

INCREASE IN ISSUED AND PAID-UP CAPITAL OF A JOINT VENTURE ENTITY AND ENTRY INTO SHAREHOLDERS' AGREEMENT IN RELATION TO THE JOINT VENTURE ENTITY

The Board of Directors (the “**Board**”) of Singapore Medical Group Limited (“**SMG**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 30 January 2018 in relation to the subscription for 20% equity interest in CHA SMG (Australia) Pte. Ltd. (“**CSA**”) (the “**Announcement**”).

Further to the Announcement, the Board wishes to announce that CSA had increased its issued and paid-up share capital by way of an allotment and issuance of 29,093,750 new ordinary shares (the “**New Shares**”) to its existing shareholders, being the Company and CHA Healthcare Singapore Pte. Ltd. (“**CHS**”), a 6.5% shareholder of the Company, in proportion to their respective shareholding in CSA as follows:

<u>Name</u>	<u>Shareholding Percentage</u>	<u>Number of New Shares</u>	<u>Paid-up Capital</u>
CHS	80.0	23,275,000	S\$23,275,000
SMG	20.0	5,818,750	S\$5,818,750
Total	100.00	29,093,750	S\$29,093,750

Following the allotment and issuance of the New Shares, CSA's issued and paid-up share capital amounts to US\$10 comprising 10 ordinary shares and S\$29,093,750 comprising 29,093,750 ordinary shares. The Company has also entered into a shareholders' agreement with CHS which regulates their rights and obligations as shareholders of CSA.

The subscription of the New Shares in CSA by the Company amounting to S\$5,818,750 is funded through the proceeds (the “**Placement Proceeds**”) from the issue and allotment of 30,000,000 placement shares on 17 February 2017 (the “**Placement**”) and the Company's internal resources, and are not expected to have any 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 2018.

The above use of the Placement Proceeds is in accordance with the change of use of proceeds from the Placement as stated in the announcement dated 8 February 2018.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction, other than through their respective interests (if any) in the Company.

On behalf of the Board

Dr Beng Teck Liang
Executive Director and Chief Executive Officer
26 February 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the “**Sponsor**”), for compliance with the relevant rules of the SGX-ST, this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently 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 correctness of any of the statements or opinions made or reports contained in this announcement.

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