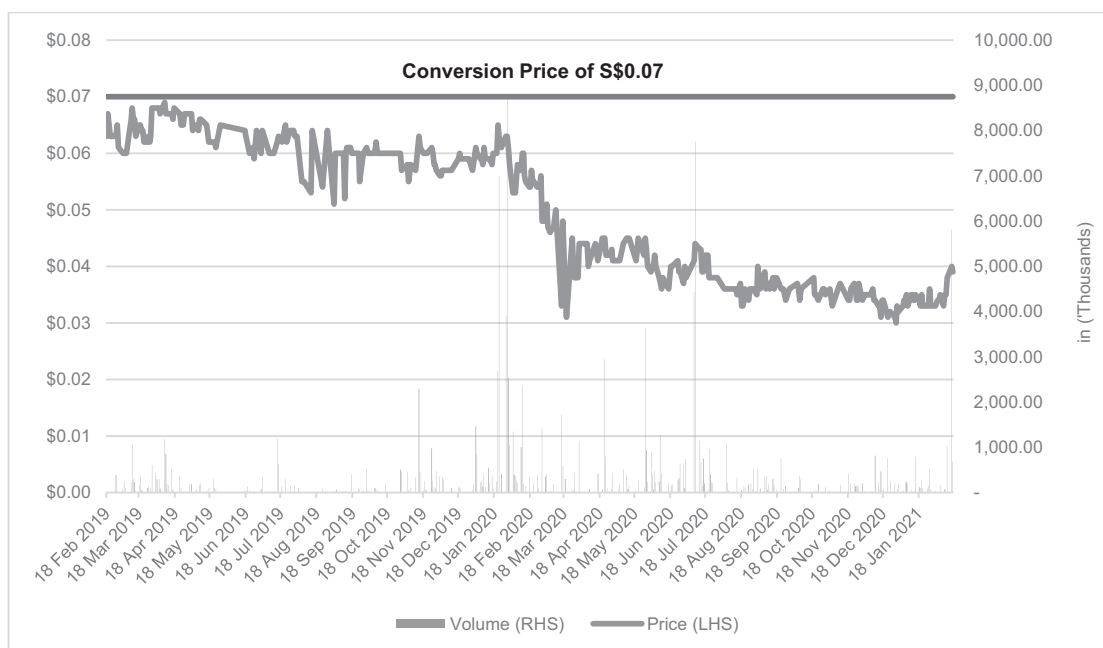
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the Group. Any non-payment of the Perpetual Securities Distribution is non-cumulative and will not accrue interest. There is no limit on the number of times or the extent of the amount with respect to which the Company may elect not to pay distributions.

4.5 Assessment of the Conversion Price

4.5.1 Comparison with the Company's historical share price performance

We set out below the share price and liquidity statistics of the Company for the two years preceding the Latest Practicable Date, being the period from 17 February 2019 to 16 February 2021 ("Period Under Review").



Period prior and up to Latest Practicable Date	Highest Traded Price (S\$)	Lowest Traded Price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium of Conversion Price over VWAP (%)	Average daily trading volume ⁽²⁾	Average daily trading volume as a percentage of free float ⁽³⁾ (%)
Latest Practicable Date	0.040	0.039	0.039	78	683,900	0.15
Last 1 month	0.042	0.033	0.039	81	515,578	0.11
Last 3 months	0.042	0.030	0.037	91	286,275	0.06
Last 6 months	0.040	0.030	0.037	91	226,965	0.05
Last 12 months	0.058	0.030	0.041	72	363,097	0.08
Last 24 months	0.069	0.030	0.051	37	371,579	0.08

Source: Bloomberg L.P.

Notes:

(1) VWAP of the Shares over the relevant period is calculated based on the total value traded over the total volume of Shares traded over the relevant periods.

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(2) The average daily trading volume of the Shares is computed based on the total volume of Shares traded during the relevant periods, divided by the number of days that the Shares were traded during that relevant period.

(3) Free float refers to 458,400,206 Shares available to the public as at the Latest Practicable Date.

We observed the following:-

- (a) the Conversion Price represents a premium of 78%, 81%, 91%, 91%, 72% and 37% over the VWAP of the Shares as at the Latest Practicable Date, and for the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to the Latest Practicable Date, respectively; and
- (b) during the Period Under Review, the Shares were traded on 349 market days or 69.5% of the total market days available for trading. The total number of Shares traded during the Period Under Review was approximately 130 million Shares with an average trading volume of 0.37 million Shares, representing 0.08% of the free float.

We wish to highlight that the market valuation of shares of a company traded on a securities exchange may be affected by, *inter alia*, the corporate activities of the company, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given point in time.

4.5.2 Net Asset Value and Net Tangible Asset of the Group

Based on the latest announced unaudited financial statements of the Group as at 31 December 2020, the net asset value (“NAV”) of the Group amounted to approximately S\$141.2 million or S\$0.0318 per Share. As the Group had intangible assets amounting to approximately S\$3.0 million, the net tangible assets (“NTA”) of the Group was approximately S\$138.2 million or S\$0.0311 per Share.

The Conversion Price represents a premium of approximately 120.1% over the NAV per share and 125.1% over the NTA per share of the Group as at 31 December 2020.

