

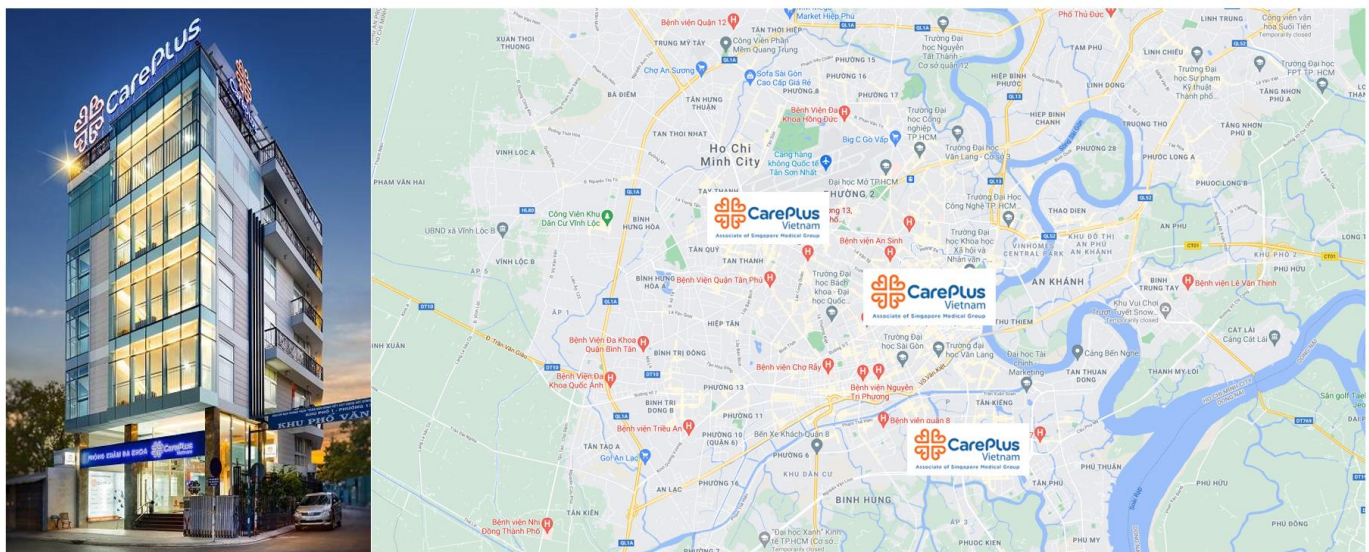
SMG increases its investment in Vietnam as it positions for its next phase of overseas growth

- SMG to fully acquire the 50% stake it does not own in its joint venture SMG International (Vietnam) Pte. Ltd. for an aggregate consideration of S\$3.04 million
- Upon completion, SMG will effectively increase its equity interest in CityClinic Asia Investments (“CCAI”), the entity which operates three medical centres in Ho Chi Minh City to 42%
- Following the investment, SMG intends to aggressively scale operations and expand its footprint in Vietnam to capture opportunities for growth amid rising private healthcare demand
- SMG’s increasing involvement in Vietnam will allow the Group to gain better access and control over Vietnamese medical tourists seeking treatment in Singapore
- Increasing SMG’s stake may potentially improve future earnings as CCAI expanded its number of medical centres from one to three while revenue grew more than 12 times from financial years 2016 to 2020

Singapore, 19 August 2021 – SGX-listed Singapore Medical Group (“SMG” or “the Group”), a multi-disciplinary specialist healthcare services provider with a growing regional network of healthcare facilities has announced the proposed acquisition of the 50% stake in SMG International (Vietnam) Pte. Ltd. (“SMG IV”) that it currently does not own for an aggregate consideration of S\$3.04 million.

Incorporated on 15 December 2016, SMG IV is a joint venture company established to explore and invest in potential growth and acquisition opportunities. Following the proposed acquisition, SMG will in turn effectively own a 42% stake in CityClinic Asia Investments Pte. Ltd. (“CCAI”). CCAI’s wholly-owned subsidiary, CityClinic Vietnam Limited (“CCVN”) holds a 100% foreign investor license for Vietnamese healthcare operations and runs the CarePlus Vietnam brand of medical centres.

Today, the CarePlus footprint spans strategically across Ho Chi Minh City including two 15,000 square feet centres in the Tan Binh District and District 7. More recently, CarePlus opened its third site which covers 10,000 square feet in Ho Chi Minh City’s prime District 1. These multidisciplinary specialist centres provides multi-disciplinary healthcare specialists services which focuses on health screening, women’s health, paediatrics and diagnostic imaging amongst others.



