

JOINT VENTURE IN SINGAPORE

The Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**” or “**SMG**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 7 October 2015 in relation to the non-binding memorandum of understanding entered into with Cardioscan Pty Ltd (“**Cardioscan**”) (the “**Announcement**”).

1. INTRODUCTION

Further to the Announcement, the Board wishes to announce that the Company has on 1 June 2016 entered into a joint venture agreement (“**JV Agreement**”) with Cardioscan with the objective to establish a company to engage in the provision of cardiac monitoring and reporting services in Singapore, Malaysia, Indonesia and Thailand.

Cardioscan is a company incorporated in Australia in 1984 and is principally engaged in the provision of cardiac monitoring and reporting services in Australia. Cardioscan specialises in ambulatory cardiac monitoring, ambulatory blood pressure monitoring, ECG interpretation, and cardiac event monitoring. Cardioscan reports on almost 500,000 individual tests per annum and is currently the largest private cardiac monitoring company in Australia and its customers include leading pathology groups and hospitals in Australia. Cardioscan also launched its services in Hong Kong in 2015.

2. THE JV COMPANY

Pursuant to the JV Agreement, the joint venture company, a limited liability company known as SMG Cardioscan Pte. Ltd. (“**SCPL**”), was incorporated on 1 June 2016 in the Republic of Singapore with an issued and paid-up capital of S\$100 consisting of 100 shares which were subscribed, paid up and owned by SMG and Cardioscan (the “**Parties**”) as follows:

- (i) SMG: 50 shares of S\$50 representing 50% of the total paid-up shares in SCPL; and
- (ii) Cardioscan: 50 shares of S\$50 representing 50% of the total paid-up shares in SCPL.

SCPL plans to subsequently increase its issued and paid-up capital to S\$100,000 consisting of 100,000 shares through allotment and issue of new shares which will be subscribed by the Company and Cardioscan pursuant to their 50% and 50% interest in SCPL respectively. Further announcements will be made by the Company via SGXNet.

The principal activities of SCPL are that of the provision of cardiac monitoring and reporting services in Singapore, Malaysia, Indonesia and Thailand.

The Parties agree that the main business of SCPL shall be:

- (a) to engage in the provision of cardiac monitoring and reporting services in Singapore, Malaysia, Indonesia and Thailand; and

- (b) to the extent permitted by the applicable laws and Articles of Association of SCPL, other activities as may be deemed necessary by SCPL to ensure the success of its business.

The management of SCPL shall be vested in a Board of Directors composed of four Directors, one of whom shall be appointed as Chairman of the Board, one of whom shall be appointed as Deputy Chairman of the Board and two of whom shall be appointed as Directors. Of the four Directors, two including the Chairman shall be elected from candidates nominated by Cardioscan and two including the Deputy Chairman shall be elected from candidates nominated by SMG.

The investment is in the ordinary course of business and consistent with the Group's efforts in exploring potential growth and acquisition opportunities in Singapore and the Southeast Asia region.

3. FUNDING AND FINANCIAL EFFECTS

The subscriptions of the shares in SCPL by the Company will be funded through the proceeds from the Placement which was issued and announced on 14 November 2014 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 2016.

The above use of the Placement proceeds is in accordance with the intended use as stated in the Company's announcement dated 4 November 2014 in relation to the Placement.

4. 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 Cardioscan.

By Order of the Board

Dr Beng Teck Liang
Executive Director and Chief Executive Officer
1 June 2016

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.

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.