

USE OF PROCEEDS FROM THE RIGHTS ISSUE

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 4 November 2014, 25 November 2014, 9 December 2014, 9 January 2015 and 13 January 2015 (the “**Rights Issue Announcements**”) and the Offer Information Statement (“**OIS**”) dated 9 December 2014 issued by the Company in relation to the renounceable non-underwritten rights issue of up to 25,093,500 new ordinary shares in the issued share capital of the Company, at an issue price of S\$0.153 for each Rights Share, on the basis of one (1) Rights Share for every ten (10) existing ordinary shares in the issued share capital of the Company held by entitled shareholders as at the books closure date, fractional entitlements to be disregarded (the “**Rights Issue**”).

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

The Board wishes to announce that out of the net proceeds of S\$3.6 million from the Rights Issue, the Company has utilised S\$0.4 million in the manner as set out below:

	<u>Actual</u>	<u>Intended</u>
	S\$ million	S\$ million
Net Proceeds	3.6	3.6
Less:		
(i) Strengthen the Company's working capital & capital base	-	(1.6)
(ii) Growing existing medical specialist business	(0.4)	(2.0)
Balance as at 2 February 2015	<u>3.2</u>	

The above use of proceeds is in accordance with the intended use as stated in the Rights Issue Announcements and the OIS.

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

By Order of the Board

Dr Beng Teck Liang
Chief Executive Officer

2 February 2015

This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor CIMB Bank Berhad, Singapore Branch (the “Sponsor”), for compliance with the relevant rules of the SGX-ST, this being the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this document.

This document has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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