

PRESS RELEASE

OUE LIPPO HEALTHCARE TO DEVELOP AND OPERATE INTERNATIONAL HOSPITAL IN PRINCE BAY, SHENZHEN IN PARTNERSHIP WITH CHINA MERCHANTS GROUP

- Proposed international hospital set to be flagship development by OUE Lippo Healthcare Limited and China Merchants Group
- The high-end international hospital in Prince Bay is expected to capture opportunities arising from the growing affluence of the Greater Bay Area in China



Chairman of OUE Lippo Healthcare, Mr Lee Yi Shyan and Executive Chairman of OUE, Dr Stephen Riady joined representatives from China Merchants Group at the Cornerstone laying ceremony in Prince Bay on 12 December 2018.

Singapore, 12 December 2018 – OUE Lippo Healthcare Limited (“**OUE LH**” or the “**Company**” together with its subsidiaries, the “**Group**”) today announced that it has entered into a non-binding letter of intent (“**LOI**”) with China Merchants Shekou Industrial Zone Holdings Co., Ltd. (“**CMSK**”), to jointly develop, operate and manage a high-end international hospital in Prince Bay (太子湾), Shekou, Shenzhen, the People’s Republic of China (the “**Proposed Hospital Project**”).

The Proposed Hospital Project is expected to have more than 200 beds serving the local community and is set to benefit from the growth of the medical tourism industry in the Guangdong-Hong Kong-Macao Greater Bay Area (the “**Greater Bay Area**”).

Mr Lee Yi Shyan, Chairman of OUELH said, *“As a leading region for new and high technological industries in China, the Greater Bay Area will develop as a dominant economic powerhouse in the coming years. When completed, our international hospital in Prince Bay will be well-placed to cater to the growing demand for specialised and quality healthcare services in the area.”*

Dr Stephen Riady, Executive Chairman of OUE and Board Director of OUELH said, *“The Hospital Project is a significant milestone in strengthening our partnership with China Merchants Group, bringing together our international healthcare expertise and their in-depth local market knowledge. It is also a testament to our continued commitment to grow our healthcare business in China.”*

Greater Bay Area – An Upcoming Economics, Trade, and Commercial Hub



Artist's impression of Prince Bay, where the Proposed Hospital Project will be located.

The Greater Bay Area has been earmarked by the Chinese government to be the main driver of economic growth and international trade, and a key player in China’s “Belt and Road Initiative”¹.

¹ Source: https://www.cmab.gov.hk/doc/issues/bay_area/Framework_Agreement_e.pdf

The bustling cluster of 11 cities² occupies about 56,000 sq km in land area. Despite comprising about 0.6% of China's total land area, the Greater Bay Area is home to approximately 5% of the total population. It contributes about 12% of China's Gross Domestic Product ("GDP"), or approximately US\$1.6 trillion³, which is comparable to the economic size of South Korea. The GDP of the Greater Bay Area is expected to grow to approximately US\$4.62 trillion by 2030, surpassing the Tokyo Bay Area as well as the New York Bay Area⁴.

Shekou, where the Proposed Hospital Project is located, is nestled at the southern tip of Nanshan, with Hong Kong just across the Shenzhen Bay. Shekou was designated a Free Trade Zone by the Chinese government in 2015⁵. The vibrant commercial area is home to many Fortune 500 Chinese companies, which are attracted to its connectivity, location, and growth potential.

With the opening of the Hong Kong-Zhuhai-Macao Bridge in October and the launch of the Guangzhou-Shenzhen-Hong Kong Express Rail Link earlier in September this year greatly boosting its connectivity and accessibility, the Greater Bay Area is developing rapidly to realise its potential as a key economic hub of China.

Strategic Partnership with China Merchants Group ("CMG")

The Proposed Hospital Project is the flagship development by OUELH and Hongkong-based state-owned conglomerate CMG.

In November 2017, OUELH announced a strategic partnership with CMG to grow its healthcare business in China. Since then, the partnership has developed steadily and has resulted in projects such as the joint operation of the Shanghai Changhang Hospital in Pudong, Shanghai, which was announced in June earlier this year.

On the back of these strategic developments, OUELH will continue to extend and strengthen its Pan-Asia healthcare presence, including in China. The Company enjoys various strategic partnerships, including its long-term collaboration with CMG, as well as strong support from its shareholders, OUE and ITOCHU Group. Each of OUE and ITOCHU Group owns 64.4% and 25.3% in OUELH respectively.

The Proposed Hospital Project is subject to due diligence, entry into definitive agreement(s) and the obtaining of relevant regulatory approvals by both OUELH and CMSK.

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² The Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) comprises the two Special Administrative Regions of Hong Kong and Macao, and the nine municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing in Guangdong Province.

³ Source: <https://www.cbre.com.hk/en/about/media-centre/the-rise-of-the-greater-bay-area-as-the-worlds-largest-bay-area-economy>

⁴ Source: PWC China, New Opportunities for the Guangdong-Hong Kong-Macao Greater Bay Area

⁵ Source: <http://economists-pick-research.hktdc.com/business-news/article/Research-Articles/Guangdong-Pilot-Free-Trade-Zone-Opportunities-for-Hong-Kong/rp/en/1/1X000000/1X0A2FJ8.htm>

Additional Image:



The official signing ceremony for the Proposed Hospital Project in Prince Bay, attended by representatives from OUE Lippo Healthcare and China Merchants Group.

(Sitting front row L to R: Mr Xu Yong Jun, General Manager, CMSK; Mr Lee Yi Shyan, Chairman, OUELH)

Standing back row: Third from left, Mr Wang Cui Jun, Deputy General Manager, CMG; fourth from left, Mr Fu Gang Feng, Executive Director and General Manager, CMG; third from right, Mr Mochtar Riady, Chairman, Lippo Group; second from right, Dr Stephen Riady, Executive Chairman, OUE)

NOTE: *This press release is to be read in conjunction with the SGX Announcement published on the same date.*

About OUE Lippo Healthcare Limited

OUE Lippo Healthcare Limited (“**OUELH**”) is a subsidiary company of OUE Limited. OUELH provides high quality and sustainable healthcare solutions through the acquisition, development, management, and operations of healthcare facilities. OUELH currently owns, operates and/or manages healthcare and related facilities in Japan and China, and continually seeks to expand its portfolio across Pan-Asia.

About China Merchants Shekou Industrial Zone Holdings Co., Ltd. and China Merchants Group

China Merchants Shekou Industrial Zone Holdings Co., Ltd. (“**CMSK**”) is listed on the Shenzhen Stock Exchange. CMSK is involved in industrial park development and management, community development and management, and cruise infrastructure development and management. CMSK is a member company of the China Merchants Group (“**CMG**”). CMG is a state-owned conglomerate based in Hong Kong, under direct supervision of State-owned Assets Supervision and Administration Commission of the State Council.

For media queries, please contact:

Samantha WONG
Account Manager, Black Dot
e. samantha@blackdot.sg

For investor queries, please contact:

Shirley WONG
Investor Relations Manager
e. shirley.wong@ouelh.com

For the latest news from OUELH, visit www.ouelh.com

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

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).