

PRESS RELEASE

OUE LIPPO HEALTHCARE TO OPERATE O&G HOSPITAL IN JOINT VENTURE WITH CHINA MERCHANTS GROUP

- OUE Lippo Healthcare strengthens partnership with China Merchants Group with a second Joint Venture (“JV”) hospital project in Changshu, Jiangsu Province
- Premium 140-bed Obstetrics & Gynaecology (“O&G”) Hospital providing high-quality medical care services to the affluent local population



Artist's impression of the future Changshu Hospital, catering to specialised care for women and children

Singapore, 30 December 2020 – OUE Lippo Healthcare Limited (“**OUELH**” or the “**Company**” together with its subsidiaries, the “**Group**”) is pleased to announce that following the formation of the JV for a hospital project in Shenzhen announced in January 2020¹, the strategic partnership between OUELH and China Merchants Group has achieved another milestone with the latest 50:50 JV hospital project in Changshu.

Changshu is a county-level city under Suzhou in Jiangsu Province. It has a population of about 1.5 million with GDP per capita of RMB150,000 in 2019², and is ranked 4th highest amongst county-level cities in China³. Over the first six months of 2020, its

¹ OUELH announced on 20 January 2020 that it has completed the share subscription agreement and shareholders' agreement for the development of Prince Bay International Hospital in Prince Bay, Shekou, Shenzhen

² Changshu Government National Development Statistics. Retrieved from: <http://www.changshu.gov.cn/zqcs/c100434/202010/7facd1de2754475f8f5f9220e7cba680.shtml>

³ “32 County-level Cities in China Have GDP's in Excess of USD\$15 Billion” Retrieved from: <https://www.chinabankingnews.com/2020/12/03/32-county-cities-in-china-have-gdps-in-excess-of-usd15-billion/>

GDP still managed to grow 0.7% y-o-y to RMB 108.5 billion⁴ in spite of the pandemic control measures, worldwide lockdowns, and the global economic downturn. Notably, its foreign direct investment surged 104.8%³ in the same period as compared to the previous year. It is also well-connected within the Yangtze River Delta economic powerhouse and is only about 55 minutes from Shanghai by high-speed train⁵ and approximately 40 minutes from Suzhou by car⁶.

Mr Lee Yi Shyan, Chairman of OUELH said, *“We are pleased to partner with China Merchants Group to operate the Changshu Hospital. We are confident that our strategic partnership with China Merchants Group will continue to find new and exciting hospital projects to work on.”*

The hospital will be named as “Changshu China Merchants - Lippo Obstetrics & Gynaecology Hospital” (“**Changshu Hospital**”). To enhance returns, the business of Changshu Hospital will be structured based on a lease and operate model under a long-term lease of 19.5 years with the Group having a right of first refusal to renew the lease upon expiry of the Lease Agreement and to acquire the hospital property throughout the lease term.

Changshu Hospital spans across a total gross floor area of about 25,000 square metres with about 140 beds. Tapping on the local market opportunities, the Changshu Hospital will be positioned as a specialist hospital providing premium O&G services, including paediatric and postpartum care, targeted at the affluent market segment, which otherwise will seek high-quality medical care services from O&G hospitals in Shanghai. It is expected to be commissioned in 2023.

Mr Yet Kum Meng, Chief Executive Officer of OUELH said, *“Given the very competitive lease terms and precise market positioning as a premium O&G Hospital, we are confident that the Changshu Hospital will become another anchor that will entrench the Company onto a sustainable growth path.”*

Following the acquisition of Wuxi Lippo Xi Nan Hospital⁷ in October 2019, the Changshu Hospital will further strengthen the Group’s presence in Jiangsu Province, which consistently ranks amongst the most prosperous regions in China. In addition, the Group also owns another hospital development project in Wuxi, which sits on a plot size of more than 22,000 square metres.

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⁴ “Economic Belt & Coastal Economic Development in Changshu”. Retrieved from:

<https://www.beltandroad.news/2020/08/12/economic-belt-coastal-economic-development-in-changshu/>

⁵ “Shanghai to Changshu High-Speed Train” Retrieved from: <https://www.chinaairlinetravel.com/trains/shanghai-to-changshu/>

⁶ The distance between Changshu City and Suzhou is approximately 40km. Retrieved from: <https://www.rome2rio.com/s/Changshu-City/Suzhou>

⁷ OUE Lippo Healthcare Limited completed its acquisition of 70% stakes in an operating company to operate a general hospital, Wuxi Lippo Xi Nan Hospital, in October 2019

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 is a Pan-Asian healthcare group that owns, operates and invests in quality healthcare assets in high-growth Asian markets. It currently owns 12 nursing homes in Japan, as well as operating one hospital and developing another two hospitals in China. It also has a stake in the joint venture companies that own and operate six medical facilities in Myanmar. In addition, it holds a 40% stake in First REIT Management Limited, which is the manager of First Real Estate Investment Trust, Singapore’s first listed healthcare real estate investment trust.

OUELH continually seeks to grow its healthcare businesses in Asia via its three-pronged strategy in developing strategic partnerships, growing its Pan-Asian presence and adopting an asset-light approach.

About China Merchants Group

China Merchants Group (“**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. CMG is a large-scale conglomerate with diversified businesses. At present, the Group mainly focuses on three core industries: comprehensive transportation, featured finance, holistic development and operation of residential communities and industrial parks. It has also been engaging in the transformation from these three primary industries to the three platforms of industrial management, financial services, and investment and capital operation.

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