

**CHINA MEDICAL (INTERNATIONAL) GROUP LIMITED**  
(Company Registration No. 200505118M)  
(the “**Company**”)

---

**ANNOUNCEMENT IN RELATION TO THE APPOINTMENT OF INDEPENDENT REVIEWER AND  
POTENTIAL LITIGATION**

---

**1. APPOINTMENT OF INDEPENDENT REVIEWER**

The Board of Directors (the “**Board**” of the “**Directors**”) of China Medical (International) Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on 26 August 2018 on the Proposed Corporate Exercises (“**Previous Announcement**”) and to the Board’s response to the disclaimer of opinion issued by its auditors, Nexia TS Public Accounting Corporation, in respect of the financial statements of the Company for financial year ended 31 December 2017 (“**Response to Disclaimer of Opinion**”) issued on 3 April 2018.

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as defined in the Previous Announcement.

The Board is currently preparing a circular to seek the shareholders’ approval for the Proposed Corporate Exercises and would like to update its shareholders on the progress of matters.

In the Response to Disclaimer of Opinion, the Board had originally decided (a) not to proceed with the expansion plans for the medical aesthetics business in the People’s Republic of China (“**PRC**”) since the medical aesthetics business had been recording losses; and (b) to fully impair or write off the advances and/or loans for the medical aesthetics business amounting to S\$6,078,000 as at 31 December 2017 (“**Advances**”) since management had formed the opinion that these Advances were no longer recoverable. In the Previous Announcement, the Company disclosed that the Anchor Investor will emerge as the new controlling shareholder of the Company and will conduct a strategic review of the Group’s business thereafter. Subject to the findings and outcome of the strategic review, the Company intends to develop and boost the existing medical aesthetics and health care business of the Company by tapping on the extensive business and client network of Mr. Chua Chuan Seng, the controlling shareholder of the Anchor Investor, to explore potential business and investment opportunities in Singapore, Malaysia and the PRC. Given this re-direction back into the medical aesthetics and healthcare business in the PRC and amidst certain new information recently brought to the attention of the Board, the Board has voluntarily decided to subject the internal controls processes and policies of the Company to an independent review and for this purpose, is finalising the scope of work and terms of appointment with BDO LLP (“**Independent Reviewer**”) to look into the Advances that were impaired and other key matters relating to the acquisition and subsequent impairment of investment in China iMyth Company Pte. Ltd.. The report on the findings of the Independent Reviewer (“**Report**”) will be extended to the Audit Committee of the Company, Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Company’s sponsor.

The Audit Committee, comprising Dr. Lam Lee G, Mr. Yap Siew Sin, and Ms. Chang Shyre Gwo, will be responsible for overseeing the independent review of the Company by the Independent Reviewer.

The Company will update the shareholders on any material developments, including the key findings of the Report.

**2. POTENTIAL LITIGATION**

Concurrently, the Company has discovered the existence of personal guarantees provided by certain business partners in relation to some of these Advances.

The Company is currently seeking legal advice from Eversheds Harry Elias LLP, its legal advisers, to explore ways to *inter alia* enforce these guarantees with a view to recover some of these Advances, if

possible. As at the date of this announcement, the Company has yet to commence any legal proceedings, pending advice from its legal advisers.

**In the meantime, the Directors wish to advise shareholders of the Company and investors to exercise caution when dealing in the shares of the Company (“Shares”) and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers immediately. The Company will make further announcements as appropriate with regard to the above matters.**

**BY ORDER OF THE BOARD  
Hano Maeloa  
30 November 2018**

---

*This Announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Announcement.*

*The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).*