

PRESS RELEASE

OUE LIPPO HEALTHCARE FURTHER EXPANDS ITS FOOTPRINT IN CHINA

- Acquires majority stakes to manage and operate Wuxi Bohai Hospital
- Wuxi Bohai Hospital to be renamed ***Wuxi Lippo Xi Nan Hospital***¹
- Bringing healthcare accessibility to high-growth Chinese cities as China's healthcare sector continues to grow with increasing foreign participation



Upon completion, the Grade II Bohai Hospital will be renamed Wuxi Lippo Xi Nan Hospital, making it the first Lippo Hospital globally

Singapore, 24 October 2019 – OUE Lippo Healthcare Limited (“**OUELH**” or the “**Company**” together with its subsidiaries, the “**Group**”) today announced that it will acquire a 70% stake in Wuxi Bohai Hospital Co. Ltd. (the “**Acquisition**”), which operates Wuxi Bohai Hospital (“**Bohai Hospital**” or the “**Hospital**”), for a consideration of approximately RMB 9.8 million or S\$1.9 million.

Upon completion, the Company will wholly manage and operate the Grade II 100-bed Hospital located in Wuxi, Jiangsu. The Company also intends to rename the Hospital to Wuxi Lippo Xi Nan Hospital¹ (无锡力宝锡南医院).

¹The change of name is subject to the approval(s) by the relevant authorities

In line with asset-light strategy - expanding hospital operations business

Mr Yet Kum Meng, Chief Executive Officer of OUELH said, *“The Acquisition is in line with our asset-light strategy, as we strengthen our presence in China and build upon our hospital operations and management business.”*

In 2018, the Company introduced a three-pronged growth strategy to assess and evaluate growth opportunities. The three pillars of the strategy comprise forming and strengthening strategic partnerships, developing an asset-light business model and growing its Pan-Asian network.

Since then, OUELH has embarked on a series of business and corporate initiatives in China that are in line with its strategy including a strategic partnership with China Merchants Group, the management agreements of three hospitals in Shanghai, Chongqing and Nanjing, and this Acquisition of Bohai Hospital.

Bringing healthcare accessibility to high-growth Chinese cities

Bohai Hospital is situated in China’s Jiangsu Province, and serves the healthcare needs of the country’s fifth most populous and densely populated province². Jiangsu is also one of China’s economic powerhouses, and the second largest contributor to China’s GDP³. In 2018, Jiangsu’s GDP grew 6.7% to reach RMB 9.3 trillion³ with leading economic hubs in the cities of Nanjing, Suzhou and Wuxi³. With continued government support and increased urbanisation, Jiangsu looks set to continue its development as a thriving economic hub, attracting both domestic and foreigners to the province.

In line with China’s Belt and Road Initiative, Jiangsu and Singapore have also established a strong partnership over the years⁴. According to Enterprise Singapore³, Singapore was Jiangsu’s largest foreign investor in 2018, with trade between the two growing by 12.5% year-on-year to reach approximately US\$12.8 billion. To date, there are over 4,400 Singapore projects in Jiangsu with a cumulative investment of approximately US\$29.4 billion. Additionally, the healthcare sector was also highlighted as a potential area for greater collaboration at the recent Singapore-Jiangsu Cooperation Council meeting in September 2019⁵.

² “Population in China in 2017”.

Retrieved from: <https://www.statista.com/statistics/279013/population-in-china-by-region/>

³ “Background on Jiangsu and Singapore-Jiangsu economic relations” Retrieved from: <https://www.enterprisesg.gov.sg/-/media/esg/files/media-centre/media-releases/2019/september-2019/annex-4.pdf?la=en>

⁴ “Singapore collaborates with Jiangsu, the biggest economy in East China, to drive opportunities for Singapore companies in trade, professional services, innovation and urban renewal”. Retrieved from: <https://ie.enterprisesg.gov.sg/Media-Centre/Media-Releases/2017/11/Singapore-collaborates-with-Jiangsu-the-biggest-economy-in-East-China-to-drive-opportunities-for-Singapore-companies-in-trade-professional-services-innovation-and-urban-renewal>

⁵ “Singapore and China ink 16 deals in eastern Jiangsu province”. Retrieved from: <https://www.enterprisesg.gov.sg/media-centre/news/2019/september/singapore-and-china-ink-16-deals-in-eastern-jiangsu-province>

The Chinese government continues to commit to its healthcare reforms with the General Office of the State Council mandating efforts to provide more accessible and affordable healthcare services in June 2019⁶. Complementary to the healthcare reforms, the Chinese government also passed a landmark foreign investment law in March 2019⁷ that pledged further government support to foreign companies including those in the healthcare industry.

The Acquisition is expected to be completed by 31 December 2019 or any other dates that may be agreed.

End

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.

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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**") 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 press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the information, statements or opinions made or reports contained in this press release.

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⁶ "State Council lays out key tasks for healthcare reform in 2019".

Retrieved from: http://english.www.gov.cn/policies/latest_releases/2019/06/04/content_281476698725384.htm

⁷ "Foreign Investment Law of the People's Republic of China".

Retrieved from: http://www.fdi.gov.cn/1800000121_39_4872_0_7.html