

INVESTMENT IN A JOINT VENTURE COMPANY

The Board of Directors (the “**Board**”) of Singapore Medical Group Limited (“**SMG**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 30 January 2018 subscribed for 20% equity interest in CHA SMG (Australia) Pte. Ltd. (“**CSA**”) for a cash consideration of US\$2 (the “**Subscription**”).

THE JOINT VENTURE COMPANY

CSA was incorporated on 24 January 2018 in the Republic of Singapore with its principal activities being that of investment holding. Prior to the Subscription, CSA was wholly owned by CHA Healthcare Singapore Pte. Ltd. (“**CHA**”), a 6.5% shareholder of the Company. As at 30 January 2018, the shareholdings in CSA is as follows:

<u>Name</u>	<u>Shareholding Percentage</u>	<u>Number of New Shares</u>	<u>Paid-up Capital</u>
CHA	80.0	8	US\$8
SMG	20.0	2	US\$2
Total	100.00	10	US\$10

CSA plans to subsequently increase its issued and paid-up capital through allotment and issue of new shares which will be subscribed by CHA and SMG in proportion to their respective interests in CSA with the objective of exploring business opportunities in Australia. Further announcements will be made by the Company via SGXNet as and when there are any material developments in relation thereto.

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

RATIONALE FOR THE SUBSCRIPTION

The Subscription is in the ordinary course of business of the Group and consistent with the Group’s efforts in exploring potential growth and acquisition opportunities in Pan-Asia region.

FUNDING AND FINANCIAL EFFECTS

The Subscription will be funded through the Company’s internal resources 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 2018.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in CSA, other than through their respective interests (if any) in the Company.

By Order of the Board

Dr Beng Teck Liang

Executive Director and Chief Executive Officer

30 January 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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