

Singapore Medical Group and CHA Medical Group enters Australian market with majority stake acquisition of leading IVF specialist group City Fertility Centre

- Investment in Australia's fourth largest IVF clinic group, with seven IVF centres and nearly 50 doctors in major cities nationwide including Brisbane, Melbourne, Sydney, Adelaide and the Gold Coast
- The CHA-SMG Consortium JV entity to acquire a 65% stake in CFC
- SMG's 20% investment into the Consortium to drive expansion of SMG's Pacific region footprint and generate significant synergies with its existing specialist practices
- Combination of CFC's market presence, CHA's globally renowned expertise in reproductive medicine and SMG's exceptional network across Southeast Asia instantly creates a leading specialist IVF platform to actively pursue growth opportunities throughout the Asia-Pacific region

Singapore, 31 January 2018 – SGX-listed Singapore Medical Group (“SMG” or “the Group”), a multi-disciplinary specialist healthcare services provider has announced a strategic move in a new geography, Australia as the Group strengthens its In Vitro Fertilisation (“IVF”) specialist services through an investment in CFC Global Pty. Ltd. (“CFC”) alongside CHA Healthcare Co. Ltd., a subsidiary of CHA Medical Group (“CHA”) and a leading Korea comprehensive healthcare provider. CHA, through its wholly owned subsidiary, presently holds a 6.5% stake in SMG through its participation in the Group's S\$15 million share placement in 2017.



Pictured (L to R): Dr Beng Teck Liang, CEO SMG, Mr Adnan Catakovic, CEO of CFC and Mr Kyeong Wook Yoon, CEO of CHA Healthcare

As announced via SGXNet on 30 January 2018, SMG has subscribed for 20% equity interest in a joint venture company, CHA SMG (Australia) Pte. Ltd. (“CHA-SMG Consortium”), to explore and invest in

acquisition opportunities in Australia. On 31 January 2018, the CHA-SMG Consortium, via its wholly owned subsidiary, has entered into a Share Purchase Agreement, to acquire a 65% stake in CFC. Upon completion, SMG will have an effective interest of 13.0% stake in CFC through this earning accretive investment.

The consideration was arrived at on a willing buyer and willing seller basis after arm's length negotiations between CHA-SMG Consortium and the existing shareholders of CFC, after taking into account, inter alia, prevailing market conditions, the business prospects of CFC and the capabilities and synergies between CHA-SMG Consortium and CFC.

Underpinned by CHA's position as the one of the largest IVF service providers in Asia with hospitals in Korea and the U.S., the Group's capabilities will be further strengthened with the addition of a leading Australian IVF franchise. CFC owns and operates City Fertility Centre, one of Australia's largest privately owned IVF businesses with seven clinics located in Brisbane, Melbourne, Adelaide, Sydney and the Gold Coast. Established in 2003, CFC's centres offer a full range of fertility services including pre-IVF solutions (such as intra-uterine insemination and ovulation induction), IVF, fertility preservation, family banking, genetic screening, LGBT services, egg freezing and egg and sperm donor programmes. Based on latest estimations, CFC holds more than 10% market shares in its key markets in Queensland, Victoria and South Australia.

Commenting on the Group's latest venture, Executive Director and CEO Dr. Beng Teck Liang, *"A growing number of delayed pregnancies among women, rising awareness pertaining to infertility, and the availability of favorable reimbursement systems are driving aggressive growth in the global IVF market. Further propelling this growth are rapid technological advancements and an increase in medical tourism as couples seek to realise their dreams of parenthood. Against this backdrop, we are delighted to be partnering with CHA and CFC to cater to this rising demand as we set foot into a new geography."*

Looking ahead, we expect this strategic partnership to reap cross-border synergies through technological knowledge share of best practices and an enlarged patient pool to drive referrals in countries such as Vietnam, where we continue to gain traction amid the rising demand for women's health. With this venture headquartered in our home ground Singapore, we are confident of forging an alliance with our new partners to build a platform to capture growth opportunities in Southeast Asia. Tapping on the expertise of both CHA and CFC will help to accelerate our growth whereby we have identified Vietnam as the natural target for progression in the region."

