
PROPOSED ACQUISITION OF OBSTETRICS AND GYNAECOLOGY CLINICS

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement issued by the Company on 11 October 2016 (the “**FA Announcement**”) in relation to the entry into the Framework Agreement with each of Dr Chan Weng Buen, Dr Henry Cheng Hung, Dr Tho Chin Keong, Dr Lee Weng Soon James and Dr Fong Yang (collectively, the “**Vendors**”).
- 1.2 Unless otherwise defined herein, capitalised terms used in this announcement shall have the meanings given to them in the FA Announcement.
- 1.3 The Board wishes to announce that SMG Astra Women’s Specialist Pte Ltd (the “**Purchaser**”), a wholly-owned subsidiary of the Company, has on 6 December 2016 entered into six (6) separate share purchase agreements (the “**Share Purchase Agreements**”) with the Vendors in relation to the acquisition of the Target Companies (as set out in Appendix A).

2. DETAILS OF VARIATIONS FROM THE TERMS OF THE FRAMEWORK AGREEMENT

Save for the following, the terms of the Framework Agreement have been incorporated into the Share Purchase Agreements without any material deviation:

2.1 Change in Target Companies

As announced in the FA Announcement, the Vendors were to undertake the Restructuring Exercise prior to Completion to consolidate their respective obstetrics and gynaecology practices under the Target Companies.

The revised list of Target Companies is set out in Appendix A.

2.2 Additional Conditions Precedent

Further, the Share Purchase Agreements have included additional conditions which are required to be satisfied or fulfilled by the Vendors (unless waived by the Purchaser) before Completion:

- (a) except as disclosed to and accepted by the Purchaser and so far as the Vendors are aware, there not having occurred any event between the date of signing of the Share Purchase Agreements and Completion which would constitute a breach of any warranty as to the Target Companies given by the Vendors if such warranty were to be repeated at Completion;
- (b) the Vendors not having breached, in any material respect, any material provision of the Share Purchase Agreements; and

- (c) the Vendors having delivered to the Purchaser the duly executed property leases entered into between each of the Target Companies (as tenant) and the Vendors (or, companies owned by the Vendors) (as landlord) in relation to the lease of the properties where the Target Business operates from.

2.3 Appointment of Vendors as directors of the Target Companies

Each of the Vendors shall be appointed as a director on the board of the relevant Target Company with effect from Completion.

3. SAFEGUARDS IN RELATION TO THE PROFIT GUARANTEE

The Company, the Purchaser and the Vendors are currently negotiating several forms of safeguards to ensure the Company's right of recourse in the event the Profit Guarantee is not met by the Vendors.

These safeguards include but are not limited to: (a) deferring payment of the Third Tranche Cash Consideration in the event the Term 1 Profit Guarantee is not met, and (b) the establishment of an escrow account with a third party escrow agent appointed to hold a sum deposited with it by the Vendors, which shall be released to the Vendors if the Term 2 Profit Guarantee is met or to the Purchaser if the Term 2 Profit Guarantee is not met, as the case may be.

Once the terms of the Deed of Profit Guarantee (which will include the nature of the safeguards) are agreed, the Company will make the relevant announcements accordingly. The Company wishes to highlight that, as announced in the FA Announcement, the delivery of the duly executed Deed of Profit Guarantee is a condition to be satisfied by the Vendors on or prior to Completion.

4. SOURCE OF FUNDS FOR PAYMENT OF THE CASH CONSIDERATION

The payment of the Cash Consideration by the Company will be funded through a combination of internal resources and bank facilities (instead of fund raising activities as previously announced). Depending on circumstances, the Company may explore fund raising in the capital markets subsequently. The Company will update shareholders on any material developments and will make such announcements.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or (so far as they are aware) the controlling shareholders of the Company has any interest, direct or indirect (other than through their respective directorships and shareholdings in the Company), in the Proposed Acquisition.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Share Purchase Agreements are available for inspection during normal business hours at the Company's registered office at 290 Orchard Road, #13-01, The Paragon, Singapore 238859 for a period of three (3) months commencing from the date of this Announcement.

On Behalf of the Board

Dr Beng Teck Liang

Executive Director and Chief Executive Officer

6 December 2016

*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 Catalist Rules. 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.

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

APPENDIX A

Details of the Target Companies upon completion of the Restructuring Exercise are set out below:

Name	Date and place of Incorporation	Particulars of issued and paid-up share capital	Vendor(s)	Shareholding Interests	Principal activities
Astra Women's Specialists (WB) Pte. Ltd.	15 July 2014 / Singapore	S\$10 comprising 10 ordinary shares	Dr Chan Weng Bue	100%	Obstetrics and gynaecology
The Women's Specialist Centre (HC) Pte. Ltd.	8 March 1997/ Singapore	S\$1,000 comprising 1,000 ordinary shares	Dr Henry Cheng Hung	100%	Obstetrics and gynaecology
Fong's Clinic (TB) Pte. Ltd.	1 December 2016 / Singapore	S\$1 comprising 1 ordinary share	Dr Fong Yang	100%	Obstetrics and gynaecology
Astra Centre for Women & Fertility Pte. Ltd.	21 October 2013 / Singapore	S\$100 comprising 100 ordinary shares	Dr Fong Yang	100%	Obstetrics and gynaecology
TCK @Novena Pte. Ltd.	24 March 2014/ Singapore	S\$2 comprising 2 ordinary shares	Dr Tho Chin Keong	100%	Obstetrics and gynaecology
Astra Women's Specialists (JL) Pte. Ltd.	23 November 2016/ Singapore	S\$10 comprising 10 ordinary shares	Dr Lee Weng Soon James	100%	Obstetrics and gynaecology
Alpha Healthcare International Pte. Ltd.	6 September 2013 / Singapore	S\$10 comprising 10 ordinary shares	Dr Chan Weng Bue	20%	Obstetrics and gynaecology
			Dr Lee Weng Soon James	20%	
			Dr Tho Chin Keong	20%	
			Dr Fong Yang	20%	
			Dr Henry Cheng Hung	20%	