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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: OUE Healthcare Limited

Stock code: 5WA

Meeting details:

Date: 24 April 2026

Time: 10.00 a.m.

Venue: Hilton Singapore Orchard (333 Orchard Road, Singapore 238867), Grand Ballroom, Level 6, Orchard Wing

Q1. For the financial year ended 31 December 2025, the group recorded revenue of \$152.4 million and profit after tax of \$8.6 million, but a net loss attributable to shareholders of \$(16.9) million. Accumulated losses at the company level have reached \$(267) million.



(Adapted from company annual report)

Management attributed the weak performance to several factors, including start-up losses at Shenzhen China Merchants–Lippo Prince Bay Hospital, continued (operating) losses at Changshu China Merchants–Lippo Obstetrics & Gynaecology Hospital, an impairment on its investment in First REIT Management Limited, and a fair value loss on the Wuxi land.

- (i) **Shenzhen China Merchants–Lippo Prince Bay Hospital:** The group’s flagship hospital obtained its operating licence in 2025 and recently commenced operations. The hospital will be progressively ramping up its services to capture growing healthcare demand in the Greater Bay area. **What specific operational and financial milestones has the board set for management over the next three to five years, and what are the expected timelines for breakeven and stabilisation? How does the board assess the risk of oversupply in private healthcare capacity in the Greater Bay area?**
- (ii) **Changshu China Merchants–Lippo Obstetrics & Gynaecology Hospital:** The low and declining birth rates and softening economic conditions have affected demand. **During the board approval process, what demographic and demand assumptions were used, and how have these deviated from actual outcomes? What corrective action is the board taking to address this structural demand risk?**

(iii) First REIT Management Limited: The company recognised a \$5 million impairment loss on the REIT manager. In the value-in-use calculations, revenue growth rate was reduced from 4.0% to 2.0% while the budgeted EBIT growth was increased significantly from 6.9% to 11.0%.

| | FRML | |
|--|------|------|
| | 2025 | 2024 |
| | % | % |
| Key assumptions used for value-in-use calculations: | | |
| Revenue growth rate ¹ | 2.0 | 4.0 |
| Terminal growth rate | 2.5 | 2.5 |
| Discount rate | 14.0 | 13.0 |
| Budgeted earnings before interest and tax growth rate (average of next five years) | 11.0 | 6.9 |

¹ Weighted average growth rate used to extrapolate revenue.

(Source: company annual report)

Can the audit committee explain the basis for this divergence and how these assumptions were validated? Is it logical and reasonable to have growth rates to slow while EBIT growth simultaneously improve? How sensitive is the valuation of the REIT manager to key assumptions such as revenue growth, margin expansion and discount rates?

(iv) Shareholder returns: What has been the total shareholder return over the period from July 2017¹ to March 2026? How does the board assess its performance in delivering long-term shareholder value over this period? Given the group’s track record and increasing accumulated losses, should investments be put on hold until a strategic review is carried out?

Q2. First REIT has announced a series of divestments involving certain hospital assets, a hotel and malls, as well as the grant of put options for the potential divestment of the remaining hospital assets. The company’s associated company, First REIT Management Limited, is the manager of First REIT.

(i) What level of influence does the group have over First REIT’s strategic decisions, including the proposed divestments? How does the board ensure that such decisions are aligned with the group’s broader strategic objectives and value creation priorities?

¹ In the chairman’s statement, the chairman extended his gratitude to Brownly Healthcare Pte. Ltd. and its parent company, ITOCHU Corporation, for their valued partnership and support since their investment in the company in 2018. Brownly Healthcare had divested their shares to OUE Limited in December 2025. Brownly Healthcare’s investment period overlaps significantly with the chairman’s tenure on the board. The chairman was appointed in July 2017.

- (ii) How do the proposed divestments by First REIT affect the group's own capital recycling strategy?**
- (iii) Which assets does the group consider suitable for injection into First REIT, and what criteria are applied to determine timing and pricing of such transactions to ensure fairness?**

Q3. Three directors will retire at the conclusion of the annual general meeting upon reaching the nine-year term limit for independent directors. As a result, the company will have four directors, comprising a non-independent chairman, an executive director, a non-independent director and an independent director.

The company further stated that it will endeavour to fill the vacancies within two months, and in any case, no later than three months, to comply with Rule 704(7) of the Catalist Rules. The nominating and remuneration committee (NRC) has the following members: Mr Roger Tan Chade Phang (as chairman), Mr Lee Yi Shyan, Mr Eric Sho Kian Hin and Mr Jackson Tay Eng Kiat. The company's sponsor is PrimePartners Corporate Finance Pte. Ltd..

- (i) What guidance has the sponsor provided to the company to ensure continued compliance with the Catalist Rules at all times, particularly with regard to board independence and composition?**
- (ii) Given that the tenure limits of the independent directors would have been known well in advance, were there challenges in implementing a progressive board renewal/staggered succession plan? How does the board assess the risk of losing institutional knowledge and continuity with three independent directors stepping down simultaneously?**
- (iii) What role did the chairman and the NRC play in succession planning for the board?**
- (iv) What progress has been made in identifying and appointing new independent directors? What steps are being taken to ensure that the search process is broad-based, independent and focused on relevant skills and experience rather than personal networks?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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