

## LETTERS TO THE EDITOR

# Update on China Healthcare's ventures

WE refer to the report, "Branding puts shine on China Healthcare", (BT, July 17)

Due to situational changes and new developments, the information printed in paragraphs 10-12 is incorrect and no longer valid. As such, we would like to make clarifications as follows.

China Healthcare Ltd, since it was listed in December 2002, has been putting strong efforts in branding, to grow locally as well as overseas with support from IE Singapore.

After the first successful joint venture (JV) in Zhuhai, we have a second in Chengdu, in which we have a controlling stake of 51 per cent to further enhance our growth in the China market.

Our Econ Healthcare brand is presently well accepted by locals as well as in China. We have confidence that this Singapore healthcare brand will grow very well in China based on the past four years' track record.

1) Para 10 of the BT report says our company "has signed a pact to invest 60 per cent in a retirement village in western Chengdu . . ."

This memorandum of understanding (as announced on Sept 10, 2007) is now KIV for the future so that China Healthcare can concentrate on its investments in the Chengdu Tianli Group, which comprises retirement villages, rehabilitation, wellness & SPA centres.

In Chengdu, the JV with the Tianli Group is expected to do well as the city has a population of 16 million and is the gateway to western China which has a population of more than 100 million. Hence, the local market potential is great.

2) Para 11 says that "China Healthcare had staked its claim to 42 per cent participation" in an integrated healthcare resort in Sichuan.

China Healthcare and Chengdu Tianli Group will jointly develop the scenic healthcare park that will potentially offer facilities and activities such as a retirement village, a rehabilitation centre, healthcare,

wellness & SPA centre, TCM and other facilities which are suitable for both the old and young as a family concept. China Healthcare has a stake of 51 per cent in the project, not 42 per cent.

3) Para 12 says that "the healthcare resort is estimated to cost 700 million yuan (\$138 million)". "The first phase is due to be completed this year."

According to our understanding, the JV company will be raising the money for future development. It will be only after the approval of the projects by the local authority, that the costs will be released.

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