

THE STRATEGIC COLLABORATION AGREEMENT AND THE PLACEMENT OF 30,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "PLACEMENT SHARES") AT S\$0.50 FOR EACH PLACEMENT SHARE (THE "PLACEMENT")

- NOVATION OF PLACEMENT AGREEMENT

1. INTRODUCTION

The Board of Directors (the "**Board**") of Singapore Medical Group Limited (the "**Company**") refers to the announcement of the Company dated 17 February 2017 in relation to the issuance of Placement Shares pursuant to a Placement Agreement entered into with CHA Healthcare Co. Ltd. ("**CHC**") on 16 February 2017 and the announcement dated 6 March 2017 in relation to the receipt of the listing and quotation notice of the Placement Shares from the SGX-ST for the listing and quotation of the Placement Shares on the Catalist, subject to SGX-ST listing requirements (the "**Earlier Announcements**").

Capitalised terms not defined herein shall bear the same meanings ascribed to them in the Earlier Announcements.

2. NOVATION OF PLACEMENT AGREEMENT

Further to the Earlier Announcements, the Board wishes to announce that the Company has today entered into a novation agreement ("**Novation Agreement**") with CHC and CHA Healthcare Singapore Pte. Ltd. ("**CHS**") whereby the parties agreed that CHC be substituted with CHS as a party to and in the Placement Agreement.

The Novation Agreement provides, inter alia, that:-

- (i) CHC irrevocably assigns to CHS all its rights, interests and entitlements in and under the Placement Agreement from 13 March 2017 in place of CHC in the Placement Agreement;
- (ii) CHS acknowledges and confirms that it has taken over and assumed all of the obligations, liabilities and rights of CHC under or in connection with the Placement Agreement as from 13 March 2017;
- (iii) The Company releases and discharges CHC from performance of all of its obligations and all present or future claims and demands by the Company and all present or future liabilities to the Company under or in connection with the Placement Agreement whether such claims, demands, obligations and liabilities arose prior to, on or subsequent to the novation of the Placement Agreement but without prejudice to the rights of CHS and Company against each other in respect of any such claims, demands, obligations and liabilities; and
- (iv) CHC releases and discharges the Company from performance of all of its obligations and all present or future claims and demands by CHC and all present or future liabilities to CHC under or in connection with the Placement Agreement, whether such claims, demands, obligations and liabilities arose prior to, on or subsequent to the novation of the Placement Agreement but without prejudice to the rights of CHS and the Company against each other in respect of any such claims, demands, obligations and liabilities.

CHS is a private limited company incorporated in Singapore on 11 January 2017. It is primarily engaged in investment holding and healthcare related business. CHS is a wholly-owned subsidiary of CHC. The Novation Agreement was entered into at the request of CHC, in order for CHC's wholly-owned subsidiary, CHS, to subscribe for and hold the Placement Shares.

The Company will make the necessary announcement(s) on the Placement Shares as appropriate or when there are further developments on the same.

3. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Novation Agreement.

By Order of the Board

Beng Teck Liang
Executive Director and Chief Executive Officer
13 March 2017

*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 Catalist Rules. 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.

The contact person for the Sponsor is Mr Eric Wong, Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place #09-01, Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.