Pictured: Three strategically located clinics across Ho Chi Minh City has positioned CarePlus Vietnam as a leading specialist healthcare brand. The Group, in partnership with CCAI, continue to identify additional “spoke” locations to complement CarePlus Vietnam’s existing hub locations and capture patients amid rising specialist healthcare demand.



Pictured: Patient waiting rooms at CarePlus Vietnam's new prime District 1 10,000 square foot medical centre



Pictured: Paediatric and Women's Health consultation rooms at CarePlus Vietnam in District 1

The Unique Opportunity Vietnam Presents

Vietnam remains one of the fastest growing economies in Southeast Asia with real domestic GDP growth expected to average a rapid 6.1% annually from 2019-2025¹. Against this backdrop of a rapidly advancing economy, a large pool of expatriates, alarming rates of cancer and a total fertility rate of 2.0 which is amongst the highest in Asia and almost double that of Singapore's 1.1 total fertility rate², Vietnam presents a unique opportunity for the Group's next phase of overseas growth.

Vietnam's current economic and demographic transformation provides great potential for its healthcare industry. In 2019, Vietnam's healthcare expenditure was approximately US\$17 billion, equivalent to 6.6 percent of its GDP according to Fitch Solutions. The firm also expects healthcare spending to reach US\$23 billion in 2022 representing a compound annual growth rate of 10.7 percent³.

Furthermore, current gaps in Vietnam's public healthcare system have created opportunities for private providers to get involved. Acknowledging its limitations in meeting the growing demand for healthcare services, Vietnam's government aims to have private providers take on a more prominent role in the healthcare service market.

Commenting on the Group's additional investment into Vietnam, **Executive Director and CEO Dr. Beng Teck Liang** said, *"As the demand for premium healthcare services in Vietnam continues to rise, our latest investment will ensure that we are well positioned to expand our operations in core competencies such as women's health, paediatrics, oncology and other specialist verticals."*

Since our initial entry into Vietnam in 2017, we have grown CarePlus' footprint from one medical centre to three while growing revenue more than 12 times over the period⁴. As we increase our interest in Vietnam, we are also positioning the Group to potentially improve future earnings with the additional stake in this rapidly expanding business.

Finally, this investment further cements our focus and aspirations as a regional healthcare player. Historically, a significant portion of our medical tourist revenue has come from Vietnam. Thus, increasing our involvement with CCAI will create a patient referral system that will enhance cross-selling opportunities in key specialist segments such as oncology and cardiology. Accordingly, we will gain better access and control over Vietnamese patients seeking medical treatment in Singapore once travel corridors are established."

¹ Economist Intelligence Unit, 2021

² [World Bank Data: The World Bank, Fertility rate, total births \(per woman\) – Vietnam](#)

³ [Vietnam Briefing, Why Investors Should be Optimistic About Vietnam's Healthcare Industry, 12 March 2021](#)

⁴ The CCAI business has grown from one (1) clinic to three (3) clinics and CCAI's revenue has grown from US\$300,000 in the financial year ended 2016 to US\$3,700,000 in the financial year ended 2020 despite the negative impact from COVID-19 in Vietnam.

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About Singapore Medical Group Limited (“SMG”)

Incorporated in 2005 and listed on the Singapore Exchange since 2009, SMG is a private specialist healthcare provider with an extensive network of more than 45 owned and associated clinics covering over 25 medical specialties. The Group has a growing regional presence in Ho Chi Minh City in Vietnam, Jakarta and Surabaya in Indonesia and across multiple cities in Australia following several investments and joint ventures with strategic partners.

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

SMG Clinics: LSC Eye Clinic, The Dental Studio, Lifescan Medical Centre, Lifescan Imaging, The Cancer Centre, The Obstetrics & Gynaecology Centre, SMG Specialist Centre, SMG Urology Centre with Beng Surgery, Wellness & Gynaecology Centre by Dr Julinda Lee, Astra Women's Specialists, Kids Clinic, Astra Laparoscopic & Robotic Centre for Women and Fertility, Cardiac Centre International, SW1 Clinic, The Breast Clinic and SMG Diabetes, Thyroid and Endocrine Clinic.

For more information, please visit <https://smg.sg/>

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This press release has been prepared by Singapore Medical Group Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (the “Sponsor”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalyst.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this press release.

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