

DIVIDEND POLICY

The Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) wishes to announce the adoption of a dividend policy that aims to provide shareholders of the Company (“**Shareholders**”) with a target annual dividend payout of not less than 20% of the Group’s core operating earnings excluding share of results of joint ventures and associates, whether as interim and/or final dividends. Such declaration and payment of dividends shall be determined at the sole discretion of the Board.

In proposing any dividend payout, the Board shall take into account, inter alia:-

- (a) the level of the Group’s cash and retained earnings;
- (b) the Group’s actual and projected financial performance;
- (c) the Group’s projected levels of capital expenditure and other investment plans, including strategic and opportunistic investments;
- (d) the Group’s working capital requirements and general business and financing conditions;
- (e) restrictions on payment of dividends imposed on the Group by the Group’s financing arrangements (if any); and
- (f) any other factors the Board may deem relevant.

The Board endeavours to maintain a balance between meeting Shareholders’ expectations and prudent capital management with a sustainable dividend policy. The Board will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time.

Shareholders and investors of the Company should note that the dividend policy is not indicative in any way of, and should not be construed in any manner as a forecast statement or projection made by the Company or the Board, on the future financial results and performance of the Company. In particular, no inference should or can be made from any of the foregoing statements as to the actual future profitability of the Company or the ability of the Company to pay dividends, and the dividend policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividends.

By Order of the Board

Dr Beng Teck Liang
Executive Director and Chief Executive Officer
24 February 2020

*This announcement has been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (“**Sponsor**”) in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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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