
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.*

Further to the announcements made on 1 July 2017, 3 August 2017, 14 September 2017 and 28 September 2017, the Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to provide an update on the use of the proceeds as follows:

<u>Use of Net Proceeds</u>	Allocation of Net Proceeds	Net Proceeds utilised as at 28 September 2017	Net Proceeds utilised from 19 September 2017 to 1 November 2017	Balance of Net Proceeds as at 1 November 2017
	S\$ million	S\$ million	S\$ million	S\$ million
(i) Merger and acquisition opportunities	10.0	5.0	1.4	3.6
(ii) Expansion into other South East Asia countries	3.0	0.3	-	2.7
(iii) Growing existing business	2.0	1.4	-	0.6
	15.0	6.7	1.4	6.9

The above use of proceeds for merger and acquisition opportunities of S\$1,422,000 relates to the proposed acquisition of Babies and Children Specialist Clinic Pte. Ltd. for a consideration of S\$7,900,000 where S\$3,950,000 is satisfied in cash (the “**Cash Consideration**”) to be paid over three tranches, and the balance of S\$3,950,000 is satisfied by the issue and allotment of approximately 6,336,221 new Shares of the Company (the “**Acquisition**”) as per the announcements made on 19 October 2017 and 1 November 2017. The first tranche of the Cash Consideration of S\$1,422,000 will be paid on the completion of the Acquisition.

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

1 November 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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