

JCG INVESTMENT HOLDINGS LTD.
(formerly known as China Medical (International) Group Limited)
(Company Registration No. 200505118M)

RESPONSES TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED RECEIVED ON 18 SEPTEMBER 2019 REGARDING PROPOSED ACQUISITION OF 51% SHAREHOLDING INTERESTS IN EACH OF THE TARGET ENTITIES

The board of directors (the “**Board**”) of JCG Investment Holdings Ltd. (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements on 21 May 2019, 2 August 2019, 26 August 2019, 17 September 2019, 9 October 2019 and 16 October 2019 (the “**Previous Announcements**”) in relation to the Proposed Acquisition of 51% shareholding interests in each of the target entities and queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 18 September 2019 in relation to the terms of the Proposed Acquisition. All capitalised terms used and not defined herein shall have the same meanings as ascribed to them in the Previous Announcements.

SGX-ST Queries (18 September 2019)

Queries	Responses by Company
1. In relation to the profit guarantees for the acquisition, can we clarify whether this would be in compliance with the equivalent of the Singapore Medical Council’s Ethical Code and Ethical Guidelines, and Singapore Medical Association’s guidelines?	<p>We have consulted our legal team and they have advised that the terms of the proposed acquisition do not contain a profit guarantee.</p> <p>Under Rule 1013 of the Catalist Rules, “the term “profit guarantee” can only be used for transactions where the vendor will compensate the issuer in cash for any shortfall in the level of profits when it provides a quantifiable anticipated level of future profits”. Sections 4.2.3 (b) to (d) of the Circular mentions the payment by the Company of the Tranche 2, Tranche 3 and Tranche 4 consideration respectively. These are incentive payments which are contingent on there being audited profits after tax (“NPAT”) for the first year, and improvements in the NPAT in each of the two years thereafter (with such profit figures not being specifically quantified). This is not a profit guarantee by the vendors whereby they will compensate the issuer in cash for any shortfall in the level of profits, nor do the vendors guarantee a quantifiable anticipated level of future profits.</p>

	<p>In considering the terms of the proposed acquisition, the Company and the target entities have referenced the Malaysia Medical Council's ("MMC") Code of Professional Conduct ("CPC") dated Dec 1986 (as outlined in MMC's website www.mmc.gov.my) which states in Section 3.4 The Practitioner and Commercial Undertakings that, <i>inter alia</i>, (i) the practitioner is the trustee for the patient and accordingly must avoid any situation in which there is a conflict of interest with the patient and (ii) a general ethical principle is that a practitioner should not associate himself with commerce in such a way to let it influence, or appear to influence, his attitude towards the treatment of his patients. These guidelines from MMC are principles of ethical best practises which do not outrightly prohibit the terms of BW acquisition as a whole, and in particular with regard to the term where additional Tranche 2, 3 and 4 Consideration will be paid in the event that audited profits after tax ("NPAT") targets are reached in the first year after acquisition and for the two years thereafter.</p> <p>The Company and the target entities are committed to adhering to the MMC's ethical best practices. We are equally cognizant that patient's interest and well-being is the foremost priority of ours and no business considerations will affect the Company's, the target entities' and the doctors' objectivity in the management of our patients.</p>
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BY ORDER OF THE BOARD

Ang Kok Huan
Chief Executive Officer

1 November 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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.

The contact person for the Sponsor is Ms Vanessa Ng (Telephone: +65 6389 3065 and Email: vanessa.ng@morganlewis.com).