

USE OF PROCEEDS FROM THE PLACEMENT

All capital terms used and not defined herein shall have the same meanings given to them in the announcement dated 4 November 2014 (the “**Announcement**”) issued by the Company in relation to the Placement, unless otherwise expressly stated or the context otherwise requires.

Further to the announcements made on 6 January 2015, 5 June 2015, 3 July 2015, 20 July 2015, 20 November 2015 and 9 May 2016, the Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**”) would like to provide an update on the use of the proceeds as follows:

| | <u>Actual</u> | <u>Intended</u> |
|---|---------------|-----------------|
| | S\$ million | S\$ million |
| Net Proceeds | 4.2 | 4.2 |
| Less: | | |
| (i) Expansion of the Company's aesthetic business | (1.5) | (2.2) |
| (ii) Potential growth and acquisition opportunities | (2.0) | (2.0) |
| Balance as at 14 December 2016 | <u>0.7</u> | |

The above additional use of proceeds for potential growth and acquisition opportunities is in relation to the subscription of 49,950 new shares issued by SMG Cardioscan Pte. Ltd., the joint venture company between the Company and Cardioscan Pty Ltd, and deposit paid for the proposed acquisition of obstetrics and gynaecology clinics as stated in the announcement dated 11 October 2016.

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.

On Behalf of the Board

Dr Beng Teck Liang
Executive Director and Chief Executive Officer

14 December 2016

*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 Catalyst. 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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