
USE OF PROCEEDS FROM THE PLACEMENT

*All capitalised terms used and not defined herein shall have the same meanings given to them in the announcement dated 17 February 2017 (the “**Announcement**”) issued by the Company in relation to the Placement, unless otherwise expressly stated or the context otherwise requires.*

The Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 12 June 2017 and 1 July 2017 in relation to the proposed acquisition of Pediatric Clinics for a consideration of S\$25,300,000 where S\$13,915,000 is satisfied in cash (the “**Cash Consideration**”) to be paid over five tranches, and the balance of S\$11,385,000 is satisfied by the issue and allotment of approximately 21,024,931 new Shares of the Company (the “**Acquisition**”). On completion of the Acquisition, the Company will pay S\$4,969,400 of the Cash Consideration and this is funded through the proceeds from the issue and allotment of 30,000,000 placement shares on 15 March 2017 (the “**Placement Proceeds**”).

The Board would like to provide an update on the use of the Placement Proceeds as follows:

	<u>Actual</u>	<u>Intended</u>
	S\$ million	S\$ million
Net Proceeds	15.0	15.0
Less:		
(i) Merger and acquisition opportunities	(5.0)	(10.0)
(ii) Expansion into other South East Asia countries	-	(3.0)
(iii) Growing existing business	-	(2.0)
Balance as at 1 July 2017	<u>10.0</u>	

The above use of proceeds is in accordance with the intended use as stated in the Announcement in relation to the Placement.

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

By Order of the Board

Dr Beng Teck Liang
Executive Director and Chief Executive Officer

1 July 2017

*This announcement 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 Catalist. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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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