



Singapore Medical Group strengthens presence in the Asia-Pacific region with controlling stake in leading Australian IVF group

- *As part of a corporate strategic initiative to enhance SMG's business portfolio and streamline the organizational structure, SMG will acquire a controlling stake in Australia's City Fertility from Korea's CHA Healthcare in exchange for additional shares in TLW, the sole shareholder of SMG*
- *CHA Healthcare, which owns an existing equity interest of 42.4% in TLW, will see its stake increase to 64.2% as the strengthened CHA-SMG partnership looks to accelerate strategic growth initiatives in APAC*
- *Transaction will significantly enhance shareholder value for TLW's existing shareholders with 300%+ increase in EPS and 30%+ increase in NAV per share*
- *Following SMG's delisting from the SGX-ST, this latest initiative solidifies SMG's positioning as a major pan-Pacific healthcare group with operations in four countries and broadened service offerings in IVF and Women's Health*
- *Leveraging CHA's industry-leading fertility and women's health expertise, CHA-SMG partnership to continue exploring growth opportunities in new APAC markets to meet rising demand for high-quality reproductive treatments and family-centric healthcare*

Singapore, 16 August 2024 – TLW Success Limited (“TLW” or the “Company”), the holding company of the former SGX-listed Singapore Medical Group (“SMG” or the “Group”), has today announced a corporate reshuffling initiative with its largest shareholder, CHA Healthcare Singapore Pte Ltd (“CHA Asia”).

As part of this corporate reorganization, CHA Asia will contribute its controlling 60.6% stake in Australia's City Fertility to SMG in return for additional shares in the Company. CHA Asia, which already owns an existing equity interest of 42.4% in TLW, will see its stake increase to 64.2% as the streamlined CHA-SMG partnership looks to accelerate strategic growth initiatives in the region.

Background

In 2018, SMG and CHA Asia jointly acquired a majority stake in City Fertility through a joint venture entity in which they respectively held 20% and 80% of the equity interests.

CHA Asia is an international subsidiary of CHA Medical Group, one of the world's most respected names in reproductive medicine, women's health, stem cell research and wellness care with presence in 7 countries including Korea, Japan, and the US. CHA Asia is also the Company's single largest shareholder with a 42.4% stake following its initial investment into SMG in 2017.

Under the CHA-SMG partnership's guidance, City Fertility has rapidly grown into one of Australia's leading IVF groups with revenue and profitability more than tripling since the investment and strong positions in key markets including Brisbane, Melbourne, Perth and Sydney.

Significant Enhancements to Shareholder Value

Under the proposed transaction, the Company will allot and issue new shares to CHA Asia in connection with SMG's acquisition of CHA Asia's 80% equity stake in the joint venture entity holding City Fertility shares. The transaction will allow SMG and CHA Asia to effectively consolidate their ownership in City Fertility for greater synergy and operational efficiencies, while maintaining the Company's cash reserves. Transaction completion is subject to shareholder approval.

The proposed transaction will be highly accretive, with existing TLW shareholders expected to benefit from a 3.1x increase in EPS from 1.4 Cents to 4.4 Cents and a 1.3x rise in Net Asset Value per share from 34.0 Cents to 43.8 Cents.

Commenting on the announcement, **SMG's CEO Dr. Beng Teck Liang** said, *"Leveraging on CHA's reputation for world-class fertility treatments and advances in reproductive medicine, City Fertility has made significant strides in successfully moving up the value chain and gaining market share in Australia. As growth has accelerated more than threefold since our initial investment, the time is right for us to consolidate our investment as we position for our next phase of growth."*

This latest initiative effectively solidifies SMG's positioning as a larger pan-pacific healthcare group with operations across four countries while enhancing our offerings in IVF and fertility services across the Asia-Pacific region. Against the backdrop of a growing number of delayed pregnancies among women and rising awareness pertaining to infertility, we are now ready to further scale this successful partnership in new markets where we see clear demand."

Mr. Chris Chung, CEO of CHA Asia, added, *"This transaction is an important next step in continuing to enhance SMG's value to shareholders and creating a uniquely differentiated model for the Group. At the same time, it is part of our strategic focus to fully leverage our collective global resources and unrivalled know-how in Reproductive Medicine and Women's Health to build a clear IVF market leader in the pan-Pacific region. Beyond the immediate financial and operational benefits of broader geographic and service offerings, we will be significantly enhancing our digital and data driven assets to deliver best-of-breed, next-generation care to our existing and future patients."*

Mr. Adnan Catakovic, CEO of City Fertility, added, *"This transaction will further enhance and solidify our outstanding working relationship with SMG. As City Fertility continues to grow strongly and increase our Australian market share, a more integrated partnership with SMG will provide us with an invaluable opportunity for tighter collaboration initiatives between our businesses. For example, we are excited to leverage SMG's broad service and geographic portfolios to explore new opportunities in attractive growth markets including Southeast Asia. At the same time, we share a strong patient focused ethos and will proactively leverage our combined operational strengths to build a dynamic marketing and patient engagement platform to optimise the patient experience across both businesses. We see this as a truly exciting next step forward for Australia and beyond."*

– The End –

About Singapore Medical Group Limited ("SMG")

Incorporated in 2005 and formerly listed on the Singapore Stock Exchange, SMG is a private specialist healthcare provider headquartered in Singapore 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, Vietnam, Jakarta, and Surabaya in Indonesia and across multiple cities in Australia following several investments and joint ventures with strategic partners.

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

About City Fertility ("CFC")

City Fertility is one of Australia's leading IVF & reproductive medicine groups with 13 IVF clinics, 50+ consulting suites, dedicated day hospitals and more than 60 highly skilled fertility specialists practicing nationwide across Queensland, Victoria, New South Wales and Western Australia. CFC provides seamless care across the full fertility spectrum for patients of all backgrounds, including international. CFC also offers a comprehensive range of support services including social egg freezing, surrogacy, sperm & egg donor programs, genetic testing and LGBT-friendly treatments. City Fertility is driven by cutting-edge research and global medical innovation alongside CHA Medical Group and delivers top-tier success rates using the latest advances in reproductive medicine.

For more information, please visit <https://www.cityfertility.com.au>

About CHA Medical Group (“CHA”)

Headquartered 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-based care. CHA has a comprehensive healthcare platform including:

- 16 general & specialty hospitals with approximately 2,300 beds;
- 23 research and educational institutions, including CHA University School of Medicine;
- Footprint in 7 countries including Korea, Japan and the US

CHA today handles more than 2.5 million outpatient visits and 450,000 inpatient admissions annually, with a talent pool of approximately 1,500 physicians and 3,000 nurses globally. CHA is widely renowned as a global leader in IVF and reproductive medicine, 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 12,000 deliveries and approximately 50,000 IVF cycles annually. Key landmark achievements include Korea’s first successful delivery of a test-tube baby at a private hospital in 1986, the world’s first pregnancy and birth using immature oocytes in 1989, the world’s first successful pregnancy and birth through vitrification method for oocyte cryopreservation in 1998 and the establishment of the world’s first egg bank in 1999, as well as numerous international academic accolades for pioneering research.

For investor or media enquiries, please contact:

James Bywater
Consultant
Singapore Medical Group
Email: investor.relations@smg.sg
Mobile: +65 94784937