

**JOINT VENTURE IN INDONESIA**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**” or “**SMG**” together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 29 April 2014 entered into a joint venture agreement (“**JV Agreement**”) with PT. Ciputra Raya Sejahtera (“**Ciputra**”) with the objective to operate an eye specialist clinic and possibly to extent to any other specialist clinic at Jakarta, Indonesia.

**2. CIPUTRA**

Ciputra is a limited liability company organized and existing under the laws of the Republic of Indonesia and has a line of business in property development and management, which also developing hospitals and clinics in several real estate townships in Indonesia.

**3. THE JV COMPANY**

Pursuant to the JV Agreement, the joint venture company known as PT Ciputra SMG (the “JV Company”), a limited liability company duly established and existing under the laws of the Republic of Indonesia, will increase its issued and paid-up capital to Rp. 11,000,000,000 (eleven billion Rupiah) consisting of 11 million shares each with a nominal value of Rp1,000 (one thousand Rupiah) which shall be subscribed, paid up and owned by the Ciputra and SMG (the “Parties”) as follows:

- (i) Ciputra : 6,600,000 (six million and six hundred thousand) shares with total nominal value of Rp. 6,600,000,000 (six billion and six hundred million Rupiah) representing 60% of the total paid up shares in the JV Company; and
- (ii) SMG : 4,400,000 (four million and four hundred thousand) shares with nominal value of Rp. 4,400,000,000 (four billion and four hundred million Rupiah) representing 40% of the total paid up shares in the JV Company.

The Parties’ obligation to make the above capital contribution shall be conditional upon the fulfillment of all the following conditions:

- (a) the BKPM Principle License (means license issued by the Capital Investment Coordinating Board of Indonesia for the JV Company to undertake commercial operation) has been obtained by the JV Company;
- (b) the amendment of the Articles of Association of to be in accordance with the JV Agreement has been acknowledged and agreed by the General Meeting of shareholders of the JV Company and any other pertinent body or officer of the JV Company as may be required;
- (c) the JV Agreement and the transactions contemplated hereby shall have been duly approved by the Board of Director of the JV Company or other pertinent body or officer of the Parties as may be required; and
- (d) the representations and warranties given by all Parties under the JV Agreement shall be true and correct in all respects as at the date of capital contribution.

The Parties agree that the main business of the JV Company shall be:

- (a) to operate an eye specialist clinic and possibly to extent to any other specialist clinic, with a Singapore Standard to be located at Ciputra World 1, Jakarta, Indonesia or any other places as shall be further mutually agreed by the Parties;
- (b) to carry on any other business or activities which are related, supportive, incidental, or conducive, directly or indirectly, to the attainment of the foregoing objective in the line of business field in eye specialist clinic; and
- (c) to the extent permitted by the applicable law, other activities as may be deemed necessary by the JV Company to ensure the success of the joint venture.

(together referred to as the "Project")

The management of the JV Company shall be vested in a Board of Directors composed of 3 (three) Directors, 1 (one) of whom shall be appointed as a President Director, 1 (one) of whom shall be appointed as a Vice President Director and 1 (one) of whom shall be appointed as a Director. Of 3 (three) Directors, 2 (two) including a President Director and Director of whom shall be elected from candidates nominated by Ciputra and 1 (one) as a Vice President Director of whom shall be elected from candidate nominated by SMG.

The investment is in the ordinary course of business and consistent with the Group's efforts in extending Singapore's healthcare services and quality into the Southeast Asia region.

#### **4. THE JV AGREEMENT**

Under the JV Agreement, the Parties agree that:

- (i) Ciputra shall in best effort obtain the licenses, conduct the recruitment of doctors, nurses, and/or para medic and non-medic staff, procurement of equipment, and other preparation for operational of the Project and/or the JV Company.
- (ii) SMG shall provide the entire standard operating procedure of SMG to the Project and/or the JV Company, marketing, and promotion, training and shall transfer of skills and knowledge to the doctor.

Save as disclosed in this announcement, there are no other material conditions attached to the JV Agreement.

#### **5. FUNDING AND FINANCIAL EFFECTS**

The subscriptions of the shares in the JV Company by the Company will be funded through the proceeds from the Right Issues which was issued and announced on 5 February 2014 and are not expected to have material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 31 December 2014.

The above use of the Right Issues proceeds is in accordance with the intended use as stated in the Offer Information Statements dated 13 January 2014 in relation to the Right Issue.

#### **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 JV Agreement, other than through their shareholdings in the Company.

None of the Directors or controlling shareholders or substantial shareholders of the Company and their respective associates are related to Ciputra.

By Order of the Board

Dr Beng Teck Liang  
Chief Executive Officer  
30 April 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the "Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Sponsor has not independently verified the contents of this announcement, including the correctness of any of the figures used, statements or opinions made.*

*This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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