For Immediate Release

Private consortium seeks to privatise SMG at S$0.37 per offer share in cash or one new share in the Offeror per offer share

- Cash Price of S$0.37 per Offer Share translates to a substantial premium ranging between 16.0% to 18.8% over the VWAP per Share over the past 12 months and premia of approximately 8.1% and 322.8% over the net asset value and net tangible asset value per Share respectively, as of 31 December 2021

- The Offer represents an attractive opportunity for Shareholders to realise their investment at an attractive Cash Price and a substantial premium amidst low trading liquidity while providing Shareholders having long-term investment objectives with the opportunity to remain as minority shareholders in the Offeror being an unlisted entity (albeit subject to investment, execution and other risks commensurate with a shareholding in the Offeror)

- Amid challenging business conditions due to rising operational costs, a shortage of labour within the healthcare industry and wage increases, the privatisation of SMG provides greater flexibility for management to make strategic, long-term investment decisions to ensure the long-term competitiveness of the Company and enhance shareholder value in the long run

- Subdued historical share price performance despite a strong track record of profitability and execution has constrained the Company's ability to utilise its Shares as currency for acquisitions or fund raising

- The Offeror has secured irrevocable undertakings in respect of approximately 51.67% of the Shares

- The Offer is conditional on the Offeror and parties acting in concert with the Offeror holding more than 90% of the total number of Shares as at the close of the Offer

Singapore, 13 September 2022 – Ernst & Young Corporate Finance Pte Ltd ("**EYCF**"), for and on behalf of TLW Success Pte Ltd. (the "**Offeror**") has today announced that the Offeror intends to make a voluntary conditional general offer (the **"Offer**") in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of Singapore Medical Group Limited ("**SMG**" or the "**Company**"), other than any Shares held in treasury and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer (the "**Offer Shares**").

The consideration for each Offer Share shall, at the option of each accepting shareholder of the Company (a "**Shareholder**"), be:

(a) S$0.37 in cash (the "**Cash Price**") for each Offer Share (the "**Cash Consideration**"); or
(b) 1 new share to be issued by the Offeror for each Offer Share (the "**Share Alternative**").

The Offeror is an investment holding vehicle equally-owned by SMG's Non-Executive Chairman, Mr Tony Tan Choon Keat, Executive Director and Chief Executive Officer, Dr Beng Teck Liang and Executive Director, Dr Wong Seng Weng (collectively, the "**Promoters**"). To date, the Offeror has received irrevocable undertakings from Shareholders (including the Promoters) holding approximately 51.67% of the Shares to accept the option of the Share Alternative in the Offer.

The Offer is conditional upon the Offeror and parties acting in concert with it holding more than 90% of the total number of Shares, excluding Shares held in treasury, as at the close of the Offer. The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company.

The Offeror is of the view that the Offer represents an attractive opportunity for Shareholders to realise their investment in SMG at an attractive Cash Price and a substantial premium amidst low trading liquidity, without incurring brokerage and other trading costs. Furthermore, the Offer provides Shareholders having long-term investment objectives with the opportunity to remain as minority shareholders in the Offeror being an unlisted entity (albeit subject to investment, execution and other risks commensurate with a shareholding in the Offeror).

Dr Beng Teck Liang, CEO and Executive Director of SMG said, *"Against the backdrop of a challenging business landscape within the healthcare industry, the privatisation of SMG will provide the Company with greater flexibility to execute strategic, long-term investments to ensure the long-term competitiveness of the Company and enhance shareholder value in the long run. The Offer will effectively allow Shareholders to exit at an attractive price while* *welcoming longer-term oriented Shareholders who believe in the Company's growth prospects to remain invested in the unlisted entity.*