The Directors have confirmed that, as at the Latest Practicable Date, and to the best of their knowledge and belief:

- (a) there are no assets and/or liabilities which values would be materially different from those recorded in the unaudited statement of financial position of the Group as at 31 December 2020;
- (b) there are no contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV or NTA of the Group;
- (c) there are no litigation, claim or proceeding pending or threatened against the Group or any fact likely to give rise to any proceeding which might materially and adversely impact the financial position of the Group; and
- (d) there are no material disposals or acquisitions of assets by the Group since 31 December 2020 and up to the Latest Practicable Date, which would have a material impact on the NAV or NTA of the Group.

4.5.3 Comparison with selected listed companies in the healthcare sector

For the purpose of assessing the Conversion Price, we have referred to the current valuation statistics of selected listed companies which are broadly comparable to the Group, being

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companies which are engaged in the businesses of owning and/or operating hospitals or nursing homes (“**Comparable Companies**”). For Comparable Companies which are listed on exchanges other than the SGX-ST, we have limited our selection to those which operations are mainly domiciled in Japan and China, so as to be more comparable with the geographical segments of the Group. We have had discussions with the Management about the suitability of the Comparable Companies acting as a basis of comparison with the Group. We recognise that there is no listed company which can be considered to be identical to the Group in terms of, *inter alia*, composition of business activities, scale of business operations, asset base, track record, geographical markets, market capitalisation, future prospects, risk profile, accounting policies, financial position and other relevant criteria. Furthermore, some of these Comparable Companies are listed on foreign exchanges where there may be significant differences between valuations that investors may accord to companies listed on the SGX-ST *vis-à-vis* other exchanges, and such cross border valuation statistics are also subject to differing macroeconomic variables. Therefore, any comparisons made are necessarily limited and are intended to serve only as an illustrative guide.

We set out in the table below the Comparable Companies, together with a brief description of their business activities:

Comparable Company	Financial year-end	Stock Exchange	Market Capitalisation as at the Latest Practicable Date (S\$ million)	Business activities
Care Twentyone Corporation	31 October	Japan	146.6	Care Twentyone Corporation provides nursing care services for elderly. The company provides its services on a dispatch care basis. The company also leases and sells nursing equipment and adult diapers as well as operates a nursing home for the elderly.
Cedar Co Ltd.	31 March	Japan	52.1	Cedar. Co., Ltd. is a nursing-service provider, and it mainly provides day care services for elderly in Fukuoka, Yamaguchi, and Chiba prefectures. Its nursing-services include home care and helper services at clients' home. The company also operates nursing home for elderly and group home for ones with Alzheimer's disease.
China Resources Medical Holdings Company Ltd.	31 December	Hong Kong	1,656.5	China Resources Medical Holdings Company Ltd. operates hospitals and clinics. The company offers clinical treatment, healthcare management, public sanitary, and other medical health services. The company also operates supply chain management, financing, real estate development, consumption, and other businesses.
Guangdong Kanghua	31 December	Hong Kong	197.6	Guangdong Kanghua Healthcare Co., Ltd. owns and operates hospitals. The

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Comparable Company	Financial year-end	Stock Exchange	Market Capitalisation as at the Latest Practicable Date (S\$' million)	Business activities
Healthcare Co., Ltd.				company offers healthcare, cardiovascular related, and medical services. The company serves patients in China.
Harmonicare Medical Holdings Ltd.	31 December	Hong Kong	264.9	Harmonicare Medical Holdings Ltd. is a private obstetrics and gynecology specialty hospital group in China. The company's departments include ultrasound, radiology, laboratory and pharmacy. The company also offers dental care and medical aesthetic services.
Hikari Heights-Varus Co Ltd.	31 March	Japan	21.2	Hikari Heights-Varus Co., Ltd. operates nursing homes for the elderly. The company provides rooms for healthy elderly as well as ones requiring assisted living.
Honliv Healthcare Management Group Company Ltd	31 December	Hong Kong	195.2	Honliv Healthcare Management Group Company Ltd operates private general hospitals. The company provides medical, teaching, scientific researching, preventive health care, and other related services. The company offers services in China.
IHH Healthcare Bhd	31 December	Singapore	14,570.2	IHH Healthcare Bhd provides healthcare services. The company operates hospitals as well as medical centers, clinics and ancillary healthcare businesses across multiple countries, including Singapore, Malaysia, Turkey, The Peoples Republic of China, India, Hong Kong, Vietnam, Macedonia and Brunei.
Raffles Medical Group Ltd.	31 December	Singapore	1,864.5	Raffles Medical Group Ltd. is a health care provider. The company operates medical clinics, imaging centers, and medical laboratories. The company provides general and specialised medical, medical evacuation, medical advisory, and dental treatment services.
Rici Healthcare Holdings Ltd.	31 December	Hong Kong	231.5	Rici Healthcare Holdings Ltd. operates private integrate health care hospitals. The company provides high-end medicare, specialised hospital, physical examination, medical products supply,

