
**RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM
THE SHAREHOLDERS AND SECURITIES INVESTORS ASSOCIATION (SINGAPORE)**

1. **Background.** The Board of Directors (the “**Board**”) of OUE Lippo Healthcare Limited (“**OUELH**” or the “**Company**”), refers to:
 - (a) the annual report of OUELH for the financial year ended 31 December 2022;
 - (b) the notice of annual general meeting (“**AGM**”) issued on 31 March 2023 informing the shareholders of OUELH (the “**Shareholders**”) that the 2023 AGM of OUELH will be convened and held by way of electronic means on Monday, 24 April 2023 at 2:00 p.m. (Singapore time); and
 - (c) the accompanying announcement issued by OUELH on 31 March 2023 setting out, *inter alia*, the alternative arrangements for the AGM (the “**AGM Announcement**”).
2. **Response to questions from the Shareholders and Securities Investors Association (Singapore) (“SIAS”).** OUELH would like to thank the Shareholders for submitting their questions in advance of OUELH’s AGM. OUELH would like to inform that the responses to all substantial and relevant questions which have been submitted by the Shareholders shall be published in this announcement. Please refer to **Annex A** hereto for the list of substantial and relevant questions received from the Shareholders and SIAS, and the Board’s responses to these questions.
3. **Subsequent clarifications or substantial and relevant follow-up questions.** As stated in the AGM Announcement, OUELH will address any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after 2.00 p.m. on Tuesday, 11 April 2023 which have not already been addressed prior to the AGM, as well as those substantial and relevant text-based questions received “live” at the AGM itself, during the AGM through the live audio-visual webcast and live audio-only stream of the AGM proceedings.

By Order of the Board
OUE Lippo Healthcare Limited

Mr. Yet Kum Meng
Chief Executive Officer and Executive Director
18 April 2023

OUE Lippo Healthcare Limited

Company Registration No. 201304341E
6 Shenton Way, #10-10, OUE Downtown 2, Singapore 068809
T: +65 6578 9188 F: 64794647 Web: www.ouelh.com

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

The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

ANNEX A

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM SHAREHOLDERS

Questions	Responses
<p>1. Over the last few years, the Company has experienced a lot of challenges including various legal cases in China and management changes. The Company has also hardly achieved good profits like other healthcare companies. All these events seem to indicate that there are serious underlying problems in the organisation. Would the Board consider appointing a top management consultant (like Accenture, McKinsey, etc) to help the Company resolve all the problems expeditiously and make necessary changes or improvements so that the Company can progress to the next level instead of staying at the bottom of the healthcare industry?</p>	<p>The Company will consider the shareholder's suggestion of appointing a management consultant as and when necessary.</p> <p>That said, the Company wishes to highlight as follows:</p> <p>Following the takeover of the Company by OUE Limited in 2017, the Company has been involved in multiple legal proceedings to resolve legacy issues from before the takeover by OUE Limited. The Company has made significant progress and considers many of these legacy issues at its tail-end.</p> <p>The Company has concurrently undertaken transformative initiatives to enhance its capital structure and lay the foundation to build a regional healthcare ecosystem. These initiatives are guided by its three-pronged strategy of establishing partnerships, being asset-light, and expanding across Pan-Asia.</p> <p>These initiatives include:</p> <ul style="list-style-type: none">• Established a strategic partnership with the China Merchants group ("CMJV") in China in January 2018;• Brought in ITOCHU Corporation, one of the largest and most diversified trading companies in the world listed on the Tokyo Stock Exchange, as a strategic Shareholder of the Company in February 2018;• Acquired a 10.6% stake in First Real Estate Investment Trust ("First REIT") and a 40% stake in its manager, First REIT Management Limited, in October 2018;• Acquired a 40% stake in Pun Hlaing Hospitals, a joint venture with First Myanmar Investment in Myanmar in January 2019;• Acquired a 70% stake in Wuxi Lippo Xi Nan Hospital in China in October 2019;• Completed a recapitalisation exercise involving the conversion of the Company's shareholder loans and accrued interests of S\$189.6 million into redeemable convertible perpetual bonds in March 2021;• Increased our stake in First REIT to 33% with the divestment of the Group's 12 nursing homes in Japan in March 2022;• Together with OUE Limited, established a strategic partnership with two of the leading respiratory

