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**UPDATE TO SHAREHOLDERS ON PROCEEDINGS COMMENCED BY WEIXIN HOSPITAL  
INVESTMENT MANAGEMENT (SHANGHAI) CO. LTD.**

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The Board of Directors (“**Board**”) of OUE Lippo Healthcare Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 20 December 2017. The Board wishes to update the Company’s shareholders on the proceedings brought by one Weixin Hospital Investment Management (Shanghai) Co. Ltd (卫心医院投资管理 (上海) 有限公司) (“**Weixin**”), which is a company controlled by one Mr David Lin Kao Kun (“**Mr David Lin**”), against the Company’s subsidiaries, Shanghai Yi Lin Medical Management Consulting Co., Ltd (上海医霖医疗管理咨询有限公司) (“**Shanghai Yilin**”) and Wuxi New District Phoenix Hospital Co., Ltd (无锡新区凤凰医院有限责任公司) (“**Wuxi Co.**”), as defendants, and Healthkind Investment Management Consulting Co. Ltd (上海医霖医院投资管理咨询有限公司) (“**Healthkind Shanghai**”), as third party, before the Shanghai Courts.

As at the date of this announcement, Wuxi Co. holds the hospital license for and operates Wuxi New District Phoenix Hospital (“**Hospital**”). The interests in the medical equipment, land and building (“**Hospital Properties**”) on and in which the Hospital is located are separately owned and held by another subsidiary of the Company, namely Wuxi Yilin Real Estate Development Co Ltd (无锡医霖置业发展有限公司) (“**Wuxi Yilin Real Estate**”).

As stated in the Company’s announcement dated 20 December 2017, an appeal had been filed against the first instance decision granted in favour of Weixin on or around 13 December 2017. The Company has since been notified by its PRC Counsel on 3 August 2018 that, notwithstanding the best efforts by the Company, Shanghai Yilin, Wuxi Co and Healthkind Shanghai, the appeal Court has decided (“**Decision**”) to dismiss the appeal and maintain the first instance decision. This most recent Decision requires that Shanghai Yilin to perform its obligations under a share transfer agreement, and for Wuxi Co and Healthkind Shanghai to procure the transfer of the shares in Wuxi Co to Weixin within 10 calendar days from 3 August 2018. The Decision does not affect Wuxi Yilin Real Estate or the Hospital Properties, which remain under the Group’s ownership.

The Company has sought advice from its PRC Counsel and continues to believe that there is no factual or legal merit in Weixin’s case. The Company’s PRC Counsel has further advised that the Company has the right to seek a retrial and that there is a reasonable chance that the decisions of the lower Courts will be overturned if the Company applies for a retrial.

Accordingly, the Company has given instructions to its PRC Counsel to file an application for a retrial of these proceedings before the Shanghai High Court.

In any event, based on present advice, the Company is of the view that the Decision is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2018. Wuxi Co has been operating at approximately break-even position in its previous financial years. More significantly, the Group continues to own the Hospital Properties.

The Board will also make further announcements to update the Company’s shareholders as and when there are any further material developments.

By Order of the Board

Dr Wong Weng Hong  
Chief Executive Officer and Executive Director  
6 August 2018

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*This announcement has been prepared by OUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Limited) (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.*

*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).*

**OUE Lippo Healthcare Limited**

Company Registration No. 201304341E

(In receivership over charged shares in certain subsidiaries)

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