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Comparable Company	Financial year-end	Stock Exchange	Market Capitalisation as at the Latest Practicable Date (S\$' million)	Business activities
				and other related services throughout China.
Thomson Medical Group Ltd.	31 December	Singapore	2,379.7	Thomson Medical Group Ltd. owns and operates health care center. The company provides wide range of health care facilities for women and children. The company serves patients in Singapore and Malaysia.
Tsukui Holdings Corporation	31 March	Japan	839.4	Tsukui Holdings Corporation operates as a holding company. The company, through its subsidiaries, provides residential nursing and home care services, as well as offers employment placement and worker dispatching business specialising in nursing care and medical care, an online store for assistive goods and a leasing business. The company serves customers and patients in Japan.
Unimat Retirement Community Co., Ltd.	31 March	Japan	151.5	Unimat Retirement Community Co., Ltd. mainly provides nursing care services to elderly. The company also operate real estate business along with sales of private brand products and publications for senior citizens.
Wenzhou Kangning Hospital Co., Ltd.	31 December	Hong Kong	339.2	Wenzhou Kangning Hospital Co., Ltd. is a psychiatric health-care group. The company operate and manage health-care facilities and hospitals throughout China.

Source: Bloomberg L.P.

In our evaluation, we have considered the following valuation ratios:

Valuation Measure	Description
Price-to-Earnings ("P/E")	<p>P/E multiple or earnings multiple is an earnings-based valuation measure, and is the ratio of a company's market capitalisation divided by the trailing 12-month earnings attributable to shareholders.</p> <p>The P/E ratio is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and amortisation.</p>
Enterprise Value-to-Earnings before Interests,	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debts

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Valuation Measure	Description
Taxes, Depreciation and Amortisation (“ EV/EBITDA ”)	<p>(inclusive of finance lease liabilities, and loans from shareholders) less the cash and cash equivalents.</p> <p>EBITDA is the earnings before interest, tax, depreciation and amortisation. The EV/EBITDA ratio illustrates the ratio of the market value of a company’s business relative to its trailing 12-month pre-tax consolidated operating cash flow performance, without regard to its capital structure as well as its interest, taxation, depreciation and amortisation charges.</p>
Price-to-NAV (“ P/NAV ”)	<p>P/NAV multiple is an asset-based valuation measure, and is the ratio of a company’s share price divided by NAV per share as recorded in its financial statements.</p> <p>The NAV of a company is defined as its total assets (including intangible assets) less its total liabilities.</p> <p>The NAV figure provides an estimate of the value of a company assuming the hypothetical sale of all its assets at its book value, the proceeds of which are first used to settle liabilities and obligations, with the balance available for distribution to shareholders. Comparisons of companies using their NAVs are affected by differences in accounting policies, in particular, depreciation and amortisation policies 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.</p>
Price-to-NTA (“ P/NTA ”)	<p>The P/NTA ratio is the ratio of the relevant prices of the shares to the net tangible asset value of the relevant companies. It is an asset-based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its asset backing as measured in terms of its NTA value.</p> <p>The NTA of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders. The NTA-based approach is widely used for valuing the shares of property-based companies as their tangible asset backings are perceived as providing support for the value of their shares.</p>

The valuation ratios of the Comparable Companies set out below are based on their respective market capitalisations after the close of market as at the Latest Practicable Date.

Comparable Companies	P/E (times)	EV/EBITDA (times)	P/NAV (times)	P/NTA (times)
Care Twentyone Corporation	14.98	11.92	2.07	2.16
Cedar Co Ltd.	7.99	10.74	2.60	2.72
China Resources Medical Holdings Company Ltd.	24.34	13.16	1.37	2.69
Guangdong Kanghua Healthcare Co., Ltd.	n.m ⁽¹⁾	20.07	0.77	0.80
Harmonicare Medical Holdings Ltd.	n.m ⁽¹⁾	n.m ⁽¹⁾	8.02 ⁽²⁾	14.76 ⁽²⁾

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Comparable Companies	P/E (times)	EV/EBITDA (times)	P/NAV (times)	P/NTA (times)
Hikari Heights-Varus Co Ltd.	19.58	n.m ⁽¹⁾	0.43	0.44
Honliv Healthcare Management Group Company Ltd	n.m ⁽¹⁾	12.35	3.79	3.79
IHH Healthcare Bhd	n.m ⁽¹⁾	21.57	2.08	6.09
Raffles Medical Group Ltd.	36.89	19.46	2.12	2.21
Rici Healthcare Holdings Ltd.	n.m ⁽¹⁾	13.30	2.29	2.34
Thomson Medical Group Ltd.	n.m ⁽¹⁾	259.46 ⁽³⁾	4.98	n.m ⁽¹⁾
Tsukui Holdings Corporation	34.02	13.07	2.59	2.85
Unimat Retirement Community Co., Ltd.	n.m ⁽¹⁾	7.03	0.73	0.84
Wenzhou Kangning Hospital Co., Ltd.	38.70	14.52	1.41	1.68
Max	38.70	21.57	4.98	6.09
Average	25.21	14.29	2.09	2.38
Median	24.34	13.16	2.08	2.28
Min	7.99	7.03	0.43	0.44
The Company (Implied by the Conversion Price)	n.m ⁽¹⁾	n.m ⁽¹⁾	2.20	2.25

Source: Bloomberg L.P.

