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ASIA EDITION

OUE LIPPO to develop International Hospital in Prince Bay, China

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The proposed international hospital set to be flagship development by OUE Lippo Healthcare Limited and China Merchants Group

OUE Lippo Healthcare Limited (“OUELH”), on 12 Dec 2019, announced that it has entered into a non-binding letter of intent (“LOI”) with China Merchants Shekou Industrial Zone Holdings Co., Ltd. (“CMSK”), to jointly develop, operate and manage a high-end international hospital in Prince Bay (Ã¥Â¤ÂªÃ¥ÂÂ•Ã¦Â¹Â¾), Shekou, Shenzhen, The people’s Republic of China (the “Proposed Hospital Project”).

The Proposed Hospital Project is expected to have more than 200 beds serving the local community and is set to benefit from the growth of the medical tourism industry in the Guangdong-Hong Kong-Macao Greater Bay Area.

Mr Lee Yi Shyan, Chairman of OUELH said, “As a leading region for new and high technology industries in China, the Greater Bay Area will develop as a dominant economic powerhouse in the coming years. When completed, our international hospital in Prince Bay will be well-placed to cater to the growing demand for specialised and quality healthcare services in the area.”

Dr Stephen Riady, Executive Chairman of OUE and Board Director of OUELH said, “The Hospital Project is a significant milestone in strengthening our partnership with China Merchants Group, bringing together our international healthcare expertise and their in-depth local market knowledge. It is also a testament to our continued commitment to growing our healthcare business in China.”

The Greater Bay Area has been earmarked by the Chinese government to be the main driver of economic growth and international trade, and a key player in China’s “Belt and Road Initiative”.

The bustling cluster of 11 cities occupies about 56,000 sq km in land area. Despite comprising about 0.6% of China’s total land area, the Greater Bay Area is home to approximately 5% of the total population. It contributes about 12% of China’s Gross Domestic Product (“GDP”), or approximately US$1.6 trillion, which is comparable to

the economic size of South Korea. The GDP of the Greater Bay Area is expected to grow to approximately US$4.62 trillion by 2030, surpassing the Tokyo Bay Area as well as the New York Bay Area.

Shekou, where the Proposed Hospital Project is located, is nestled at the southern tip of Nanshan, with Hong Kong just across the Shenzhen Bay. Shekou was designated a Free Trade Zone by the Chinese government in 2015. The vibrant commercial area is home to many Fortune 500 Chinese companies, which are attracted to its connectivity, location, and growth potential.

With the opening of the Hong Kong-Zhuhai-Macao Bridge in October and the launch of the Guangzhou-Shenzhen-Hong Kong Express Rail Link earlier in September this year greatly boosting its connectivity and accessibility, the Greater Bay Area is developing rapidly to realise its potential as a key economic hub of China.

Strategic Partnership with China Merchants Group ("CMG")

The Proposed Hospital Project is the flagship development by OUELH and Hongkong based state-owned conglomerate CMG.

In November 2017, OUELH announced a strategic partnership with CMG to grow its healthcare business in China. Since then, the partnership has developed steadily and has resulted in projects such as the joint operation of the Shanghai Changhang Hospital in Pudong, Shanghai, which was announced in June earlier this year.

On the back of these strategic developments, OUELH will continue to extend and strengthen its Pan-Asia healthcare presence, including in China. The Company enjoys various strategic partnerships, including its long-term collaboration with CMG, as well as strong support from its shareholders, OUE and ITOCHU Group. Each of OUE and ITOCHU Group owns 64.4% and 25.3% in OUELH respectively.

The Proposed Hospital Project is subject to due diligence, entry into a definitive agreement(s) and the obtaining of relevant regulatory approvals by both OUELH and CMSK.

Photo: Chairman of OUE Lippo Healthcare, Mr Lee Yi Shyan and Executive Chairman of OUE, Dr Stephen Riady joined representatives from China Merchants Group at the Cornerstone laying ceremony in Prince Bay on 12 December 2018