

MEMORANDUM OF UNDERSTANDING - PROPOSED JOINT VENTURE

The Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 26 November 2014 entered into a non-binding memorandum of understanding (“**MOU**”) with Leaders Cosmetics Division of Sansung Life & Science Co., Ltd (“**Leaders**”) in relation to a proposed joint venture (the “**Joint Venture**”).

Leaders is a company incorporated in South Korea and is principally engaged in the aesthetic medicine and cosmeceutical products business primarily in South Korea. The organisation was founded by a group of dermatologists from Seoul National University, a renowned university in Asia. Leaders’ operations encompass research and development, manufacturing, distribution and direct sale of its products. Its’ range of cosmeceutical products are currently distributed in over 10 countries including United States, Japan, Hong Kong, China and Singapore.

Pursuant to the MOU, the Company and Leaders have agreed to explore the formation of a joint venture entity (the “**Joint Venture Entity**”) in Singapore which will engage in the aesthetics and dermatology businesses and distribution of dermatological and cosmeceutical products in the South-East Asia region. The Company and Leaders will hold 51% and 49% equity interest respectively in the Joint Venture Entity.

The entry into the MOU is not expected to have material effects on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2014.

The MOU is valid for 6 months and is subject to entry into a definitive joint venture agreement by the Company and Leaders. Shareholders and potential investors of the Company are advised to exercise caution in dealing with the securities of the Company as there is no certainty or assurance that as at the date of this announcement the definitive joint venture agreement will be entered into or the Joint Venture will be undertaken at all.

None of the directors or substantial shareholders has or will have any interest, directly or indirectly in the Joint Venture (other than through their shareholdings in the Company).

The Company will make further announcements on the SGXNet to keep shareholders informed and updated upon execution of the definitive joint venture agreement and/or when there are material developments in respect of the Joint Venture.

By Order of the Board

Dr Beng Teck Liang
Chief Executive Officer

26 November 2014

This document 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 document.

This document has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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