

---

## ENTRY INTO LEASE AGREEMENT BY CHINA MERCHANTS LIPPO HOSPITAL MANAGEMENT (SHENZHEN) LIMITED

---

### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of OUE Lippo Healthcare Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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, “**CM Lippo**”), a joint venture company in which the Group has a 50% interest, has on 30 December 2020, entered into a lease agreement (the “**Lease Agreement**”) with 常熟市琴康房地产开发有限公司 (Changshu Qinkang Real Estate Development Company Limited, the “**Landlord**”).

Under the Lease Agreement, CM Lippo will lease premises with a total gross floor area of about 25,000 square metres located in Changshu city, Jiangsu province of the People’s Republic of China (“**PRC**”) (the “**Premises**”). CM Lippo plans to set up and operate a Grade II Obstetrics & Gynaecology Hospital at the Premises and it will be named as “Changshu China Merchants - Lippo Obstetrics & Gynaecology Hospital” (the “**Changshu Hospital**”). It is expected to be commissioned in 2023.

### 2. INFORMATION ON THE PARTIES

#### 2.1. Information on CM Lippo

CM Lippo is a 50:50 joint venture entity between the Company's indirect wholly-owned subsidiary, Lippo Health Care Limited 力寶醫療有限公司, and 深圳市招商创业有限公司 (China Merchants Landmark (Shenzhen) Co., Ltd., “**CMSZ**”). CMSZ is a subsidiary of 招商蛇口工业区控股股份有限公司 (China Merchants Shekou Industrial Zone Holdings Co. Ltd, “**CMSK**”). CMSZ and CMSK are both part of the China Merchants Group, which is a China state-owned conglomerate based in Hong Kong.

#### 2.2. Information on the Landlord

The Landlord is a wholly-owned subsidiary of 常熟招商琴湖投资发展有限公司 (Changshu China Merchants Qinhu Investment Development Company Limited), which is in turn 70% owned by 招商局地产(苏州)有限公司 (China Merchants Real Estate Holding (Suzhou) Company Limited), a wholly-owned subsidiary of CMSK, and 30% owned by 常熟市城市经营投资有限公司 (Changshu Municipal Investment Co., Ltd.), an independent third party.

### 3. SALIENT TERMS OF THE LEASE AGREEMENT

The salient terms of the Lease Agreement are set out below:

- (a) the lease is granted for a term of 19.5 years commencing from the actual date of handover of the Premises in bare finish condition, which shall be no later than 1 November 2021;
- (b) CM Lippo will carry out necessary renovation, fittings and installation of medical equipment for operational requirements of the proposed Changshu Hospital;
- (c) the rental under the Lease Agreement is structured as follow:

Terms of lease	Rental
1 <sup>st</sup> to 3 <sup>rd</sup> years	RMB 100,000 per annum
4 <sup>th</sup> year	RMB 4.0 million or 5% of the audited gross revenue of the proposed Changshu Hospital per annum, whichever is higher after a reduction of RMB 300,000
5 <sup>th</sup> to 19 <sup>th</sup> years	RMB 4.0 million or 5% of the audited gross revenue of the proposed Changshu Hospital per annum, whichever is higher
Last 6 months	RMB 2.0 million

- (d) CM Lippo has a right of first refusal to renew the lease upon expiry of the Lease Agreement and a right of first refusal to acquire the Premises throughout the lease term.

### 4. RATIONALE

The rationale for investing in the Changshu Hospital is as follows:

- (a) consistent with the Group's three-pronged growth strategy;
- (b) further strengthen our strategic partnership with the China Merchants Group on the heels of another hospital joint-venture project in Shenzhen announced in January 2020;
- (c) continue to grow our presence in Jiangsu province following the acquisition of Wuxi Lippo Xi Nan Hospital in October 2019; and
- (d) enhance investment returns based on a lease and operate business model.

### 5. FINANCIAL EFFECT

The entry into the Lease Agreement 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 2020.

### 6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Lease Agreement, save for their respective shareholding interests in the Company.

By Order of the Board  
**OUE Lippo Healthcare Limited**

Mr. Yet Kum Meng  
Chief Executive Officer and Executive Director  
30 December 2020

---

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

*The contact person for the Sponsor is Ms. Gillian Goh, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).*