



ENTRY INTO MANAGEMENT AGREEMENTS BY CHINA MERCHANTS LIPPO HOSPITAL MANAGEMENT (SHENZHEN) LIMITED

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of OUE Lippo Healthcare Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the announcements of the Company made on 22 June 2018 and 12 December 2018 relating to the collaborations between the Group and member companies of the China Merchants Group (“**CMG**”) (the “**Announcements**”).
- 1.2 Further to the Announcements, the Board wishes to inform shareholders that 招商力宝医院管理(深圳)有限公司 (China Merchants Lippo Hospital Management (Shenzhen) Limited) (“**CMLHM**”) has on 29 December 2018 entered into three (3) management agreements (the “**Management Agreements**”) with 上海长江轮船有限公司 (Shanghai Changjiang Shipping Co., Ltd.) (“**Shanghai Changjiang**”), 重庆长江轮船有限公司 (Chongqing Changjiang Shipping Co., Ltd.) (“**Chongqing Changjiang**”) and 南京长江油运有限公司 (Nanjing Changjiang Tanker Co., Ltd.) (“**Nanjing Changjiang**”) respectively to manage the following medical facilities:
- (a) Shanghai Changhang Hospital (上海长航医院) operated by Shanghai Changjiang;
 - (b) Chongqing Changhang Hospital (重庆长航医院) operated by Chongqing Changjiang; and
 - (c) Nanjing Youyun Hospital (南京油运医院) operated by Nanjing Changjiang
- (each a “**Medical Facility**” and collectively the “**Medical Facilities**”).
- 1.3 CMLHM is a 50:50 joint venture company between the Company’s indirect wholly-owned subsidiary, Lippo Healthcare Limited, and 深圳市招商创业有限公司 (China Merchants Landmark (Shenzhen) Co., Ltd) (“**CMSZ**”, a subsidiary of 招商局蛇口工业区控股股份有限公司 (China Merchants Shekou Industrial Zone Holdings Co., Ltd.) and part of CMG.)
- 1.4 Shanghai Changjiang, Chongqing Changjiang and Nanjing Changjiang are member companies of CMG.

2. INFORMATION ON THE MEDICAL FACILITIES

2.1 Shanghai Changhang Hospital

Shanghai Changhang Hospital is a Grade II hospital located in Pudong New District, Shanghai and is currently operated by Shanghai Changjiang. It has 204 registered beds and occupies a land area of about 11,000 square metres.

OUE Lippo Healthcare Limited

Company Registration No. 201304341E

(In receivership over charged shares in certain subsidiaries)

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2.2 Chongqing Changhang Hospital

Chongqing Changhang Hospital is a Grade II hospital located in Yuzhong District, Chongqing and is currently operated by Chongqing Changjiang. It has 219 registered beds and occupies a land area of about 13,750 square metres.

2.3 Nanjing Youyun Hospital

Nanjing Youyun Hospital is a Grade I hospital located in Gulou District, Nanjing and is currently operated by Nanjing Changjiang. It occupies a gross floor area of about 2,015 square metres.

3. SALIENT TERMS OF THE MANAGEMENT AGREEMENTS

The salient terms of the Management Agreements are set out below:

- (a) CMLHM shall manage the Medical Facilities for a period of one year commencing from 1 February 2019 (the “**Management Period**”), extendable for a further term of one year on substantially the same terms and conditions at the option of CMLHM. CMLHM shall ensure that the Medical Facilities meet certain performance benchmarks.
- (b) In consideration for its services, CMLHM shall be paid a management fee equivalent to 5% of the annual revenue of each Medical Facility for each fiscal year.
- (c) After completion of regulatory restructuring of each Medical Facility within the Management Period, CMLHM also has a right under the Management Agreement to acquire an interest in the business of each Medical Facility.

4. RATIONALE

4.1 Entry into key cities of China – Shanghai, Chongqing, Nanjing

The entry into the Management Agreements marks the Group’s entry into key Chinese cities. Both Shanghai and Chongqing are two of the four municipalities while Nanjing, which is the capital of Jiangsu province has the highest Gross Domestic Product per capita amongst all Chinese provinces¹.

4.2 Leveraging on the Group’s healthcare management expertise to optimise the performance potential of the Medical Facilities

The Medical Facilities are situated in prime locations in their respective cities and present opportunities for the Group to leverage on its healthcare management expertise to optimise their performance potential.

¹ Source: National Bureau of Statistics, China

5. FINANCIAL EFFECTS

The entry into the Management Agreements is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2018.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interests, direct or indirect, in the Management Agreements, other than through their respective shareholding interests in the Company.

By Order of the Board
OUE Lippo Healthcare Limited

Dr Wong Weng Hong
Chief Executive Officer and Executive Director
30 December 2018

*This announcement 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 announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

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