

INCREASE IN INTEREST IN A SUBSIDIARY

The board of directors ("Directors") of Singapore Medical Group Limited (the "Company", and together with its subsidiaries, the "Group") would like to announce that the Company has on 7 May 2014 entered into a sale and purchase agreement to acquire an additional 20% interest in The Cancer Centre Pte Ltd ("TCC") for a consideration of S\$900,000 from Dr Wong Seng Weng (the "Transaction"). The consideration is satisfied by the issuance of 5,360,000 ordinary shares of the Company at an issue price of \$0.1679, representing a discount of 2.7% from the weighted average price of \$0.1725 of the shares traded on 6 May 2014, being the market day preceding the date of signing of the sale and purchase agreement.

Following the acquisition, TCC became an 80% owned subsidiary of the Company.

As at 31 December 2013, the net tangible asset value of TCC is approximately \$2,324,000. The consideration of S\$900,000 was arrived at a willing buyer and willing seller basis and after taking into consideration of the track records, the net tangible assets of TCC as at 31 December 2013, the financial performance and potential business growth of TCC. No valuation was conducted for TCC in relation to the Transaction.

The Transaction is not expected to have material impact on the consolidated net tangible assets or earnings per share of the Group for the financial year ending 31 December 2014.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

By Order of the Board

Dr Beng Teck Liang
Chief Executive Officer
7 May 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the "**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**"). The Sponsor has not independently verified the contents of this announcement, including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes 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.

*The contact person for the Sponsor is Mr. Liao H. K.
Telephone number: 6221 0271*