

SINGAPORE MEDICAL GROUP LIMITED
(Company Registration No.: 200503187W)

CHANGE IN 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, 28 September 2017, 1 November 2017, 16 November 2017 and 15 December 2017, the Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to announce that there is a change in the use of proceeds from the Placement.

After considering the Group’s current financial position and business plan, the Board had re-allocated S\$1.7 million of the unutilised proceeds from the Placement, which was originally allocated for expansion into other South East Asia countries, to be utilised for merger and acquisition opportunities and growing existing business (the “**Re-allocation**”).

Consequent to the Re-allocation, the use of the net proceeds raised from the Placement is as follows:

	Amount Allocated S\$ million	Amount Re-allocated S\$ million	Revised Amount Allocated S\$ million
(i) Merger and acquisition opportunities	10.0	0.4	10.4
(ii) Expansion into other South East Asia countries	2.0	(1.7)	0.3
(iii) Growing existing business	3.0	1.3	4.3
Total	15.0	-	15.0

After the Re-allocation, the Company has utilised S\$0.5 million of the proceeds for growing existing business for the purchase of medical equipment and renovation, and S\$2.0 million of the proceeds for merger and acquisition opportunities for payment of a portion of the 2nd tranche cash consideration relating to the acquisition of Obstetrics and Gynaecology Clinics as announced on 11 October 2016, 6 December 2016, 24 January 2017 and 8 February 2017. Accordingly, the Board would like to provide an update on the use of the net proceeds from the Placement as follows:

<u>Use of Net Proceeds</u>	Allocation of Net Proceeds	Net Proceeds utilised as at 15 December 2017	Net Proceeds utilised from 16 December 2017 to 8 February 2018	Balance of Net Proceeds as at 8 February 2018
	S\$ million	S\$ million	S\$ million	S\$ million
(i) Merger and acquisition opportunities	10.4	6.4	2.0	2.0
(ii) Expansion into other South East Asia countries	0.3	0.3	-	-
(iii) Growing existing business	4.3	3.0	0.5	0.8
	15.0	9.7	2.5	2.8

The above use of proceeds is in accordance with the Re-allocation as well as 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

8 February 2018

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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