



290 Orchard Road  
#14-03 Paragon  
Singapore 238859  
Tel: (65) 6887 4232  
Registration No: 200503187W

## **Singapore Medical Group acquires earnings accretive Astra Women's Specialists for S\$60.0 million**

- Five-year profit guarantee of minimum S\$4.6 million per year provides clear earnings visibility
- Total consideration of S\$60.0 million carries an implied valuation of 13.0x P/E, funded via the issuance of new shares at S\$0.33/share and the payment of S\$33.0 million in cash in three tranches
- Propels the Group's O&G practice to one of the largest in the private sector as it leverages on its scale, cross-selling opportunities and a patient base spreading across the heartlands

**Singapore – 11 October 2016**, SGX-listed Singapore Medical Group Limited (“SMG” or “the Group”), a specialist healthcare services provider with 23 existing clinics in Singapore wishes to announce that it has entered into an agreement to acquire the Astra Women's Specialist group of clinics.

The Astra Women's Specialist group of clinics comprises of six obstetrics and gynaecology (“O&G”) clinics along with five reputable doctors who will bring a wealth of experience to SMG. Along with a flagship clinic located at Mount Elizabeth Novena Specialist Centre and other branches located conveniently in prominent heartland locations, the acquisition will add additional scale to SMG's burgeoning O&G segment.

Upon completion of the acquisition, SMG will have eight O&G doctors making it one of the largest specialist practitioners in the private sector dedicated towards women's health and wellness. The five doctors coming on board will serve six year service agreements as the Group expands its offering into areas such as general O&G, fetal-maternal medicine, urogynaecology and in-vitro fertilisation.

For a total consideration of S\$60.0 million, this earnings accretive acquisition will be funded via the issuance of approximately 81,110,310 new shares at S\$0.33288/share<sup>1</sup> and a payment of S\$33.0 million in cash which will be paid in three tranches<sup>2</sup>. The deal also provides earnings visibility as it includes a minimum profit guarantee of S\$4.6 million per year over the course of a five-year-period.

Based on the profit guarantee of S\$4.6 million per year, the S\$60.0 million acquisition carries an implied Price-to-Earnings Ratio of 13.0.

Commenting on the Group's latest acquisition, CEO and Executive Director Dr. Beng Teck Liang remarked, *“Along with oncology, ophthalmology and diagnostic imaging, we identified our O&G segment as a key vertical in which we wanted to scale and grow our suite of services. This acquisition combined with our three specialists provides us with scale and access to a unique market segment in women's health. Astra's Women's doctors as part of this merger are all committed to working closely with us to identify and mentor talented specialists to further grow this segment.”*

*Astra's Women's hub and spoke model with its flagship clinic in Novena and outreach into prominent heartland areas such as Bishan and Hougang has led to the development of a large and established patient base while delivering excellent financial results over the past three years. Following the acquisition, SMG will have a total of eight O&G doctors as we aspire to be the leading specialist provider of women's health and wellness care in Singapore.*

<sup>1</sup> Represents a 5% discount to the volume weighted average price of S\$0.3504/share on 6 October 2016

<sup>2</sup> S\$0.1 million upon signing the agreement; S\$10.9 million upon completion of the acquisition expected to take place on 31 January 2017; S\$11.0 million after the first year of completion of acquisition; S\$11.0 million after the second year of completion of acquisition

*This value-driven, synergistic acquisition will enable us to further build upon our capabilities and presents a unique opportunity for us to leverage on our diverse network to promote cross-selling opportunities amongst the full suite of ambulatory care services we provide at our 23 existing clinics in areas such as cancer, dermatology, aesthetics and radiology.”*

The cash consideration of S\$33.0 million is intended to be funded by a combination of the Group’s internal resources and fund raising in the capital markets. SMG will update shareholders on any material developments and will make such announcements as and when appropriate.

**– 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 network of 30 specialties. The Group is committed to its promise of providing patient centred medical care and experience to every individual.

The Group currently has a total of 23 clinics strategically located in Paragon, Mount Elizabeth Novena Specialist Centre, Parkway East Medical Centre, Raffles Place, Connexion and Gleneagles Medical Centre with a growing network of SMG Associates clinics across the island.

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, 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 SMG ENT Centre Ear Nose Throat Face Neck.

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**For media enquiries, please contact:**

Mr. Chong Yap TOK /Mr. James BYWATER

Financial PR Pte Ltd

Tel: +65 6438 2990

[chongyap@financialpr.com.sg](mailto:chongyap@financialpr.com.sg) /

[james@financialpr.com.sg](mailto:james@financialpr.com.sg)

*This press release has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (the “Sponsor”), for compliance with the relevant rules of the SGX-ST, this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this press release.*

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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.*