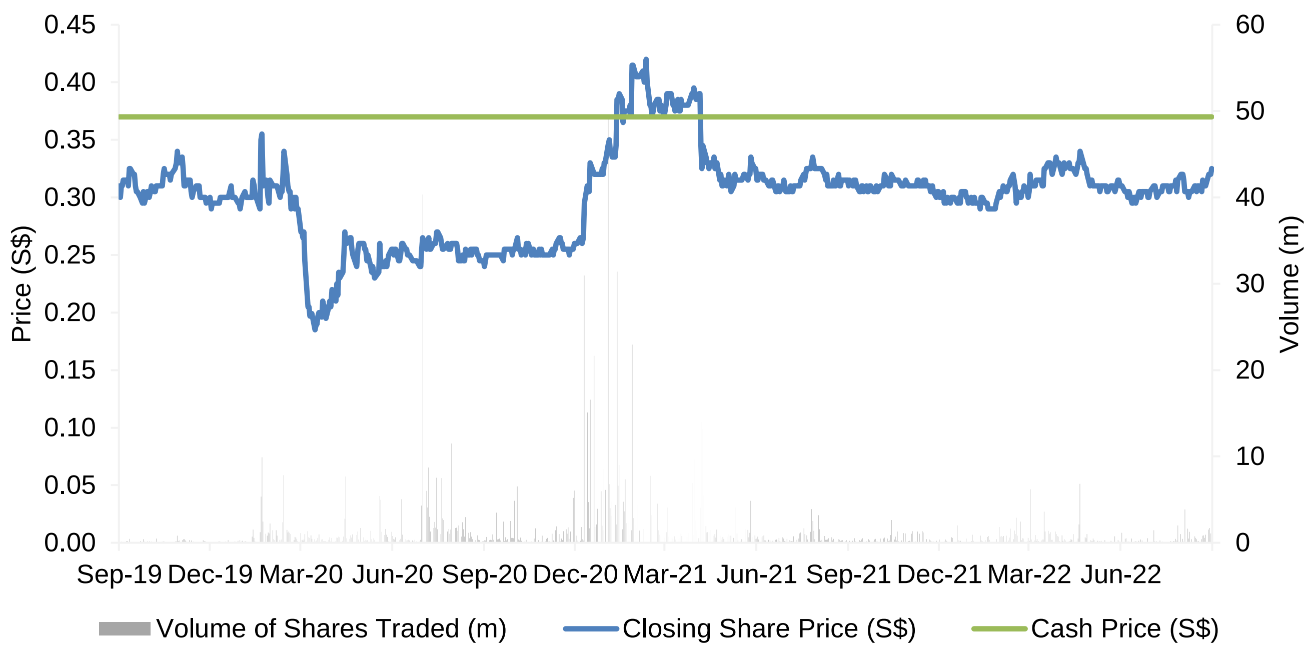
The Company's relatively subdued share price performance over the past three years has also constrained its ability to execute inorganic growth initiatives and build upon its track record of growth through acquisitions. Delisting at a time of increased uncertainty will allow the organisation to be more nimble and enable more aggressive strategies for growth. Accordingly, to ensure long-term sustainability, the likelihood of longer-dated investments will be required and may potentially lead to earnings volatility in the near term. In the current environment, it is essential to adopt a longer-term view of our operations."

Rationale for the Offer

Uncertainty in the short to medium term

The Company faces significant headwinds comprising a challenging macro-economic and operating environment driven by operational cost increases, shortage of skilled healthcare labour and wage increases in the midst of an inflationary environment. This environment means the Company faces significant operating and financial constraints in executing its strategies and plans for growth. The Offeror also believes that while investment opportunities are still available to pursue organic and inorganic growth with synergistic partners, the environment in which such opportunities can be realised will become more challenging in the short to medium term.

Subdued historical share price performance



Save for the period from 18 December 2020, when the Company announced that it was in preliminary discussions with a third party regarding a possible transaction involving the Company's shares, to 15 April 2021, when it was announced that the Company and the third party decided not to proceed with further exploration of the transaction, the Offeror notes that the Cash Price translates to a premium to the traded price of the Shares over the last 3 years to date.

The Offeror is of the view that the historical price performance of the Shares has generally been relatively subdued despite the Company having consistently demonstrated a strong track record of profitability and operational execution. This includes delivering record levels of revenue and profitability for FY2021 and continued organic expansion through the opening of new clinics and by growing the number of specialist doctors within the Company. Accordingly, this has constrained the Company's ability to utilise its Shares as currency for acquisitions or fund raising.

Opportunity to realise investment in SMG at an attractive price and substantial premium

The Offer presents Shareholders with an opportunity to realise their investment in their Shares at a premium of approximately:

The Cash Price represents a premium of approximately 18.1%, 18.8%, 16.0% and 18.0% over the volume weighted average price ("**VWAP**") per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively, up to and including 8 September 2022, being the last full Market Day[1] on which Shares were transacted.

