

**CHINA MEDICAL (INTERNATIONAL) GROUP LIMITED**  
(Company Registration No. 200505118M)

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**ANNOUNCEMENT OF NON-BINDING FRAMEWORK AGREEMENT**

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The board of directors (“**Directors**”) of China Medical (International) Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to inform shareholders that the Company had on 28 September 2017 entered into a non-binding framework agreement (“**Framework Agreement**”) with Clarity Health Pte Ltd (the “**Vendor**”) to acquire certain radiology and diagnostic businesses (“**Target Assets**”) in Singapore from the Vendor (the “**Proposed Acquisition**”). Discussions are on-going and there is no certainty whatsoever that these discussions will result in any transaction.

The Framework Agreement is subject to the Parties (collectively, the Company and Vendor) entering into a definitive sale and purchase agreement (the “**Definitive Agreement**”). The Framework Agreement is not intended to be legally binding between the Company and the Vendor, except for provisions relating to termination and non-binding effect. The Parties shall negotiate in good faith and use reasonable endeavours to agree on the terms and conditions of the Definitive Agreement on or prior to 27 October 2017, or such other later date as the Parties may agree.

The Vendor is a company incorporated in Singapore which is legally and beneficially held by LifeForce Healthcare Fund 1 L.P. (“**LifeForce Health Fund**”), an exempted limited partnership incorporated in the Cayman Islands. LifeForce Health Fund is an investment fund managed by specialist healthcare individuals, which focuses on investments in the healthcare industry. The Vendor is not related to the Company, the Company’s Directors, the substantial shareholders of the Company and their respective associates.

The Vendor is currently in the process of acquiring the Target Assets and is in the advanced stages of negotiating with the multiple existing vendors (who currently own the Target Assets) to enter into sale and purchase agreement to acquire the Target Assets subject to the usual satisfactory due diligence. Upon completion of the Proposed Acquisition, the Company intends to put in place a new management team and operational framework in order to optimize the Target Assets with a view to position them for future growth. As discussions are fairly confidential at this stage, the Board will make further announcements as and when appropriate.

None of the Directors or substantial shareholders of the Company has any interests, direct or indirect, in the Vendor, the Target Assets and the Proposed Acquisition, other than through their respective shareholding interests in the Company.

The Company will make the appropriate announcement(s) as and when there are any material updates or developments in relation to the foregoing in compliance with the applicable rules (including the Corporate Disclosure Policy of the Listing Manual of the Singapore Exchange Securities Trading Limited).

**Shareholders and potential investors are advised to exercise caution in trading the shares in the Company as there is no certainty or assurance as at the date of this announcement that a definitive agreement will be entered into, the terms and conditions of the Proposed Acquisition will not differ from that set out in the Framework Agreement, or the Proposed Acquisition will be undertaken at all.**

**Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.**

**BY ORDER OF THE BOARD**  
**28 September 2017**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, 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 Catalist. 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.*

*The contact person for the Sponsor is Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).*