

ASX ANNOUNCEMENT

22 March 2017

Capitol Health shareholders overwhelmingly support Share Purchase Plan

- Capitol SPP significantly oversubscribed
- Total SPP amount increased to \$5.178 mill due to demand
- Allotment of shares subject to EGM approval of placement on 5 April 2017

The Directors of Capitol Health Limited (ASX: CAJ, "Capitol" or the "Company") are pleased to report that the Company's Share Purchase Plan ("SPP") announced to the market on 28th February 2017 has been highly successful, with a strong shareholder response. The SPP was offered to eligible shareholders in parcels of \$3,000, \$6,000, \$9,000, \$12,000 and \$15,000 at a price of 14 cents per share – being a 10.80% discount to the 5 day VWAP.

In order to accommodate the substantial demand from the Company's retail investors, the Directors have decided to increase acceptances from the originally anticipated SPP capital raising of \$3.5 mill to \$5.178 mill.

A scaleback of applications will be conducted on the following basis:

- applicants who applied for an allotment of shares in the \$3,000 and \$6,000 categories will receive 100% of their application, being 21,428 and 42,857 New Shares respectively;
- applicants who applied for an allotment of shares in the \$9,000, \$12,000 and \$15,000 categories will receive \$6,000 (being 42,857 New Shares (rounded));

Following completion of the scaleback and conditional on approval of the Private Placement at the Extraordinary General Meeting on 5 April 2017, the Company will issue 36,985,449 ordinary shares for a total subscription amount of \$5.178 mill.

Timetable

EGM to approve Private Placement	5 April 2017
Placement and SPP shares allotted	11 April 2017
Holding Statements despatched	12 April 2017
Placement and SPP shares begin trading	12 April 2017
SPP Refunds processed on or before	19 April 2017

The Directors wish to thank all shareholders for their show of support for the Company and its transformation strategy.

For more information, please contact:

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About Capitol Health

Capitol Health is a leading provider of diagnostic imaging and related services to the Australian healthcare market. Headquartered in Melbourne, Victoria, the Company owns and operates clinics throughout Victoria and New South Wales. The Company's operational focus is on delivering a community-based infrastructure for radiologists and related medical practitioners to deliver optimal, efficient, accurate healthcare service outcomes for patients.

Capitol also has an investment in diagnostic imaging artificial intelligence through Enlitic Inc in the US and a collaboration agreement with Enlitic regarding revenue share from the sale of Enlitic's Deep Learning Services in the radiology field in China.

Capitol also recently entered the Chinese DI market with a Joint Venture with CITIC Pharmaceutical (Shenzhen) Co., Ltd ("CITIC Pharmaceutical") and Xiamen Zhouxin Medical Image Co., Ltd (Zhouxin) to provide consulting and clinic management services to a network of independent imaging clinics to be created by CITIC and Zhouxin across mainland China.