Questions	Responses
	<p>practices and one of the leading cardiothoracic surgery practice in Singapore in June 2022; and</p> <ul style="list-style-type: none"> • The CMJV will commission its first hospital in Changshu, China, this year. <p>The Company believes with these initiatives that it will be well-positioned to capture new healthcare business opportunities.</p>
<p>2. There are over 4 billion issued shares and yet there is very little liquidity. Most small retail Shareholders are “stuck” with holding their shares and the share price has remained stagnant between 2 to 3 cents. The very low share price certainly does not project a good image of a healthcare company. How would the healthcare company attract the best medical specialists and/or personnel into the organisation when the Company is perceived as having little market value? Patients would have little trust also in choosing the Company over other healthcare companies with good branding and reputation.</p>	<p>The Board and the Company noted the shareholder’s concerns over its share price.</p> <p>A company’s share price is affected by many factors, which can be dichotomised into two broad categories, namely the macro environmental and company-specific factors.</p> <ol style="list-style-type: none"> 1. Macro environmental factors include economic conditions, interest rates trends, inflationary pressures, geopolitical situations, unforeseen events, such as the Covid-19 pandemic and the Ukraine war, etc. 2. Company-specific factors include shareholding structure, trading liquidity, business developments, financial performance, etc. <p>The Company is committed to increasing shareholders’ value by building a regional healthcare ecosystem offering a full spectrum of healthcare services anchored on Singapore’s high medical standards and best practices via various initiatives, some of which are listed out in our response to Question 1 above.</p> <p>Leveraging on the brand-name, track record and eco-system of the Company and its controlling shareholders, the Company has successfully collaborated with medical and non-medical partners to grow its healthcare business.</p>
<p>3. A good company should be listed on the Mainboard. As long as the Company is listed on Catalist, the Company will not have a good branding and public image. Does the Company intend to take concrete measures to obtain approval to transfer its listing to the Mainboard?</p>	<p>The Company remains committed to its three-pronged strategy of establishing partnerships, being asset-light, and expanding across Pan-Asia and reviews all options available to it that will enhance shareholders’ value on an ongoing basis, including the transfer of its listing to the Mainboard, as and when appropriate.</p>

**RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM
SECURITIES INVESTORS ASSOCIATION SINGAPORE**

Questions	Responses
<p>1. In June 2022, the Company announced the formation of a joint venture with OUE Limited, partnering with three medical specialist practices in Singapore to establish Echo Healthcare Services Pte Ltd (“EHS”). This medical partnership will enable the Company to build on and expand its regional healthcare business ecosystem, anchored on high medical standards in Singapore.</p> <p>EHS has respiratory and cardiothoracic medical practices in Singapore. The Group will hold a 60% stake in the joint venture with OUE Limited, which in turn holds a 60% stake in EHS.</p> <p>i. Can the Board clarify the role of OUE Limited in the joint venture with the Company and in managing EHS? Similarly, what is the expected contribution by the group to EHS in terms of expertise, management support, and operations, apart from capital?</p>	<p>The Company and OUE Limited formed a 60:40 joint venture, Echo Healthcare Management Pte. Ltd. (“OUE JV”), which in turn formed a 60:40 joint venture, EHS, with two of the leading respiratory practices and one of the leading cardiothoracic surgery practice (“Medical Partners”) in Singapore. OUE Limited acts as a financial investor and lends its established name, branding and reputation in the market to the partnership.</p> <p>Matters in relation to the management and operation of the clinics will be delegated to the management of each Medical Partner who will have sole discretion over such management and operational matters. The board of directors of EHS oversees all matters in relation to the overall management and operation of the business of the EHS group and the administrative functions of all subsidiaries of the EHS group.</p> <p>The OUE group’s regional healthcare network spans China, Myanmar, Indonesia, Japan and Singapore, providing a full spectrum of primary, secondary, tertiary and ancillary care services. As part of the Company’s regional healthcare network, there will be synergistic growth opportunities for EHS to expand regionally.</p>
<p>ii. How were the medical specialist groups/partners selected? Can management provide more information on the Medical Partners’ experience in the region?</p>	<p>The Medical Partners are two of the leading respiratory practices and one of the leading cardiothoracic surgery practice in Singapore.</p> <p>The scope of services and experiences of the Medical Partners are as follows:</p> <ul style="list-style-type: none"> • Respiratory Medical Associates (“RMA”) is a medical group practice comprising five medical practitioners in respiratory medicine, and is located in three private medical centres in Singapore. RMA’s medical clinics are specialist clinics for the diagnosis and treatment of lung, sleep and allergy disorders. It directly serves patients as its end customers. • The Respiratory Practice (“TRP”) is a medical group practice comprising six medical practitioners in respiratory medicine, and are