Notes:

- (1) "n.m" denotes non-meaningful as the trailing 12-month earnings, EBITDA or NTA are negative figures
- (2) The P/NAV and P/NTA ratios of Harmonicare Medical Holdings Ltd. were excluded from the above computations and comparison as we consider the ratios to be outliers.
- (3) The EV/EBITDA ratio of Thomson Medical Group Ltd was excluded from the above computations and comparison as we consider the ratio to be an outlier.

Based on the above, we note that:

- (a) the P/NAV ratio of 2.20 times, as implied by the Conversion Price, is within the range and above the average and median P/NAV ratios of the Comparable Companies.
- (b) the P/NTA ratio of 2.25 times, as implied by the Conversion Price, is within the range but below the average and median P/NTA ratios of the Comparable Companies.

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4.5.4 Comparison with the last Shares issuance by the Company

On 23 October 2018, the Company allotted and issued 2,221,654,603 new Shares (“**Rights Shares**”) pursuant to a rights issue exercise. The issue price of each Rights Shares was S\$0.0675 (“**Rights Issue Price**”), on the basis of one (1) Rights Share for every one (1) existing Share.

For the purpose of illustration, the Conversion Price represents a premium of 3.7% over the Rights Issue Price.

4.6 The financial effects of the Proposed Transactions

The pro forma financial effects of the Proposed Transactions are set out in Section 7 of the Circular. The financial effects shown are purely for illustrative purposes only and should not be taken as indication of the actual future financial performance or position of the Group following the Proposed Transactions nor a projection of the future financial performance or position of the Group after completion of the Proposed Transactions. Shareholders are advised to read the information set out in Section 7 of the Circular carefully, including the assumptions set out therein.

Accordingly, we have extracted and summarised the salient points of the pro forma financial effects of the Proposed Transactions below:

Share Capital

Based on the Group’s audited consolidated financial statements for FY2019 and latest announced unaudited consolidated financial statements for FY2020, the issued and paid up share capital of the Group will (i) remain the same at S\$419 million after the completion of the Proposed Shareholder Loan Conversion; and (ii) increase to approximately S\$609 million after the completion of the Proposed Transactions (assuming full issuance of the Conversion Shares).

NTA per Share

Based on the Group’s audited consolidated financial statements for FY2019, the NTA per share of the Group will increase from 5.59 Singapore cents to (i) 9.85 Singapore cents after the completion of the Proposed Shareholder Loan Conversion; and (ii) 6.12 Singapore cents after the completion of the Proposed Transactions (assuming full issuance of the Conversion Shares).

Based on the Group’s latest announced unaudited consolidated financial statements for FY2020, the NTA per share of the Group will increase from 3.11 Singapore cents to (i) 7.38 Singapore cents after the completion of the Proposed Shareholder Loan Conversion; and (ii) 4.58 Singapore cents after the completion of the Proposed Transactions (assuming full issuance of the Conversion Shares).

EPS

Based on the Group’s audited consolidated financial statements for FY2019, the EPS of the Group will increase from 0.08 Singapore cents to (i) 2.75 Singapore cents after the completion of the Proposed Shareholder Loan Conversion; and (ii) 1.71 Singapore cents after the completion of the Proposed Transactions (assuming full issuance of the Conversion Shares).

Based on the Group’s latest announced unaudited consolidated financial statements for FY2020, the Group will turn from a Loss Per Share of 2.22 Singapore cents to (i) an EPS of 0.45 Singapore cents after the completion of the Proposed Shareholder Loan Conversion; and (ii) an EPS of 0.28

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Singapore cents after the completion of the Proposed Transactions (assuming full issuance of the Conversion Shares).

Shareholders may wish to note that the financial effects on the pro forma profit after tax attributable to Shareholders is computed based on: (i) the annual interest saving of S\$6.6 million; and (ii) the one-off indicative gain of S\$112.3 million arising from the extinguishment of financial liabilities with equity instruments in accordance with SFRS (I) INT 19 (Extinguishing Financial Liabilities with Equity Instruments), as a result of the Proposed Shareholder Loan Conversion. This gain is indicative only and has been computed based on the closing share price of the Company as at the Latest Practicable Date. The actual gain recognised may be lower or higher than S\$112.3 million subject to, *inter alia*, the share price as at the date of the issuance of the Perpetual Securities. Accordingly, the actual profit or loss after tax attributable to Shareholders will only be determined as at the date of issuance of the Perpetual Securities.

Net Gearing

Based on the Group's audited consolidated financial statements for FY2019, the net gearing ratio of the Group will improve from 1.14 times to 0.28 time respectively after the completion of the Proposed Shareholder Loan Conversion and the Proposed Transactions (assuming full issuance of the Conversion Shares).

Based on the Group's unaudited consolidated financial statements for FY2020, the net gearing ratio of the Group will improve from 2.03 times to 0.37 time respectively after the completion of the Proposed Shareholder Loan Conversion and the Proposed Transactions (assuming full issuance of the Conversion Shares).

4.7 Other Relevant Considerations

4.7.1 Refinancing Alternatives

We understand that Management had considered and concluded that there were no other viable refinancing alternatives available to the Group which were more favourable compared with the Proposed Shareholder Loan Conversion, in view of the Group's (i) weak financial position, (ii) high gearing ratio and (iii) limited bankable assets available as collateral. Furthermore, refinancing of the Existing Shareholder Loans through bank loans or other debt instruments would not improve the Group's financial position.

