

USE OF PROCEEDS FROM THE CONVERTIBLE LOAN

The Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 20 February 2019, 10 April 2019, 25 April 2019, 3 May 2019 and 4 June 2019 (the “**Convertible Loan Announcements**”) issued by the Company in relation to the Convertible Loan of S\$10 million provided by CHA Healthcare Singapore Pte. Ltd., which can be converted into 23,640,662 new ordinary shares in the issued share capital of the Company at a conversion price of S\$0.423 per share, pursuant to the terms of the Convertible Loan Agreement dated 20 February 2019, and drawn down on 4 June 2019 (the “**Convertible Loan**”).

All capital terms used and not defined herein shall have the same meanings given to them in the Convertible Loan Announcements, unless otherwise expressly stated or the context otherwise requires.

The Board wishes to announce that out of the net proceeds of S\$9.7 million from the Convertible Loan, the Company has utilised S\$0.4 million in the manner as set out below:

<u>Use of Net Proceeds</u>	Allocation of Net Proceeds	Net Proceeds utilised from 4 June 2019 to 26 August 2019	Balance of Net Proceeds as at 26 August 2019
	S\$ million	S\$ million	S\$ million
(i) Merger and acquisitions	7.8	0.4	7.4
(ii) General business purposes	1.9	-	1.9
	<u>9.7</u>	<u>0.4</u>	<u>9.3</u>

The above use of proceeds for mergers and acquisitions of S\$0.4 million is for the payment of the cash consideration of US\$255,000 (equivalent to approximately S\$354,000) relating to the proposed acquisition of 65,647 additional ordinary shares of CityClinic Asia Investments Pte. Ltd. as announced on 6 August 2019.

The above use of proceeds is in accordance with the intended use as stated in the Convertible Loan Announcements.

The Company will continue to make periodic announcements via SGXNET upon utilisation of the remaining Convertible Loan Proceeds as and when the funds are materially disbursed.

On Behalf of the Board

Dr Beng Teck Liang
Executive Director and Chief Executive Officer
26 August 2019

*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 Catalist Rules. 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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