As set out in the table below, based on the Cash Consideration and the net assets of the Company and its subsidiaries as at 31 December 2021, the implied price-to-NAV (as defined below) per Share ratio is 1.1 times, while the implied price-to-NTA (as defined below) per Share ratio is 4.2 times:

Audited Net Asset Value ("**NAV**") (S$'m)	166.5
Cash Price-to-NAV per Share (times)	1.1x
Audited Net Tangible Assets ("**NTA**") (S$'m)	42.6
Cash Price-to-NTA per Share (times)	4.2x

Source: Company 2021 Annual Report

Notes:

(1) Numeric figures are rounded to the nearest one (1) decimal place.

Clear and Distinct Choice for Shareholders

If successfully privatised, the Offeror will review and carefully examine the business opportunities afforded to SMG with the intention to grow and further develop into a pan-Asian healthcare player. Such opportunities may involve entering into joint ventures, collaborations, investments and acquisitions or may involve the restructuring or reorganisation of SMG or a combination thereof which can result in increased operating risk to SMG, especially given the current global operating and economic environment. There is therefore no assurance that such plans can be successfully implemented or when, if at all, positive returns can be generated if such plans are pursued. The Offer therefore provides the Offeror with the ability to immediately reduce its regulatory and compliance related costs and to execute its future plans for SMG without exposing public shareholders to the increased risks that may arise as a result.

Shareholders are provided with a clear choice pursuant to the Offer between:

(a) an attractive cash exit alternative for Shareholders who do not wish to be subject to the risk of uncertainty in the direction and strategy of the Company following privatisation; or

(b) the Share Alternative for Shareholders who believe in the management team and the business model of the Company.

Financial Adviser

Ernst & Young Corporate Finance Pte Ltd ("**EYCF**") has been appointed as the financial adviser to the Offeror in connection with the Offer. Any inquiries relating to this press release or the Offer should be directed during office hours to:

Ernst & Young Corporate Finance Pte Ltd
Tel: (65) 6239 4417

– The End –

About the Offeror

The Offeror is an investment holding vehicle equally-owned by Singapore Medical Group's Non-Executive Chairman, Mr Tony Tan Choon Keat, Executive Director and Chief Executive Officer, Dr Beng Teck Liang and Executive Director, Dr Wong Seng Weng. Mr Tan and Dr Beng were appointed to the Board of Directors of SMG in December 2013 and were instrumental in turning around the then loss-making company, identifying value-driven earnings accretive acquisitions to complement organic growth initiatives and entering new markets such as Indonesia and Vietnam. Under Mr Tan's and Dr Beng's leadership, the Group's revenue has increased from S$22.9 million for the financial year ended 31 December 2013 ("**FY2013**") to S$100.8 million for the financial year ended 31 December 2021 ("**FY2021**"), representing a cumulative average growth rate of 20.4% over the period. Profitability also grew from a

[1] For the purposes of this Announcement, "**Market Day**" means a day on which the SGX-ST is open for the trading of securities.

S$6.4 million loss for FY2013 to a record S$15.6 million for FY2021. Executive Director, Dr Wong Seng Weng, is currently the Medical Director and Consultant Medical Oncologist of The Cancer Centre at the Paragon and Mount Elizabeth Novena Specialists' Centres and has been a Board Member of SMG since August 2015.

About Singapore Medical Group Limited ("SMG")

The Company was incorporated in Singapore on 10 March 2005 and was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 23 July 2009. The principal activities of the Company lie in the provision of multi-disciplinary specialist healthcare services across the fields of ophthalmology, aesthetic medicine, sports medicine and oncology.

Responsibility Statement

The directors of the Offeror (the "**Directors**") (including those who may have delegated detailed supervision of this press release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this press release (other than those relating to the Company) are fair and accurate and that there are no other material facts not contained in this press release, the omission of which would make any statement in this press release misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release.

The Directors jointly and severally accept responsibility accordingly.

Forward-Looking Statements

All statements other than statements of historical facts included in this press release are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "shall", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor EYCF undertakes any obligation to update publicly or revise any forward-looking statements.