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CHA to increase stake in SMG to 24.13%; jointly create the largest fertility and women's health platform in Asia-Pacific region

- SMG to leverage CHA's scientific and clinical excellence in reproductive medicine, women's health and wellness care
- Provides regional patients with broader access to premium fertility treatment centers in Korea, Singapore, Australia and the US
- Achieves a diversified clinical network in the Pacific Rim to address growing patient demand from Southeast Asia and Greater China
- Leverage CHA's long track record in premium wellness treatments with SMG's expertise in key wellness verticals such as oncology and aesthetics to develop Asia's premier platform for anti-aging & preventative care
- Near-term, the CHA-SMG strategic relationship plans to jointly pursue earnings accretive opportunities in Southeast Asia and other overseas markets, with the proceeds from a concurrent S\$10 million convertible loan issuance applied towards both organic and inorganic initiatives

Singapore, 20 February 2019 – SGX-listed Singapore Medical Group ("SMG" or "the Group"), a multi-disciplinary specialist clinic group with a leading network of healthcare facilities across Southeast Asia, announced that CHA Healthcare Singapore Pte Ltd ("CSG"), an international subsidiary of leading Korean comprehensive healthcare group CHA Health Systems ("CHA"), will increase its stake in SMG from 6.86% to 24.13% through the purchase of existing shares from certain shareholders in a S\$50 million investment.

Founded in 1960 and headquartered in Seoul, CHA is one of the largest and most diversified private healthcare service groups in Asia and one of the world's most respected names in reproductive medicine, women's health, stem cell research and wellness care. CHA is a premier global brand in fertility treatment, having been an international research and clinical pioneer since the early 1980s under the leadership of Dr Kwang Yul Cha. CHA has achieved many of the formative milestones in reproductive medicine history including the pioneering of IVM procedures, the world's first successful IVF treatment using vitrified oocytes and the first commercial ovum bank in the US. Today, CHA performs more than 25 thousand cycles annually and continues to be recognized as a first-tier fertility leader through their exceptional research platform, treatments for complex cases, high pregnancy outcomes and cutting-edge patient services. CHA is also Korea's leading name in women's health and maternity care with more than 9,000 deliveries annually through its global network.

As a group, CHA currently operates 26 general hospitals and medical centers in 6 countries around the world, with more than 1300 doctors, 2500 nurses and 500 researchers and medical staff and serving some 3 million patients annually. In the US, CHA operates the largest privately owned, for-profit general hospital in Los Angeles, located in Hollywood. CHA's flagship hospitals and medical centres are situated in prime locations across the Pacific Rim, including the Gangnam area of Seoul, Sydney and Tokyo Bay. In addition to its clinical services, CHA provides a comprehensive suite of world-class wellness care including personalized medical checkups and immunotherapy treatments applying CHA's leading stem cell research. The CHA global platform covers 44 research institutions including a dedicated medical university system in Korea and 30 commercial companies including two listed on Korea Exchange (Kosdaq) with a combined market capitalization of S\$1,888 million as at 19 February 2019.

In early 2017, CHA and SMG first formalized their strategic relationship when CSG became a significant shareholder in the Group through a S\$15 million private placement. The two parties have since worked closely together on a number of strategic initiatives to support the Group's growth and to cooperate on joint regional expansion opportunities. In March 2018, SMG and CHA jointly acquired a majority stake in City Fertility Centre, a leading fertility specialist group in Australia. Under this joint stewardship, the Australian platform is rapidly developing into a market leader in terms of growth and patient outcome standards.

By combining the fertility and women's health expertise from CHA and SMG's strong regional O&G platform, the enlarged Asia Pacific network will provide broader clinical access in key developed countries to medical tourists from across Southeast Asia, Greater China and other fast-growing populations. In the near term, the CHA-SMG strategic relationship will actively pursue projects in Vietnam, Singapore, Oceania and other key Pacific Rim markets to address the fast-growing demand for high quality services amidst a trend of diminishing fertility. SMG intends to leverage on this strategic relationship to build out its existing Astra O&G network and establish Asia's largest reproductive medicine platform, in part by expanding upon SMG's existing footprint in Vietnam, Indonesia and Malaysia, with Singapore as the regional centre of excellence and repository hub for global expertise from Korea, Japan, Australia and the US.