Adding on the strategic collaboration, Mr. Kyeong Wook Yoon, CEO of CHA Healthcare said, *"As strategic partner and shareholder of SMG, we are delighted to witness the Group's continued success in its growth as a regional healthcare specialist provider across the full care spectrum. Having forged our partnership to jointly pursue opportunities within Southeast Asia and beyond, our investment into CFC plays an important part in facilitating our long-term vision of having associated partners across different regions. In addition to our footprint in North Asia and the US, our latest investment in CFC will establish a network that now covers the entire Pacific Rim region."*

Going forward, CFC will be able to fully leverage on CHA's reputation for world-class fertility treatments and advances in reproductive medicine to propel itself up the value chain and gain market share. We are confident of having the right ingredients for success: SMG as the market conduit, CFC's outreach in Australia, and our value-add through medical technologies and expertise. Effectively, this partnership will create an entity positioned to lead the market regionally, with the potential to scale to both frontier and developed markets in the future."

– The End –

About Singapore Medical Group Limited

Incorporated in 2005 and listed on the Singapore Exchange Securities Trading Limited (SGX) since 2009, Singapore Medical Group (SMG) is a private specialist healthcare provider with an extensive network of 25 specialities, 36 clinics and SMG Associates clinics. The Group is committed to its promise of providing patient centred medical care and experience to every individual.

SMG's practices are strategically and conveniently located at Paragon Medical Centre, Mount Elizabeth Medical Center, Mount Elizabeth Novena Specialist Centre, Novena Medical Center, Novena Specialist Centre, OUE Downtown Gallery, Gleneagles Medical Centre, Farrer Park Medical Centre @ Connexion, and other locations at Bishan, Hougang, Jurong, Toa Payoh, and Tiong Bahru

SMG Clinics: The Lasik Surgery Clinic, The Dental Studio, The Wellness Suite An SMG Clinic, Lifescan Medical Centre, Lifescan Imaging, SMG Vision Centre, The Cancer Centre, The Obstetrics & Gynaecology Centre, SMG Specialist Centre, SMG Orthopaedic Group, SMG Urology Centre with Beng Surgery, Wellness & Gynaecology Centre by Dr Julinda Lee, and the Astra Women's Specialists Group, Kids Clinic and Children's Clinic

SMG Specialties: Aesthetic Medicine, Age Management, Anaesthesiology, Cardiology, Cardiothoracic Surgery, Dentistry, Dermatology, Endocrinology, General Medicine & Health Screening, Gastroenterology, General Surgery Infectious Diseases, Medical Oncology, Neurosurgery, Obstetrics & Gynaecology, Ophthalmology, Orthopaedic and Sports Surgery, Otorhinolaryngology (ENT), Paediatric Medicine, Pain Management, Plastic and Reconstruction Surgery, Psychology, Radiology, Traditional Chinese Medicine (TCM), and Urology

About CHA Medical Group ("CHA")

Based in Korea, CHA is one of Asia's leading private medical groups, encompassing the full healthcare spectrum from research and education to hospital and clinic care. CHA has a comprehensive healthcare platform including:

- 11 general & specialty hospitals in Korea with a total of c.1,500 beds;
- 27 research and educational institutions, including CHA University Medical School;
- 2 US healthcare facilities, including the largest privately owned for-profit general hospital in Los Angeles; and
- a leading therapeutic cell treatment clinic in Tokyo.

CHA today handles more than 2 million outpatient visits and 450,000 inpatient admissions annually, with a talent pool of approximately 1,200 physicians and 2,400 nurses globally.

CHA is widely renowned as a global leader in reproductive medicine and IVF, both through excellence in clinical research and in patient care. As Asia's leading experts in infertility, women's health and maternity care, CHA provides over 9,000 deliveries and approximately 20,000 IVF cycles annually. Key landmark achievements include Korea's first delivery of Gamete Intra Fallopian Transfer baby in 1986, world's first pregnancy from in vitro culture of immature oocytes collected from unstimulated ovaries in 1988, Korea's first delivery through intracytoplasmic sperm injection in 1993, world's first pregnancy from IVM-IVF in PCOS patient in 1995 and world's first delivery from vitrified-warmed oocytes using EM-grid in 1998 as well as numerous academic accolades for its cutting edge research.

For media enquiries, please contact:

Mr. Chong Yap TOK /Mr. James BYWATER

Financial PR

Tel: +65 6438 2990

chongyap@financialpr.com.sg

james@financialpr.com.sg

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The contact person for the Sponsor is Mr. Eric Wong, Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623, Telephone: +65 6337 5115.