

Singapore Medical Group welcomes leading Korean healthcare group CHA as strategic shareholder with S\$15.0 million investment

- SMG will use the bulk of the proceeds to aggressively explore further organic and inorganic growth opportunities in Singapore and the Southeast Asian region
- Marking its inaugural investment in Southeast Asia, CHA to emerge as 4th largest shareholder in SMG¹ with a 8.8% stake via subscription of 30.0 million new ordinary shares at S\$0.50 per share
- Taps CHA's highly regarded specialisations in Obstetrics & Gynecology and reproductive medicine for cross-border synergies with near-term projects in Vietnam, Singapore and other key Asian markets; anchoring SMG's position as a pan-Asia private healthcare specialist

Singapore – 17 February 2017, SGX-listed Singapore Medical Group Limited ("SMG" or "the Group"), a multi-disciplinary specialist healthcare services provider has announced the signing of a collaborative agreement which welcomes CHA Healthcare Co., Ltd. ("CHC"), the international subsidiary of leading Korean comprehensive healthcare provider CHA Medical Group ("CHA"), as a major strategic shareholder with a S\$15.0 million placement.

SMG plans to use the proceeds to aggressively explore further organic and inorganic growth opportunities in Singapore and the Southeast Asian region as it transforms into a pan-Asia private healthcare specialist. Pursuant to the agreement, SMG and CHA will jointly pursue strategic initiatives in Singapore, Vietnam and other key markets across Southeast Asia.

The Group will issue 30.0 million new ordinary shares to CHC at S\$0.50 per share via a private placement. This investment will see CHC emerge as the Group's 4th largest shareholder with a 8.8% stake of the enlarged shareholding base and its largest strategic equity partner.

Established in 1960, CHA opened its first Obstetrics & Gynecology ("O&G") practice in Seoul, South Korea and has developed over the past six decades into one of Asia's leading medical groups, encompassing the full healthcare spectrum from research and education to hospital and clinic care. At present, CHA has a comprehensive healthcare platform including:

- 10 general & specialty hospitals with a total c.1,500 beds and 4 medical check-up centers in Korea
- 2 healthcare facilities in the United States including CHA Hollywood Presbyterian Medical Center, one of the largest private general hospitals in Los Angeles with 434 beds and c.3,500 deliveries annually
- 1 therapeutic cell treatment clinic in Tokyo, Japan
- 27 research and educational institutions including CHA University Medical School
- More than 2 million outpatient visits and 450,000 inpatient admissions annually
- c.1,200 physicians and c.2,400 nurses globally

Over the years, CHA has received worldwide recognition and accolades for its excellence in clinical research and accomplishments in the fields of reproductive medicine and O&G. CHA is widely recognised as Korea's leading expert in infertility, women's health and maternity care, with c.6,000 deliveries and c.12,000 IVF cases annually. CHA also operates "CHA Bio Group" which includes 2 companies listed on the Korea Exchange and primarily focused on cell therapy and pharmaceuticals with a combined market capitalisation of S\$1,240.4 million as of 15 February 2017.

¹ Based on the enlarged shareholding with 341.0 million ordinary shares.

Commenting on the Group's latest partnership, CEO and Executive Director Dr. Beng Teck Liang said, *"In the region, there is a sizeable Korean community that seeks high quality healthcare with a strong preference for Korean-affiliated services that we can tap into. In Singapore and Vietnam, two markets which we operate in, there is a large and growing market of Korean expatriates. With a lack of services targeted specifically to the Korean community, we are excited to explore opportunities to meet their healthcare demands and privileged to partner with the internationally renowned CHA."*

With CHA's reputation for world-class fertility treatments and advances in reproductive medicine, this partnership will also propel the Group up the value chain in providing our O&G patients with a more comprehensive suite of services. For example, the demand for procedures such as IVF has increased significantly due to rising maternal age, government support and medical tourism. This trend will continue to grow exponentially as technological advances improve the success rate of treatments. Leveraging on CHA's expertise we will also explore innovative reproductive techniques such as egg freezing in the region as we elevate towards becoming a pan-Asian platform."

Kyeong Wook Yoon, CEO of CHC also added: *"We are equally honoured to participate in SMG's continued success and relish the opportunity to develop a pan-Asian partnership. We have observed SMG's exceptional growth trajectory and believe that the Group embodies the excellence of Singapore's healthcare industry."*

Being our inaugural investment into the Southeast Asian region, this placement represents our strong conviction about SMG's ability to tap into new markets. We will leverage on SMG's managerial and operational expertise to help drive a number of exciting initiatives in the region along with a pipeline of near-term projects."

As a global leader in fertility and reproductive sciences, we have identified Southeast Asia as a market with immense potential. SMG has a strong focus on women's health and its existing infrastructure and network will allow us to develop our Southeast Asian platform into a key hub alongside our flagship facilities in Korea and the US."

Following the Group's recent foray into the Vietnamese private healthcare market, SMG will provide strategic counsel to CHC as it aims to set up Korean family medical clinics in Vietnam. Additionally, the two companies will seek to jointly pursue the potential set up of other primary and specialised care facilities locally and in adjacent markets.

Closer to home, both parties will work on several key initiatives in Singapore, potentially including the establishment of a Korean clinic group focused on outpatient and specialist services catering to Korean and other foreign residents. The partnership will also leverage on CHA's extensive know-how in O&G and seek to establish IVF and reproductive services businesses, as well as exploring other practices which could potentially leverage CHA's broad capabilities.

Similarly, in North Asia, SMG and CHA will actively cooperate towards developing a global IVF center of excellence to provide international patient care and train physicians on CHA's technologies and practices, amongst others. As part of the agreement, both parties will leverage each other's network and expertise when exploring future investments and potentially co-invest in new projects across the region.

– 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 24 specialities, 29 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 Centre, Mount Elizabeth Novena Specialist Centre, Novena Medical Centre, Novena Specialist Centre, The Arcade, Gleneagles, Farrer Park Medical Centre @ Connexion, and other locations at Bishan, Hougang, Jurong, Raffles Place, and Redhill.

SMG Clinics: The Lasik Surgery Clinic, The Dental Studio, The Wellness Suite An SMG Clinic, Facedoctor Aesthetic & Laser, Dr L Dermatology Aesthetics & Facial Plastic Surgery, The Skin Specialist, Lifescan Medical Centre, Lifescan Imaging Centre, Singapore Vision Centre, 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

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), Pain Management, Plastic and Reconstruction Surgery, Psychology, Radiology, Traditional Chinese Medicine (TCM), and Urology

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