4.7.2 Irrevocable Undertaking

Brownly Healthcare Pte. Ltd., the legal and beneficial owner of approximately 25.32% of the total number of issued Shares as at the Latest Practicable Date, has on 23 February 2021 given undertakings (the "**BHPL Undertaking**") to the Company that, *inter alia*, it will vote or procure the voting of its Shares in favour of the resolutions to approve the Proposed Transactions and all other matters in connection therewith at the EGM, 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.

4.7.3 Inter-conditionality of the Resolutions

Shareholders should note that the resolutions relating to the Proposed Shareholder Loan Conversion and the Proposed Conversion Share Issuance are inter-conditional, such that if any of the resolutions is not approved, the other resolutions will not be passed.

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4.7.4 Dilution Impact

For illustrative purposes, assuming full conversion of the Perpetual Securities on or after 31 August 2026, the number of issued Shares will increase from 4,443,129,206 as at the Latest Practicable Date to 7,151,810,634 Shares. The aggregate shareholdings held by the Proposed Subscriber will then increase from approximately 64.36% to 77.86%.

4.7.5 Listing Status of the Company

As at the Latest Practicable Date, approximately 10.32% of the Shares were held in the hands of the public. Upon conversion and issuance of all of the Conversion Shares, the total number of Shares held by public might drop below 10% of the total Shares. For illustrative purposes, assuming the full conversion of all of the Perpetual Securities, the aggregate Shares held by the public may decrease from the existing 10.32% as at the Latest Practicable Date to approximately 6.41% of the enlarged number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) of 7,151,810,634 Shares. In the event that the Company does not meet the requirement of having at least 10% of its total number of Shares (excluding preference shares, convertible equity securities and treasury shares) held by public (“**Free Float Requirement**”) and the SGX-ST suspends trading in the Shares, the Company intends to take such steps which are necessary to restore the free float of the Company in order to maintain the listing status of the Company. However, the Company reserves its right to re-evaluate its position, taking into account, amongst other things, the prevailing market conditions at the relevant time. Accordingly, there is no assurance that the Company will take steps to preserve the listing status of the Company on the SGX-ST if the Free Float Requirement is not met.

4.7.6 Dividend track record

We note that the Company has not paid any dividends since its listing on the Catalist on 8 July 2013. Based on the latest Company’s annual report, the Company has adopted a dividend policy, under which the Company’s board would consider the Group’s earnings, financial position, results of operations, capital needs, plans for expansion and any other appropriate factors before decided on the form, frequency and amount of dividends to declare.

We wish to highlight that:

For any Distribution Payment Date falling on or prior to 31 May 2026

1. The Company shall not pay any distribution on any Distribution Payment Date if in respect of the Company’s most recent financial year ending immediately prior to such Distribution Payment Date, the Company has not paid or declared dividends in respect of its ordinary shares in an aggregate amount at least equal to the amount of distribution proposed to be made on such date; and
2. If the Company has elected not to pay or to pay only part of a distribution scheduled to be made on that Distribution Payment Date, then the Company shall not declare or pay any dividends, distributions or make any other payment on any of its ordinary shares in respect of the Company’s most recently elapsed financial year that ended on or before that Distribution Payment Date other than for an amount up to but not exceeding the aforementioned distribution (if any) which has been elected to be paid.

For any Distribution Payment Date falling on or after 31 December 2026

If the Company has not elected to pay all distributions scheduled to be made on that Distribution Date and made such payment, then the Company shall not declare or pay any dividend,

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distributions or make any other payment on any of its ordinary Shares in respect of the Company's most recently elapsed financial year ended on or before that Distribution Payment Date.

5. OUR OPINION

In arriving at our opinion, we have considered the views and representations made by the Directors and the Management, and reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Transactions.

We set out below a summary of the key factors we have taken into our consideration

- (a) the rationale for the Proposed Transactions, specifically the fact that the Proposed Transactions will allow the Company to convert the Existing Shareholder Loans to equity which will remove the uncertainties over the going concern assumption of the Company and put the Company in a much stronger financial position to tap on the capital markets to fund future growth opportunities, given that the encumbrances over the assets of the Company from the Existing Shareholder Loans will be removed and the gearing ratio will improve;
- (b) the financial performance and position of the Group;
- (c) the Perpetual Securities will be perpetual bonds with no fixed redemption date;
- (d) the rate of Perpetual Securities Distribution is the same as the interest rate of the Existing Shareholder Loans. Notwithstanding so, the Perpetual Securities Distribution is at the sole discretion of the Company, taking into consideration, *inter alia*, the market conditions, the level of cash, the solvency position and the funding needs of the Group. Any non-payment of the Perpetual Securities Distribution is non-cumulative and will not accrue interest. There is also no limit on the number of times or the extent of the amount with respect to which the Company may elect not to pay distributions;
- (e) the period of approximately five and a half years for conversion of the Perpetual Securities allows the Company to focus in growing its business without distractions of seeking funding for redemption of the Perpetual Securities and/or diluting existing shareholder value from conversion of the Perpetual Securities;
- (f) assessment of the financial terms of the Perpetual Securities as set out under Section 4.4 of this IFA Letter;
- (g) the Conversion Price represents a premium of 78%, 81%, 91%, 91%, 72% and 37% over the VWAP of the Shares as at the Latest Practicable Date, and for the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to the Latest Practicable Date, respectively;
- (h) the Conversion Price represents a premium of approximately 120.1% over the NAV per share and 125.1% over the NTA per share of the Group as at 31 December 2020;
- (i) other factors of assessment of the Conversion Price as set out under Section 4.5 of this IFA Letter;
- (j) the financial effects of the Proposed Transactions as set out under Section 4.6 of this IFA Letter; and
- (k) other relevant considerations as set out under Section 4.7 of this IFA Letter.