Questions	Responses
	<p>currently located in seven private medical centres in Singapore. TRP's medical clinics are specialist clinics for lung (including sleep and allergy) and intensive care medicine. It directly serves patients as its end customers.</p> <ul style="list-style-type: none"> • Thoracic & Cardiovascular Surgery Specialist ("TCSS") is a medical practice with two medical practitioners, who are cardiothoracic surgery specialists, and is located in a private medical centre in Singapore. It provides cardiac and minimally invasive cardiac surgery and thoracic and minimally invasive thoracic surgery. It directly serves patients as its end customers. <p>All 3 Medical Partners were selected after extensive due diligence by the Company, and the Company believes that it will be able to leverage on the Medical Partners' clinical expertise to elevate the overall healthcare standards and quality in the Company's growing regional healthcare network.</p>
<p>iii. The group acquired controlling interests in Echo for a total consideration of \$28.0 million and recognised \$27.8 million in goodwill. As noted in the independent auditors' report, the determination of recoverable value of Echo group involves significant estimation uncertainties, which includes developing key assumptions on discount rate, revenue growth rates and terminal growth rate. These assumptions are key inputs used in the cash flow model prepared by the management to assess the recoverable amounts of goodwill and whether an impairment charge is required.</p> <p>What guidance has the Board given to management in order to ensure appropriate</p>	<p>Having considered the advice from the management as well as professionals, including independent valuers, financial advisors, legal counsels and the due diligence team, the Board has provided the following guiding principles to structure the transaction:</p> <ul style="list-style-type: none"> • Retain clinical independence of the Medical Partners; • Align stakeholders' objectives and ensure long-term business sustainability; and • Build a model for synergy and growth.

Questions	Responses
<p>risk assessment and the implementation of safeguards, particularly when engaging in acquisitions characterised by substantial goodwill and considerable upfront cash payments?</p>	
<p>iv. Separately, could management provide Shareholders with a comprehensive update on the situation in Changshu, Shenzhen, and Wuxi, following the relaxation of COVID-related restrictions in December 2022? Could management also elaborate on whether the Wuxi hospital experienced any significant disruptions to its operations in 2022?</p>	<p>The easing of border restrictions and lifting of most pandemic controls from December 2022 mark a significant step in the full reopening of China. While the country experienced an initial surge in infections, the COVID-19 situation in China appears to be stabilising. Consequentially, the International Monetary Fund, projects that China's GDP growth will rebound to 5.2% in 2023 with its reopening, and will greatly contribute to overall global economic growth.</p> <p>The Group's two hospitals in China continue to make progress towards being commissioned according to plan. Changshu China Merchants – Lippo Obstetrics & Gynaecology Hospital (“Changshu Hospital”) is on track to be commissioned in 2023. Upon its commissioning, Changshu Hospital will provide premium obstetrics and gynaecology healthcare services, including ancillary related services such as postpartum care.</p> <p>The Shenzhen China Merchants – Lippo Prince Bay Hospital is expected to be commissioned in 2024.</p> <p>Both hospitals will be operated by the Group's joint venture with China Merchants Group.</p>
<p>2. In March 2022, the Group completed the divestment of twelve nursing homes to First Real Estate Investment Trust (First REIT) at a consideration of \$165.9 million, which included \$131.5 million in newly issued First REIT units. Following the transaction, First REIT, which was previously an associate, became a consolidated subsidiary of the Group as at 1 March 2022.</p> <p>i. Can management provide insight into the strategic role that First REIT plays in the Group's long-term strategy?</p>	<p>In line with our asset-light strategy, the Group can recycle our capital through First REIT to enable the Group to redeploy our financial resources so as to optimise capital efficiency for the Company. It also enhances our capital structure as the additional listed First REIT units are more liquid as an asset class compared to the physical nursing homes.</p>

Questions	Responses
<p>ii. Given First REIT's 2.0 Growth strategy, which focuses on diversifying into developed markets, are there any assets that the Group can divest to First REIT in the near future?</p>	<p>The Company has provided a Right-of-First Refusal to First REIT in relation to its properties in Indonesia or Singapore in the event the Company is considering their disposal. These properties are primarily used for healthcare purposes.</p>
<p>iii. Could the Board kindly provide Shareholders with insight into the reasons behind the decision not to declare a dividend for Shareholders following the successful divestment of the twelve nursing homes in Japan?</p> <p>iv. Is the Board planning to review the Company's strategy for achieving an optimal balance between business growth and delivering Shareholder returns in the form of dividends?</p>	<p>The Company has adopted a dividend policy, under which the Board would consider the Group's earnings, financial position, results of operations, capital needs, plans for expansion and any other appropriate factors before deciding on the form, frequency and amount of dividends to declare.</p>
<p>3. At the AGM scheduled to be held on 24 April 2023, the Company is proposing, as a special resolution, to change the name of the Company to "OUE Healthcare Limited".</p> <p>Would the Board provide further insight into the reasons behind the proposal to change the Company's name to "OUE Healthcare Limited"?</p>	<p>Following an internal review, the Board is of the view that the proposed change of name from "OUE Lippo Healthcare Limited" to "OUE Healthcare Limited" will better reflect the Company's ownership structure and provide the public and the Company's present and future business partners with clearer identification of the Company's ties to its immediate controlling shareholder, OUE Limited, which is listed on the Mainboard of the SGX-ST.</p>