
ACQUISITION OF 70% STAKE IN WUXI BOHAI HOSPITAL COMPANY LIMITED

1. BACKGROUND

1.1 Introduction

The Board of Directors (the **"Board"**) of OUE Lippo Healthcare Limited (the **"Company"**, and together with its subsidiaries, the **"Group"**) wishes to announce that its indirect wholly-owned subsidiary, Wuxi Donghao Medical Management Consultancy Co., Ltd (无锡东镐医疗管理咨询有限责任公司) (the **"Purchaser"**), has today entered into a sale and purchase agreement (the **"Agreement"**) with an independent third party, Jiangsu Chang Geng Investment Management Company Limited (江苏长庚投资管理有限公司) (the **"Vendor"**) for the acquisition of 70% of the total registered capital (the **"Sale Capital"**) of Wuxi Bohai Hospital Company Limited (无锡渤海医院有限公司) (**"Hospital Co."**) from the Vendor (the **"Acquisition"**).

The Vendor will retain 30% of the total registered capital in Hospital Co. and in this regard, the Purchaser has also entered into a Joint Venture Agreement (the **"JVA"**) with the Vendor for the management and operation of Hospital Co. post completion of the Acquisition, under which the Purchaser will have full operating control of Hospital Co. and the Vendor will provide necessary support to the Purchaser as necessary.

1.2 Hospital Co.

Hospital Co. is a company incorporated in the People's Republic of China (**"PRC"**) on 3 January 2018 which operates Wuxi Bohai Hospital (无锡渤海医院) (the **"Hospital"**), a Grade II 100-bed hospital located in Wuxi, Jiangsu, PRC. The Hospital has been operating in its current location since 2011.

As at the date of the Agreement, Hospital Co. is 100% owned by the Vendor with a total registered capital of RMB 8,000,000. Pursuant to the JVA, each of the Vendor and the Purchaser will pay to Hospital Co. its pro-rata share of the registered capital.

Subject to the approval(s) by the relevant authorities on the change of name, the Company intends to rename Hospital Co. to Wuxi Lippo Xi Nan Hospital Company Limited (无锡力宝锡南医院有限公司), and correspondingly the Hospital will be renamed to Wuxi Lippo Xi Nan Hospital (无锡力宝锡南医院).

2. THE ACQUISITION

The consideration for the Sale Capital is RMB 9,800,000 (the **"Consideration"**) is subject to certain adjustments (for example, any account receivables or payables as at the date the Hospital is taken over) as provided for in the Agreement.

The Consideration was arrived at after arm's length negotiations and was on a willing-buyer willing-seller basis.

The Consideration, amounting to approximately S\$1,890,877 (based on an exchange rate of SGD:RMB = 5.18278 as at 18 October 2019), will be fully funded by internal sources of the Company and paid to the Vendor in cash on completion, which shall take place upon the satisfaction or waiver (as the case may be) of certain conditions precedent under the Agreement ("**Completion**").

The Completion of the Acquisition and the physical take-over of the Hospital is expected to occur within the fourth quarter of the current financial year ending 31 December 2019 or at such other time and/or date as may be agreed between the Vendor and the Purchaser.

3. RATIONALE FOR THE ACQUISITION

The Acquisition is in line with the Group's asset-light strategy as it enables the Company to expand its hospital operations business with a controlling stake of the Hospital's operations.

Additionally, with a hospital wholly-operated by the Purchaser, the Company will be able to have a platform to define and strengthen its healthcare brand in the PRC.

4. CHAPTER 10 OF THE CATALIST RULES

The Acquisition is in the ordinary course of business and does not change the risk profile of the Group, and thus, does not fall under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalyst.

5. FINANCIAL EFFECTS

The Acquisition is not expected to have any material effect on the earnings per share and net tangible assets per share of the Group in the current financial year ending 31 December 2019.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDER

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition, save for their respective interests (if any) in the Company.

By Order of the Board
OUE Lippo Healthcare Limited

Mr. Yet Kum Meng
Chief Executive Officer and Executive Director
24 October 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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