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We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that on balance, the Proposed Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Independent Directors should note that we have arrived at our recommendation based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date, unless otherwise stated.

We would like to highlight that we do not express any opinion on the commercial merits of the Proposed Transactions, which remains the sole responsibility of the directors of the Company. It is also not within our terms of reference to provide an opinion on the relative merits of Proposed Transactions vis-à-vis any alternative transaction(s) previously considered by the Company or transaction(s) that the Company may consider in the future.

We have prepared this IFA Letter pursuant to Rules 906(1)(b) and 921(4)(a) of the Catalist Rules as well as for the use by the Independent Directors in connection with their consideration of the Proposed Transactions, but any recommendations made by the Independent Directors in respect of the Proposed Transactions shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for the purposes (other than for the consideration of the Proposed Transactions) at any time and in any manner without the prior written consent of ZICO Capital.

This opinion 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 faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Alex Tan
Chief Executive Officer

Karen Soh-Tham
Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

QUE LIPPO HEALTHCARE LIMITED

(Company Registration No. 201304341E)
(Incorporated in the Republic of Singapore)
(the “Company”)

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 issued by the Company to Shareholders dated 25 February 2021.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of the Company will be convened and held by way of electronic means on 12 March 2021 at 3.00 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

RESOLUTION 1:

ORDINARY RESOLUTION

THE PROPOSED SHAREHOLDER LOAN CONVERSION

That subject to and contingent upon the passing of Resolutions 2, 3 and 4:

- (a) approval be and is hereby given to the Directors or any of them to issue S\$189,607,700 in aggregate principal amount of convertible perpetual bonds (“**Perpetual Securities**”) to the Proposed Subscriber upon the conversion of the Existing Shareholder Loans, on and subject to the terms of the Conversion Agreement, details of which have been set out in the Circular; and
- (b) the Directors of the Company and each of them be and are hereby authorised to do and complete all such acts and things, including without limitation, executing all such documents and to approve any amendments, alterations or modifications to any documents as any of them may consider necessary, desirable or expedient to give effect to this resolution as they or he may think fit.

Note to Resolution 1:

- (1) Pursuant to Catalyst Rule 812(2), TIHPL and its associates will abstain from exercising any voting rights in relation to Resolution 1.

RESOLUTION 2:

ORDINARY RESOLUTION

THE PROPOSED CONVERSION SHARE ISSUANCE

That subject to and contingent upon the passing of Resolutions 1, 3 and 4:

- (a) approval be and is hereby given to the Directors or any of them to allot and issue:
 - (i) such number of Conversion Shares at the Conversion Price, as may be required or permitted to be allotted or issued on the conversion of the Perpetual Securities, to the Proposed Subscriber, subject to and otherwise in accordance with the Conditions, whereby such Conversion Shares when issued shall rank pari passu in all respects with the then existing Shares of the Company save as may be provided in the Conditions; and
 - (ii) on the same basis as paragraph (a)(i) above, such further Conversion Shares as may be required to be allotted and issued on the conversion of any of the Perpetual Securities upon the adjustment of the Conversion Price in accordance with the Conditions; and
- (b) the Directors of the Company and each of them be and are hereby authorised to do and complete all such acts and things, including without limitation, executing all such documents and to approve any amendments, alterations or modifications to any documents as any of them may consider necessary, desirable or expedient to give effect to this resolution as they or he may think fit.

Note to Resolution 2:

- (1) Pursuant to Catalyst Rule 812(2), TIHPL and its associates will abstain from exercising any voting rights in relation to Resolution 2.

NOTICE OF EXTRAORDINARY GENERAL MEETING

RESOLUTION 3:

ORDINARY RESOLUTION

THE PROPOSED SHAREHOLDER LOAN CONVERSION AS AN INTERESTED PERSON TRANSACTION

That subject to and contingent upon the passing of Resolutions 1, 2 and 4:

- (a) approval be and is hereby given for Proposed Shareholder Loan Conversion as an interested person transaction for the purpose of Chapter 9 of the Catalist Rules, details of which have been set out in the Circular; and
- (b) the Directors of the Company and each of them be and are hereby authorised to do and complete all such acts and things, including without limitation, executing all such documents and to approve any amendments, alterations or modifications to any documents as any of them may consider necessary, desirable or expedient to give effect to this resolution as they or he may think fit.

Note to Resolution 3:

- (1) Pursuant to Catalist Rule 919, TIHPL and its associates will abstain from exercising any voting rights in relation to Resolution 3.