Commenting on SMG's latest initiative, CEO and Executive Director Dr Beng Teck Liang said, *"With CHA's reputation for world-class fertility treatments and advances in reproductive medicine, our strengthened collaboration is intended propel the Group further up the value chain with the most technologically advanced and comprehensive suite of services in the world. This strategic relationship with CHA provides the catalyst to further fuel SMG's growth globally. Already, we are working on an exciting pipeline of projects that will expand and strengthen our geographical footprint in both developed as well as high-growth markets where there is clear demand."*

The benefits from our strong relationship were already clear from our past endeavors together. I believe that our strengthened relationship will provide boundless new opportunities as we are able to reap cross-border synergies through the creation of technological knowledge share of best practices while gaining access to a patient referral network that extends across the entire Pacific Rim. Having laid a strong foundation in Singapore and markets such as Vietnam and Indonesia, our SMG story continues to unfold. This is just the beginning and we are delighted to be working with CHA to accelerate our growth initiatives aimed at enhancing long-term shareholder value."

At the same time, the expanded strategic relationship will leverage CHA's expertise in personalized anti-aging care and Korea's renown in dermatology and aesthetics to further expand SMG's strong market leadership in key verticals such as oncology and aesthetics. For example, the strategic relationship envisages close collaboration between Chaum Wellness Center, CHA Evercell beauty rejuvenation programs and SMG's SW1 aesthetics business to provide patients with a seamless premium care experience. There are also expected to be patient synergies between SMG's oncology business and CHA's Tokyo Cell Clinic, amongst other services. The CHA-SMG combination is expected to lay the foundation for Asia-Pacific's first dedicated platform for comprehensive wellness care covering the entire anti-aging, beauty and preventive care spectrums.

Over the next few years, the strategic relationship plans to actively pursue new investment opportunities in select jurisdictions in both developed and emerging markets that can optimize the latent synergies and provide a balanced growth trajectory. **Dr Beng added,** *"Today, we are a regional player in Southeast Asia with global ambitions. This investment and strategic relationship allows us to readily realise this ambition. We are now part of a global collaboration platform which is growing not just in Southeast Asia and the South Pacific, but in developed markets in North Asia and further afield in the US and elsewhere."*

Elaborating on the potential of the relationship's various initiatives, **Mr. Kyeong Wook Yoon, CEO of CSG commented,** *"As a strategic shareholder of SMG, we are delighted to have witnessed the Group's continued success and development into a regional healthcare specialist provider across the full care spectrum. Given the Group's demonstrable track record for both domestic and regional growth coupled with its market leadership positions in key verticals such as women's and children's health, diagnostic imaging, oncology and*

aesthetics, SMG clearly has exciting upside potential relative to its value today. We share the same joint ambitions to accelerate the development of this pan-Asian strategic relationship into a global one.

With CHA's combined women's health and IVF network spanning the US, North Asia and our joint venture with SMG in Oceania, along with the ramp up of our investment in SMG, this latest investment represents our strong conviction to benefit from SMG's ability to expediently tap into new markets and thrive. We currently have advanced plans to drive a number of exciting initiatives around the world together and wholly welcome the opportunity to work constructively with SMG."

To increase its stake in SMG, CHA will be purchasing a portion of existing shares from certain key shareholders in the Group including Non-Executive Chairman Mr Tan, CEO and Executive Director Dr Beng Teck Liang and Executive Director Dr Wong Seng Weng who also heads the Group's oncology practice. All three individuals will remain with the Group for the long-term in their current positions and will continue to drive strategic initiatives as both shareholders and principals. Both Mr Tan and Dr Beng will remain as substantial shareholders in the Group with a 7.47% and 6.76% stake respectively while Dr Wong will hold 2.09%.

To support SMG's business expansion plans, CHA will also enter into a S\$10 million convertible loan agreement with SMG. If the convertible loan is converted in full, the number of new shares to be allotted and issued by the Company will be 23,640,662. This represents approximately 4.92 percent of the issued and paid-up share capital of the Group as at 20 February 2019. The conversion price of S\$0.423 represents a 6% discount over the closing price of SMG's shares on 19 February 2019.

SMG will use proceeds from the issuance of the convertible loan to further pursue earnings accretive organic and inorganic opportunities 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 a comprehensive range of multidisciplinary specialties and an extensive network of Specialist and Associate doctors situated across clinics in Singapore. 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 Center, OUE Downtown Gallery, Gleneagles Medical Centre, Farrer Park Medical Centre @ Connexion, and other locations at Bishan, Hougang, Jurong, Toa Payoh, Tiong Bahru, Bedok and Punggol.

SMG Clinics: LSC Eye Clinic, The Dental Studio, Lifescan Medical Centre, Lifescan Imaging, SMG Vision Centre, 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 and SW1 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

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