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## UPDATE TO SHAREHOLDERS ON LITIGATION PROCEEDINGS IN THE PEOPLE'S REPUBLIC OF CHINA

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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 announcements dated 20 December 2017, 6 August 2018 and 23 August 2018 in relation to the proceedings brought by 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 substantially owned and controlled by one Mr David Lin Kao Kun ("**Mr David Lin**"), against 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 previously announced, the appeal Court had decided the matter in favour of Weixin.

The Board wishes to update the Company's shareholders that the Company has instructed its PRC Counsel to take steps to hold Mr David Lin and his associates accountable for documents which were generated and relied upon by Mr David Lin and Weixin, resulting in the loss of Wuxi Co. These steps include:

- (a) Shanghai Yilin, a subsidiary of the Company, has commenced legal proceedings before the Shanghai Pudong New District Court against Fang Meiling, who was at the material time, the legal representative of Shanghai Yilin (the "**Shanghai Yilin Suit**"). It is contended that she breached her duties to Shanghai Yilin when she signed a commitment letter dated 5 June 2014 and subsequently a share transfer agreement transferring the shares in Wuxi Co to Weixin. Shanghai Yilin has sought an order for damages in the amount of RMB3,000,000. The Shanghai Yilin Suit was officially accepted by the Shanghai Pudong New District Court on 16 October 2018.
- (b) Healthkind Shanghai, a subsidiary of the Company, has commenced legal proceedings before the Shanghai No. 1 Intermediate Court against Mr David Lin and Weixin (the "**Healthkind Suit**"), seeking 100% of the shares in Wuxi Co. In these proceedings, Healthkind Shanghai contends that Mr David Lin had breached his fiduciary duties in causing Healthkind Shanghai to enter into rescission agreements on 8 November 2013 to transfer away Healthkind Shanghai's shares in Wuxi Co to Shanghai Yilin, and thereafter causing Shanghai Yilin to transfer the same shares to Weixin. The Healthkind Suit was officially accepted by the Shanghai No. 1 Intermediate Court on 8 November 2018.

On 3 December 2018, the Company was informed by its PRC Counsel that Healthkind Shanghai has successfully requested the Shanghai No. 1 Intermediate Court to take asset preservation measures over Weixin's shares in Wuxi Co, pending the outcome of the Healthkind Suit. As part of the asset preservation measures, the Shanghai No. 1 Intermediate Court has frozen 100% of the shares in Wuxi Co (whose registered capital is RMB 44,000,000), from 30 November 2018 to 29 November 2021.

### OUE Lippo Healthcare Limited

Company Registration No. 201304341E

(In receivership over charged shares in certain subsidiaries)

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- (c) Wuxi Yilin Health Management Co. Ltd (无锡医霖健康管理公司) ("**Wuxi Yilin Health**"), a subsidiary of the Company, has commenced legal proceedings against Mr David Lin before the Wuxi Intermediate Court. In these proceedings, it is contended that Mr David Lin breached his duties to Wuxi Yilin Health, by causing Wuxi Yilin Health to enter into a commitment letter dated 28 July 2014, wherein it agreed to transfer all of Wuxi Yilin Health's interests in *inter alia* Wuxi Co, to Weixin. Wuxi Yilin Health has sought an order for damages in the sum of RMB 53,406,200. In the meantime, Wuxi Yilin Health has successfully requested the Wuxi Intermediate court to freeze Mr David Lin's funds, in the sum of RMB 6,250,000. The first hearing for this matter took place on 4 December 2018.

The Board will 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  
05 December 2018

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*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 Catalyst. 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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