RESOLUTION 4:

ORDINARY RESOLUTION

THE PROPOSED CONVERSION SHARE ISSUANCE AS AN INTERESTED PERSON TRANSACTION

That subject to and contingent upon the passing of Resolutions 1, 2 and 3:

- (a) approval be and is hereby given for Proposed Conversion Share Issuance as an interested person transaction for the purpose of Chapter 9 of the Catalist Rules, details of which have been set out in the Circular; and
- (b) the Directors of the Company and each of them be and are hereby authorised to do and complete all such acts and things, including without limitation, executing all such documents and to approve any amendments, alterations or modifications to any documents as any of them may consider necessary, desirable or expedient to give effect to this resolution as they or he may think fit.

Note to Resolution 4:

- (1) Pursuant to Catalist Rule 919, TIHPL and its associates will abstain from exercising any voting rights in relation to Resolution 4.

BY ORDER OF THE BOARD

Fazilah Abdul Rahman
Company Secretary

25 February 2021

Personal data privacy

By submitting the proxy form appointing the Chairman of the EGM to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company 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 its service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via announcement on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company's website at the URL https://investor.ouelh.com/agm_egm.html.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions either before or at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in this Notice, which may be accessed at the Company's website at the URL https://investor.ouelh.com/agm_egm.html, and will also be made available on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Due to the current COVID-19 situation in Singapore, members will not be able to attend the EGM in person. Shareholders, CPF Investors and SRS Investors who wish to follow the proceedings through a "live" audio-and-video webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio-only stream via telephone must pre-register at <http://www.ouelh.com/EGM2021.html> no later than 3.00 p.m. on 9 March 2021 (the "Registration Deadline").** Following verification, an email containing instructions on how to access the "live" audio-and-video webcast and "live" audio-only stream of the proceedings of the EGM will be sent to authenticated Shareholders, CPF Investors and SRS Investors by 12.00 noon on 11 March 2021.

Shareholders, CPF Investors and SRS Investors who do not receive any email by 12.00 noon on 11 March 2021, but have registered by the Registration Deadline, should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamE@boardroomlimited.com stating: (a) his/her/its full name; and (b) his/her/its identification/registration number.

An investor holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) ("**Investors**") (other than CPF Investors and SRS Investors) will not be able to pre-register at <http://www.ouelh.com/EGM2021.html> for the "live" broadcast of the EGM. An Investor (other than CPF Investors and SRS Investors) who wishes to participate in the "live" broadcast of the EGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email to srs.teamE@boardroomlimited.com no later than 3.00 p.m. on 9 March 2021.

4. **A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.** The accompanying proxy form for the EGM will be announced together with this Notice and may be accessed at the Company's website at the URL https://investor.ouelh.com/agm_egm.html and the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 3.00 p.m. on 3 March 2021, being at least seven (7) working days before the date of the EGM.

5. The Chairman of the EGM, as proxy, need not be a member of the Company.
6. The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:
 - a. if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamE@boardroomlimited.com; or
 - b. if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623,

in either case, by **3.00 p.m. on 10 March 2021** (being 48 hours before the time appointed for holding the EGM).

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Due to the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

NOTICE OF EXTRAORDINARY GENERAL MEETING

7. Members will not be able to ask questions during the “live” audio-and-video webcast or the “live” audio-only stream of the EGM. Members who wish to ask questions relating to the resolutions to be tabled at the EGM must complete and submit the questions form for the EGM, which will be announced together with this Notice and may be accessed at the Company’s website at the URL https://investor.ouelh.com/agm_egm.html and will also be made available on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>.
8. The questions form must be submitted to the Company in the following manner:
 - a. if submitted electronically, be submitted via email to the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamE@boardroomlimited.com; or
 - b. if submitted by post, be lodged at the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623,

in either case, by **3.00 p.m. on 9 March 2021** (being three (3) Business Days before the time appointed for holding the EGM).

A member who wishes to submit the questions form must first download, complete and sign the question form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Due to the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult for shareholders to submit completed questions forms by post, shareholders are strongly encouraged to submit completed questions forms electronically via email.

9. The Company will endeavour to address all substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM as received from members either prior to the EGM on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL https://investor.ouelh.com/agm_egm.html or during the EGM.

PROXY FORM

OUÉ LIPPO HEALTHCARE LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 201304341E)

PROXY FORM

IMPORTANT:

1. The Extraordinary General Meeting ("EGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Proxy Form will not be sent to members. Instead, it will be sent to members by electronic means via announcement on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company's website at the URL https://investor.ouelh.com/agm_egm.html.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions either before or at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM are set out in the Notice of EGM, which may be accessed at the Company's website at the URL https://investor.ouelh.com/agm_egm.html and will also be made available on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Due to the current COVID-19 situation in Singapore, members will not be able to attend the EGM in person. A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.**
4. CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 3.00 p.m. on 3 March 2021, being at least seven (7) working days before the date of the EGM.
5. By submitting an instrument appointing the Chairman of the EGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 25 February 2021.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.**

EXTRAORDINARY GENERAL MEETING

I/We*, _____, _____,
(Name) (NRIC/Passport No./Company Registration No.)*

of _____
(Address)

being a member/members* of OUE Lippo Healthcare Limited (the "**Company**"), hereby appoint the **Chairman of the EGM**, as my/our* proxy to attend, speak and to vote for me/us* on my/our* behalf at the EGM of the Company to be convened and held by way of electronic means on 12 March 2021 at 3.00 p.m. and at any adjournment thereof.

