

INFORMATION ON LITIGATION

The Board of Directors (the "**Directors**") of Singapore Medical Group Limited (the "**Company**") wishes to inform Shareholders that on 30 October 2017, a suit was commenced by Eastlife Private Limited ("**Eastlife**") and Maxglobe Private Limited ("**Maxglobe**"), amongst others (collectively, the "**Plaintiffs**"), against the Company, Dr Low Chai Ling ("**Dr Low**") and Dr Kenneth Lee Cheng San ("**Dr Lee**"), amongst others (collectively, the "**Defendants**").

Eastlife and Maxglobe operated various medical aesthetics clinics under the name of the "The Sloane Clinics", which Dr Low and Dr Lee founded. As there were critical issues with the business and the main shareholders which were not within their control, Dr Low and Dr Lee decided to resign. They thereafter set up Pheniks Pte. Ltd. ("**Pheniks**") to own and operate a medical aesthetics clinic under the new and independent brand name "SW1" (i.e. the SW1 Clinic). In March 2018, after discussions and negotiations, the Company decided to invest in the SW1 Clinic by purchasing shares in Pheniks (as announced on 1 March 2018).

In summary, the Plaintiffs alleged that the Company (a) infringed trademarks and copyright relating to The Sloane Clinics purportedly belonging to the Plaintiffs; (b) have conspired with the Defendants to pass off the new SW1 Clinic as a Sloane Clinic or associated with the Plaintiffs; and (c) have conspired with the Defendants to harm the Plaintiffs.

In the suit, the Plaintiffs also filed an application for various interlocutory injunctions requiring Dr Low, Dr Lee and various other Defendants to, pending the disposal of the suit, (a) refrain from using certain trademarks relating to The Sloane Clinics purportedly belonging to the Plaintiffs (the "**Disputed TMs**"); (b) enforce certain non-competition clauses to prevent them from working at the SW1 Clinic; (c) refrain from using certain purportedly confidential and business-related information purportedly belonging to the Plaintiffs, and deliver copies of these up to the Plaintiffs; and (d) provide control of certain websites and social media accounts purportedly belonging to the Plaintiffs. The Company is not using any of the Disputed TMs, and the Plaintiffs in any event subsequently withdrew their application for the majority of the interlocutory injunctions.

The Company conducted due diligence into the proposed Pheniks acquisition and has sought legal advice on the above claims, and believes that the claims against the Company are without merit and unlikely to have a material adverse impact on the operations and financial performance of the Company (taking into account the Pheniks acquisition). In any event, the claims are not against Pheniks, which does not use any of the disputed intellectual property rights and is not associated with the Sloane Clinic. In addition to Dr Low and Dr Lee, there are other medical professionals practicing at Pheniks. Based on the above, the Board is of the view that this litigation is not significant to the Company and Pheniks. The Company will make further announcements as and when appropriate.

On behalf of the Board

Dr Beng Teck Liang
Executive Director and Chief Executive Officer
20 April 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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