

SINGAPORE MEDICAL GROUP LIMITED
(Company Registration No.: 200503187W)

SHAREHOLDERS' AGREEMENT TO SUBSCRIBE FOR SHARES IN MINDCHAMPS MEDICAL PTE LIMITED

The Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**” or “**SMG**”) wishes to announce that the Company has entered into a shareholders’ agreement (“**Shareholders’ Agreement**”) with MindChamps Holdings Pte Limited (“**MCH**” together with the Company, the “**Shareholders**”) and MindChamps Medical Pte Limited (“**MCM**”) on 21 October 2014.

THE INVESTMENT

Under the terms of the Shareholders’ Agreement, the Company shall subscribe for 196,000 new ordinary shares of MCM at an aggregate subscription price of S\$100,000 payable by cash (the “**Investment**”) and MCH shall subscribe for 203,490 new ordinary shares of MCM at an aggregate subscription price of S\$299,490 payable by cash. Upon the completion of the subscription, the shareholding percentage of MCM will be as follows:

Name	Number of Shares	Shareholding Percentage
MCH	204,000	51%
SMG	196,000	49%

MCM is a dormant company incorporated in Singapore and is 100% owned by MCH prior to the Investment. It is currently seeking to engage in the business of operating as an operator and franchisor of private general practitioner healthcare providers under the brand name MindChamps Medical and the Shareholders intend to operate and/or franchise such general practitioner healthcare providers as a joint venture under the brand name “MindChamps Medical with SMG” (the “**Joint Venture Business**”).

Based on the unaudited accounts of MCM as at 21 October 2014, the net liabilities value of MCM is approximately S\$500.

As all of the relative figures in relation to the Investment computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”) amount to less than 5%, the Investment fall under the category of “Non-Disclosure Transactions” under Rule 1008 of the Catalist Rules. However, the Investment is required to be announced under Rule 704 (16) of the Catalist Rules.

The Investment is not expected to have any material impact on the net tangible assets per share or earning per share of the Company for the financial year ending 31 December 2014.

CONSIDERATION

The subscription price of the Investment was arrived at a willing buyer and willing seller basis, considering *inter alia*, the capital requirements of MCM and the contributions of the Shareholders to the Joint Venture Business. No valuation was commissioned by the Company in respect of the Investment.

The subscription price of the Investment will be funded through internal resources.

INFORMATION ON MCH

MCH is an award-winning education institute dedicated to developing the learning capacity of all young people – from pre-school to tertiary level. Students are trained in the Art of Learning How To Learn and the development of their Champion Mindset. Launched as a research centre in Australia in 1998, MCH established its world head institute in Singapore in 2002, and has become a leading player in the Singapore education market in the years following. The key divisions of MCH are MindChamps Specialist, MindChamps PreSchool and MindChamps Reading & Writing.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

By Order of the Board

Dr Beng Teck Liang
Chief Executive Officer

21 October 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the "**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**"). The Sponsor has not independently verified the contents of this announcement, including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes 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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