NO.	ORDINARY RESOLUTIONS	VOTING		ABSTAIN FROM VOTING**
		FOR**	AGAINST**	
1.	The Proposed Shareholder Loan Conversion			
2.	The Proposed Conversion Share Issuance			
3.	The Proposed Shareholder Loan Conversion as an interested person transaction			
4.	The Proposed Conversion Share Issuance as an interested person transaction			

* Delete as appropriate

** Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to cast all your votes "for" or "against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "for" or "against" in the "For" or "Against" box in respect of that resolution. If you wish the Chairman of the EGM as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain From Voting" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the EGM as your proxy is directed to abstain from voting in the "Abstain From Voting" box in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.

Dated this _____ day of _____ 2021

Total Number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

Signature(s) of member(s) or
Common Seal of Corporate Shareholder



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 (the "Proxy Form") will be deemed to relate to all the shares held by the member.
2. **Due to the current COVID-19 situation in Singapore, members will not be able to attend the EGM in person. A member (whether individual or corporate) must submit his/her/its Proxy Form appointing the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.** The Proxy Form for the EGM will be announced together with the Notice of EGM and may be accessed at the Company's website at the URL https://investor.ouelh.com/agm_egm.html and the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>.
CPF investors and SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 3.00 p.m. on 3 March 2021.
3. The Chairman of the EGM, as proxy, need not be a member of the Company.

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PROXY FORM

The Share Registrar
QUE LIPPO HEALTHCARE LIMITED
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Please fold here

4. The Proxy Form must be submitted to the Company in the following manner:
 - a. if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamE@boardroomlimited.com; or
 - b. if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623,in either case, by **3.00 p.m. on 10 March 2021** (being 48 hours before the time appointed for holding the EGM).
A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
Due to the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.
5. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form 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.
6. Where a Proxy Form 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 Proxy Form, failing which the Proxy Form may be treated as invalid.
7. 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 EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject a Proxy Form 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 Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form (or any related attachment) 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.

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QUESTIONS FORM

QUE LIPPO HEALTHCARE LIMITED

(Company Registration No. 201304341E)
(Incorporated in the Republic of Singapore)
(the "Company")

QUESTIONS FORM EXTRAORDINARY GENERAL MEETING ON 12 MARCH 2021 AT 3.00 P.M.

Please note that Shareholders and investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) ("Investors") will not be able to ask questions at the Extraordinary General Meeting ("EGM") of the Company, "live" during the audio-and-video webcast and the audio-only stream, and therefore it is important for Shareholders who wish to ask questions related to the resolutions to be tabled at the EGM to complete and submit this Questions Form in advance of the EGM. Please read the notes overleaf which contain instructions on, *inter alia*, the submission of questions ahead of the EGM and the timeframe for submission of questions.

Please complete all fields below and we regret that incomplete or incorrectly completed forms will not be processed.

Full Name (as per CDP / CPF / SRS / Scrip-based / DA records)	
NRIC / Passport No. / Company Registration No.	
Shareholding Type*	CDP Direct Account Holder / CPF / SRS Investment Account Holder Physical Scrip Holder Holder through Depository Agent

*delete as applicable

QUESTIONS FOR THE BOARD OF DIRECTORS AND MANAGEMENT:

Note: Questions should be related to the resolutions to be tabled at the EGM. Please refer to the Summary of Resolutions for the number of the relevant resolution. Please include additional pages as necessary.

Question 1	In relation to Resolution No. _____
Question 2	In relation to Resolution No. _____
Question 3	In relation to Resolution No. _____

Dated this _____ day of _____ 2021

Signature(s) of member(s) or
Common Seal of Corporate Shareholder

SUMMARY OF RESOLUTIONS	
No.	Ordinary Resolutions
1.	The Proposed Shareholder Loan Conversion
2.	The Proposed Conversion Share Issuance
3.	The Proposed Shareholder Loan Conversion as an interested person transaction
4.	The Proposed Conversion Share Issuance as an interested person transaction



NOTES:

1. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via live audio-and-video webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions either before or at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM are set out in the Notice of EGM, which may be accessed at the Company's website at the URL https://investor.ouelh.com/agm_egm.html and will also be made available on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements>.
3. The Company will endeavour to address all substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM as received from members either before the EGM on the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL https://investor.ouelh.com/agm_egm.html or during the EGM.

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QUESTIONS FORM

The Share Registrar
QUE LIPPO HEALTHCARE LIMITED
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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4. The Questions Form must be submitted to the Company in the following manner:
 - a. **if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamE@boardroomlimited.com; or**
 - b. **if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623,**

in either case, by **3.00 p.m. on 9 March 2021** (being three (3) Business Days before the time appointed for holding the EGM).

5. A Shareholder who wishes to submit this Questions Form must first download, complete and sign the Questions Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Due to the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult to submit completed Questions Forms by post, Shareholders and Investors are strongly encouraged submit completed Questions Forms electronically via email.**
6. By completing and submitting this Questions Form, a member of the Company 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 processing, administration, analysis and facilitation by the Company (or its agents or service providers) of the member's participation at the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes (including questions and answers) and other documents relating to the EGM (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.

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